





















# SOCIAL BOND REPORTING

**Social Bond  
launched July 2023**

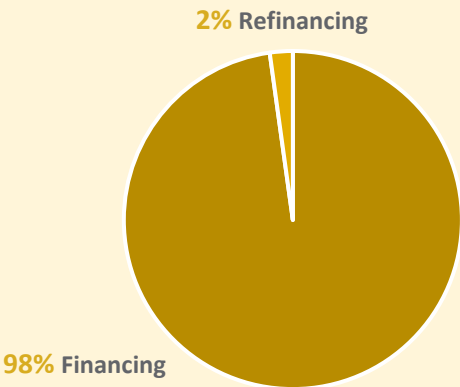
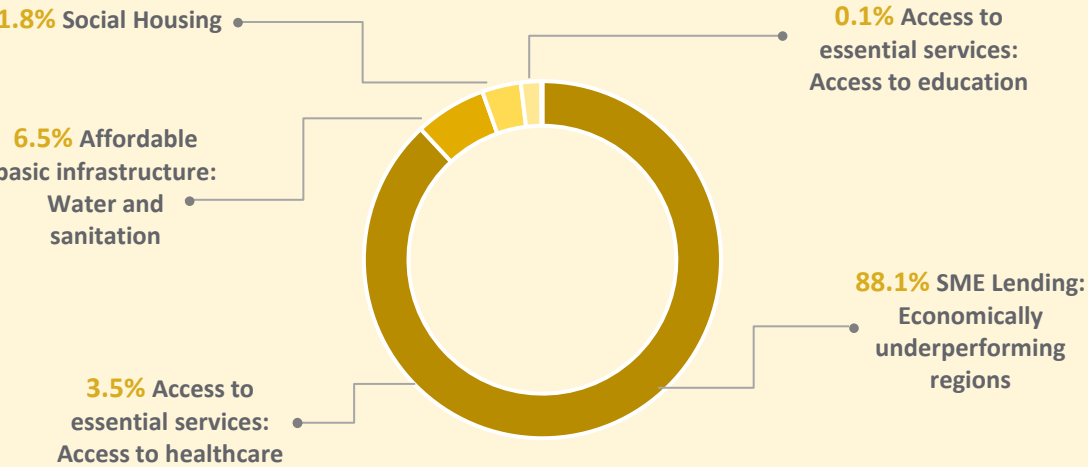
Published July 2024



Instituto de Crédito Oficial

Project Category	Definition	SDG
<b>Second floor facilities</b>		
<b>SME Lending</b>	Loans to SMEs established in economically underperforming regions of Spain, established in municipalities of Spain facing depopulation (hence supporting the fight against the 'Empty Spain) and affected by any natural / health disaster (pandemics, earthquakes, floods, droughts...)	  
<b>Direct lending</b>		
<b>Socioeconomic advancement and empowerment</b>	Programs that support the Socioeconomic advancement and empowerment (projects aiming at supporting, integrating and providing basic services to vulnerable population or developing job security / basic needs / equal opportunities)	   
<b>Social Housing</b>	Loans dedicated to the development and provision of Social Housing, including renovation, maintenance and improvements of social housing projects and Social Housing with adapted rents to disadvantaged targeted populations	 
<b>Access to essential services</b>	Healthcare, education, profesional training or financing for companies facing natural / health disasters (pandemics, earthquakes, floods, droughts...)	  
<b>Affordable basic infrastructure</b>	Water and sanitation, connectivity and digital access	 
<b>Axis Venture Capital</b>		
<b>Socioeconomic advancement and empowerment</b>	Investments in Social Funds providing funding to social enterprises, recognized as European social entrepreneurship fund, aligned with the European Union regulation for Social entrepreneurship funds.	   

