



Instituto de Crédito Oficial

Investor Presentation

November 2024

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Instituto de Crédito Oficial

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Funding profile

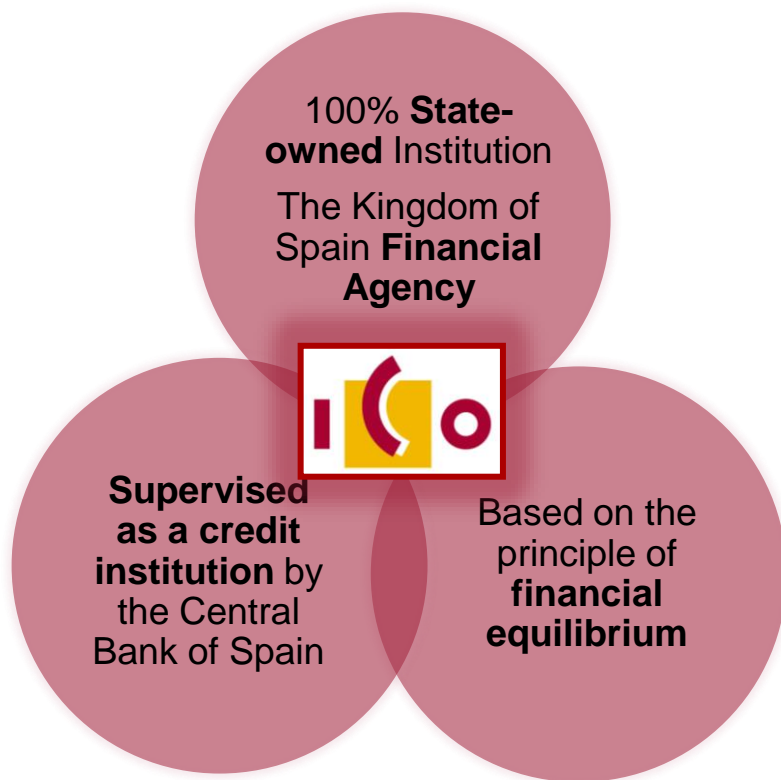
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ICO Social and Green Bonds

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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.



Purposes and Functions

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 Economy, Trade and Business

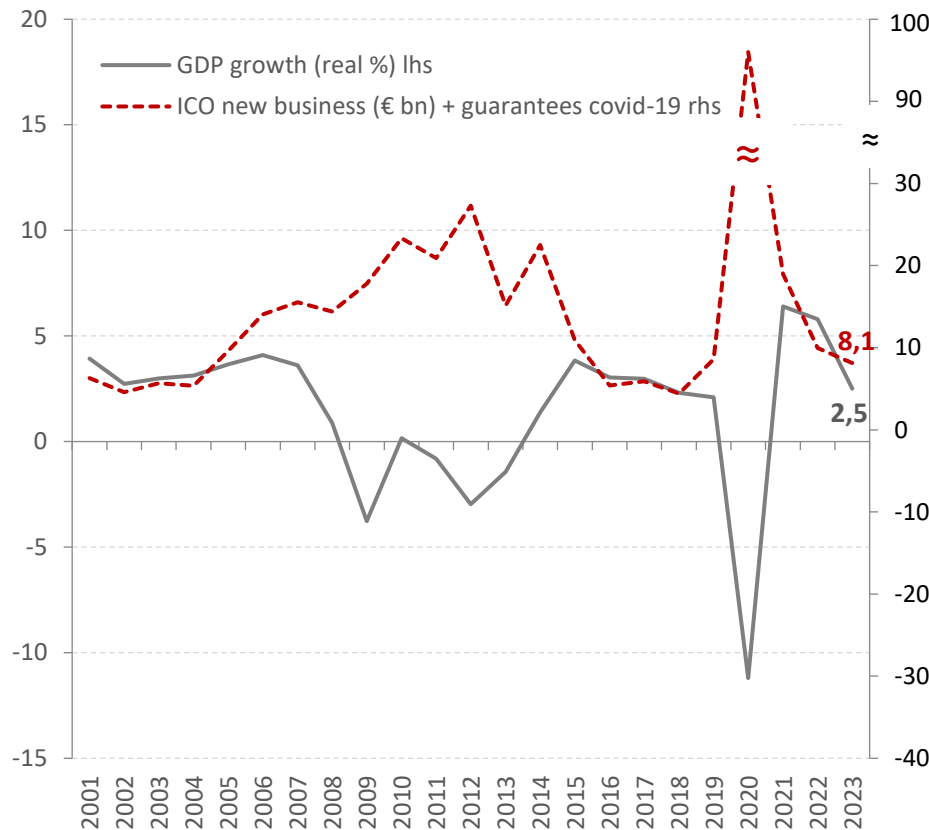
Internationalization FIEM – CARI
on behalf of Ministry of Economy, Trade and Business

Development Cooperation FONPRODE – FCAS
on behalf of Ministry of Foreign Affairs, EU and Cooperation

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

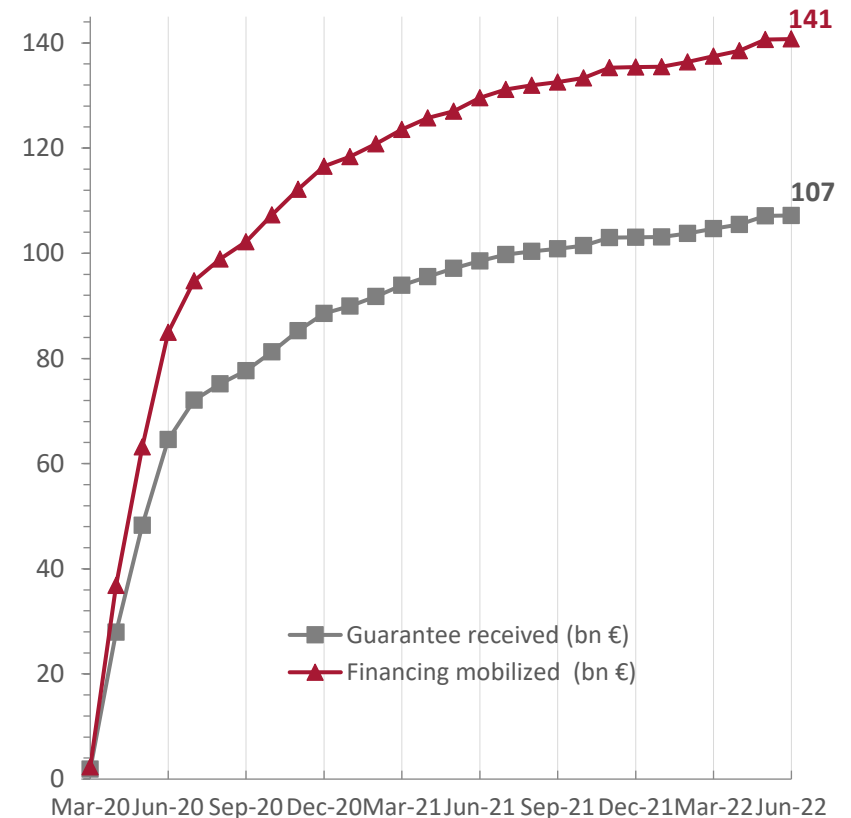
ICO, in its capacity as a national promotional bank, has traditionally worked **countercyclically** through the macroeconomic phases in the Spanish economy

