MOODY'S
RATINGS

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.moodys.com/rmc-documents/443641. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.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.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the UK and is(are) endorsed for use in the UK in accordance with the UK CRA Regulation.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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