

INFORMATION OF PRUDENTIAL RELEVANCE

31 DECEMBER 2022

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1. GENERAL INFORMATION REQUIREMENTS

1.1. INTRODUCTION

The objective of this report is to comply with the market reporting requirements of the Instituto de Crédito Oficial Consolidated Group, as set out in Part Eight of Regulation EU 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (hereinafter “the Solvency Regulation”).

Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions replaced, as from 1 January 2014, the previous legal text on prudential banking regulation (Law 13/1985 of 25 May and Bank of Spain Circular 3/2008). The main purpose of Law 10/2014, of 26 June, was to adapt the Spanish legal system to the regulatory changes imposed at international and European Union level, directly incorporating the provisions of Regulation (EU) 575/2013, of 26 June (CRR), and duly transposing Directive 2013/36/EU, of 26 June (CRD4). These Community regulations have substantially altered the applicable legislation for credit institutions, since aspects such as the supervisory regime, the capital requirements and the sanctioning regime have been extensively modified.

Pursuant to the 8th Additional Provision of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, Instituto de Crédito Oficial will be subject to Titles II (Solvency of credit institutions), III (Supervision) and IV (Sanctioning Regime) of said Law, with the exceptions determined by regulation, and the provisions concerning information confidentiality.

In accordance with the information disclosure policies approved by the Institute, this report has been prepared on an annual basis by the Institute's Directorate General of Risks and Financial Control and approved by its Chairman, after verification by the Internal Audit Department.

Certain information required by the regulations in force that must be included in this report is presented, in accordance with said regulations, referenced to the consolidated annual accounts of the ICO Group for the financial year 2022, as it is contained therein and redundant with it. The aforementioned annual accounts, as well as this document on "Information of prudential relevance" can be consulted on ICO's website (www.ico.es).

1.2. INSTITUTO DE CRÉDITO OFICIAL CONSOLIDATED GROUP

The information presented in this report corresponds to the Consolidated Group of Credit Institutions whose dominant entity is Instituto de Crédito Oficial (hereinafter, the Group or ICO Group).

Subsidiaries are those entities over which the Bank has control. It is considered that an entity controls an investee when it is exposed or entitled to variable returns because of its involvement

in the investee and has the ability to influence those returns through the power it exercises over the investee.

In order to be considered as subsidiaries, the following must concur:

- Power: An investor has power over an investee when the former has rights in force that give it the capacity to manage the relevant activities, i.e. those that significantly affect the investee's returns;
- Returns: An investor is exposed to, or is entitled to, variable returns for his involvement in the investee when the returns obtained by the investor for such involvement may vary depending on the economic evolution of the investee. The investor's returns may be only positive, only negative or both positive and negative

Relationship between power and returns: An investor controls an investee if the investor not only has power over the investee and is exposed to, or is entitled to, variable returns for his involvement in the investee, but also has the ability to use his power to influence the returns he obtains from that involvement in the investee.

The annual accounts of the subsidiaries are consolidated with those of the Institute using the full consolidation method as defined in the regulations. Consequently, all significant balances arising from transactions carried out between the companies consolidated using this method have been eliminated in the consolidation process. The Institute, the Group's dominant entity, accounts for 99% of the Group.

In addition, the participation of third parties in:

- The Group's equity: is presented under "Minority Interests" in the consolidated balance sheets. As at 31 December 2022, there were no minority interests.
- The consolidated income for the year are presented under the "Income Attributable to Minority Interests" heading in the consolidated income statement. As at 31 December 2022, there was no income attributed to minority interests.

The income generated by the subsidiaries acquired in a given year are consolidated taking into account only those relating to the period between the acquisition date and the year-end.

On the other hand, "associates" are those entities over which the Institute has the capacity to exercise significant influence, although they do not constitute a decision-making unit with the Institute nor are they under joint control. Usually, this capacity is manifested in a participation (direct or indirect) equal to or greater than 20% of the voting rights of the investee.

Investments in entities considered as "associates" are presented in the consolidated annual accounts recorded under the heading "Investments in Subsidiaries, Joint Ventures and Investees - Associates" in the consolidated balance sheet, valued at acquisition cost, net of any impairment losses that may have been suffered by such investments.

The results generated by transactions between the associated entity and Group entities are eliminated to the extent of the Group's interest in the associated entity.

The income obtained by the associate during the year, after the elimination referred to in the previous section, increase or reduce, as the case may be, the value of the investment in the consolidated annual accounts. The amount of this income is recorded under the heading "Share of profit or loss of entities accounted for using the equity method" in the consolidated income statement.

Changes in the associate's valuation adjustments after the acquisition date are recorded as an increase or decrease in the value of the shareholding. The amount of these changes is recorded under "Accumulated other comprehensive income" as valuation adjustments of consolidated equity.

There are no "jointly-controlled institutions" included in the Consolidation Group.

The following is a summary of the main differences regarding the scope of consolidation and the different consolidation methods applied between the Instituto de Crédito Oficial Consolidated Group of Credit Institutions, for which the information contained in this report is presented, and the ICO Group of Credit Institutions, defined in accordance with Rule 3 of Bank of Spain Circular 4/2017, of 27 November.

In the preparation of the consolidated annual accounts of the ICO Group of Credit Institutions, all subsidiaries have been consolidated applying the full consolidation method, as they meet the requirements to be considered as consolidable due to their activity. Therefore, there are no differences in the scope of consolidation for the purposes of applying the solvency requirements.

For the purposes of preparing the consolidated financial statements of the ICO Group of Credit Institutions, investments in financial institutions that do not meet the requirements to be considered as subsidiaries, jointly controlled entities or associates are considered financial instruments and are valued in accordance with the criteria established in Rule 22 of Bank of Spain Circular 4/2017, of 27 November.

However, for the purposes of applying the solvency requirements, financial institutions that have not been classified as subsidiaries, jointly controlled entities or associates in accordance with the provisions of Rule 47 of Bank of Spain Circular 4/2017 of 27 November, in which at least 20% of their capital or voting rights are owned or controlled, are valued using the equity method for the purposes of preparing the Consolidated Group information.

In accordance with the criteria indicated above, the following is a detail as at 31 December 2022 of the subsidiaries of the Consolidated Group to which the full consolidation method has been applied for the purposes of preparing the consolidated information thereof:

ENTITY: AXIS PARTICIPACIONES EMPRESARIALES, S.G.E.I.C, S.A S.M.E.

