



Instituto de Crédito Oficial

Investor Presentation

January 2025

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Instituto de Crédito Oficial

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Funding profile

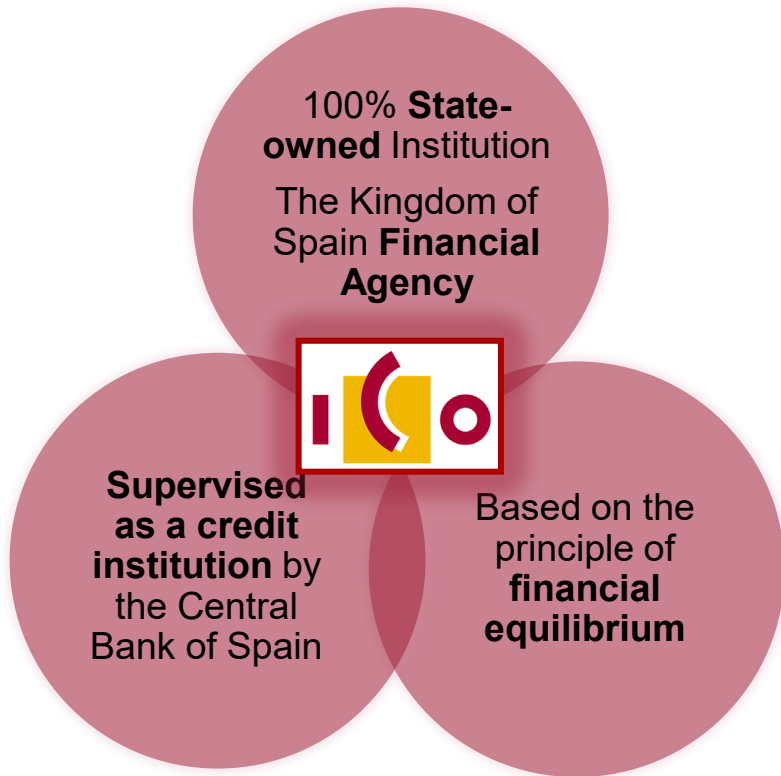
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ICO Social and Green Bonds

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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.

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1971
ICO was founded
- Creation of AXIS, ICO's venture capital subsidiary
1986

- 
1991
State Financial Agency and National Promotional Bank
- Launching of ICO Second-Floor Facilities
1993
Creation of Fundación ICO

- 
1996
ICO's Museum was born
- FFPP (Fund for the Financing of Suppliers Payments) and FLA (Regional Liquidity Mechanism)
2008

- 
2013
Launching of Fond-ICO Global
- ICO issues the 1st Social Bond in Spain
2015

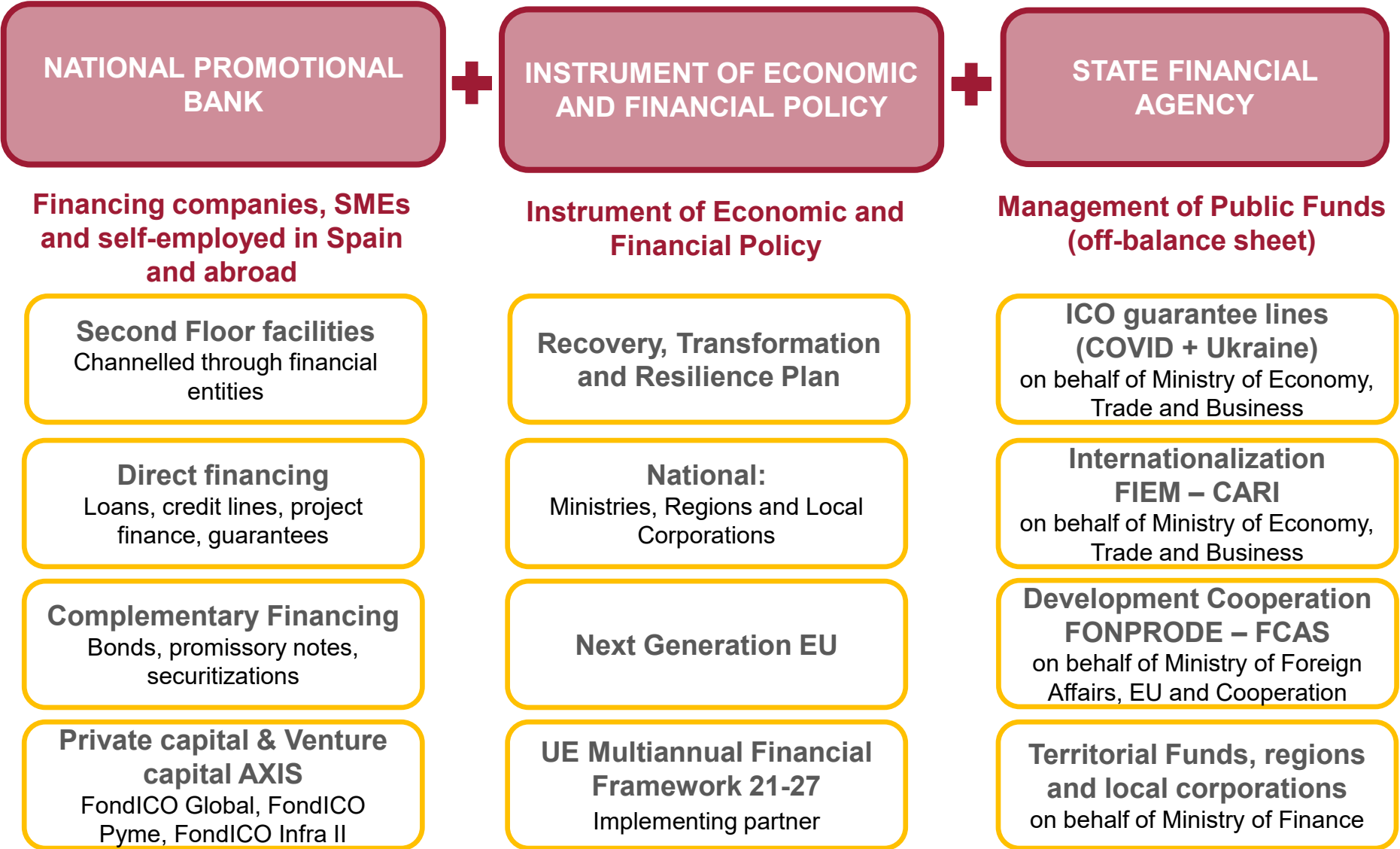
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2019
1st ICO Green Bond
- COVID-19 Guarantee Lines
2020

