

ICO launches its eighth public social bond issue for an amount of 500 million euros

(November 2021)

The deal is ICO's eleventh sustainable bond issue (eight social and three green), which strengthens ICO's position as a European leader in the ESG market with over 5,550 million euros issued. ICO will release this bond's impact and allocation information within one year from the issuance date of the bond. Within its Social Bond Framework ICO has financed more than 64,200 micro-company and SME projects that have generated and/or maintained 406,600 jobs.

The funds raised with this issue will finance projects that fall under the categories reflected in ICO's Social Bond Framework. The Framework covers categories such as SME financing, social housing, health, education and access to essential services or access to basic infrastructure.

The issue was very well received by investors, with orders over 1.3 billion euros (2.5 times oversubscribed), which allowed the deal to close with a final spread of 7 bps over the Spanish Treasury benchmark, down from an initial spread of 10 bps. The yield was set at -0.322%.

In terms of distribution, 70% was placed among socially responsible accounts (SRI), the highest percentage ever recorded in ICO social bond issues, which demonstrates investors' confidence in the Institute as a leading sustainable debt issuer. In terms of geographical distribution, 75% of the funds were placed among international investors. By type of investor, fund managers acquired 48% of the total volume of the issue, followed by insurers (30%), central banks and official institutions (14%) and banks (8%).



Repsol takes out two loans with ICO for an amount of 40.7 million euros to promote its plan to install electric charging points in Spain and Portugal

(November 2021)

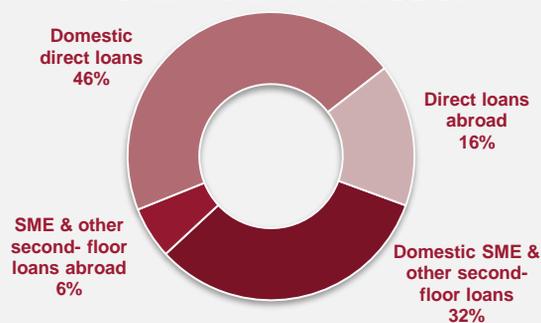


ICO has participated in two financing operations related to this project for a total amount of 40.7 million euros to support the installation of 610 fast and ultra-fast charging points in the network of service stations that the multi-energy company has in the Iberian Peninsula. This operation has been carried out within the framework of the European Union's Connecting Europe Facility initiative, in which ICO acts - in collaboration with the Ministry of Transport, Mobility and Urban Agenda - as an Implementing Partner for channeling funding to Spanish companies' projects that contribute to boosting the energy transition by increasing transport efficiency.

The 610 electric charging points financed with these operations will be installed before the end of 2023 and will be located in 577 Repsol service stations in Spain and 33 in Portugal, along the Mediterranean and Atlantic corridors. The installed power at the fast and ultra-fast charging points will be 50 kW and 180 kW, respectively. All Repsol electric charging points are guaranteed to supply 100% renewable energy. The first charging station for electric vehicles in Spain that incorporates energy storage using second-life batteries as well as the first two ultra-fast charging points in the Iberian Peninsula are also part of this project.

