



Instituto de Crédito Oficial

Investor Presentation

March 2024

1

Instituto de Crédito Oficial

2

Funding profile

3

ICO Social and Green Bonds

1

Instituto de Crédito Oficial





Mission: To support and promote economic activities that contribute to the **growth and improved distribution of wealth**, in particular, those that, due to their **social, cultural, innovating or environmental transcendence**, deserve to be fostered.



- 1971**  ICO was founded
- 1986**  Creation of **AXIS**, ICO's venture capital subsidiary
- 1991**  State Financial Agency and National Promotional Bank
- 1993**  Launching of ICO Second-Floor Facilities
- 1996**  ICO's Museum was born
- 2008**  FFPP (Fund for the Financing of Suppliers Payments) and FLA (Regional Liquidity Mechanism)
- 2013**  Launching of Fond-ICO Global
- 2015**  ICO issues the 1st Social Bond in Spain
- 2019**  1st ICO Green Bond
- 2020**  COVID-19 Guarantee Lines
- 2021**  Implementing Partner UE
- 2021**  Joining Nasdaq Sustainable Bond Network
- 2023**  ICO is appointed to mobilise the European Next Generation funds in Spain

To achieve its objectives, ICO performs three main functions

NATIONAL PROMOTIONAL BANK

Financing companies, SMEs and self-employed in Spain and abroad

Second Floor facilities
Channelled through financial entities

Direct financing
Loans, credit lines, project finance, guarantees

Complementary Financing
Bonds, promissory notes, securitizations

Private capital & Venture capital AXIS
FondICO Global, FondICO Pyme, FondICO Infra II

INSTRUMENT OF ECONOMIC AND FINANCIAL POLICY

Instrument of Economic and Financial Policy

Recovery, Transformation and Resilience Plan

National:
Ministries, Regions and Local Corporations

Next Generation EU

UE Multiannual Financial Framework 21-27
Implementing partner

STATE FINANCIAL AGENCY

Management of Public Funds (off-balance sheet)

ICO guarantee lines (COVID + Ukraine)
on behalf of Ministry of Economic Affairs

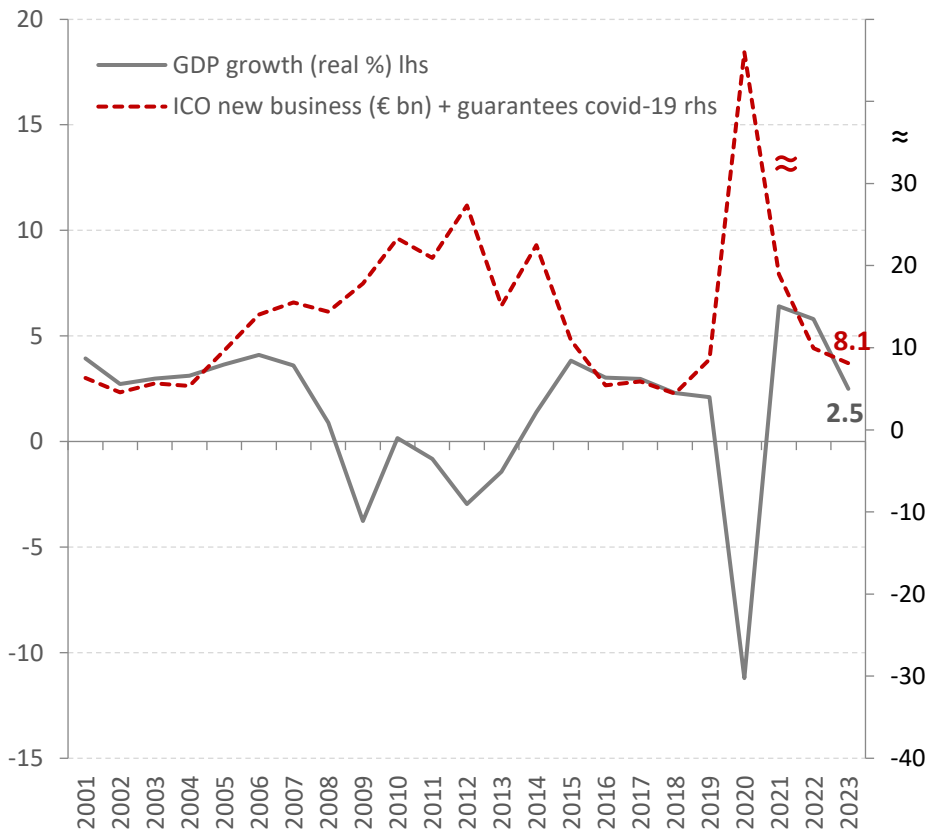
Internationalization FIEM – CARI
on behalf of Ministry of Industry, Commerce and Tourism

Development Cooperation FONPRODE – FCAS
on behalf of Ministry of Foreign Affairs

Territorial Funds, regions and local corporations
on behalf of Ministry of Finance

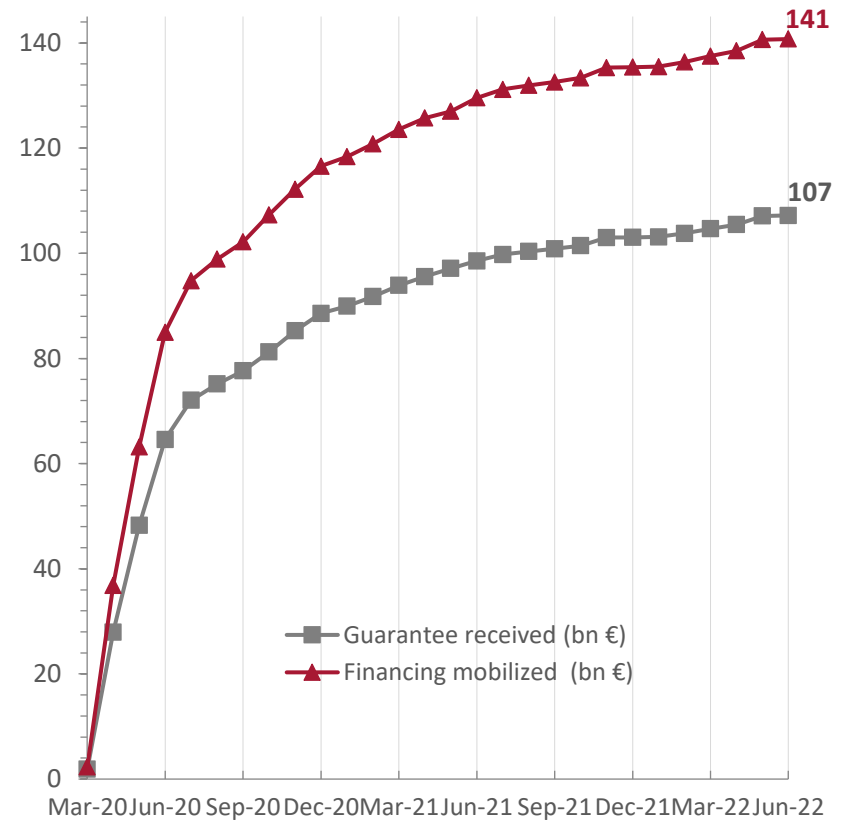
ICO, in its capacity as a national promotional bank, has traditionally worked **countercyclically** through the macroeconomic phases in the Spanish economy

ICO lending (€ bn) vs economic activity (GDP %)



