



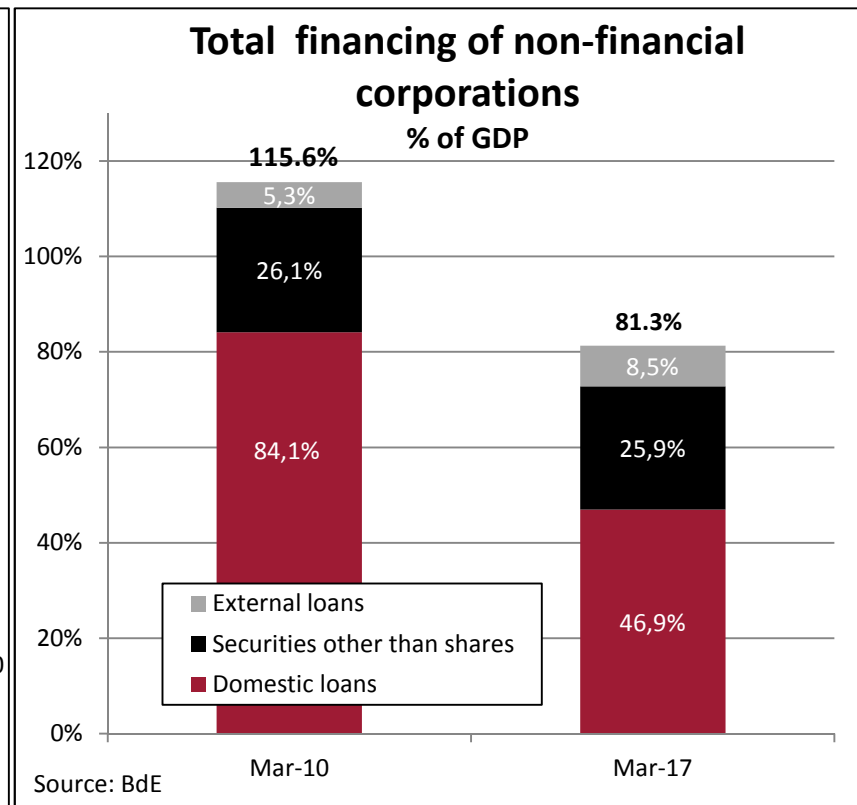
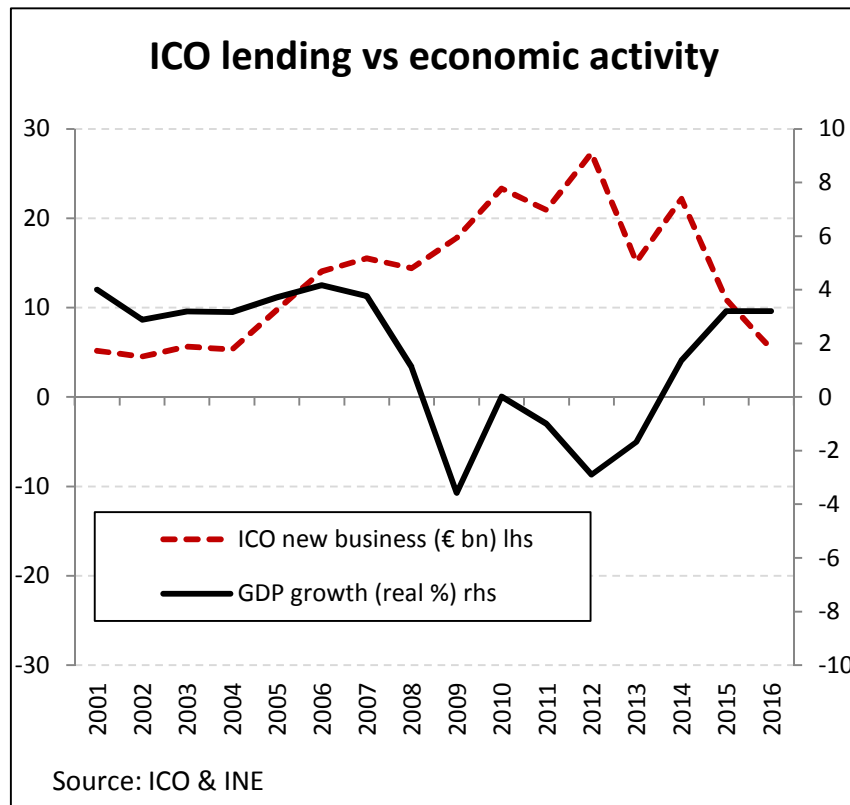
Instituto de Crédito Oficial

