

ICO launches a new financial instrument to mobilise more than EUR 500 million in social and affordable rental housing projects (November 2024)

ICO has launched the "ICO Invest EU Social Fund" initiative, a new financial instrument through which it will invest EUR 268 million in equity funds specialised in promoting social and affordable rental housing projects.

This initiative will be backed by a 50% guarantee from the InvestEU Programme to ICO, in its capacity as European Commission Implementing Partner.



ICO will select private fund managers and specialised investment vehicles mobilising private funds for at least a similar volume of funds, bringing the total amount of the scheme to 536 million.

The objective is to foster the creation or growth of this regulated vehicles specialised in the promotion and management of social and affordable housing projects, drawing private capital and investment. Through this initiative, an estimated 10,000 new social and affordable rental housing units could be built.

ICO and CABEL (Central American Bank for Economic Integration) sign a new financing agreement of up to \$150 million to promote the green and digital transition in Central America (September 2024)



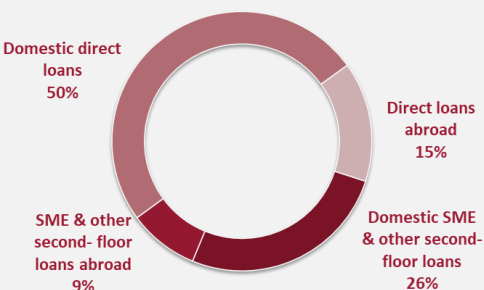
This is the sixth agreement reached between the two institutions within the ICO International Channel Facility framework, which strengthens their institutional relationship to fund Spanish companies with activities in Central America.

The main aim is to promote the environmental and sustainable development of companies through the financing of new operations. Among the green projects to be implemented, those in water and sanitation and construction sectors stand out.

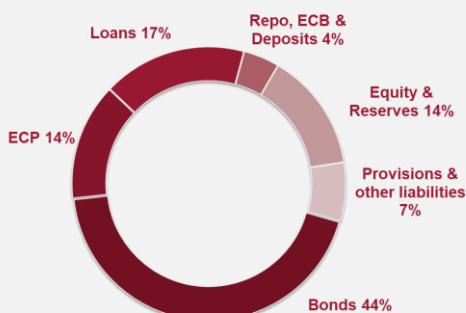
ICO will also channel financial resources for the digitalisation of companies as a vehicle for economic growth. This loan will be present in the life of companies linked to technology and artificial intelligence tools to support the digital transformation of the productive fabric.

ICO in figures

Loan Portfolio as at 31/12/2024



Liabilities breakdown as at 31/12/2024



Financial Highlights

	2020	2021	2022	2023	31/12/2024*
Total assets (Mill. EUR)	34,386	37,766	29,775	31,657	37,780
Equity & reserves¹ (Mill. EUR)	5,202	5,354	5,515	5,689	5,385
Pre-tax profit (Mill. EUR)	97.55	171.70	178.11	336.89	330.82
Net interest income (Mill. EUR)	-10.63	104.55	125.73	290.25	254.57
Gross revenue (Mill EUR)	88.22	181.86	204.58	361.50	358.23
Profitability ROA	0.29%	0.49%	0.53%	1.09%	0.93%
Tier I Ratio	37.21%	36.94%	33.62%	26.49%	22.99%
Non-Performing Loans					
Direct Loans	4.16%	3.81%	3.67%	4.20%	4.03%
Total loans incl. second floor loans	2.33%	2.33%	2.31%	2.76%	2.54%
Provision coverage ratio	145%	157%	171%	128%	142%
Efficiency					
Operating expenses over gross revenue	47.70%	24.60%	23.40%	13.63%	15.25%

(1) Eligible capital for solvency purposes.
*2024: Unaudited figures
Source: ICO

Funding Policy for 2025

- **Expected total funding in 2025: EUR 5 bn**
In 2024 ICO already prefunded €2.9 billion for 2025.
- **EUR benchmark transactions**
- **Short to medium maturities**
- **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

