Investor Newsletter

May 2026

ICO Group approved €10.3 billion in business financing in 2025, a 13% increase year on year

This performance reflects a strategic shift towards higher-impact instruments in which ICO assumes greater risk, particularly direct lending and venture capital. Direct financing activity reached €7.1 billion, representing a 48% increase compared to the previous year, with a focus on infrastructure, housing and renewable energy projects.

Profit after tax rose to €277 million (+15.6% YoY), reinforcing ICO's financial position and its role as a key public investment catalyst, while sustainability remains a core pillar, with nearly 50% of direct financing allocated to projects with environmental or social impact. In capital markets, ICO maintained its position as a leading sustainable issuer, raising €8.7 billion, including green and social bond transactions that were well received by international investors.

ICO launches an €676 million call for proposals to boost affordable rental housing with support from the InvestEU programme

Under this scheme, the Instituto de Crédito Oficial will invest in specialised vehicles focused on the construction and management of social and affordable housing, with individual commitments ranging between €10 million and €100 million per vehicle. Public participation will be capped at 49%, with the aim of attracting significant private sector co-investment.

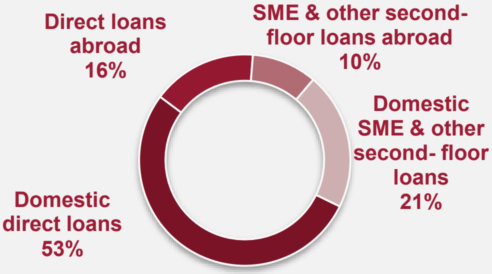
The initiative is expected to mobilise up to €4.5 billion in total investment and represents a key step in expanding Spain's affordable housing stock, a segment that remains underdeveloped compared to other European markets, while also laying the groundwork for future large-scale investment frameworks and reinforcing ICO's role in public-private collaboration.

ICO reinforces its green bond strategy with updated framework

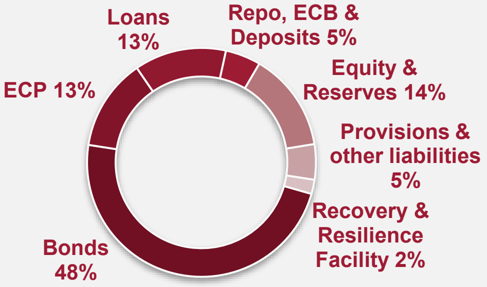
In May 2026, ICO updated for the second time its Green Bond Framework, reinforcing its commitment to finance projects that contribute to protecting the environment and fighting climate change.
This update broadens ICO Green Bond Framework to incorporate two new Project Categories: Circular Economy and Climate Change Adaptation. Additionally, the Framework has been enhanced through the explicit specification of the Sustainable Development Goals mapping, alongside the EU Environmental Objectives and EU Taxonomy mapping for each project category. Finally, it also specifies its relationship with the EU Taxonomy, including the commitment to report on the split of eligible projects aligned with the EU Taxonomy.

ICO in figures

Loan Portfolio as of 31/03/2026



Liabilities breakdown as of 31/03/2026



Financial Highlights

	2022	2023	2024	2025	31/03/2026*
Total assets (Mill. EUR)	29,775	31,657	37,780	42,602	45,736
Equity & reserves[1] (Mill. EUR)	5,515	5,689	5,385	6,076	6,497
Pre-tax profit (Mill. EUR)	178.11	336.89	330.82	379.15	92.94
Net interest income(Mill. EUR)	125.73	290.25	254.57	298.67	85.14
Gross revenue (Mill EUR)	204.58	361.50	358.23	376.87	104.93
Profitability ROA	0.53%	1.09%	0.93%	0.90%	0.83%
Tier I Ratio	33.62%	26.49%	23.02%	22.85%	21.21%
Non-Performing Loans					
Direct Loans	3.67%	4.20%	4.03%	3.98%	3.96%
Total loans incl. second floor loans	2.31%	2.76%	2.54%	2.58%	2.59%
Provision coverage ratio	171%	128%	142%	128%	129%
Efficiency					
Operating expenses over gross revenue	23.37%	13.63%	15.11%	15.87%	14.43%

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

Source: ICO

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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