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

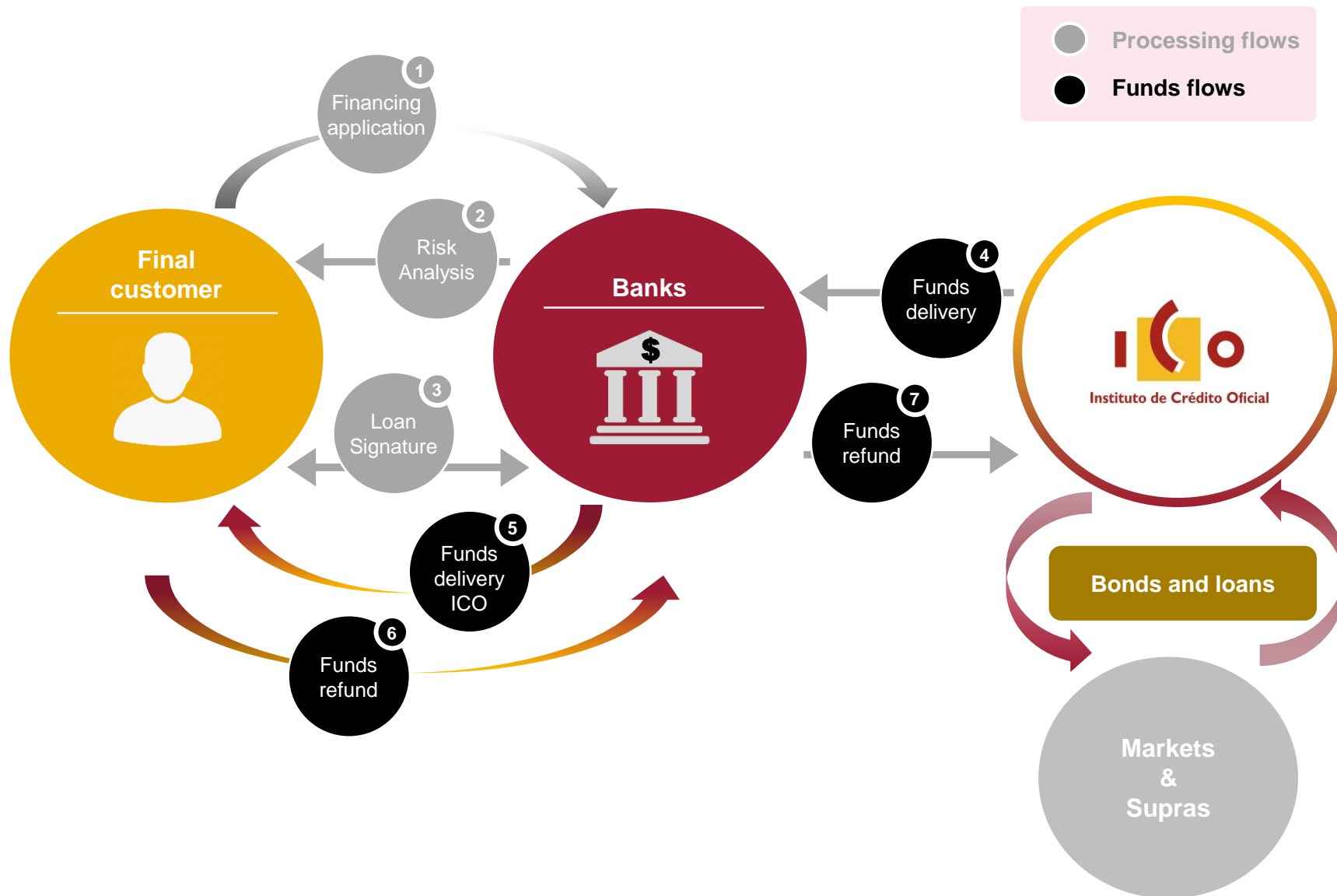


Source: ICO, INE

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



Source: ICO



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 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 2023

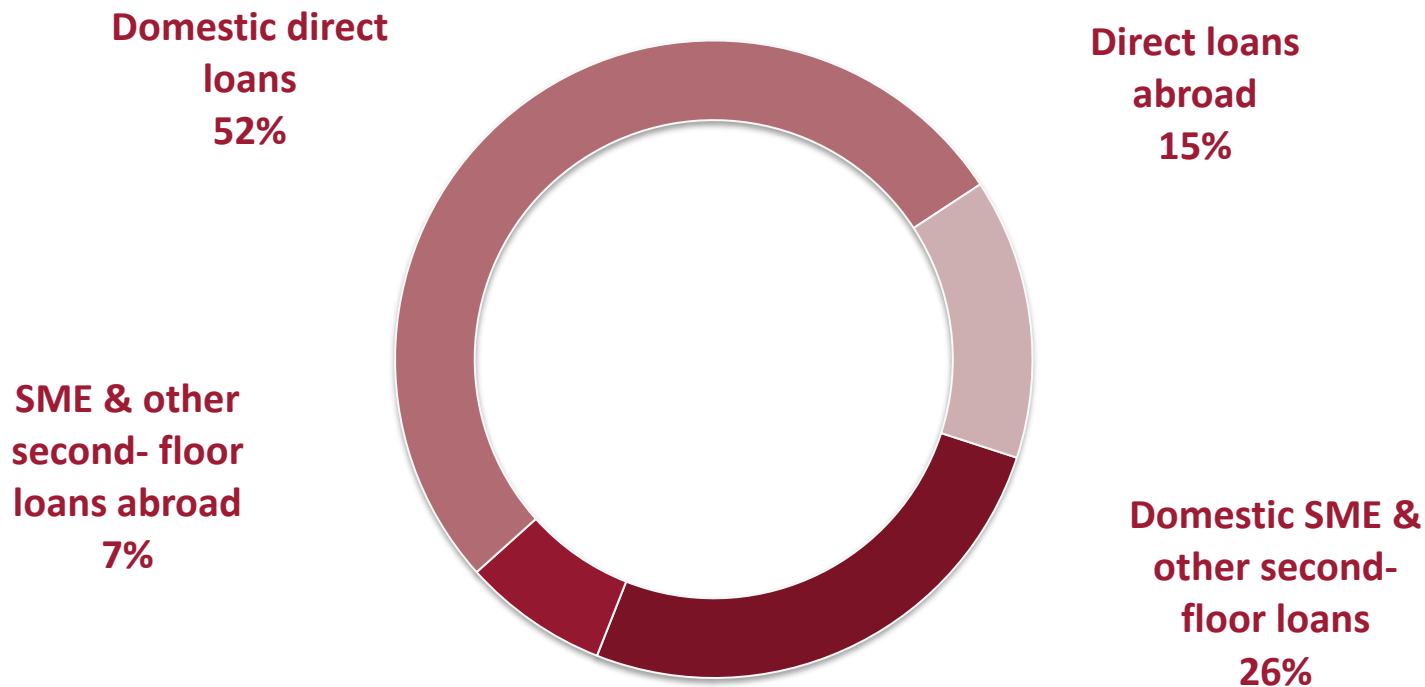
Guarantees managed on behalf of the State

