

Green Bond EUR 500 mn 0.2% due January 2024 launched April 2019 (ISIN XS1979491559)

Environmental impact

Renewable Energy	Energy Capacity Installed (MW)	Energy Production Distributed (MWh)	Avoided Emissions (Tn CO2e)	Allocated EUR
Wind Power	199	627,091	126,133	219,625,137
Solar Power (*)	219	498,019	168,348	204,166,672
Biomass	23	120,774	20,620	76,208,191
Total	441	1,245,884	315,101	500,000,000

(*) Solar Power includes Photovoltaic (99%) and thermosolar (1%) sources.

- The methodology used to calculate the amount of CO2 emissions avoided is based on internationally recognised standards to ensure solid results.
- It has been implemented by ICO with the technical advice of PwC and is based on the GHG Protocol for renewable energy projects.
- The Impact Report is based on ex-ante estimates of expected annual results for a representative year once the financed projects are completed and operating at normal capacity.

Environmental impact

Main metrics by country:



Mexico

I. C.	73 Mw
E.P.	205,565 MWh
Av. CO2e	108,333 Tn CO2e
E. F.	0.527 Tn CO2/MWh



UK

I. C.	9 Mw
E.P.	25,556 MWh
Av. CO2e	4,059 Tn CO2e
E. F.	0.2556 Tn CO2/MWh



Spain

I. C.	335 Mw
E.P.	911,642 MWh
Av. CO2e	168,946 Tn CO2e
E. F.	0.19 Tn CO2/MWh



Portugal

I. C.	7 Mw
E.P.	50,085 MWh
Av. CO2e	12,252 Tn CO2e
E. F.	0.3247 Tn CO2/MWh



Chile

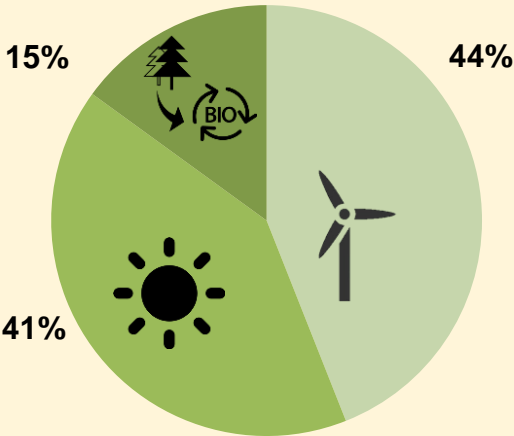
I. C.	17 Mw
E.P.	53,036 MWh
Av. CO2e	21,511 Tn CO2e
E. F.	0.4056 Tn CO2/MWh



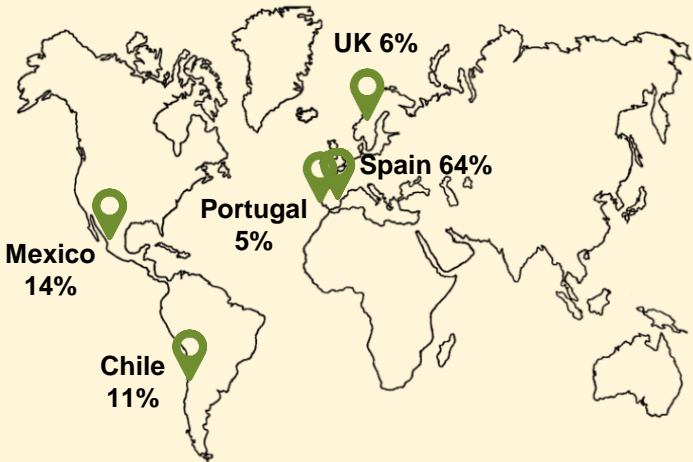
I. C. - Installed capacity E.P. - Energy Produced Av. CO2e - Avoided CO2e Emissions E. F. - Emission factor

