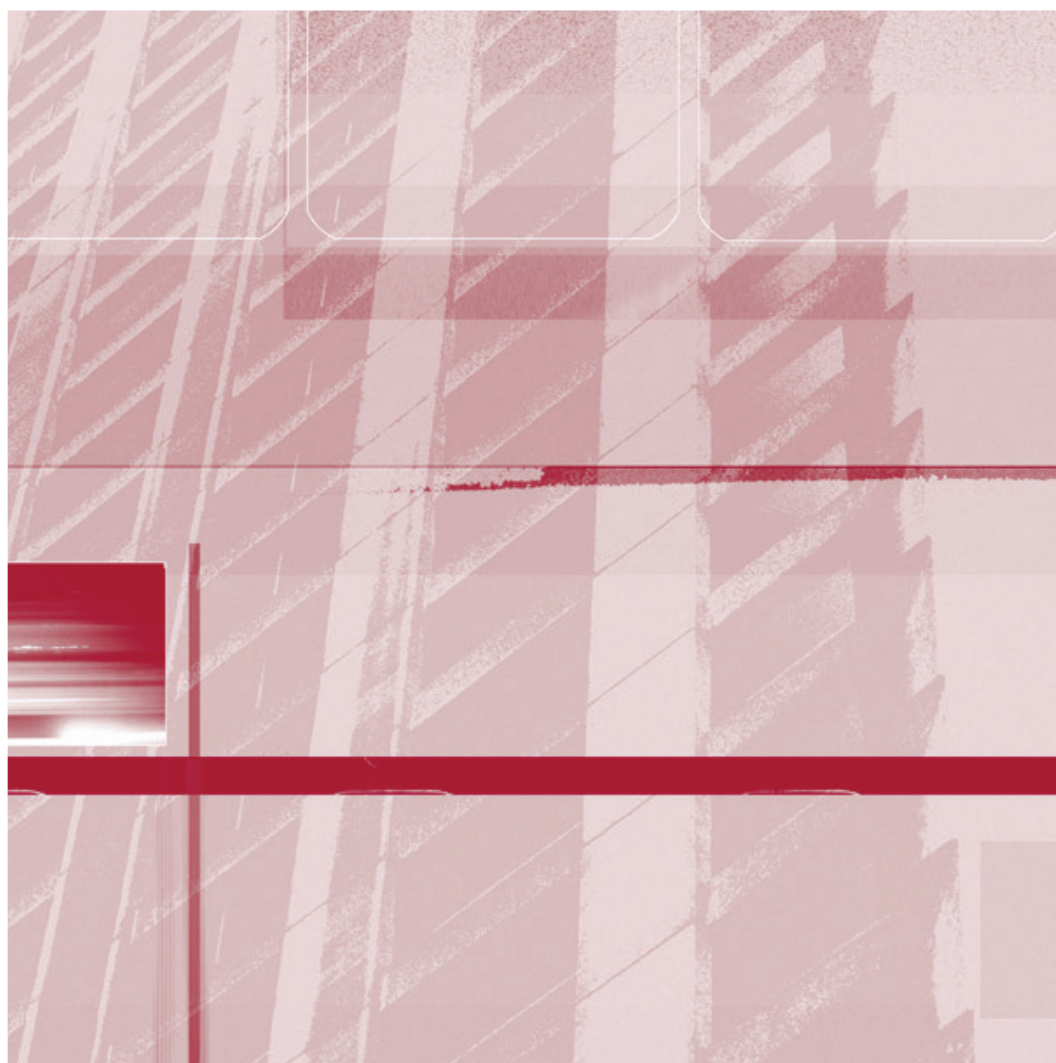
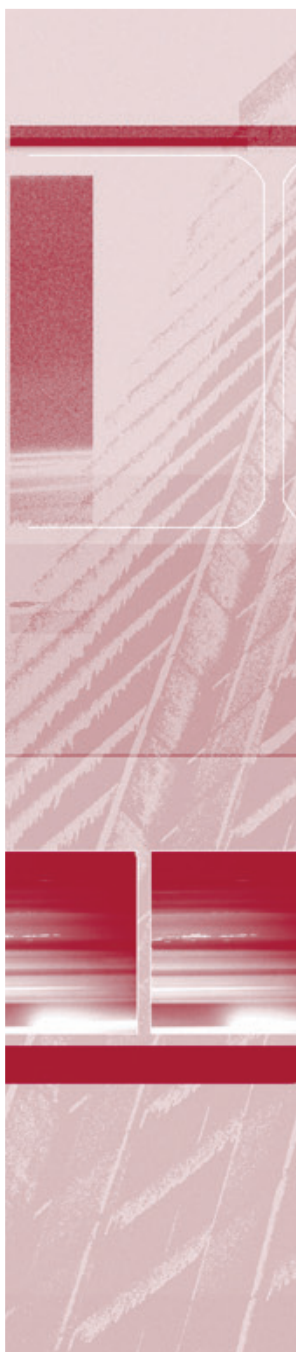


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Instituto de Crédito Oficial

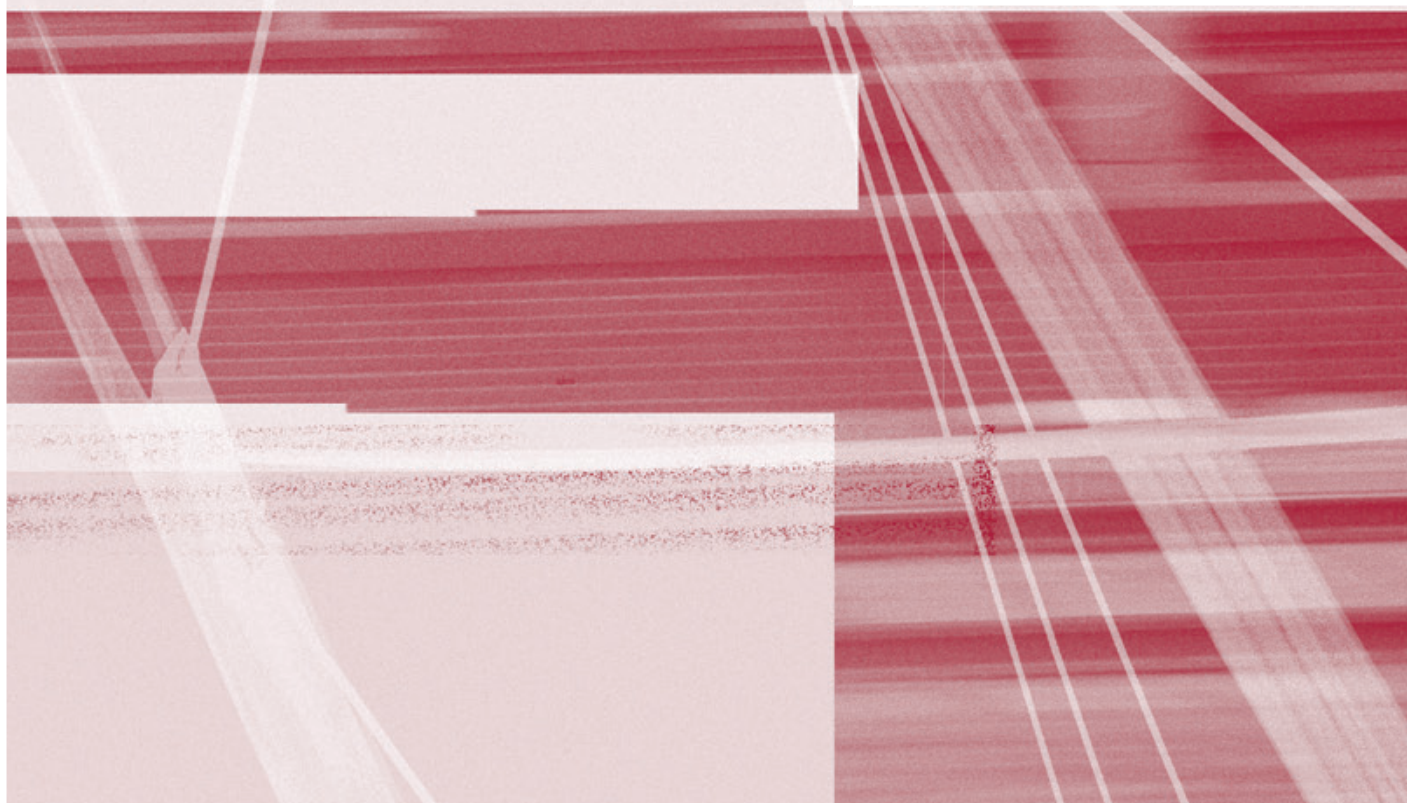


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Chairman's Statement



Chairman's Statement

Although in 2010 the world economy continued to feel the negative effects of the international financial crisis, activity started to show the first signs of recovery. As the year elapsed, the Spanish economy also witnessed a gradual improvement, albeit at a slower pace than in other eurozone economies, with GDP falling back by 0.1%.

In May and November last year, European financial markets saw periods of great instability, largely as a result of the sovereign debt risk deriving from the state of public accounts in Greece and Ireland. On both occasions, other peripheral European markets fell victim to the contagion effect, which took its toll on the Spanish economy insofar as the long-term debt spread broadened and the private sector came up against greater difficulties when raising funds on the markets.

Little by little, the economic measures adopted by the European and Spanish authorities helped ease the market situation. These measures included the European Financial Stability Mechanism set up by the European Union in conjunction with the IMF; and the publication of the results of the stress tests performed on European banks, showing the soundness of the Spanish banking system. In Spain, the Government took steps to promote changes in the productive model and lay the foundations of a solid recovery by means of the implementation of the Sustainable Economy Strategy and a number of structural reforms directed at the job market, the financial system and the reduction of the public deficit.

Within the Government's economic policy, ICO sought to respond to the effects of the crisis from the very beginning, defining a strategy whose overriding aim is to attain a stable framework in the flow of corporate financing, above all in the area of SME, offering an anti-cyclical solution to enterprises' financing needs.

ICO's activities may be classified in accordance with the three different stages which the financial crisis might be considered to have undergone in the course of the last few years. In the first stage, when enterprises were unable to access credit, ICO set out to give a quantitative response by stepping up its presence in the system. As a result, since the crisis worsened towards the end of 2008, the Institute's lending activity has not ceased to grow, unlike the downward trend observed in financing granted by credit institutions to non-financial companies. In 2010, loans granted by ICO increased by 31% to surpass €23,300m, driven, to a large extent, by financing provided by the Institute to private financial institutions (second-floor loans) for an amount in excess of €19,000m.

The second stage might be defined as one of aversion to risk, where financial institutions toughened the terms and conditions ruling their loan supply. Here, ICO increased its effort to attend to the financing needs of SME as regards working capital by launching several SME and medium-enterprise liquidity facilities in 2009. In 2010, it was decided to merge these facilities into one, known as ICO-Liquidity, which chalked up a significant rise of 62%.

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However, the most noteworthy aspect of ICO's performance during the second stage was the development of a new product, ICODirecto, born of the Council of Ministers' Resolution of April 9 2010, concerning anti-crisis measures. Started up in June, its aim was to ease access of SME and the self-employed to credit while stimulating the credit market. Through these loans, the Institute provides SME and the self-employed directly with resources for corporate investments and the financing of working capital for a maximum amount of €200,000, with market interest rates and long repayment terms, assuming 100% of the risk. Once ICODirecto had been set under way, the Institute launched the ICO-SGR Facility, through which 100% of the investment and/or liquidity is financed up to a maximum of €600,000. This scheme was designed for enterprises which are classified as partners of one of the SGR (Reciprocal Guarantee Companies) included in the facility.

In the third stage, marking the commencement of economic recovery, ICO's goal was to foster changes in the productive model by implementing the Sustainable Economy Fund, which comprises four products: an investment capital fund for the financing of infrastructures and energy; a venture capital fund; a second-floor facility; and a direct project-financing programme operated by ICO and financial institutions. As far as project financing is concerned, target sectors are the environment, knowledge and innovation and the social scope.

The central pillars around which the change in ICO's performance was brought about in 2010 include, first and foremost, adaptation to the new demand from customers through the modification of the second-floor loan supply: longer repayment terms, the possibility of financing up to 100% of the investment; second-hand assets; VAT and so on. Secondly, the Institute set about searching for alternative, innovative channels for the distribution of financing to enterprises, resulting in a new commercial website and a new Internet tool that brings us closer to the end-customer: the Financial Facilitator.

So as to cope with the greater volume of its lending activity, ICO had to increase its fund-raising in the system, taking it to €28,532m almost entirely through short, medium and long-term issues, at a time when financial markets were extremely volatile and risk premiums were on the rise.

Summing up, ICO's presence in the Spanish economy has become more prominent in the latter years of the crisis, where it has played an ever-greater role in the financial system. As a result of the sizeable increase of its activity, the credit balance of loans granted by ICO increased by 37.1% in 2010, excluding loans to credit institutions and net of provisions, accounting for over 7% of total loans to non-financial companies in the system as a whole.

Looking to the future, although uncertainty has not left the markets, we are now at the start of a new stage in the cycle. The outlook suggests that recovery will continue in 2011 and subsequent years. Industry will acquire greater weight in economic growth, fuelled by greater competitiveness as more headway is made in productivity, and also by corporate internationalisation and energy and environmental efficiency. In the years to come, we shall also see a restructured, recapitalised financial sector with a greater distribution capacity, moving towards the development of a bank

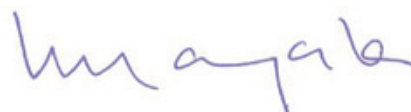
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management model suited to the new economic growth pattern so as to ensure that savings are efficiently channelled to productive investment. This will also entail the rerouting of loans to other segments such as industrial activity and SME.

In this context, ICO's value proposal for 2011 is focused on the ongoing improvement of financing for SME and the self-employed through its various facilities (Investment, Sustainable Investment, Liquidity); the promotion of direct financing programmes (both corporate for large companies and retail via ICOdirecto and ICO-SGR); boosting and taking the lead in capital funds; backing the construction of Officially-sponsored Housing and housing renovation; fostering the internationalisation of Spanish enterprises; furthering the sustainability of the tourism model (Plan FuturE); and lastly, consolidating collaboration at the territorial and institutional levels so as to enhance relations with the end-customer.

Although the task we have before us is ambitious, ICO will be able to rise to the challenge as it has done in previous years thanks to its main asset: a valuable workforce whose members have worked hard in the attainment of the targets expected of our institution. I would like to take the opportunity to express my appreciation of the effort, the ability to adapt and the quality work of all the Institute's employees in this undertaking.



José María Ayala
Chairman

The background of the entire page is a collage of semi-transparent, red-tinted images. It includes a stack of papers, a pen, and various document layouts, creating a professional and administrative atmosphere.

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Governing Council and Management Team

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Governing Council and Management Team

Chairman:

Mr. JOSÉ MARÍA AYALA VARGAS

Council Members:

Mr. ÁNGEL TORRES TORRES

Secretary General of Economic Policy and International Economy
Ministry of Economy and Finance

Mr. LUIS DÍEZ MARTÍN

Personal Assistant to the Second Deputy Prime Minister
Ministry of Economy and Finance

Mr. FERNANDO ROJAS URTASUN

Director General of Budgets
Ministry of Economy and Finance

Mr. SANTIAGO MENÉNDEZ DE LUARCA NAVIA-OSORIO

Ministry of the Environment and Rural and Marine Affairs

Mr. JUAN ANTONIO CORTECERO MONTIJANO

Undersecretary of Territorial Policy
Ministry of Territorial Policy

Mr. JESÚS MANUEL GÓMEZ GARCÍA

Director General of Economic Planning and Budgets
Ministry of Public Works

Mr. RAÚL SAUGAR ÁLVAREZ¹

Deputy Director General of Legislation and Financial Policy
Ministry of Economy and Finance

Mr. JOSÉ CARLOS GARCÍA DE QUEVEDO RUIZ²

Director General of Trade and Investments
Ministry of Industry, Tourism and Trade

SR. D. FERNANDO SALAZAR PALMA³

Executive Deputy Chairman
Instituto Español de Comercio Exterior

¹A member since 30.07.2010

²A member since 16.09.2010

³A member since 23.12.2010

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Governing Council and Management Team

Secretary to the Council:

SRA. D^a EVA MARÍA GONZÁLEZ DÍEZ

State Counsel

Deputy Director of the Legal Advisory Department

INSTITUTO DE CREDITO OFICIAL (ICO)

MEMBERS WHO SAT ON THE COUNCIL DURING 2010:

Mr. RICARDO LOZANO ARAGÜÉS.- Until 30.07.2010

Mr. JUAN MANUEL LÓPEZ CARBAJO.- Until 30.07.2010

Mr. ANTONIO SÁNCHEZ BUSTAMANTE.- Until 16.09.2010

Mr. ALFREDO BONET BAIGET.- Until 23.12.2010

Management Team:

Ms. M. ROSARIO CASERO ECHEVERRI

Director General of Business

Ms. OLGA GARCÍA FREY

Director General of Resources and Operations

Ms. VANESSA SERVERA PLANAS

Director General of Finance and Risk

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Performance Report



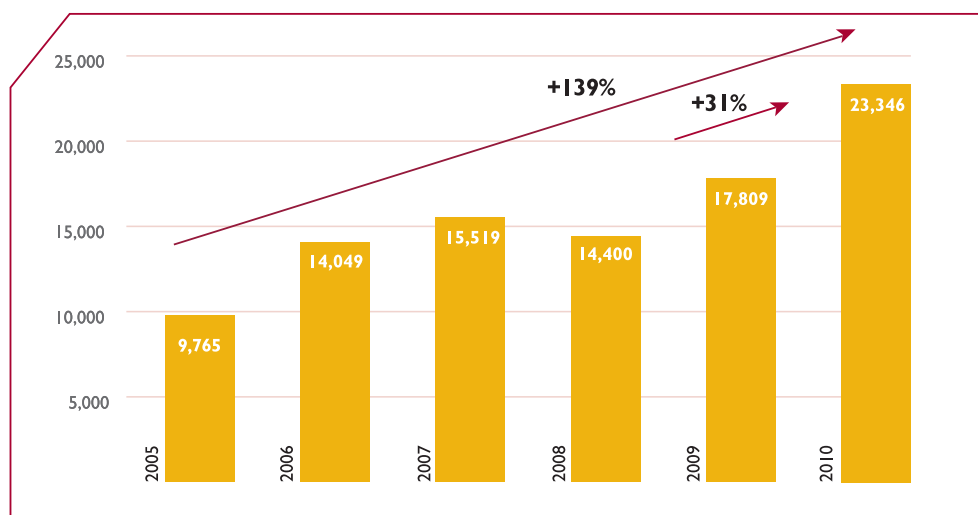
Performance Report

Three years have now passed since the start of the financial crisis in the summer of 2007, on the back of the subprime mortgage episode in the USA. During this period, what began as a financial problem deriving from the assimilation of this type of mortgage by American credit institutions turned into a major international economic crisis which is taking its toll on the Spanish economy and, in particular, lending activity.

