



Instituto de Crédito Oficial

Investor Presentation

April 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

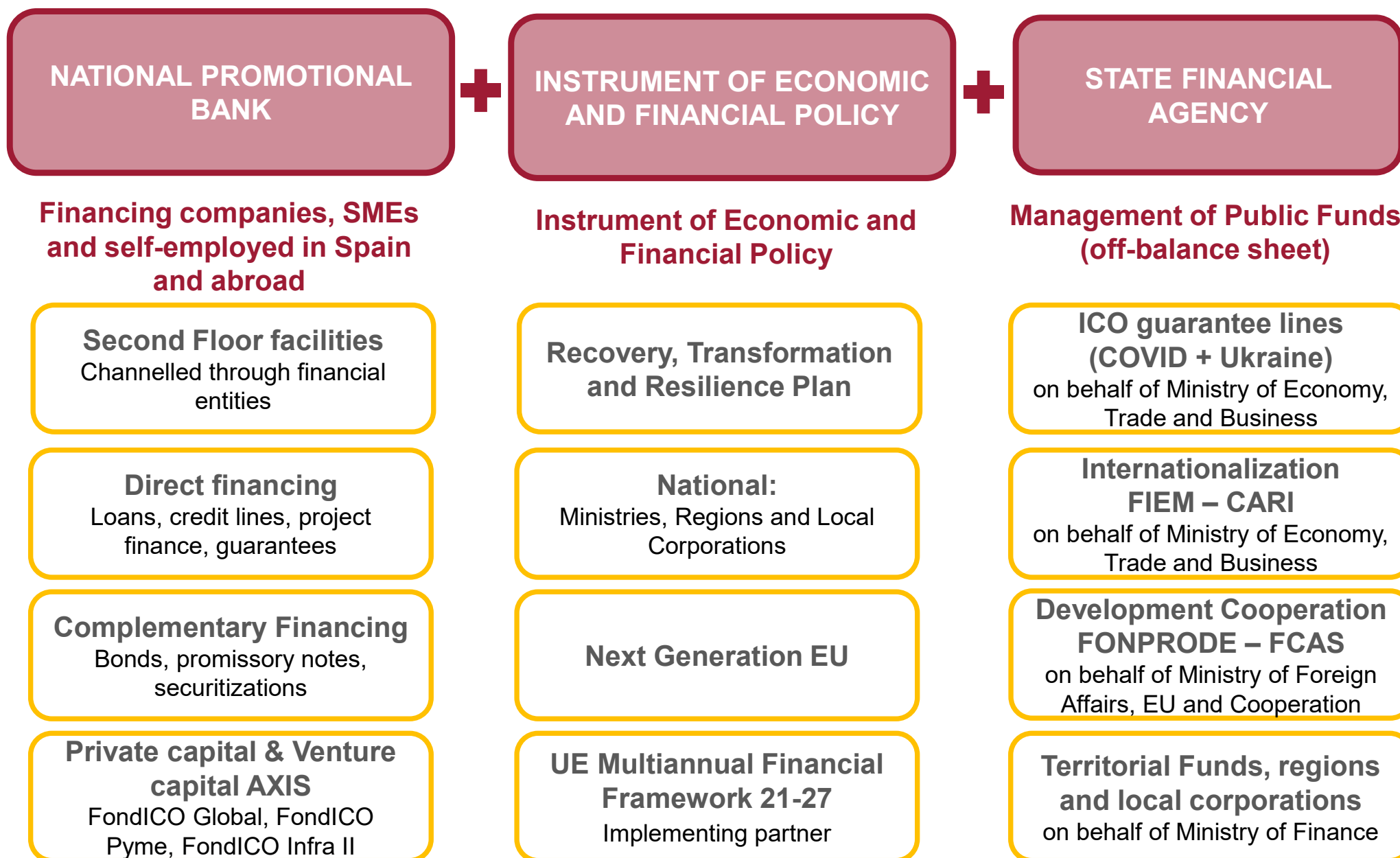




Mission: To support and promote economic activities that contribute to the **growth and improved distribution of wealth**, in particular, those that, due to their **social, cultural, innovating or environmental transcendence**, deserve to be fostered.

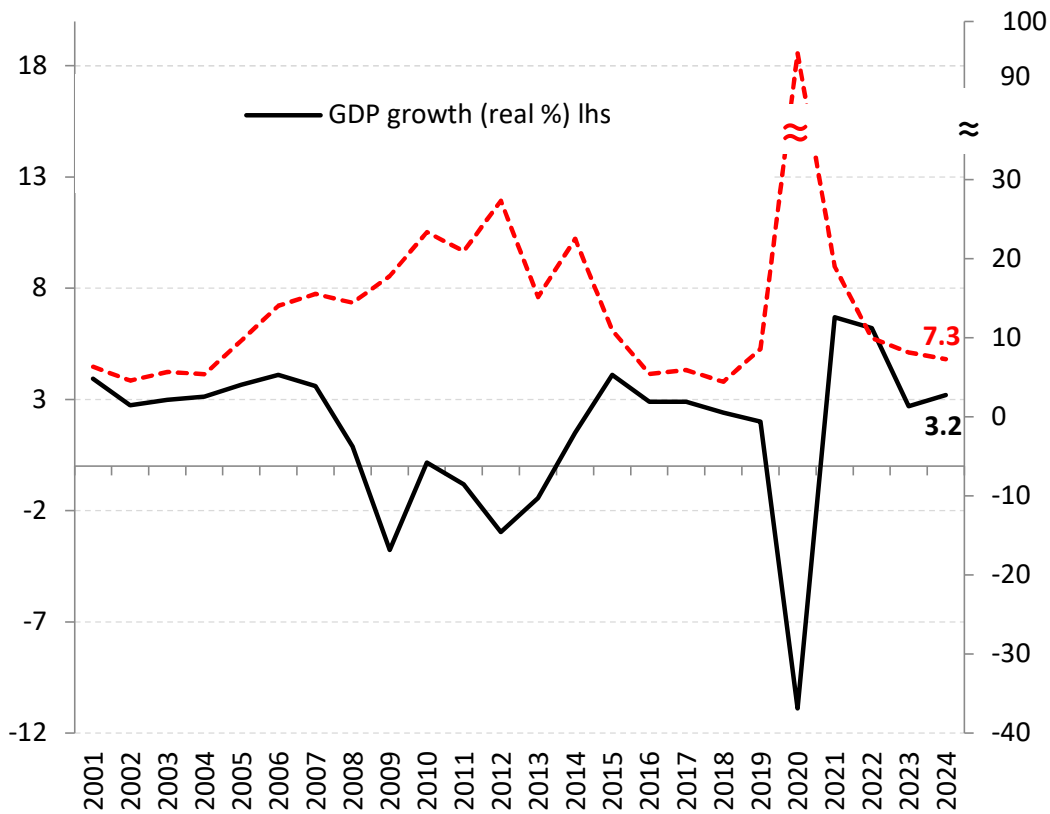
- 1971** ICO was founded 
- 1986** Creation of **AXIS**, ICO's venture capital subsidiary 
- 1991** State Financial Agency and National Promotional Bank 
- 1993** Launching of ICO Second-Floor Facilities 
- 1996** ICO's Museum was born 
- 2008** FFPP (Fund for the Financing of Suppliers Payments) and 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 
- 2023** ICO is appointed to mobilise the European Next Generation funds in Spain 

