



Instituto de Crédito Oficial

Press release

2013 Results

The ICO's lending activity in second-floor facilities increased by 20.6% in 2013, reaching 13,884 million euros. Approximately 70% of the loans granted were allocated to micro SMEs and self-employed workers

- **The profit achieved was 71.2 million euros after tax, 20% higher than the previous year.**
- **The activity managed by the ICO in 2013, growing 18% compared to 2012, reaching 155.9 billion euros.**
- **ICO obtains a solvency ratio of 19.76% compared to 14.46% on the previous year.**

20 February 2014. -

The ICO has granted in 2013 13,884 million euros in 190,000 loan operations to self-employed workers and SMEs through their financing facilities. The amount awarded this year has seen a 20.6% increase compared to 2012. This data confirms a change in trends in the ICO's lending activity, observing an upward shift, which has been particularly intense since the middle of the year and that has been consolidated in the fourth quarter.

The bulk of ICO funding is aimed at micro SMEs and self-employed workers: approximately 70% of the operations have been granted to microenterprises and 52% of loans are for an amount less than 25,000 euros. This highlights the great capilarity of ICO loans, by reaching very small companies.

The main management indicators of the Instituto de Crédito Oficial (ICO) have experienced a positive development during 2013.



Instituto de Crédito Oficial

The solvency ratio rose to 19.76% compared to 14.46% on the previous year and the coverage ratio is still in very high numbers at 132%.

With regards to the income statement, the ICO has made a profit after tax of 71.2 million euros, which represents a 20% increase on 2012. The ICO, as a public bank, is financed in the international capital markets and not through the State Budget (PGE) and operates under the principle of financial equilibrium in order to meet the functions assigned as Public Bank and State Finance Agency.

Supporting the internationalisation of the company

During 2013, the ICO has launched a new comprehensive catalogue of products to support the internationalisation of spanish companies. In this sense, the excellent performance of the loans should be noted for the internationalisation of spanish companies. 1,397 million euros have been granted by the ICO Exporters short term, formalising 13,125 export operations destined for 144 countries. Through ICO International Facility, investments abroad were financed in 82 countries amounting to 277 million euros, representing a 20% increase in volume compared to 2012. Regarding the number of operations, 67% more were performed than in 2012.

In addition to the above, the implementation of the International Guarantees Programme is joined to support spanish companies participating in international tenders and awards.

This data reflects the good performance of the ICO Loans in 2013, parallel to the improvement of the main indicators of the spanish economy.

ICO ACTIVITY: YEAR 2013 FORMALIZATIONS				
	YEAR 2013		YEAR 2012	
	AMOUNT (millions of euros)	NUMBER OF OPERATIONS	AMOUNT (millions of euros)	NUMBER OF OPERATIONS
MEDIATION AND SMES	13,884.3	190,186	11,510.9	162,076
ICO-COMPANIES AND ENTREPRENEURS 2013	12,113.7	175,140	11,198.0	160,801
ICO-SGR 2013 WARRANTY	72.2	665	47.6	449
ICO-2013 INTERNATIONALISATION	277.5	773	231.3	462
ICO-EXPORTERS C / P 2013	1,397.6	13,125	12.0	130
ICO-ICAA 2013	14.8	22	15.6	20
ICO-2013 RETAIL	7.6	424	-	-
REST	0.8	19	6.4	214



Instituto de Crédito Oficial

Raising of funds for its activity

To carry out all its financing facilities activity, seeing at though it is not financed through the State Budget, ICO turns to the international financial markets.

During 2013, the ICO raised a total of 10,700 million euros in the capital markets. It is worth pointing out the significant effort made to obtain a diversification of the investor base in its funding, given that 47% of the issues have been placed among foreign investors, compared with 41% in 2012. This shows that confidence is returning to the acquisition of Spanish assets and that the ICO was maintained in 2013 as one of the largest issuers in Spain and catalysts of foreign investment.

Of the total resources raised, 88% (8,400 million euros) were made through issues of securities in the medium and long term on the capital markets. The remaining 22%, 2,300 million euros, was raised through bilateral loans from multilateral institutions (EIB, CEB and CAF) and foreign institutions similar to the ICO (KfW).

During 2013 the first issues in currencies other than the euro since 2011 have been made again: 200 million dollars and 95 million yen.

Diversification of sources of business financing. Alternative to bank financing

Another of the main lines of strategic action performed by the ICO group in this period was the launch of the first call for Global FOND-ICO. This venture capital fund managed by Axis, the venture capital management company of the ICO group, has an allocation of 1,200 million euros and it is the first Spanish public "Fund of Funds". Global FOND-ICO aims to participate in more than 40 private funds, mobilising around 5,000 million euros over the next 4 years.

At the end of 2013 the first injection of funds was made, amounting to 189 million euros. AXIS has selected three "Venture Capital" funds and another three "Capital Expansion" funds.

The implementation of Global FOND-ICO is one of the most far-reaching measures in the venture capital industry in Spain, which reflects the commitment of the Government to promote the non-banking finance projects that combine innovation and entrepreneurship, in order to improve their competitiveness, promote internationalisation and generate employment.



Instituto de Crédito Oficial

Main courses of action in 2014

From a strategic point of view, the ICO is committed in 2014 to consolidating the strong growth of the ICO mediation loans. It is important to note that during the first three fortnights in 2014, the ICO has issued a volume of more than 1,000 million euros to self-employed workers and SMEs, which is triple the amount of the ICO financing facilities compared to the 342 million euros of the same period last year. This improvement in the ICO mediation loans is contributing to the gradual recovery of the supply of credit by commercial banks.

Another goal for next year is to bring the internationalisation of Spanish companies into the core of the ICO product offer, by supporting and funding both foreign investments and the exportation of these companies.

The ICO is constantly working to improve and adapt the conditions of their financing facilities to the needs of companies and therefore intends to continue expanding the sources of business financing through agreements between the ICO and international financial institutions.

Finally, it is worth noting that in 2014 the ICO intends to consolidate the newly established Global FOND-ICO fund of funds as a finance product in capital and/or quasi-capital operations as a catalyst for the creation of new venture capital funds with a majority of private capital.