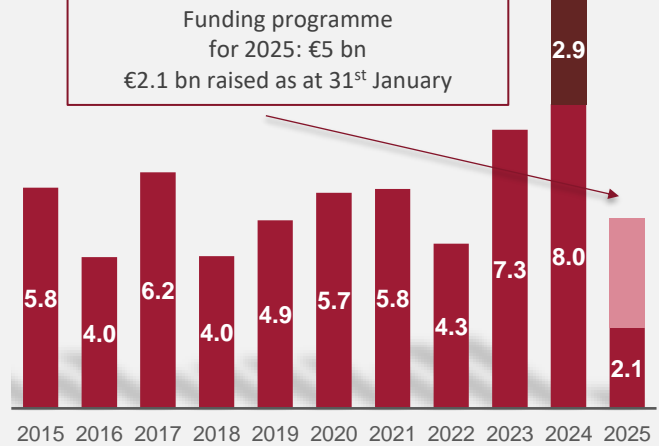
ICO's long term ratings

S&P **A / Stable**
Fitch **A- / Stable**
Scope **A- / Stable**
Moody's **Baa1 / Positive**

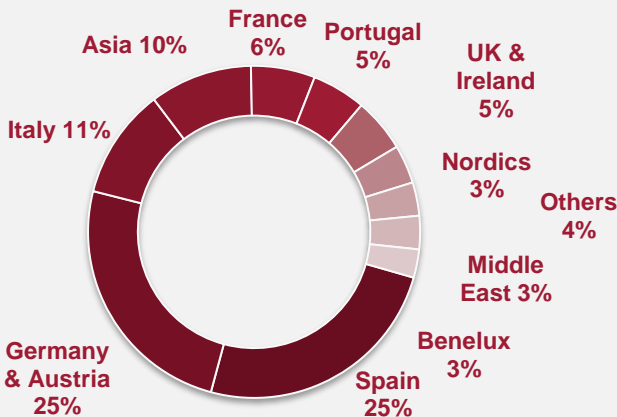
ICO Bonds qualify as **L1 HQLA assets** in the EU (pursuant to Article 10 of the Commission Delegated Regulation (EU) 2015/61 of October 10, 2014)

Funding Activity EUR bn

Pre-funding for 2025: €2.9 bn
Total funding 2024: €10.9 bn

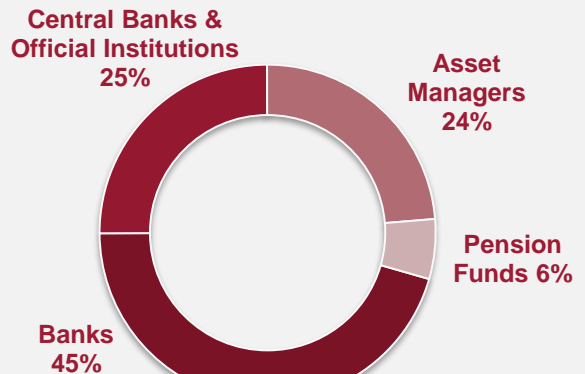


By region



Borrowing profile 2024 (benchmark transactions)

By investor type

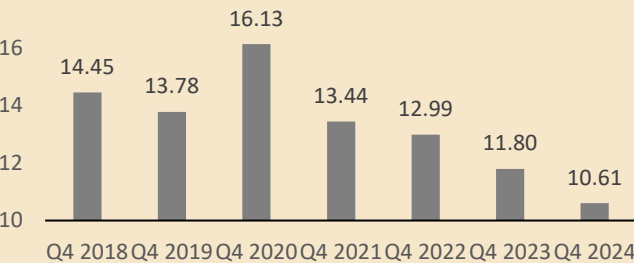


Spanish Economy: latest figures and comments

Spain accelerated its GDP growth in 2024 to 3.2%, up from 2.7% in 2023. This performance has far exceeded the expectations in the beginning of the year: in January 2024 the International Monetary Fund (IMF) had released a growth forecast for 2024 of 1.5%. Domestic demand made the biggest contribution to growth in 2024 (2.8%), well above its 2023 contribution (1.7%). Net exports also had a positive contribution to GDP growth in 2024 (0.4%) despite the weak situation of some of the main Spanish counterparties. Spanish growth was also again **well above the Euro Zone GDP growth** (0.7% in 2024 according preliminary estimates and 0.5% in 2023).

