Instituto de Crédito Oficial

Investor Newsletter

August 2026

ICO successfully issues its 8th green bond, its first benchmark transaction of 2026 (May 2026)

ICO has launched its eighth green bond, amounting to €500 million with a five-year maturity. The high level of demand allowed the spread over the equivalent Treasury benchmark to tighten from the initially indicated 9 basis points to 4 basis points, the narrowest spread achieved by ICO in a public issuance.

The public transaction attracted strong investor demand, with orders exceeding €3.3 billion. The order book ultimately closed at over €3.25 billion, more than six times oversubscribed. Following this transaction, ICO reaches a total of €4 billion raised through green debt transactions and €10.05 billion in sustainable issuances – both green and social – consolidating its position as a benchmark issuer in the green and social bond markets since its debut in 2015.

The joint lead managers for this green bond were BNP Paribas, Crédit Agricole (CIB), Citi, HSBC and Santander.

ICO brings together international investors and issuers at the 10th Sustainable Bond Forum (June 2026)

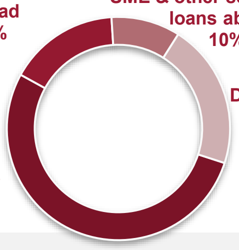
In June, ICO held the tenth edition of the Sustainable Bond Forum, an event that has, over time, established itself as a reference for international issuers, investors, financial institutions, agencies and other representatives of the sustainable finance market.

The event was opened by the Chairman of ICO, Manuel Illueca, and featured the participation of Carla Díaz Álvarez de Toledo, General Director of the Treasury and Financial Policy; Nicholas Pfaff, Deputy CEO and Head of Sustainable Finance at ICMA; and Alejandra Kindelán, Chair and CEO of the Spanish Banking Association (AEB). Attendees also had the opportunity to attend an interview with Helena Viñes, Chair of the EU Platform on Sustainable Finance, Co-Chair of the Working Group on Net-Zero Policies and Member of the Board of the National Securities Market Commission. Additionally, three roundtable discussions took place: “Social bonds in evolution: real impact, reliable data and market expectations”; “From Green Assets to Green Transition: Rethinking the Scope of Green Bonds” and “Financing the Climate Reality: Adaptation Becomes Investment Grade”.

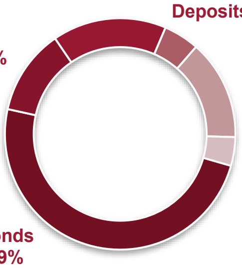
The Forum, organised by ICO in collaboration with BBVA, Crédit Agricole, HSBC, ING and Santander, brings together key national and international players in Madrid each year to analyse developments in the green, social and sustainable bond markets, as well as their regulatory and growth prospects.

ICO in figures

Loan Portfolio as of 30/06/2026



Liabilities breakdown as of 30/06/2026



Financial Highlights

	2022	2023	2024	2025	30/06/2026*
Total assets (Mill. EUR)	29,775	31,657	37,780	42,602	47,579
Equity & reserves[1] (Mill. EUR)	5,515	5,689	5,385	6,076	6,746
Pre-tax profit (Mill. EUR)	178.11	336.89	330.82	379.15	258.87
Net interest income(Mill. EUR)	125.73	290.25	254.57	298.67	182.20
Gross revenue (Mill EUR)	204.58	361.50	358.23	376.87	231.35
Profitability ROA	0.53%	1.09%	0.93%	0.90%	1.13%
Tier I Ratio	33.62%	26.49%	23.02%	22.85%	20.24%
Non-Performing Loans					
Direct Loans	3.67%	4.20%	4.03%	3.98%	3.94%
Total loans incl. second floor loans	2.31%	2.76%	2.54%	2.58%	2.50%
Provision coverage ratio	171%	128%	142%	128%	126%
Efficiency					
Operating expenses over gross revenue	23.37%	13.63%	15.11%	15.87%	13.70%

[1] Eligible capital for solvency purposes.
* 2026: Unaudited figures

Source: ICO

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Funding Strategy for 2026

- **Expected total funding in 2026: € 8-9 bn**
- **Short to medium maturities**
- **EUR benchmark transactions**
- **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