To achieve its objectives, ICO performs three main functions



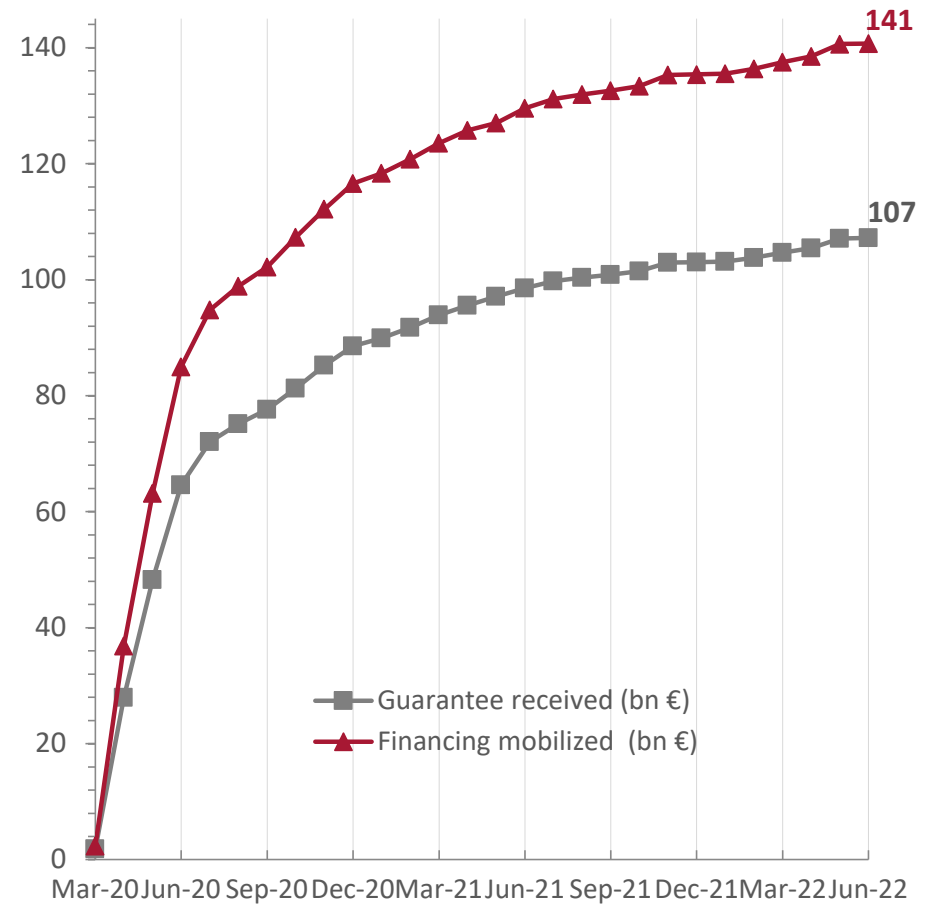
ICO, in its capacity as a national promotional bank, has traditionally worked **countercyclically** through the macroeconomic phases in the Spanish economy

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

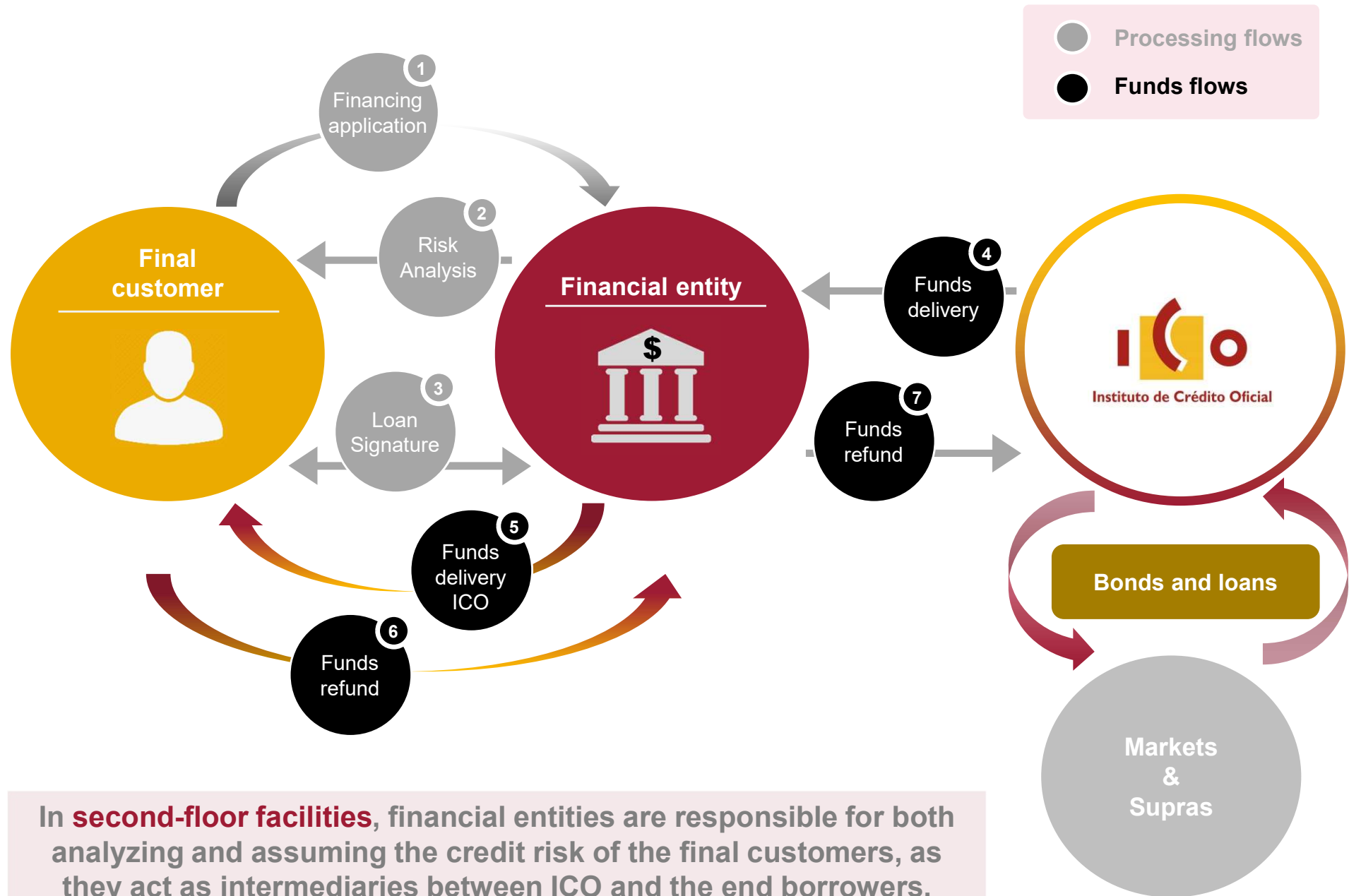


Source: ICO, INE

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



Source: ICO



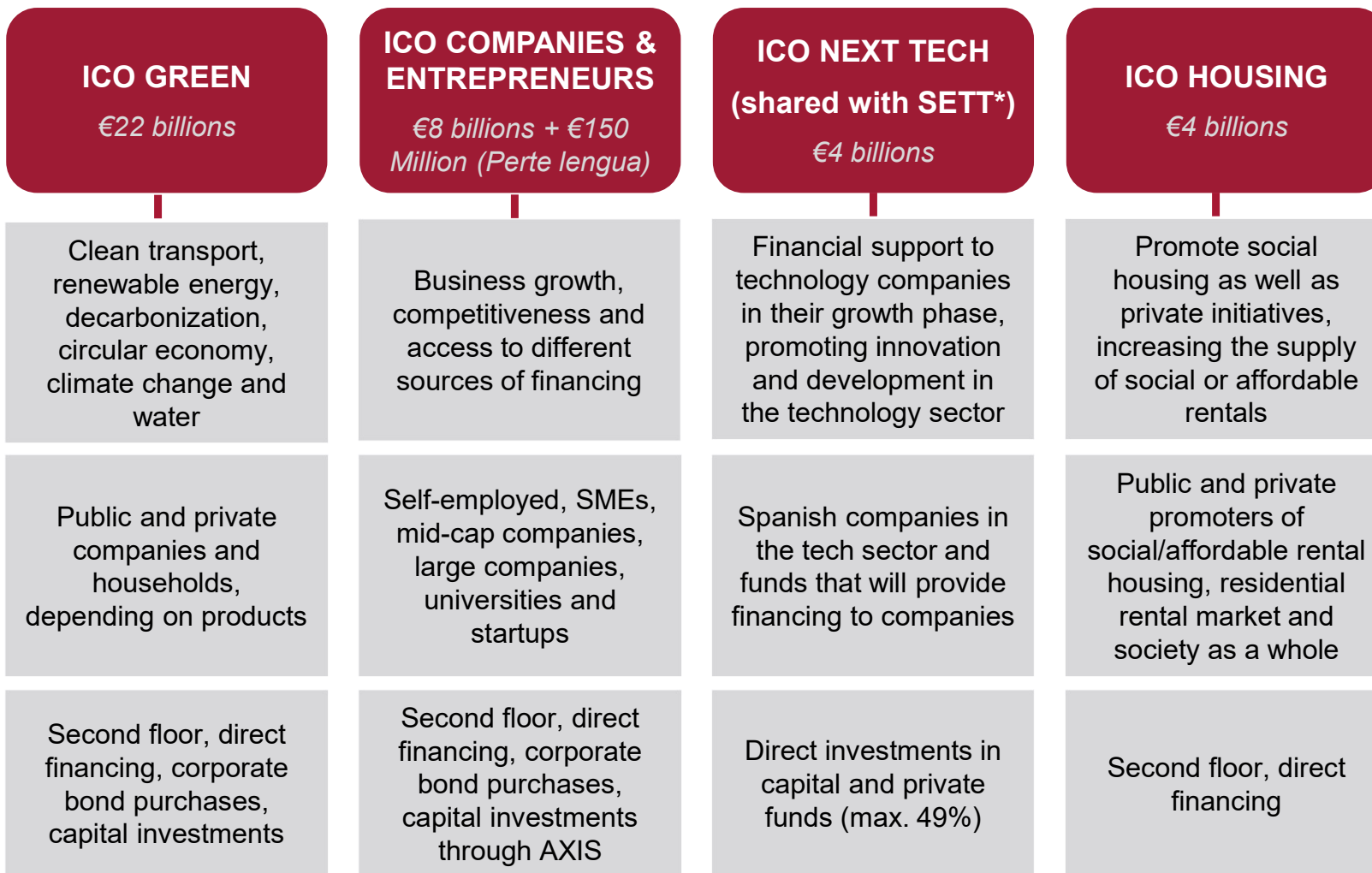
In **second-floor facilities**, financial entities are responsible for both analyzing and assuming the credit risk of the final customers, as they act as intermediaries between ICO and the end borrowers.