Framework: [https://www.ico.es/documents/77230/77304/ICO+Social+Bond+Framework +%282%29.pdf/](https://www.ico.es/documents/77230/77304/ICO+Social+Bond+Framework+%282022%29.pdf/)



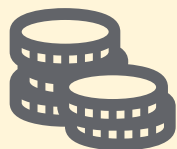
	No. projects	Allocated amount (EUR millions)	Average maturity of loans (years)	Top regions
SME Lending: Economically underperforming regions	3,629	440.33	5	Galicia, Andalucía, Comunidad Valenciana
Affordable basic infrastructure: Water and sanitation	7	32.35	9	Nicaragua
Access to essential services: Access to healthcare	2	17.60	11	Nicaragua, Spain (various regions)
Social Housing	4	9.24	35	Spain (various regions)
Access to essential services: Access to Education	1	0.48	9	El Salvador
	3,643	500.00	6	

In the following slides, categories are shown in order of allocated amount

Total mobilized funds: EUR 861 mn

# UoP category: SME Lending - Economically underperforming regions (I)

## Category's impact and allocation



**EUR 440.32 mn**  
**3,629 projects**

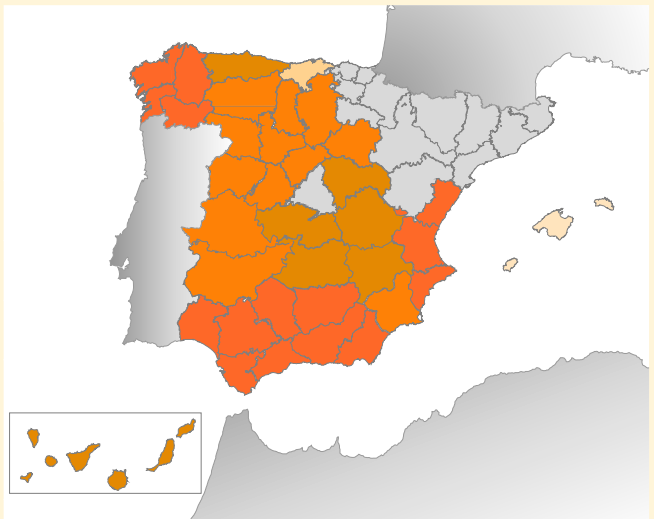
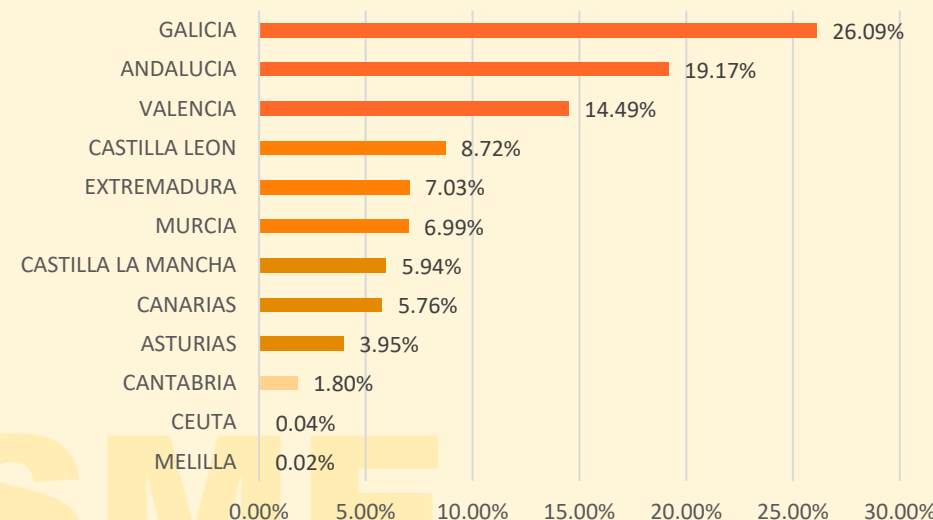