Annex I to the Institute's consolidated financial statements contains relevant information on the associates included in the Group.

■ **1.3. OTHER GENERAL INFORMATION**

As at 31 December 2022, there is no material, practical or legal impediment to the immediate transfer of own funds or reimbursement of liabilities between the Group's subsidiaries and Instituto de Crédito Oficial, and there is nothing to suggest that such impediments may exist in the future.

As at 31 December 2022, there are no entities belonging to the economic Group and not included in the consolidated Group that are subject to minimum own funds requirements at individual level, in accordance with the various regulations applicable to them.

As at 31 December 2022, the stake in AXIS PARTICIPACIONES EMPRESARIALES, S.G.E.I.C, S.A S.M.E. included in the Consolidated Group is not subject to the calculation of own funds requirements in individual terms and is included in the ICO consolidated group, which is subject to such requirements.

All the amounts contained in this report are expressed in thousands of euros. ICO is not considered a Global Systemic Entity.

2. RISK MANAGEMENT POLICIES AND OBJECTIVES

The information on risk management policies and objectives that the Regulations require to be provided to the market can be found in Note 5 (Risk Exposure) of the Consolidated Report included in the consolidated annual accounts of Instituto de Crédito Oficial Group for 2022, published on ICO's website. (www.ico.es)

3. INFORMATION ON ELEGIBLE OWN FUNDS

3.1. SUMMARY OF THE MAIN CHARACTERISTICS AND CONDITIONS OF THE ITEMS ACCOUNTED FOR AS OWN FUNDS OF TIER 1 AND TIER 2 CAPITAL

For the purposes of calculating its minimum own funds requirements, the Group considers as own funds of Tier 1 capital the items defined as such, considering the corresponding deductions, in Part Two, Title I, Chapters 1 to 3, of the Solvency Regulation.

Own funds of Tier 1 capital are characterised by being components that can be used immediately and without restriction to hedge risks or losses as soon as they occur, the amount being recorded free of any foreseeable tax at the time it is calculated. These elements show stability and permanence over time, a priori higher than that of own funds of Tier 2 capital as explained below. As indicated in section 3.2 below, the Group's Tier 1 capital own funds as at 31 December 2022 consist mainly of the Institute's equity and actual and express reserves.

On the other hand, own funds of Tier 2 capital are considered to be those defined in Part Two, Title I, Chapter 4 of the Solvency Regulation, with the limits and deductions established in said Regulation. Although these own funds comply with the definition of own funds established in the current regulations, they are characterised by having, a priori, a lower volatility or degree of permanence than the elements considered as own funds of Tier 1. As indicated in section 3.2 below, as at 31 December 2022 there were no Group's own funds of Tier 2 capital.

All the concepts which, in accordance with the provisions of the Solvency Regulation, are part of ICO Group's eligible own funds, have homogeneous characteristics as far as their definition and characteristics are concerned, so that their content is not described individually.

3.2. TOTAL AMOUNT OF OWN FUNDS

Below is the detail at 31 December 2022 on the Consolidated Group's eligible own funds, indicating each of its components and deductions, and broken down into own funds of Tier 1 and Tier 2 capital:

		Amount (thousand of euros)
Total eligible own funds		4,897,422
Tier 1 capital		4,897,422
Common Tier 1 capital		4,897,422
Capital instruments eligible as Common Tier 1 capital		4,314,687
Retained earnings		968,103
Other reserves		-192,695
Common Tier 1 capital adjustments due to prudential filters		186,717
Other intangible assets		-6,866
Common Tier 1 capital elements or deductions -Capital instruments Financial Sector Entities with significant investment		-693,846
Elements or deductions from Common Tier 1 capital - others		321,322
Additional Tier 1 capital		0
Tier 2 capital		0
Adjustments for general credit risk using the standard method		0

3.3. RECONCILIATION OF SHAREHOLDERS' EQUITY TO REGULATORY CAPITAL

The reconciliation between the Institute's shareholders' equity reflected in the financial statements and the regulatory capital for solvency purposes as at 31 December 2022 is presented below:

CONCEPT	(Thousands of Euros)
	2022
Capital	4,314,687
Reserves	998,872
Not attributable profit	146,832
TOTAL OWN FUNDS IN PUBLIC BALANCE SHEET	5,460,391
Valuation adjustments	128,627
TOTAL EQUITY PUBLIC BALANCE SHEET	5,589,018
Other adjustments to basic capital	-
Tier 1 capital deductions	-691,596
TIER 1 CAPITAL	4,897,422

4. INFORMATION ON MINIMUM OWN FUNDS REQUIREMENTS

The summary of the total minimum own funds requirements as at 31 December 2022, by type of risk, is shown below:

TOTAL OWN FUNDS REQUIREMENTS	(Thousand of Euros)
	2022
For credit, counterparty credit and dilution risks, and free deliveries	1,120,032
For settlement and delivery risk	0
For position, currency and commodity risks	4.455
For operational risk	27,238
For credit valuation adjustment risk	11,372
TOTAL REQUIREMENTS	1,163,097

NOTE: The minimum total capital ratio for 2022, establish by the Bank of Spain for the Entity's Group, is 17.05%, considering both the requirements of EU Regulation 575/2013 (8%) and the additional own funds needs cover concentration and business risks and other risks set out in the Capital Self-Assesment Report (6.55%) and the capital conservation buffer (2.50%)

4.1. MINIMUM OWN FUNDS REQUIREMENTS FOR CREDIT, COUNTERPARTY CREDIT, DILUTION AND DELIVERY RISKS AND FREE DELIVERIES

The amount of the minimum own funds requirements of the Consolidated Group for credit risk at 31 December 2022, calculated, for each of the categories to which the standardised approach (Part 3, Title II, Chapter 2 of the Regulation) has been applied, as 8% of risk-weighted exposure amounts, is presented below:

Amounts in thousand of euros

Total amount of requirements for credit, couterparty credit and dilution risks and free deliveries	1,120,032
Exposures categories of the standard method	1,108,078
Central governments or central banks	98,678
Regional administration or local authorities	
Public sector entities	108,822
Multilateral development banks	17,473
International organisations	
Financial	156,294
Companies	589,680
Retail exposures	1,557
Exposures secured by mortgages on immovable property	
Exposures in default	3,823
Exposures associated with particularly high risk	
Covered bonds	
Exposures to institutions and corporates with a short-term credit assessment	
Shares in collective investment undertakings (CIUs)	
Equity instruments	125,104
Others	6,647
Securitisation positions	11,954
*Of which: re-securitisation	

■ 4.2. MINIMUM OWN FUNDS REQUIREMENTS FOR SETTLEMENT AND DELIVERY RISK

There are no Group own funds requirements for settlement/delivery risk (Part 3, Title V of the Solvency Regulation).