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 **€38 billions of Next Generation EU loans** in the second phase of the Recovery, Transformation and Resilience Plan through 4 facilities



* Sociedad Estatal para la Transformación Tecnológica

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

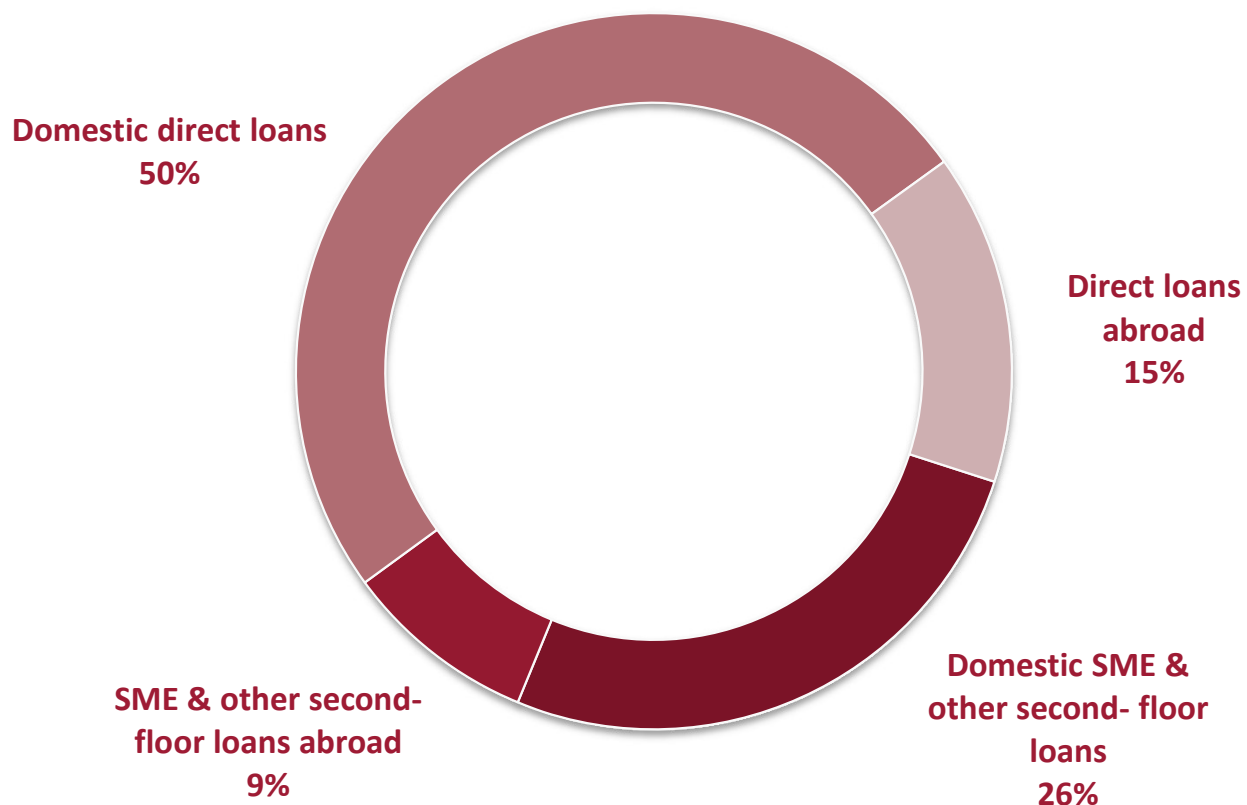
(*) Outstanding balance as at 31st December 2024

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%

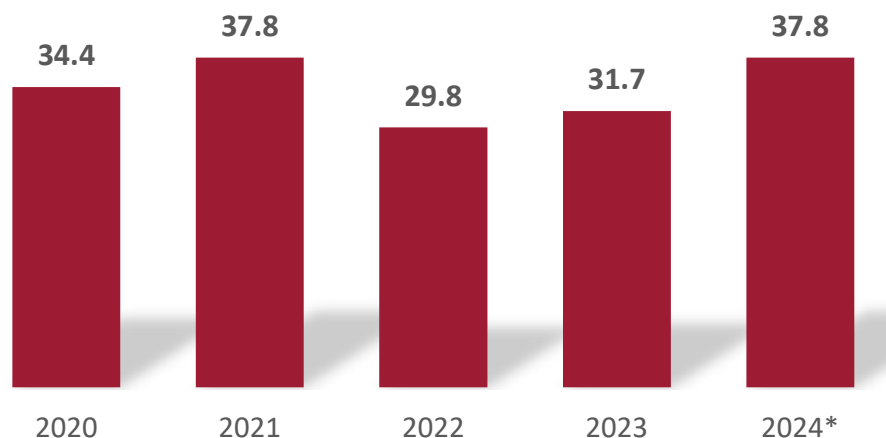
Source: ICO

* Unaudited figures

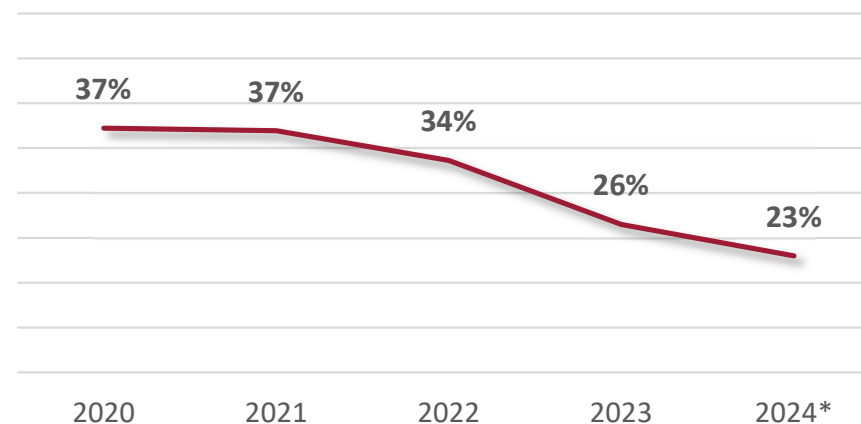
(1) Eligible capital for solvency purposes.

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.