**EUR 121,346** average loan  
**5.3 years** average loan maturity



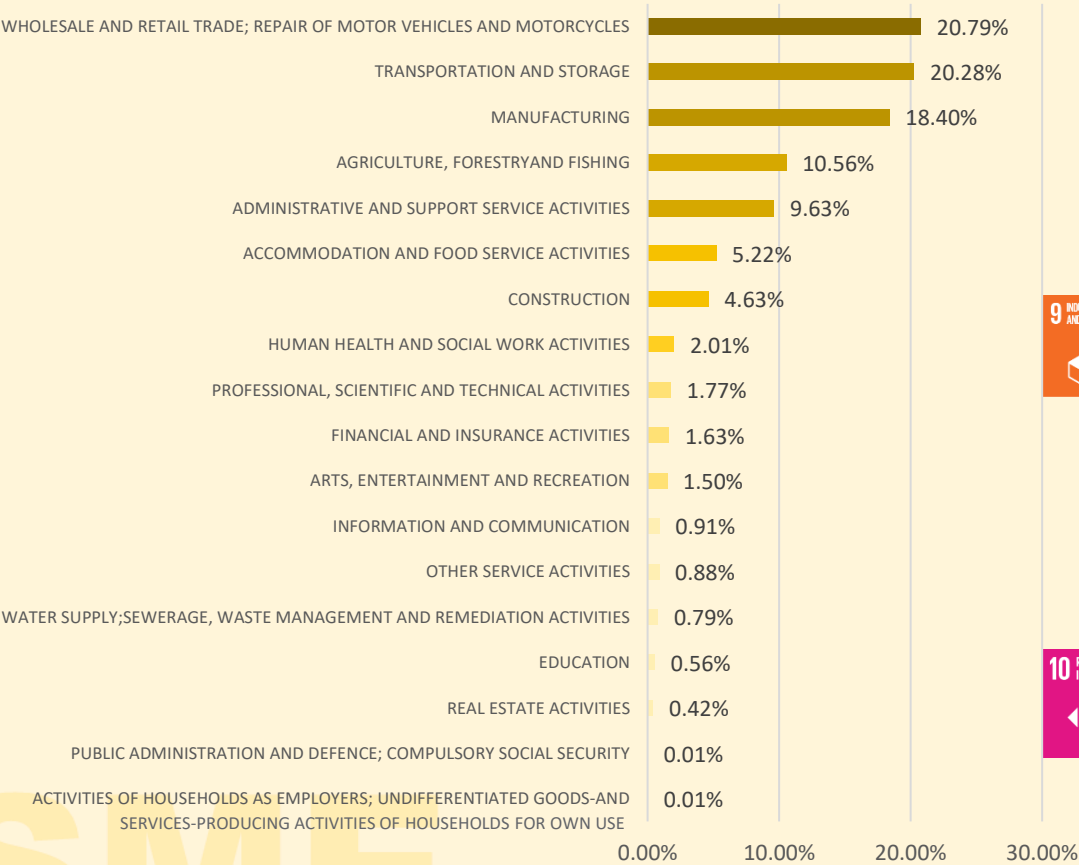
**45,049 jobs** created  
and/or retained

## Regional distribution of the proceeds



Category’s impact and allocation

Distribution of the funds by activity sector



8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all



9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

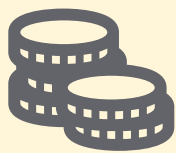
9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets



10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

## Category's impact and allocation



**EUR 32.35 mn**, which represents a share of 38.05% of the projects funded by ICO with this bond



**7 sanitation** projects financed



**509,528 beneficiaries**



**50,290.17 m<sup>3</sup>/day** wastewater treated



**369,634 equivalent inhabitants<sup>1</sup>** covered by the new system



**2,409,744 m<sup>3</sup>/year** volumen of drinking water provided



Located in **Nicaragua**



6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

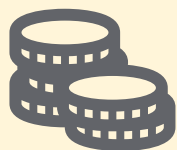
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

6.b Support and strengthen the participation of local communities in improving water and sanitation management.

<sup>1</sup>The Equivalent Inhabitant is the basic unit of measurement for the sizing and choice of the appropriate domestic and / or similar wastewater treatment system

## Category's impact and allocation



**EUR 2.80 mn**, which represents a share of 4.53% funded by ICO with this bond



**1 hospital** built to replace an existing one



**207 beds**, which represents an increase of 45 beds compared to the previous hospital. Thanks to this, the **hospital bed capacity** of the region increases **18.4%**



**7 new medical specialities** and improvement of the remaining 8 ones (total specialities 15)



**3,200 deliveries** attended



Located in **Nicaragua**



**5,295 major surgeries** per year



**4% reduction in childhood mortality**



**527 direct permanent jobs** created by the project, of **which 65% are women**

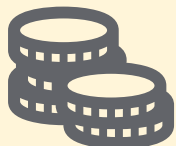


Will provide **health coverage to 897** surrounding **communities in disadvantaged and/or rural areas**