Amounts in thousands of euros

Total amount of requirements for settlement/delivery risk	
Settlement/delivery risk in the investment portfolio	
Settlement/delivery risk in the trading portfolio	

■ 4.3. MINIMUM OWN FUNDS REQUIREMENTS FOR POSITION, CURRENCY AND COMMODITY RISKS (MARKET RISK), MARKET RISK OF THE TRADING PORTFOLIO

Amounts in thousands of euros

Total amount of requirements for position, currency and commodity risks	4,455
Amount of requirements for position, currency and commodity risks according to standard methods	4,455
Negotiable debt instruments	4,072
Equity instruments	
Currency	383
Commodities	

The calculation is made in accordance with the provisions of Part 3, Title IV, of Solvency Regulation.

With respect to the market risk associated with the trading portfolio, it should be noted that the Group considers as such those positions in financial instruments that are held with the intention of trading or that serve as hedges for the elements of said portfolio. In this regard, there are no differences between the trading portfolio for the purposes of calculating the Group's own funds requirements and the trading portfolio defined in accordance with Bank of Spain Circular 4/2017, of 27 November, with respect to debt securities and capital instruments.

The entire amount of own funds requirements associated with the trading book at 31 December 2022 corresponds to the position risk of marketable debt instruments.

■ 4.4. MINIMUM OWN FUNDS REQUIREMENTS FOR OPERATIONAL RISK

Amounts in thousands of euros

Total amount of requirements for operational risk	27,238
Operational risk – Basic indicator method	27,238
Operational risk – Standard/standard alternative methods	
Operational risk – Advanced calculation methods	

The Group uses the relevant indicator (or basic indicator) method to determine the own funds requirements associated with operating risk (Part 3, Title III of the Solvency Regulation).

■ 4.5. MINIMUM OWN FUNDS REQUIREMENTS FOR CREDIT VALUATION ADJUSTMENT RISK

Amounts in thousands of euros

Total amount of requirements for credit valuation adjustment risk	11,372
Advanced method	
Standard method	11,372
Base on the original exposure method	

The Group uses the relevant indicator (or basic indicator) method to determine the own funds requirements associated with operating risk (Part 3, Title IV of the Solvency Regulation).

■ 4.6. PROCEDURES APPLIED FOR THE ASSESSMENT OF INTERNAL CAPITAL ADEQUACY

In accordance with the provisions of the Solvency Regulation, the Consolidated Group applies a series of risk identification, measurement and aggregation procedures that allow it to define and maintain a level of own funds in accordance with the risks inherent to its activity, to the economic environment in which it operates, to the management and control it carries out of these risks, to the governance systems at its disposal, to its strategic business plan and to its real possibilities of obtaining greater own funds, in other words, it carries out an assessment of internal capital, both at the present time and in the projected future based on its planning.

In assessing its internal capital, the Group applies the following procedures related to each of its risks:

- Assessment of capital needs for credit risk: the standard method established in the Solvency Regulation was applied to calculate the minimum own funds requirements associated with this risk.
- Assessment of capital needs for liquidity risk: The Group does not foresee capital needs associated with this risk, once its liquidity policy, liquidity control systems and contingency plans have been analysed, which show that it enjoys an adequate liquidity situation and, therefore, does not require capital to cover this risk.
- Assessment of capital needs by market risk: the standard method established in the Solvency Regulation was used to estimate the minimum own funds requirements associated with this risk.
- Assessment of capital needs for operational risk: the basic approach is being applied.
- Assessment of capital needs for credit valuation adjustment risk: the standard methodology for calculating the capital required for this risk is being applied.

The Group's total capital requirement has been estimated by aggregating the capital needs associated with each risk, obtained in accordance with the methods indicated above.

In addition, in order to adequately plan the Group's future capital requirements, the corresponding projections of profits assigned to reserves and capital consumption derived from expected activity growth in different scenarios that contemplate stress situations, among others, are carried out.

The capital planning process seeks to determine ICO's future capital requirements in a given time horizon. For the purposes of this report, three years are considered. To this end, the sources and consumptions of capital are estimated for the next three financial years, considering as a base for this financial year the forecasts of the Institute for the considered horizon, which will be the baseline scenario.

In addition to the baseline scenario, the Institute has estimated what its capital needs would be under an adverse macroeconomic scenario and under various additional stress scenarios, in line with the provisions of the PAC (Capital Self-Assessment Process) and PAL (Liquidity Self-Assessment Process) Guidelines.

The results of the capital planning process include, for all scenarios, the following information:

- Projected evolution of the main balance sheet and income statement amounts.
- Calculation of required capital and risk-weighted assets (RWA) for each of the Pillar I risk types in each year.
- Contrast between capital requirements and available capital.
- Action Plan to cover eventual capital needs (if applicable).

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In all cases, it is confirmed that the Institute has a capital figure that is expected to enable it to meet the legally required minimums, even in crisis scenarios.

5. INFORMATION ON CREDIT RISKS

■ 5.1. ACCOUNTING DEFINITIONS AND DESCRIPTION OF THE METHODS USED TO DETERMINE IMPAIRMENT CORRECTIONS

The concepts of positions in default and impairment corrections referred to in this document are based on the definitions in the Solvency Regulation and Annex IX of Bank of Spain Circular 4/2017.

Note 2.7 of the consolidated report forming part of the 2021 financial statements of the ICO Group describes the methods used by the Group in determining the provisions for impairment due to credit risk and in calculating the provisions for contingent risks and commitments associated with that risk.