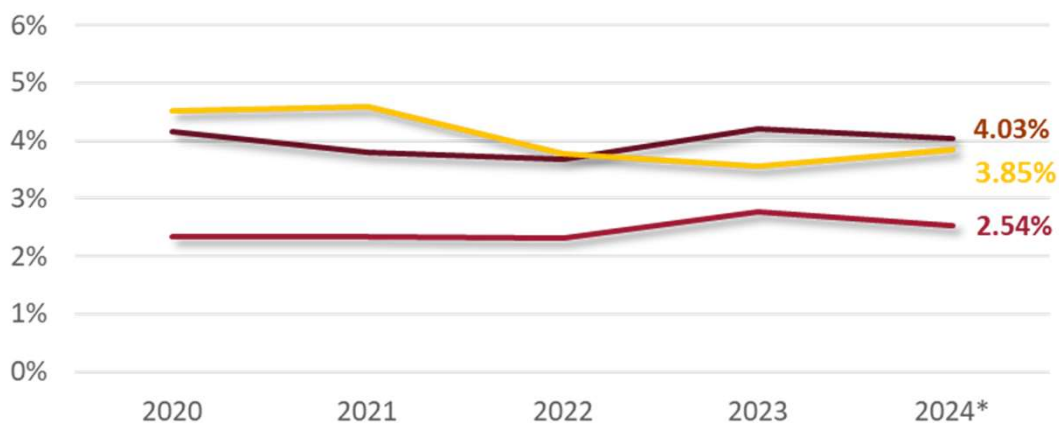
Total Assets (EUR billion)



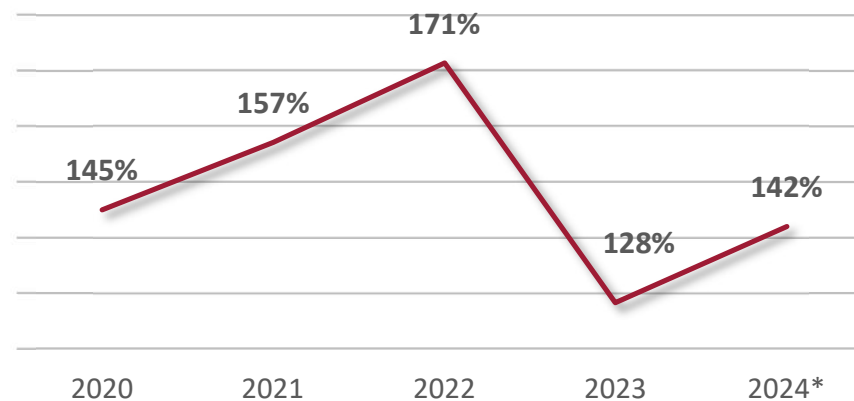
TIER I capital ratio %



NPL Ratios %



Provision coverage ratio %



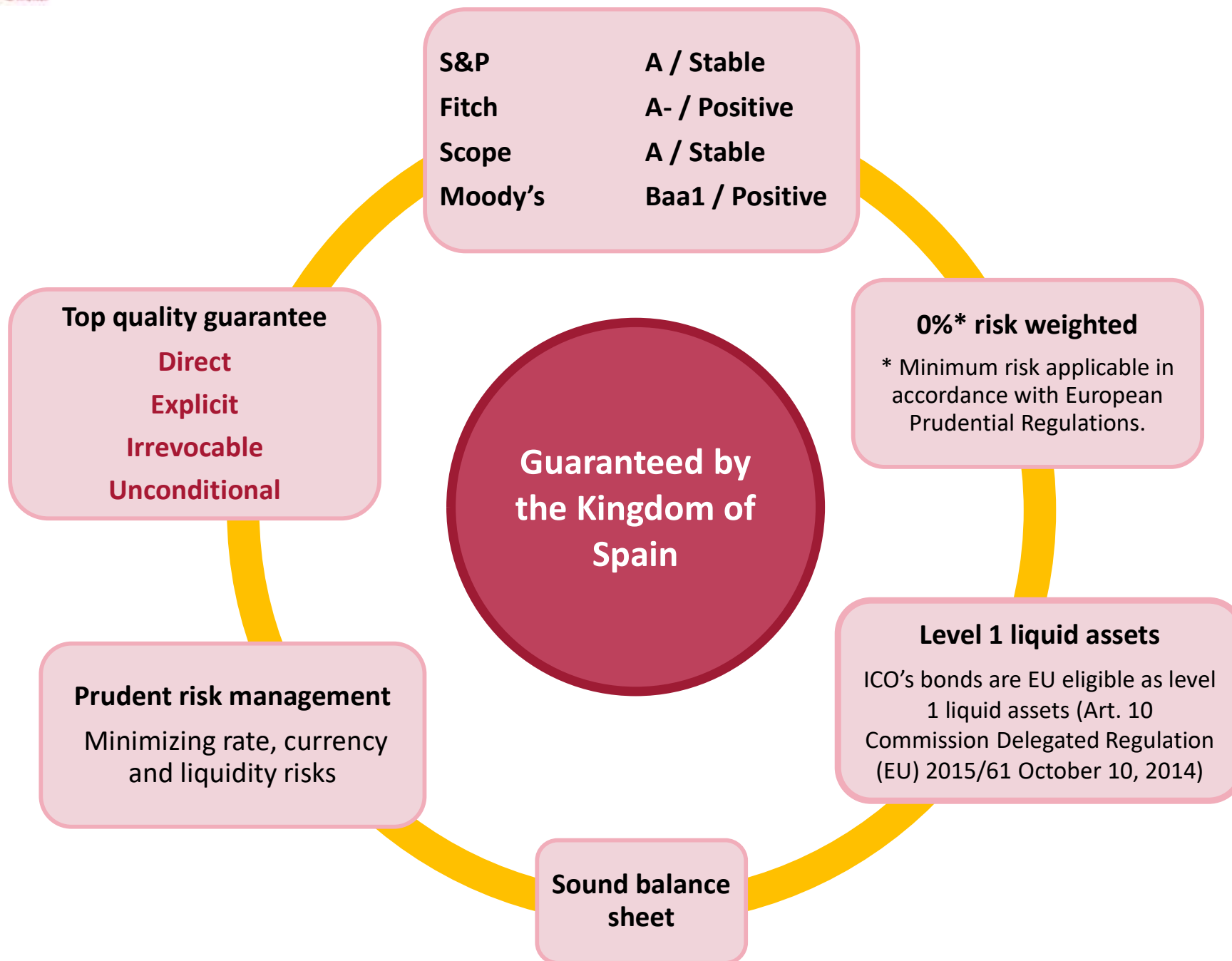
- ICO Direct Loans
- ICO Total Loans (incl. mediation)
- Total Spanish Financial System