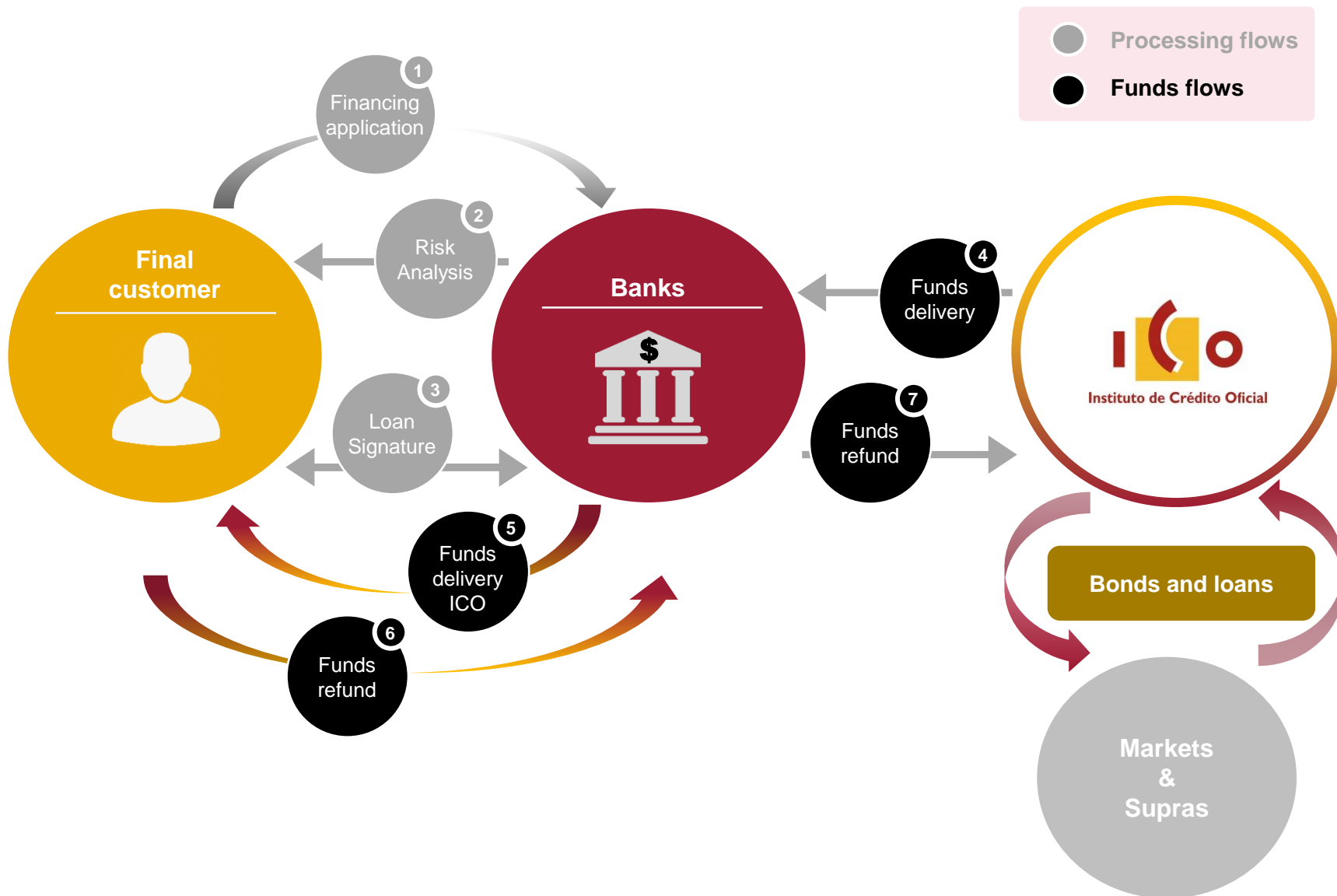
Source: ICO, INE

Financing mobilized by Government guarantee line ICO Covid-19 (total, bn €)

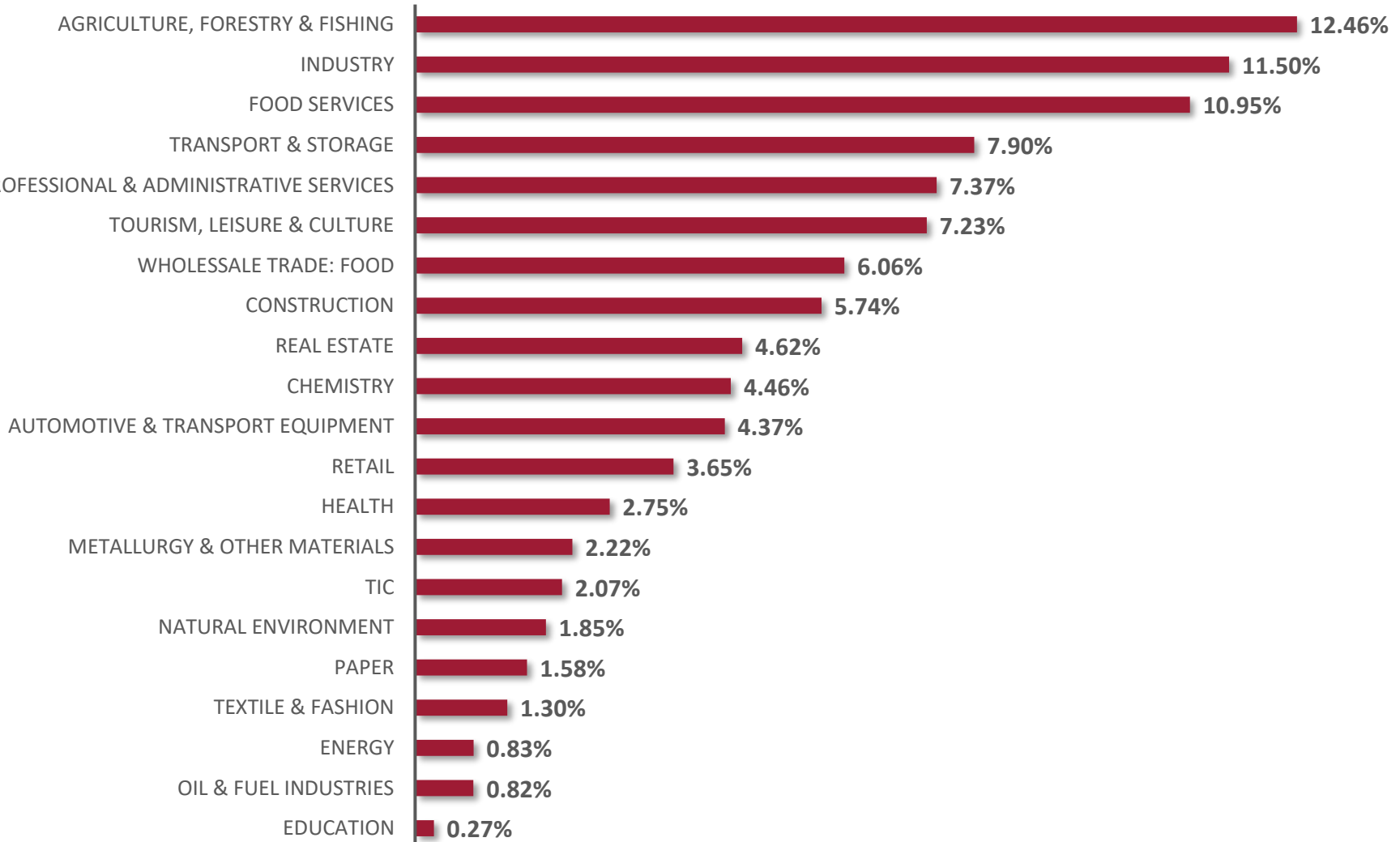


Source: ICO

Second-floor facilities scheme

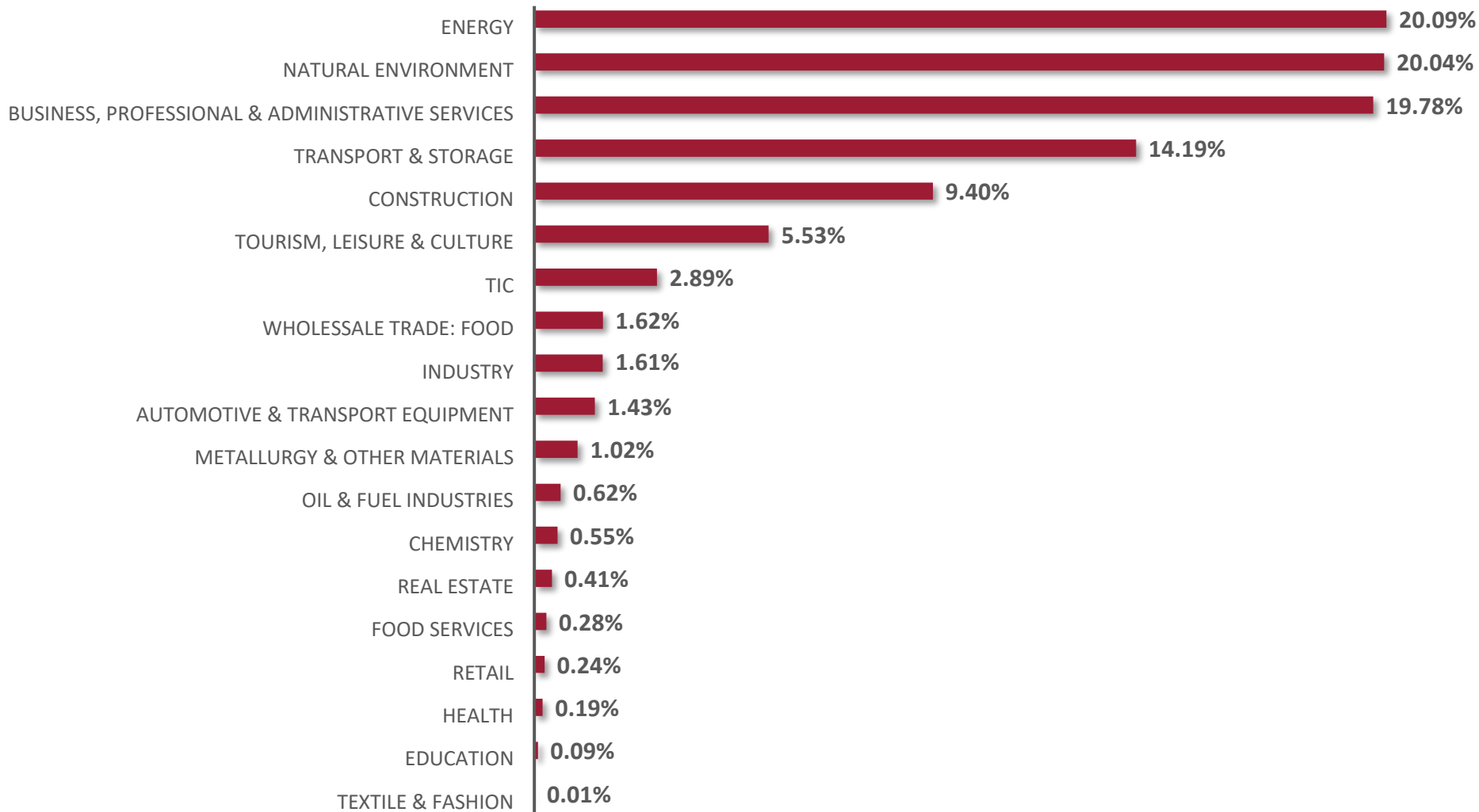


On-lending facilities by sectors (As at 31/12/2023)