5.2. EXPOSURE TO CREDIT RISK AND AVERAGE VALUE OF EXPOSURES FOR THE YEAR

The total value of risk-weighted exposures , as at 31 December 2022, for credit risk of the Consolidated Group, and their distribution by counterparty class, is a follows:

Amounts in thousands of euros

Risk-weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	14,000,392
Exposure categories of the standard method	13,850,970
Central governments or central banks	1,233,469
Regional administrations or local authorities	
Public sector entities	1,360,269
Multilateral developments banks	218,418
International organisations	
Financial entities	1,953,678
Corporations	7,371,003
Retail exposures	19,458
Exposures secured by mortgages on immovable property	
Exposures in default	47,792
Exposures associated with particularly high risk	
Covered bonds	
Exposures to institutions and corporates with a short-term credit assessment	
Shares in collective investment undertakings (CIUs)	
Equity instruments	1,563,794
Others	83,089
Securitisation positions	149,422
*of which: re-securitisation	

The average value of the Consolidated Group's risk-weighted exposure amounts for the year 2022 for credit risk and their distribution by counterparty class is as follow:

Amounts in thousand of euros

Risk-weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	13,714,956
Exposure categories of the standard method	13,584,372
Central governments or central banks	746,199
Regional administrations or local authorities	
Public sector entities	1,361,834
Multilateral developments banks	239,740
International organisations	
Financial entities	2,374,054
Corporations	7,140,006
Retail exposures	19,794
Exposures secured by mortgages on immovable property	
Exposures in default	68,596
Exposures associated with particularly high risk	
Covered bonds	
Exposures to institutions and corporates with a short-term credit assessment	
Shares in collective investment undertakings (CIUs)	
Equity instruments	1,527,052
Others	107,097
Securitisation positions	130,584
*of which: re-securitisation	

■ 5.3. GEOGRAPHICAL DISTRIBUTION OF EXPOSURES

The detail of the Consolidated Group's risk-weighted exposures to credit risk as at 31 December 2022, broken down by geographical area, is shown below:

Geographical area	Exposure amount
	(Thousands of Euros)
	2022
Spain	12,325,800
Other countries of the European Union	294,053
Latin America	524,898
United States	119,804
Rest of Europe (non EU)	253,701
Rest of the world	482,136
Exposures as at 31 December 2022	14,000,392

5.4. RESIDUAL MATURITY OF EXPOSURES

The distribution by residual maturity of the Consolidated Group's risk-weighted exposure to credit risk as at 31 December 2022, using the standard method for calculating own funds requirements, is presented below:

Risk category	Residual maturity as at 31 December 2022						
	<i>(thousands of euros)</i>						
	Up to 1 yr	From 1 to 2 yrs	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	More than 5 yrs	Total
2022							
A) Central Governments and Central Banks	170,472	153,923	144,540	132,104	145,489	486,941	1,233,469
B) Regional administrations and local authorities	-	-	-	-	-	-	-
C) Public sector entities	187,997	169,747	159,399	145,684	160,445	536,997	1,360,269
D) Multilateral Development banks	30,187	27,256	25,595	23,392	25,763	86,225	218,418
E) International organisations							
F) Entities	270,009	243,798	228,936	209,238	230,438	771,259	1,953,678
G) Companies	1,018,715	919,821	863,749	789,429	869,415	2,909,874	7,371,003
H) Retailers	2,689	2,428	2,280	2,084	2,295	7,682	19,458
I) Exposures secured by Immovable property							
J) Exposures in default	6,605	5,964	5,600	5,118	5,637	18,868	47,792
K) High risk exposures							
L) Covered bonds							
M) ST Exposures to institutions and companies							
N) IIC exposures							
O) Equity exposures						1,563,794	1,563,794
P) Other exposures	11,483	10,369	9,737	8,899	9,800	32,801	83,089
Q) Securitisations	20,651	18,646	17,510	16,003	17,624	58,988	149,422
Exposures as at 31 December 2022	1,718,808	1,551,952	1,457,346	1,331,951	1,466,906	6,473,429	14,000,392

5.5. EXPOSURES IN DEFAULT

Exposures in default by counterparty

The following table presents the value of original exposures for default risk (impaired and in default) as at 31 December 2022, before adjustments and provisions, broken down by type of counterparty, together with the amount of impairment losses and provisions for contingent risks and commitments established in relation to those exposures at that date and the amount of impairment losses and provisions for contingent risks and commitments recognised, on a net basis, during the 2022 financial year (standard method for determining own funds requirements for credit risk) (there is no difference between the definitions of "in default" and "past-due" for accounting and regulatory purposes):

Counterpart	Total Impaired exposure	Of which: Exposures in default	Impairment losses and provisions for contingent risks and commitments	Provisions for impairment losses and contingent risks and commitments for the year (net)
				<i>(Thousand of Euros)</i>
				2022
A) Central Administrations and Central banks				
B) Regional administrations and local authorities				
C) Public sector entities				
D) Multilateral development Banks				
E) international organisations				
F) Credit institutions and investment services companies				
G) Companies	418,116	16,583	371,010	-10,867
H) Retailers				
I) Exposures secured by mortgages on immovable property				
J) High risk exposures				
K) Covered bonds				
L) ST exposures to institutions and companies				
M) Exposures to Collective investment institutions				
N) Equity instruments				
O) Other exposures				
Amounts as at 31 December 2022	418,116	16,583	371,010	-10,867

Exposures in default by geographical area

Find below the detail, by significant geographical area, of the value of original impaired exposures and of those in default as at 31 December 2022, together with the amount of impairment losses and the provisions for contingent risks and commitments established in relation to these exposures:

Geographical Area	(Thousands of Euros)		
	Total Impaired positions	Of which: exposures in default	Impairment losses and provisions for contingent risks and commitments
			2022
Spain	291,796	16,583	271,082
Other countries of the EU	90,280	-	75,324
Latin America	19,466	-	19,466
United States	-	-	-
Rest of Europe (non EU)	16,574	-	5,138
Rest of world			
Amount as at 31 December 2022	418,116	16,583	371,010

Aged of exposures in default

The breakdown of financial assets considered to be impaired due to credit risk at 31 December 2022, classified by counterparty and according to the time elapsed since the maturity of the oldest past-due amount at those dates for each operation, is as follows:

Counterparty	Age						Total
	(thousands of euros)						
	Without default	3 to 6 months	6 to 12 months	12 to 18 months	18 to 21 months	Over 21 months	
							2022
Non-financial institutions	401,533	-	421	-	-	16,162	418,116

At 31 December 2022 there is a balance of impaired assets for country risk of 91,641,000 euros, with a country risk hedge of 1,919,000 euros. The amount of non-impaired past-due assets for the year 2022 amounts to 32,339,000 euros, which are between one and three months old.