Source: ICO
 Data as at 31st December 2024
 *unaudited figures

2

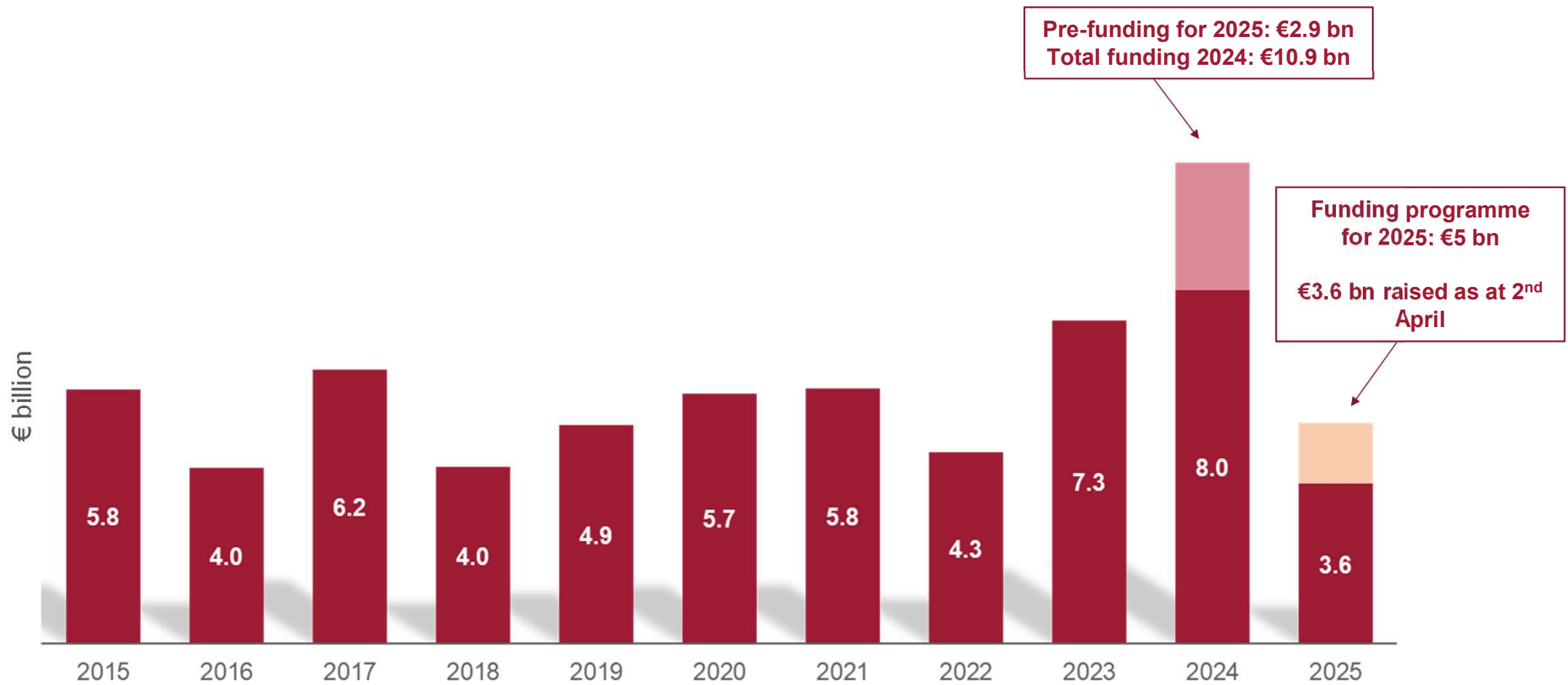
Funding Profile



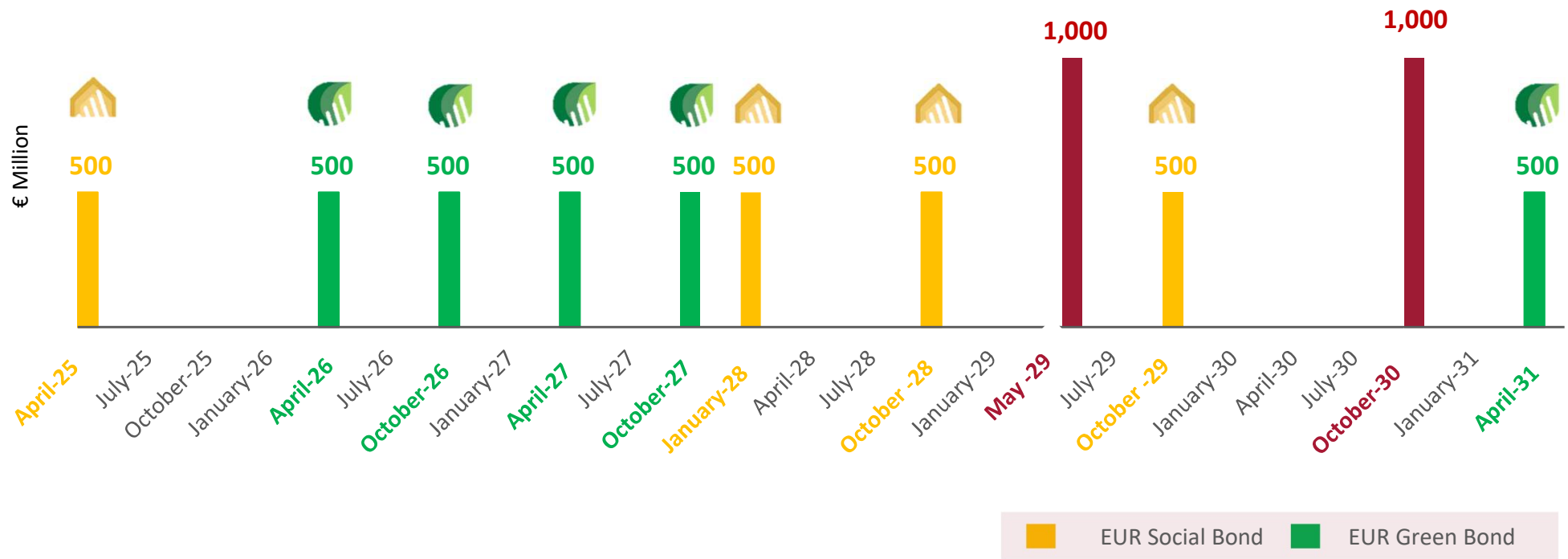




Funding activity



Benchmark Curve



Data as at 31st December 2024

Strategy

Benchmark minimum size: **500 Million**

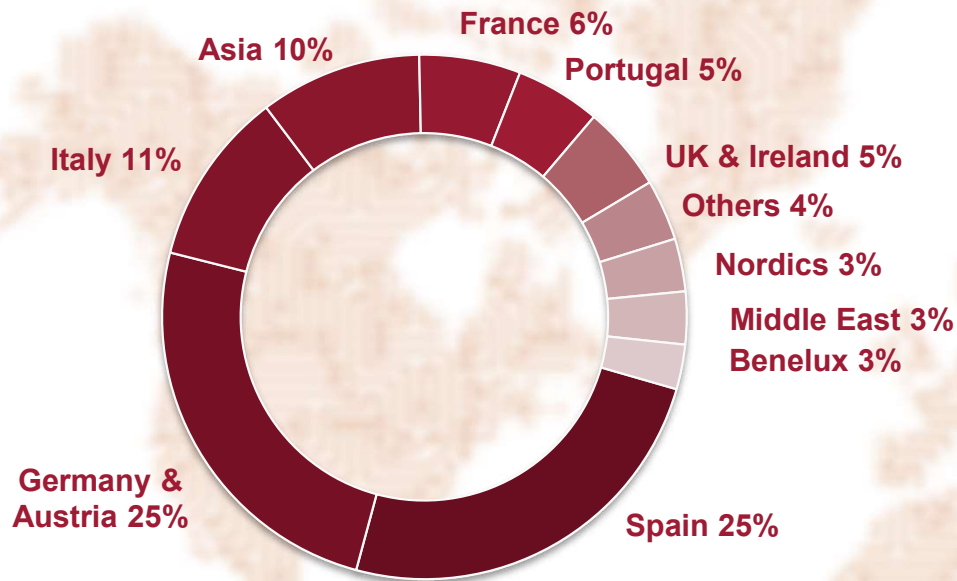
Taps minimum size: **50 Million** (adding up clips of 25 Million)

Private placements minimum size: **10 Million**

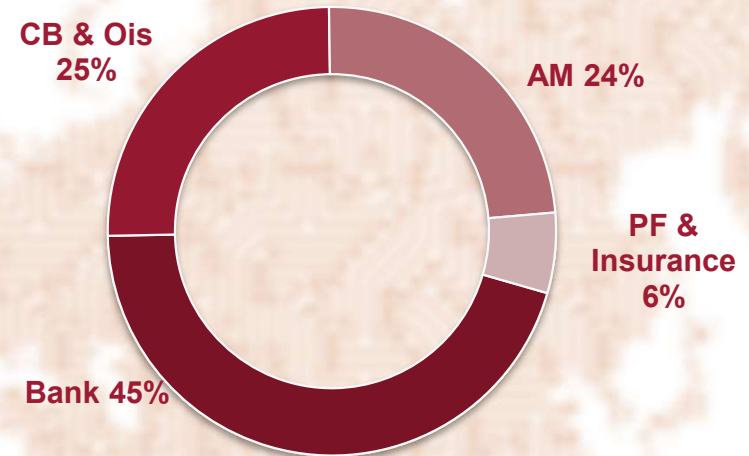
Borrowing Profile

(benchmark transactions 2024)