Outstanding amount by sectors

(As at 31/12/2023)



ICO will mobilize **€40 billions of Next Generation EU loans** in the second phase of the Recovery, Transformation and Resilience Plan through 5 facilities

ICO GREEN

€22 billions

Clean transport, renewable energy, decarbonization, circular economy, climate change and water

Public and private companies and households, depending on products

Second floor, direct financing, corporate bond purchases, capital investments

ICO COMPANIES & ENTREPRENEURS

€8 billions + €150 Million (*Perte lengua*)

Business growth, competitiveness and access to different sources of financing

Self-employed, SMEs, mid-cap companies, large companies, universities and startups

Second floor, direct financing, corporate bond purchases, capital investments through AXIS

ICO NEXT TECH

€4 billions

Financial support to technology companies in their growth phase, promoting innovation and development in the technology sector

Spanish companies in the tech sector and funds that will provide financing to companies

Direct investments in capital and private funds (max. 49%)

SPAIN AUDIOVISUAL HUB

€1.5 billions + €212 Millions (*Perte lengua*)

Encourage private investment and financing projects in audiovisual sector (films, tv, digital, interactive...)

Self-employed, SMEs, mid-cap companies, large companies, public companies and startups

Second floor, direct financing, corporate bond purchases, capital investments through AXIS

ICO HOUSING

€4 billions

Promote social housing as well as private initiatives, increasing the supply of social or affordable rentals

Public and private promoters of social/affordable rental housing, residential rental market and society as a whole

Second floor, direct financing

Funds managed on behalf of the State

€210.7 billion (*)

CARI - FIEM (Internationalization)	5.9bn
FONPRODE - FCAS (Development Cooperation)	0.6bn
REGIONAL FINANCING FUND	198.0bn
LOCAL ENTITIES FINANCING FUND	6.3bn

(*) Outstanding balance as at 31st December 23

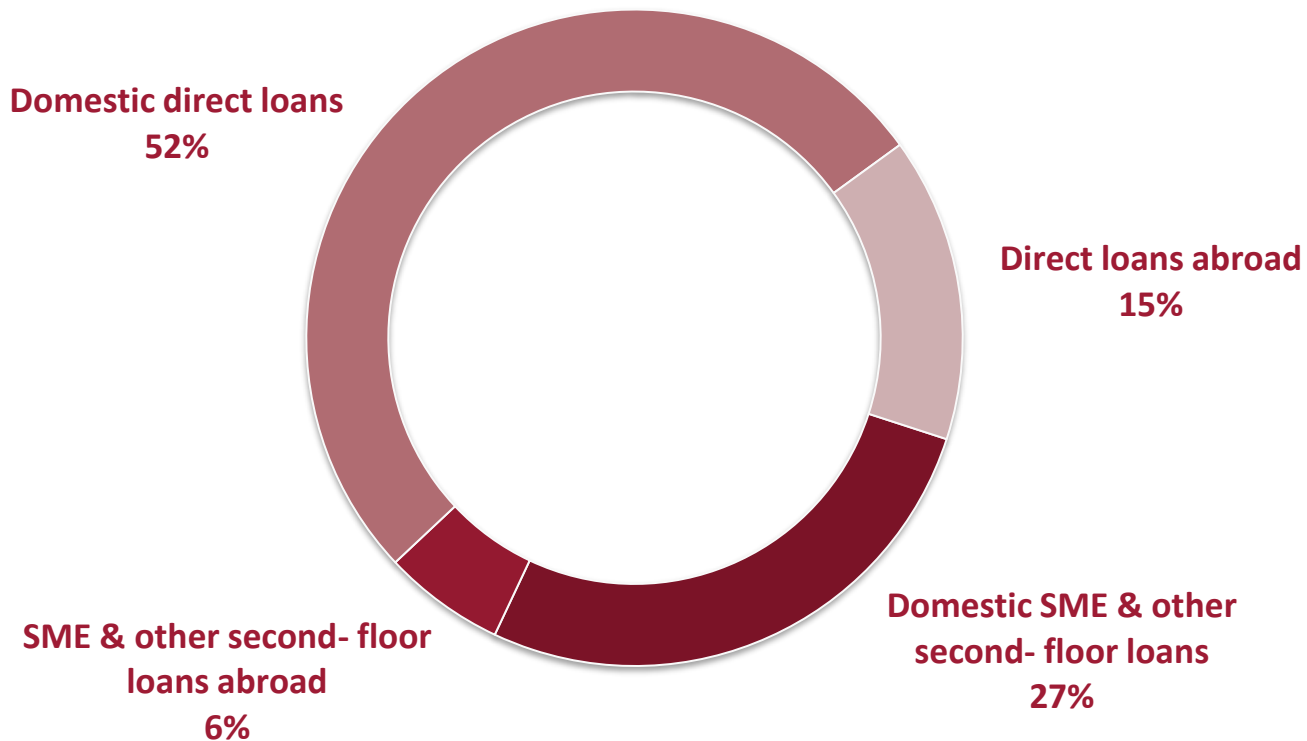
Guarantees managed on behalf of the State

€111.7 billion (**)

COVID 19 GUARANTEES (initial guarantee amount)	107.2bn
UKRAINE GUARANTEE LINE (initial guarantee amount)	4.5bn

(**) Initial Guarantee amount

Total managed activity has **increased 5% YoY** due to a greater amount of State Funds managed as well as a higher amount guaranteed through COVID-19 and Ukraine Crisis Guarantee Lines



ICO loan portfolio is roughly split 67%-33% between direct lending and second floor facilities, respectively

21% of the loan book is international

	2019	2020	2021	2022	31/12/2023*
Total assets (Mill. EUR)	31,823	34,386	37,766	29,775	31,657
Equity & reserves¹ (Mill. EUR)	5,257	5,202	5,354	5,515	5,689
Pre-tax profit (Mill. EUR)	149.25	97.55	171.70	178.11	336.89
Net interest income (Mill. EUR)	-28.06	-10.63	104.55	125.73	290.25
Gross revenue (Mill EUR)	90.53	88.22	181.86	204.58	361.50
Profitability ROA	0.44%	0.29%	0.49%	0.53%	1.09%
Profitability ROE	2.11%	1.40%	2.49%	2.63%	5.09%
Tier I Ratio	41.11%	37.21%	35.36%	33.62%	26.21%
Non-Performing Loans					
Direct Loans	4.72%	4.16%	3.81%	3.67%	4.20%
Total loans incl. second floor loans	2.43%	2.33%	2.33%	2.31%	2.76%
Provision coverage ratio	168%	145%	157%	171%	128%
Efficiency					
Operating expenses over gross revenue	44.00%	47.70%	24.60%	23.40%	13.60%

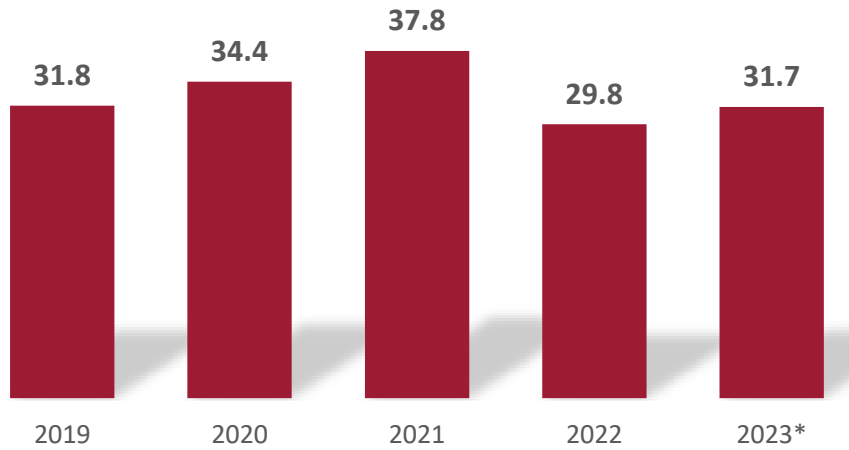
Source: ICO

* Unaudited figures

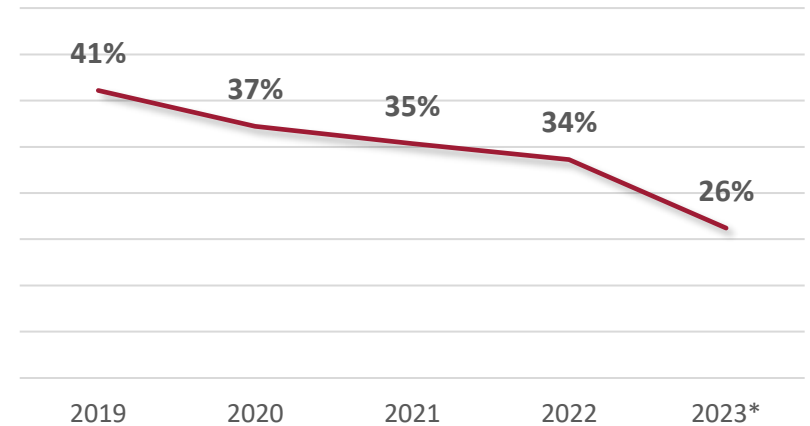
(1) Eligible capital for solvency purposes.