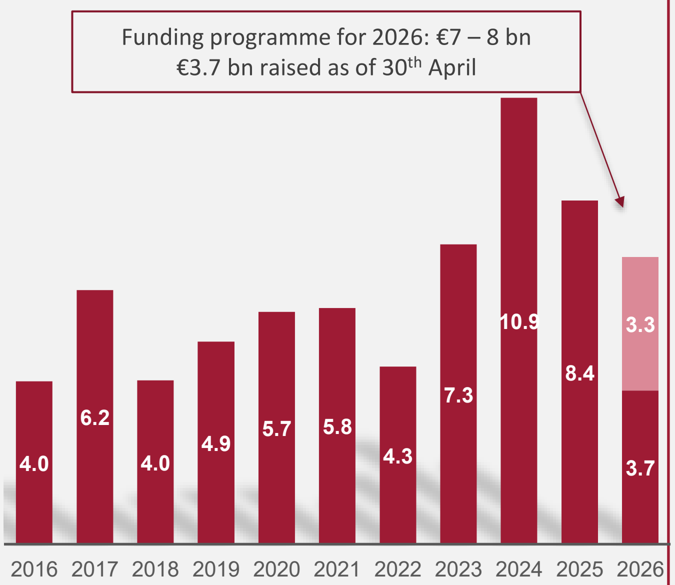
Direct

ICO's long term ratings

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

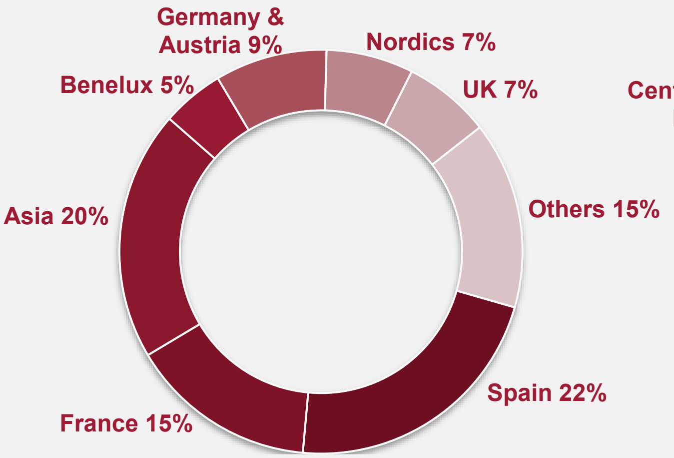
ICO Bonds qualify as **L1 HQLA assets** in the EU (pursuant to Article 10 of the Commission Delegated Regulation (EU) 2015/61 of October 10, 2014)

Funding Strategy
€ bn

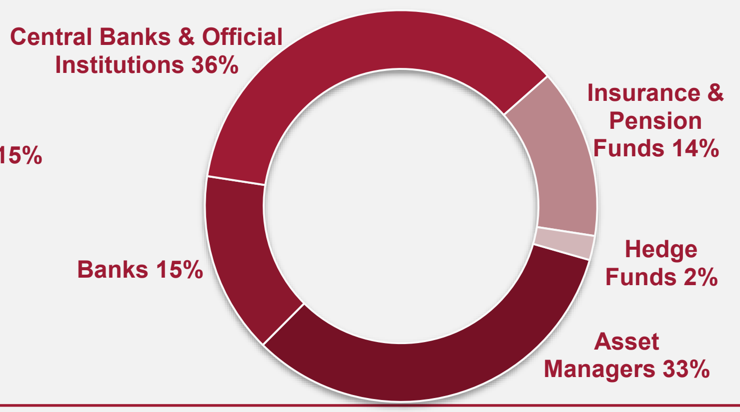


Borrowing profile 2025
(benchmark transactions)

By region



By investor type



Instituto de Crédito Oficial

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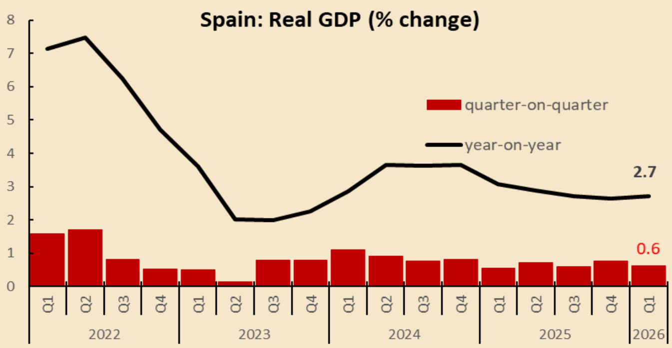
Spanish Economy: latest figures and comments