Restructured and refinanced exposures

Information relating to refinanced and restructured operations as at 31 December 2022 (gross amounts), as required by Bank of Spain Circular 4/2017 on public and confidential financial reporting standards, is as follows:

Counterparty	With guarantee	Without guarantee	TOTAL AMOUNTS		TOTAL COVERAGE	
			2022	(Thousands of Euros)		
A) Public Administrations	-	101,679	101,679	57,185		
- of which: doubtful	-	38,435	38,435	38,435		
B) Financial corporations	-	-	-	-		
- of which: doubtful	-	-	-	-		
C) Non-financial corporations	303,375	120,046	423,421	189,963		
- of which: doubtful	167,412	26,460	193,872	174,977		
- of which: non-doubtful						
real estate finance	8,617	-	8,617	5,960		
- Of which: doubtful real estate	4,822	-	4,822	4,822		
D) Other households	229	40	269	-		
Amount as 31 December 2022	303,60	221,76	525,36	247,14		

■ 5.6. VARIATIONS OCCURRING DURING THE YEAR IN IMPAIRMENT LOSSES AND PROVISIONS FOR CONTINGENT RISKS AND COMMITMENTS FOR CREDIT RISK

The changes in 2022 in the impairment losses due to credit risk accounted for by the Group and in the provisions for contingent risks and commitments due to credit risk are in accordance with Bank of Spain Circular 4/2017, both in the type of losses and provisions constituted and in the methodology applied to calculate them (see section 5.1 above in this report).

The detail of the changes made in 2022 in the value adjustments for impairment of financial assets at amortised cost (including provisions for normal risk under special surveillance) and in the provisions for contingent risks and commitments due to credit risk is shown below:

	Impairment on financial assets	Provisions for contingent liabilities and commitments
	<i>(Thousands of Euros)</i>	
Balance as at 1 January 2022	499,733	48,716
Provisions charged to income	26,894	15,537
Recovery credited to profit or loss	-56,818	-4,818
Amounts applied in the year	-16,077	-
Effect of foreing currency exchange differences	-97	-40
Changes due to business combinations		
Changes in the scope of consolidation		
First application Circular 4/2017		
Other movements		
Balances as at December 2022	453,635	59,396

In addition, the expense recorded in the consolidated income statement of the ICO Group in 2022 for the items transferred directly to written-off assets is zero, while the credit recorded in the consolidated income statement of the aforementioned year for the recovery of assets previously recorded as written-off amounted to 41,656,000 euros.

■ 5.7. INFORMATION ON THE GROUP'S COUNTERPARTY CREDIT RISK

Counterparty credit risk is considered to be the credit risk incurred by the Group in the operations it carries out with derivative financial instruments and in the operations with repurchase commitments, securities or commodities lending commitments, in deferred settlement operations and guarantee financing operations.

It is controlled by a system that integrates the administration of operations and the risks derived from them in real time, providing operators with up-to-date information on the credit lines available at any given time.

A methodology for the consumption of counterparty lines has been defined for derivatives, and approved by the competent bodies of the ICO, based on the valuation of transactions at market prices plus a potential future risk or "add-on" which is measured as a percentage of the nominal value of the transaction and calculated as the maximum potential loss (95% confidence level) over the life of the transaction.

The methodology is reviewed periodically (at least once a year) and the add-ons are adjusted at least semi-annually.

The basic criteria for establishing the counterparty lines are approved by the ICO General Council. These counterparty lines are divided into two main groups as a result of ICO's operational characteristics. On the one hand, the counterparty lines for treasury operations. On the other hand, the counterparty lines for mediation operations, operations in which ICO finances different investment projects through framework programmes signed with different entities operating in Spain, such as, for example, the SME Lines.

In order to mitigate exposure to counterparty risk, the Group signs ISDA and CMOF contracts with the counterparties and, where appropriate, the corresponding collateral annexes.

With respect to the management of collaterals, in the case of derivatives, for entities subject to collateral agreements, the position is periodically valued (normally on a day-to-day basis) and the parameters agreed in the collateral agreement are applied to this valuation, so that a collateral amount (cash) to be received or returned from the counterparty is obtained.

These amounts ("margin calls") are made on a weekly basis. The counterparty that receives the collateral payment request reviews the valuation, and discrepancies may arise in this process. If these discrepancies are material, they are analysed in detail.

The ICO's collateral signed with counterparties can be either "one way" or "two way", where the collateral can be deposited either by the counterparty or by the ICO.

As 100% of collaterals received are in cash, value corrections for collateral impairment are not applicable.

With respect to the correlation between the guarantee and the guarantor in derivatives, since cash is received as collateral, there is no risk of adverse effects due to the existence of correlations.

Find below the detail of the Group's credit exposure to counterparty risk due to its operation in derivatives as at 31 December 2022, along with its valuation method at market prices, estimated as the amount of the Group's credit exposure for these financial instruments, net of the guarantees received from the counterparties of the transactions:

	<i>Amount(Thousand of Euros)</i>
	2022
Exposure value: method of valuation at Market prices	226,232
Minus effect of guarantees received	-5
Derivative credit exposure after guarantees as of 31 December 2022	226,227

The value of the exposure has been calculated according to the method of valuation at market prices (Part 3, Title II, Chapter 6 of the Solvency Regulation).

6. CREDIT RISK: CREDIT RATINGS

6.1. IDENTIFICATION OF INTERNAL RATING AGENCIES USED

For all categories of credit risk exposure to which the standard method is being applied, the external and export credit rating agencies whose ratings are being used by the Group as at 31 December 2022 are as follows (ECAIs recognised by the Bank of Spain):

- Moody's
- Standard & Poor's
- Fitch Ratings
- D.B.R.S.

6.2. DESCRIPTION OF THE PROCESS OF ASSIGNING EXTERNAL RATINGS FOR THE DETERMINATION OF CREDIT RISK WEIGHTED EXPOSURES

The allocation rules defined in the Solvency Regulation apply:

- When, for a rated exposure, only one credit rating is available, this rating will be used to determine the risk weighting.
- When, for a rated exposure, two credit ratings are available and these ratings correspond to two different risk weightings, the highest risk weighting shall be applied to the exposure.
- When, for a rated exposure, more than two credit ratings are available, the two credit ratings that provide the lowest weightings are used. In the event that they do not match, the higher of the two will be applied.

7. CREDIT RISK: CREDIT RISK MITIGATION TECHNIQUES

7.1 GENERAL INFORMATION FOR CREDIT RISK

The Group generally applies the credit risk mitigation techniques referred to in the Solvency Regulation (Part 3, Title II, Chapter 4), depending on the guarantees received on the risk positions.