Within the Government's economic policy, the strategy with which ICO has faced the adverse economic circumstances of the last few years has been focused on the following:

- **Increase the contribution of liquidity to the credit system:** a sharp rise in loans granted during 2010.
- **Consolidate the retail channel** with new products: ICODirecto and ICO-SGR.
- **Boost sustainable investment:** development of the Sustainable Economy Fund (Spanish initials, FES) within the framework of the Government's Sustainable Economy Strategy.
- **Encourage internationalisation:** the promotion of loans to finance exports.
- **Innovation in products, processes and distribution channels:** design of a technological platform through which to channel entrepreneurs' relations with ICO via the Internet. The platform is known as the Financial Facilitator. <http://www.facilitadorfinanciero.es>
- **Closer contact with the client:** the Financial Facilitator; the new commercial website (<http://www.icodirecto.es>); agreements of cooperation with Chambers of Commerce, Government Delegations, Reciprocal Guarantee Companies (Spanish initials, SGR) in autonomous communities; and employers' associations.

Loan arrangements (million euros)



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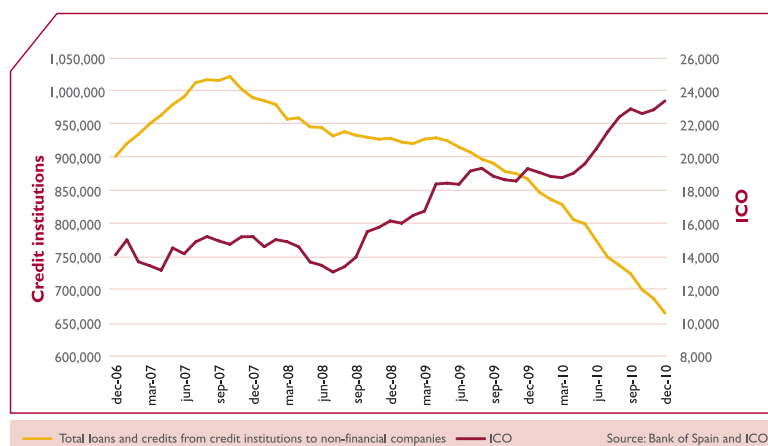
In accordance with the Institute's nature and functions, the aims it pursues in this area of activity are as follows:

- **Give an anti-cyclical response to enterprises' financing needs**, ensuring the institute's active presence in the financial system. With this end in view, ICO provides a stable framework for the flow of finance to the corporate network, mainly to Small and Medium-sized Enterprises (SME), placing special emphasis on long-term financing while adapting to client demand. For this purpose, a number of innovations have been implemented in products, processes and distribution channels.

More specifically, prior to the crisis, ICO financed only productive investment projects. However, in its endeavour to adapt to the new needs stemming from the crisis, in 2009, the Institute started up a lending scheme to meet enterprises' liquidity requirements. In 2010, ICO took another step by making its products more accessible: some of the lending facilities were grouped together; the facilities' conditions were improved; and the characteristics of repayment terms and grace periods were made more uniform. Moreover, ICO added another novel feature to its activity by sharing credit risk with cooperating institutions in the case of some products and assuming it entirely in the case of ICODirecto operations. The latter scheme works through a new distribution channel (the Financial Facilitator), by means of which the entrepreneur files his loan application directly with ICO via the website.

- **Support the Government's economic policy aimed at changing Spain's productive model** by providing the financial instruments necessary to implement the Sustainable Economy Strategy undertaken by the Government. To this end, ICO has started up the Sustainable Economy Fund (FESPyme, FESinfraestructuras, Jeremie). Moreover, with a view to changing the idea of the property market in Spain, the Institute offers loans for the financing of Officially-sponsored Housing (Spanish initials, VPO) and of housing for rent.

AMOUNT IN NEW OPERATIONS (12 mth. accumulated balance, million euros)



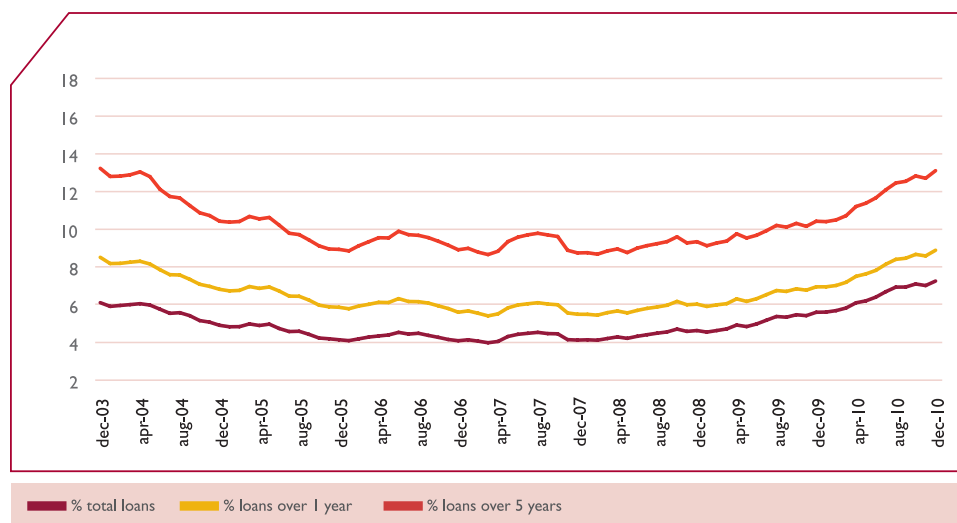
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As a result of ICO's anti-cyclical response within the credit system, in 2010, the Institute continued to step up its supply of lendable funds and new lending arrangements went on increasing while in the system, they declined.

The considerable rise in the Institute's activity over the last few years has translated to the growth of its balance and a stronger presence in the Spanish credit system. Since year-end 2007, ICO's share in total loans to financial companies gained weight, to stand at 7.3% of the system at year-end 2010, reaching as much as around 13% for loans carrying a term of more than five years.

ICO LENDING INVESTMENT/TOTAL LOANS TO NON-FINANCIAL COMPANIES (%)





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A. ICO's Lending Activity in 2010



ICO's Lending Activity in 2010

Loan arrangements (million euros)

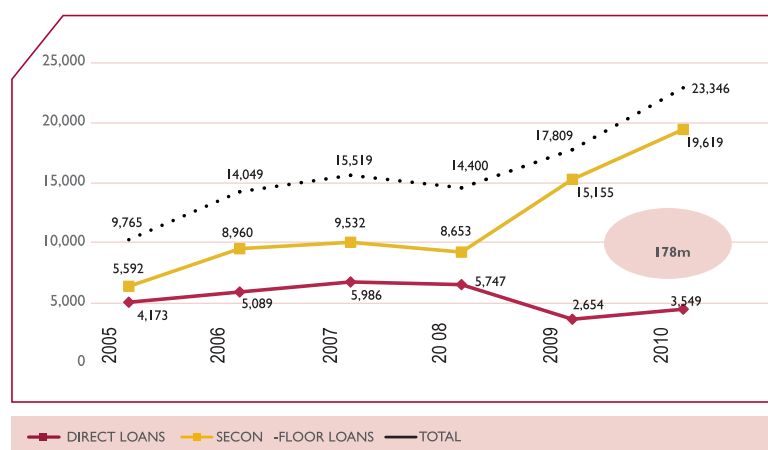
	2005	2006	2007	2008	2009	2010
Direct loans (*)	4,173	5,089	5,986	5,747	3,549	3,549
Second-floor loans	5,592	8,960	9,532	8,653	19,619	19,619
ICODirecto	-	-	-	-	-	178
TOTAL	9,765	1,4049	15,519	14,400	23,346	23,346
Ordinary operations	9,003	13,281	15,430	14,059	17,790	23,345
Financing of investments in Spain	7,621	11,260	13,732	12,167	17,218	22,728
Financing of investments abroad	1,382	2,021	1,699	1,892	572	617
Special operations (relief funds)	762	768	89	341	18	1

(*) For 2010, includes only direct loans through investment banking.

In 2010, ICO granted loans for a total amount of €23,346m, or 31% more than in the previous year and almost three times more than the amount granted five years before.

The increase in the Institute's lending activity is due to the growth of its two main types of loan: those granted directly by ICO to large companies (in 2010, direct loans were up by 33.7%); and, above all, second-floor loans supplied mostly to SME (up by 29.5% on the previous year). Second-floor loans are distributed through the network of private financial institutions with which the appropriate cooperation agreements are signed. Last year, ICO further enhanced its supply by bringing in a completely new lending facility known as ICODirecto. After it was started up in mid-2010, this facility supplied an amount of €178m in loans granted to the self-employed and small enterprises

Loan arrangements (million euros)



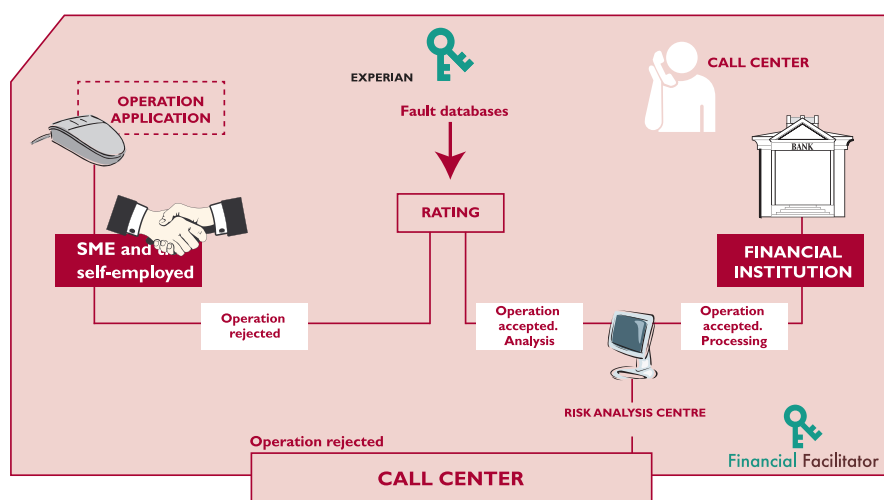
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Until 2010, the two traditional means of distribution of ICO loans were the direct lending system, where the borrower is a large company and the Institute assumes the operation's risk; and second-floor loans, distributed through private credit institutions, which also assume the operation's risk. At year-end 2009, ICO launched a new channel designed to give small and medium entrepreneurs and the self-employed greater ease of access to its financing schemes: the Financial Facilitator portal, by means of which enterprises may file their applications for loans and certain services directly with ICO via its website. (www.facilitadorfinanciero.es)

Through the Financial Facilitator portal, ICO offers a number of products:

- **ICODirecto:** loans for a maximum amount of €200,000 aimed at the self-employed and SME for the financing of investments and/or liquidity. Long repayment terms: seven years for investments and three for working capital.
- **ICO SGR:** loans of up to €600,000€ to enable the self-employed and enterprises to finance operations wholly guaranteed by a Reciprocal Guarantee Company (Spanish initials, SGR). Through CERSA, ICO guarantees SGR for 50% of operations arranged. Set up in late 2010, this product is promoted on a joint basis by ICO, CERSA and SGR.
- **ICO Advisory Service:** offering enterprises and the self-employed whose second-floor loan application has been rejected by one of ICO's cooperating financial institutions the possibility of having the application reexamined.



Through ICODEirecto, which got under way in mid-2010, the self-employed and small enterprises file their financing application (loans or leasing) for investments or working capital directly with ICO via the commercial website (www.facilitadorfinanciero.es, or www.icodirecto.es). ICO then studies the application and, as appropriate, gives its approval, assuming 100% of the risk. The appli-

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ation is channelled through one of the two financial institutions which were awarded the product's distribution by public tender. Created by virtue of the Council of Ministers' Resolution of April 9 2010 concerning anti-crisis measures, ICOdirecto is one of the major challenges undertaken by the Institute.

Within ICO's lending activity during the period of reference, it is important to mention financing for the construction of new Officially-sponsored Housing (VPO) for rent and, since 2010, also for sales, supplied by the Institute through direct loans on a joint basis with the Ministry of Housing. Support for VPO is also provided in a scheme based on guarantees vis-à-vis credit institutions for the purchase of VPO (the VPO Finance Coverage Facility). In addition, so as to promote the free housing-rental market, ICO supplies second-floor loans through the ICO-Housing Facility for the purpose of financing completed rental housing to be used as the usual place of residence. All together, funds loaned and guaranteed by ICO for the housing market amounted to over €2,000m in 2010.

Practically the full amount in loans arranged by the Institute in 2010 took the form of "ordinary operations", i.e., market loans. Just €1m were distributed as loans which may be termed as "special operations", i.e., loans directed at the victims of natural disasters. Moreover, these loans were of the second-floor type.

The €23,376m lent through ICO's products were distributed among more than 296,000 operations, the bulk of which (over 295,000 loans) concerned the self-employed and SME. These borrowers were able to access ICO's financing via the banks and savings banks with which they normally do business and through ICO's IT tool for filing direct applications on the Internet. In geographical terms, almost all the loans were used to finance investments in Spain.

Number of arrangements

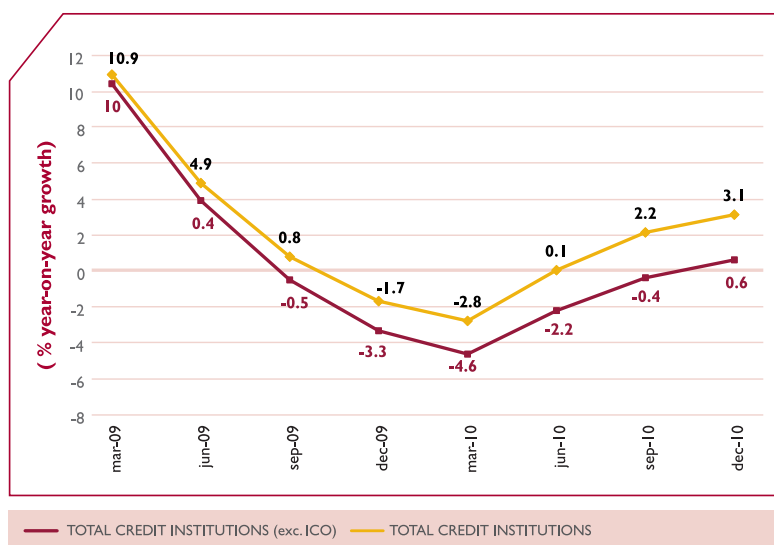
	2005	2006	2007	2008	2009	2010
Direct loans (*)	112	136	144	147	133	155
Second-floor loans	94,468	19,6089	253,176	259,086	364,854	291,895
ICOdirecto	-	-	-	-	-	4,174
TOTAL	94,580	196,225	253,320	259,233	364,987	296,224
Ordinary operations	84,076	185,724	253,320	259,233	364,987	296,222
Financing of investments in Spain	84,057	185,693	253,081	259,217	364,976	295,661
Financing of investments abroad	19	31	21	16	11	561
Special operations (Relief funds)	10,504	10,501	218	502	3	2

(*) For 2010, includes only direct loans through investment banking.

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Outstanding balance on loans for productive activities (exc. construction and property activities) (% year-on-year variation)



In this way, last year, ICO's activity helped relieve the weak performance of the system's total lending. In fact, loans for productive activities (excluding construction and property activities), which posted year-on-year growth of 3.1% in December 2010, would have increased by a mere 0.6% without ICO's contribution of credit to the system.



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Loans for the Self-employed and SME

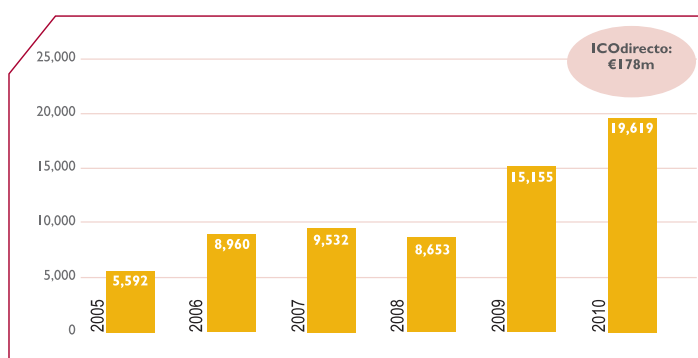
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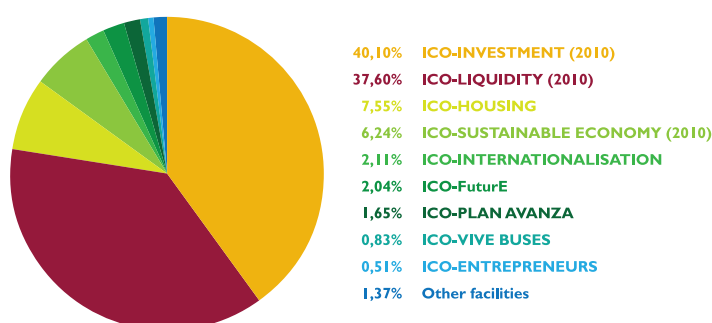
In 2010, the Institute granted loans to SME and the self-employed by means of two instruments: the usual second-floor system, in which loans are distributed by cooperating banks and savings banks; and the start-up in June of ICOdirecto, consisting in loans analysed and granted directly by ICO for smaller productive units (information about the products supplied and their specific characteristics is available on the Institute's commercial website, <http://www.icodirecto.es>). Last year, total resources allocated by ICO to loans for the self-employed and SME amounted to €19,797m, or 30.6% more than in 2009.

Loans to SME and the self-employed (million euros)



For the purpose of improving efficiency in the allocation of the resources supplied by ICO to the productive network, in 2010, the catalogue of second-floor loans was reorganised so as to simplify the various facilities and provide the end-customer with a better service.

