

Morningstar DBRS Confirms ICO's Long-Term Ratings at 'A', Trend Revised to Positive

BANKING ORGANIZATIONS

DBRS Ratings GmbH (Morningstar DBRS) confirmed the credit ratings of Instituto de Crédito Oficial's (ICO or the Bank), including the Long-Term Issuer Rating at "A" and the Short-Term Issuer Rating at R-1 (low). All ratings have been revised to Positive from Stable Trend. ICO's Support Assessment remains SA1. See a full list of ratings at the end of this press release.

KEY CREDIT RATING CONSIDERATIONS

The confirmation of ICO's credit ratings and the change of Trend to Positive follows Morningstar DBRS's confirmation of the Kingdom of Spain's Long-Term Foreign and Local Currency rating at "A" and the change in trend to Positive from Stable on May 31, 2024.

ICO's credit ratings reflect its statutory ownership and the full guarantee of its liabilities by the Kingdom of Spain as stated in its by-laws under the Royal Decree Act 706/1999. As a result, Morningstar DBRS's support assessment for ICO is SA1 and ICO's Issuer Ratings and trend are equalised with the Long-Term and Short-Term Foreign and Local Currency ratings of the Kingdom of Spain and will move in line with the credit rating of the Spanish sovereign.

CREDIT RATING DRIVERS

ICO's credit ratings and trends move in line with the credit ratings of the Kingdom of Spain. An upgrade of the Kingdom of Spain's credit ratings would be reflected in ICO's credit ratings. Similarly, a downgrade of the Kingdom of Spain's credit ratings would lead to a downgrade of ICO's credit ratings.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONSIDERATIONS

Credit rating actions on the Kingdom of Spain would have an impact on this credit rating. Consequently, passed-through Social credit considerations affect the ratings of ICO, as the Human Capital and Human Rights factor affects the ratings of the Kingdom of Spain. ESG factors that have a significant or relevant effect on the credit analysis of the Kingdom of Spain are discussed separately at <https://www.dbrsmorningstar.com/issuers/15664>.

There were no Environmental or Governance factors that had a significant or relevant effect on the credit analysis.

A description of how Morningstar DBRS considers ESG factors within the Morningstar DBRS analytical framework can be found in the Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings (23 January 2024) <https://dbrs.morningstar.com/research/427030/morningstar-dbrs-criteria:-approach-to-environmental,-social,-and-governance-risk-factors-in-credit-ratings>

Notes:

All figures are in Euros unless otherwise noted.

The principal methodology is the Global Methodology for Rating Banks and Banking Organisations (15 April 2024) <https://dbrs.morningstar.com/research/431155/global-methodology-for-rating-banks-and-banking-organisations>. In addition Morningstar DBRS uses the Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings <https://dbrs.morningstar.com/research/427030/morningstar-dbrs-criteria:-approach-to-environmental,-social,-and-governance-risk-factors-in-credit-ratings> in its consideration of ESG factors.

The following methodologies have also been applied:

Morningstar DBRS Global Corporate Criteria (15 April 2024)

<https://dbrs.morningstar.com/research/431186/morningstar-dbrs-global-corporate-criteria>.

The credit rating methodologies used in the analysis of this transaction can be found at: <https://dbrs.morningstar.com/about/methodologies>.

The sources of information used for this credit rating include Morningstar Inc. and Company Documents, ICO Annual Accounts (2016-2022). DBRS Morningstar considers the information available to it for the purposes of providing this credit rating to be of satisfactory quality.

Morningstar DBRS does not audit the information it receives in connection with the credit rating process, and it does not and cannot independently verify that information in every instance.

The conditions that lead to the assignment of a Negative or Positive trend are generally resolved within a 12-month period. Morningstar DBRS's outlooks and credit ratings are under regular surveillance.

For further information on Morningstar DBRS historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: <https://registers.esma.europa.eu/cerep-publication>. For further information on Morningstar DBRS historical default rates published by the Financial Conduct Authority (FCA) in a central repository, see <https://data.fca.org.uk/#/ceres/craStats>.

The sensitivity analysis of the relevant key credit rating assumptions can be found at: <https://www.dbrsmorningstar.com/research/433966>.

These credit ratings are endorsed by DBRS Ratings Limited for use in the United Kingdom.

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Initial Rating Date: February 25, 2013

Last Rating Date: September 11, 2023

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For more information on this credit or on this industry, visit dbrs.morningstar.com.

Ratings

Instituto de Crédito Oficial (ICO)

Date Issued	Debt Rated	Action	Rating	Trend	Attributes
05-Jun-24	Long-Term Issuer Rating	Confirmed	A	Stb	EU U
05-Jun-24	Long-Term Issuer Rating	Trend Change	A	Pos	EU U
05-Jun-24	Short-Term Issuer Rating	Confirmed	R-1 (low)	Stb	EU U
05-Jun-24	Short-Term Issuer Rating	Trend Change	R-1 (low)	Pos	EU U
05-Jun-24	Long-Term Senior Debt	Trend Change	A	Pos	EU U
05-Jun-24	Long-Term Senior Debt	Confirmed	A	Stb	EU U
05-Jun-24	Short-Term Debt	Trend Change	R-1 (low)	Pos	EU U
05-Jun-24	Short-Term Debt	Confirmed	R-1 (low)	Stb	EU U
05-Jun-24	Short-Term Deposits	Confirmed	R-1 (low)	Stb	EU U
05-Jun-24	Short-Term Deposits	Trend Change	R-1 (low)	Pos	EU U
05-Jun-24	Long-Term Deposits	Confirmed	A	Stb	EU U
05-Jun-24	Long-Term Deposits	Trend Change	A	Pos	EU U

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