€114.2 billion (**)

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

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

Investment Distribution



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

22% of the loan book is international

	2020	2021	2022	2023	30/09/2024*
Total assets (Mill. EUR)	34.386	37.766	29.775	31.657	36.887
Equity & reserves¹ (Mill. EUR)	5.202	5.354	5.515	5.689	5.284
Pre-tax profit (Mill. EUR)	97,55	171,70	178,11	336,89	333,61
Net interest income (Mill. EUR)	-10,63	104,55	125,73	290,25	193,73
Gross revenue (Mill EUR)	88,22	181,86	204,58	361,50	263,48
Profitability ROA	0,29%	0,49%	0,53%	1,09%	1,30%
Tier I Ratio	37,21%	36,94%	33,62%	26,49%	22,39%
Non-Performing Loans					
Direct Loans	4,16%	3,81%	3,67%	4,20%	3,70%
Total loans incl. second floor loans	2,33%	2,33%	2,31%	2,76%	2,39%
Provision coverage ratio	145%	157%	171%	128%	127%
Efficiency					
Operating expenses over gross revenue	47,70%	24,60%	23,40%	13,63%	14,65%

Source: ICO

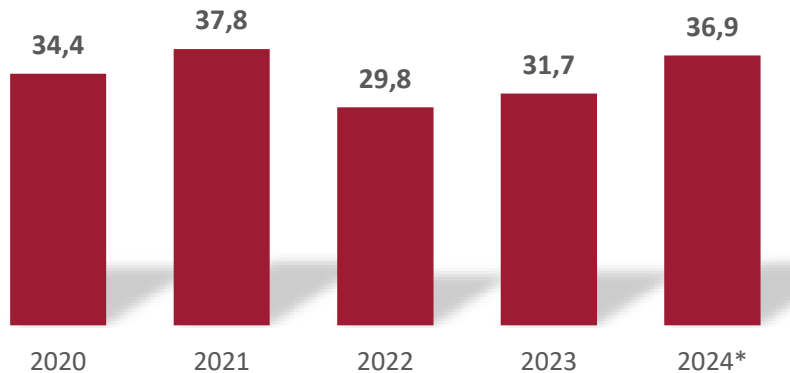
* Unaudited figures

(1) Eligible capital for solvency purposes.

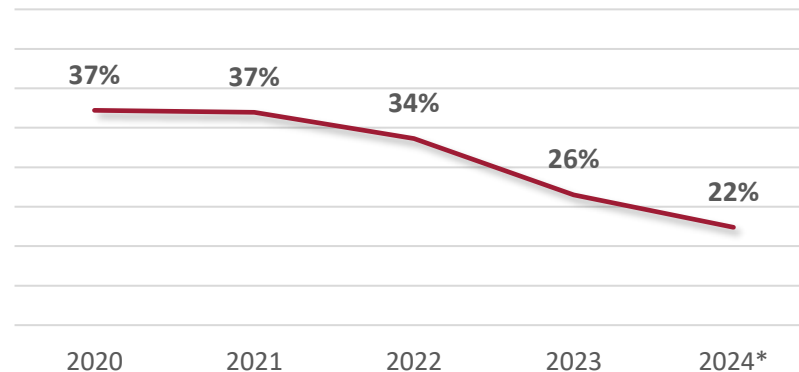
According to the forty-ninth Additional Provision of Act 42/2006 on the General-Government Budget Act, Tier I Ratio may in no case fall below 9.50%. ICO's own funds are of the highest quality (only equity and reserves). ICO has not issued neither subordinated debt, preferred stocks, contingent convertibles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

Financial highlights (II)

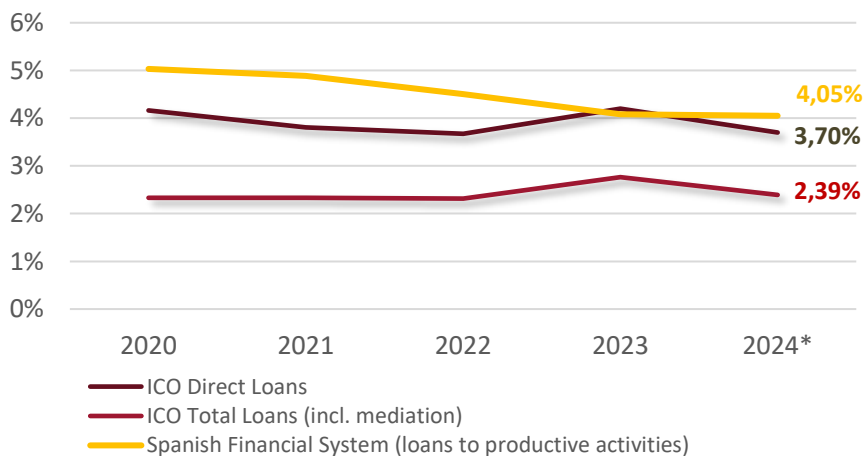
Total Assets (EUR billion)