Within the catalogue of facilities remaining open in 2010, 77.7% of resources was distributed through the ICO-Investment and ICO-Liquidity Facilities (between them, over €15,000m were granted in more than 220,000 operations). Next came ICO-Housing and ICO-Sustainable Economy (about 6,500 loans for an amount of just over €2,700m). Practically all the operations and resources lent through second-floor facilities concerned the financing of projects in Spain while also meeting the liquidity needs of enterprises operating in the national territory.



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Second-floor loan arrangements (million euros) Distribution by facilities

	2009	2010
ICO-SME	5,168.39	
ICO-ENTREPRENEURS	63.24	100.0
ICO-CORPORATE GROWTH	814.91	
ICO-INTERNATIONALISATION	199.08	414.43
ICO-PLAN AVANZA	551.23	322.84
ICO-TRANSPORT	85.01	
ICO-SME LIQUIDITY	3643.51	
ICO-MEDIUM ENTERPRISE LIQUIDITY	909.16	
ICO-PLAN VIVE	696.98	
ICO-RENOVE TOURISM	1,000	
ICO-HOUSING	1,130.12	1,481.18
ICO-SME DEFERRAL	11.10	
ICO-MORTGAGE DEFERRAL	73.4	4.60
ICO-FILM PRODUCTION	27.39	28.62
ICO-TEXTILES, FOOTWEAR, FURNITURE,...	17.94	19.56
ICO-TOURISM	153.37	71.76
ICO-ICEX	29.16	21.80
ICO-SHIPYARDS	78.71	47.50
ICO-UNIVERSITY STUDIES LOAN	72.65	74.90
ICO-VIVE BUSES	31.86	162.21
ICO-CULTURAL INDUSTRIES	3.80	
ICO-IRRIGATION EQUIPMENT FACILITY	0.47	
ICO-FuturE	393.51	399.99
ICO-FIRES RDA 12-2009	0.16	
ICO-SUSTAINABLE ECONOMY 2010		1,223.50
ICO-INVESTMENT 2010		7,867.85
ICO-LIQUIDITY 2010		7,377.35
ICO-FIRES AND DISASTERS		0.78
TOTAL	15,155.15	19,618.86

Second-floor loan arrangements (million euros) Distribution by destination

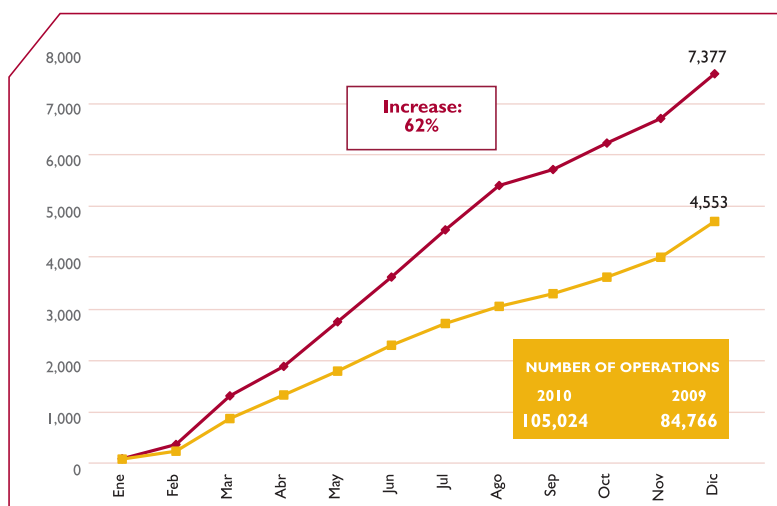
	2009	2010
Investments in Spain	14,956.07	19,204.43
Investments abroad	199.08	414.43
TOTAL	15,155.15	19,618.86

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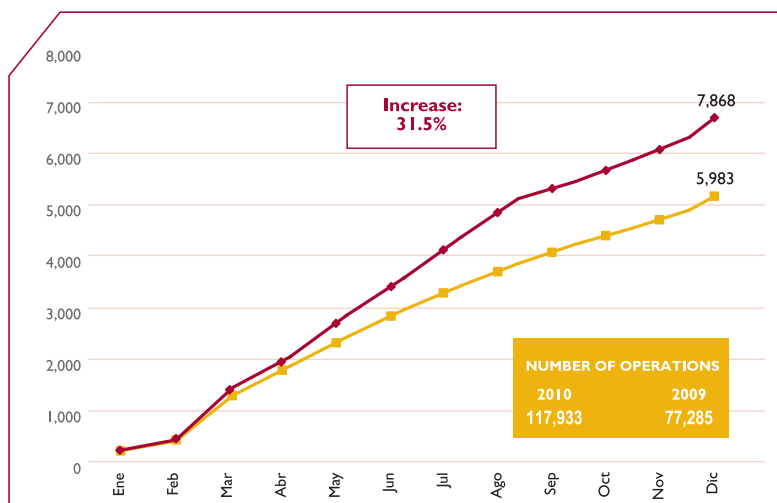
As far as the performance of second-floor loans in 2010 is concerned, it is also worth mentioning the considerable growth of the two above-mentioned main facilities: drawdowns of loans under the ICO-Liquidity Facility were 62% higher than one year previous while drawdowns under the ICO-Investment Facility increased by 31.5%.

ICO-Liquidity (Drawdowns, million euros)



■ 2009* ■ 2010 (*) ICO-SME+Medium Enterprise Liquidity Facilities 2009

ICO Investment (million euros)



■ 2009 ■ 2010

Annual Report

2010

Through its second-floor facilities, in 2010, ICO attended to 300,000 loan applications from SME and the self-employed, to which must be added operations granted under ICODirecto (3,647 operations from June onwards).

Number of second-floor loan arrangements Distribution by facilities

	2009	2010
ICO-SME	76,229	
ICO-ENTREPRENEURS	1,993	2,560
ICO-CORPORATE GROWTH	1,055	
ICO-INTERNATIONALISATION	257	549
ICO-PLAN AVANZA	104,093	48,829
ICO-TRANSPORT	1,495	
ICO-SME LIQUIDITY	83,064	
ICO-MEDIUM ENTERPRISE LIQUIDITY	1,727	
ICO-PLAN VIVE	71,079	
ICO-RENOVE TOURISM	3,622	
ICO-HOUSING	553	819
ICO-SME DEFERRAL	641	
ICO-MORTGAGE DEFERRAL	11,943	1,722
ICO-FILM PRODUCTION	57	40
ICO-TEXTILES, FOOTWEAR, FURNITURE,...	87	109
ICO-TOURISM	67	26
ICO-ICEX	383	260
ICO-SHIPYARDS	8	5
ICO-UNIVERSITY STUDIES LOAN	4,747	5,185
ICO-VIVE BUSES	271	1,307
ICO-CULTURAL INDUSTRIES	44	
ICO-IRRIGATION EQUIPMENT FACILITY	12	
ICO-FuturE	1,426	1,783
ICO-FIRES RDA 12-2009	1	
ICO-SUSTAINABLE ECONOMY 2010		5,753
ICO-INVESTMENT 2010		117,933
ICO-LIQUIDITY 2010		105,013
ICO-FIRES AND DISASTERS		2
TOTAL	364,854	291,895

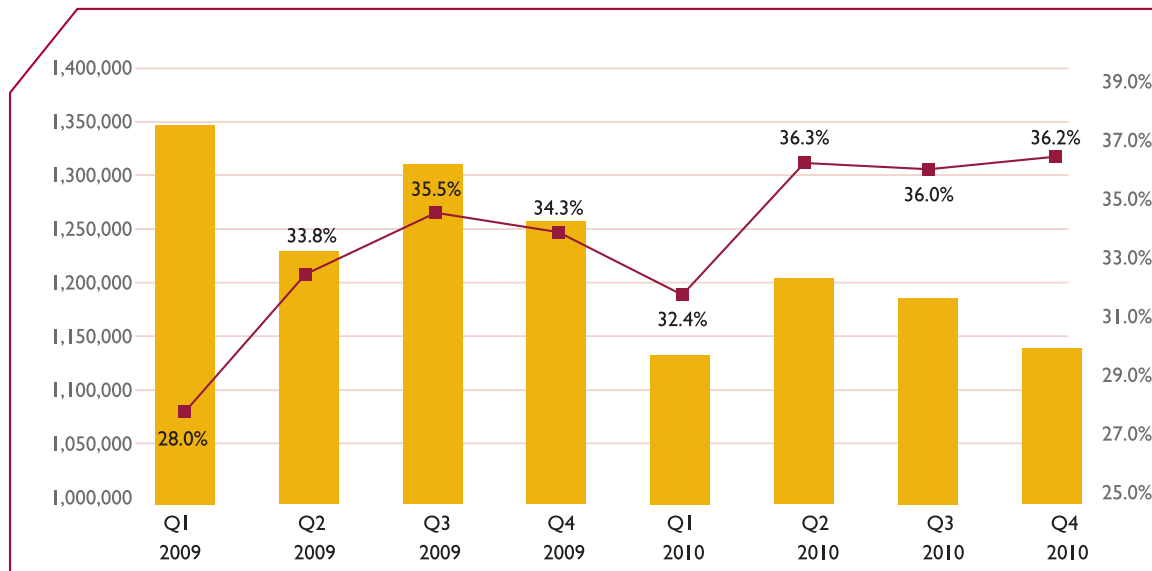
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As a result of ICO's anti-cyclical response and the effort to come into closer contact with its target public, over 35% of the SME applying for a loan in 2010 filed their applications with ICO, according to the quarterly survey released by the Higher Board of Chambers of Commerce.

SME LOAN APPLICATIONS

(Number of enterprises which applied for external financing and the percentage which applied to ICO)



■ Number of SME applying for external financing ■ % of SME filing a loan application with ICO

Source: Higher Board of Chambers of Commerce. Survey of SME access to external financing

The top section of the page features a graphic that mimics the cover of an annual report. It consists of a large, light red rectangular area on the left with a white diagonal cutout in the top-left corner. To the right of this area is a vertical strip with a grid pattern, and further right is a dark red rectangular area containing a white line graph. The text 'Annual Report' is printed in a bold, dark red font across the bottom of the light red area, and '2010' is printed in a white font on the dark red area to the right.

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A vertical light red rectangular graphic on the left side of the page, partially overlapping the main text area. It contains a small white rectangular box with the text 'OL STNS' and '1/28' above it, oriented vertically.

Loans for Large Enterprises



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In what now forms part of the Institute's standard practice, in 2010, ICO also examined and granted loan applications for the financing of large-scale investments undertaken by enterprises larger than those covered by the second-floor facilities and ICOdirecto. These operations are examined directly by the Institute, which assumes the risk on the entire loan.

Last year, 155 loans of this type were arranged (16.5% more than in the previous year) for a total amount of €3,549m (up on 2009 by 34%). Most of them were used to finance investment projects in Spain. Distribution in terms of sectors is shown in the chart below.

Direct loan arrangements for large-scale investments (million euros)

Purpose of investments by sector and geographical area

	2009	2010
INDUSTRY	167	239
CONSTRUCTION	438	311
ENERGY	510	460
TRANSPORT AND STORAGE	542	793
FINANCIAL, PROFESSIONAL, SCIENTIFIC, TECHNICAL AND ADMINISTRATIVE ACTIVITIES, AUXILIARY SERVICES, PUBLIC ADMINISTRATION	707	1,426
COMMERCE	96	37
OTHER PURPOSES	195	284
	2,654	3,549
Investments in Spain	2,501	3,347
Investments abroad	153	202



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B. Fund Performance





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Fund Performance

As part of its anti-cyclical strategy to address current economic circumstances and provide support for the Government's economic policy, in 2010, ICO promoted the various capital funds which it manages either directly or through its 100% investee company, AXIS, Participaciones Empresariales, S.G.E.C.R., S.A.U.

FESpyme (SME)

AXIS was assigned the management of one of the venture capital products belonging to the fund known as FESpyme, born of the Sustainable Economy Act set under way by the Government in December 2009. The allocation of the fund it had been managing until that time, FOND-ICO, F.C.R., was increased from €122m to €422m and the fund was renamed FESpyme, FCR.

Sustainable Economy projects are considered to be those whose objectives are, amongst others, the improvement of energy efficiency, water management, eco-innovation, waste treatment and management, sustainable mobility, the refurbishment of housing and the renovation of urban districts and rural areas, health and biotechnology, energies and climate change, information and communication technologies, aeronautics and the air and space sector, care of the elderly, dependant and vulnerable groups. At the same time, FESpyme continues to target corporate internationalisation projects or those with a high innovative component, regardless of the sector to which they belong.

The increase of the fund's allocation has forced AXIS to undertake an ambitious performance plan, enlarge the company's human and technological resources and make a more sharply-defined and systematic search for projects.

FESpyme's investment criteria do not differ greatly from those of any private manager. The priority aim is to maintain the financial equilibrium of the funds under its management at any given time so as to ensure their continuity. This, in fact, is what it has been doing from the start as it is the only way to accomplish all the other targets. These targets are the support of expansion plans undertaken by enterprises ranging from start-ups to consolidated, medium-sized business concerns so as to contribute to the development of the corporate and technological networks and the creation of jobs. This mission does, to some extent, condition its operations as it is possible to finance solely real investments and not the purchase of shares or the restructuring of liabilities.

As a venture capital firm, FESpyme offers two possible financing formulas for Spanish enterprises to choose from: on the one hand, venture capital proper, understood as the fund's minority holding in the capital for a limited period; and, on the other, the participating loan.

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FESPyME

The year's figures

	Accumulated 2010
	Number of projects
APPROVED	18
Capital (shares and holdings)	7
Participating loans	5
Venture capital institutions	6
INVESTMENT ARRANGEMENTS	11
Capital (shares and holdings)	3
Participating loans	4
Venture capital institutions	4

FESInfraestructuras

Within the same framework as the Sustainable Economy Fund, a second venture capital fund has been set up: FESInfraestructuras, F.C.R., likewise managed by AXIS. With an initial allocation of €500m (there are plans to extend it to €1,000m), its aim is to participate in infrastructure projects, above all in the transport, energy, environment, social infrastructure and services sectors. This fund is directed at projects in Spain concerning new-build infrastructures.

In the main, FESInfraestructuras finances enterprises through holdings in capital, subordinated debt and participating loans. As regards tenders, the fund will take up its holding once the project has been awarded (generally on a concessionary basis) and may, as applicable, issue prior generic eligibility letters to bidders on their request.

Pyme Expansión

Similarly, through FESpyme, ICO has invested in the fund known as Pyme Expansión. With equity of €15m, the fund is held by Empresa Nacional de Innovación (ENISA), SEPIDES and FESpyme with equal shares. It is managed by SEPIDES Gestión.

The fund will foster the promotion and development of corporate activities, focusing its investments on companies with a high growth potential, preferably for innovative projects conducive to job creation and the overall generation of wealth. With this end in view, it will, given that it is a public-capital fund, take up minority, temporary holdings in the share capital of non-financial SME that are not engaged in property activities and are not listed at the time the holding is taken up. Target SME are those that are at the initial development stage, although expanding, established enterprises may also be included. The average estimated duration of the fund in the investee companies' shareholding will be five years. Furthermore, the fund may provide participating and ordinary loans in accordance with the legal regulations by which venture capital funds are ruled. Preferably, its investments will be in the region of €1m per project.

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JEREMIE

In addition, ICO continues to manage the JEREMIE Fund (Joint European Resources for Micro to Medium Enterprises), set up in December 2009. The fund is part of the operative ERDF programme, an initiative launched by the European Commission to facilitate the use of structural funds to finance enterprises' R&D&i activities. The initial allocation was €70m, €47.1m of which were contributed by the European Union through the Technological Fund and the rest, by ICO, which will also be responsible for its management. The main purpose of the fund is to establish a guarantee facility so as to offer security to enterprises undertaking R&D&i projects receiving aid from the Industrial Technological Development Centre (Spanish initials, CDTI), within the framework of the Technological Fund. As a result of this guarantee facility, advance payments may be offered to beneficiary enterprises so that financing will be available to them from the start of the project.

JEREMIE Fund

The year's figures

	Accumulated 2010
	Number of projects
APPROVED	82
INVESTMENT ARRANGEMENTS	74

OTHER CAPITAL FUNDS

ICO is also involved, through various contributions, in the following capital funds, all of which are under third-party management.

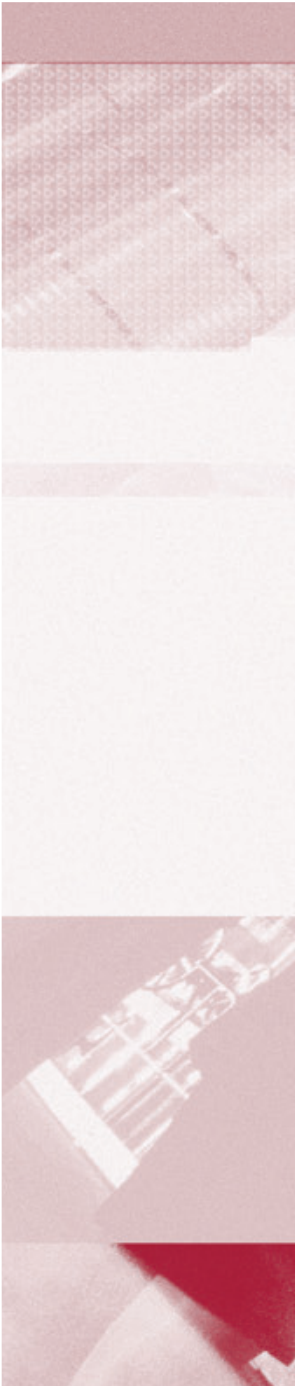
FonsMediterrània, FCR, a venture capital fund for investment operations in Morocco, Tunisia and Algeria.

FC2E, the Carbon Fund for the Spanish Enterprise, launched by Instituto de Crédito Oficial and Santander Investment. The first mixed-capital carbon fund managed in Spain, FC2E probably offers the best access to markets on account of its promoters' commitment, vocation and capacity to originate projects.

Post-Kyoto Carbon Fund. Started up in 2008, its purpose is the purchase and sale of carbon credits generated in the post-Kyoto period. With the fund, the promoters are showing the market a clear sign of their confidence in the post-Kyoto system by lending their direct support to projects of environmental significance.

Marguerite Fund, a European capital fund seeking to back investments in infrastructures which contribute to the fight against climate change and enhance energy safety and trans-European transport networks.