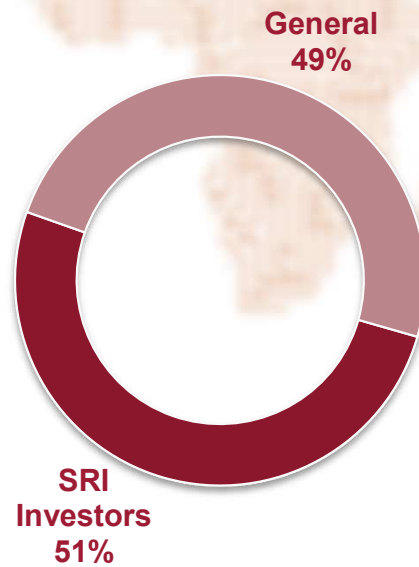
By Region



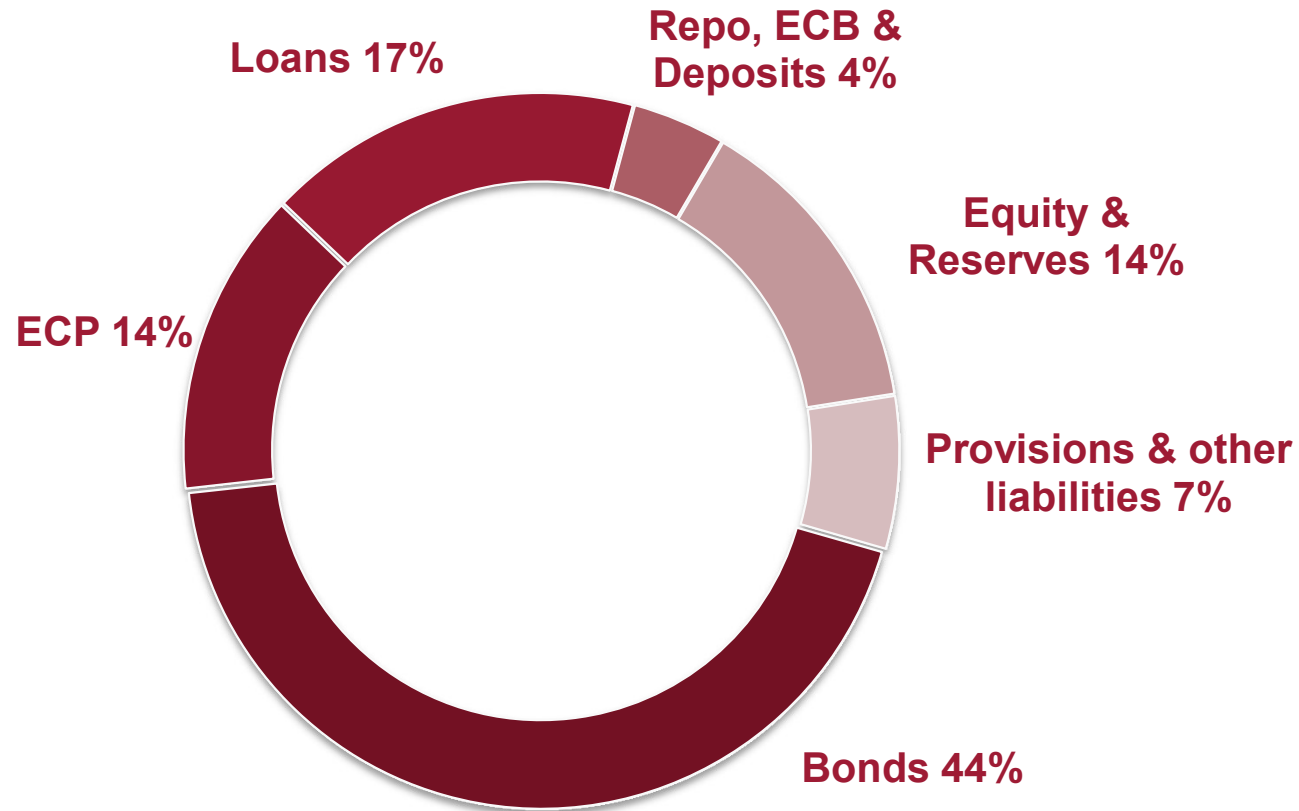
By Investor Type



By ESG participation



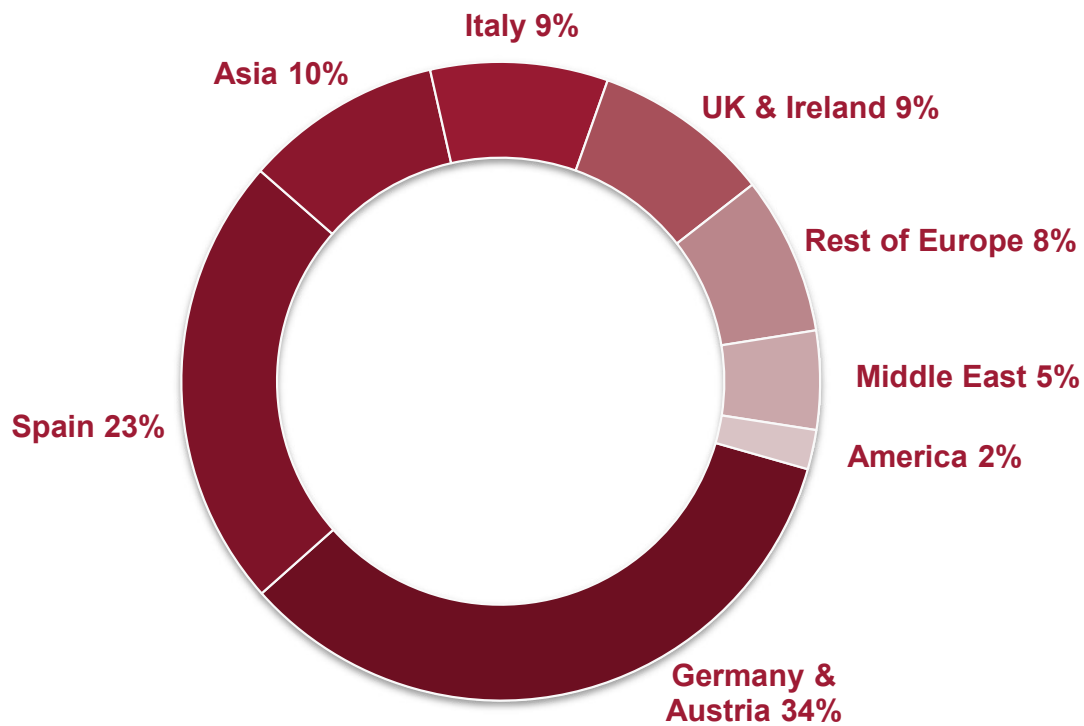
Data as at 31st December 2024



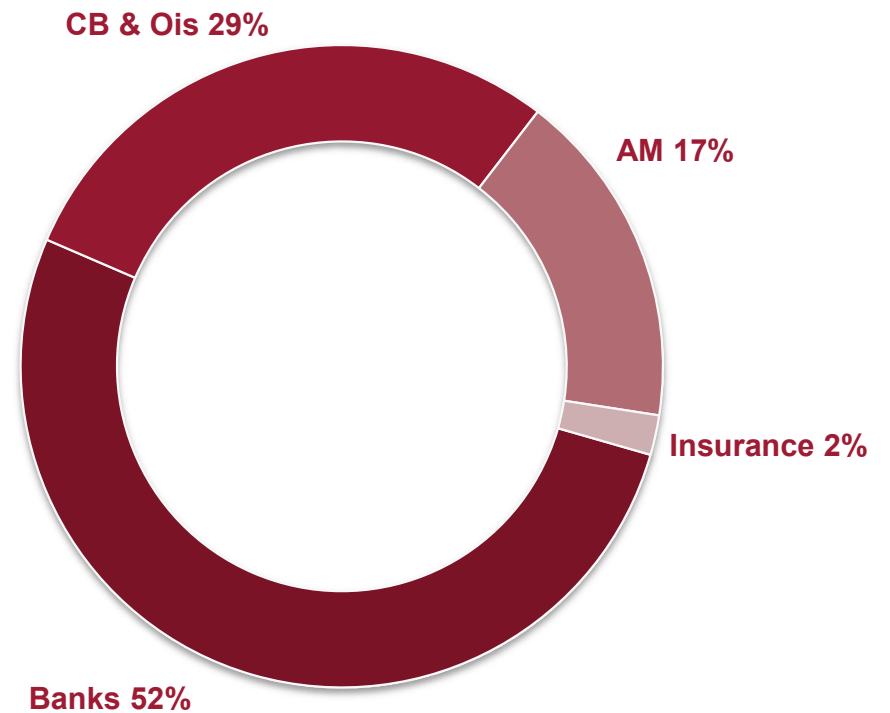
Total Liabilities: €37,780 Million

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**.

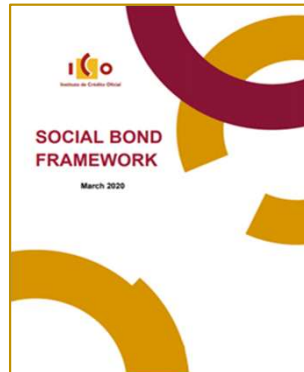
ICO has become a referent in the sustainable bond market by having issued **more than €8,550 Million** in different types of sustainable bonds that will help to contribute to a more sustainable world.