SUPPORTING INVESTMENT: ICO ROLE

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ICO, in its countercyclical approach, has contributed to ordered deleveraging of Spanish corporate sector



In this new context, ICO fosters private capital and alternative financing

- Private equity sector was underdeveloped in Spain. ICO initiatives, through AXIS, improve private capital environment in several ways:
 - ✓ **Catalyzer effect:** attracting new investors. Crowding in.
 - ✓ **Better practices** in private fund managers
 - ✓ **Improvements** in invested **companies:** Governance, productivity, size, innovation, internationalization...
- **Paneuropean** approach in the context of Juncker Plan:
 - ✓ Fond ICO Global (EIB-ICO): SMEs and mid-caps (250 M€)
 - ✓ Fond ICO Infraestructuras (EIB-ICO): Infrastructures (50 M€)

Fond-ICO Global, successful story

- Spanish largest public “Fund of Funds” endowed nowadays with up to €1.5 billion with the aim of promoting the creation of venture capital funds managed by private managers covering the investment in Spanish companies within all their development stages.
- The Fund of Funds will be the catalyst for the creation of about 40 new private venture capital funds, mobilising a total approximate of €5 billion (x4 times)

ICO continues promoting bank lending to SME

- Traditional on-lending facilities : Wide experience (since 1993) financing company projects in collaboration with commercial banks
- New products : Adapted to circumstances of economy, companies and financial sector.
 - ✓ Support to financial institutions to **better capital management**, which allows to release risk and increase new activity: Securitization, guarantees and risk-sharing products

ENSI - EIF and NPIs' Securitisation Initiative

- The objective of this joint cooperation in SME Securitisation transactions is to stimulate the availability of finance to SMEs in Europe by revitalizing the SME Securitisation market while catalysing resources from the private sector. This reflects the spirit of the European Fund for Strategic Investments (EFSI) aiming to achieve a much wider outreach in support of SMEs.
- The ENSI partner institutions are EIF, BPI, BBB, CDP, KfW, IFD, ICO and MT (Malta Development Bank Working Group).

ICO boosts capital investments and infrastructure financing by private and public sectors

- So far in the Juncker Plan:

Juncker Investment Platforms - Approvals (mill €)			
Project	EFSI Amount	Total	Sector
Fond-ICO Risk Sharing loan	125	1,500	Private capital
FOND-ICO infrastructure Risk Sharing Loan	25	250	Infrast. & energy
Plataforma Puertos del Estado	105	1,200	Infrast.
D4R7 Slovakia PPP	500	1,332	Infrast.
COSME risk sharing	34	1,500	Private sector CAPEX

- **Going forward:** water treatment, roads, energy efficiency platforms providing innovative financial instruments:
 - ✓ From equity to senior debt, including subordinated tranches
 - ✓ Providing longer tenors
 - ✓ Wider range of currencies

ICO promotes internationalization of Spanish companies in all of its activities

- ICO has **focused on financing internationalization activities** of Spanish-interest companies (35% of activity in the last two years)
- Integral support to **internationalization** will be one of the strategical goals in the medium term, exploring new products such as:
 - ✓ **International channel**: Engagement not only with domestic banks but foreign banks through new lending collaboration schemes
 - ✓ **Multi-currency** instruments for investment in SME & corporate

Conclusions

- ICO, as a National Promotional Bank, has adapted its activity to the needs of Spanish economy and enterprises.
- In the current context, paneuropean cooperation and between national and international institutions is the best way to achieve NPBs goals.
- At the same time, collaboration with commercial banks is crucial.
- Juncker Plan and its derivatives is the best example of successful initiatives from European institutions.
- ICO stands ready to support capital investment and infrastructures both in the private and public sectors.