C. Funding in 2010



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Funding in 2010

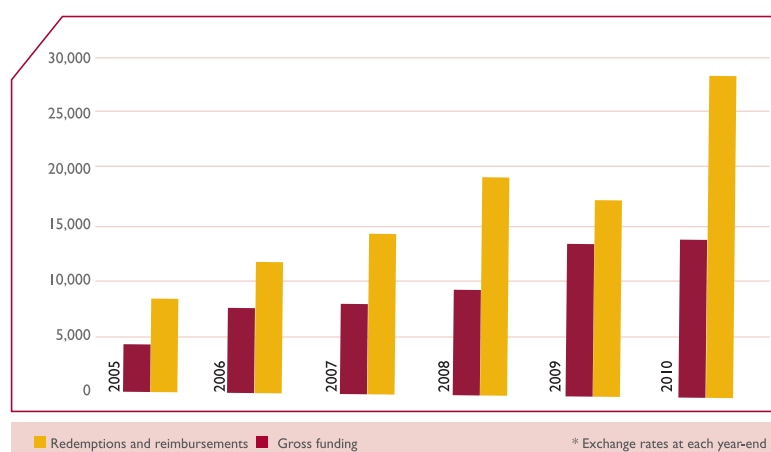
Funding activity (million euros)

	2005	2006	2007	2008	2009	2010
Gross funding	8,282	11,624	14,227	19,340	17,414	28,532
medium and long-term	6,621	9,192	10,854	14,625	14,026	16,432
short-term	1,661	2,432	3,373	4,715	3,388	12,100
Redemptions and reimbursements	-4,213	-7,529	-7,991	-9,344	-13,515	-13,994
Net funding	4,069	4,095	6,236	9,996	3,899	14,538

Countervalue in euros, at the exchange rate effective at the date of the operation, of short, medium and long-term bonds and debentures, in euros and in foreign currency, and loans from credit institutions (EIB).

In 2010, ICO's greater involvement in the lending market came hand in hand with a more noticeable presence on debt markets. To be more precise, in the last financial year, the Institute increased its market funding by 64% to cope with the considerable rise witnessed by its loan supply.

Funding activity (million euros)



As in previous years, in 2010, ICO's funding was based above all on raising medium and long-term resources through bond and debenture issues. Of total resources netted on the market by ICO in 2010, over €28,500m, or 98%, came from issues of fixed-interest securities mainly on the euro market and the remainder (€500m), from loans received from other credit institutions.

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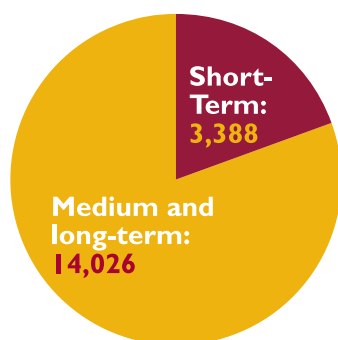
2010

Funding activity (million euros)

	2010			2009
	Placements and increases	Redemptions and reimbursements	Net variation	Placements and increases
Fixed-interest securities ⁽¹⁾	28,032	-13,863	14,169	16,914
Bonds and debentures in €	18,242	-5,548	12,694	7,966
Bonds and debentures in f.c.	9,790	-8,315	1,475	8,948
Loans from credit institutions	500	-131	369	500
In €	500	-131	369	500
In f.c.	0			0
TOTAL	28,532	-13,994	14,538	17,414

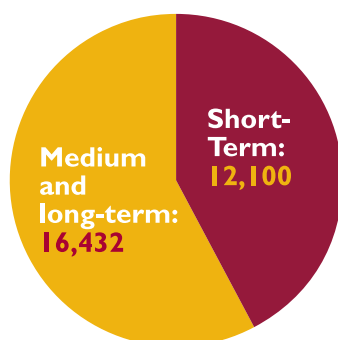
⁽¹⁾ Including short, medium and long-term funding: ECP, GMTN, NSV, Samurai

2009. Million euros



* Exchange rates at each year-end.

Gross funding. 2010. Million euros



* Exchange rates at each year-end.

D. ICO's Activity as a Payment Agency

ICO's Activity as a Payment Agency

In the financial year of 2010, the Institute continued to participate in the provision of financial services to a variety of securitisation funds, thereby contributing to the attainment of the economic policy target of endowing this market with greater transparency, celerity and liquidity.

At December 31 2010, the outstanding balance on the securitisation funds in which ICO renders its financial services amounted to €129,500m, concerning a total of 96 operations. Last year, four contracts corresponding to four new funds were signed. The meagre increase generated in the period of reference reflects the slowdown of the securitisation market, caused by the lack of stability on financial markets.

Moreover, in its role as provider of liquidity facilities to securitisation funds, the Institute chalked up an amount of €2,932m at December 31 2010. These facilities constitute a credit enhancement for the bonds issued by the securitisation funds.

With regard to financial services provided to bond issues guaranteed by the General State Administration, in compliance with RDA 7/2008, October 13, and Order EHA/3364/2008, November 21, three new contracts were signed in 2010 for a total of €4,393m issued, resulting in a year-end total of nine guaranteed issues entailing a total amount of €11,212m.



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E. Balance and Profit and Loss Account in 2010



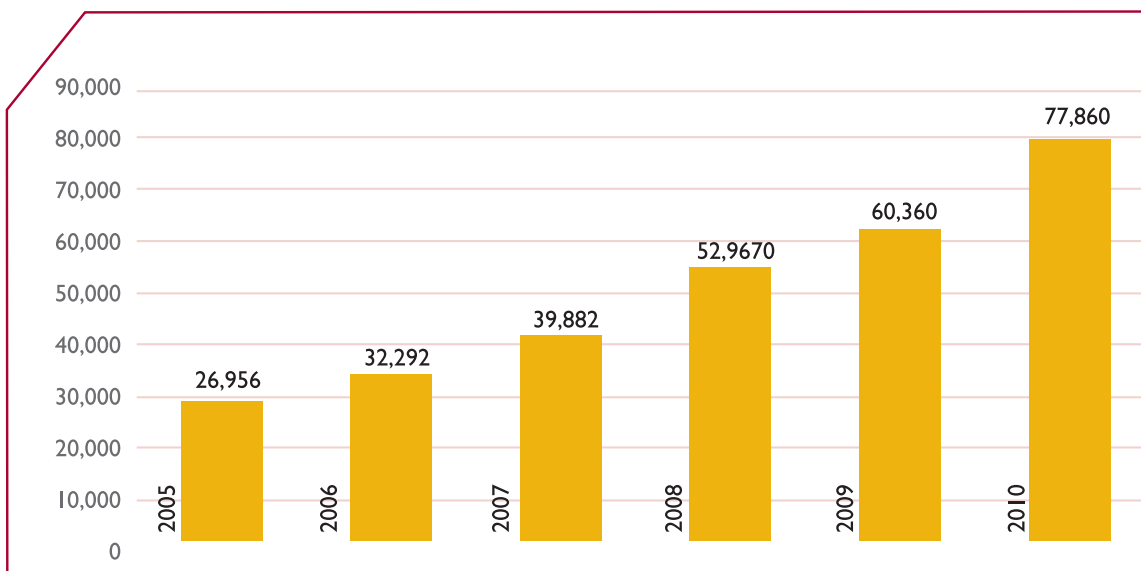
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Balance and Profit and Loss Account in 2010

The rise in ICO's activity seen since the start of the economic crisis is mirrored in its balance, which has tripled since 2005 to reach €77,860m in 2010. This 29% upswing on 2009 is due in the main to the growth of lending investment.

Assets (million euros)



Last year, ICO's lending investment balance, excluding loans to credit institutions and net of provisions, shot up by 37.1% to stand at €64,947.6m (without valuation adjustments registered as deposits in credit institutions). Of this balance, 64.9% corresponded to loans distributed by the Institute through its second-floor facilities, the balance of which posted a considerable increase of 43.5% in respect of the previous year.

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ASSET AND FUNDING OPERATIONS. ABSTRACT OF THE BALANCE SHEET Balances at December 31st

Million euros and percentages

	Figures at: 31/12/10	Figures at: 31/12/09	Annual variation	
			Absolute	%
Cash and Bank of Spain	424.1	74.5	349.6	469.2
Financial assets for trading	598.4	470.7	127.7	27.1
Lending investment	64,947.6	47,368.1	17,579.6	37.1
- Second-floor loans	42,163.2	28,521.7	13,641.5	47.8
- Receivables from customers	22,784.4	18,846.4	3,938	20.9
Loans to credit institutions	1,211.8	85.3	353.5	41.2
- BBVA banks	375.5	524.5	(149)	(28.4)
- Other loans and deposits	836.3	333.8	502.5	150.5
Securities portfolio	1,330.8	1,515.1	(184.3)	(12.2)
Investment portfolio due	4,292.2	7,824.9	(3,532.7)	(45.1)
Hedging derivatives	4,768.6	1,899.6	(2,869)	151
Tangible assets	119.3	120.9	(1.6)	(1.3)
Accrual adjustments	0.0	0.0	0.0	-
Other asset accounts	167.3	227.4	(60.1)	(26.4)
TOTAL ASSETS = LIABILITIES	77,860	60,359.5	17,500.5	29.0
Financial liabilities for trading	552.6	409.5	143.1	34.9
External resources	72,199.0	53,598.9	18,600.1	34.7
- Market resources	64,762.4	46,863.0	17,899.4	38.2
- Special funding	3,434.3	3,571.4	(137.1)	100
- Other financial liabilities	4,002.3	3,164.5	837.8	26.5
Hedging derivatives	1,400.2	3,340.7	(1,940.5)	(58.1)
Provisions and allowances	375.8	250.2	125.6	(50.2)
Internal resources	3,059.2	2,887.0	172.2	6
Valuation adjustments	139.7	(191.0)	330.7	(173.2)
The year's profit	31.2	23.5	7.7	33
Accrual adjustments	0.0	0.0	0.0	0.0
Other liability accounts	102.1	40.7	61.4	150.9

The remaining 35.1% of lending investment corresponded to loans granted directly by the Institute (receivables from customers), an item which also saw considerable growth (21%) in the financial year of 2010. Of this total balance, prior to the deduction of provisions, 83% corresponded to credit accounts with other resident sectors; i.e., non-financial companies and enterprises. In the course of the year, this item racked up an increase of almost 22%.

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RECEIVABLES FROM CUSTOMERS

Balances at December 31

Million euros and percentages

	2010 (*)	2009 (*)	Annual variation	
			Absolute	%
Public Administrations	2,302.6	1,674.7	628.0	37.5
- Central Administration	162.3	437.6	(275.3)	(62.9)
- Territorial Administrations	2,140.3	1,237.1	903.3	73
Other resident sectors	19,608.9	16,104.5	3,504.4	21.8
- Ordinary loans	19,494.1	16,000.6	3,493.5	21.8
- Special loans	114.8	103.9	10.9	10.5
Non-residents	1,666.6	1,729.3	(62.7)	(3.6)
TOTAL RECEIVABLES FROM CUSTOMERS	23,578.1	19,508.5	4,069.7	20.9
Loan loss provision	793.7	671.8	121.9	18.1
TOTAL LENDING INVESTMENT	22,784.4	18,836.7	3,947.8	21.0

(*) Including other financial assets and valuation adjustments (accrued interest and commission adjustments)

The sizeable increase in the Institute's lending activity referred to above was coupled with a rise of nearly 35% in ICO's external resource balance, taking it to a level of almost €72,200m. Of this total, 90% was in the form of market resources, higher than the 87.4% recorded in 2009. In 2010, this item grew by 38.2%, driven above all by its main component: the balance of fixed-interest securities issued by ICO. The other external resources correspond to the balance of the special loan granted to ICO by the State for the purpose of financing 50% of the second-floor liquidity facilities (Special funding) and to Other financial liabilities, consisting mainly of funds received from the Public Treasury for the total or partial coverage of some of the second-floor facilities (FOMIT-Renove Tourism, Avanza, University Studies, DGT Driving Licence, Plan Vive, FuturE).

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EXTERNAL RESOURCES. STRUCTURE

Balances at December 31

Items	Million euros and percentages			
	2010	2009	Annual variation	
			Absolute	%
I.- Market resources	64,341.1	46,863	17,478.1	37.3
I.1.- Fixed-interest securities	57,693.8	43,694.9	13,998.9	32
I.2.- Loans from credit institutions	3,060.8	1,380.2	1,680.6	121.8
I.3.- Customer funds	3,586.5	1,787.9	1,798.6	100.6
I.4.- Denominated in euros	38,588.1	20,708	17,880	86.3
I.5.- Denominated in f.c.	25,753	26,154.9	(401.9)	(1.5)
2.- Special funding	3,434.3	3,571.4	(137.1)	(3.8)
3.- Other financial liabilities	4,002.3	3,164.5	(837.8)	26.5
4.- (I+2+3).- TOTAL	71,777.8	53,598.9	18,178.9	33.9

As far as the Institute's internal resources were concerned, the sum of the allocation fund and reserves rose by 6% in 2010 to stand at €3,059.2m, accounting for 4% of total liabilities plus equity (5% the previous year). If the year's profit and valuation adjustments are added, capital accounts sum up to €3,230.2m, or 18.8% more than in 2009. In 2010, ICO's allocation fund increased by €148.7m as a result of the State's contribution (€140m charged to the General-Government Budget) to the Institute's internal resources and the inclusion in its equity of €8.7m corresponding to amounts recovered after the cancellation of the debts contracted with ICO by the State on account of the loans and guarantees granted by former Official Credit Institutions.

NET EQUITY ACCOUNTS

Balances at December 31

	Million euros and percentages			
	2010	2009	Annual variation	
			Absolute	%
Allocation fund	2,351.4	2,202.7	148.7	6.8
Reserves	707.8	684.3	23.5	3.4
Valuation adjustments	139.7	(191)	330.7	(173.2)
Year's profit/loss	31.2	23.5	7.7	33.0
TOTAL	3,230.2	2,719.5	510.7	18.8

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As a result of ICO's activity in 2010, net interest revenue on its profit and loss account saw a noticeable recovery in that it was up by 78.8% after a 33% downswing the previous year. The reason for this was that, although interest revenue and expense came down, in the latter case, the decline was greater. Given this result, gross and operating revenue also witnessed a considerable rise, leading to a pre-tax profit 36.5% higher than in 2009. After tax, the Institute's profit worked out at €31.2m, or 32.8% more than the previous year's figure. The ratio between after-tax profit and average total assets stood at 0.05% (0.04% in 2008).

STATEMENT OF NET INCOME Figures at December 31

Million euros and percentages

	Figures at: 31/12/10 (1)	Figures at: 31/12/09 (2)	Year-on-year variation	
			absolute (3 = 1-2)	% (4=3/2)
Interest revenue	1,419.5	1,436.9	(17.4)	(1.2)
Interest expense	(1,066.7)	(1,239.6)	172.9	(13.9)
Net interest revenue	352.8	197.3	155.5	78.8
Other products and ordinary costs	84.1	72.3	11.8	16.3
Gross revenue	436.9	269.6	167.3	62.0
Personnel costs	(18.3)	(16.7)	(1.6)	9.5
General costs	(21.3)	(22.0)	0.7	(3.2)
Depreciations	(5.5)	(1.7)	(1.7)	45.2
Impairment losses and allowances	(350.2)	(196.8)	(153.4)	78.9
Result, operating activities	41.5	30.3	11.2	37.1
Other earnings and loss	0.2	(0.0)	(0.2)	1,721.9
Pre-tax profit	41.4	30.3	11.1	36.5
Tax on profit	(10.1)	(6.8)	(3.3)	49.4
The period's profit	31.2	23.5	7.7	32.8
Average Total Assets (ATA)	65,204.2	57,031.7	8,172.5	14.3

F. Operations on the State's Account

Operations on the State's Account

In addition to performing its functions as an institutional lender on its own account, ICO acts as a financial agency on the State's account. In the fulfilment of this mission, the Institute had managed four instruments providing support for the foreign sector: Official Development Aid (ODA), in the form of the Development Aid Fund (Spanish initials, FAD); Interest Makeup, in the form of the Reciprocal Interest Adjustment Contract (CARI); the Microcredit Fund (FCM); and the Water and Sanitation Cooperation Fund (FCAS). As explained below, in 2010, part of the Development Aid Fund has been transferred to the new Corporate Internationalisation Fund (FIEM). It is ICO's job to arrange and administer operations and carry out all the financial tasks involved.

DEVELOPMENT AID FUND (FAD)

Financial operations charged to FAD are a foreign policy instrument designed to accomplish the threefold objective of boosting Spanish exports, contributing to the growth of Less Developed Countries and easing access to multilateral bodies. Operations charged to FAD consist in finance arrangements, in some cases, grants, and in others, reimbursable loans.

From June 2007 to June 2010, FAD received three budget allocations, one from each of the appropriate ministries. Although it was a single fund, it was split into three distinct parts, one for each objective.

After the coming-into-force of Act 11/2010, June 28, on the Reform of the Financial Backing System for the Internationalisation of the Spanish Enterprise, whereby the Corporate Internationalisation Fund (FIEM) is created, Act 36/2010, October 22, concerning the Fund for the Promotion of Development (FONPRODE), was published, becoming effective on January 21 2011. Under these two acts, FAD was liquidated and its assets and liabilities were transferred to two funds of a different nature, each with its own aims.

The assets and liabilities deriving from FAD operations carried out on the initiative of the Ministry of Industry, Tourism and Trade were transferred to FIEM. In turn, the assets and liabilities of operations performed on the initiative of the Ministry of Foreign Affairs and Cooperation and charged to FAD Cooperation were transferred to FONPRODE.

The transfer of assets and liabilities to FIEM was made on June 29 2010 while the transfer to FONPRODE will be carried out in the course of 2011. The third part of FAD, known as FIDE (Development Aid Fund for International Financial Institutions and the Management of External Debt), set up on the initiative of the Ministry of Economy and Finance will be transferred to a State account, given that, in the future, it will not have a fund for its development.

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As a result of the above changes, FAD operations in 2010 reflect the transfer to FIEM made in June and accordingly, in the year-on-year comparison with the FAD figures for 2009 (which included all these operations), the downswing observed derives from the transfer of the FIEM operations to that fund.

DEVELOPMENT AID FUND

Lending activity

Million euros and percentages

	2010	2009	Annual variation	
			Absolute	%
Loans authorised	1,653.8	2,088.3	(434.5)	(20.8)
Loans granted	1,408.5	1,847.6	(439.1)	(23.8)
Loans arranged	1,289.3	1,769.4	(480.1)	(27.1)

The main recipient was the United Nations System, to which 29 of the year's 75 operations were assigned, followed by the World Bank Group, with 11 operations.