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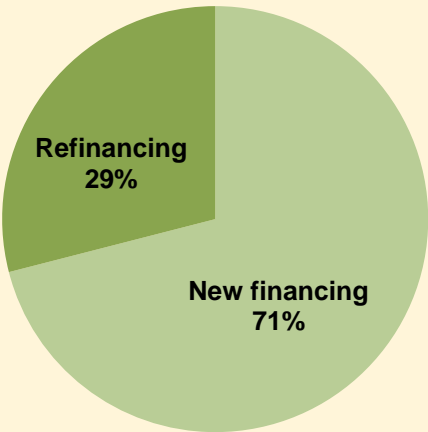
Proceeds Allocation



Breakdown by energy source



Breakdown by country



Share of financing vs refinancing

- **100% fund allocation** in the first year after being issued. Refinancing accounts for 29% of the total amount allocated while financing represents 71%, with disbursements between 2017 and 2020.
- ICO financing projects included in the green bond have **contributed to mobilising €4,016Mn of funds** more than its individual participation (€500Mn).
- Certain **activities will be excluded** due to their non-environmentally friendly nature, such as nuclear power generation, oil and gas, fossil-fuel-based energy, armament-related activities, carbon-related activities, tobacco or any other activities that are not considered environmentally friendly.

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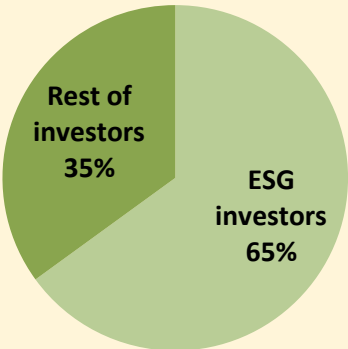
- > ICO launched its [Green Bond Framework](#)¹ in 2019 receiving a favorable [Second Opinion](#)²
- > This is ICO's **inaugural** Green Bond Transaction and positions the institution as a leader in the Sustainability Bond market
- > Six times oversubscribed, with **EUR 3,400 millions requested**

Issuer:	Instituto de Crédito Oficial
Issuer Ratings:	Baa1 / A / A- / A (Moody's / S&P / Fitch / DBRS)
Status of Notes:	Senior, Unsecured
Documentation:	GMTN Programme
Currency:	EUR
Principal Amount:	500,000,000
Trade Date:	2nd April 2019
Settlement Date:	9th April 2019
Maturity Date:	31st January 2024
Re-offer Spread:	SPGB 4.8% January 2024 + 7 bps
Re-offer Yield:	0.23%
Re-offer Price:	99.856%
Annual Coupon:	0.2%, Fixed
Listing:	Luxembourg
Denominations:	EUR 1,000 + EUR 1,000
ISIN:	XS1979491559

84% of the issue was bought by international investors



ESG investors accounted for 65% of the final allocation



1. <https://www.ico.es/documents/19/1862636/Green+Bond+Framework>
2. <https://www.ico.es/documents/19/1862636/ICO+green+bond+second+party+opinion+15032019>

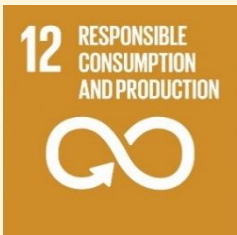
Sustainalytics Report

Based on the limited assurance procedures conducted, nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects funded through ICO's Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the ICO Green Bond Framework. ICO has disclosed to Sustainalytics that the proceeds of the green bond were fully allocated as of February 2020.

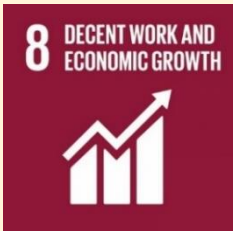
[Link to the report¹](#)

Contribution to the SDGs

ICO's contribution to the Sustainable Development Goals through the Green Bonds **is mainly based on renewable energy**, which all financed projects impact. The relevant SDGs are **#7 Affordable and Clean Energy**, **#12 Responsible Consumption and Production**, and **#13 Climate Action**.



Furthermore, as ICO is a National Promotional Bank it also has a statutory mandate to foster economic development through financing key economic sectors. In this way, it also contributes to SDG 8 on Decent Work and Economic Growth.



