

# INVESTOR PRESENTATION



February 2026

## TABLE OF CONTENTS

**I . MACRO OUTLOOK AND FORECASTS 2025-2026**

**II. FUNDING PROFILE AND STRATEGY**

**III. SUSTAINABLE FINANCE 2026. IMPACT  
REPORT 2025.**

**IV. 2024 GREEN FINANCING REPORT**





## I. MACRO OUTLOOK AND FORECASTS 2024-2025

# Community of Madrid key figures

↑ **GDP pc 2024\***  
**€44,775 (Madrid)**  
€32,633 (Spain)

\* Latest official data available

↑ **Average annual population growth (2014-2025)**  
**+1.0% (Madrid)**  
+0.5% (Spain)

↑ **Company stock 2025**  
**526,588 +2.5% YoY (Madrid)**  
3,310,824 +1.7% YoY (Spain)

↑ **CPI data (Dec - 2025)**  
**+3.7% YoY (Madrid)**  
+2.9% YoY (Spain)

↑ **Unemployment rate (2025 4Q)**  
**7% (Madrid)**  
9.9% (Spain)

↑ **ICTs Service 2023**  
Region best positioned in advanced digital services such as Artificial Intelligence or Big Data

**GDP: € 313,320 mill (2024)**  
**Population: 7 mill (2024)**

↓  
**National %:**  
GDP: 21.1%.  
Population: 14.5%.



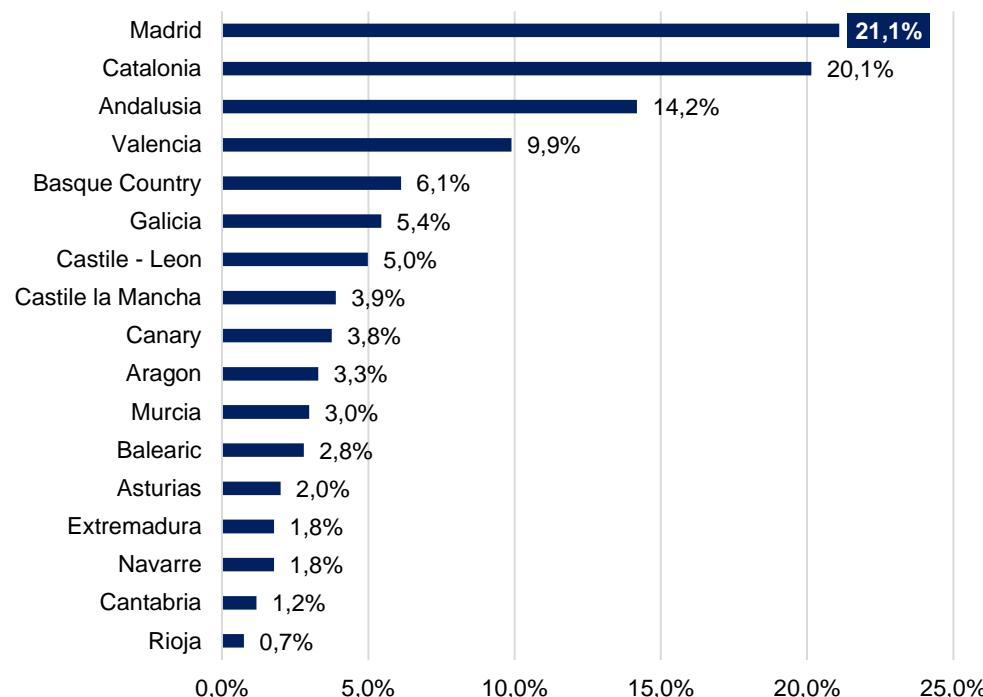
↑ **R&D expenditure (2024)**  
**2.2% of GDP (Madrid)**  
1.5% of GDP (Spain)

