

History and mission

Instituto de Crédito Oficial – ICO – is a State-owned bank attached to the Ministry of Economy and Business. As a bank, it operates as the State's Financial Agency.

Founded in 1971 as the institution responsible for the coordination and control of State-owned banks. After the 1991 State banking reform, ICO took its current role as a **State-owned investment bank** and the **State's Financial Agency**.

Its purpose is to sustain and promote economic activities oriented towards the growth and improvement of the distribution of the national wealth.

Unaudited figures
Mill. EUR

As at 31/12/2020

Total Assets	34,386
Equity & reserves*	5,257
Pre-tax profit	97.55
Tier I capital ratio	37.30%

*Eligible capital for solvency purposes. ICO's own funds are of the highest quality (equity and reserves). ICO has not issued neither subordinated debt, preferred stocks, contingent convertibles nor any other hybrid instruments

Lending activity

ICO's activity is subject to the **principle of financial equilibrium** and has been profitable since its creation in 1971. Moreover, ICO follows strict financial criteria when granting loans. As a financial institution, ICO is supervised by the Central Bank of Spain, pays taxes, and manages risk. ICO performs a twofold function:

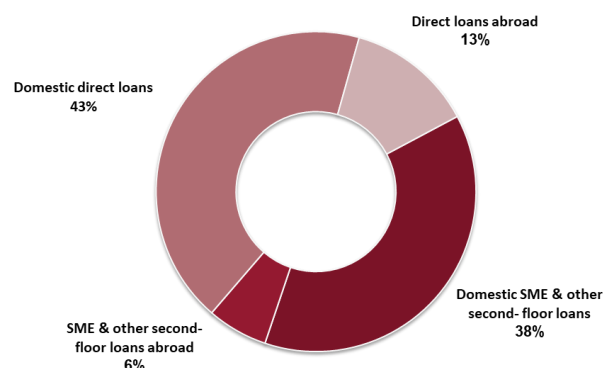
As a **State-owned investment bank** :

- Second-floor facilities: applications for loans are filled with banks and saving banks
- Direct financing programmes: companies apply to ICO directly for financing

As a **State Financial Agency**, and at the express direction of the Government, ICO finances those affected by situations of severe economic crises, natural disasters or other circumstances.

Investment Distribution: EUR 21,033 M

31/12/2020



Added value

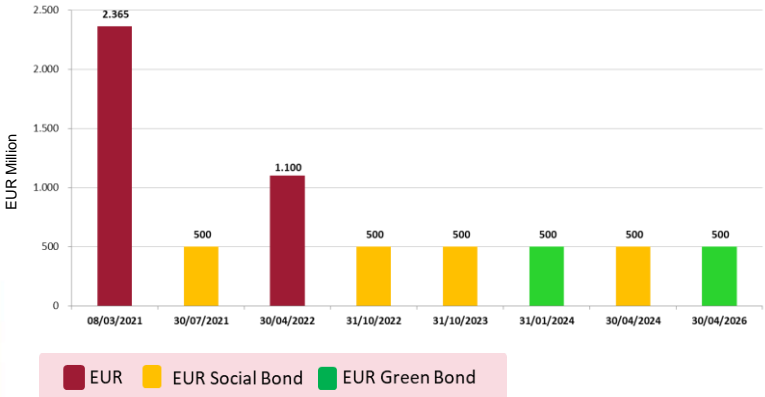
ICO promotes those economic activities that, due to their special **social, cultural, innovative or ecological** significance, merit priority attention. In this sense, ICO is a pioneer in the financing of **sectors with restricted access to private financing**. This is achieved through:

- Financing Spanish SMEs' productive investments
- Liquidity facility for SMEs
- Internationalization of Spanish SMEs
- Promotion of entrepreneurship
- Building refurbishment
- Innovation, tourism, environment, etc.

Soundness & long experience

Every year ICO raises funds in the capital markets in order to manage its balance sheet and fund new lending. ICO also adapts its financial structure to control its liquidity and to remove any interest and exchange rate exposure.

ICO Benchmark Curve



Ratings for ICO long-term and short-term issues

Agency	LT Rating	ST Rating
DBRS	A / stable	R-1 (low)
Fitch Ratings	A- / stable	F1
Moody's	Baa1 / stable	P-2
S&P	A / negative	A-1

The whole of ICO's debt and obligation generated by its funding activities are **fully guaranteed by the State**. This guarantee, which has no time limit, is:

- Explicit
- Irrevocable
- Unconditional
- Direct

Issue volume & breakdown

The expected funding needs for 2021 are 5 EUR billion.

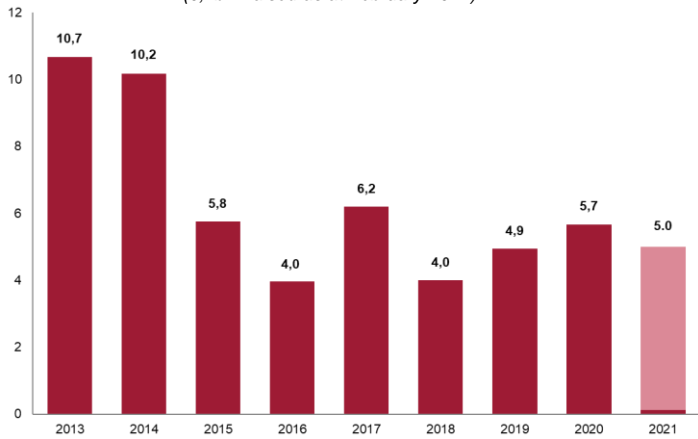
The bulk of these funds is raised through bonds, either through public issues, or via private placements (structured or otherwise), and loans.

Funding Policy 2021

- EUR benchmark transactions
- Promotion of the sustainability bond market: further issuance of Social and Green Bonds
- Access to non-euro markets
- Preference for short to medium maturities

Funding Activity

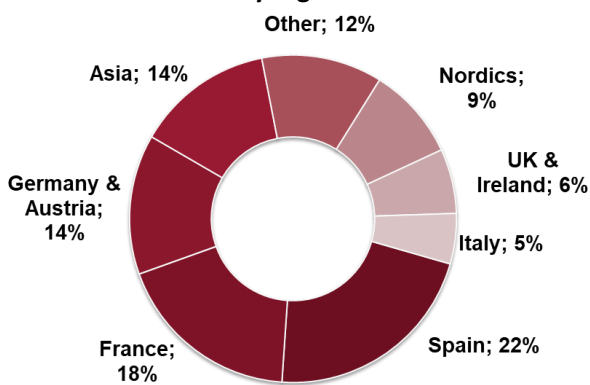
(0, 1bn. raised as at February 2021)



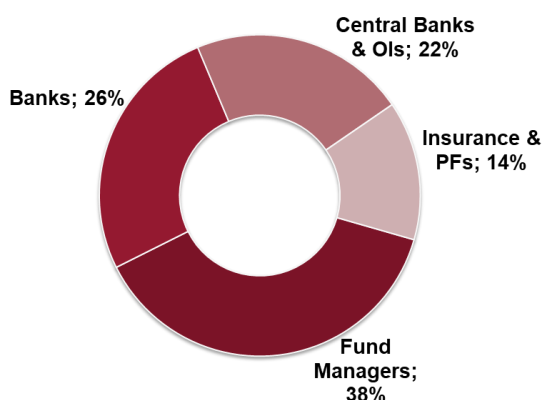
BORROWING PROFILE

(Benchmark Transactions, in the year 2020)

By region



By investor type



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