**339,494 patients** benefitting from healthcare or medical treatment what represents an **increase of 29,243 patients from current scenario**

## Category's impact and allocation



**EUR 14.8 mn**, which represents a share of 25.58% of the project funded by ICO with this bond



Capacity for **1,039 new residents**



**7 senior healthcare centres / homes** built



Located in **Spain** (Cornellà, Córdoba, Gandia, Getafe, Huesca, Majadahonda and León)

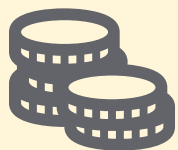


3.7 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all



## Category's impact and allocation



**EUR 9.24 mn**, which represents a share of 27.69% of the project funded by ICO with this bond



Purchase of a total of **317 privately owned homes**, in order to be incorporated into the rental market for vulnerable groups. From this total amount 113 are specific houses adapted for elderly people



**EUR 376** average monthly rent



Located in **Andalucía, Zaragoza** and **Cataluña**

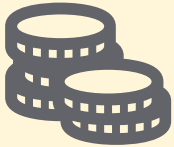


1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance



11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

## Category's impact and allocation



**EUR 0.48 mn**, which represents a share of 0.29% funded by ICO with this bond



**54,401** students benefited



**50 schools** improved



Located in **El Salvador**



4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all



8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training

# Impact and allocation: overview (I)

Project description	Project Category			Target Population		Allocation information				Social Indicators	
	SBP Category	Sub-category	SDG addressed	Target Group	Signed amount (EUR mill)	Share of Total Financing (percent)	Eligibility of Social Bond (percent of signed amt.)	Allocated amount (EUR)	Portfolio lifetime or budgetted years (years)		
Financing of 3,629 of SMEs in regions with a GDP below the national average	Employment generation	SME financing	8, 9, 10	SMEs in line with European Union's standards and Economically underperforming regions	440.33	100.00%	100%	440.33	5	Number of SMEs financed	3,629
										Number of jobs created/retained	45,049
Construction of 7 senior healthcare centers	Access to essential services	Health Care	3	Hospitals/ Healthcare (open to all population)	57.86	25.58%	100%	14.8	13	Centers built	7
										Capacity (residents)	1,039
Financing the purchase of social houses	Affordable housing	Social Housing	1, 11	Eligible beneficiaries according to socio-economic requirements set by regional governments	10.06	12.23%	100%	1.23	29.51	Number of houses purchased	113
										Average monthly rent (EUR)	187
Financing the purchase of social houses	Affordable housing	Social Housing	1, 11	Eligible beneficiaries according to socio-economic requirements set by regional governments	2.38	5.17%	100%	0.12	33.36	Number of houses purchased	14
										Average monthly rent (EUR)	450.6
Financing the purchase of social houses	Affordable housing	Social Housing	1, 11	Eligible beneficiaries according to socio-economic requirements set by regional governments	4.77	69.70%	100%	3.33	40.10	Number of houses purchased	40
										Average monthly rent (EUR)	503
Financing the purchase of social houses	Affordable housing	Social Housing	1, 11	Eligible beneficiaries according to socio-economic requirements set by regional governments	19.27	23.68%	100%	4.56	38.71	Number of houses purchased	150
										Average monthly rent (EUR)	477
Construction of a sanitation network and a wastewater treatment plant	Affordable basic infrastructure	Water and sanitation	6	Underserved areas	18.20	21.72%	100%	3.95	9	Number of beneficiaries	42,430
										Volume wastewater treated (m3/day)	9,844
										Number of equivalent inhabitants covered by the new system	49,219
Construction of a sanitation network and a wastewater treatment plant	Affordable basic infrastructure	Water and sanitation	6	Underserved areas	14.33	38.80%	100%	5.58	9.04	Number of beneficiaries	78,035
										Volume wastewater treated (m3/day)	16,720
										Number of equivalent inhabitants covered by the new system	90,521