Lastly, it should be pointed out that, at September 30 2010, the FAD Portfolio (credit accounts) was valued at €401m. In this case too, the comparison with 2009 is of little significance as the sizeable variation derives from the aforementioned transfer to FIEM.

DEVELOPMENT AID FUND

Figures at December 31

Million euros and percentages

	2010	2009	Annual variation	
			Absolute	%
1.- Loans drawn down	400.8	4,387.9	(3,987.1)	(90.9)
2.- Loans refinanced	0.0	146.6	146.6	(100)
3.- Debts due	0.0	454.6	(454.6)	(100)
4 (1 to 3 = 5 to 7). TOTAL	400.9	4,989.1	(4,588.2)	(92.0)
5.- Denominated in USD	0.0	2,569.7	(2,569.7)	(100)
6.- Denominated in EUR	372.5	2,162.5	(1,790)	(82.8)
7.- Denominated in other currencies	28.4	256.8	(228.5)	(89)

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CORPORATE INTERNATIONALISATION FUND (FIEM)

On June 30 2010, Act 11/2010, June 28, on the Reform of the Financial Backing System for the Internationalisation of the Spanish Enterprise, came into force, leading to the creation of FIEM. From then on, all operations approved on the initiative of the Ministry of Industry, Tourism and Trade and charged to FAD Internationalisation, along with the resultant assets and liabilities, came to form part of FIEM.

In 2010, FIEM's activity was contingent on firstly, the budget adjustment and secondly, the start-up of the fund itself, whose operating regulations were approved on December 30 of the same year. Because of these two factors, the number of operations is lower than that of equivalent operations one year previous.

As this is a new instrument which had no activity as such in 2009, a strict comparison is not possible. Last year, 12 operations were approved for an amount of €116.49m.

CORPORATE INTERNATIONALISATION FUND (FIEM)

Lending activity

Million euros and percentages

	2010	2009	Annual variation	
			Absolute	%
Loans authorised	194	0,0	194	---
Loans granted	116.5	0,0	116.5	---
Loans arranged	214.8	0,0	214.8	---

The main recipient was Bosnia-Herzegovina, to which €32.23m were assigned for the supply of trains. This figure accounts for 27.68% of the total. Second position was taken by Honduras, with a grant of €19.78m for the modernisation of equipment used in environmental observation and civil protection.

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CORPORATE INTERNATIONALISATION FUND (FIEM)

Figures at December 31

Million euros and percentages

	2010	2009	Annual variation	
			Absolute	%
1.- Loans drawn down	4,643.7	0.0	4,643.7	---
2.- Loans refinanced	160.8	0.0	160.8	---
3.- Debts due	510.4	0.0	510.4	---
4(1 to 3 = 5 to 7). TOTAL	5,314.9	0.0	5,314.9	---
5.- Denominated in USD	2,620.7	0.0	2,620.7	---
6.- Denominated in EUR	2,382.5	0.0	2,382.5	---
7.- Denominated in other currencies	311.7	0.0	311.7	---

Lastly, it should be noted that, at December 31 2010, the FIEM Portfolio (credit accounts) was valued at €5,315m. Although there are no data for 2009, given that the instrument did not exist at that time, an increase of 7.43% is observed when a comparison is made with the valuation made at December 31 2009 for equivalent loans.

FUND FOR THE PROMOTION OF DEVELOPMENT (FONPRODE)

This fund was set up under Act 36/2010, October 22 (Fund for the Promotion of Development). In the act, it is established that the manager of FONPRODE will be the Ministry of Foreign Affairs and Cooperation, through the Secretariat of State for International Cooperation, and that ICO will act as financial agent.

At December 31 2010, the regulations ruling the operation of FONPRODE were pending approval.

FONPRODE will channel part of the development aid operations undertaken by the Ministry of Foreign Affairs and Cooperation, including those carried out in conjunction with development banks and funds and the compulsory contributions to international financial institutions, for which the Ministry of Economy and Finance is responsible.

FONPRODE funds will be used to finance development projects and programmes, taking the form of State-to-State grants in Less Developed Countries; and also financial contributions to development programmes and non-financial international development multilateral bodies. Moreover, the fund will be used for technical assistance, viability studies and ex-ante and ex-post programme evaluation. It is also possible to contribute to funds constituted at international financial development institutions for the purpose of covering basic social needs. In addition, credits, loans and financing facilities of a non-tied nature may be granted on a concessionary basis, including contributions to microfinancing programmes and support for the productive social network.

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MICROCREDIT FUND (FCM)

The Microcredit Fund (FCM) was set up in 1998 as a form of bilateral cooperation for development. The purpose of the operations is the improvement of the living conditions of vulnerable groups and the execution of basic social development projects. Managed by the Ministry of Foreign Affairs, the fund works through the granting of loans and credits to foreign second-floor institutions which, either directly or through local financial institutions, make the funds granted available to the end-beneficiaries (microentrepreneurs).

On the coming-into-force of Act 36/2010, October 22, the Microcredit Fund came to form part of FONPRODE.

In 2010, the amount of both loans granted and loans arranged came to €56.8m, reflecting a decline of almost 43% in respect of the previous year. At year-end 2010, the aggregate amount of loans granted from this fund stood at €794m, or 7.7% more than the balance recorded at the close of the previous year.

MICROCREDITS Lending activity

Million euros and percentages

	2010	2009	Annual variation	
			Absolute	%
Loans granted	56.8	99.5	(42.7)	(42.9)
Loans arranged	56.8	99.5	(42.7)	(42.9)
Accumulated amount (a)	794	737.2	56.8	7.7

(a) Loans granted since the start-up of the fund.

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WATER AND SANITATION COOPERATION FUND (FCAS)

The Water and Sanitation Cooperation Fund (FCAS) was created by virtue of the 61st Additional Provision of Act 51/2007, December 26, on the General-Government Budget for 2008. Its purpose is to ease access to water and sanitation, which are seen as indispensable components of human wellbeing and development, as reflected in the Millennium Development Goals signed in the year 2000. Currently managed by the Ministry of Foreign Affairs and Cooperation through the Directorate for Sectoral and Multilateral Cooperation at AECID (Spanish International Cooperation Agency for Development), the fund provides non-reimbursable aid and, as applicable, non-tied loans, for the financing of projects in the scope of water and sanitation. It operates on a co-financing basis with the national authorities of Spanish Cooperation member countries.

In 2010, the second year of the fund's operative life, the amount in approved contributions summed up to €149.9m, reflecting a decrease of around 50% in respect of 2009, the year the fund was set up. This decrease is due to the reduction of the budget allocation assigned to the fund.

Last year, arrangements amounted to €147.4m.

In the course of 2010, two operations which had been granted in 2009 for an amount of €10.5m and had remained pending signature at year-end were arranged. With regard to approvals in 2010, all were arranged except the contribution to Ecuador for an amount of €13m.

WATER AND SANITATION COOPERATION FUND (FCAS)

Activity

Million euros and percentages

	2010	2009	Annual variation	
			Absolute	%
Contributions awarded	149.9	300	(150.1)	(50)
Contributions arranged	1,474	289.5	(142.1)	(49.1)
Accumulated amount (a)	449.9	300	(149.9)	50

(a) Contributions awarded since the start-up of the fund.

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RECIPROCAL INTEREST ADJUSTMENT CONTRACTS (CARI)

The CARI System seeks to boost the participation of credit institutions in the long-term financing of Spanish exports. One of the requirements established for eligibility is that the interest rates set on the operations by lender institutions must be as indicated in the Organisation for Economic Cooperation and Development (OECD) Consensus.

Interest adjustment or interest makeup contracts guarantee that, for each interest adjustment made, the lender institutions will receive a certain amount of interest revenue on the outstanding balance of each credit included in the system. In this way, any risks deriving from the difference between the credit's fixed interest rate and the conventional cost attributed to the resources used in the financing are removed. When the difference is negative, the State, through ICO, credits the institutions with the pertinent amount. When the result is positive, the institutions pay the difference to ICO.

The year 2010 saw the arrangement of 31 operations adding up to €1,150m, well above the overall figure recorded for 2009 (€111m in 35 operations), resulting in a positive variation of 938% in the amount arranged. Nevertheless, it should be taken into account that the 2010 figure includes the CARI operation involving the highest amount applied for in the last decade, which initially amounted to €665m.

In terms of amounts arranged, the main destinations of the exports were: the United Arab Emirates (accounting for 68% of total arrangements), the Dominican Republic, Venezuela and Norway. As regards the number of contracts signed, Mexico comes first, with seven operations, followed by Argentina, with five, and the Dominican Republic and China, with four operations each.

RECIPROCAL INTEREST ADJUSTMENT CONTRACTS (CARI) The year's figures

	Million euros and percentages			
	2010	2009	Annual variation	
			Absolute	%
Outstanding capital at 1.1.	2,011.0	1,961.4	49.6	2.5
Amount in operations filed	848.7	1,212.9	(364.2)	(30)
Amount in operations arranged	1,150.2	110.8	(1,039.4)	938.1
Drawdowns and reimbursements. Net(a)	394.6	49.6	345.0	695.6
Outstanding capital at 31.12	2,405.6	2,011	394.6	19.6

(a) Includes variations deriving from exchange rate differences.

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In the period from 1996 to 2006, the CARI System generated positive returns for the Treasury. However, in 2007 and 2008, things changed and the years closed with a negative balance for the Treasury: €2.7m and €7.9m respectively. In 2009, positive returns were again obtained, with a result of just under €7m. This trend continued into 2010, when a result of €49.2m was obtained in the Treasury's favour.

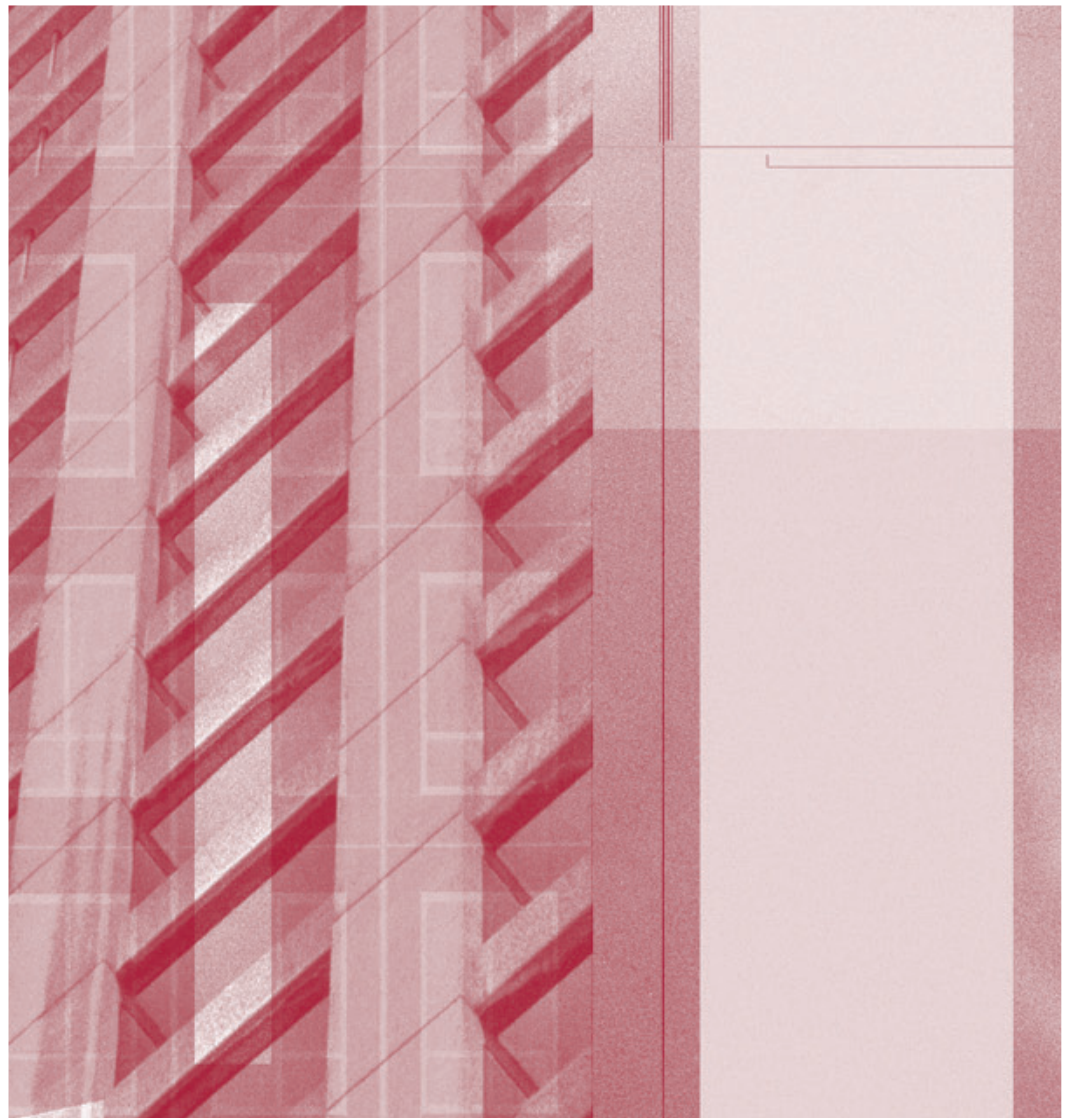


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G. Investee Companies



Investee Companies

Instituto de Crédito Oficial is the owner of a number of holdings in companies and funds, as described below.

Firstly, the Institute is the sole holder of the capital of **AXIS - Participaciones Empresariales SGEGR, S.A.** (€601,010). Constituted in 1986, AXIS is a venture capital fund manager which takes up minority, temporary holdings in capital on account of the funds under its management. Furthermore, the company may grant long-term participating loans whose interest depends on the economic performance of the investee company.

Secondly, in **Compañía Española de Reafianzamiento (CERSA)**, the holding amounts to 24.03% of capital, or €108,951,252. CERSA is a State-owned mercantile company attached to the Ministry of Industry, Tourism and Trade through the Directorate General of SME Policy. Its activity consists in the underwriting or partial coverage of the risk assumed by Reciprocal Guarantee Companies (SGR) vis-à-vis Small and Medium-sized Enterprises requiring additional guarantees to overcome their financial problems. Priority is given to the financing of investments and projects involving innovation and also to microenterprises and micro-start-ups.

Thirdly, ICO has a 25.25% (€29,396,000) holding in **Compañía Española de Financiación al Desarrollo (COFIDES)**, a State-owned mercantile company set up in 1988. Its purpose is the provision of medium and long-term finance for private, viable investment projects abroad in which there is a Spanish interest. The idea is to contribute, on the basis of profitability criteria, both to the development of the countries receiving the investments and to the internationalisation of Spain's economy and enterprises.

Lastly, the Institute has a 0.28% holding in the European Investment Fund (EIF). The fund specialises in the financing of SME all over Europe, under the auspices of the European Investment Bank, the European Commission and a wide range of public and private financial institutions.



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H. Human Resources



Human Resources

As a financial institution with the legal status of a State-owned Corporate Entity, Instituto de Crédito Oficial must always be ready to adapt to changes in the financial sector and economic circumstances, such as those arising from the current economic and financial crisis. Mindful of this need, the Institute implements those technological and process-related innovations which may be necessary to enable it to accomplish its mission as a State-owned investment bank and the State's Financial Agency. Accordingly, human capital is ICO's key asset in the effective fulfillment of its functions.

Workforce profile

At December 31 2010, the Institute's workforce numbered 322. The distribution of the workforce by professional groups, together with variations occurring during the year, is indicated in the chart below.

DISTRIBUTION OF THE WORKFORCE BY PROFESSIONAL GROUPS
Figures at December 31 2010

	Number of employees			
	2010	2009	Absolute variation	%
Managerial staff	12	15	-3	-20%
Middle managers	44	37	7	18.92%
Technical specialists	199	178	21	11.80%
Clerical staff	67	77	-10	-12.99%
TOTALS	322	307	15.0	4.89%

ICO's workforce is of an extremely high professional level: excluding management personnel, 75.5% of the employees belong to the professional grade of technical specialists.

The average age of the workforce is 43 years. At year-end 2010, 56.8% of the employees were aged between 31 and 45 (13.7% are between 31 and 35; 13.4%, between 36 and 40; and 29.8%, between 41 and 45), whereas just 3.1% were over 60.

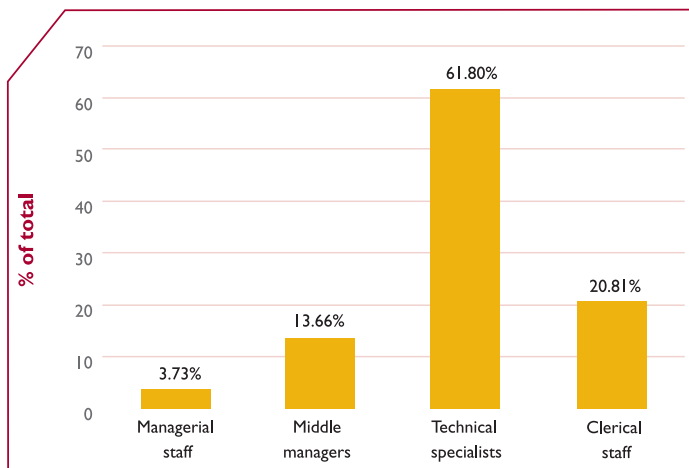
Regarding the male/female ratio, a large share is taken up by women both in the workforce as a whole and in middle management posts. The number of female employees accounts for 62% of the total workforce and for 48% of management and middle management posts. Last year, the per-

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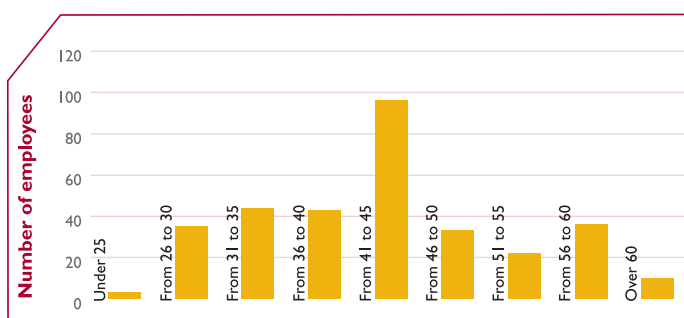
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centage of women in management or middle management posts increased by 2% in respect of the previous year.