**Foreign investment**  
54.3% of Total Spain (3Q25).  
(3Q25 accumulated)

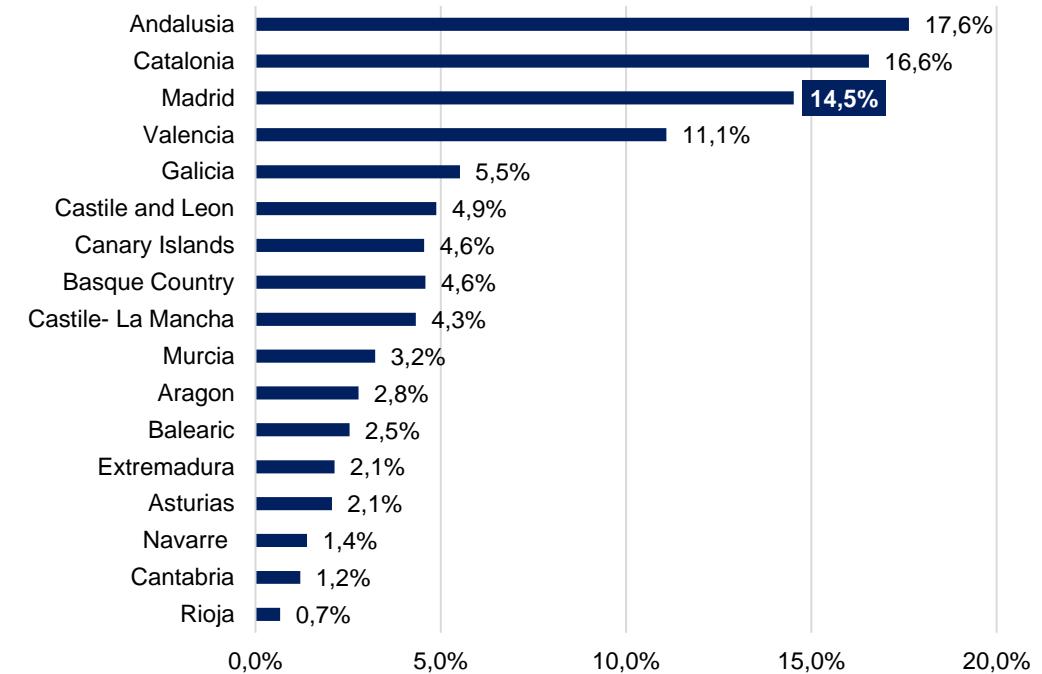
# The Community of Madrid in Spain

- The regional GDP of the Community of Madrid continues on the path of growth in 2024 (+3.6% YoY), while the evolution of the national economy was less positive.
- In terms of population, the Madrid Region represents 14.5% of the total population at the end of the second quarter of 2025, with a figure of 7,161,662 (out of a national total of 49,315,949).

Contribution by region to national GDP (2024)



Population distribution by Autonomous Community (2025)



