

ICO completes its third benchmark of the year with a bond issuance amounting to EUR 1 bn (October 2023)

76% of the volume was placed among international accounts, with demand from Germany and Italy standing out. The order book registered orders from investors for more than EUR 2.3 bn. This oversubscription allowed the operation to close with a spread of 18 basis points over the Spanish Government Bond reference with the same maturity, thus narrowing the starting price from an initial guidance of 20 basis points.

By type of investor, banks accounted for 49% of the amount issued, followed by fund managers with 23% and central banks and official institutions with 19%

The transaction, which pays a coupon of 3.80%, was led by BBVA, Citi, Crédit Agricole and Santander. Bred Banque Populaire and Jefferies participated as co-leads.

Throughout 2023, ICO has raised EUR 6 bn with its medium and long-term funding program. It is expected to be the last ICO benchmark transaction in 2023.



ICO participates in a syndicated loan to Bruc for the construction of solar photovoltaic and wind generation plants in Spain (October 2023)



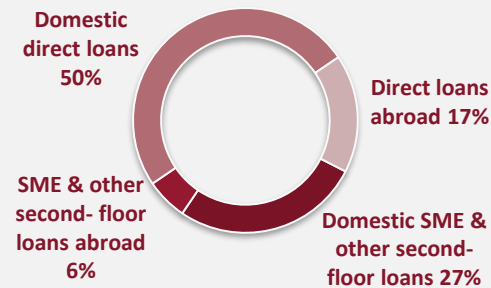
ICO has participated in a syndicated loan to Bruc Energy for a total amount of EUR 600 million that will allow the construction of a solar photovoltaic and wind power generation portfolio in Spain that will produce 8.5 gigawatts (GW). The plants aim to reach 5.3 GW in operational capacity by 2025.

ICO has participated with EUR 75 million, as structuring entity, along with six other banks. The loan is aligned with the Green Loan Principles of the Loan Market Association.

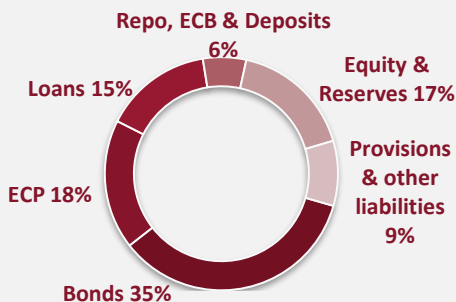
With these funds, Bruc will finance the construction of renewable generation plants in Aragón, Andalucía, Extremadura, Castilla-La Mancha and Castilla y León. ICO promotes the financing of renewable energy projects that boost the green transition, in accordance with the ICO Group's 2022-2027 Strategy and Spain's Recovery, Transformation and Resilience Plan. In the last two years, ICO has approved financing for more than EUR 2 bn for renewable energy projects.

ICO in figures

Loan Portfolio as at 30/09/2023



Liabilities breakdown as at 30/09/2023



Financial Highlights

	2020	2021	2022	30/09/2023*
Total assets (Mill. EUR)	34,386	37,766	29,775	32,396
Equity & reserves¹ (Mill. EUR)	5,202	5,354	5,515	5,669
Pre-tax profit (Mill. EUR)	97.55	171.70	178.11	310.47
Net interest income (Mill. EUR)	-10.63	104.55	125.73	245.85
Gross revenue (Mill. EUR)	88.22	181.86	204.58	316.92
Profitability (ROA)	0.29%	0.49%	0.53%	1.37%
Tier I Ratio	37.21%	35.36%	33.62%	28.31%
Non-Performing Loans				
Direct Loans	4.16%	3.81%	3.67%	3.33%
Total loans (incl. Second-floor)	2.33%	2.33%	2.31%	2.18%
Provision coverage ratio	145%	157%	171%	160%
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 2023

- **Expected total funding in 2023:**
EUR 6 bn
- **EUR benchmark transactions**
- **Promotion of the sustainability bond market: further issuance of Social and Green Bonds**
- **Short to medium maturities**

Funding activity

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

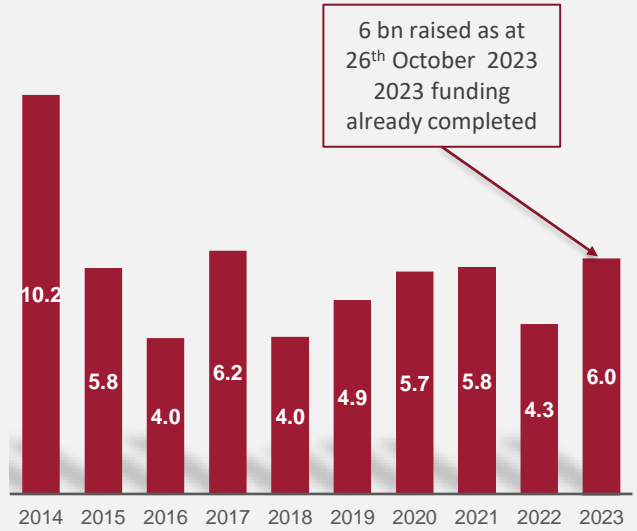
Explicit
Irrevocable
Unconditional
Direct