ICO in figures

Loan Portfolio as at 31/12/2021

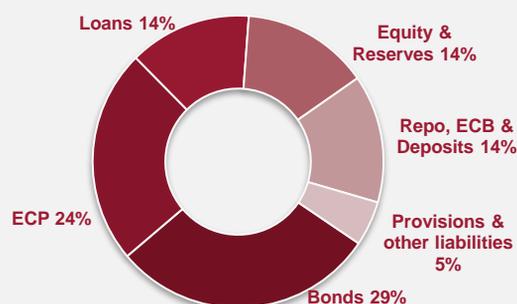


Financial Highlights

	2017	2018	2019	2020	31/12/2021*
Total assets (Mill. EUR)	42,186	36,237	31,823	34,386	37,766
Equity & reserves¹ (Mill. EUR)	5,295	5,246	5,257	5,202	5,354
Pre-tax profit (Mill. EUR)	145.99	112.91	149.25	97.55	171.70
Net interest income (Mill. EUR)	-69.11	-96.54	-28.06	-10.63	104.55
Gross revenue (Mill. EUR)	15.92	55.23	90.53	88.22	181.86
Profitability ROA	0.32%	0.28%	0.44%	0.29%	0.49%
Tier I Ratio	32.86%	40.54%	41.11%	37.21%	35.36%
Non-Performing Loans					
Direct Loans	9.00%	6.31%	4.72%	4.16%	3.81%
Total loans incl. second floor loans	4.15%	3.19%	2.43%	2.33%	2.33%
Provision coverage ratio	121%	154%	168%	145%	157%
Efficiency					
Ordinary Expenditure/ATA	0.09%	0.10%	0.12%	0.12%	0.13%

* unaudited figures for the year ending on 31 December 2021
Source: ICO

Liabilities breakdown as at 31/12/2021



Funding Policy for 2022

- **Expected total funding in 2022: around EUR 5 bn**
- **EUR benchmark transactions**
- **Promotion of the sustainability bond market: further issuance of Social and Green Bonds**
- **Short to medium maturities**

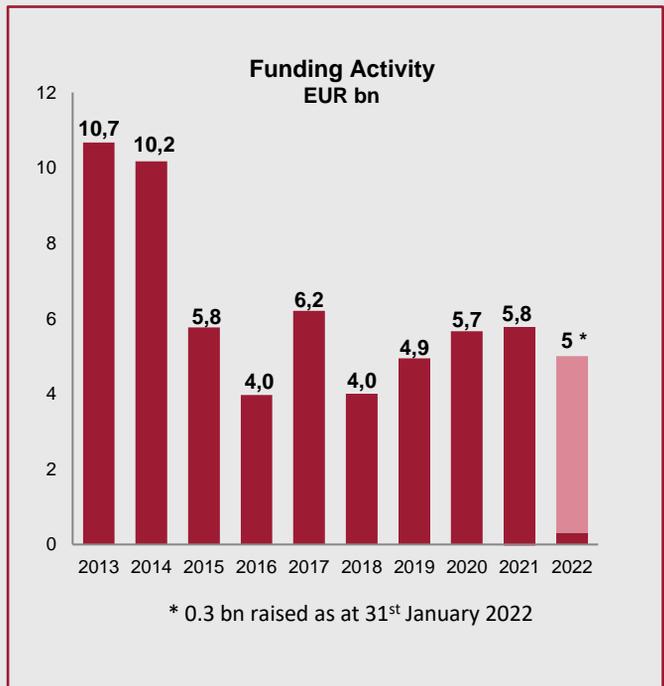
Funding activity

ICO enjoys the **guarantee** from the Kingdom of Spain which is defined in its bylaws as:

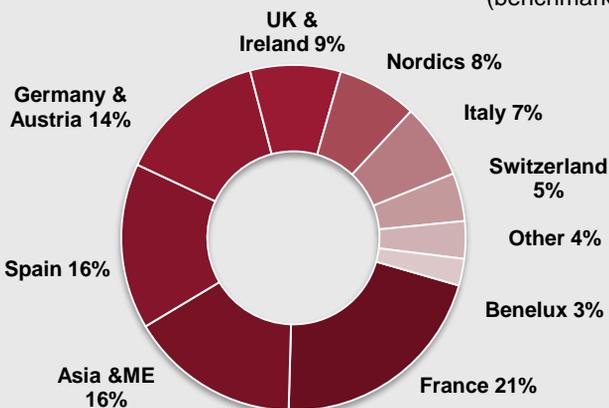
Explicit
Irrevocable
Unconditional
Direct

