

## ICO completes its first benchmark transaction in 2023 by raising €500 million in a new 5 year Green Bond

(February 2023)

ICO successfully completed its first benchmark transaction in 2023 by raising €500 million in a short 5 year Green Bond. This is the fifth Green Bond issued by ICO and brings the amount issued of these type of bonds to €2.5 billion, reinforcing ICO's commitment to the development of the sustainable bonds market.

Investors continue to demonstrate strong interest in ICO bonds, with the order book closing with a demand of over €4.5 billion - more than nine times the amount issued – with orders from 147 accounts.

With this transaction ICO continues consolidating its position as a benchmark issuer in the European sustainable bond market, with fourteen issues (9 social and 5 green) for a global amount of over € 7 billion channeled towards Spanish companies' projects to promote sustainable growth with positive social and environmental impact



## ICO invests in UCI securitisation for renovating and building residential homes using sustainable criteria

(April 2023)



ICO, along with the EIB Group, has invested in the Residential Mortgage Green Prado XI securitisation fund launched by Unión de Créditos Inmobiliarios (UCI), a joint venture between Banco Santander and BNP Paribas. ICO, EIB Group and UCI are joining forces to promote the renovation and construction of residential homes using sustainable criteria in Spain and Portugal. These green investments are part of UCI's sustainable financing strategy for individuals and condominiums.

ICO is investing €100 million in class A, while EIB Group will make an investment commitment of €240 million.

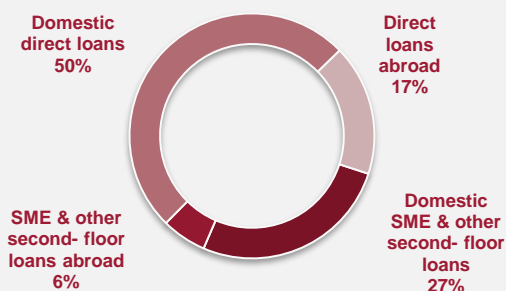
The project will contribute to climate change mitigation and is in line with the European Commission's Renovation Wave strategy. According to UCI estimates, the final energy savings generated by the total fund in Spain and Portugal are expected to be 396 GWh a year and 100,904 tonnes a year of CO2 (equivalent to the annual energy use of 28,937 households).

## ICO will celebrate the 7<sup>th</sup> edition of its Sustainable Bond Forum next June 8<sup>th</sup> in Madrid

Since its first edition in 2015, this event is aimed to bring together best-in-class, national, and international market players to discuss the latest opportunities and challenges in the Sustainable Bond market.

## ICO in figures

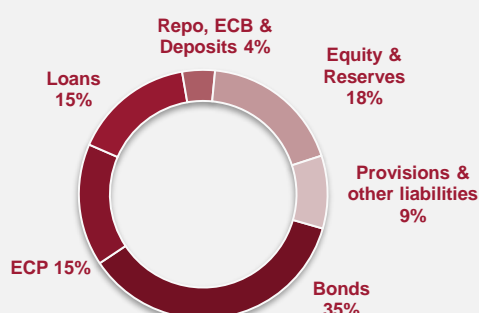
### Loan Portfolio as at 31/03/2023



### Financial Highlights

	2019	2020	2021	2022	31/03/2023*
<b>Total assets</b> (Mill. EUR)	31,823	34,386	37,766	29,775	27,925
<b>Equity &amp; reserves<sup>1</sup></b> (Mill. EUR)	5,257	5,202	5,354	5,515	5,724
<b>Pre-tax profit</b> (Mill. EUR)	149.25	97.55	171.70	178.11	129
<b>Net interest income</b> (Mill. EUR)	-28.06	-10.63	104.55	125.73	79.63
<b>Gross revenue</b> (Mill EUR)	90.53	88.22	181.86	204.58	91.97
<b>Profitability ROA</b>	0.44%	0.29%	0.49%	0.53%	1.75%
<b>Tier I Ratio</b>	41.11%	37.21%	35.36%	33.62%	31.94%
<b>Non-Performing Loans</b>					
Direct Loans	4.72%	4.16%	3.81%	3.67%	3.23%
Total loans incl. second floor loans	2.43%	2.33%	2.33%	2.31%	2.13%
Provision coverage ratio	168%	145%	157%	171%	169%
<b>Efficiency</b>					
Ordinary Expenditure/ATA	0.12%	0.12%	0.13%	0.14%	0.16%

### Liabilities breakdown as at 31/03/2023



(1) Eligible capital for solvency purposes.