These guarantees may be personal (including credit derivatives) or collateral (including those of a financial nature), being valued for these purposes by the credit enhancement incorporated in the external rating of the guarantor (personal guarantees) or by market parameters in the case of collaterals.

7.2. POLICIES AND PROCESSES FOR POSITION NETTING AND VALUATION OF COLLATERAL FOR COUNTERPARTY RISK

Netting refers to the possibility of offsetting between contracts of the same type under the umbrella of a framework agreement such as ISDA or similar. It consists of offsetting the positive and negative market values of derivative transactions executed with a given counterparty, so that in the event of default, a single flow to be paid or received is generated and not a set of positive or negative values corresponding to each transaction. In this way, and given that one of the components of counterparty risk is the market value, obtaining a net market value of the transactions reduces the risk.

An important aspect of framework contracts is that they involve a single legal obligation encompassing all the transactions covered by them; this makes it possible to offset the risks of all the transactions covered by the framework contract with the same counterparty.

The netting clauses are included independently of the possibility of their direct execution, in order to be able to apply the different applicable laws, so that the inclusion of these agreements does not imply the automatic consideration of netting for the calculation of the exposure to counterparty risk with the different counterparties. These exposures are calculated in accordance with the regulations applicable in each of the jurisdictions involved.

With regard to collateral, the Group enters into collateral agreements for the management of its counterparty risk exposures. These agreements involve a set of instruments, in the form of cash deposits, deposited by one counterparty in favour of another in order to guarantee/reduce the counterparty credit risk that may exist, resulting from the portfolios of transactions with risk existing between them.

The nature of such agreements is diverse and the ultimate objective, as in the netting technique, is to reduce counterparty risk by recovering part or all of the benefits (credit granted to the counterparty) generated at one point in time by the transaction (valued at market prices).

■ 7.3. QUANTITATIVE INFORMATION

The following detail shows the distribution of the Group's credit risk exposure as at 31 December 2022, broken down according to whether or not credit risk mitigation techniques have been applied and, where applicable, according to the mitigation technique applied (exposure data refer to exposures prior to the application of risk mitigation)

EXPOSURE VALUE	<i>(Thousand of Euros)</i>
	2022
A) Exposures to which no credit risk mitigation technique is applied	33,254,661
B) Exposures to which a credit risk mitigation technique is applied	817,101
- Netting agreements for balance sheet transactions	-
- Netting framework agreements relating to transactions with a commitment of agreements, securities or commodities lending or other capital market transactions	-
- Collateral (1)	
- Other collateral (2)	
- Personal guarantees	817,101
- Credit derivatives	-

(1) It includes transactions guaranteed by means of debt securities, shares, collection rights and rights in rem in immovable property admitted by the Solvency Regulation as a credit risk mitigation technique.

(2) It includes cash deposits, deposit certificates and similar instruments held by third parties other than the Group pledged in favour of Group entities, life insurance policies pledged in favour of Group entities issued by insurance entities recognised as protection providers and by debt securities issued by other institutions not included in number (1) above that would receive a maximum weighting of 50%, which must be repurchased at a predetermined price by the issuing institutions at the request of the security holder.

The exposures to which risk mitigation techniques are applied, classified by risk category, are as follows:

Risk Category	Covered with other real ones	Covered with personal guarantees	TOTAL
<i>Thousand of euros 2022</i>			
Central governments and central banks			
Regional administrations and local authorities			
Public sector entities		285,075	285,075
Multilateral Development Banks			
International organisations			
Financial		83,017	83,017
Companies		392,431	392,431
Retailers			
High risk exposures			
Covered bonds			
Short-term Exposures Institutions and Exposures in default		13,817	13,817
CIIs Exposures			
Equity instruments		42,761	42,761
Other exposures			
TOTAL EXPOSURES	-	817,101	817,101

7.4. EFFECY ON RISK EXPOSURES OF THE APPLICATION OF RISK MITIGATION TECHNIQUES AND EXPOSURES DEDUCTED DIRECTLY FROM OWN FUNDS

Below is a detail of the Group's credit risk exposures as at 31 December 2022 to which the standard method has been applied for their estimation, before and after applying the risk mitigation techniques allowed by the Solvency Regulation, broken down by exposure categories and by degrees of credit quality (measured as a function of the percentage applied for the purpose of calculating the value of the risk-weighted exposure):

Risk category	(Thousands of euros)	
	Positions before application of risk reduction techniques	Positions after application of risk reduction techniques
		2022
Central governments and central banks	12,526,745	13,343,847
Regional administrations and local authorities	518,015	518,015
Public sector entities	2,537,048	2,251,972
Multilateral Development Banks	602,769	602,769
International organisations		
Financial	7,755,282	7,672,265
Companies	8,574,569	8,182,138
Retailers	30,135	30,135
High risk exposures		
Covered bonds		
Short-term exposures to Institutions and Companies		
Exposures in default	61,608	47,792
CIIs Exposures		
Equity instruments	1,382,498	1,339,737
Other exposures	83,093	83,092
TOTAL EXPOSURES	34,071,762	34,071,762

Risk weightings	(Thousands of euros)	
	Positions before application of risk reduction techniques	Positions after application of risk reduction techniques
Weighting 0%	12,000,421	12,817,522
Weighting 10%		
Weighting 20%	7,044,678	6,961,661
Weighting 35%		
Weighting 50%	2,647,054	2,647,054
Weighting 75%	30,135	30,135
Weighting 100%	10,126,040	9,446,091
Weighting 150%	73,763	62,388
Weighting 250%	2,149,671	2,106,911
TOTAL EXPOSURES	34,071,762	34,071,762

As at 31 December 2022, there were certain elements deducted directly from own funds. These are significant shareholdings in Financial Sector Entities, for the part that exceeds 10% of eligible own funds, in accordance with the provisions of Section 3 of Chapter 2 of Title I of Regulation EU 575/2013.

8. SECURITISATION TRANSACTIONS

8.1. GENERAL INFORMATION ON SECURITISATION ACTIVITY

As at 31 December 2022 the Institute has several securitisation positions in its balance sheet (Part 3, Title II, Chapter V of the Solvency Regulation). All exposures are as an investor (there are no risks transferred in securitisation transactions), through holding financial assets at amortised cost in the most protected tranches of the investee structures.