- 
2021
Implementing Partner UE
Joining Nasdaq Sustainable Bond Network

- ICO is appointed to mobilise the European Next Generation funds in Spain
2023

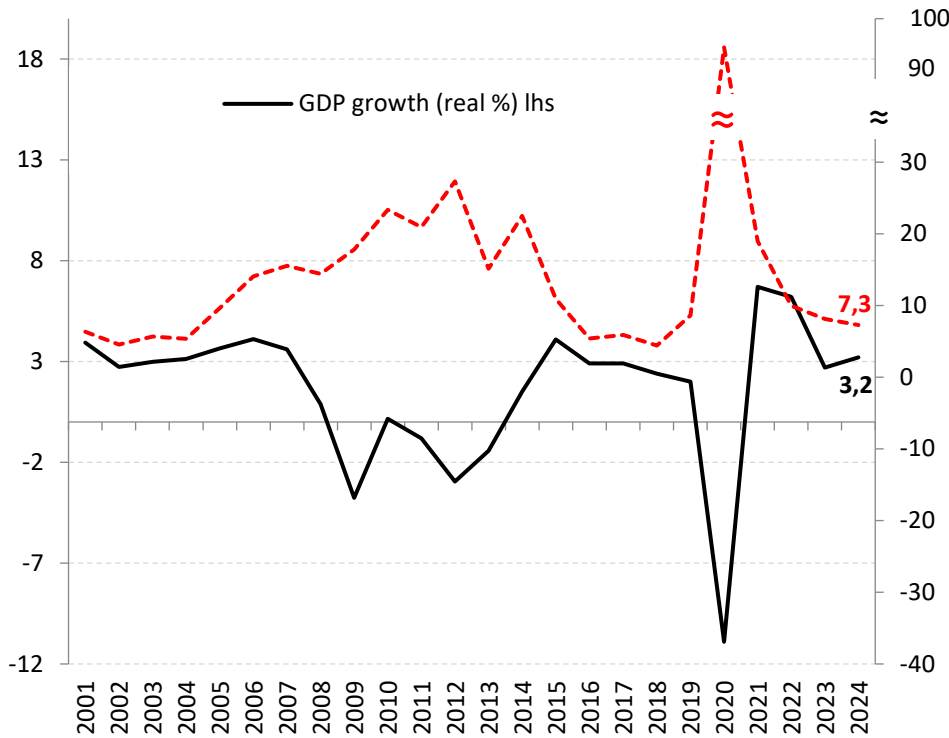
Funded by the European Union NextGenerationEU


To achieve its objectives, ICO performs three main functions



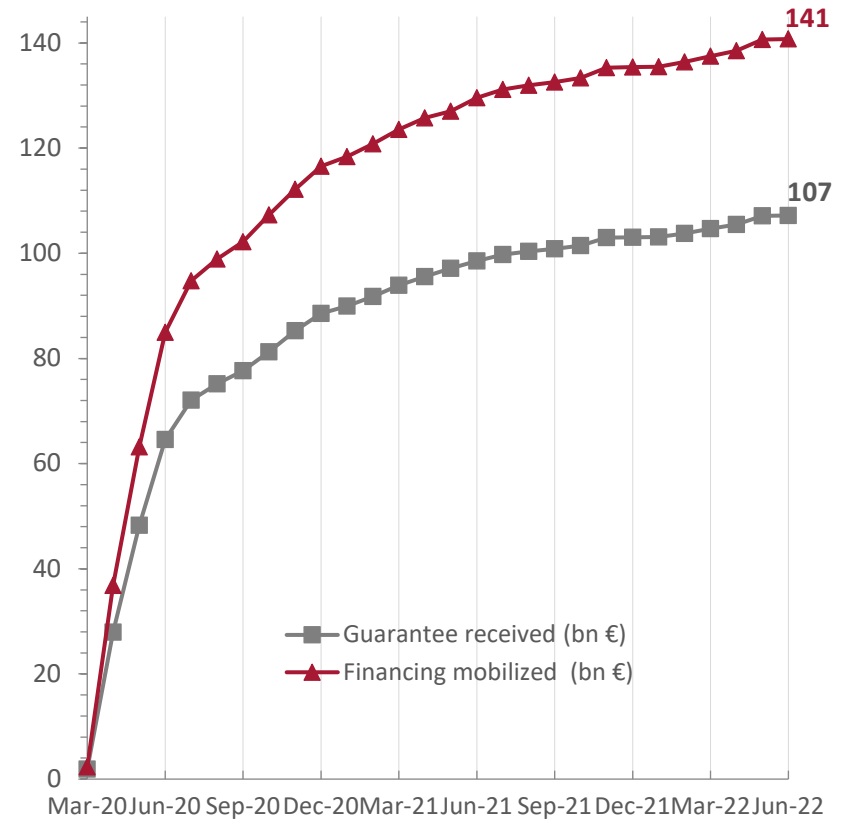
ICO, in its capacity as a national promotional bank, has traditionally worked **countercyclically** through the macroeconomic phases in the Spanish economy