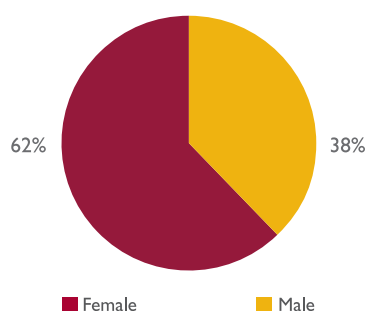
Distribution of the workforce by professional groups (2010)



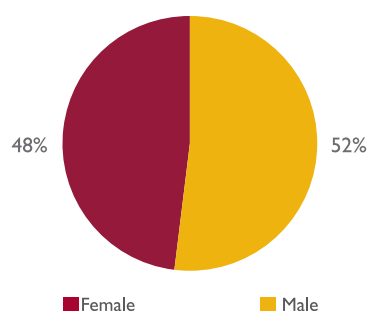
Age pyramid (2010)



Gender distribution of the entire workforce (2010)



Gender distribution of managers and middle managers (2010)



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Training

In 2010, the Training Programme focused on two central aims:

1. The ongoing development of the Internal Training Policy commenced in 2007 with a view to enhancing the knowledge and skills of the Institute's employees. In 2010, a number of training courses were organized, mainly on legal and financial subjects.
2. The furtherance of career development training. Under the V Collective Bargaining Agreement, the Special Biannual Training Plan for Clerical Staff was set under way. The plan has enabled those who successfully completed the first edition to be admitted to the Technical Specialist Group, within the limits established in the Collective Bargaining Agreement. The second edition of the Special Biannual Training Plan for Clerical Staff will be completed in June 2011.

WORKFORCE TRAINING PROGRAMME Figures for 2010

Training areas	Number of employees			
	Hours invested		Participants	
	Number	%	Number	%
Specific job-training	2,348	13.53%	259	52.22%
Foreign languages	7,494	43.20%	152	30.65%
New technologies	498	2.87%	28	5.65%
Professional development	6,740	38.85%	24	4.84%
Skills	269	1.55%	33	6.65%
TOTALS	17,349	100%	496	100%

Career Development System

In 2010, the Career Development System (Spanish initials, SDP) entered its eighth year in the case of the Institute's technical specialists and its third year for clerical staff. Based on performance appraisal, the system is applied in accordance with the degree of competence and target fulfillment attained. As a result of the appraisal, in 2010, 57 employees were promoted, 19 of whom belonged to the Clerical Staff Group. This is the second round of promotions for this professional group under the Career Development System since the execution of the V Collective Bargaining Agreement.



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New additions and personnel selection

As a State-owned Corporate Entity, ICO is obliged by Royal Decree to advertise vacancies publicly in accordance with the Public Job Offer (Spanish initials, OEP). All permanent and temporary staff join the institute through this procedure. Every year, the Royal Decree on the Public Job Offer authorises the invitation for applicants to cover the Institute's vacancies.

Given that the Institute's level of activity has increased in recent times as a result of greater demands from the Government in its effort to cope with current circumstances, in 2010, ICO was exceptionally awarded a total of 12 new temporary posts. Last year, ICO's workforce grew by 15 employees in net terms.

Management by Targets

ICO is undergoing a process of major changes as a result of the strategic projects recently put in place. In this context, in 2007, it was deemed fitting to set up a **Management-byTargets System, or DpO**, with a view to enhancing the efficiency of the Institute's management system, while furthering the employees' career development and building a culture based on the appraisal of professional merit.

The **DpO System** requires the involvement of ICO's various Deputy Directorates in the definition, implementation and follow-up of the targets set both for the Institute's various areas and for each individual component member of a given Deputy Directorate.

The degree of annual fulfilment of the objective set for each individual employee depends on the weighted level of fulfilment of three types of target:

- Targets of a strategic nature for the entire Institute, as defined and approved by the Management Committee.
- Quantitative objectives: targets that are quantifiable at the individual organisational level and may entail the breakdown of the strategic targets set for the organisational unit in question; or another type of quantifiable target, provided that it is perfectly aligned with ICO's strategic objectives.
- Improvement Plans: any action plan seeking to improve the Institute's commercial, operative, economic or technological efficiency and accordingly, enhancing the added value offered by ICO to society. In short, anything that constitutes a significant improvement to ICO's strategic lines of action.

In 2010, the Institute rewarded the employees for their efforts by linking the fulfilment of the targets set in the DpO to the variable salary component.

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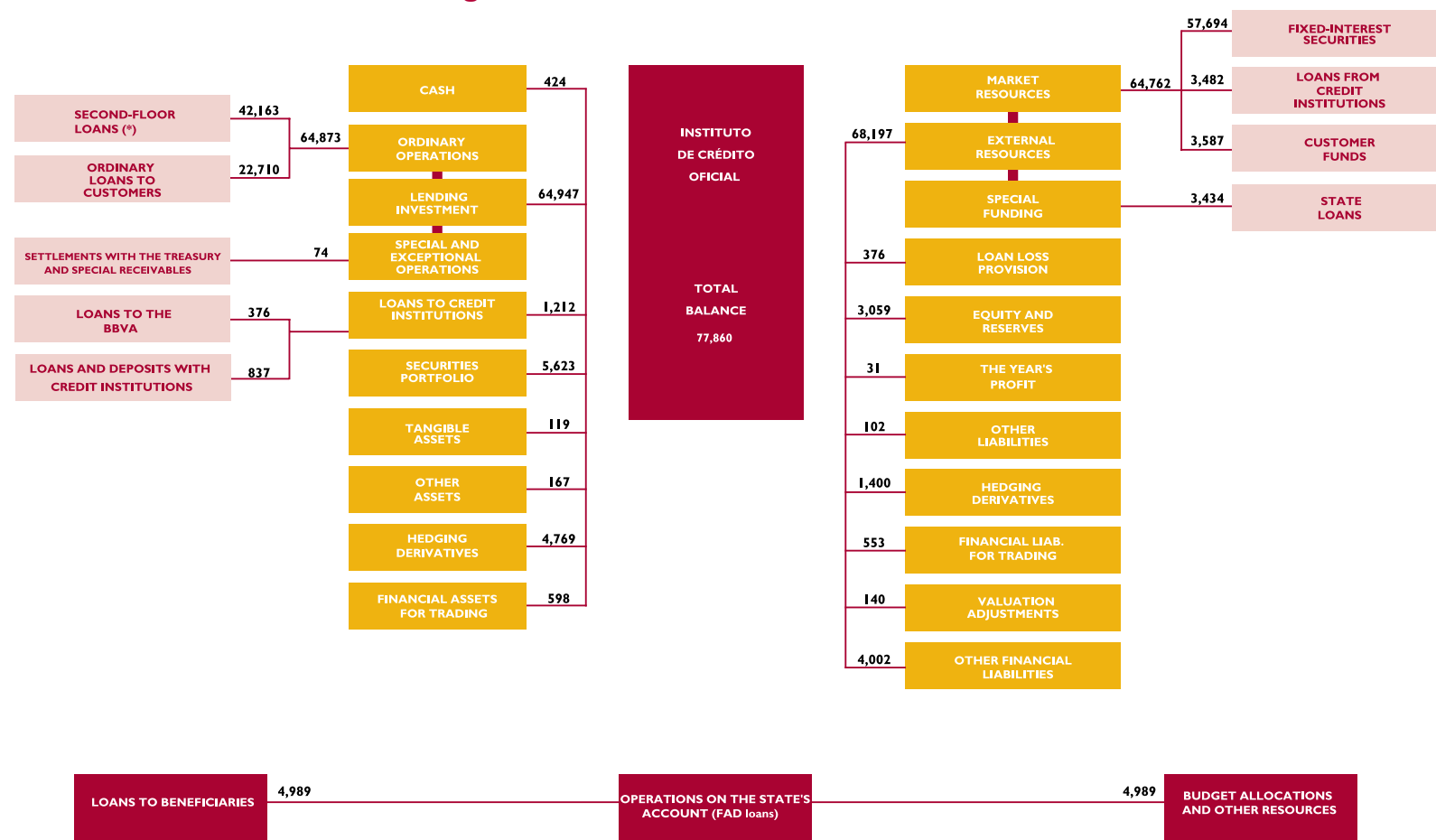
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Annexes

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CHART I. ICO. ASSET AND FUNDING OPERATIONS
Balances at December 31 2010. Figures in million euros



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CHART II. ABSTRACT OF ASSETS

Balances at December 31

Million euros

	Total 1 = 2 a 6 +8 to 10	Cash 2	Loans to credit institutions 3	Second-floor loans 4	Receivables from customers 5	Securities portfolio		Tangible assets 8	Other assets 9	Accrual accounts 10
						Total 6	of which: Shares and holdings 7			
1991	19,398.3	16.2	15,112.1	-	1,904.3	6.0	6.0	22.5	26.4	2,310.8
1992	19,787.8	73.8	12,541.9	12.0	5,000.6	0.5	0.5	26.8	239.6	1,892.7
1993	19,412.1	12.2	11,542.2	383.7	5,404	25.5	16.6	56.1	114.6	1,873.6
1994	19,455.9	10.7	10,540.4	1,297.1	5,624.2	28.3	19.9	77.6	80.0	1,797.6
1995	19,820.9	10.8	9,080.1	2,708.0	5,865.8	42.9	27.9	79.6	340.2	1,693.7
1996	18,702	11.2	7,166.8	3,761.6	5,909	43.6	43.6	84.9	118.1	1,606.9
1997	20,087.3	4.3	7,527.8	5,078.4	5,528	48.9	48.9	90.4	35.5	1,774.1
1998	21,369.1	20.8	7,706.4	6,031.6	5,940.2	82.1	82.1	118.9	69.0	1,400.2
1999	23,561.9	27.5	7,929.9	7,085.7	6,755.1	91.4	91.4	106.4	270.3	1,295.7
2000	24,703.8	22.5	7,704.8	7,575.4	7,311.2	215.7	91.4	99.0	461.0	1,314.1
2001	25,600.7	31.5	6,933.6	8,131.9	8,000.5	634.6	100.4	89.2	651.2	1,128.2
2002	24,749	62.2	6,317.5	8,789.2	7,846.1	406.6	101.2	77.0	595.4	655.1
2003	26,419.2	29.8	7,138.1	9,614.1	8,004.9	678.9	101.2	63.8	342.5	547.0
2004	24,550.7	24.5	5,274.9	10,052.8	8,099.2	851.0	125.1	115.2	132.7	0.5
2005	26,956	74.2	3,870.7	12,101.5	8,496.2	1,138.7	127.7	163.0	1,110.9	0.9
2006	32,292.1	236.6	3,104.6	17,239.9	1,0739	150.6	150.6	167.5	653.3	0.5
2007	39,881.6	128.1	3,193.3	21,650.2	13,550.3	181.9	152.4	169.3	1,008.1	0.6
2008	52,969.5	344.2	2,522.8	25,065.4	17,783.8	3,906.4	155.7	169.4	3,177.5	--
2009	60,359.5	74.5	858.4	28,521.7	18,846.4	9,339.9	159.0	120.9	2,597.8	--
2010	77,860	424.1	1,212.1	42,163.4	22,784.4	5,622.5	225.2	119.3	5,534.2	--

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CHART III. ABSTRACT OF LIABILITIES

Balances at December 31

Million euros

	Total 1 = 2 + 5 to 10	Special funding			Ordinary funding 5	Other liabilities 6	Provisions 7	Equity and reserves 8	The year's profit 9	Accrual accounts 10
		Total 2 = 3+4	State loans 3	Bonds 4						
1991	19,398.3	9,562.1	3,870.5	5,691.6	8,519.5	27.3	127.8	510.9	32.9	617.8
1992	19,787.8	8,522.4	3,870.5	4,651.8	10,094.1	195	60.1	543.7	65.7	306.8
1993	19,412.1	7,524.7	3,870.5	3,654.1	10,899.2	42.7	13.8	609.5	10.1	312.1
1994	19,455.9	6,412.8	3,864.5	2,548.3	11,893.5	79.2	97.5	619.6	15.3	337.9
1995	19,820.9	5,144.7	3,738.3	1,406.4	13,342.4	212.7	107.8	616.8	40.8	355.7
1996	18,702	1,947.3	1,334.2	613.1	12,766.2	343.7	158.7	2,870.6	114.8	500.7
1997	20,087.3	1,220.1	1,105.9	114.2	14,831.2	333.2	328.2	2,798.0	86.2	490.4
1998	21,369.1	1,105.9	1,027.7	78.1	16,185.7	369.2	334.3	2,775.6	96.8	501.6
1999	23,561.9	990.4	948.6	41.8	18,614.3	299.5	324.0	2,775.6	86.0	472.1
2000	24,703.8	873.2	869.5	3.7	19,827.7	294.5	321.0	2,775.6	80.1	531.7
2001	25,600.7	790.5	790.5	--	21,863.7	870.4	276.2	1,172.8	128.8	498.4
2002	24,749	711.4	711.4	--	21,114.8	1,077.2	247.7	1,106.9	301.3	189.8
2003	26,419.2	632.4	632.4	--	21,872.6	2,337.1	215.5	1,106.9	99.8	154.9
2004	24,550.7	320.5	320.5	--	18,784.0	3,888.3	405.2	1,092.3	55.1	5.3
2005	26,956.1	274.7	274.7	--	23,485.8	1,657.3	247.5	1,240.0	50.5	0.3
2006	32,292.1	228.9	228.9	--	27,654.7	2,781.7	224.9	1,294.6	106.8	0.5
2007	39,881.6	0.0	0.0	--	32,780.1	4,791.3	241.3	1,984.0	82.3	--
2008	52,969.5	0.0	0.0	--	43,039.3	7,341.4	207.8	2,292.3	88.7	--
2009	60,359.5	3,571.4	3,571.4	--	46,863.0	6,955.4	250.2	2,696.0	23.5	--
2010	77,860	3,434.3	3,434.3	--	64,762.4	6,057.3	375.8	3,198.9	31.2	--

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CHART IV. ASSETS. Loans to institutions and second-floor loans
Balances at December 31

									Million euros
	Loans to credit institutions					Second-floor loans (*)			Pro memoria Generic provisions 9
	Total 1 = 2 to 4 - 5	Loans to Argentaria 2	Interbank deposits 3	Other loans 4	Provisions 5	Total 6=7+ 8	SME 7	Other facilities 8	
1991	15,112.7	13,462.5	1,650.1	0.0	0.0	--	--	--	--
1992	12,541.9	10,823.8	1,725.8	50.9	58.6	12	12	--	--
1993	11,542.2	10,440.7	1,141.2	32.1	71.8	383.7	383.7	--	--
1994	1,0540.4	8,885.4	281.6	1,430.6	57	1,297.1	1,297.1	--	--
1995	9,080.1	7,191.5	256.6	1,685.9	53.9	2,707.9	2,130.8	577.1	53.9
1996	7,166.8	6,946.3	272.8	6.1	58.3	3,761.6	3,086.9	674.7	79.3
1997	7,527.8	7,016.6	570.8	7.8	67.4	5,078.3	4,336.4	741.9	117.5
1998	7,706.3	7,174.1	572.4	22.7	62.9	6,031.5	5,344.1	687.4	117.6
1999	7,929.9	7,065.1	912.3	28.1	75.7	7,085.7	6,421.7	664	117.7
2000	7,704.8	6,615.6	1,090.4	81	82.2	7,575.4	6,457	1,118.4	117.6
2001	6,933.6	6,429.3	592.8	9.8	98.2	8,131.9	6,676.8	1,455.1	110.1
2002	6,317.5	5,535.1	744.6	127.4	89.6	8,789.2	7,101.3	1,687.9	110.2
2003	7,138.1	4,439.3	2,201.3	574.1	76.6	9,614.1	7,640.6	1,973.5	81.7
2004	5,274.9	3,331.2	1,856.1	153.7	66.1	10,052.8	7,956.0	2,096.7	47.5
2005	3,870.7	2,485.1	1,304.5	154.5	73.4	12,101.5	9,057.4	3,044.2	11.0
2006	3,104.6	2,158.6	762.8	212.7	29.5	17,239.9	12,827.3	4,412.6	10.4
2007	3,193.3	1,358.8	1,692.3	168.4	26.4	11,017	8,337.8	2,679.2	6.6
2008	2,522.8	677.1	1,647.7	225.9	27.9	17,980.9	13,351.3	4,629.6	8
2009	858.3	524.5	239.3	121.5	26.9	28,521.6	15,375.3	13,146.3	52
2010	1,212.3	375.5	538.4	299.1	0.7	42,162.6	19,022.3	23,140.3	145.4

(*) Does not include securitisation bonds.