8.2. EXPOSURES IN SECURITISATION TRANSACTIONS AND AMOUNT OF SECURITISED ASSETS

As at 31 December 2022, the Group holds positions in securitisation transactions (as an investor) to which the Group applies, for the purposes of calculating its own funds requirements for credit risk, the treatment set out in Section Four of Chapter Four of the Circular on Solvency

Type of exposure	Exposure net of adjustments	Risk-weighted exposure	
			<i>Thousands of euros 2022</i>
STS	623,565	137,995	
Remaining	76,176	11,426	
TOTAL EXPOSURES	699,741	149,421	

9. MARKET INFORMATION REQUIREMENTS: INFORMATION ON REMUNERATIONS

ICO is a Corporate State-owned Entity and, consequently, is subject to Royal Decree 451/2012, of 5 March, which regulates the remuneration system for senior managers and directors of the public business sector and other entities. It is also subject to the approval of the CIR Executive Committee (Interministerial Remuneration Committee) regarding the determination of remuneration for personnel not covered by the Entity's agreement. As a result of the foregoing, the remuneration of ICO executives is limited by the aforementioned rules, which prevents the competent bodies from approving different remuneration measures.

Pursuant to the 8th additional provision of Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, Title 1 of said Law will not apply to Instituto de Crédito Oficial, which includes the rules of Corporate Government and the remuneration policy.

10. INFORMATION ON SHARES AND EQUITY INSTRUMENTS NOT INCLUDED IN THE TRADING PORTFOLIO

Note 2.1 to the Group's consolidated report for 2022 includes a description of the portfolios in which the Group's investments and equity instruments are classified, together with the accounting policies for recognition and measurement applied to each of them. The Note also indicates the models and assumptions used to determine the value of the instruments included in each portfolio. During the 2022 financial year there were no changes that significantly affect the practices and assumptions used by the Group in the valuation of its investments and equity instruments.

The Group has investments and equity instruments with different objectives. In this sense, it has investments in entities in which it intervenes to a greater or lesser extent in their management and decision-making processes, with which it pursues the attainment of objectives that form part of the strategy and objectives of the Group as a whole and/or in which there is an intention to maintain a permanent relationship with its shareholders ("strategic investments"). It also has investments in other entities with different objectives, basically consisting of maximising the results obtained through their management, in coordination with the Group's risk management objectives and strategies ("portfolios valued at fair value through other comprehensive income").

Investments and equity instruments owned by the Group for strategic purposes are generally classified for accounting purposes in the category of Group companies, associates and jointly controlled entities, whereas investments held with a view to sale and which do not form part of the trading portfolio are classified in the category of financial assets at fair value with changes in other comprehensive income.

A detailed description of the ICO Group's holdings, including information on the investees and their book value, is included in Appendix I of the notes to the consolidated financial statements for 2022.

Note 9 to the Group's consolidated financial statements for 2022 includes an indication of the types, nature and amounts of exposures in investments and equity instruments measured at fair value with changes in other comprehensive income.

Unrealised gains or losses recognised in equity during the period are included in notes 9 and 21 to the Group's consolidated financial statements for 2022.

Actual gains or losses recognised in income during the year as a result of the sale or settlement of equity instruments not included in the trading portfolio are disclosed in note 29 to the Group's consolidated financial statements for 2022.

11. INTEREST RATE RISK. MARKET RISK

Interest rate risk is the risk to which the Group is exposed in its activity because it has asset and liability transactions with different interest rates (fixed and variable interest rates or referenced to different indices) and with different maturities, so that changes in the reference interest rates of these transactions upwards or downwards may have asymmetrical effects on its assets and liabilities with an effect on the Group's income statement and equity.

Interest rate risk is managed by the Group in an integrated manner for all Group entities with significant positions exposed to this risk. The Group's measurement and analysis of this risk is performed considering the following aspects and in accordance with the following premises:

Risk measurement and analysis is performed on a permanent basis.

The effects that variations in interest rates in the different currencies in which significant exposures are held could have on the Group's income and on the various margins in the profit and loss account are analysed.

The analyses include all positions that are sensitive to interest rate risk, including both implicit and explicit interest rate derivatives.

Separate interest rate risk measurements are performed for each of the positions held in each currency, as well as aggregated interest rate measurements for all of them.

On the basis of the foregoing analyses, the Group adopts the necessary measures to guarantee optimum management of this risk.

Note 5.4 of the notes to the Group's financial statements for 2021 includes information on market risk management.

12. CAPITAL BUFFERS

As at 31 December 2022, the Bank of Spain had not made it compulsory for ICO to comply with the requirement to have an anti-cyclical capital buffer, in accordance with Title VII, Chapter 4, of Directive 36/2013/EU.

Bank of Spain Circular 2/2016, of 2 February, to credit institutions, on supervision and solvency, which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and EU Regulation 575/2013, regulates, in chapter 3, capital buffers as from its entry into force (February 2016). In this sense:

- A common capital buffer of 2.5% is established, which the Institute complies with as at 31 December 2022;
- An anti-cyclical capital buffer is established in accordance with the requirements established for this purpose. For 2022, the quarterly percentage established for this buffer by the Bank of Spain is 0% for credit exposures in Spain;

- The Institute is not subject to the buffers for entities of global systemic importance or for other entities of systemic importance;
- No systemic risk buffer has been established by the Bank of Spain

13. INFORMATION ON UNENCUMBERED ASSETS

Below is the information on the Group's unencumbered assets as at 31 December 2022 (Recommendation JERS/2012/2):

	Carrying amount of Unencumbered Assets		Fair Value of Unencumbered Assets	
	Of which: issued by other entities in the group.	Of which: central bank eligible		Of which: central bank eligible
				2022
				Thousands of euros
Assets of the Entity	24,075,975	7,329,566		
Call Loans	2,637,481	2,557,390		
Equity instruments	1,325,032		1,325,032	
Debt securities	5,614,509	4,772,176	4,931,836	4,721,805
of which: Guaranteed bonds				
of which: Asset-backed securities				
of which: issued by Public Administrations	3,674,834	3,674,834	3,775,659	3,775,659
of which: issued by financial corporations	964,260	669,116	662,848	617,239
of which: issued by non-financial corporations	975,415	428,225	493,329	328,906
Loans and advances other.				
call loans	13,660,386			
of which: mortgage loans	272,355			
Other actives	838,567			