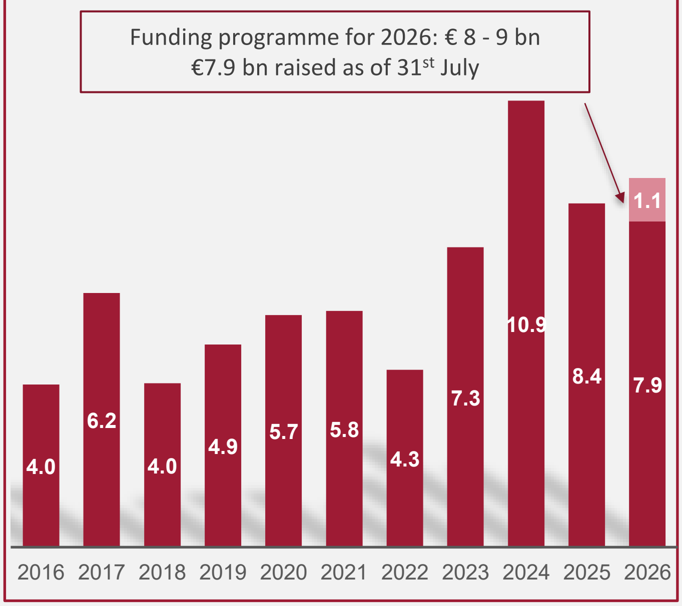
Direct

ICO's long term ratings

S&P	**A+ / Stable**
Scope	**A / Positive**
Fitch	**A / Stable**
Moody's	**A3 / Stable**

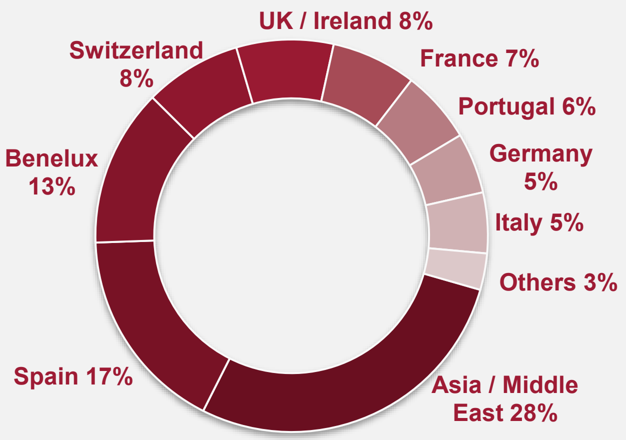
ICO Bonds qualify as **L1 HQLA assets** in the EU (pursuant to Article 10 of the Commission Delegated Regulation (EU) 2015/61 of October 10, 2014)

Funding Strategy
€ bn

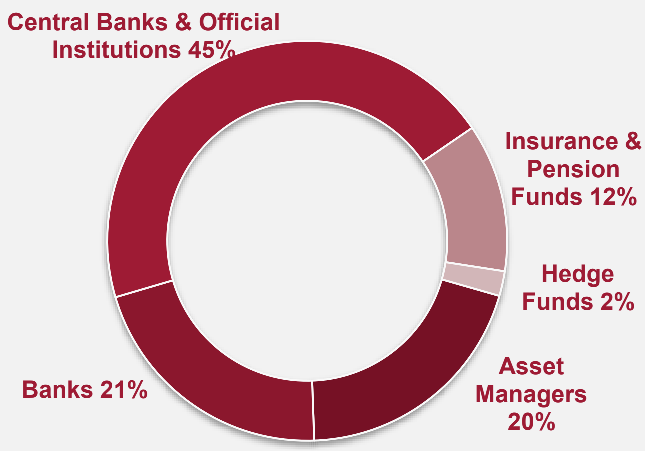


Borrowing profile 2026
(benchmark transactions)

By region



By investor type



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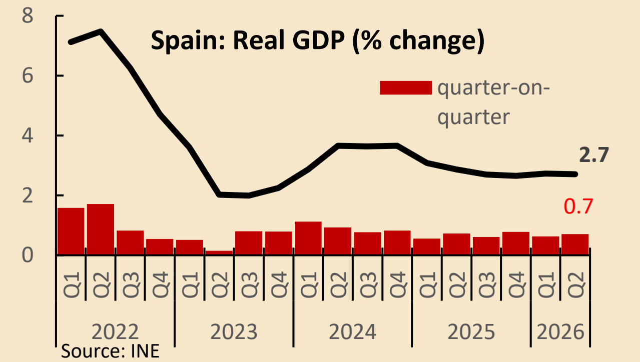
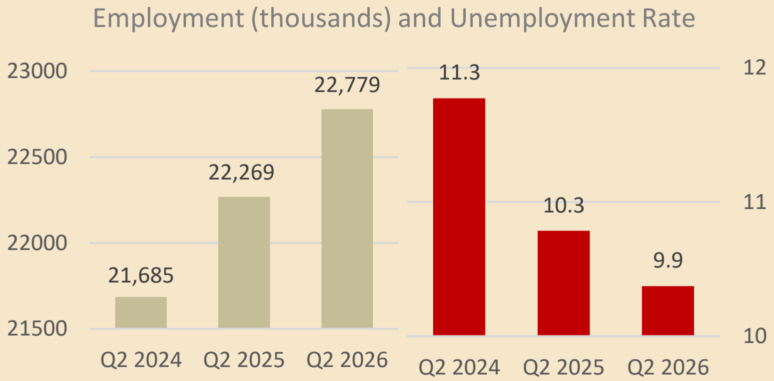
Spanish Economy: latest figures and comments