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



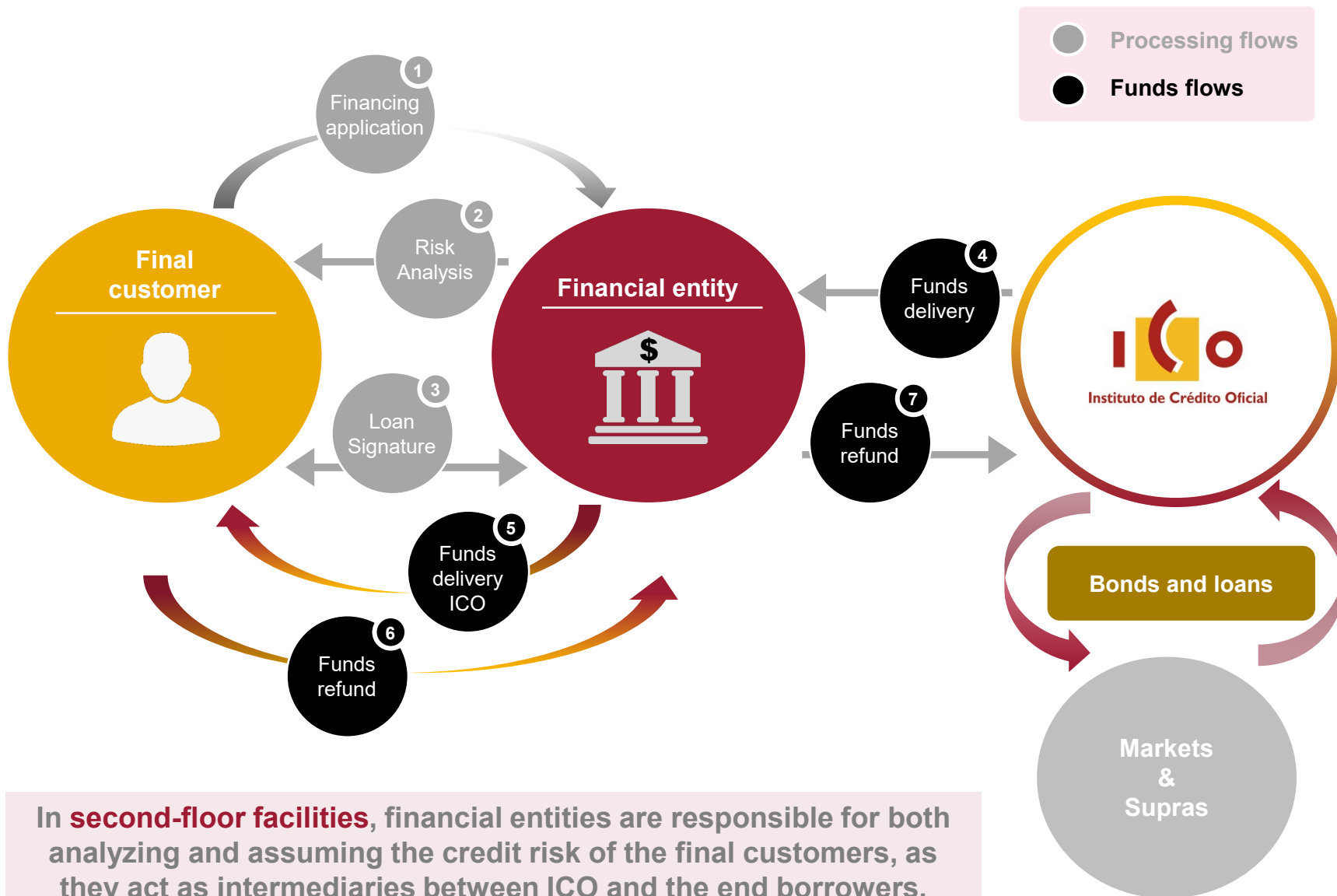
Source: ICO, INE

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



Source: ICO

Second-floor facilities scheme



In **second-floor facilities**, financial entities are responsible for both analyzing and assuming the credit risk of the final customers, as they act as intermediaries between ICO and the end borrowers.

ICO's Board of Directors has approved in September an addendum to its Strategy 2022-2027 with the following key elements:

- ❑ **Direct Activity:** Increased focus on direct operations to SMEs and Midcaps, **filling market gaps** and reorienting ICO's business **beyond its countercyclical role**.
 - **Addressing Market Failures in Intangible Financing:** Filling the gap in funding for digitalization, licenses and workforce training.
 - **Under-Capitalized SMEs:** Tackling the challenge of growth-limited SMEs due to limited access to capital.
 - **Non-Bank Financed Companies:** Providing solutions for companies lacking access to traditional banking.
 - **Affordable Housing Initiative** and other infra-financed sectors or firms: Special focus on activity related to social housing projects where private bank funding is insufficient.

- ❑ Deployment of **EU Next Generation Funds** in the context of the Spanish Recovery, Transformation and Resilience Plan.

ICO will mobilize up to **€40 billions of Next Generation EU loans** in the second phase of the Recovery, Transformation and Resilience Plan through 4 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

€223.6 billion (*)

CARI - FIEM (Internationalization)	5.9bn
FONPRODE - FCAS (Development Cooperation)	0.6bn
REGIONAL FINANCING FUND	210.8bn
LOCAL ENTITIES FINANCING FUND	6.3bn

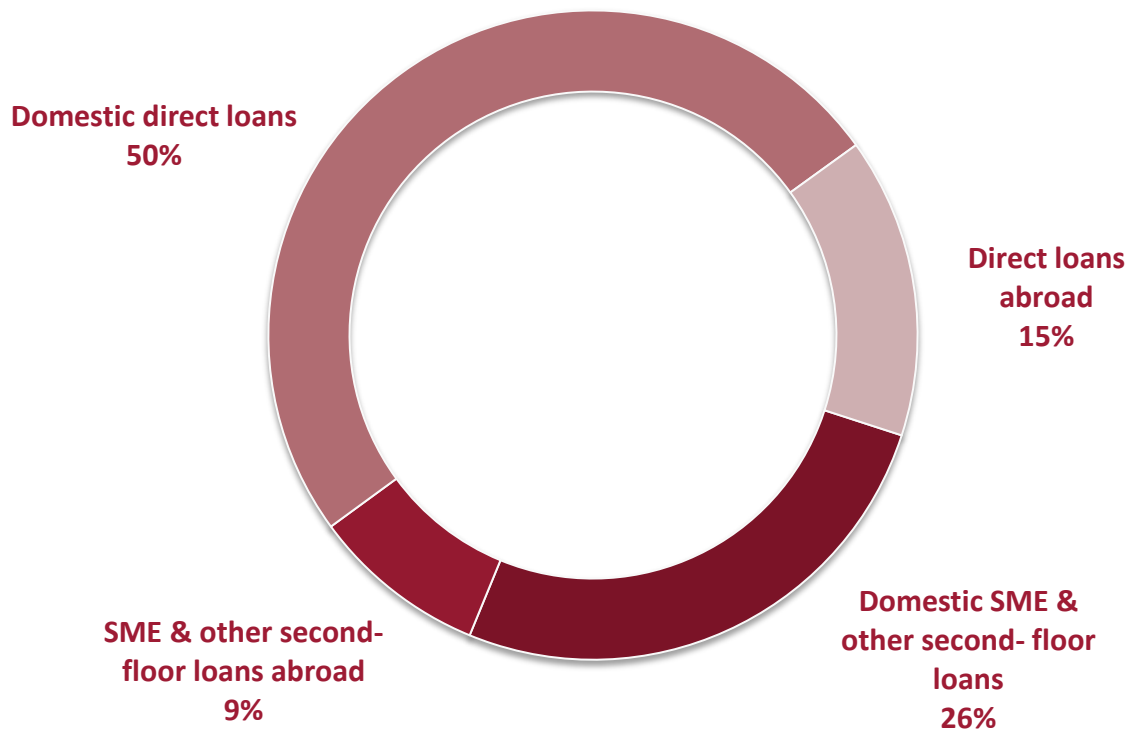
(*) Outstanding balance as at 31st December 2024

Guarantees managed on behalf of the State

€114.2 billion (**)

COVID 19 GUARANTEES (requested amount)	108.1bn
UKRAINE GUARANTEE LINE (requested amount)	6.1bn

(**) Requested amount as at 30th July 2024



Data as at 31st December 2024

ICO loan portfolio is split 65% - 35% between **direct lending and second floor facilities**, respectively

24% of the loan book is **international**

* 35% corresponding to intermediated loans represents risk linked to the financial sector, acting as an intermediary, rather than being directly associated with end clients or specific sectors.

