

Spain launches *España Crece*, strengthening ICO's capacity to finance productive investment

The Government of Spain has launched *España Crece*, a new public-private investment initiative aimed at reinforcing long-term growth, accelerating modernization and extending the impact of the Next Generation EU programs beyond 2026

España Crece will be implemented through a **€13.3 billion capital injection into ICO**, strengthening its role as Spain's national promotional bank. Of this amount, €10.5 billion comes from EU Recovery Plan loans and €2.8 billion from non-repayable EU transfers. With this reinforced capital base, ICO will be able to deploy up to €60 billion in direct investment capacity and, through private-sector co-investment, mobilize approximately €120 billion in total financing.



Through a broad range of financial instruments — such as loans, project financing, equity and guarantees — ICO will provide funding to support companies throughout their entire life cycle (particularly SMEs) and drive investment in sectors of strategic importance, such as affordable rental housing, the green transition and transformative projects that foster technological innovation.

ICO Crecimiento Exportadores line launched with EUR750 million for SMEs hit by global tariffs



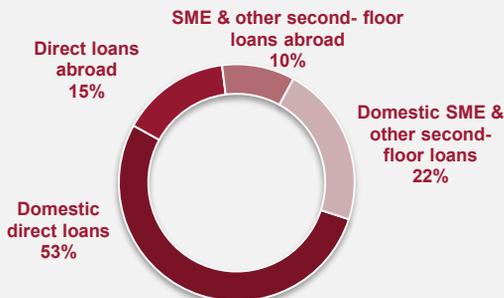
The Ministry of Economy, Trade and Enterprise has launched the *ICO Crecimiento Exportadores* facility, providing EUR 750 million to finance investment projects and upgrade the productive capacity of SMEs impacted by shifts in global tariffs.

As part of Spain's Recovery, Transformation and Resilience Plan, the programme aims to strengthen the resilience and access to financing of internationally active SMEs. It includes EUR 181 million from Next Generation EU funds, which ICO will channel to SMEs through two mechanisms: a non-repayable tranche embedded in each transaction and a partial interest-rate subsidy. In all cases, the aid component will comply with EU regulations.

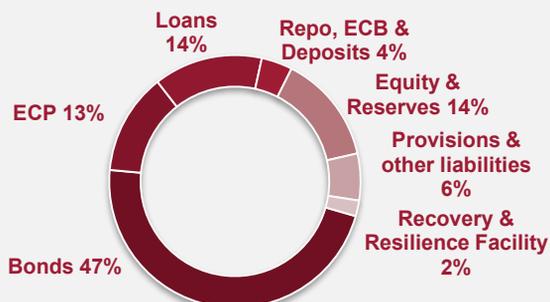
This facility supports SMEs in their international strategies, funding both tangible and intangible investments. Loans may incorporate a non-repayable tranche of up to 30% of the nominal amount, capped at EUR 200,000. The facility is available to exporting and importing SMEs whose exports or imports exceed 5% of their annual turnover, as well as to indirectly exposed SMEs —either as key suppliers to Spain-based companies in directly affected sectors or as participants in global value chains.

ICO in figures

Loan Portfolio as of 31/12/2025



Liabilities breakdown as of 31/12/2025



Financial Highlights

	2021	2022	2023	2024	31/12/2025*
Total assets (Mill. EUR)	37,766	29,775	31,657	37,780	42,602
Equity & reserves ¹ (Mill. EUR)	5,354	5,515	5,689	5,385	6,076
Pre-tax profit (Mill. EUR)	171.70	178.11	336.89	330.82	379.15
Net interest income (Mill. EUR)	104.55	125.73	290.25	254.57	298.67
Gross revenue (Mill EUR)	181.86	204.58	361.50	358.23	376.87
Profitability ROA	0.49%	0.53%	1.09%	0.93%	0.90%
Tier I Ratio	36.94%	33.62%	26.49%	23.02%	22.85%
Non-Performing Loans					
Direct Loans	3.81%	3.67%	4.20%	4.03%	3.98%
Total loans incl. second floor loans	2.33%	2.31%	2.76%	2.54%	2.58%
Provision coverage ratio	157%	171%	128%	142%	128%

Efficiency

Operating expenses over gross revenue	24.61%	23.37%	13.63%	15.11%	15.87%
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¹ Eligible capital for solvency purposes.

* 2025: Unaudited figures

Source: ICO

Funding Strategy for 2026

- Expected total funding in 2026: €7-8 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

