

Audit Report

**INSTITUTO DE CRÉDITO OFICIAL AND SUBSIDIARIES
Consolidated Financial Statements and Consolidated
Management Report for the year ended December 31, 2011**

(This is a free translation from the original in Spanish)

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Translation of a report and consolidated financial statements originally issued in Spanish. In the event of a discrepancy, the Spanish language prevails)

To the General Council of Instituto de Crédito Oficial:

We have audited the consolidated financial statements of Instituto de Crédito Oficial (ICO or the Institute) and its subsidiaries (the Group), which consist of the consolidated balance sheet at 31 December 2011, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended. As explained in Note 1.2, the Chairman of the Institute is responsible for the preparation of the Group's consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union and other regulations regarding financial information applicable to the Group. Our responsibility is to express an opinion on the aforementioned consolidated financial statements taken as a whole, based upon work performed in accordance with the prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated financial statements, and evaluation of whether the financial statements, the principles and criteria applied, and the estimates made, are in accordance with the applicable regulatory requirements regarding financial information.

In our opinion, the accompanying 2011 consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and financial position of Instituto de Crédito Oficial and subsidiaries at 31 December 2011, and the consolidated results of its operations and consolidated cash flows for the year then ended, in conformity with the International Financial Reporting Standards as adopted by the European Union and other applicable regulations regarding financial information.

The accompanying consolidated management report for the year ended 31 December 2011 contains such explanations as the Chairman of the Institute considers appropriate concerning the situation of the Group, the evolution of its business and other matters, and is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the consolidated financial statements for the year ended 31 December 2011. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope described in this paragraph, and does not include the review of information other than that obtained from the accounting records of Instituto de Crédito Oficial and subsidiaries.

ERNST & YOUNG, S.L.
(Signed in the original in Spanish)

April 20, 2012

Francisco J. Fuentes García