



Rating Action: Moody's Ratings upgrades ICO's backed senior unsecured ratings to A3

29 Sep 2025

Madrid, September 29, 2025 -- Moody's Ratings (Moody's) has today upgraded Instituto de Credito Oficial (ICO)'s backed senior unsecured ratings to A3 from Baa1 and the backed senior unsecured MTN rating to P(A3) from (P)Baa1. Concurrently, we have changed the issuer outlook on ICO to stable from positive.

RATINGS RATIONALE

The upgrade of ICO's backed senior unsecured debt ratings to A3 from Baa1 reflects the upgrade of Spain's sovereign debt ratings to A3 from Baa1, given that ICO's liabilities are explicitly, irrevocably, directly and unconditionally guaranteed by the Government of Spain. In light of this guarantee, the bank's ratings qualify for a credit substitution approach which is based on a full-risk transfer to the guarantor (i.e. the Spanish sovereign). The guarantee has a statutory nature and any modification would need to be enacted by law.

The issuer outlook on ICO has been changed to stable from positive, reflecting the stable outlook on the Spanish government as guarantor.

A comprehensive review of all credit ratings for the respective issuer(s) has been conducted during a rating committee.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

As guaranteed ratings, an upgrade or downgrade of ICO's long-term debt ratings would be prompted by a change in Spain's sovereign ratings.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Government-related Issuers published in May 2025 and available at <https://ratings.moody.com/rmc-documents/443641>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moody.com/rating-definitions>.

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to the same class of Credit Rating.

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