According to the forty-ninth Additional Provision of Act 42/2006 on the General-Government Budget Act, Tier I Ratio may in no case fall below 9.50%. ICO's own funds are of the highest quality (only equity and reserves). ICO has not issued neither subordinated debt, preferred stocks, contingent convertibles nor any other hybrid instruments.

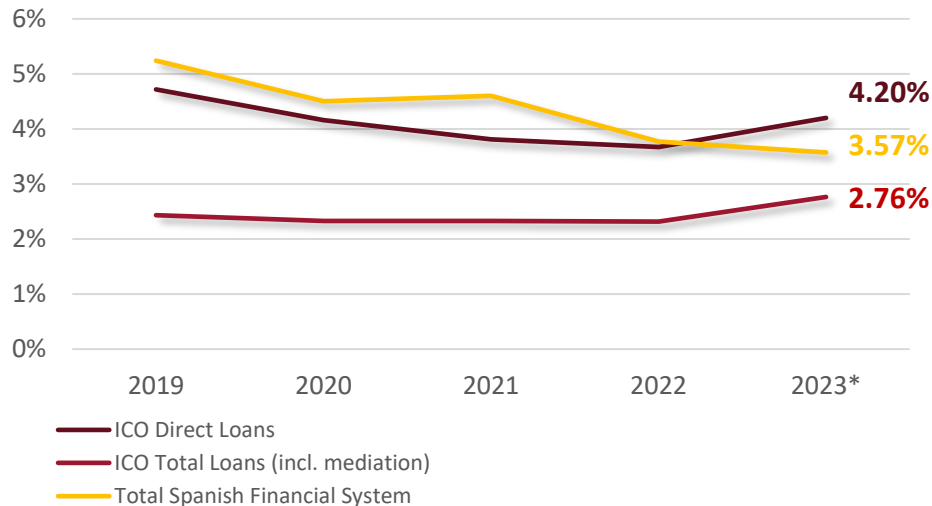
Total Assets (EUR billion)