	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%

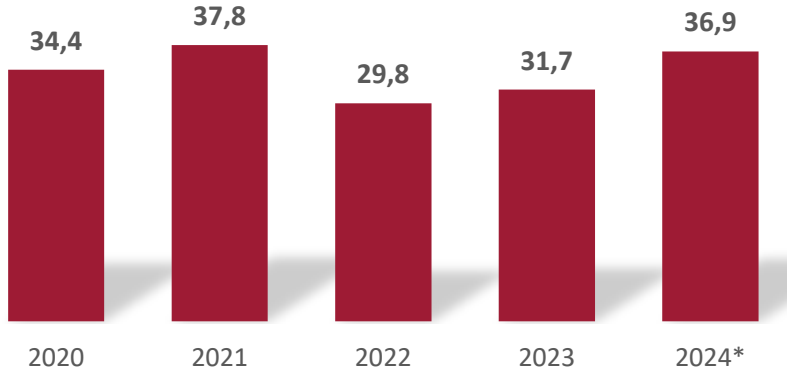
Source: ICO

* Unaudited figures

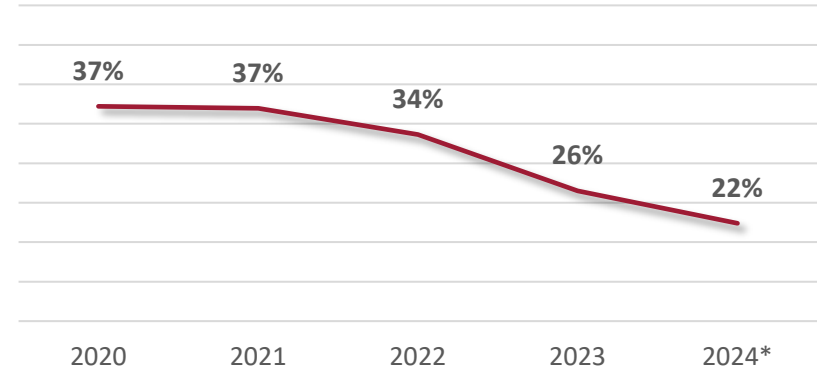
(1) Eligible capital for solvency purposes.

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.

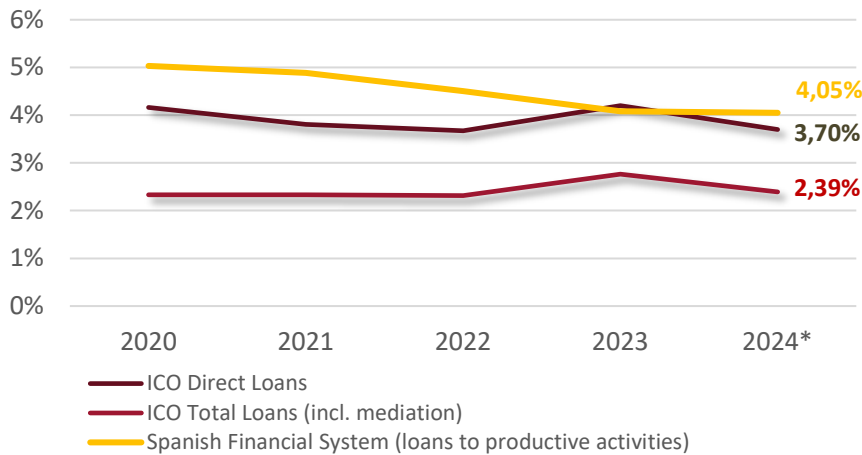
Total Assets (EUR billion)