Indicators refer to the total amount of the projects

# Impact and allocation: overview (II)

Project Category				Target Population	Allocation information					Social Indicators	
Project description	SBP Category	Sub-category	SDG addressed	Target Group	Signed amount (EUR mill)	Share of Total Financing (percent)	Eligibility of Social Bond (percent of signed amt.)	Allocated amount (EUR)	Portfolio lifetime or budgetted years (years)		
Construction of a sanitation network and a wastewater treatment plant	Affordable basic infrastructure	Water and sanitation	6	Underserved areas	15.28	24.16%	100%	3.71	9.16	Number of beneficiaries	132,919
										Volume wastewater treated (m3/day)	6,912
										Number of equivalent inhabitants covered by the new system	129,119
Construction of a sanitation network and a wastewater treatment plant	Affordable basic infrastructure	Water and sanitation	6	Underserved areas	4.25	6.93%	100%	0.30	9.19	Number of beneficiaries	8,750
										Volume wastewater treated (m3/day)	830
										Number of equivalent inhabitants covered by the new system	11,545
Construction of a sanitation network and a wastewater treatment plant	Affordable basic infrastructure	Water and sanitation	6	Underserved areas	15.54	29.47%	100%	4.57	8.84	Number of beneficiaries	43,232
										Volume wastewater treated (m3/day)	6,912
										Number of equivalent inhabitants covered by the new system	51,536
Construction of a sanitation network and a wastewater treatment plant	Affordable basic infrastructure	Water and sanitation	6	Underserved areas	0.83	97.09%	100%	0.80	9.01	Number of beneficiaries	34,848
										Volume wastewater treated (m3/day)	9,072
										Number of equivalent inhabitants covered by the new system	37,694
Construction of a hospital for the replacement of an existing one	Access to essential services	Health Care	3	Hospitals/ Healthcare (open to all population)	61.34	4.53%	100%	2.80	8.84	Number of hospitals built	1
										Number of beds provided	207
										Number of patients reached	339,494
Construction of a sanitation network and a wastewater treatment plant	Affordable basic infrastructure	Water and sanitation	6	Underserved areas	28.76	48.21%	100%	13.44	9.39	Number of beneficiaries	169,314
										Volume drinking water (m3/year)	2,409,744
Design and improvement of educational centers	Access to essential services	Education	4, 8	Public education system (open to all population)	168.15	0.29%	100%	0.48	7.43	Number of schools	50
										Number of beneficiaries	54,401

Indicators refer to the total amount of the projects 12



Solar Galaica is a micro-enterprise that was created in August 2020 and is dedicated to working for a sustainable economy, betting on the many benefits of photovoltaic energy.

This company is dedicated to the deployment of solar electric or photovoltaic energy installations throughout the province of La Coruña. They also set up charging points for electric cars and aerothermal installations. It offers multiple services ranging from installation, repairs, revisions, maintenance, reforms, energy certification... to the processing of subsidies so that customers can save between 50 and 80% on their electricity bill.

public buildings, the tertiary sector, industrial warehouses or single-family homes. They carry out all types of work related to electrical installations in La Coruña.

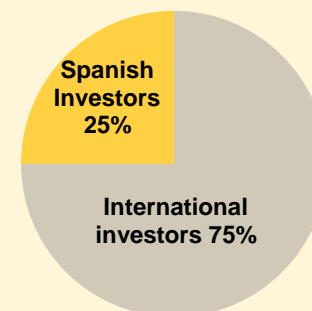
In the photovoltaic business, the company offers advice and develops photovoltaic installations in homes and commercial premises, so that customers can benefit from renewable electricity obtained from the solar energy. Solar Galaica provides all kinds of new installations, isolated or connected to the grid. It also undertakes repairs, overhauls, processing of subsidies and financing of installations.

The company has plans to expand throughout Galicia.

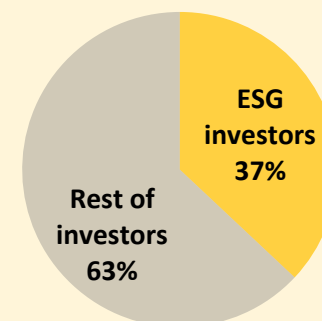
The ICO financing has enabled this microenterprise to purchase machinery and equipment for its activity and has helped to maintain two jobs in the company.