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CHART V. ASSETS. RECEIVABLES FROM CUSTOMERS
Balances at December 31

Million euros										
	Total 1 = 2 - 9	Credit accounts						Provisions		
		Public Administrations			Other resident sectors			Non-residents 8	Total 9	Of which: Loans to non-residents 10
		Total 2 = 3+5+8	Total 3	Of which: Central Administration 4	Total 5=6+7	Ordinary loans 6	Special accounts 7			
1991	1,904.3	2,019.4	336.6	-	1,598.7	-	-	84.1	115.1	-
1992	5,000.6	5,139.3	1,058.3	-	3,950.2	-	-	130.8	138.7	-
1993	5,403.9	5,661.4	1,368.4	1,026.3	4,161.9	2,782.9	1,379	131.1	257.5	0.0
1994	5,624.3	5,970.6	1,246.6	934.9	4,401.8	3,075.5	1,326.3	322.3	346.3	0.0
1995	5,865.8	6,412	1,486	1,277.4	4,783.1	3,487.9	1,295.2	142.9	546.2	0.1
1996	5,909	6,456.9	1,757.4	1,580.3	4,445.7	3,182.5	1,263.2	253.8	547.8	1.0
1997	5,528	6,100.8	1,670.6	1,332	3,995.6	2,777	1,218.6	434.6	572.8	22.6
1998	5,940.2	6,447.6	1,701.8	1,195.6	4,205.3	3,031.5	1,173.8	540.5	507.4	24.0
1999	6,755.1	7,266.9	1,680.2	1,114.3	5,014.2	3,849.3	1,164.9	572.5	511.8	24.5
2000	7,311.2	7,743.4	1,611.5	1,033	5,493.8	4,416.2	1,077.6	638.1	432.2	27.4
2001	8,000.5	8,737.1	618.8	15.8	6,232.6	4,898.9	1,333.7	1,885.7	736.6	60.1
2002	7,846.1	8,420.9	936.5	156	5,793.9	5,090.6	703.3	1,690.6	574.8	119.6
2003	8,004.9	8,572	867.2	133.4	6,174.5	5,501.6	672.9	1,530.3	567.1	184.2
2004	8,099.2	8,609.9	1,091.4	426.9	5,934.2	5,477.8	456.5	1,584.2	510.7	69.6
2005	8,496.2	9,073.5	1,330.6	437.7	6,116.6	5,677.4	439.2	1,626.3	577.3	54.3
2006	10,739	11,184.8	1,231.8	198.5	7,820.5	7,535.7	284.8	2,132.6	445.7	69.6
2007	13,550.3	13,893.4	1,096.2	34.9	10,884.9	10,738.5	146.4	1,912.3	343.2	39.4
2008	17,783.8	18,323.5	1,344.7	383.4	15,257.8	15,147.5	110.3	1,721	539.7	36.7
2009	18,836.7	19,508.5	1,674.7	437.5	16,104.5	16,000.6	103.9	1,729.3	671.8	34.9
2010	22,784.4	23,578.1	2,302.6	162.3	19,608.9	19,494.1	114.8	1,666.6	793.7	47.9

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CHART VI. LIABILITIES. Ordinary funding
Balances at December 31

	Total 1 = 2 + 5 + 9	Million euros								
		Fixed-interest securities			Loans from credit institutions				Demand deposits 9	Pro memoria Funding in f.c. 10
		Total 2 = 3 + 4	Bonds and debentures 3	Pagarés and other 4	Total 5=6+7+8	Loans from the EIB 6	Other loans 7	Interbank system 8		
1991	8,519.5	6,527.5	2,906.2	3,621.3	1,901.6	1,610.7	264.4	26.5	90.4	0.0
1992	10,094.1	6,864.9	3,214.6	3,650.3	3,099.5	2,031.4	294.5	773.6	129.7	0.0
1993	10,899.2	7,227.7	3,838.2	3,389.5	3,544.3	2,458.1	348.6	737.6	127.2	0.0
1994	11,893.5	7,411	3,862.7	3,548.3	4,356.6	2,548.3	486.8	1,321.5	125.9	0.0
1995	13,342.4	7,146	4,481.2	2,664.8	5,878.2	2,578.3	1,923.2	1,376.7	318.2	0.0
1996	12,766.2	8,229.7	5,802	2,427.7	4,281	2,710.6	1,009.7	560.7	255.5	0.0
1997	14,831.2	10,030.2	7,915	2,115.2	4,533.1	2,386	1,430.4	716.7	267.9	0.0
1998	16,185.7	11,240.6	9,260.9	1,979.7	4,517.5	2,392	1,687.8	437.7	427.5	0.0
1999	18,614.3	13,326.6	1,1793.1	1,533.5	4,621.3	2,730.4	1,603.1	287.8	666.4	0.0
2000	19,827.7	14,166.3	12,913.2	1,253.1	4,592.1	3,003.9	1,567.6	20.6	1,069.2	6,266.0
2001	21,863.7	16,364.9	15,423.7	941.2	4,503.1	3,118.8	1,180.7	203.54	995.7	10,057.6
2002	21,114.8	16,344	15,521.6	822.4	4,005.4	3,012.7	990.7	2	765.3	9,475.1
2003	21,872.6	17,495.6	16,753.2	742.4	3,197.1	2,353	824.5	19.6	1,179.9	10,610.4
2004	18,784	14,871.9	14,570.7	301.2	2,626.8	2,027.2	692.2	(92.6)	1,285.4	10,783.3
2005	23,485.8	19,482.9	19,105.8	377.1	2,709.6	1,649.5	712.6	347.4	1,293.3	14,394.4
2006	27,654.7	23,896.7	23,513.1	383.6	1,778.5	1,008.7	741	28.7	1,979.6	17,063.9
2007	32,780.1	29,053.9	28,649	405	1,060.3	615	442.1	3.2	2,665.8	18,320.4
2008	43,039.3	39,345.4	38,929.1	416.2	1,109.7	547.7	486.4	75.6	2,584.2	24,810
2009	46,860.3	43,694.8	43,198.8	496	1,377.6	895	446.2	36.4	1,787.9	26,154.9
2010	64,341.1	57,693.8	57,395.1	298.7	3,482.1	1,197.9	675.1	1,492.4	3,586.5	25,753

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CHART VII. NET STATEMENT OF INCOME
Annual amounts

	Million euros								
	Interest revenue 1	Interest expense 2	Net interest revenue 3 = 1 - 2	Gross revenue 4	Amortisation, personnel and general expenses 5	Provisions and other impairments 6	Result of operating activities 7 = 4 - 5 + 6	Extraordinary results 8	Pre-tax profit 9 = 7 + 8
1991	1,505.6	1,417.8	87.8	85.1	13.3	(26.3)	47.2	3.4	50.6
1992	1,469.1	1,401.6	67.5	88.9	9.7	(53.5)	26.4	74.6	101
1993	1,548.2	1,475.7	72.5	72.1	14	(155.7)	(97)	107	10
1994	1,464.2	1,395.7	68.5	76.3	21.2	(146.3)	(84.6)	99.9	15.3
1995	1,446.8	1,394.5	52.3	60.1	25.2	(190.3)	(155.2)	196	40.8
1996	1,299	1,175	124	126	27.1	3	102.1	12.7	114.8
1997	1,096.6	1,008.2	88.4	90.5	27.5	(7.4)	55.8	30.4	86.2
1998	968.6	916.2	52.4	53.6	27.2	(6.9)	20	76.7	96.7
1999	803.3	724.9	78.4	81.5	32.6	(12.9)	36.6	93.6	130.2
2000	1,015	927.5	87.5	92.8	30.7	41.9	104.9	21.9	126.8
2001	1,054.8	951.8	103	110.2	33.6	(307.8)	(230.4)	554.91	324.5
2002	877.1	762.4	114.7	123.2	37.9	(80.1)	3.3	380.7	384
2003	707.3	603.4	103.8	112.7	37.4	(23.1)	53.2	56	109.2
2004	623.1	530.6	92.5	94	33	17.5	79.4	--	79.4
2005	670.2	579.9	90.3	129.7	33.2	(33)	63.8	--	63.8
2006	1,068.3	872.2	196	207.4	37.6	(13.5)	158.8	--	158.8
2007	1,647.6	1440.1	207.3	227.3	40.9	(79.5)	107.8	--	107.8
2008	2,171	1,875.9	294.9	349.9	41.2	(186.8)	121.8	--	121.8
2009	1,436.9	1,239.6	197.3	269.6	42.5	(196.8)	30.3	--	30.3
2010	1,419.5	1,066.7	352.8	436.9	45.1	(350.2)	41.5	(0.2)	41.4

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CHART VIII. FINANCING OF INVESTMENTS IN SPAIN
Loan arrangements in the year. Distribution by autonomous communities (a)

	Million euros				
	Total 1=2+5	Ordinary operations			Special and exceptional operations 5 (b)
		Total 2=3+4	Second-floor loans 3	Direct loans 4	
2009					
Andalucía	2,122.42	2,086.61	1,834.48	252.12	35.81
Aragón	758.09	758.09	644.47	106.83	6.79
Asturias	264.84	257.63	243.15	14.48	7.22
Balearic Islands	882.16	881.70	703.76	177.94	0.46
Canary Islands	733.44	721.34	721.34	0.00	12.10
Cantabria	185.29	183.61	164.61	19.00	1.68
Castilla-La Mancha	611.24	597.41	531.78	65.63	13.83
Castilla-Leon	883.11	867.09	830.63	36.46	16.03
Cataluña	2,635.33	2,618.84	2,422.51	196.33	16.49
Ceuta	10.00	10.00	-	10.00	-
Comunidad Valenciana	2,385.03	2,359.02	2,289.82	69.20	26.01
Extremadura	199.61	193.73	168.03	25.10	5.88
Galicia	773.12	678.10	679.10	0.0	94.02
La Rioja	200.60	198.29	163.29	35.00	2.32
Madrid	1,766.34	1,708.48	1,695.91	12.57	57.86
Melilla	0.00	0.00	-	-	-
Navarra	350.50	347.79	312.77	35.02	2.72
País Vasco (Basque Country)	737.20	683.23	641.34	41.89	53.97
Región de Murcia	1,006.82	1,000.49	861.36	139.13	6.33
National scope	1,071.98	1,071.98	-	1,071.98	-
No distribution	0.00	0.00			
TOTAL	17,577.11	17,217.62	14,908.35	2,309.27	359.49

(a) In accordance with the location of the projects financed. (b) Relief funds and other.

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CHART VIII. FINANCING OF INVESTMENTS IN SPAIN
Loan arrangements in the year. Distribution by autonomous communities (a)

	Million euros				
	Total 1=2+5	Ordinary operations			Special and exceptional operations 5 (b)
		Total 2=3+4	Second-floor loans 3	Direct loans 4	
2010					
Andalucía	2,155.85	2,155.82	1,941.85	213.97	0.03
Aragón	865.33	865.33	813.33	52	
Asturias	597.89	597.89	356.89	241	
Balearic Islands	909.77	909.77	906.77	3	
Canary Islands	847.32	847.32	718.32	129	
Cantabria	235.69	235.69	235.69	-	
Castilla-La Mancha	820.15	820.15	595.15	225	
Castilla y León	1,078.85	1,078.85	1,007.85	71	
Cataluña	4,473.68	4,472.93	3,445.68	1,027.25	0.75
Ceuta	0.00	0.00	-	-	
Comunidad Valenciana	3,291.41	3,291.41	2,843.41	448	
Extremadura	221.96	221.96	178.96	43	
Galicia	960.93	960.93	959.93	1	
La Rioja	207.02	207.02	207.02	-	
Madrid	3,144.43	3,144.43	3,140.43	4	
Melilla	-	-	-	-	
Navarra	382.47	382.47	382.47	-	
País Vasco (Basque Country)	907.17	907.17	907.17	-	
Región de Murcia	825.11	825.11	742.11	83	
National scope	806.00	806	-	806	
No distribution (*)	22.55	22.55	22.55		
TOTAL	22,753.58	22,752.80	19,405.58	3,347.22	0.78

(*) Foreign enterprises with majority Spanish capital.

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CHART IX. SECOND-FLOOR LOANS. Distribution by facilities
Annual drawdowns of loans granted

	Thousand euros																		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Accumulated
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19 = 1 to 18
1.- SME Facility	36,2807	977,991	991,838.0	1,174,227	1,798,853	1,803,036	2,404,048	2,253,330	2,909,998	2,678,552	3,000,000	3,000,000	4,000,000	7,000,000	8,371,470	6,876,262	5,168,388		54,770,800
1.1. General	36,2807	39,4883	397,618.0	593,313	565,691	589,707	2,404,048	2,253,330	2,909,998	2,678,552	3,000,000	3,000,000	4,000,000	7,000,000	8,371,470	6,876,262	5,168,388		50,566,067
1.2. Guaranteed investments	-	-	-	37,617	-	-	-	-	-	-	-	-	-	-	-	-	-		37,617
1.3. ERDF Objective 1	-	37,8415	373,036.0	465,989	1,203,208	1,202,024	-	-	-	-	-	-	-	-	-	-	-		3,622,672
1.4. ERDF Objective 2	-	79,286	99,077.0	64,645	-	-	-	-	-	-	-	-	-	-	-	-	-		243,007
1.5. Tourism	-	-	35,027.0	12,663	-	-	-	-	-	-	-	-	-	-	-	-	-		47,690
1.6. Job creation	-	125,407	87,081.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-		212,488
1.7. CDTI	-	-	-	-	29,954	11,305	-	-	-	-	-	-	-	-	-	-	-		41,259
2.- Environment		41,422	84	15,602	-	-	-	-	-	-	-	-	-	1,535	500	-	-		143,195
3.- Renovate Industrial		28,091	357,879.0	135,198	210,324	-	-	-	-	-	-	-	-	-	-	-	-		731,492
4.- Internationalisation		3,606	43,784.0	58,466	102	163,139	58,515	50,590	-	29,331	45,745	-	52,988	142,817	114,095	149,999	199,077	414,428	1,628,803
5.- Financial restructuring		-	-	7,338	-	-	-	-	-	-	-	-	-	-	-	-	-		7,338
6.- Shipbuilding		4,117	4,975.0	403	12,735	9,514	3,203	-	-	-	-	-	-	-	-	-	-		34,947
7.- CDTI	8,504	6,335	9,226.0	7,278	-	-	150,253	300,067	182,270	209,999	215,076	244,922	212,600	117,829	94,789	-	-		1,759,148
8.- Pig-breeding sector		-	-	-	-	-	9,634	-	-	-	-	-	-	-	-	-	-		9,634
9.- Ext. cattle-breeding/ dry farming		-	-	-	-	-	3,215	226,180	13,400	-	-	-	-	-	-	-	-		242,795
10.- Film industry		-	-	-	-	-	-	33,055	39,198	30,021	39,807	32,089	42,733	39,562	39,106	26,901	27,391	28,616	378,479
11.- Renewable energies (IDAE)		-	-	-	-	-	-	28,520	42,832	4,065	21,519	146,384	61,913	339,324	-	-	-		644,557
12.- Start-ups		-	-	-	-	-	-	-	73,197	-	-	-	-	-	-	-	-		73,197
13.- Transport		-	-	-	-	-	-	-	30,483	70,076	98,447	100,000	279,946	195,140	38,890	49,114	85,009		947,104
14.- INFO-Murcia		-	-	-	-	-	-	-	53,623	138,269	149,935	109,328	105,317	92,236	1,361	-	-		650,069
15.- INFO-Murcia Entrepreneurs		-	-	-	-	-	-	-	-	-	3,090	4,025	845	3,110	-	-	-		1,1070
16.- Diesel oils		-	-	-	-	-	-	-	19,8210	-	-	-	-	-	-	-	-		198,210

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CHART IX. SECOND-FLOOR LOANS. Distribution by facilities
Annual drawdowns of loans granted

17.- Floods	-	-	-	-	-	-	-	-	1,030	201	306	350	724	-	143	3,220	-	-	5,974
18.- Microcredits	-	-	-	-	-	-	-	-	-	167	13,171	5,191	2,869	2,561	640	951	-	-	25,550
19.- Prestige	-	-	-	-	-	-	-	-	-	-	33,486	6,057	-	-	-	-	-	-	39,543
20.- Quality tourism	-	-	-	-	-	-	-	-	-	-	11,043	-	-	-	-	-	-	-	11,043
21.- Autonomous Enclave of Ceuta	-	-	-	-	-	-	-	-	-	-	1,267	310	-	-	-	-	-	-	1,577
22.- Autonomous Enclave of Melilla	-	-	-	-	-	-	-	-	-	-	455	1,462	-	-	-	-	-	-	1,917
23.- Cattle farms	-	-	-	-	-	-	-	-	-	-	-	3,092	-	-	-	-	-	-	3,092
24.- ICO- Ministry of Defence	-	-	-	-	-	-	-	-	-	-	-	202	94	-	-	-	-	-	296
25.- Fishing sector	-	-	-	-	-	-	-	-	-	-	-	-	199,624	61,156	-	174,570	-	-	435,350
26.- Collapse of the Carmelo Tunnel	-	-	-	-	-	-	-	-	-	-	-	-	9	301	-	-	-	-	310
27.- MAPA, Drought	-	-	-	-	-	-	-	-	-	-	-	-	15,614	743,510	2,608	-	-	-	761,732
28.- Plan Avanza	-	-	-	-	-	-	-	-	-	-	-	-	-	19,614	381,976	484,583	534,542	322,839	1,743,555
29.- Workers' limited companies	-	-	-	-	-	-	-	-	-	-	-	-	-	449	-	-	-	-	449
30.- Irrigation equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	216	1,747	3,138	465	-	5,567
31.- Corporate growth	-	-	-	-	-	-	-	-	-	-	-	-	-	76,962	92,927	600,000	814,915	-	1,584,803
32.- ICEX	-	-	-	-	-	-	-	-	-	-	-	-	-	28,675	21,480	34,695	34,700	21,804	141,354
33.- MAPA, processed tomatoes	-	-	-	-	-	-	-	-	-	-	-	-	-	23,250	-	-	-	-	23,250
34.- Tourism	-	-	-	-	-	-	-	-	-	-	-	-	-	74,794	80,056	110,719	153,369	71,756	490,693
35.- CAIB	-	-	-	-	-	-	-	-	-	-	-	-	-	8,886	3,580	-	-	-	12,466
36.- Textiles, footwear, toys and furniture	-	-	-	-	-	-	-	-	-	-	-	-	-	8,145	27,295	28,565	17,940	19,563	101,508
37.- Forest fires	-	-	-	-	-	-	-	-	-	-	-	-	-	60	0	947	-	-	1,007
38.- Entrepreneurs	-	-	-	-	-	-	-	-	-	-	-	-	-	44,336	48,792	72,816	63,240	99,996	329,180
39.- Frosts	-	-	-	-	-	-	-	-	-	-	-	-	465,659	11,918	-	-	-	-	477,577
40.- Fórum/Afinsa victims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,348	114,385	76,834	-	170,417

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CHART IX. SECOND-FLOOR LOANS. Distribution by facilities
Annual drawdowns of loans granted

41.- University Studies Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,460	320,120	72,649	74,900	190,028
41.- DGT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	664	12,343	-	-	13,007
42.- Plan VIVE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,017	696,981	-	699,998
43.- PROINMED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	860,000	-	-	860,000
44.- SME LIQUIDITY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,643,509	-	3,643,509
45.- MEDIUM ENTERPRISE LIQUIDITY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	909,150	-	909,160
46.- VIVE BUSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,859	162,212	194,071
47.- SME DEFERRAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,096	-	11,096
48.- MORTGAGE DEFERRAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,405	4,599	78,004
49.- SHIPYARDS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,715	47,500	126,215
50.- FUTURE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	393,511	399,992	793,503
51.- REMOVE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
52.- CULTURE INDUSTRIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,802	-	3,802
53.- HOUSING	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,130,121	1,481,181	2,611,302
54.- SUSTAINABLE ECONOMY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,223,496	1,223,496
55.- INVESTMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,867,848	7,867,848
56.- LIQUIDITY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,377,354	7,377,354
57.- FIRES AND OTHER CATASTROPHES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	779	779
TOTAL	371,311	1,061,562	1,491,838	1,398,513	2,124,133	1,975,688	2,628,869	2,891,742	3,544,241	3,160,681	3,633,347	3,653,412	5,440,935	9,036,386	9,380,926	9,638,245	15,151,528	19,618,863	19,618,863	96,202,221