Aligned with best in class market standards



Framework (March 2020)



Second Party Opinion (March 2020)



SUSTAINABLE DEVELOPMENT GOALS



Project Categories

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



Socioeconomic advancement & empowerment



Social Housing



Access to essential services (education/ healthcare/ profesional 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 Million for social projects that have help mobilize **€861 Million** funds



Social Housing

- **€9.24 Millions** allocated
- Purchase of a total of **317 privately owned homes**, in order to be incorporated into the rental market for vulnerable groups

2%



Access to essential services: Access to healthcare

- **€17.60 Millions** allocated
- **1 hospital and 7 senior healthcare centres** built
- **527 direct permanent jobs** created
- **18.4% increase in hospital bed capacity** of the region
- **Health coverage to 897 communities** in disadvantaged and/or rural areas

3%



SME

SME Lending: Economically underperforming regions

88%

- **€440.32 Millions** allocated
- **3,629 projects** financed
- **45,049 jobs** created and/or retained



Affordable basic infrastructure: Water and sanitation

- **€32,35 Millions** allocated
- **5 sanitation projects** financed
- **509,528 beneficiaries**
- **50,290.17 m3/day wastewater** treated

6%



Access to essential services: Access to education

- **€0.48 Million** allocated
- **50 schools** improved
- **54,401 students** benefited

1%



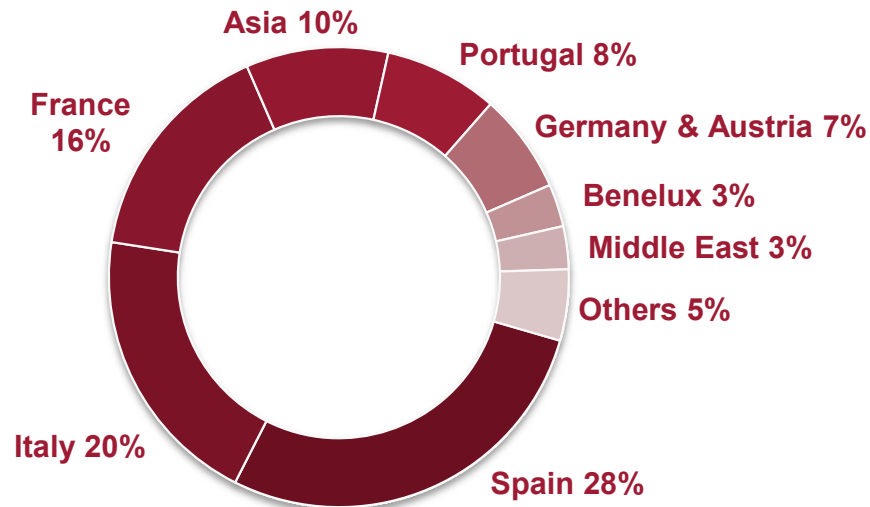
Social Bond Reporting

S'WEB - SUSTAINABILITY	
<p>Instituto de Crédito Oficial</p> <p>Report: 2023-2024</p> <p>Report Date: 15/07/2024</p> <p>Report Period: 01/07/2023 - 30/06/2024</p> <p>For the Issuance: XS2645690525 (€500,000,000) (3.25% due 2028)</p> <p>Responsible: www.ico.es</p>	
<p>Introduction</p> <p>Instituto de Crédito Oficial (ICO) reports on the impact, results, and overall performance of the Social Bond financing the projects and the use of the proceeds of the Social Bond (€500 million) for the period from July 2023 to June 2024. The report is structured as follows:</p> <ol style="list-style-type: none"> 1. Introduction 2. Impact and Use of Proceeds of the Social Bond (€500 million) for the period from July 2023 to June 2024 3. Evaluation Criteria 4. Portfolio Review 	
<p>Evaluation Criteria</p> <p>Instituto de Crédito Oficial (ICO) has developed a set of evaluation criteria to assess the impact and use of the proceeds of the Social Bond (€500 million) for the period from July 2023 to June 2024. The criteria are based on the following:</p> <ol style="list-style-type: none"> 1. Impact and Use of Proceeds of the Social Bond (€500 million) for the period from July 2023 to June 2024 2. Evaluation Criteria 	
<p>Use of Proceeds</p> <p>ICO has allocated the proceeds of the Social Bond (€500 million) for the period from July 2023 to June 2024 to the following projects:</p> <ul style="list-style-type: none"> • €9.24 Millions allocated for the purchase of 317 privately owned homes in order to be incorporated into the rental market for vulnerable groups. • €17.60 Millions allocated for the construction of 1 hospital and 7 senior healthcare centres, the creation of 527 direct permanent jobs, and the increase in hospital bed capacity of the region. • €0.48 Million allocated for the improvement of 50 schools, benefiting 54,401 students. • €440.32 Millions allocated for SME lending in economically underperforming regions, financing 3,629 projects and creating/retaining 45,049 jobs. • €32.35 Millions allocated for the construction of 5 sanitation projects, benefiting 509,528 beneficiaries, and the treatment of 50,290.17 m3/day of wastewater. 	<p>Impact</p> <p>ICO has achieved the following impact results for the period from July 2023 to June 2024:</p> <ul style="list-style-type: none"> • 317 privately owned homes purchased and incorporated into the rental market for vulnerable groups. • 1 hospital and 7 senior healthcare centres built. • 527 direct permanent jobs created. • 18.4% increase in hospital bed capacity of the region. • Health coverage to 897 communities in disadvantaged and/or rural areas. • €0.48 Million allocated for the improvement of 50 schools, benefiting 54,401 students. • €440.32 Millions allocated for SME lending in economically underperforming regions, financing 3,629 projects and creating/retaining 45,049 jobs. • €32.35 Millions allocated for the construction of 5 sanitation projects, benefiting 509,528 beneficiaries, and the treatment of 50,290.17 m3/day of wastewater.

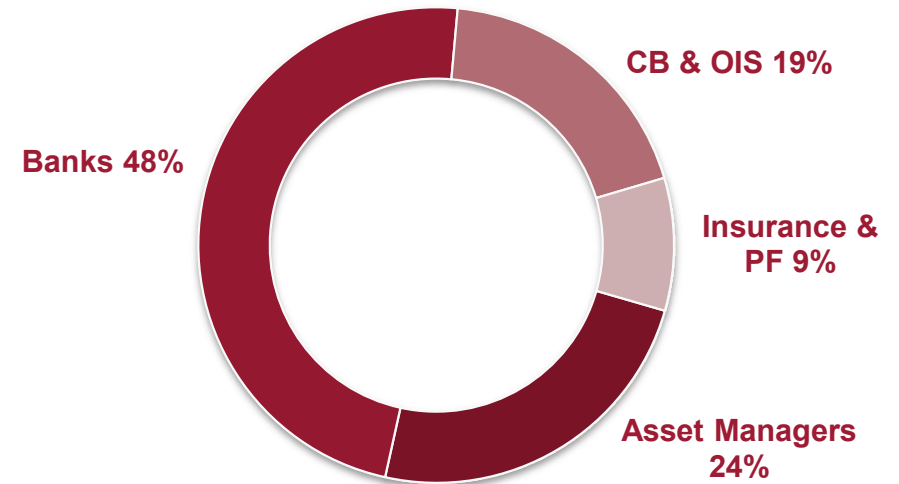
Portfolio Review

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

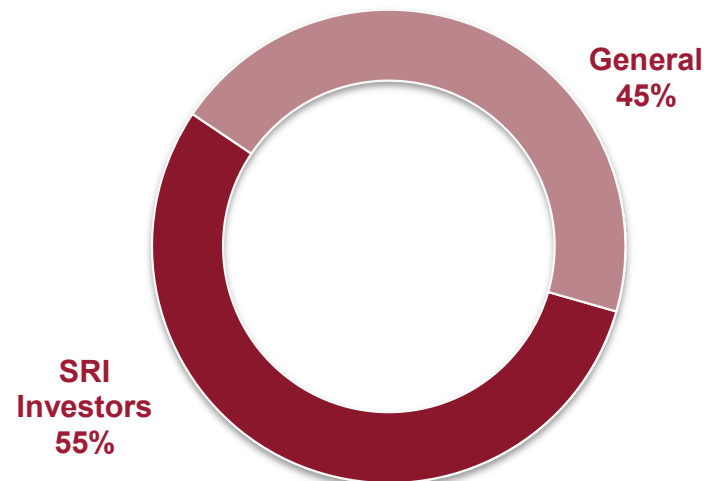
By Region



By Investor Type



By ESG participation



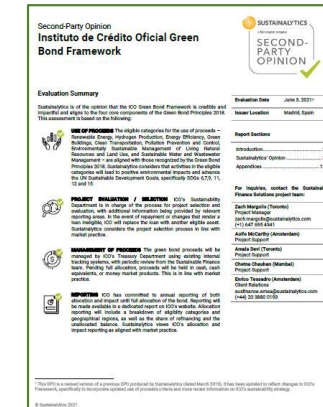
Aligned with best in class market standards