Issuer:	Instituto de Crédito Oficial (A-/Baa1/A-/A)
Issue Amount:	€ 500,000,000
Pricing Date:	27 <sup>th</sup> June 2023
Payment Date:	4 <sup>th</sup> July 2023
Maturity Date:	31 <sup>st</sup> October 2028
Annual Coupon:	3.25%
Re-offer Price:	99.838%
Re-offer Spread:	SPGB 5.15 10/31/28 + 15 bps
Re-offer Yield:	3.286%
ISIN Code:	XS2645690525
Documentation:	GMTN Programme

**International investors accounted for 75% of the final book**



**ESG investors accounted for 37% of the final book**



## Sustainalytics report

*" (...) nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the ICO Social Bond Framework. ICO has disclosed to Sustainalytics that the proceeds from the Social Bond were fully allocated as of March 2024."*

*Morningstar Sustainalytics, a globally-recognized provider of ESG research, ratings and data, evaluated ICO's Framework and the alignment thereof with relevant industry standards and provided views on the robustness and credibility of the Framework. The review, whether in whole or in part shall not be construed as part of the offering and shall not be considered as an offer or advertisement to buy a security, solicitation of votes or proxies, investment advice, expert opinion or negative assurance letter as defined by the applicable legislation.*

<https://www.ico.es/documents/20124/39502/Instituto+de+Cr%C3%A9dito+Oficial+Annual+Review+2024.pdf/>

# ICO commitment to SRI

During 2023, ICO approved operations in different areas of sustainability (ESG) for a volume of more than EUR 2,846 mn. Among these operations, those with environmental impact (EUR 2,652 mn) stand out this year. ICO, in its commitment to the transition towards a resilient and low carbon economy, has promoted the financing of operations that contribute to the objectives of climate change mitigation and circular economy.

## Latest SRI milestones

- ICO Group will channel loans from the Recovery and Resilience Facility through, among others, the EUR 22 billion **ICO-Green Facility**, the EUR 8.15 billion **ICO-Enterprises and Entrepreneurs Facility**.
- In 2024, ICO has been reelected as member of **ICMA's Advisory Council of the Executive Committee of the Principles**.
- ICO is a member of **OFISO (Observatorio Español de la Financiación Sostenible)**, a meeting, information and debate forum for companies, financial entities, public administrations, investors and other agents of the financial industry.
- As an **implementing partner of the European Union**, ICO continues to play an important role in channeling European funds through different programs besides the Recovery and Resilience Facility: InvestEU and Alternative Fuel Facility.
- ICO's strategy 2022-2027 positions **sustainability as one of its strategic** axes and sets a target of 40% sustainable financing.
- Since 2023, ICO has been part of the **Spanish Strategy for International Climate Finance**, which aims to meet Spain's commitments in terms of international climate finance, specifically in countries defined as non-Annex 1 in the United Nations Framework Convention on Climate Change.
- In 2024, ICO has approved the **update of its sustainability policy**, renewing its public commitment to sustainability and its adaptation to the regulations and experience acquired in this area.
- In 2024, the Spanish Climate Change Office has favorably resolved the **registration of the carbon footprint** (scope 1 and 2) of the ICO group and the obtaining of the "Calculo" seal. In addition, the Carbon Footprint of ICO's loan portfolio (scope 3) continued to be calculated in accordance with the PCAF methodology.
- In 2024, ICO has **joined the PCAF initiative**. This entails that ICO will disclosure the carbon footprint of its loan and investment portfolio.



## ICO SOCIAL BONDS



Inaugural  
issue in **2015**



Financing of  
operations that  
generate a  
**positive social  
impact**



**11 Social  
Bonds  
issued**



**EUR 5,552 mn** raised  
that have help  
mobilize over **EUR  
5,600 mn**

### IMPACT



**76,740  
projects  
financed**



**523,930 jobs  
created or  
retained**



**2 hospitals  
with 507  
beds**



**300 disabled  
people** provided  
with job  
opportunity



**50 schools  
improved**



**407 social  
houses**

## ICO GREEN BONDS



Inaugural  
issue in **2019**



Financing projects  
that contribute to  
**protecting the  
environment** and  
the **fight against  
climate change**



**6 Green  
Bonds  
issued**



**EUR 3,000 mn** raised  
that have help  
mobilize over **EUR  
18,292 mn**

### IMPACT



**56 projects  
supported**



**1,164,432 Tm CO<sub>2</sub>e**  
avoided



**3,115  
charging  
points**



**16,962 MWh**  
estimated charge  
2023