\* 2023: Unaudited figures

Source: ICO

## Funding Policy for 2023

- **Expected total funding in 2023:**  
EUR 5-6 bn
- **Promotion of the sustainability bond market:**  
further issuance of Social and Green Bonds
- **EUR benchmark transactions**
- **Short to medium maturities**

## Funding activity

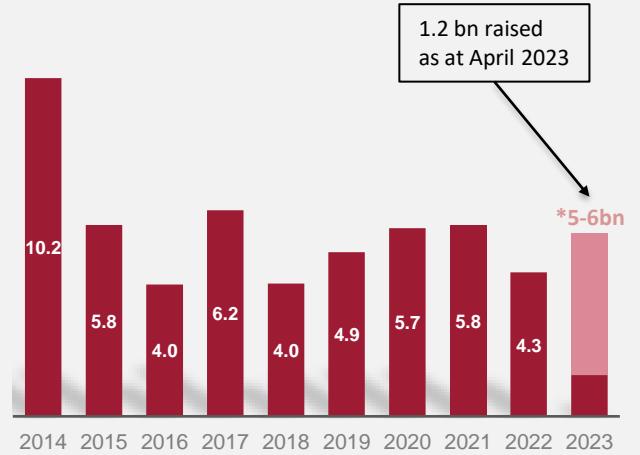
ICO enjoys the **guarantee** from the Kingdom of Spain which is defined in its bylaws as:

**Explicit**  
**Irrevocable**  
**Unconditional**  
**Direct**

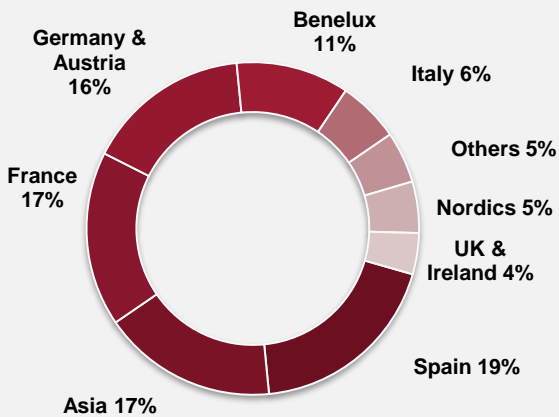
### ICO's long term ratings

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

### Funding Activity EUR bn

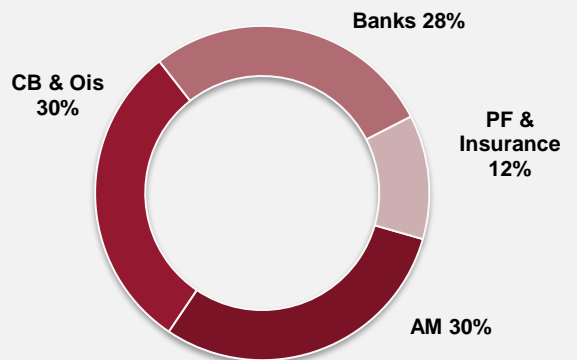


### By region



### Borrowing profile 2023 (benchmark transactions)

### By investor type



## Spanish Economy: latest figures and comments

**Spanish economy growth accelerated in the first quarter of 2023. GDP grew by 0.5% QoQ**, up by a tenth compared to the previous quarter, according to the data published by the Spanish Statistical Office (INE). **As compared with the same quarter of the previous year, growth was 3.8%**, higher than 2.9% YoY registered in Q4 2022. In Q1 2023, both **domestic demand** (contributing 1.3 percentage points) and **net exports** (contributing 2.5 percentage points) increased their contribution to economic growth. **Economic activity in Spain remains resilient** despite the ongoing effects of global uncertainties.

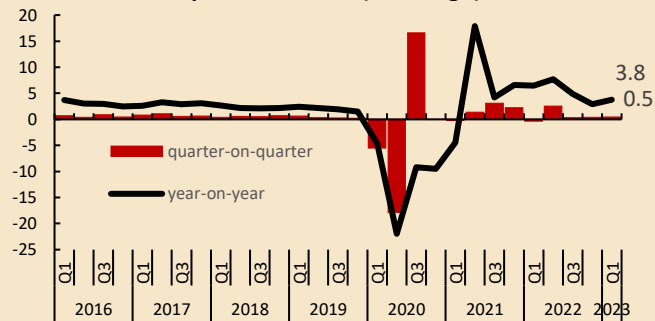
In the first quarter of 2023, the **labour market kept its positive trend**. According to the INE **Labour Force Survey**, in Q1 2023 the number of employed persons grew by 368,000 (1.8%) compared with Q1 2022. The growth rate was 1.2% higher compared to the previous quarter, in seasonally adjusted terms. Furthermore, the number of unemployed persons decreased by 1.5% YoY and the unemployment rate stood at 13.3% in Q1 2023, below the rate of 13.7% in Q1 2022.