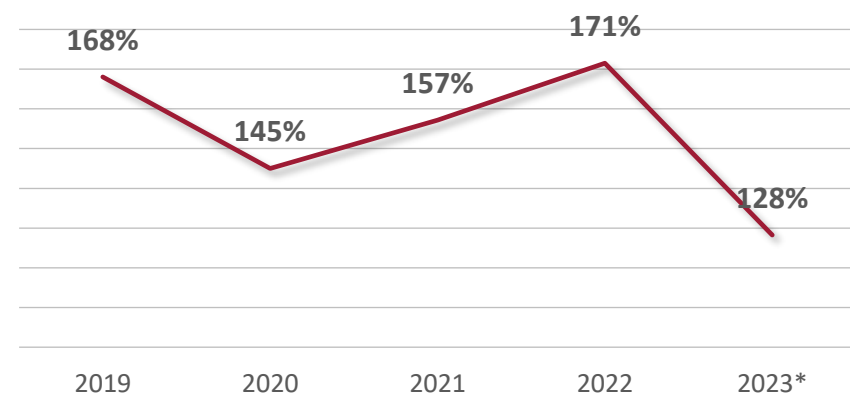
TIER I capital ratio %



NPL Ratios %



Provision coverage ratio %

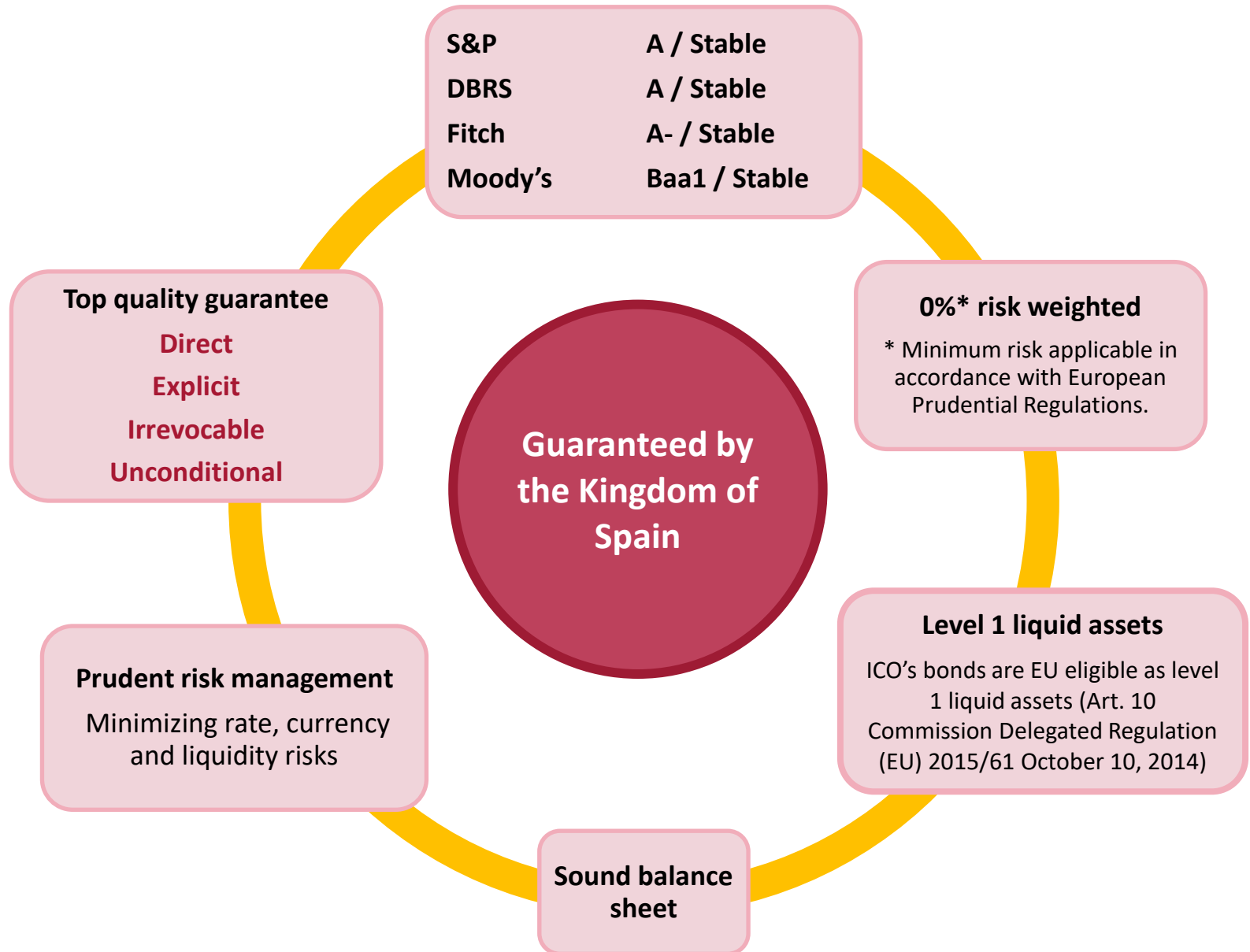


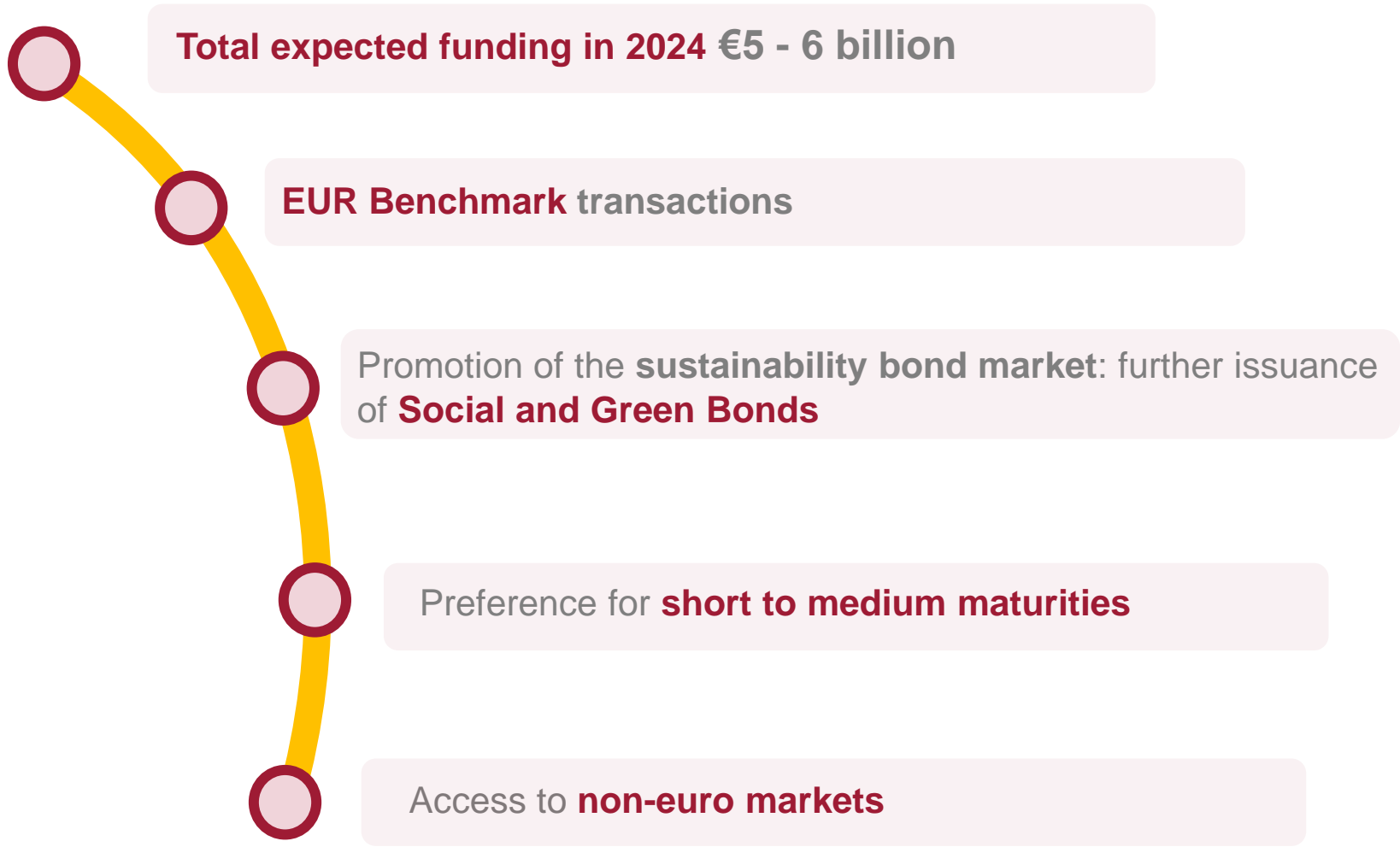
Source: ICO
*unaudited figures

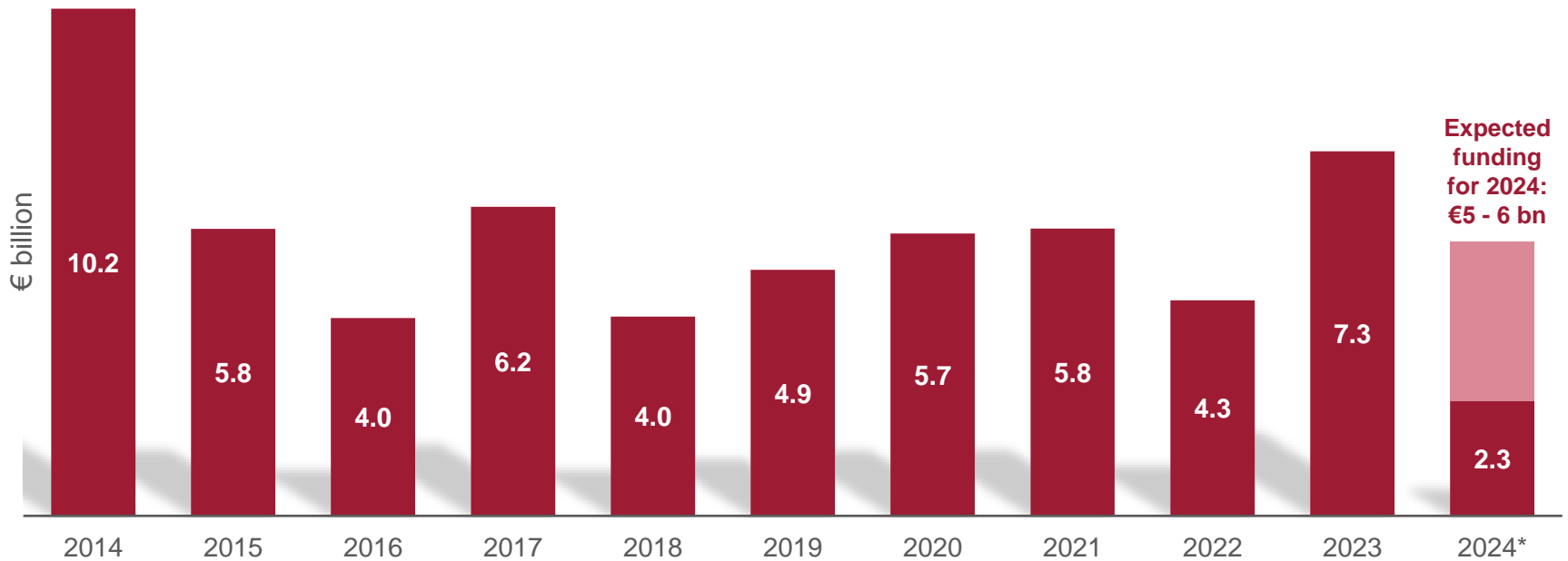
2

Funding Profile









*As at 6th March 2024



As at 08/03/2024

Strategy

Benchmark minimum size: **500 Million**

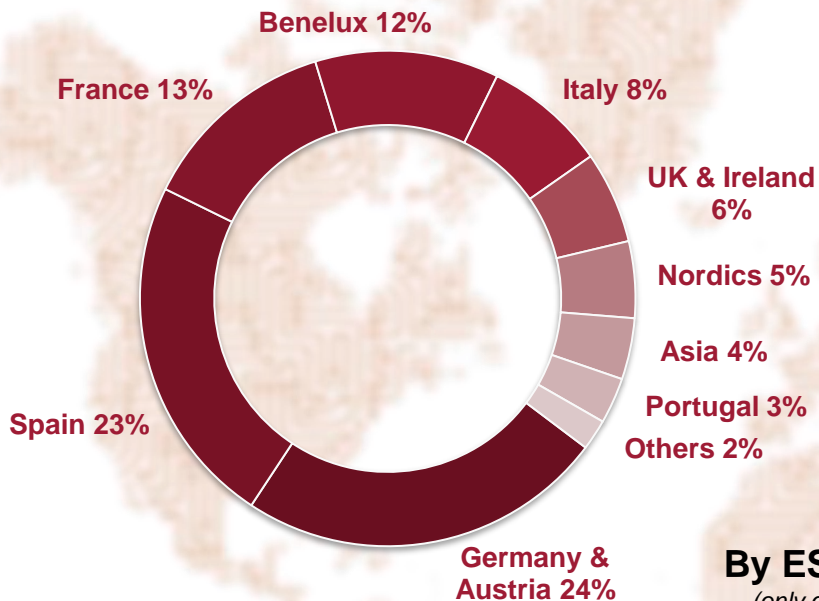
Taps minimum size: **50 Million** (adding up clips of 25 Million)

Private placements minimum size: **10 Million**

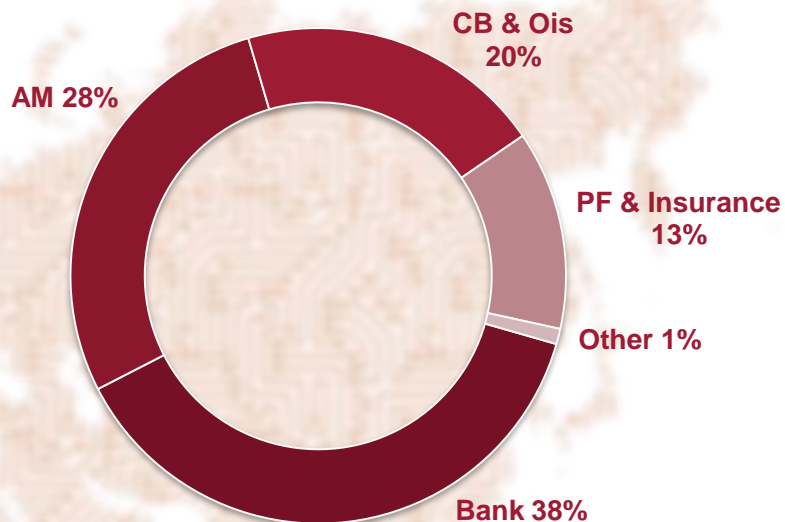
Borrowing Profile

(benchmark transactions 2023)