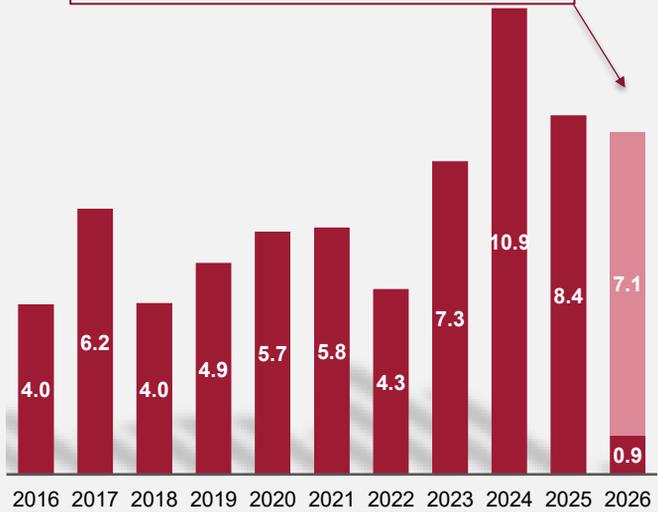
ICO's long term ratings

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

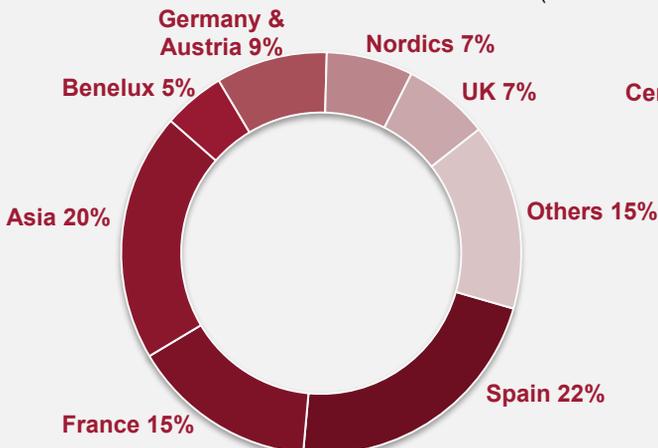
ICO Bonds qualify as **L1 HQLA assets** in the EU (pursuant to Article 10 of the Commission Delegated Regulation (EU) 2015/61 of October 10, 2014)

Funding Strategy € bn

Funding programme for 2026: €7-8bn
 €0.9 bn raised as of 31st January

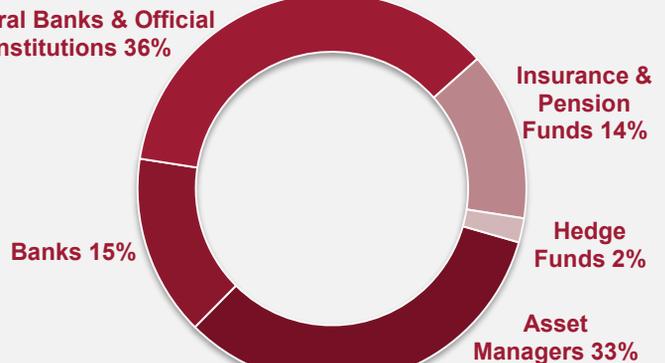


By region



Borrowing profile 2025 (benchmark transactions)

By investor type

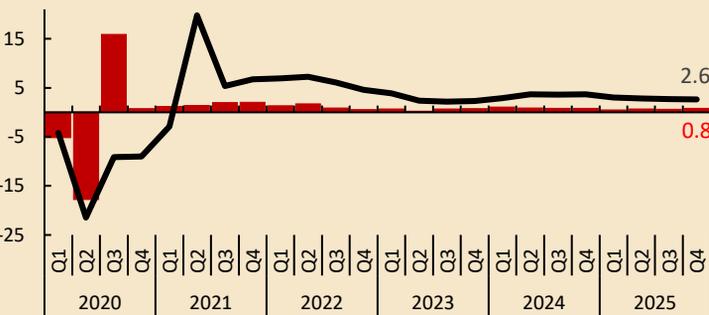


Spanish Economy: latest figures and comments

In 2025 Spain was once again the fastest-growing large advanced economy in the Eurozone, with GDP rising by 2.8%. Amid heightened global trade uncertainty and geopolitical tensions, Spain's performance far exceeded early-year expectations: in January 2025, the International Monetary Fund (IMF) had projected a GDP growth of 2.3% for the year. Domestic demand became the main driver of growth in 2025, contributing 3.6% (up from 3.3% in 2024). External demand contributed negatively to GDP growth in 2025 (-0.8%) due to the challenging international environment. As in previous years, **Spanish's GDP growth in 2025 significantly outpaced that of the Eurozone (1,5%).**

Growth not only remained strong in Q4 2025 but also accelerated, reaching 0.8% quarter-on-quarter (QoQ,) compared with 0.6% QoQ in Q3. Year-on-year (YoY) growth stood at 2.6% in Q4 2025, broadly in line with the 2.7% YoY recorded in Q3 2025.

Spain: Real GDP (% change)



Source: INE ■ quarter-on-quarter — year-on-year

Forecasts for 2026 point to a slight moderation in Spanish GDP growth, although they have generally been revised upwards following recent positive developments. In 2026, Spanish growth is also expected to remain well above the Euro Area average. The consensus among recent forecasts anticipates GDP growth of at least 2.2% in 2026. Forecasts by the Spanish Government, the Bank of Spain, and the OECD are aligned, all projecting GDP growth of 2.2% in 2026. The European Commission (EC) forecasts GDP growth of 2.3% in Spain in 2026, compared with 1.2% in the Euro Area. Similarly, in January 2026, the International Monetary Fund (IMF) revised its forecast for Spanish GDP growth upwards to 2.3% in 2026, above the Euro Area average of 1.3%.

The labour market remained strong in 2025. According to the INE Labour Force Survey, employment increased by 605 thousand people between Q4 2024 and Q4 2025, representing a YoY rise of 2.8%. Total employment reached a new record high of 22.46 million people in Q4 2025. Consistently, the number of unemployed people declined by 118 thousand over the same period, and the unemployment rate fell below 10% (9.93% in Q4 2025) for the first time since 2008.

Year-end unemployment rate (%)



Source: Labour Force Survey (INE)

In 2025, the process of public deficit reduction continued. Based on data up to Q3 2025, the general government deficit stood at 1.82% of GDP, down from 2.05% in Q3 2024. The Bank of Spain, the European Commission (EC), and the OECD all forecast a full-year deficit of 2,5%. For 2026, forecasts are broadly aligned around a lower deficit, estimated at 2.1% of GDP by the Spanish Government, the Bank of Spain and the EC, and at 2.3% by the OECD.

Spain: General government deficit (% of GDP)



Source: Spanish Ministry of Finance; forecasts by the European Commission

Contact us

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