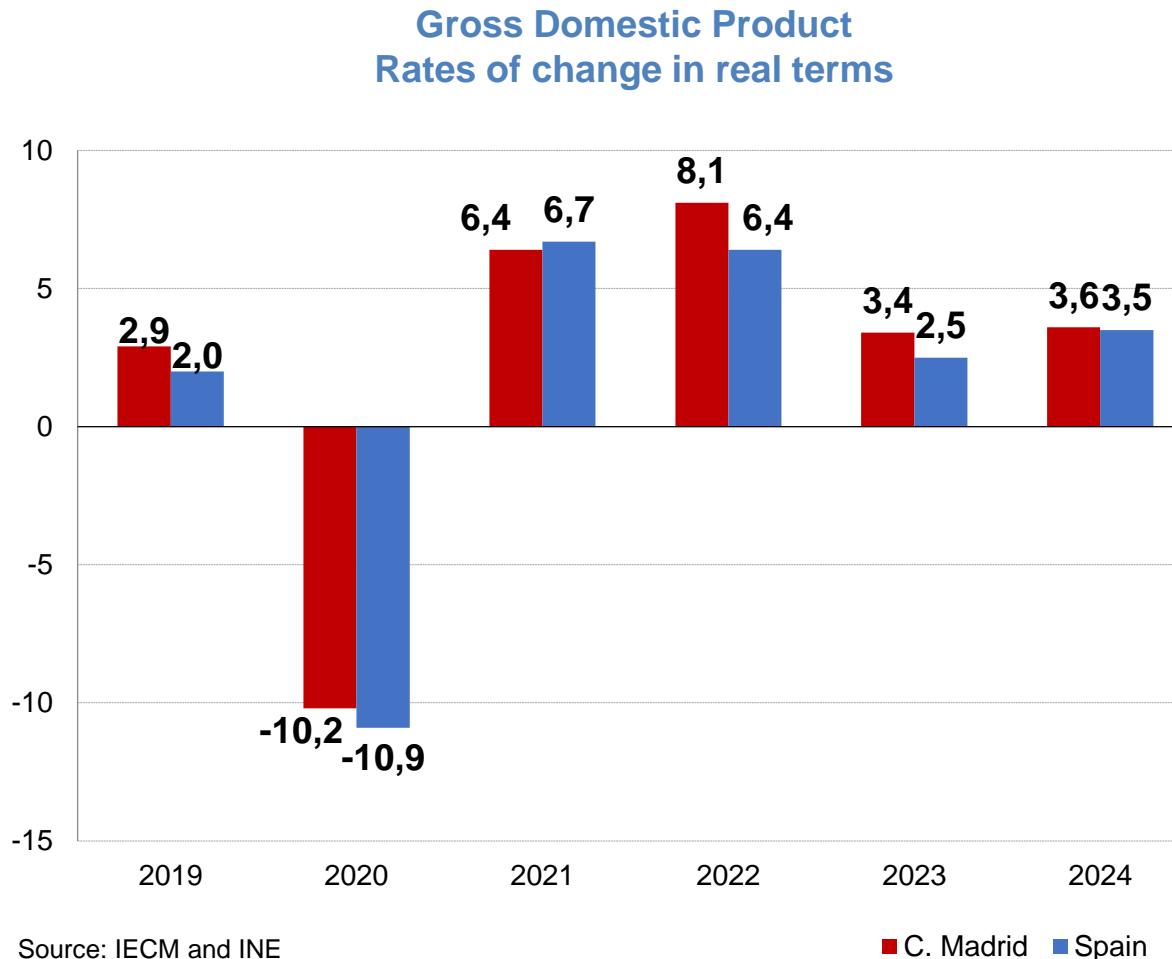
# The Community of Madrid in Europe

- In 2023, Madrid was the **third largest regional economy in the EU** and the largest in Spain.

Region	Country	GDP (Million €)	GDP PPP (Million €)
Ile de France	France	860.067	787.355
Lombardia	Italy	490.132	509.572
<b>Autonomous Community of Madrid</b>	<b>Spain</b>	<b>293.069</b>	<b>326.603</b>
Catalonia	Spain	281.845	314.095
Oberbayern	Germany	349.686	312.415
Rhône-Alpes	France	284.847	260.766
Lazio	Italy	238.561	248.024
Eastern an Midland	Ireland	291.168	245.585
Düsseldorf	Germany	263.031	234.996
Stuttgart	Germany	261.692	233.800
Darmstadt	Germany	255.724	228.468
Andalusia	Spain	199.152	222.093
Köln	Germany	231.611	206.925
Veneto	Italy	197.137	204.957
Warszawski stoleczny	Poland	137.339	203.286



## Madrid's economy continues to grow at a steady pace



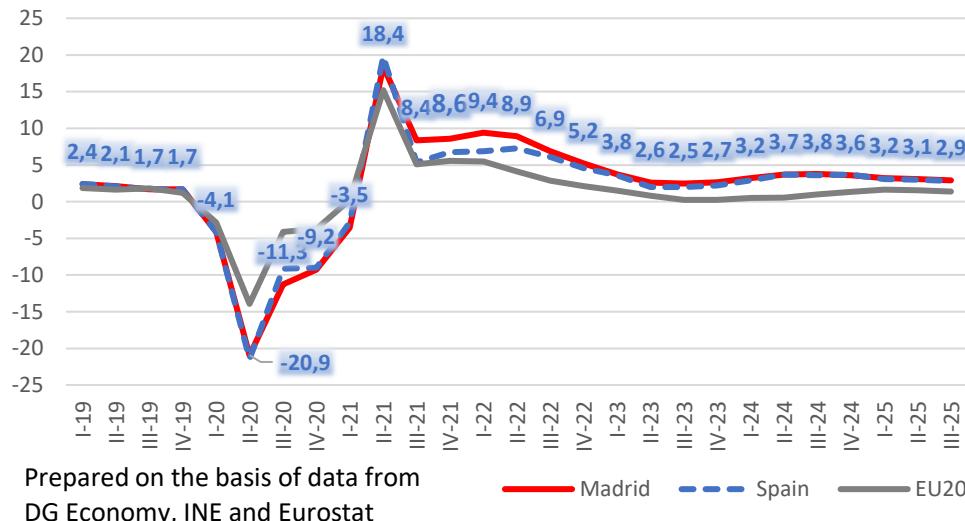
✓ With inflation under control, the economy continues to grow above the european average. In addition, Madrid improves the Spain's growth by 0,1 p.p.