By Region

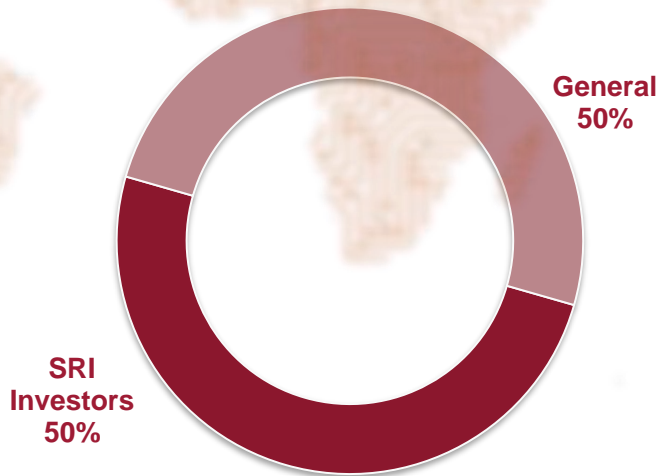


By Investor Type

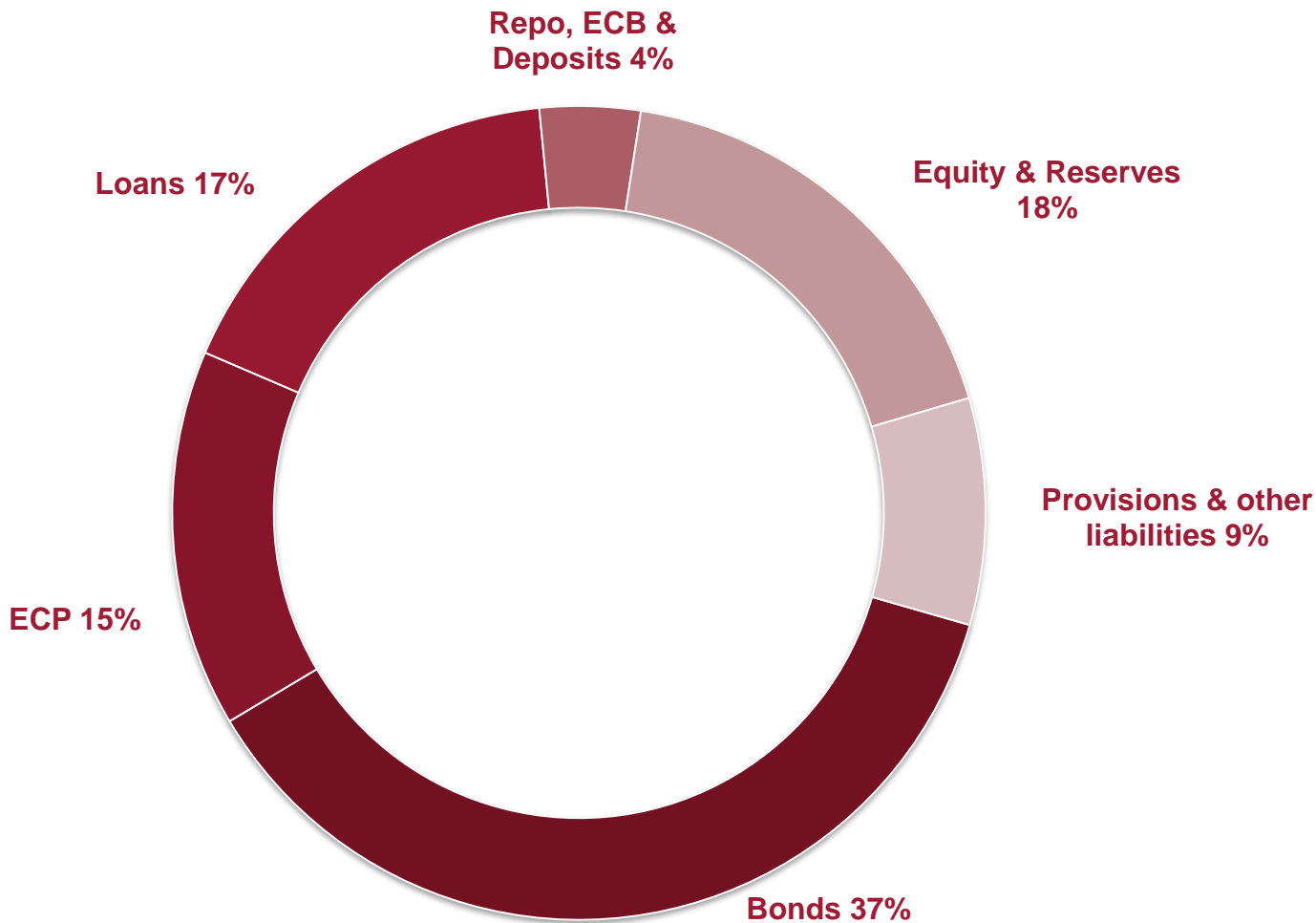


By ESG participation

(only green and social bonds)