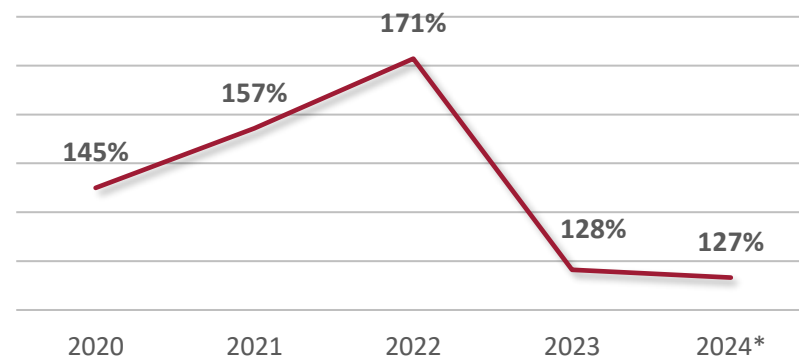
TIER I capital ratio %



NPL Ratios %



Provision coverage ratio %

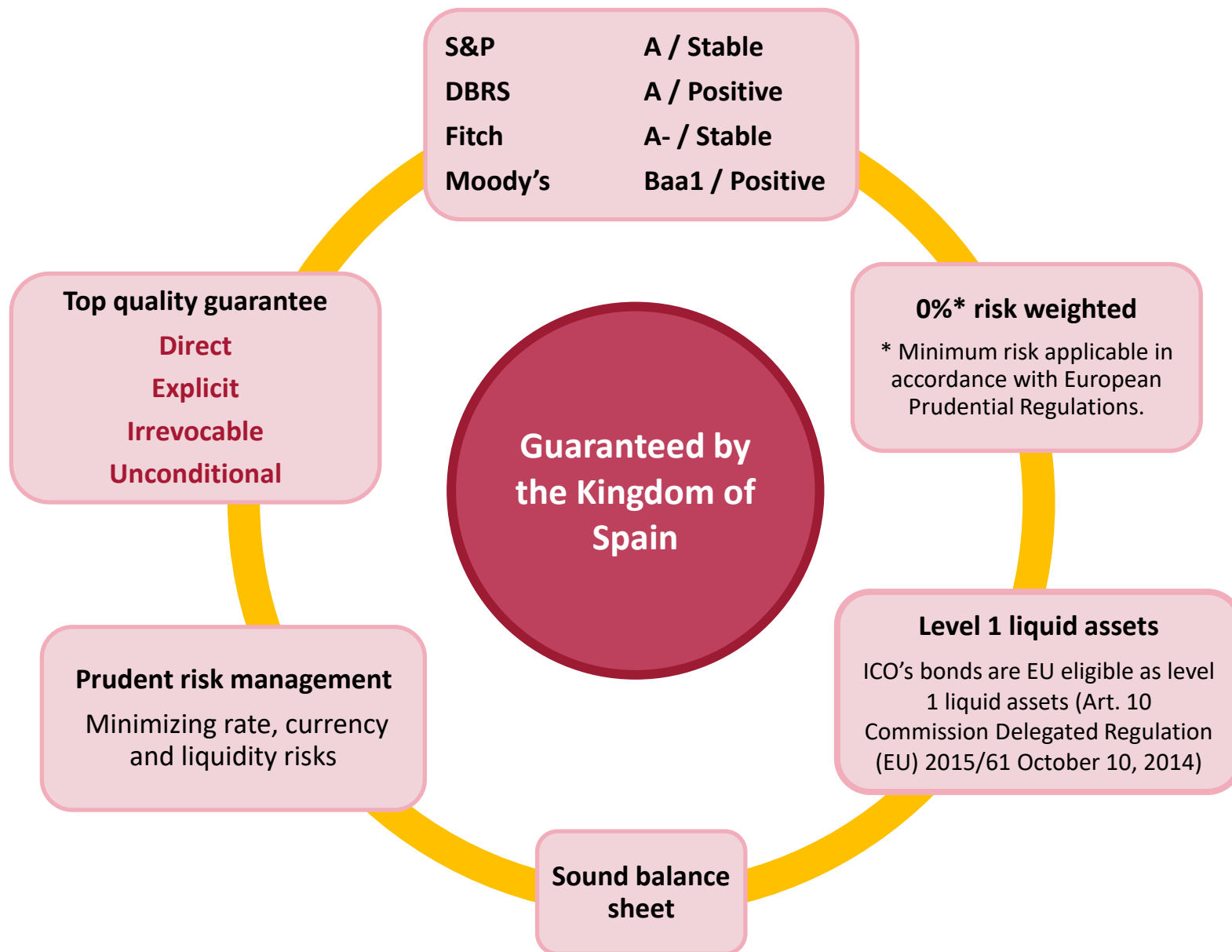


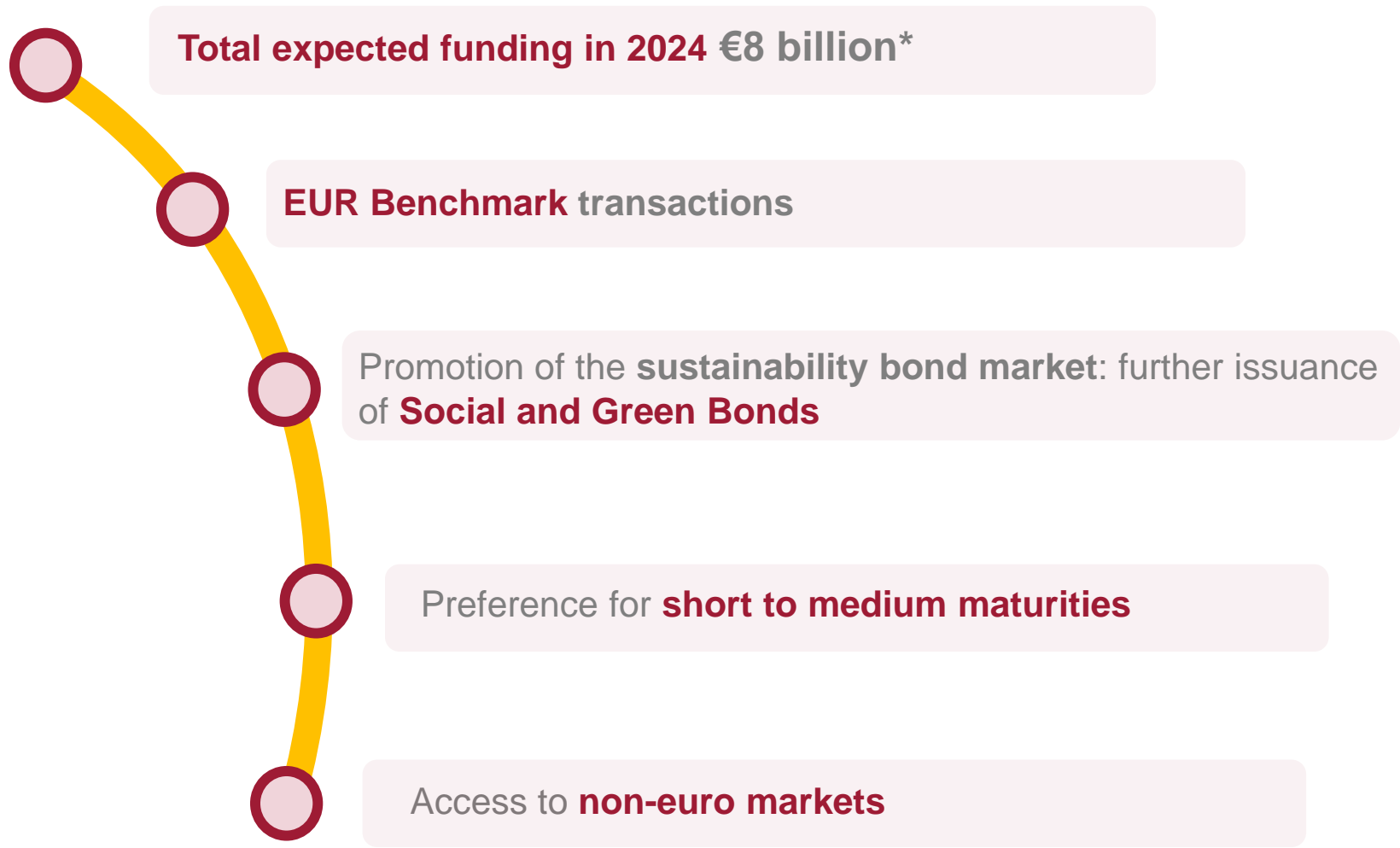
Source: ICO
Data as at 30th September 2024
*unaudited figures