	Carrying Amount of Assets with Charges		Fair Value of Charged Assets	
		Of which: issued by other entities of the group	Of which: admissible by banks central	Of the which: admissible by banks central
	2022			
	Thousands of euros			
Assets of the Reporting Entity	5,726,935	2,301,675		
Sight Loans				
Equity instruments				
Debt securities	2,301,675	2,301,675	2,236,640	2,236,640
of which: covered bonds				
of which: Asset-backed securities				
of which: issued by Public Administrations	1,997,586	1,997,586	1,975,320	1,975,320
of which: issued by financial corporations				
of which: issued by non-financial corporations	304,089	304,089	261,320	261,320
Loans and advances other than demand loans	3,425,260			
of which: mortgage loans				
Other Assets				

	Sources of charges		
	Financial liabilities	Of which: reused warranties	Of which: own debt securities
	2022		
	Thousands of euros		
Selected financial liabilities	2,989,495		
Derivatives			
Deposits	2,989,495		
of which: repurchase agreements	28,175		
of which: collateral deposits Central Banks	2,961,320		
Other sources			

14. INFORMATION ON LEVERAGE

Below is the information on the Group's leverage ratio as a 31 December 2022.

Exposure corresponding to the leverage ratio	(Thousands of Euros)
<u>Exposure values</u>	
Derivatives: current replacement cost	73,827
Derivatives Potential Future Exposure standard method (multip. 1).	90,887
Off-balance sheet items conversion factor 10%	
Off-balance sheet items conversion factor 20%	
Off-balance sheet items conversion factor 50%	4,357,709
Off-balance sheet items conversion factor 100%	534,102
Other assets	29,114,991
Assets deducted from Tier 1 capital (according to the definition to be applied upon completion of the phasing-in process)	
Assets deducted from Tier 1 capital (according to the transitory definition)	
TOTAL LEVERAGE RATIO EXPOSURE (according to the definition to be applied upon completion of the phasing-in process)	34,171,516
TOTAL LEVERAGE RATIO EXPOSURE (according to the transitory definition)	34,171,516
<u>Capital</u>	
Tier 1 capital (according to the definition to be applied upon completion of the phasing-in process)	4,897,422
Tier 1 capital (according to the transitory definition)	4,897,422
<u>Leverage ratio</u>	
Leverage ratio (according to the definition to be applied upon completion of the phasing-in process)	14.33%
Leverage ratio (according to the transitory definition)	14.33%

	Leverage ratio exposure according to the standardised method	Risk-weighted assets: standardised approach exposure
Exposures treated as exposures to Central Administrations	12,036,352	1,493,967
Central Administrations and Central Banks	9,781,422	226,497
Regional administrations and local authorities assimilated to central governments		
Multilateral development banks and international organisations assimilated to central governments		
Public sector entities assimilated to central governments	2,254,930	1,267,470
Exposures to regional governments, multilateral development banks, international organisations and public sector bodies not assimilated to central governments	1,113,728	213,882
Regional administrations and local authorities NOT assimilated to central administrations	552,136	0
Multilateral development banks NOT assimilated to central governments	561,592	213,882
Public Sector Entities NOT assimilated to central governments		
Entities	7,141,647	1,763,473
Secured by mortgages on immovable property, of which		
Secured by mortgages on residential real state		
Retail exposures	31,576	19,360
Of which: Retail exposures to SMEs	18,727	9,675
Companies	7,467,392	6,497,713
Financial		
Non-financial	7,467,392	6,497,713
Exposures to SMEs	1,329,380	1,105,291
Exposures to non-SMEs companies	6,138,012	5,392,422
Exposures in default	432,619	47,792
Other exposures (e.g. equities and assets other than credit obligations), of which:	891,678	1,646,884
Securitisation exposures	-	-
Commercial financing (pro-memoria), of which:	-	-
In the framework of an official export credit insurance scheme		

The leverage ratio as at 31 December 2022 was 14,33%. Management is informed on a monthly basis of the leverage ratio and its evolution.

15. OTHER KEY INDICATORS: LIQUIDITY COVERAGE RATIO (LCR) AND NET STABLE FUNDING RATIO (NSFR)

As regards the liquidity coverage ratio, a table with quarterly averages of the ratio based on month-end observations over the previous twelve months is presented below for each of the quarters of the 2022 period, indicating the averages of total liquid assets and the averages of net liquidity outflows, liquidity outflows and liquidity inflows:

LIQUIDITY COVERAGE RATIO (LCR) YEAR 2022				
Amounts in % and thousands of euros. CONCEPT	QUARTERLY AVERAGE			
	1Q	2Q	3Q	4Q
LCR RATIO (%)	348.62%	231.10%	301.96%	327.39%
TOTAL LIQUID ASSETS	11,543,626	8,829,832	6,460,429	6,135,091
NET LIQUIDITY OUTFLOWS	3,330,255	3,803,032	2,184,838	2,233,751
- Liquidity outflows	7,063,337	7,654,479	6,639,563	5,778,281
- Liquidity inflows	3,733,083	4,052,189	4,454,725	3,544,530

An informative table of the net stable funding ratio at the end of each calendar quarter of the period 2022 is shown below, which additionally shows the stable funding available at the end of each quarter and the funding required at the same dates:

NET STABLE FUNDING RATIO (NSFR) YEAR 2022				
Amounts in % and thousands of euros. CONCEPT	QUARTERLY AVERAGE			
	1Q	2Q	3Q	4Q
NSFR RATIO (%)	121.31%	110.82%	110.39%	116.09%
STABLE FUNDING AVAILABLE	20,214,603	19,023,954	18,625,223	18,758,955
STABLE FUNDING REQUIRED	16,664,101	17,167,085	16,871,696	16,159,037



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INSTITUTO DE CRÉDITO OFICIAL (ICO)

PRUDENTIAL DISCLOSURE AS AT 31 DECEMBER 2022

The Director General of Risk and Financial Control of the Instituto de Crédito Oficial, in compliance with current legislation, hereby certifies that the Entity has disclosed the information required in part eight of EU Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, in accordance with the official policies and the Entity's processes, systems and internal controls established for this purpose. The information disclosed in accordance with this Part is subject to the same level of internal verification as that applicable to the management report included in the entity's financial report.

Madrid, 11 April 2023

D. Miguel López de Foronda
Director General of Risks and
Financial Control



Documento firmado electrónicamente por:
Miguel Lopez de Foronda Perez
Fecha: 11/04/2023
CSV: dkJ+M/9hxmB3JsM6cj+zqg==