**The moderation of the Harmonized Index of Consumer Prices (HICP) has continued in Spain in the first quarter of 2023**, which is partly explained by the base effect of comparing the inflation rate this year with the extremely high inflation rates of last year, especially in energy products, as a consequence of the outbreak of the invasion of Ukraine. Government measures (VAT rebates for basic items, electricity and gas tax reductions, among others) and the ECB monetary policy are also contributing to the moderation of prices. **Spanish HICP stood at 3.8% in April**, which is **lower than the Euro Area (EA) inflation rate (7.0%) for the eighth consecutive month**, due to a faster pace of moderation of Spanish inflation rate.

**The Spanish Government updated its macroeconomic forecast in the framework of the new Stability Programme sent to the European Commission**. Spanish Government forecasts a 2.1% growth in 2023, followed by a growth of 2.4% in 2024, 1.8% in 2025 and 1.7% in 2026. Therefore, the Spanish economy is projected to maintain robust growth during the period 2023-2026, driven by employment, domestic demand, and the Recovery Plan and it is projected to grow above its peers in Euro Area, also according to the last projections of other institutions such as the International Monetary Fund (IMF).

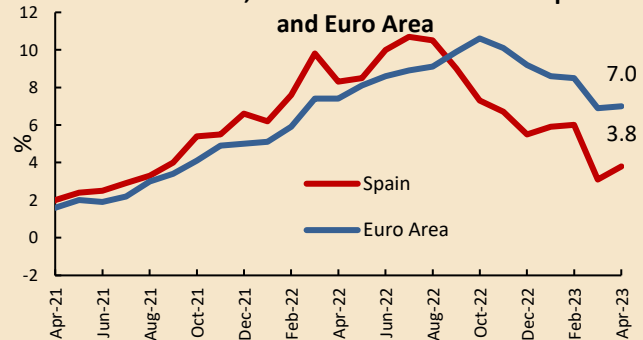
In 2022 the **Spanish fiscal balance** was -4.8% of GDP, down from -6.9% in 2021. Public debt decreased from 118.3% of GDP in 2021 to 113.2% in 2022. **The path of fiscal consolidation will continue in the coming years, according to the Stability Programme**: the fiscal balance is projected to decrease to 3.9% in 2023 and further to 3% in 2024.

Spain: Real GDP (% change)



Source: INE

Annual HICP, base 2015. Overall index. Spain and Euro Area



Source: Eurostat. Flash estimate for April 2023.

### MAIN FEATURES OF SPAIN FORECAST

	2022	2023	2024	2025	2026
GDP real (% change)	5.5	2.1	2.4	1.8	1.7
Private Consumption Expenditure	4.4	2.1	3.0	1.7	1.9
Government Consumption Expenditure	-0.7	1.9	0.9	0.7	0.8
Gross Fixed Capital Formation	4.6	0.9	5.0	2.4	0.9
Exports	14.4	1.5	2.5	2.2	1.9
Imports	7.9	0.7	3.9	1.9	1.3
Domestic demand (contribution to GDP growth)	3.3	1.7	2.9	1.6	1.4
Net foreign balance (contribution to GDP growth)	2.4	0.4	-0.5	0.1	0.3
GDP nominal (% change)	10.0	6.1	5.9	3.9	3.6
GDP deflator	4.3	4.0	3.5	2.1	1.9
<b>LABOUR MARKET (% change total employment)</b>	<b>2.8</b>	<b>2.2</b>	<b>2.6</b>	<b>1.9</b>	<b>1.7</b>
Total employment (full-time equivalent jobs)	3.8	2.1	2.3	1.6	1.5
Unemployment rate: % labour force	12.9	12.2	10.9	10.3	9.8

Source: Ministry of Economic Affairs and Digital Transformation. Stability Programme 2023-2026.

## Contact us

Investors can find further information at: [https://www.ico.es/web/ico\\_en/ico/investor\\_relations](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](mailto:investors@ico.es)

Bloomberg site: ICO <GO>