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Funding Profile

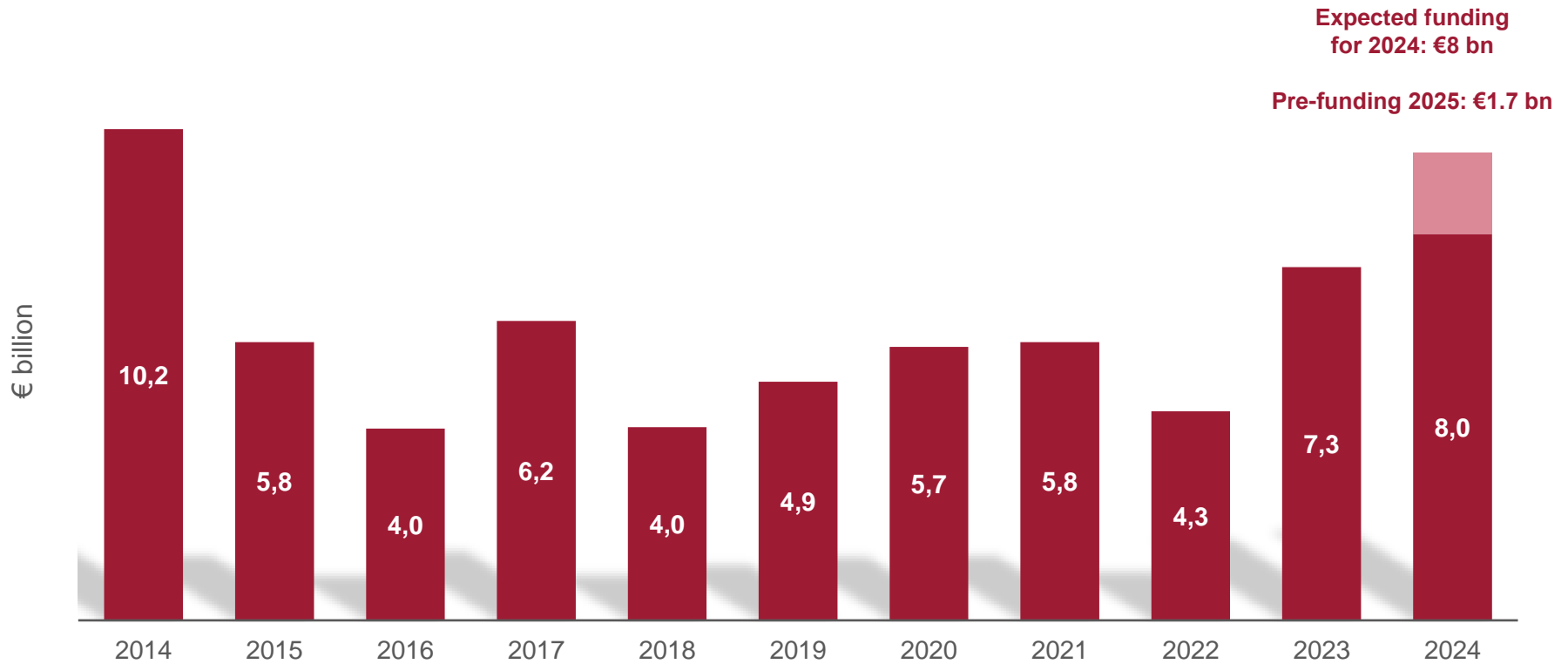






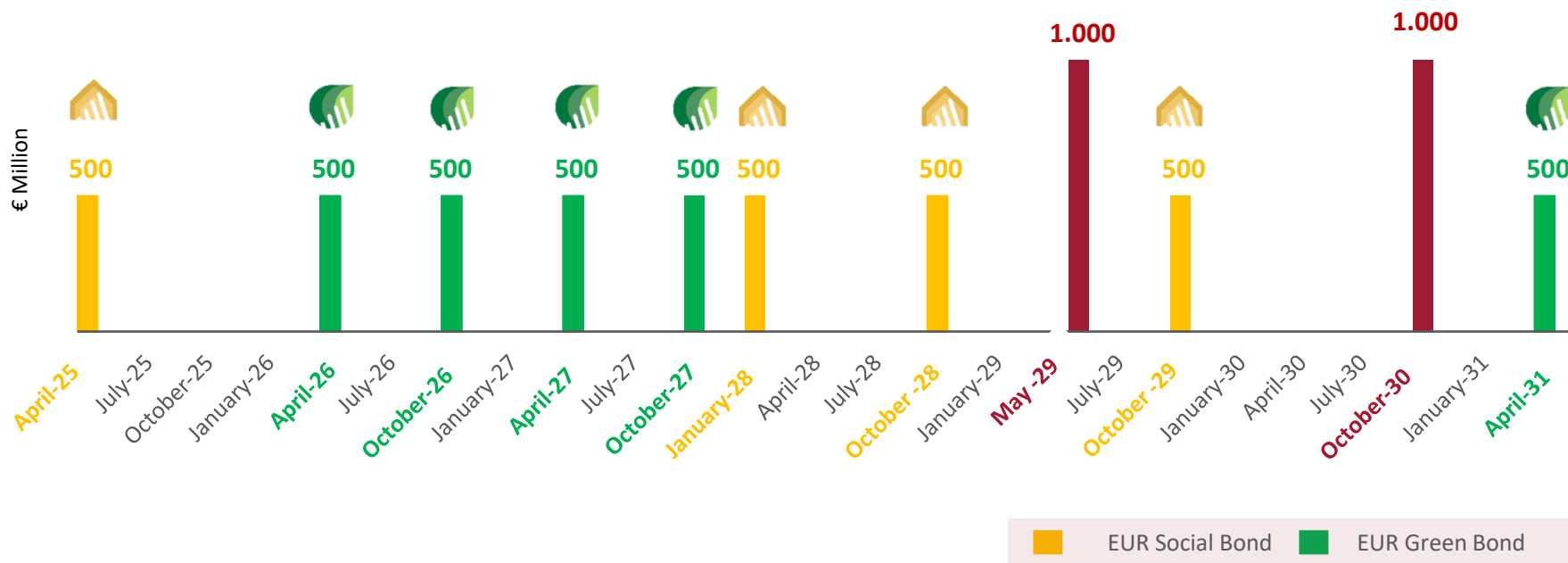
* ICO has increased its medium and long-term funding programme for 2024 due to a higher-than-expected lending activity

Funding activity