ICO's long term ratings

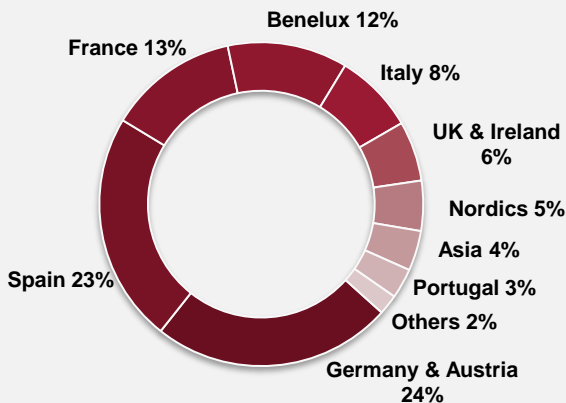
S&P	A / Stable
DBRS	A / Stable
Fitch	A- / Stable
Moody's	Baa1 / Stable

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

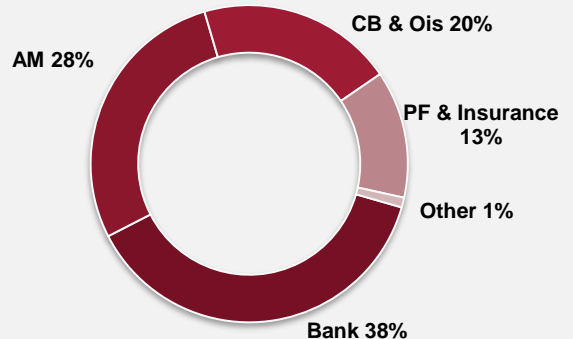


By region



Borrowing profile 2023 (benchmark transactions)

By investor type



Spanish Economy: latest figures

The **Spanish Statistical Office** has revised upwards its previous GDP estimations for 2022. As a result, **pre-Covid GDP level was recovered in Q3 2022** instead of Q2 2023 as previously thought. GDP was revised upwards from -11.3 to -11.2% for 2020, from 5.5 to 6.4% for 2021, and from 5.5 to 5.8% for 2022. **Most recent data** show the resilience of Spanish economy: GDP is still **growing at a good pace**: Q3 y/y growth was 1.8% (prev. 2.0%) and q/q 0.3% (prev. 0.4%). **Spain continues to perform better than other European economies.**

In September 2023, the **YoY change of HICP in Spain was 3.3%**, well below the Euro Area (4.3% yoy). Core HICP stood at 5.8% yoy in Spain in September (Euro Area: 5.5% yoy). The **labour sector continues on an upward trend according to the last Labour Force Survey**. Employment is well above pre-covid level, reaching a maximum high in 2Q23 with 21,3 million people working.

The **International Monetary Fund (IMF)** has released the **October 2023 edition of the World Economic Outlook (WEO)**. GDP will grow in Spain by 2.5% this year, well above the Euro Area (0.7%). This difference is partly attributed to the stronger weight of services in the Spanish economy. For 2024, the IMF foresees that GDP will grow by 1.7% in Spain (Euro Area: 1.2%). GDP growth for 2025 will be 2.1%.

The **Spanish Government** has also sent to the European Commission (EC) its **Budgetary Plan 2024**. GDP is forecast to grow by 2.4% this year, well above the prior estimation of 2.1%. For 2024, the Government foresees GDP growth of 2.0%. Growth will mainly rely on domestic demand (see table on the right). The Government also foresees that budget deficit will be 3.0% of GDP in 2024 and public debt ratio will diminish from 111.2% of GDP in Q2 2023 to 106.3% in 2024. The **Bank of Spain** also published its macro forecast, and its GDP estimations are in line with those of the IMF and the Government for both 2023 (2.3%) and 2024 (1.8%).

Lastly, the **EC has given a positive assessment of Spain's modified Recovery and Resilience Plan**. The modifications include a REPowerEU chapter and the use of the available loans in addition to the grants. Consequently, **the plan is now worth EUR 163 bn** (83 bn in loans and 80 bn in grants) and covers 111 reforms and 142 investments.

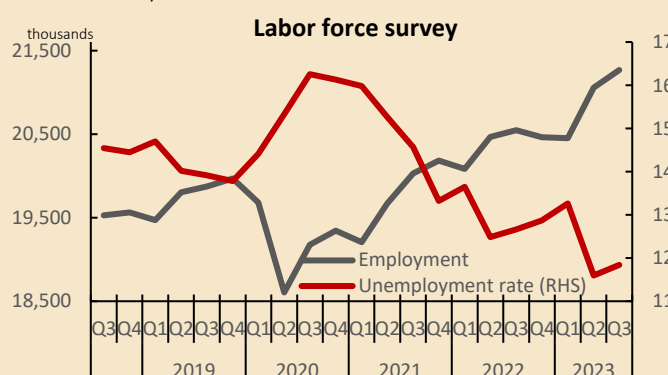


Source: INE

MAIN FEATURES OF SPAIN FORECAST

	2023	2024
GDP real (% change)	2.4	2.0
Private Consumption Expenditure	1.5	2.5
Government Consumption Expenditure	1.9	0.2
Gross Fixed Capital Formation, equipment goods	2.3	7.3
Gross Fixed Capital Formation, building	4.5	2.8
Exports	3.4	2.4
Imports	1.4	3.3
Domestic demand (contribution to GDP growth)	1.9	2.2
Net foreign balance (contribution to GDP growth)	0.8	-0.2
Total employment (full-time equivalent jobs)	2.2	1.4
Unemployment rate: % labour force	11.8	10.9
Net lending/borrowing of the Nation (% of GDP)	3.6	2.9
General Government lending/borrowing (% of GDP)	-3.9	-3.0
General Government debt (% of GDP)	108.1	106.3

Source: Ministry of Finance and Civil Service



Source: Spanish Statistical Office (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

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