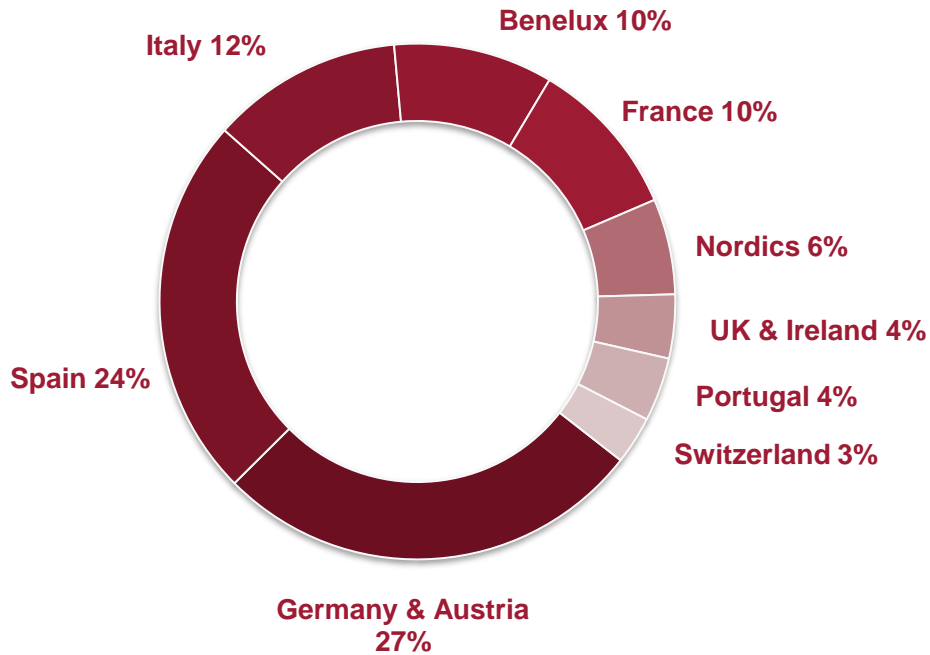
Liability Breakdown



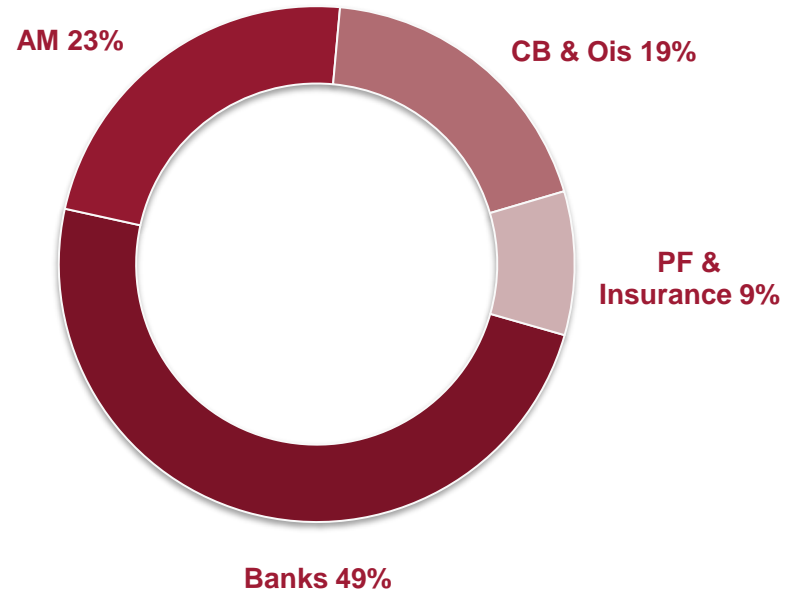
Total Liabilities: €31,657 Million

ICO EUR 1,000 mm 3.80% May 2029 Issued in October 2023

By Region



By Investor Type



3

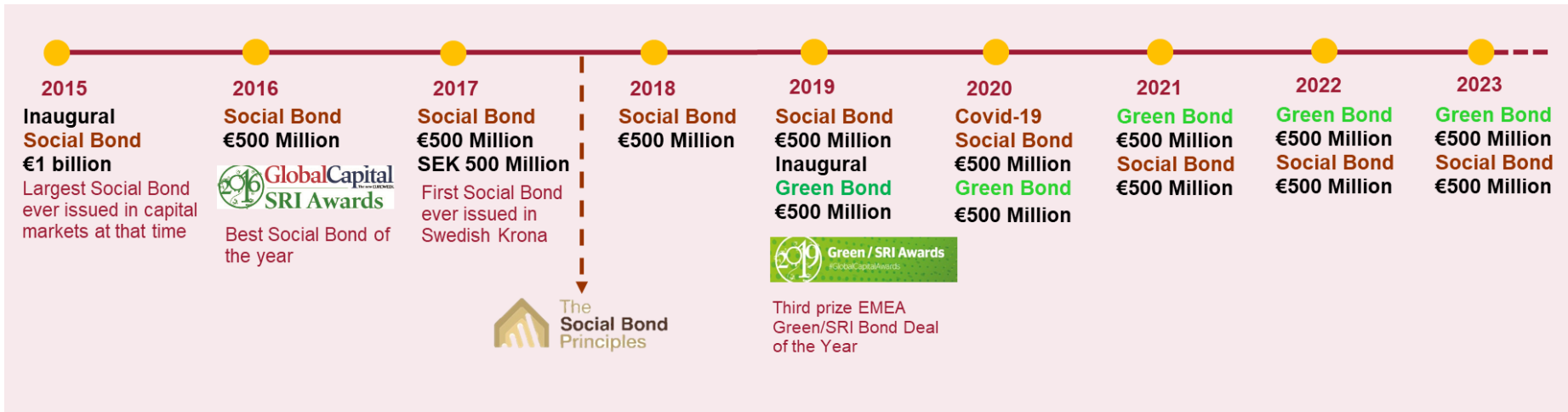
ICO Social and Green Bonds



ICO issued its inaugural social bond in early 2015 when no guidelines were still established on this regard. Since this first issuance, ICO has demonstrated its leadership in the social bond market, having issued **10 social bonds amounting to over €5,050 Million**, so far.

ICO reinforced this commitment to the sustainable bond market with the debut on the green bond market in 2019. Since then, the institution has issued **5 green bonds amounting to €2,500 Million**.

ICO has become a referent in the sustainable bond market by having issued **more than €7,550 Million** in different types of sustainable bonds that will help to contribute to a more sustainable world.



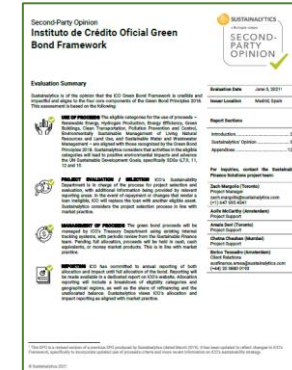
Aligned with best in class market standards



Framework (June 2021)



Second Party Opinion (June 2021)



Project Categories



Renewable energy



Pollution prevention and Control



Green buildings



Environmentally sustainable management of living natural resources and land use



Energy efficiency



Hydrogen production & storage



Clean transportation

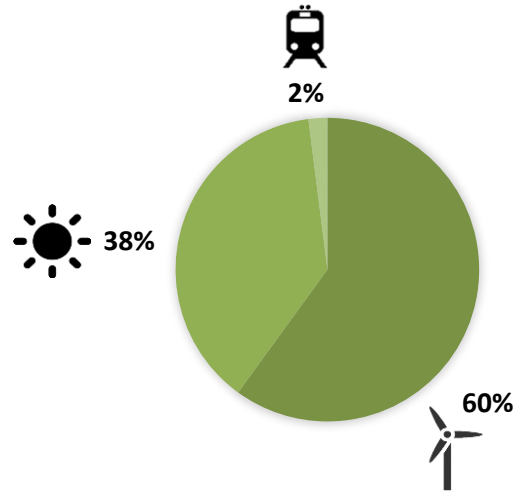


Sustainable water and wastewater management

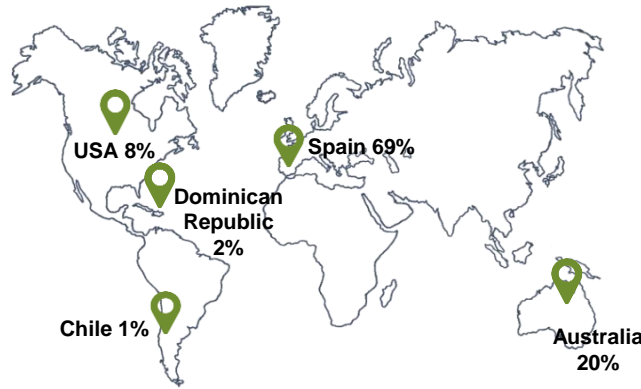
SUSTAINABLE DEVELOPMENT GOALS



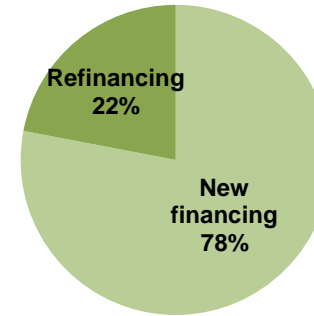
Green Bond €500 Million 3.05% due October 2027 launched February 2023 (ISIN XS2586947082)



Breakdown by energy source



Breakdown by country



Share of financing vs refinancing



Green Bond Reporting



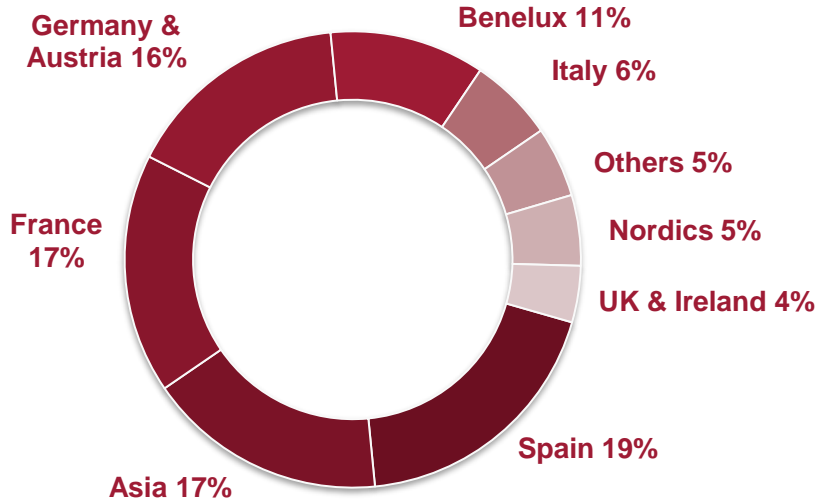
Portfolio Review

Type of Project	Installed Capacity (MW)	Annual energy production distributed (MWh)	No. Hydrogen refuelling stations	Estimated Charge 2023 (MWh)	Annual GHG emissions avoided Tn CO2e	Allocated million EUR
Wind Power	2,640	8,637,778	-	-	206,391	300,605,505
Solar Power (*)	2,010	3,960,827	-	-	78,473	189,394,495
Clean transportation	-	-	6	1,292	2,614	10,000,000
Total	4,650	12,598,604	6	1,292	287,478	500,000,000

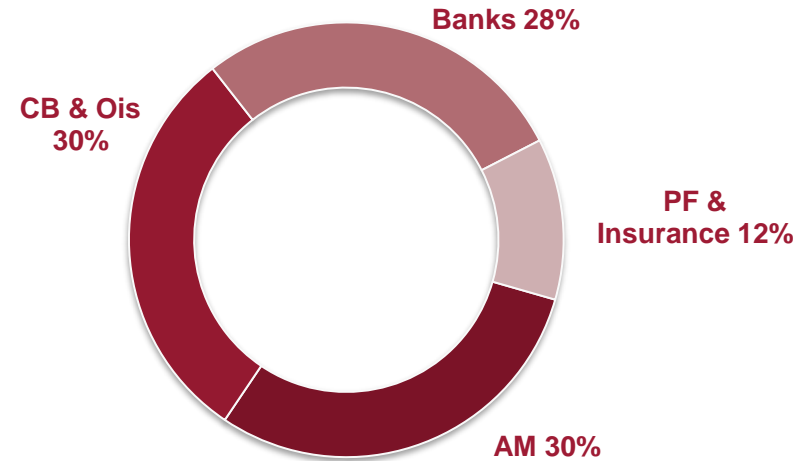
(*) 100% Photovoltaic sources (100%).