Data as at 28th October 2024

Benchmark Curve



Data as at 15th September 2024

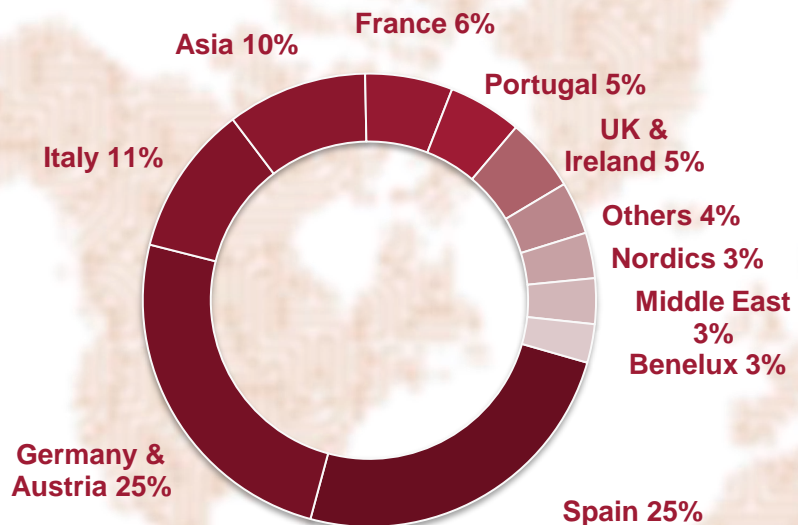
Strategy

Benchmark minimum size: **500 Million**

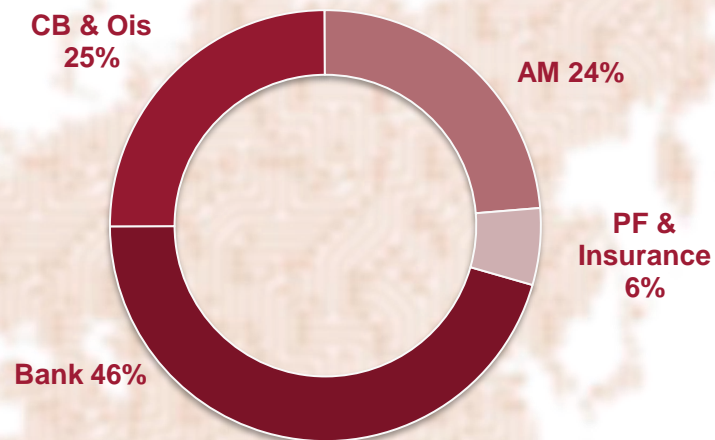
Taps minimum size: **50 Million**
(adding up clips of 25 Million)