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**CHART X. SECOND-FLOOR LOANS (INVESTMENT and INTERNATIONALISATION). Distribution by purpose.
Amount in loans drawn down. 2010**

	Million euros			
	INVESTMENT		INTERNATIONALISATION	
	Amounts drawn down	% of total	Amounts drawn down	% of total
Agriculture, cattle-breeding, forestry and fishing	579.42	7.36	9.3	2.25
Mining industries	63.23	0.80	12.9	3.11
Food industry	540.29	6.87	42.02	10.14
Textile industry	138.85	1.76	11.31	2.73
Paper industry	143.30	1.82	2.71	0.65
Chemical industry	222.99	2.83	4.87	1.18
IT, electrical and optical products	23.81	0.30	0.96	0.23
Other manufacturing industries	556.90	7.08	55.91	13.49
Electricity, gas and water	197.51	2.51	7.52	1.81
Construction	518.70	6.59	40.06	9.67
Wholesale trade	762.44	9.69	48.68	11.75
Retail trade	887.59	11.28	18.82	4.54
Transport and storage	1,036.90	13.18	12.56	3.03
Catering	552.42	7.02	57.02	13.76
IT and comm., artistic and recreational activities	301.43	3.83	14.47	3.49
Financial, professional and scientific activities	586.13	7.45	57.45	13.86
Property activities	290.74	3.70	11.48	2.77
Education	81.14	1.03	0.19	0.04
Health and social services	244.94	3.11	3.82	0.92
Other services	139.11	1.77	2.34	0.57
TOTAL	7,867.8	100	414.4	100

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**CHART XI. SECOND-FLOOR LOANS. Distribution by autonomous communities.
Accumulated amount in loans drawn down at December 31 2010**

	Million euros					
	Investment 1	Liquidity 2	Sustainable economy 3	International 4	Other	Total distributed
Andalucía	904.95	620.68	67.19	38.18	302.80	1,933.80
Aragón	416.31	285.32	52.75	7.79	51.27	813.44
Asturias	166.89	138	35.32	0.12	16.58	356.91
Balearic Islands	185.52	434.34	45.31	48.45	193.76	907.38
Canary Islands	350.87	240.87	41.95	4.78	79.96	718.43
Cantabria	75.04	44.98	21.95	0.74	92.99	235.70
Castilla-La Mancha	293.16	170.92	71.68	5.73	56.49	597.98
Castilla-Leon	509.18	361.51	71.76	4.25	61.22	1,007.91
Cataluña	1,467.01	1,249.57	150.94	96.65	483.23	3,447.40
Ceuta	8.73	2.17	0.04	-	1.71	12.66
Comunidad Valenciana	943.03	1,105.31	323.57	54.15	532.26	2,958.31
Extremadura	90.55	61.36	9.77	3.29	13.99	178.96
Galicia	403.28	325.73	57.41	23.13	150.38	959.93
La Rioja	97.31	64.67	10.72	0.50	37.09	210.29
Madrid	1,033.13	1,524.52	163.06	61.52	395.98	3,178.21
Melilla	6.22	2.52	0.09	-	0.61	9.44
Navarra	201.33	120.60	31.33	3.75	26.49	383.50
País Vasco (Basque Country)	385.44	373.83	44.41	31.97	71.51	907.15
Región de Murcia	329.92	247.17	24.24	6.87	167.41	775.60
Other (*)	-	-	-	22.55	-	22.55
TOTAL	7,867.8	7,374.1	1,223.5	414.4	2,735.7	19,615.6

(*) Foreign enterprises with majority Spanish capital.

(**) There is a difference of €3.28m in respect of the amount actually drawn down through non-applied funds drawn down.

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CHART XII. RECEIVABLES FROM CUSTOMERS. Distribution by borrowers.
Balances at December 31

	2010	Distribution in %	2009	Distribution in %	Thousand euros	
					Annual variation	
					absolute	%
I.- Public Administrations	2,302,632	10.1	1,674,699	8.9	627,933	37.5
1.1.- Central Administration	162,303	0.7	437,566	2.3	(275,263)	(62.9)
Rights settled with the Treasury	37,998	0.2	41,323	0.2	(3,325)	(88)
Other	124,305	0.5	396,243	2.1	(271,938)	(68.6)
1.2.- Aut. comm. and local corps.	2,140,329	9.4	1,237,133	6.6	903,196	(73)
2.- Other resident sectors	19,608,900	86.1	16,114,171	85.5	3,494,729	(21.7)
2.1.- Mining industries	274,361	1.2	984,982	5.2	(710,621)	(72.1)
2.2.- Manufacturing industries	1,195,857	5.2	1,943,465	10.3	(747,608)	(38.5)
2.3.- Electricity, gas and water	4,216,802	18.5	3,164,521	16.8	1,052,281	33.3
2.4.- Construction	1,276,244	5.6	1,141,020	6.1	135,224	11.9
2.5.- Transport and communications	6,514,796	28.6	5,141,436	27.3	1,373,360	26.7
2.6.- Property activities	346,498	1.5	2,023,526	10.7	(1,677,028)	(82.9)
2.7.- Services	3,215,232	14.1	1,401,039	7.4	1,814,193	(129.5)
2.8.- Other activities	2,569,110	11.3	314,182	1.7	2,254,928	717.7
3.- Non-residents	1,666,572	7.3	1,729,341	9.2	(62,769)	(3.6)
4.- Loan loss provision		(3.5)	(671,806)	(3)	(121,887)	(18.1)
4.1.- Other resident sectors	(745,794)	(3.3)	(663,861)	(3.5)	(81,933)	12.3
4.2.- Non-residents	(47,899)	(0.2)	(7,945)	(0.0)	(39,954)	502.9
5 (1 to 4) TOTAL	22,784,411	100	18,846,405	100	3,938,006	20.9

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CHART XIII. PERFORMANCE OF LIABILITIES. 2010

Thousand euros and percentages				
	Balance 31/12/2010 1	Balance 31/12/2009 2	Increase/ decrease 3=1-2	% variation 09/08 4=(3/2)*100
Bonds and debentures in euros	30,263,653	17,543,018	12,720,635	72.5
Bonds and debentures in f.c.	24,817,966	25,357,861	(539,896)	(2.1)
Accrual adjustments in euros	0	0	0	0
Accrual adjustments in USD	0	0	0	0
Valuation adjustments in euros	2,313,485	297,954	2,015,531	676.5
Valuation adjustments in f.c.	0			
Pagarés and notes in euros	25,906	53,281	(273,745)	(51.4)
Valuation adjustments in euros	272,766	442,763	(169,997)	(38.4)
State loan	3,434,332	3,571,439	(137,107)	(3.8)
Valuation adjustments in euros	0	0	0	0
Loans in euros	46,278	46,278	(0)	0.0
Loans in f.c.	607,618	356,474	251,144	(70.5)
Valuation adjustments in euros	(230,379)	(231,241)	862	(0.4)
Valuation adjustments in f.c.	337,936	277,316	60,620	21.9
EIB loans in euros	1,126,934	766,173	360,761	47.1
EIB loans in f.c.	70,920	127,710	(56,790)	(44.5)
Valuation adjustments in euros	(8,633)	1,055	(7,578)	718.3
Valuation adjustments in f.c.	15	74	(59)	(80.1)
Interbank in euros	1,427,800	0	1,427,800	
Interbank in f.c.	64,555	34,402	301,523	87.6
Valuation adjustments in euros	459	0	459	
Valuation adjustments in f.c.	41	1,961.0	(1,920)	(97.9)
Other liabilities	9,665,025	8,743,285	921,740	10.5
TOTAL EXT. RESOURCES AND OTHER LIABILITIES	64,588,917	57,389,803	7,199,114	12.5
Equity and reserves	3,059,223	2,887,008	172,215	6.0
Valuation adjustments	139,719	(191,002)	330,721	(173.2)
Results	31,248	23,496	7,752	33.0
Provisions	375,773	250,203	125,570	50.2
TOTAL INTERNAL RESOURCES	3,605,963	2,969,705	636,258	21.4
TOTAL RESOURCES	7,785,995	60,359,508	17,500,397	29.0

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CHART XIV. FIXED INTEREST AND LOANS FROM CREDIT INSTITUTIONS Balances at December 31

MARKETS	2010	2009	Thousand euros	
			Variation	
			Absolute	%
Domestic market	1,099,989	558	541,697.0	97
Institutional bond and debenture issues	0	0	0	-
Deposits from credit institutions	1,027,805	0		-
Loans from other banks	46,278	46,278	(0.0)	(0.0)
<i>Pagarés</i>	25,906	53,281	(27,375)	(51)
Valuation adjustments in euros		458,733	(458,733)	(100)
External market	58,000,675	4,4514,153	13,486,522	30
ECP (Euro Commercial Paper)	3,981,355	1,466,939	2,514,416	171
Institutional bond and debenture issues	51,100,264	41,433,940	9,666,324	23
EIB loans	1,197,854	893,883	303,971	34
Loans from other banks	628,842	356,474	272,368	76
Deposits from credit institutions	1,092,360	34,402	1,057,958	3,075
Valuation adjustments in f.c.		328,515	(328,515)	(100)
TOTAL	59,100,664	45,072,445	1,4028,219	31.1

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CHART XV. STATEMENT OF OPERATIONS WITH THE EIB Balances at December 31

	Thousand euros			
	2010		2009	
	Currency of origin	Countervalue in euros	Currency of origin	Countervalue in euros
1.- Loans without a contra item	1,065,140	1,065,140	681,364	681,364
2.- Loans with a contra item	156,556	132,714	268,787	212,519
3(1+2).- Total loans	1,221,696	1,197,854	950,151	893,883
3.1. USD	94,763	71	183,978.5	127,71
3.2. EUROS	1,126,934	1,126,934	766,173	766,173
3.3. JPY				
3.4. CHF				
3.5. GBP				
TOTAL RISK	1,221,696	1,197,854	950,151	893,883

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CHART XVI. BALANCE SHEET AT DECEMBER 31
Balances and variations

ASSETS	Figures at: 31/12/10	Figures at: 31/12/09	Thousand euros	
			Annual variation absolute	%
1.- Cash and Bank of Spain	424,055	74,547	349,508	468.8
2.- Financial assets for trading	598,423	470,686	127,737	27.1
3.- Lending investment	64,947,822	47,368,057	17,579,765	37.1
3.1.- Special and exceptional operations	73,963	62,989	10,974	17.4
- Special loans	114,837	103,863	10,974	10.6
- Provisions	(40,874)	(40,873)	(0)	0.0
3.2.- Ordinary operations	64,873,859	47,305,068	17,568,791	37.1
- Second-floor loans	42,163,396	28,521,653	13,641,743	47.8
- Ordinary loans	2,3401,892	19,409,045	3,992,846	20.6
- Valuation adjustments	61,391	5,302	56,089	1,057.9
- Provisions	(752,819)	(630,933)	(121,887)	19.3
4.- Credit institutions	1,211,578	858,350	(353,227)	41.2
4.1.- Loans to Argentaria	375,504	524,498	(148,993)	(28.4)
4.2.- Deposits, guarantees and other assets	715,793	282,257	433,535	153.6
4.3.- Valuation adjustments	120,991	79	42,461	54.1
4.4.- Provisions	(711)	(26,935)	26,224	(97.4)
5.- Securities portfolio	5,623,047	9,339,864	(3,716,817)	(39.8)
5.1.- Fixed interest	5,397,865	9,180,907	(3,783,042)	(41.2)
5.2.- Variable interest	225	159	66,225	41.7
6.- Hedging derivatives	4,768,558	1,899,625	2,868,933	151
7- Tangible assets	119,275	120,948	(1,673)	(1.4)
8.- Tax assets	165	216,022	(51,362)	(23.8)
9.- Other assets	2,601	11,408	(8,807)	(77.2)
TOTAL ASSETS	77,860,019	60,359,507	17,500,511	29

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CHART XVI. BALANCE SHEET AT DECEMBER 31
Balances and variations

LIABILITIES	Figures at: 31/12/10	Figures at: 31/12/09	Thousand euros	
			Absolute	%
10.- Financial liabilities for trading	552,616	409	143,118	34.9
11.- Market resources	64,762,359	46,862,955	17,899,405	38.2
11.1.- Fixed-interest securities	57,693,775	43,694,878	13,998,898	32
- Bonds and debentures	5,508,1619	42,900,879	12,180,739	28.4
- Pagarés	25,906	53,281	(27,374)	(51.4)
- Valuation adjustments	2,86,250	740,718	1,845,533	249.2
11.2.- Credit institutions	3,482,078	1,380,201	2,101,877	152.3
- EIB loans	1,197,854	893,883	303,971	34
- Other loans	675,120	402,752	272,369	67.6
- Interbank deposits	1,492,355	34,402	1,457,953	4,238
- Valuation adjustments	116,749	49,164	67,584	137.5
11.3.- Customer deposits	3,586,507	1,787,876	1,798,631	100.6
- Demand and term	3,576,981	1,781,754	1,795,227	100.8
- Valuation adjustments	9526	6,122	3	55.6
12.- Special funding	3,434,332	3,571,439	(137,107)	
13.- Other financial liabilities	4,002,331	3,164,480	(837,851)	26.5
14.- Hedging derivatives	1,400,175	3,340,739	(1,940,564)	(58.1)
15.- Provisions and allowances	375,773	250,203	125,570	(50.2)
16.- Internal resources	3,198,942	2,696,006	502,936	18.7
16.1.- Equity	2,351,448	2,202,729	148,719	6.8
16.2.- Reserves	707,775	684,279	23,496	3.4
16.3.- Valuation adjustments	139,719	(191,002)	330,721	(173.2)
17.- Previous years' profit/loss	0	0	0	
18.- The year's profit/loss	31,248	23,496	7,752	33
19.- Other liabilities	102,128	40,692	61,436	151
19.1 - Tax liabilities	99,190	37,689	61,501	163.2
19.2.- Other	2,938	3,003	(65)	(2.2)
TOTAL LIABILITIES	77,860,019	60,359,507	17,500,512	29

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CHART XVII. ANNUAL ACCOUNT BALANCE AND ACTIVITY BALANCE
Balances at December 31 2010

Thousand euros							
ANNUAL ACCOUNT BALANCE	Balance	Positive adjustments		Negative adjustments		Balance	ACTIVITY BALANCE
		Item	Amount	Item	Amount		
ASSETS							ASSETS
Cash and deposits at central banks	424,055					424,055	Cash and Bank of Spain
Financial assets for trading	598,423					598,423	Financial assets for trading
Other financial assets at fair value	0						
Financial assets available for sale	1,286,352	Holdings	69,394	Debt securities	-1,130,564	225,182	Securities portfolio
Lending investments	66,159,490					67,310,619	Lending investment
Deposits at credit institutions	43,375,058	Securitisation	2,363,576	Credit institution loans	-1,130,564	4,452,617	Second-floor loans
Receivables from customers	22,784,432			Other assets	0	22,784,432	Receivables from customers
		Credit institution loans	1,212,289			1,212,289	Loans to credit institutions
						375,504	Argentaria banks
						836,784	Other loans and deposits
Investment portfolio due	4,267,211	Debt securities	1,130,564	Securitisation	-2,363,576	3,034,199	Investment portfolio due
Financial assets for macro-hedging	0						
Hedging derivatives	4,768,558					4,768,558	Hedging derivatives
Non-current assets for sale	1,592			Non-current assets for sale	-1,592		
Holdings	69,394			Holdings	-69,394		
Pension-linked insurance	0						

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CHART XVII. ANNUAL ACCOUNT BALANCE AND ACTIVITY BALANCE
Balances at December 31 2010

Thousand euros							
ANNUAL ACCOUNT BALANCE	Balance	Positive adjustments		Negative adjustments		Balance	ACTIVITY BALANCE
		Item	Amount	Item	Amount		
ASSETS							
Tangible assets	103,241	Non-current assets for sale	16,034			119,275	Tangible assets
Intangible assets	14,442			Intangible assets	-14,442		
Subtotal other assets	167,261					167,261	Subtotal other assets
Tax assets	164,660					164,660	Tax assets
Other assets	2,601	Other assets	0	-4,791,857		2,601	Other assets
TOTAL ASSETS = LIABILITIES + NET WORTH	77,860,019	Total positive adjustments	4,791,857.0	Total negative adjustments	-4,791,857	77,860,019	TOTAL ASSETS = LIABILITIES + NET WORTH
LIABILITIES							
Financial liabilities for trading	552,616					552,616	Financial liabilities for trading
Financial liabilities at amortised cost	72,199,138					72,199,023	External resources
Deposits at central banks	400,000					64,762,359	12.1.- Market resources
Deposits at credit institutions	3,082,193					3,434,332	12.2.- Special funding
Customer deposits	7,020,839						
Deposits represented by marketable securities	57,693,775						
Subordinated liabilities	0						
Other financial liabilities	4,002,331					4,002,331	12.3.- Other financial liabilities
Adjustments for micro-hedging	0						
Hedging derivatives	1,400,175					1,400,175	Hedging derivatives
Liabilities associated with assets	0						

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CHART XVII. ANNUAL ACCOUNT BALANCE AND ACTIVITY BALANCE
Balances at December 31 2010

Thousand euros							
ANNUAL ACCOUNT BALANCE	Balance	Positive adjustments		Negative adjustments		Balance	ACTIVITY BALANCE
		Item	Amount	Item	Amount		
LIABILITIES							LIABILITIES
Provisions	375,773					375,773	Provisions and allowances
8.1.- Funds for pensions and similar obligations	95						
8.2.- Provisions for taxes	0						
8.3.- Provisions for liabilities and contingencies	266,14						
8.4.- Other	349,064						
Subtotal other liabilities	102,128					102,128	Subtotal other liabilities
Tax liabilities	99,190					99,190	Tax liabilities
Other liabilities	2,938					2,938	Other liabilities
NET WORTH							NET WORTH
Valuation adjustments	139,719					139,719	Valuation adjustments
Internal funds	3,090,471			The year's profit/loss	-31,248	3,059,223	Internal resources
Capital	2,351,448						
Issue premium	0						
Reserves	707,775						
The year's profit/loss	31,248						
		The year's profit/loss	31,248			31,248	The year's profit

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