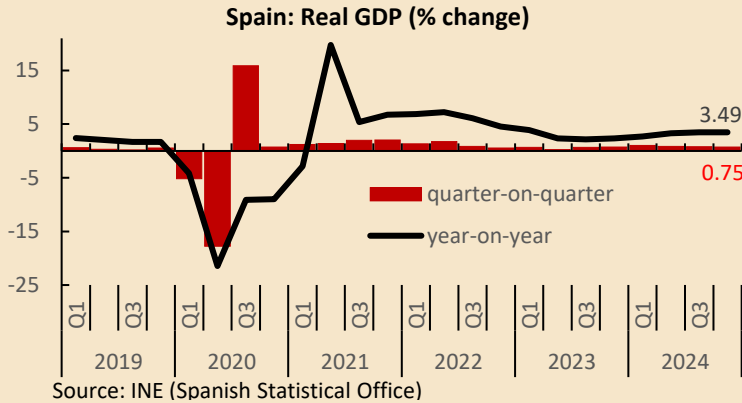
GDP continued to grow strongly in Q4 2024, as it grew 0.75% quarter-on-quarter (QoQ), a touch below 0.8% QoQ recorded in Q3. According to the Bank of Spain estimates, QoQ growth was between 0.1 or 0.2 lower in Q4 due to severe floods in Valencia region. Growth was 3.5% year-on-year (YoY) in Q4 2024, up from 2.3% YoY in Q4 2023.

Unemployment rate by the end of the year



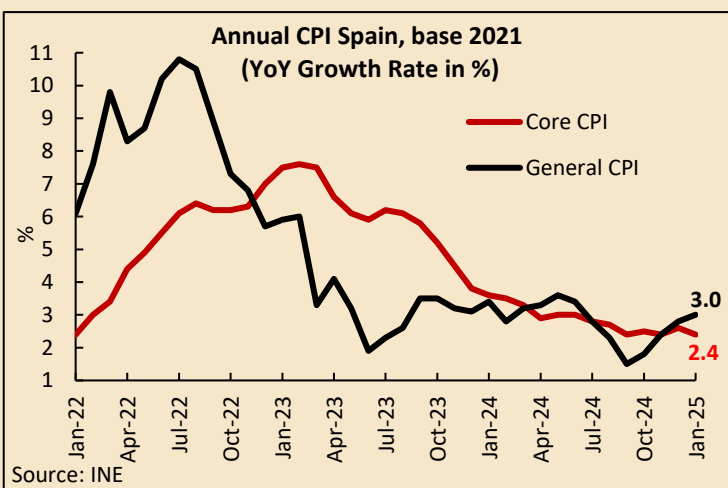
Source: Labour Force Survey (INE)

2025 forecasts estimate a slight moderation of Spanish GDP growth. Nevertheless, due to the recent positive evolution, forecasts have been revised upwards. Spanish growth will also remain well above the Euro Area average. The Spanish Government, that in 2024 made the most accurate predictions, foresees GDP growth of 2.7% in 2025. The European Commission (EC) foresees that GDP will grow by 2.3% in 2025 in Spain, while the Euro Area growth will be 1.3% in 2025. The EC also foresees that Spain will fulfil its budget balance compromise for 2024 (-3.0% of GDP). According to the European Central Bank and the Bank of Spain, GDP is projected to grow by 1.1% in the Euro Area and by 2.5% in Spain in 2025. Inflation will further moderate to 2.1 in 2025 both in Spain and the Euro Area, in a context where core inflation will also decelerate. Finally, the IMF foresees that Spanish GDP will grow by 2.3% in 2025, above its forecast for the Euro Area (1.0%).



Labour market kept strong in 2024. According to INE Labour Force Survey, employment increased by 468 thousand people from Q4 2023 to Q4 2024, which meant a 2.2% YoY increase. The overall number of employees reached a new record high of 21.9 million people in Q4 2024. Consistently, unemployed persons decreased by 265 thousand in Q4 2024 from Q3 2023 and the unemployment rate stood by the end of 2024 at 10.6% its lowest level since Q2 2008.

Inflation moderated in 2024 and in the beginning of 2025. General CPI stood at 2.8% in 2024, down from 3.5% in 2023 and 8.4% in 2022. Similarly, core CPI was 2.9% in 2024, down from 6.0% in 2023 and 5.2% in 2022. On a monthly basis, core inflation decelerated in January 2025 as expected, as general inflation was still affected by the slight increase of the last months of 2024 due to a statistical base effect motivated by energy prices and the end of some value added tax rebates.



Contact us

Investors can find further information at: https://www.ico.es/web/ico_en/ico/investor_relations

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

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