Private placements minimum size: **10 Million**

By Region



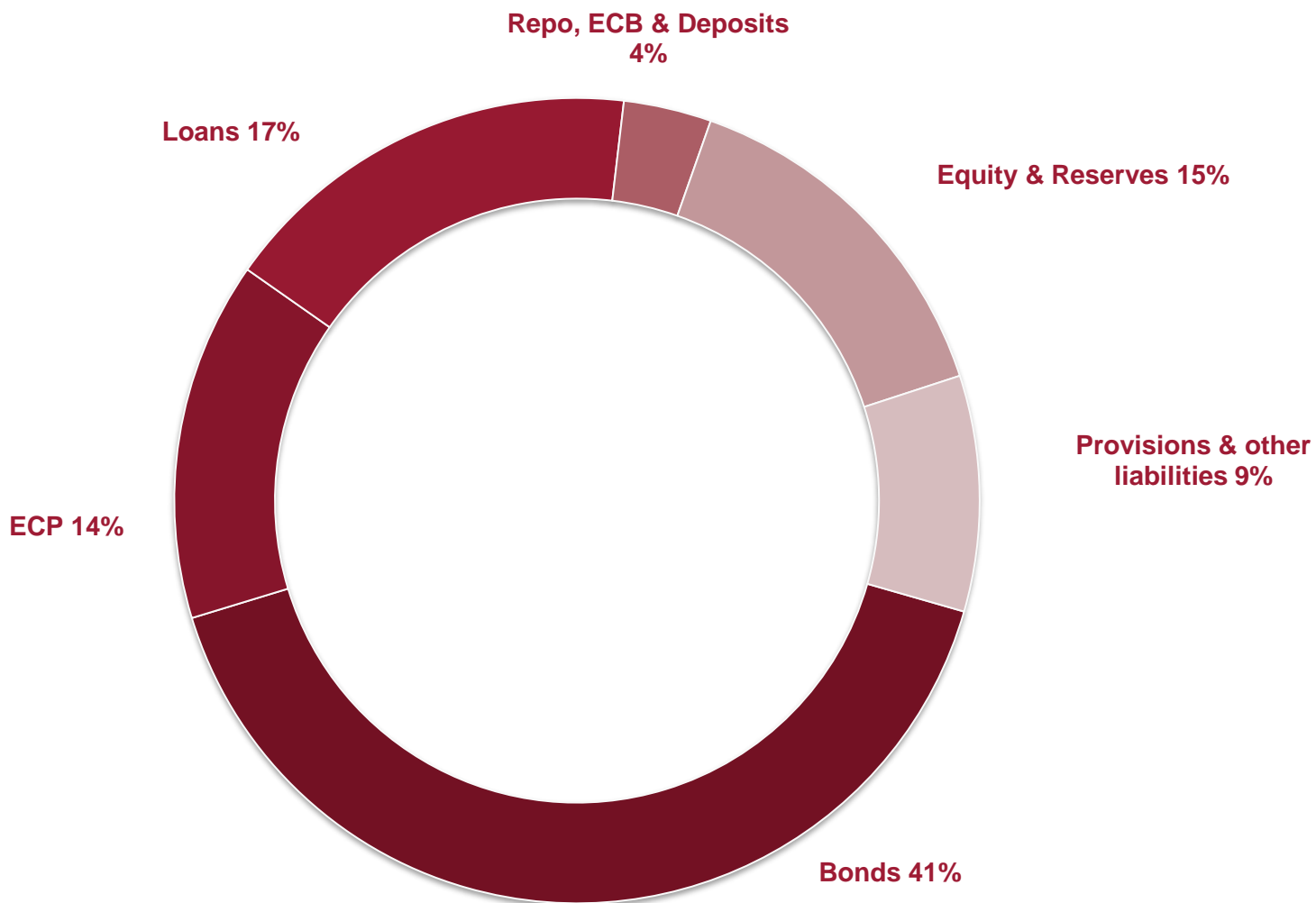
By Investor Type



By ESG participation



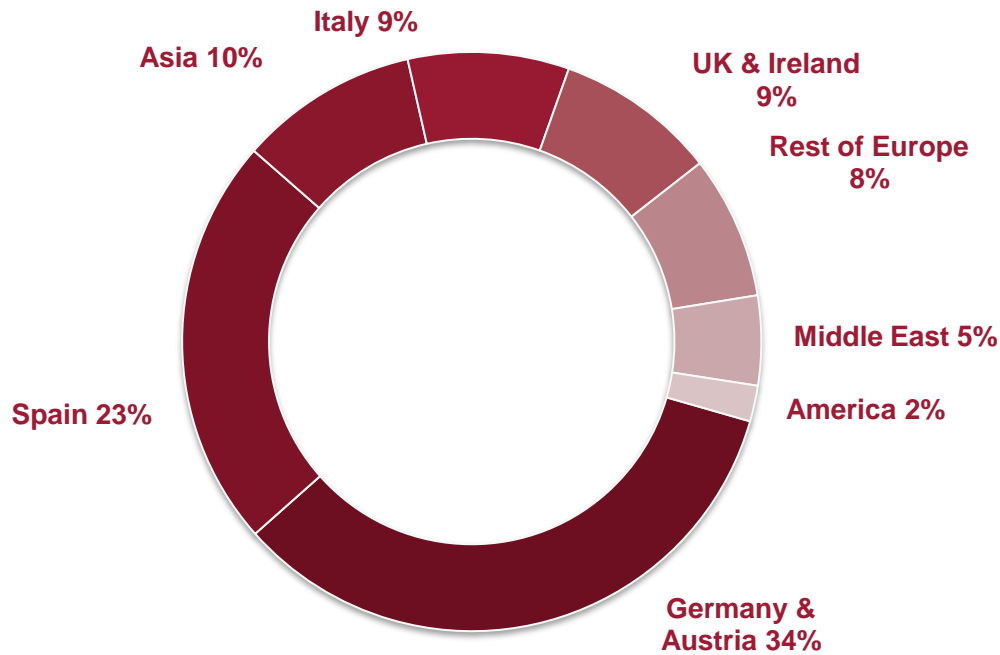
Liability Breakdown



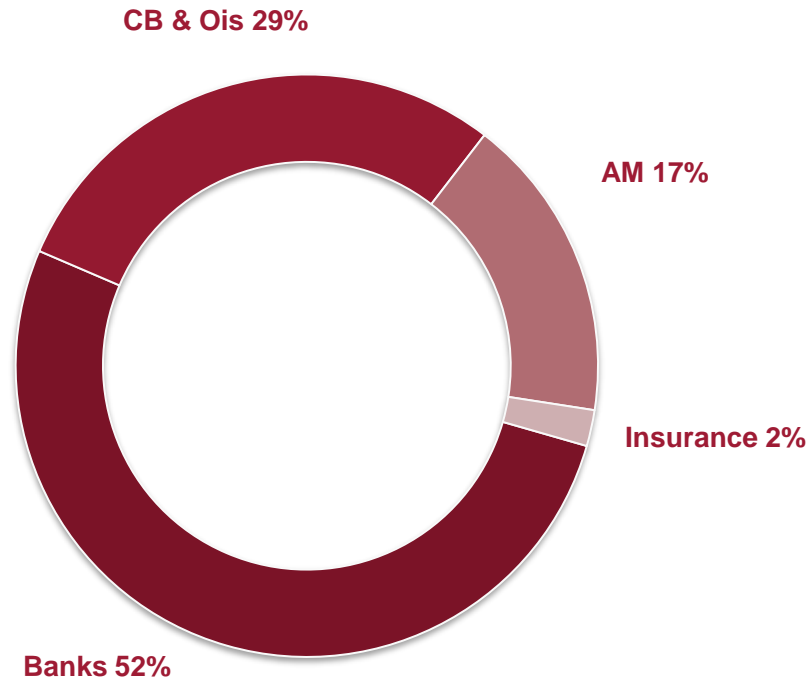
Total Liabilities: €36,208 Million

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

By Region



By Investor Type



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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.