Spain's economic growth accelerated in Q2 2026. Real GDP increased by 0.7% quarter-on-quarter (qoq) in Q2, up from 0.6% qoq in Q1. On a quarterly basis, growth was primarily driven by the strong performance of domestic demand, which contributed 0.6 percentage points to GDP growth, with private consumption and investment as its main drivers. Meanwhile, the external sector made a positive contribution of 0.1 percentage points. **In year-on-year (yoy) terms, GDP grew by 2.7%** in Q2 2026, matching the growth rate of the previous three quarters. Domestic demand contributed 3.3 percentage points, again led by investment and private consumption, while the external sector made a negative contribution of 0.6 percentage points. **Spain's GDP growth remained in Q2 well above the Euro Area** (0.4% qoq and 1.0% yoy).



Source: INE

The IMF published its 2026 Article IV Consultation for Spain, where it highlights that **Spain continues to outperform the Euro Area**, maintaining robust economic growth despite the adverse effects of the conflict in the Middle East and, earlier, heightened trade uncertainty. The IMF projects that economic growth will gradually moderate as immigration inflows slow and population ageing becomes more pronounced. However, **Spain's growth outlook will remain stronger than in the Euro Area** and its major economies. Domestic demand is expected to continue as the main growth driver, with investment and private consumption making the largest contributions. The external sector is projected to make a negative contribution that is expected to diminish gradually. The IMF also forecasts that fluctuations in energy prices will push inflation, although price growth is expected to ease in the years to come. Employment is projected to continue expanding. Meanwhile, public deficit is expected to remain well below 3% of GDP. Combined with continued GDP growth, this will result in a sustained decline in the public debt-to-GDP ratio.



Source: Labour Force Survey (INE)

In line with the continued expansion of economic activity, **labour market remained highly dynamic in Q2 2026**. Total employment reached 22.8 million people, setting a new **all-time high for occupied people** in Spain. This increase in employment occurred alongside continued growth in the labour force, which also reached a record level of 25.3 million people. At the same time, the number of unemployed individuals declined, bringing the **unemployment rate down to 9.87%** in the second quarter, its lowest level since the first quarter of 2008.

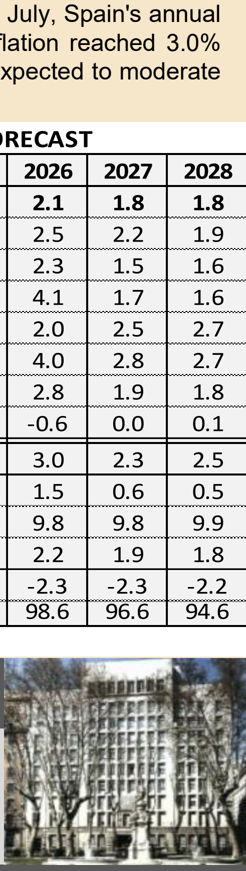
Against the current backdrop of heightened uncertainty and rising international energy commodity prices, **inflation has continued to increase broadly in line with expectations**. In July, Spain's annual CPI inflation rate stood at 3.5%, while core inflation reached 3.0% yoy. Current forecasts indicate that inflation is expected to moderate significantly in 2027.

SPAIN: SELECTED ECONOMIC INDICATORS FORECAST

	2025	2026	2027	2028
GDP real (% change)	**2.8**	**2.1**	**1.8**	**1.8**
Private Consumption	3.4	2.5	2.2	1.9
Public Consumption	2.4	2.3	1.5	1.6
Gross Fixed Investment	5.8	4.1	1.7	1.6
Exports	3.6	2.0	2.5	2.7
Imports	6.2	4.0	2.8	2.7
Domestic demand (contr. to GDP growth)	3.7	2.8	1.9	1.8
Net foreign balance (contr. to GDP growth	-0.6	-0.6	0.0	0.1
Headline inflation (yearly average)	2.7	3.0	2.3	2.5
Total employment	2.6	1.5	0.6	0.5
Unemployment rate: % labour force	10.5	9.8	9.8	9.9
Current Account Balance (% of GDP)	2.9	2.2	1.9	1.8
General Government Balance (% of GDP)	-2.4	-2.3	-2.3	-2.2
General Government debt (% of GDP)	100.7	98.6	96.6	94.6

Source: IMF, article IV consultation

Contact us



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Please contact us via e-mail with any queries or requests you may have: investors@ico.es
Bloomberg site: ICO <GO>

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