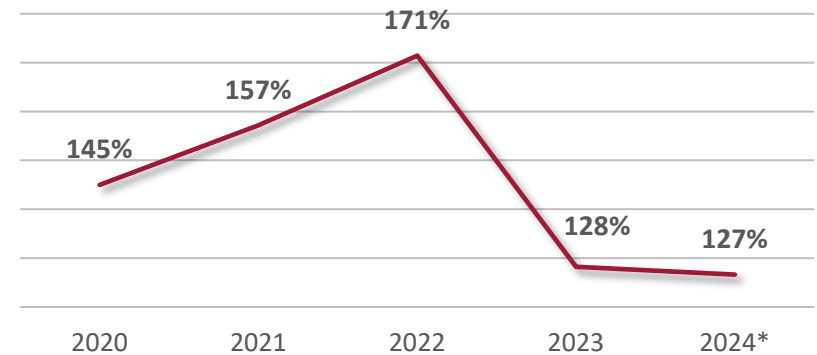
TIER I capital ratio %



NPL Ratios %



Provision coverage ratio %

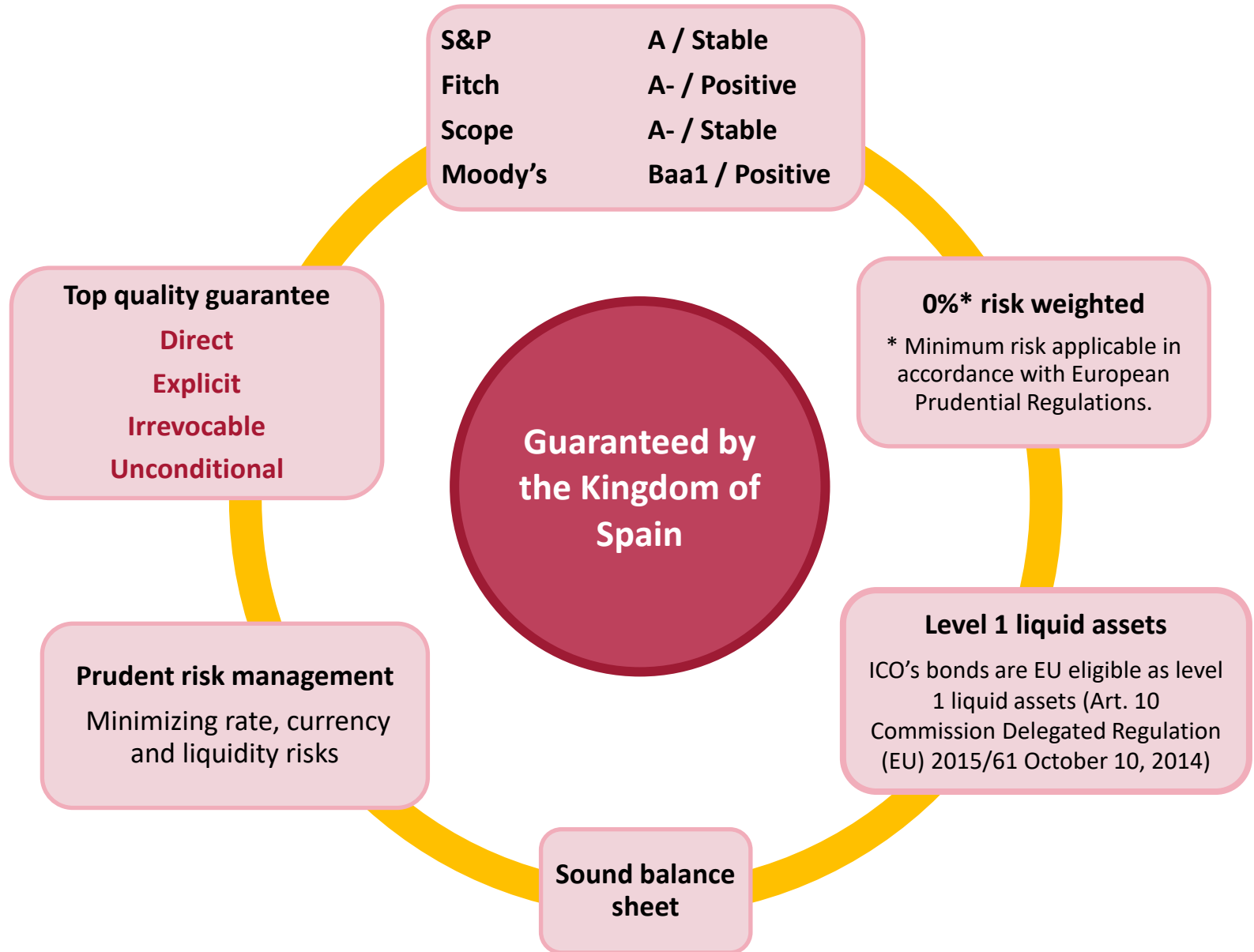


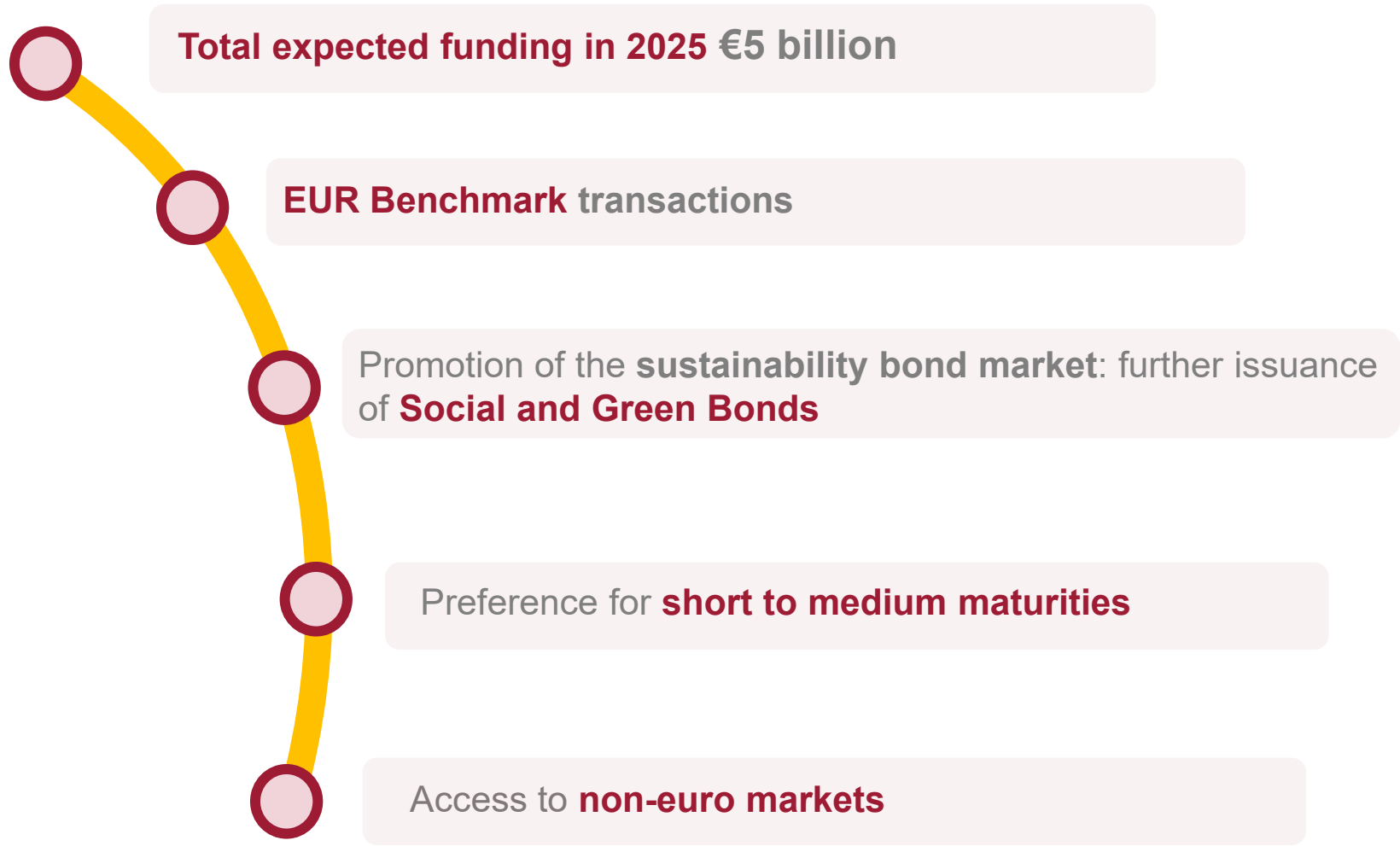
Source: ICO
 Data as at 30th September 2024
 *unaudited figures

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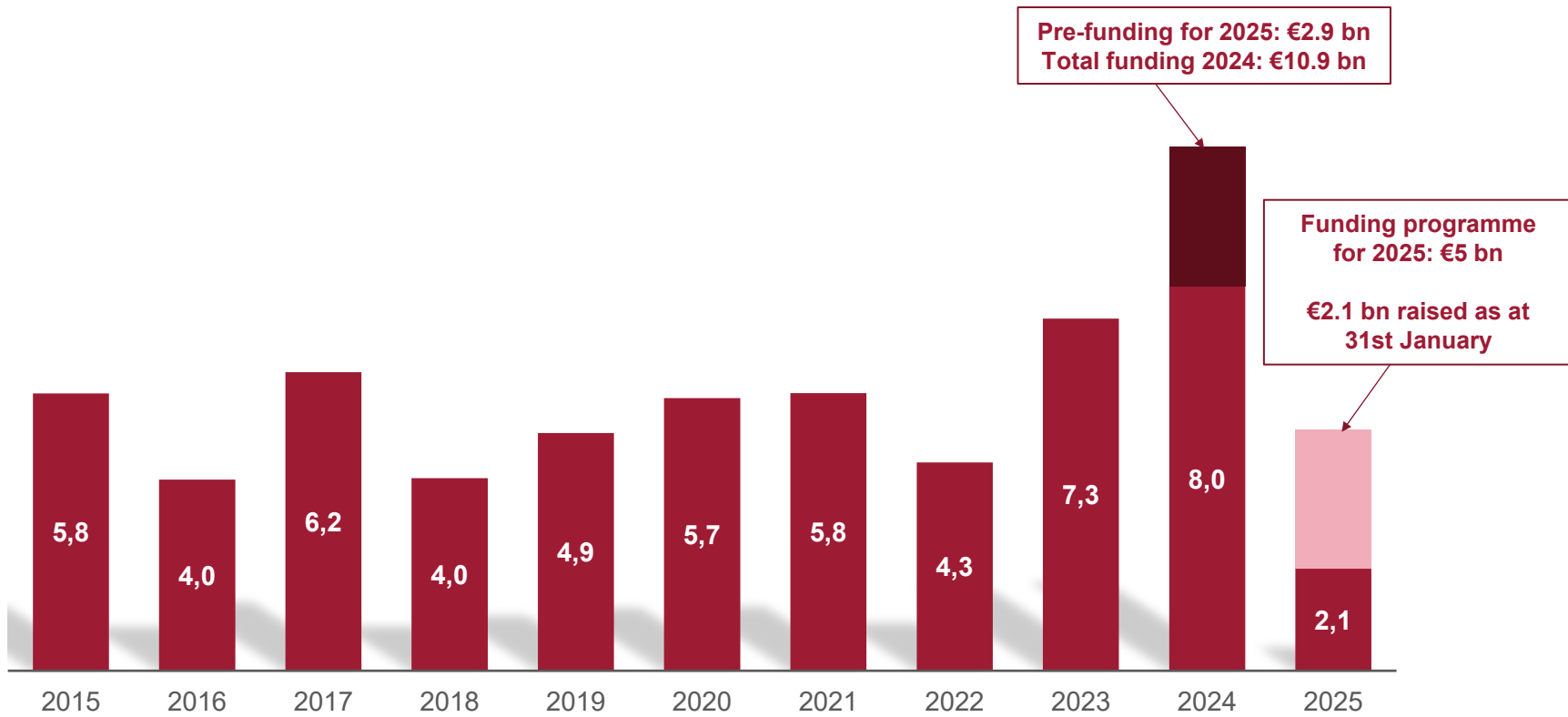
Funding Profile