1. https://www.ico.es/documents/19/2289903/Instituto+de+Cr%C3%A9dito+Oficial_Annual_Review_20200417+reporting+green+bonds

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Projects Overview

	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9
Project description	Construction and operation of solar plants and wind farm.	Construction and maintenance of a wind farm.	Photovoltaic and thermosolar plant construction and operation	Construction and maintenance of a solar power plant	Construction and maintenance of a photovoltaic plant	Construction of biomass electric generation plants.	Construction of biomass electric generation plants.	Construction of biomass electric generation plants.	Construction of biomass electric generation plants.
Sector and environmental objective	Renewable Energy – Mitigation	Renewable Energy - Mitigation	Renewable Energy - Mitigation	Renewable Energy - Mitigation	Renewable Energy - Mitigation	Renewable Energy - Mitigation	Renewable Energy - Mitigation	Renewable Energy - Mitigation	Renewable Energy - Mitigation
Total project cost (EUR Mn)	720	183	1,486	308	52	136	1,026	52	52
Allocated amount (EUR Mn)	300.00	19.23	35.22	58.25	11.10	18.83	31.84	12.73	12.80
Financing contract formalisation year	2019	2017	2018	2018	2018	2018	2016	2017	2017
Energy capacity installed (MW)	328	12	5	60	13	7	9	3	4
Annual energy production distributed (MWh)	866,509	32,400	20,636	171,512	34,053	45,133	25,556	24,977	25,108
Impact metric - Annual Tn COe avoided	164,637	13,141	8,370	90,387	17,946	4,309	4,059	6,110	6,142 6

Sample projects financed by ICO's green bond

Totana Solar Power Plant

The Region of Murcia's 300 days of sun a year, make it an ideal place to enjoy beaches, monuments and natural parks all year round. But the Murcian sun shines even brighter when it is also transformed into energy and jobs. This is the case in the town of Totana, where a solar plant built sustainably using local labour has just begun to operate.

Construction began in September 2018 and the plant was commissioned in record time in August 2019. In addition, the Totana plant was constructed in line with the "Sustainable Construction Site", which uses renewable energy during construction. This is provided by a photovoltaic system that covers the works' energy needs, as well as the implementation of initiatives designed to involve the local population in the execution of the project.

ICO participated in financing Endesa's first solar power plant of 85 MW of renewable capacity in Murcia.



Sample projects financed by ICO's green bond

Campoliva I wind farm

The Campoliva I wind farm has a capacity of 36 MW and consists of 11 turbines. It is the result of 40 million euros of investment in which ICO participated. Its construction began on 14 November 2018 and it was completed on 15 July 2019. After the mandatory technical tests were carried out, the wind farm began to operate on 22 October.

The project employs a facility development model known as CSV (Creating Shared Value), which includes actions that create social value in the areas around its constructions.

In particular, in relation to CSV the Campoliva I wind project has boosted employment and enhanced the employability of the local community. Hiring local labour to construct the plant and to carry out other work related to the project (such as catering and accommodation for workers) was made a priority and renewable energy training courses were set up for local residents.



Latest ICO SRI milestones

- At its meeting on 27 February 2020, ICO's General Board has adopted a new **Sustainability Policy**¹, establishing a general framework for action that ICO's activity must comply with. The policy involves all areas of the organisation and its activity, acting as a management foundation that allows it to fulfil its mission as a public and promotional bank.
- ICO joined the **Joint Initiative on Circular Economy (JICE)**, an initiative to accelerate the transition to a sustainable and circular economy launched by the EU's largest National Promotional Banks and Institutions and the European Investment Bank.
- ICO joined **Clean Ocean Initiative**, supporting the development and implementation of sustainable, viable and low carbon projects that reduce pollution in the oceans, with a particular focus on plastics.
- ICO promotes and leads the **"CSR Action Group in Public Companies"**, coordinated by Forética, which aims to contribute to the achievement of the 2030 Agenda and the promotion of best business practices in environmental, social and Corporate Governance matters.
- AXIS has joined a platform called **Foro Impacto**, which aims to bring together all agents of impact investment in Spain to join the Global Steering Group (GSG) for Impact Investment.
- ICO is member of the **Advisory Council of the Green Bond Principles and Social Bond Principles Executive Committee from ICMA**.

1. <https://www.ico.es/documents/19/0/ICO+SUSTAINABILITY+POLICY.pdf>