Framework (June 2021)



Second Party Opinion (June 2021)



Project Categories

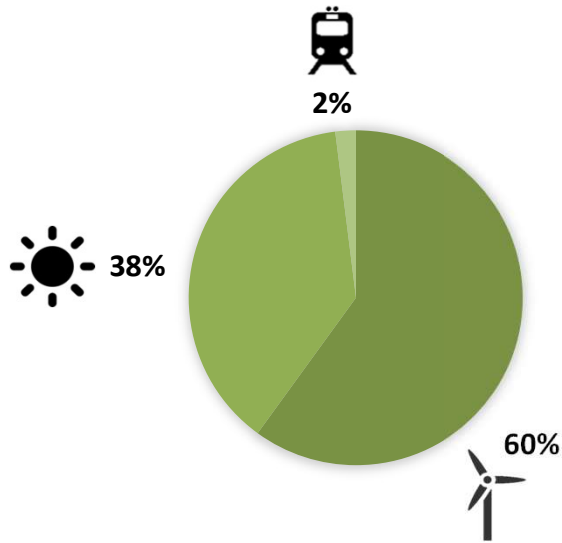
-  Renewable energy
-  Green buildings
-  Energy efficiency
-  Clean transportation

-  Pollution prevention and Control
-  Environmentally sustainable management of living natural resources and land use
-  H2 Hydrogen production & storage
-  Sustainable water and wastewater management

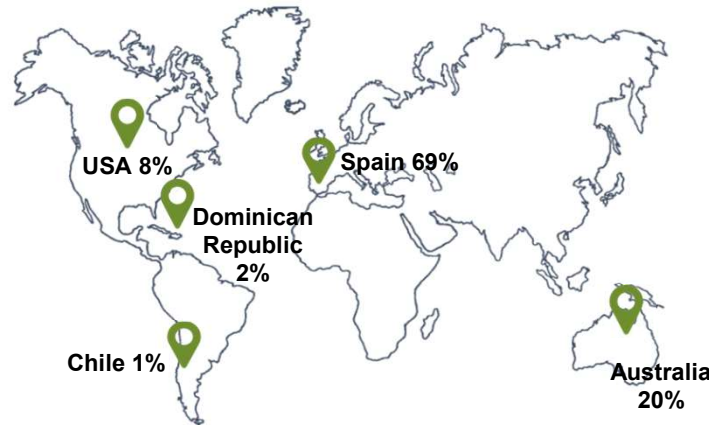
SUSTAINABLE DEVELOPMENT GOALS



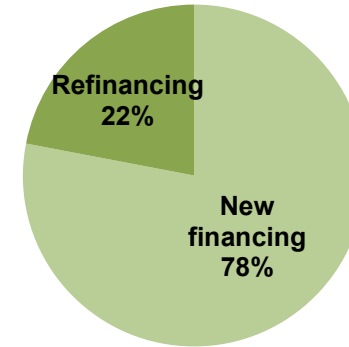
Green Bond €500 Million 3.05% due October 2027 launched February 2023 (ISIN XS2586947082)



Breakdown by energy source



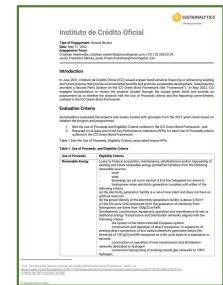
Breakdown by country



Share of financing vs refinancing



Green Bond Reporting



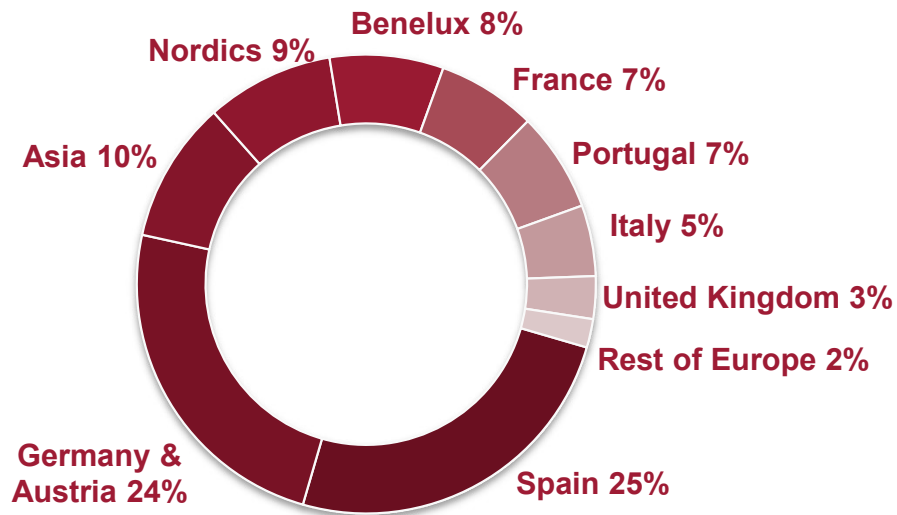
Portfolio Review

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

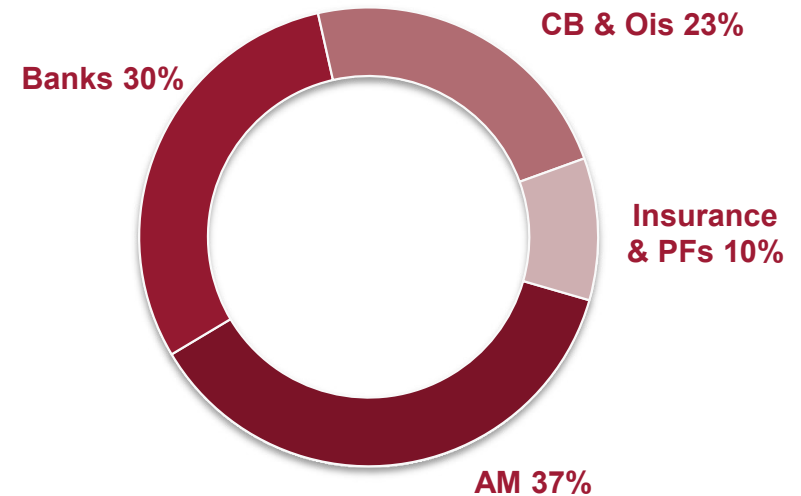
(*) 100% Photovoltaic sources (100%).

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

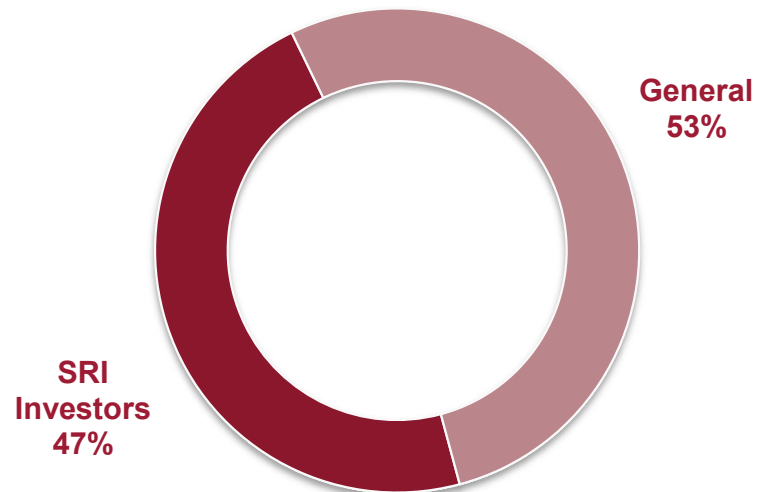
By Region



By Investor Type



By ESG participation



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