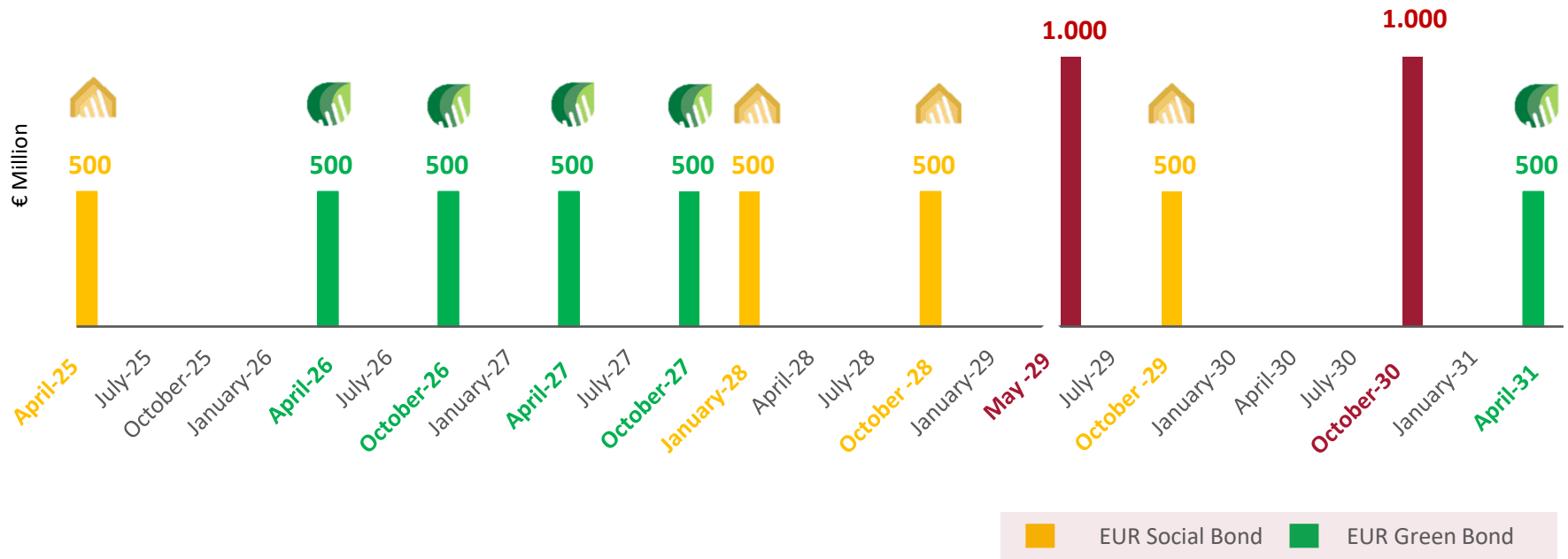






€ billion





Data as at 15th September 2024

Strategy

Benchmark minimum size: **500 Million**

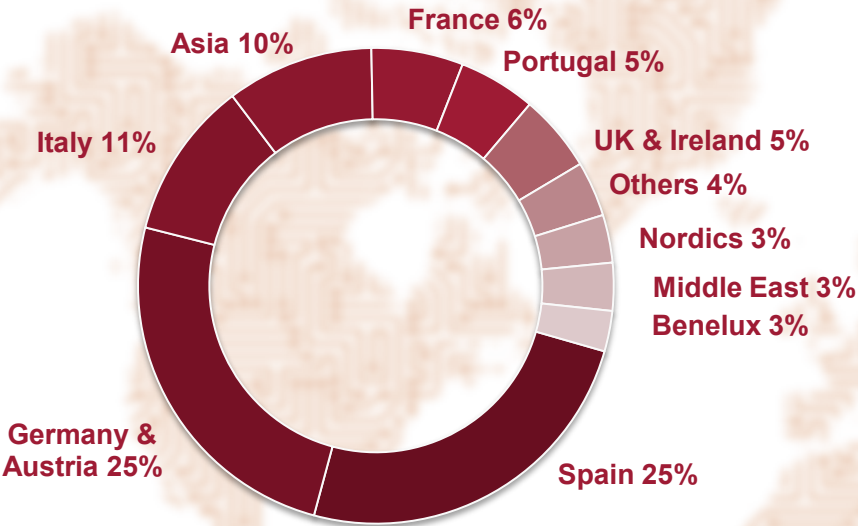
Taps minimum size: **50 Million**
(adding up clips of 25 Million)

Private placements minimum size: **10 Million**

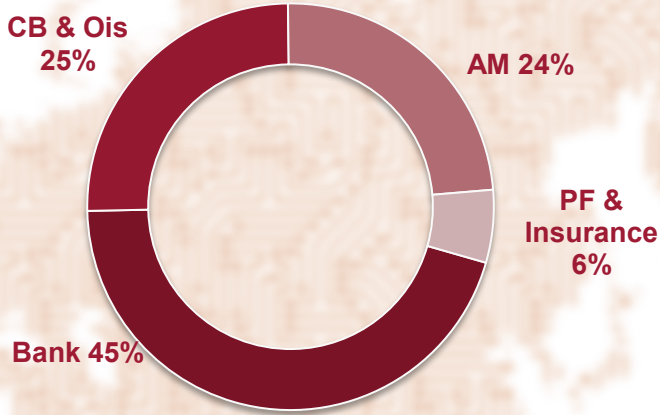
Borrowing Profile

(benchmark transactions 2024)