✓ **GDP Community of Madrid: +3.6% 2024 vs 2023  
(SPAIN: +3.5%)**

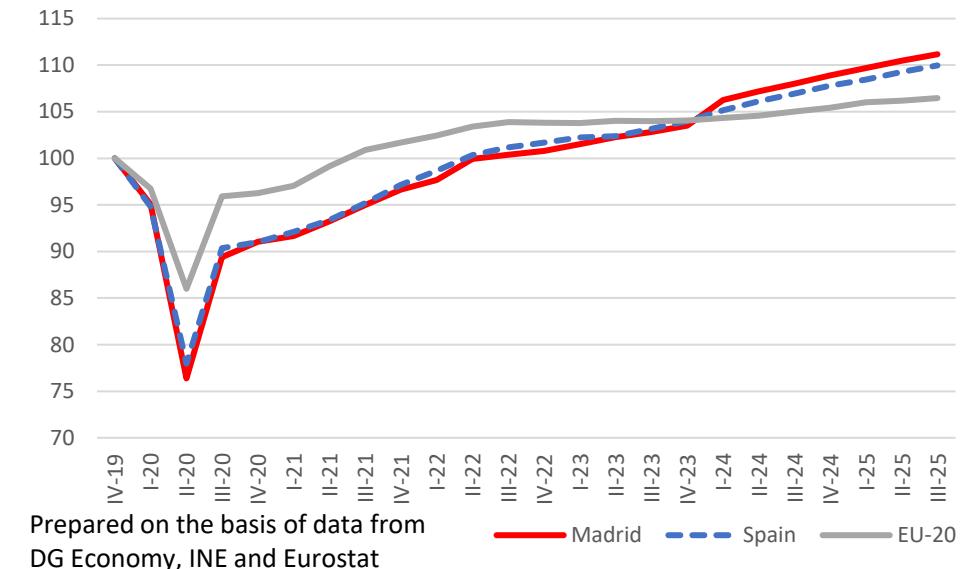


# Regional momentum anticipates recovery to pre-COVID activity levels

Gross domestic product  
Year-on-year actual rates of change



Gross domestic product  
Index Q4 - 2019=100



Source: IECM, INE and EUROSTAT. Data adjusted for seasonality and calendar effect.

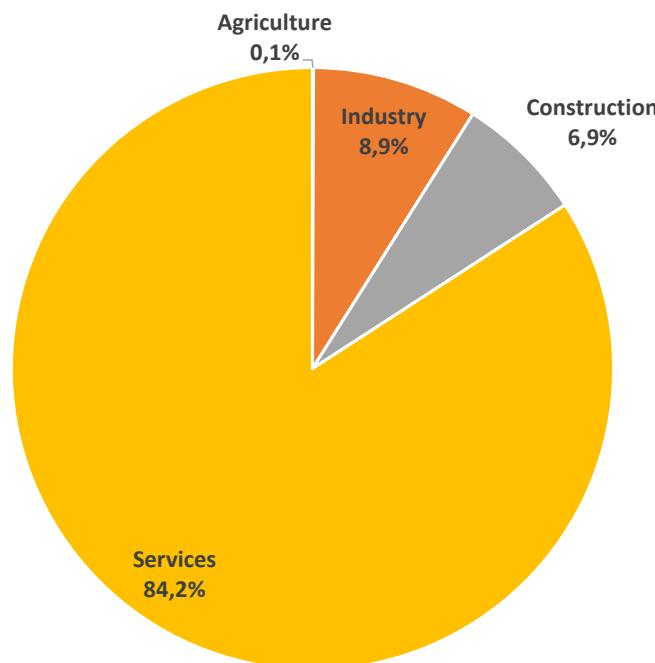
- ✓ **GDP Comunidad de Madrid 25Q3: +0.6% quarter-on-quarter (0.6% Spain) +2.9% year-on-year (2.8% Spain).**
- ✓ In 25Q3, Madrid's GDP was 11.2% above pre-pandemic levels (19Q4); Spain has recovered at a similar pace, and both remain above the European average. Madrid leads the post-pandemic recovery among the regions.