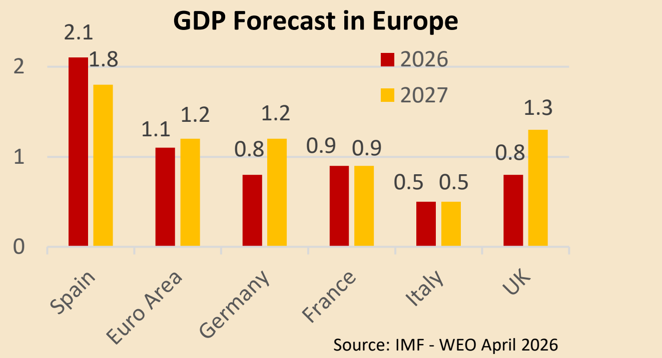
Spain was, in 2025, the fastest-growing large advanced economy, with a GDP growth of **2.8%**. 2026 has started with a similar pattern, as **Spain grew by 0.6% in Q1 2026** compared with the previous quarter. In **year-on-year terms**, growth edged up by one tenth to **2.7%**. This performance was driven by **strong domestic demand**, which contributed 3.4 percentage points to growth, supported by robust private consumption and investment. In contrast, the external sector was less dynamic and made a negative contribution of 0.7 percentage points.



Source: INE

In a context of global increases in energy prices due to the geopolitical situation, annual change in the **flash estimate of the CPI** stood at **3.2% in April**, two tenths lower than in March. The annual rate of the flash indicator of underlying inflation was one tenth lower, at 2.8%.

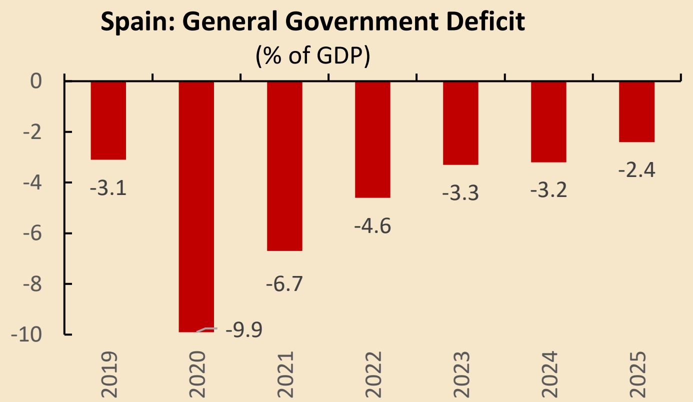
In the current context of uncertainty and provided the negative impact of the Middle East war and world trade tensions, the **IMF estimates lower economic growth for 2026 and 2027** worldwide compared to its previous prospects. Spanish GDP is expected nonetheless to keep growing around 2% (2.1% for 2026 and 1,8% for 2027) compared to 2025. **Spain will continue to be the fastest growing large economy in Europe**. The Euro Area grew by 1.4% in 2025 and will also grow less this year (1.1%) and in 2027 (1.2%). Regarding inflation, the IMF foresees that **inflation will modestly rise in Spain this year** (from 2.7% in 2025 to 3.0% in 2026) before moderating in 2027 (2.3%), in line with the forecast for the euro area.



Source: IMF - WEO April 2026

Labour market remains strong at the beginning of 2026. According to the official Labour Force Survey, employment decreased in Q1 2026 compared to the previous quarter, following the usual seasonal pattern. However, employment continues to show a year-on-year growth trend (528 thousand more employees than a year earlier, or an employment growth rate of 2.4% YoY). Unemployment rate decreased from 11.4% in Q1 2025 to 10.8% in Q1 2026.

In 2025, Spain kept its budget deficit well below the 3% threshold with a decreasing trend. Deficit was 2.39% of GDP in 2025, down from 3.22% in 2024 and 3.3% in 2023. However, in 2024 and 2025, public accounts have severely been affected by the effects of the October-2024 floods that hit some Spanish eastern regions. Accordingly, the European Commission authorised the exclusion from public accounts of the expenses related to this catastrophe. Excluding said expenses, budget deficit was 2.86% in 2024 and 2.18% in 2025. Consistent with the public accounts' evolution, **public debt decreased to 100.7% of GDP by the end of 2025**, down from 101.7% of GDP a year before.



Source: Spanish Ministry of Finance

Contact us

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Please contact us via e-mail with any queries or requests you may have: investors@ico.es
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