By Region

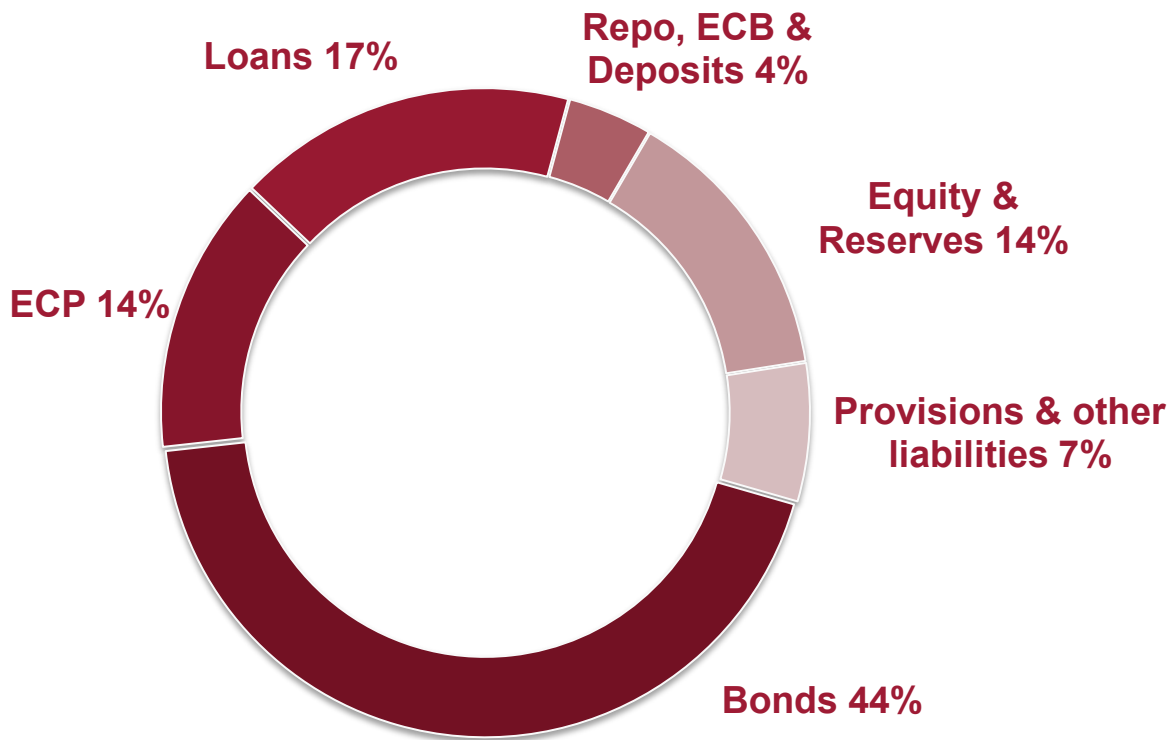


By Investor Type



By ESG participation



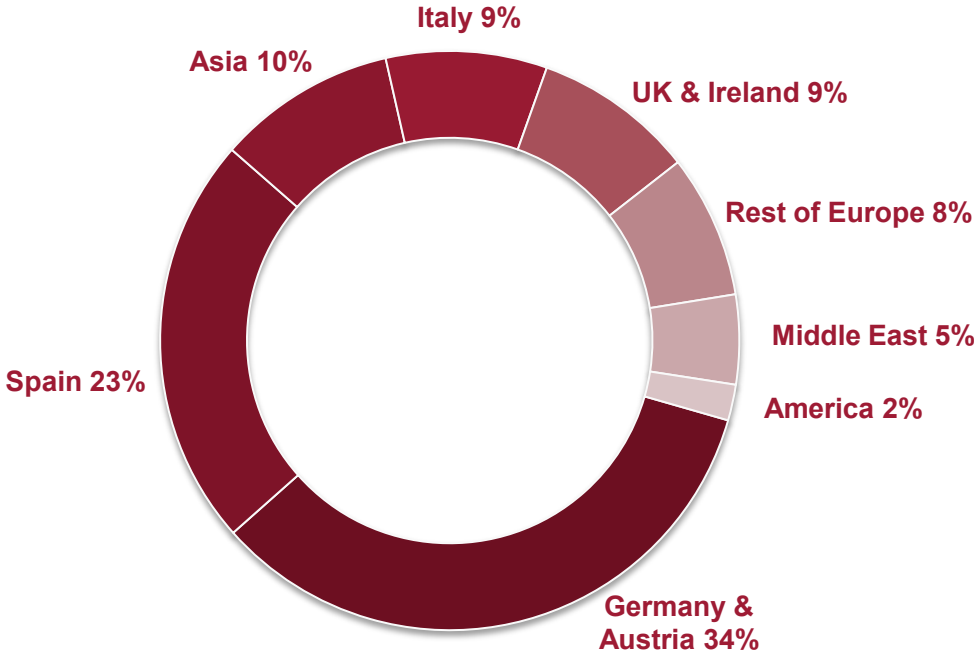


Total Liabilities: €37,780 Million

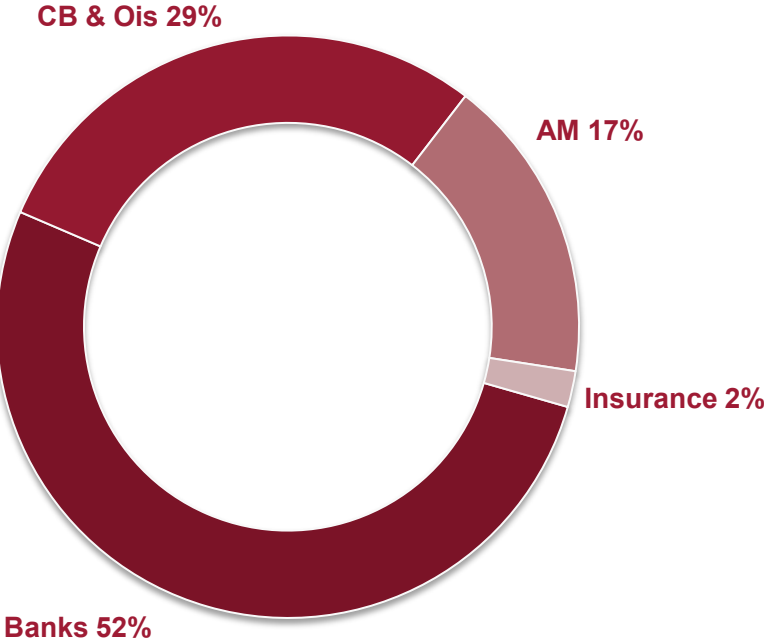
Latest Conventional ICO Bond

ICO €1,000 Million 2.70% Oct 2030
Issued in September 2024

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 **11 social bonds amounting to over €5,550 Million**, so far.

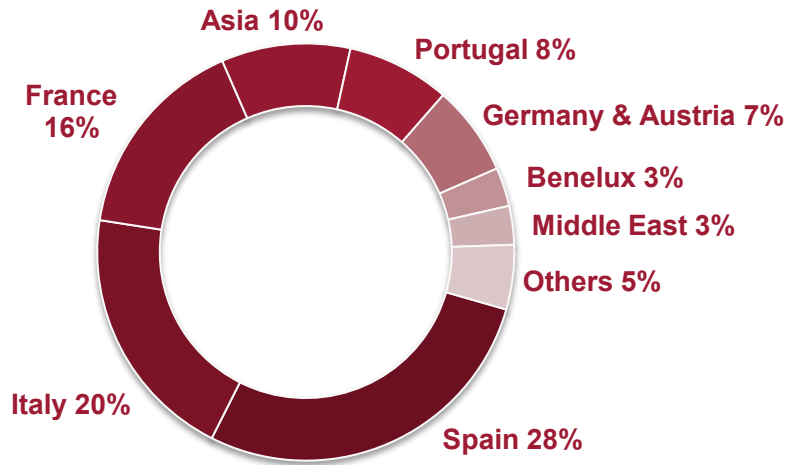
ICO reinforced this commitment to the sustainable bond market with the debut on the green bond market in 2019. Since then, the institution has issued **6 green bonds amounting to €3,000 Million**.