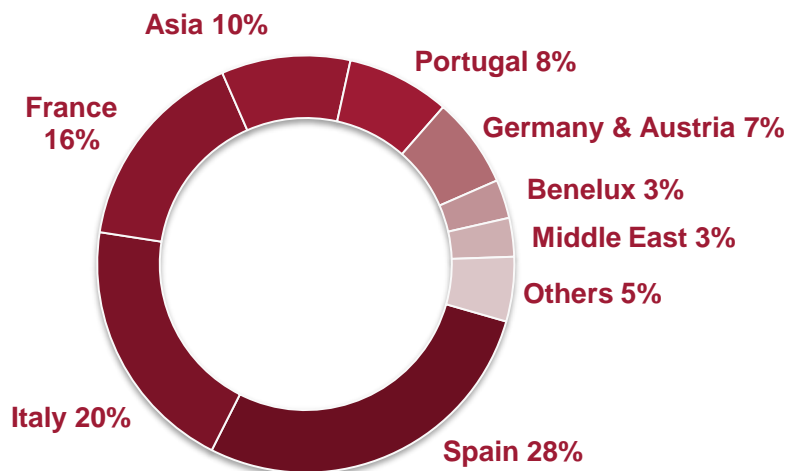
ICO reinforced this commitment to the sustainable bond market with the debut on the green bond market in 2019. Since then, the institution has issued **6 green bonds amounting to €3,000 Million**.

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.

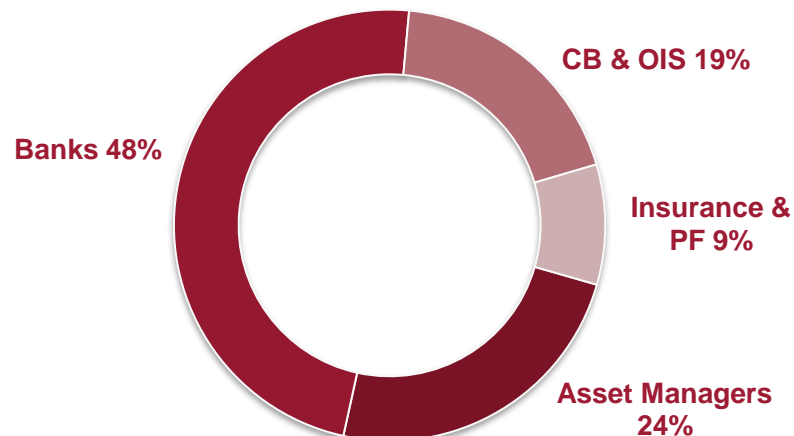


11th ICO **SOCIAL BOND** €500 Million 3.05% October 2029 Issued in June 2024

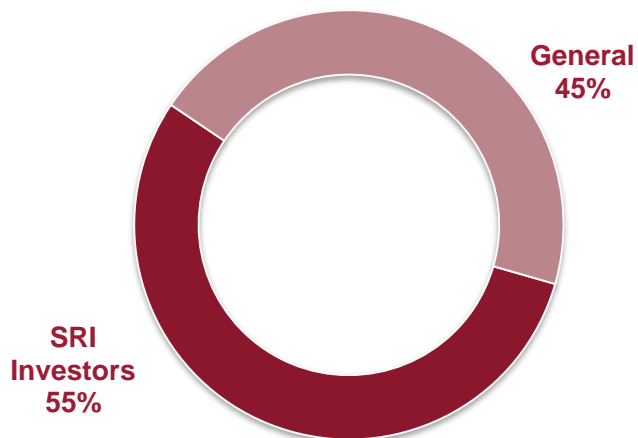
By Region



By Investor Type

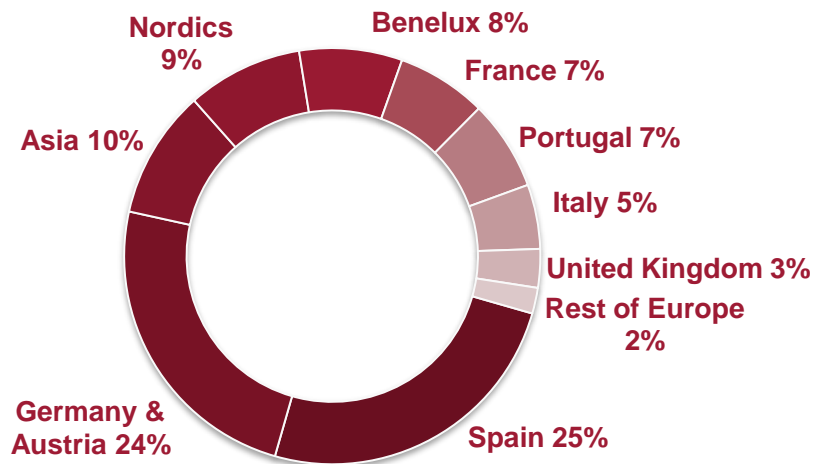


By ESG participation

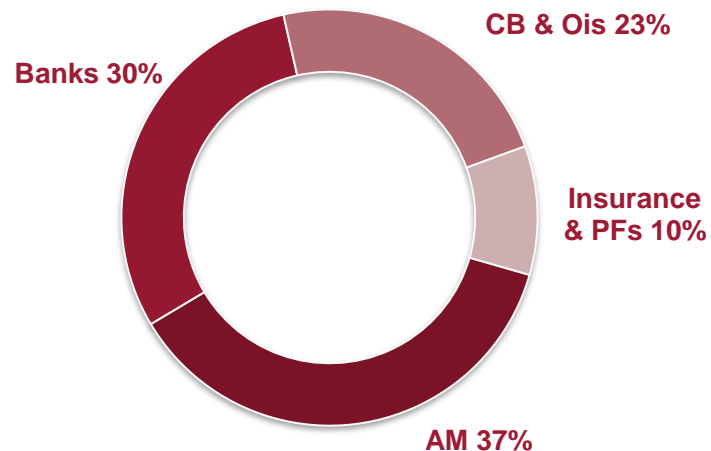


6th ICO **GREEN BOND** €500 Million 3.05% April 2031 Issued in March 2024

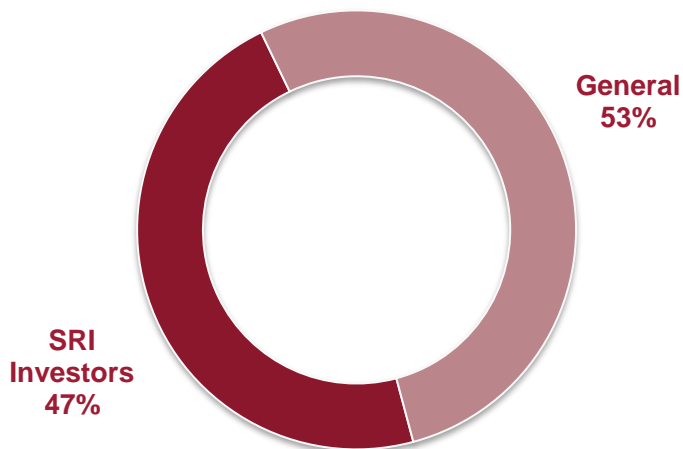
By Region



By Investor Type



By ESG participation



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ICO 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.



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