5th ICO GREEN BOND €500 Million 3.05% Oct 2027 Issued in February 2023

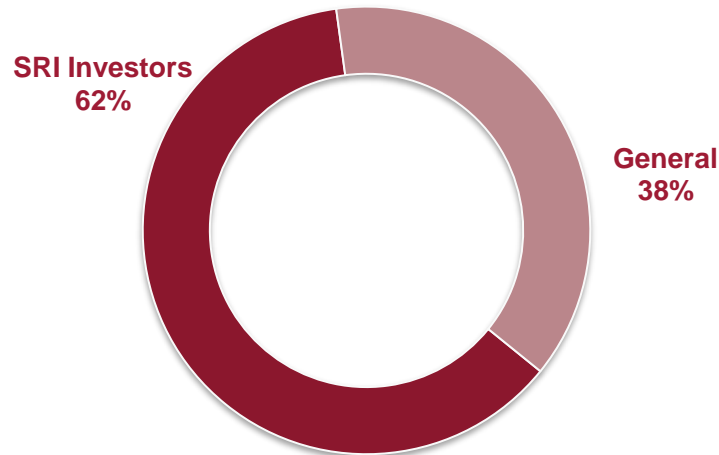
By Region



By Investor Type

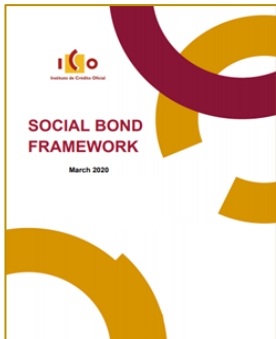


By ESG participation



Updated March 2020

Framework (March 2020)



Second Party Opinion (March 2020)



SUSTAINABLE DEVELOPMENT GOALS



Aligned with best in class market standards



Project Categories

SME SME Lending (Economically underperforming regions/ Depopulation/ Natural or health disasters)



Socioeconomic advancement & empowerment



Social Housing



Access to essential services (education/ healthcare/ professional training)



Affordable basic infrastructure (Water and Sanitation/ Connectivity and digital Access)

Targeted populations:

SMEs in line with EU's standards, economically underperforming region, municipalities experiencing depopulation, regions affected by a natural disaster

Aged / disabled individuals, companies with a high % of disabled workforce, victims of gender violence, risk population and minorities, migrants, social EU funds, social start ups

Eligible beneficiaries according to socio-economic requirements set by regional governments

Hospitals/ Healthcare (open to all population), senior healthcare centres/homes, Public education (open to all population)

Rural areas, underserved areas, excluded and/or marginalized populations and/or communities, all population in Spain (water)

€500 Millions for social projects that have helped mobilize €705 Millions funds



SME

SME Lending: Economically underperforming regions

- €406.04 Millions allocated
- 3,870 projects financed
- 34,059 jobs created and/or retained

81%



Social Housing

- €0.84 Millions allocated
- Purchase of a total of 9 privately owned homes, in order to be incorporated into the rental market for vulnerable groups

1%



Access to essential services: Access to healthcare

- €61.85 Millions allocated
- 2 hospitals and 7 senior healthcare centres built
- 527 direct permanent jobs created by the project, 65% for women
- 507 beds and 142 hospital rooms
- Health coverage to 910 surrounding communities in disadvantaged and/or rural areas

12%



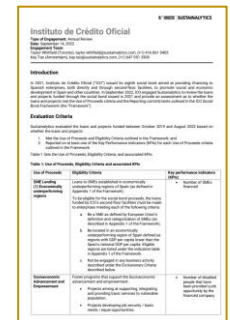
Affordable basic infrastructure: Water and sanitation

- €31.27 Millions allocated
- 5 sanitation projects financed
- 305,366 beneficiaries
- 41,218.17 m3/day wastewater treated

6%



Social Bond Reporting

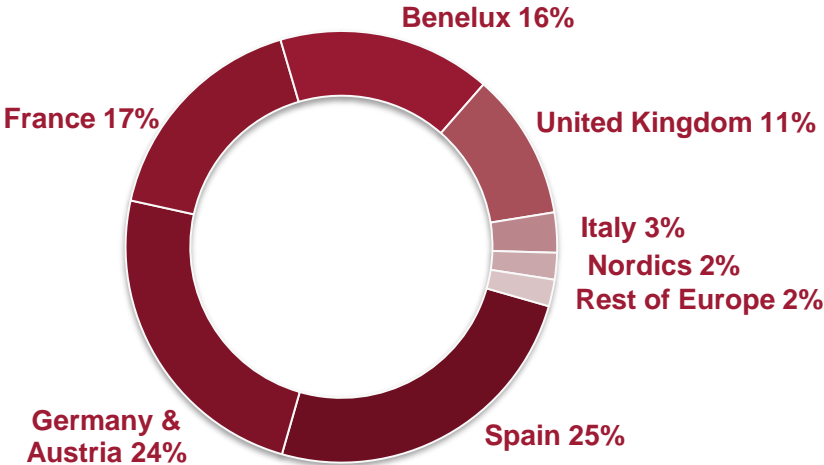


Portfolio Review

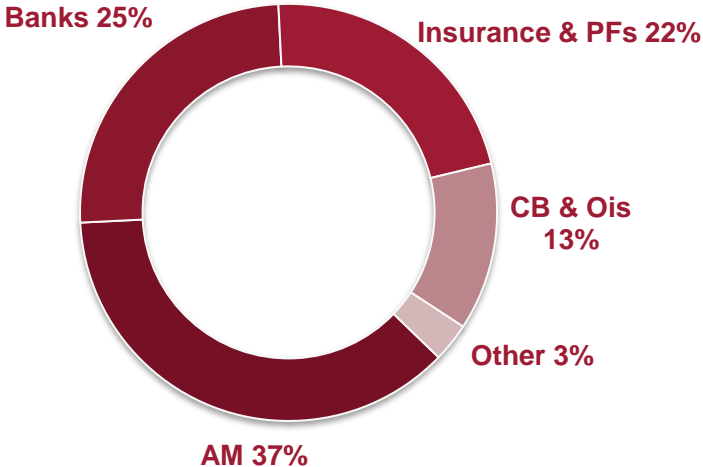
Last Social Bond

10th ICO SOCIAL BOND €500 Million 3.25% October 2028
Issued in June 2023

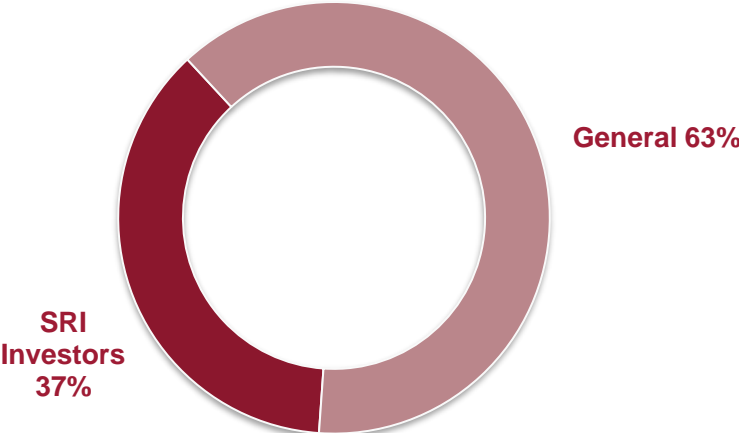
By Region



By Investor Type



By ESG participation



Antonio Cordero
Chief Financial Officer

antonio.cordero@ico.es

Sergio Sierra
Head of Funding and Treasury

sergio.sierra@ico.es

Ana Guardia
Head of Capital Markets

ana.guardia@ico.es

Nagore Llorente de Pablo
Capital Markets

nagore.llorente@ico.es

Elisa Fernández de la Peña
Capital Markets

elisa.fernandez@ico.es

ICO GREEN AND SOCIAL BONDS

Supporting sustainable growth in Spain



Investing in ICO Green and Social Bonds provides the opportunity to take part in the transition of the Spanish economy to a more sustainable growth model.

ICO is playing a key role on the current recovery and transformation process and has been a pioneer in the Sustainable Bond market in Spain, gaining extensive experience and providing confidence and attractive returns.



www.ico.es



ICO <GO>



investors@ico.es



**Paseo del Prado 4
28014 Madrid**

Disclaimer: None of the information displayed constitutes an offer of securities for sale, or recommendation to purchase, to hold or sell any securities in the U.S.A. or in any other jurisdiction in which such offer or recommendation is not authorized. ICO has not registered, and does not intend to register, any of its securities (nor the guarantee thereof has been or will be registered) under the U.S. Securities Act of 1993 (the Securities Act) or any applicable US State Securities Laws or to conduct a public offering of securities in the U.S.A. ICO is complying with rules concerning the exemption from the registration of its securities under the Securities Act, by which those securities will be offered only for sale to "qualified institutional buyers" (QIBs) pursuant to rule 144A. This information is not directed at and may not be distributed to any person in any jurisdiction in which the access to this information is legally limited (v gr. USA -except QIBs- Canada, Japan, Australia).