ICO's long term ratings

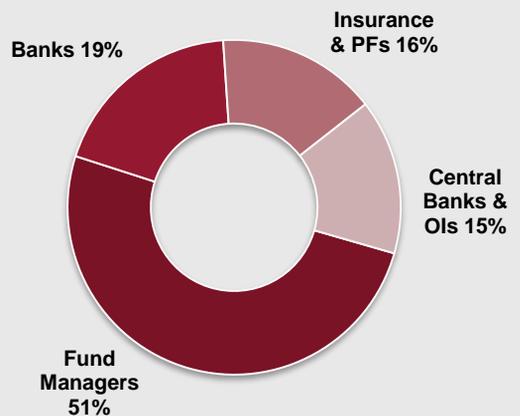
DBRS **A / Stable**
Fitch **A- / Stable**
S&P **A / Negative**
Moody's **Baa1 / Stable**



By region



By investor type



Spanish Economy: latest figures and comments

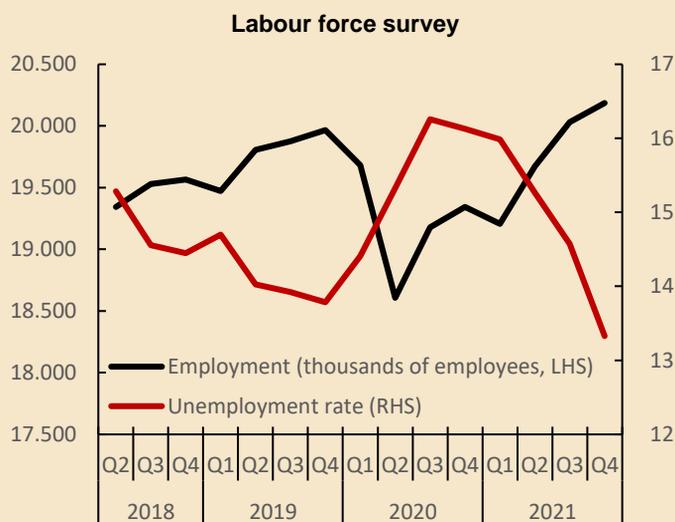
According to the **latest data published by the Spanish Statistical Office (INE), GDP grew by 2.0% qoq and 5.2% yoy in Q4 2021. Annual 2021 GDP growth was 5.0%.** In 2021, domestic demand posted a positive contribution of 4.6% to annual growth while net exports posted a positive contribution of 0.4%. In Q4, domestic demand continued to grow driven by investment, while on the external sector, exports continued to exhibit a faster growth pace as compared to imports. A key factor for Spanish growth in the coming years will be the 69.5 billion euros in additional investment that will come to Spain from NGEU funds. According to the Bank of Spain, its net impact on GDP growth will be close to 2pp in both 2022 and 2023.

The most recent **Labour Force Survey** showed that the **unemployment rate decreased from 14.57% in Q3 to 13.33% in Q4 2021.** Besides, the number of employed persons increased by 153,900 as compared to the previous quarter and by 840,700 as compared to the same quarter of the previous year. 2021 finished with more than 20 million employed, reaching a maximum since 2008. Labour market recovery was widespread, even in those sectors most adversely affected by the pandemic like "Tourism & Hospitality". The fast recovery of employment after the shock of the Covid19 pandemic reflects the high effectiveness of labour support schemes like temporary layoffs (ERTE in Spanish): by the end of 2021 only 102,548 workers were under ERTE (from 3.5 million in April 2020).

The **International Monetary Fund (IMF)** released its **January 2022 edition of the World Economic Outlook (WEO).** IMF WEO foresees that World economy will grow by 4.4% in 2022 and 3.8% in 2023. Recovery will continue despite the persistence of the pandemic and the inflation surge. The Euro Area (EA) is projected to grow by 3.9% in 2022 and 2.5% in 2023. The **Spanish economy will grow above the EA and world average: 5.8% in 2022** and 3.8% in 2023. The IMF noted that Covid19 is still one of the main risks for the world economy (it is noteworthy that Spain is one of the countries with the highest vaccination rate) and asked for investment in climate policies.



Source: INE



Source: INE

Contact us

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