ICO has become a referent in the sustainable bond market by having issued **more than €8,550 Million** in different types of sustainable bonds that will help to contribute to a more sustainable world.

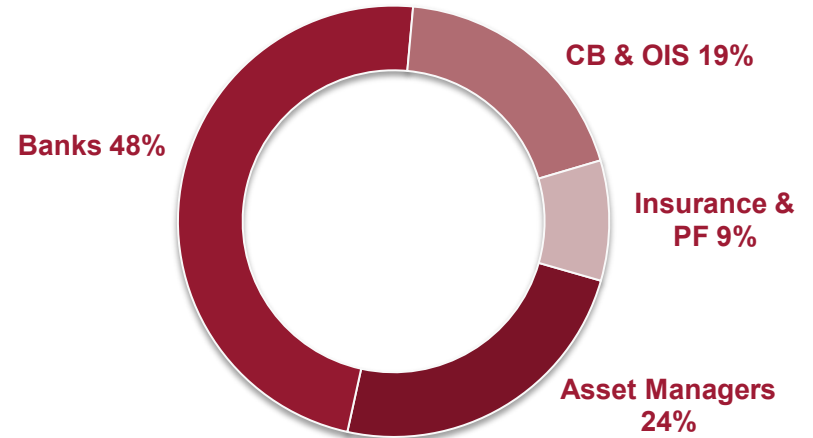


11th ICO SOCIAL BOND €500 Million 3.05% October 2029 Issued in June 2024

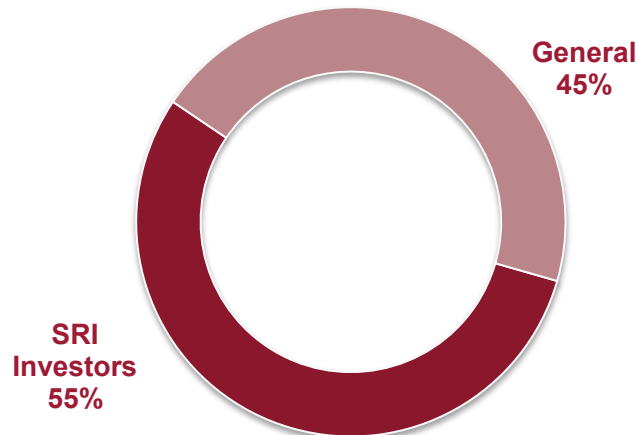
By Region



By Investor Type

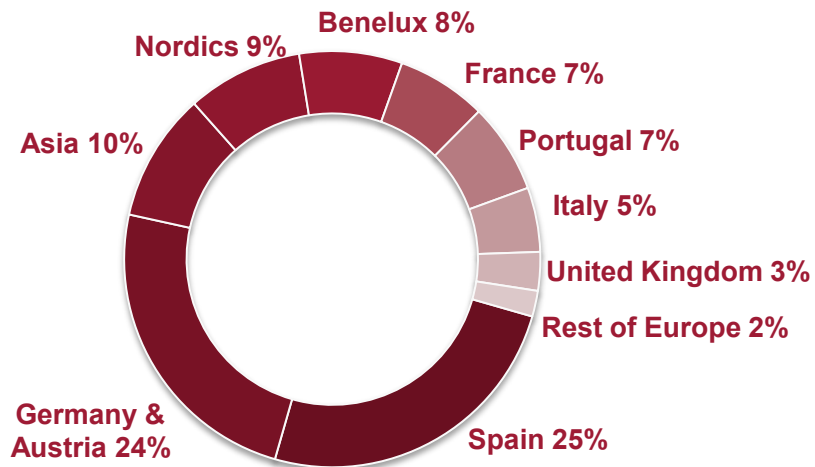


By ESG participation

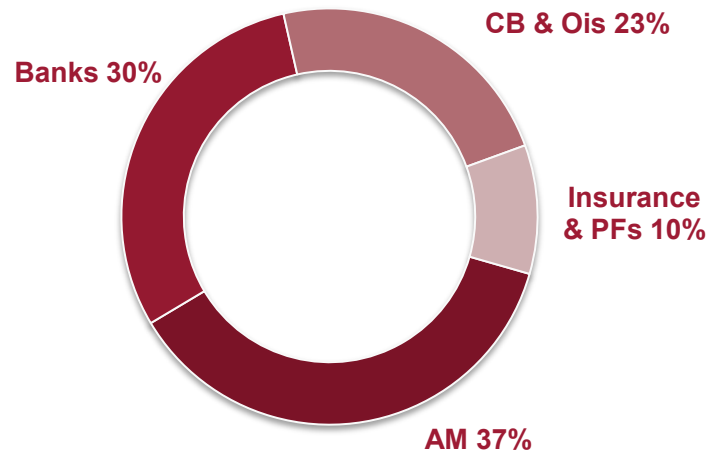


6th ICO GREEN BOND €500 Million 3.05% April 2031 Issued in March 2024

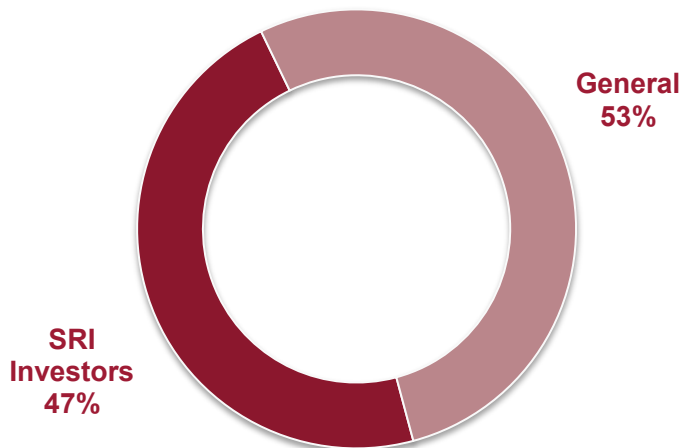
By Region



By Investor Type



By ESG participation



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ICO'S SOCIAL AND GREEN BONDS

Bridging a responsible tomorrow

Investing in ICO's social and green bonds provides an opportunity to participate in the consolidation of the Spanish economy towards a more sustainable growth model.

ICO is committed to the development of the sustainable finance market and has been a pioneer in this market in Spain, gaining extensive experience and providing confidence and attractive returns to its investors.

Giving credit the social and green impact

Instituto de Crédito Oficial
The Kingdom of Spain's
Financial Agency

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