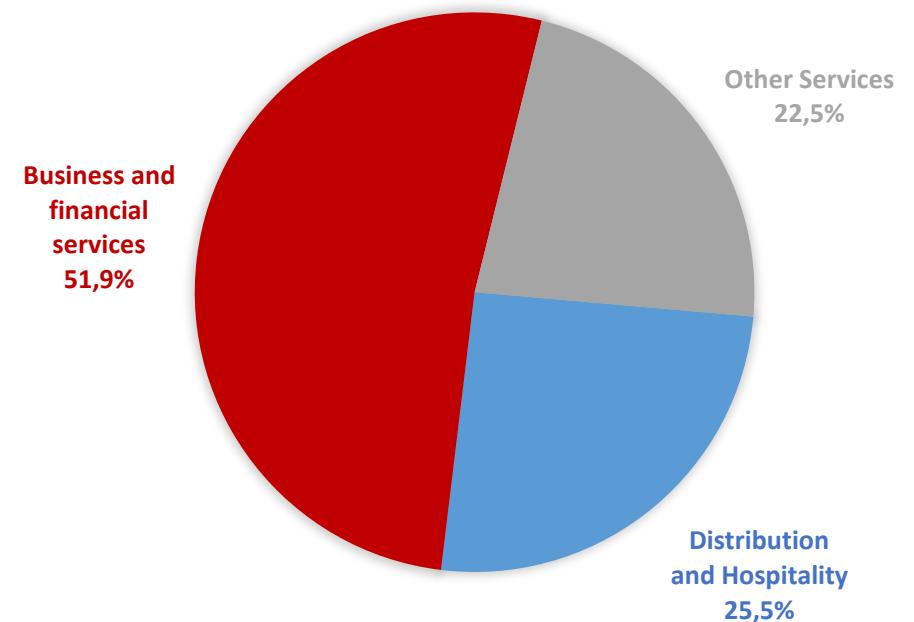
# Distribution by sectors 2025 Q3

- ✓ The **regional economy** has a high weight in the services sector, with **84.2%** compared to the **national average of 75.6% in Q3 2024**.

Composition of constant GVA by sector in Madrid,  
2025 Q3  
(% of total)



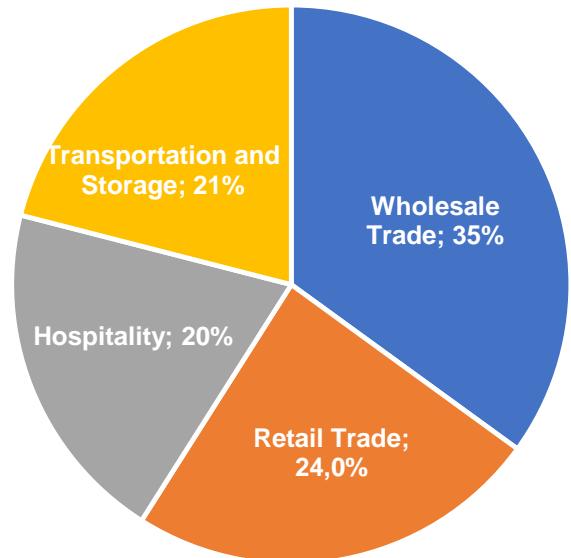
Composition of constant GVA by service sector in  
Madrid, 2025 Q3  
(% of sector total)



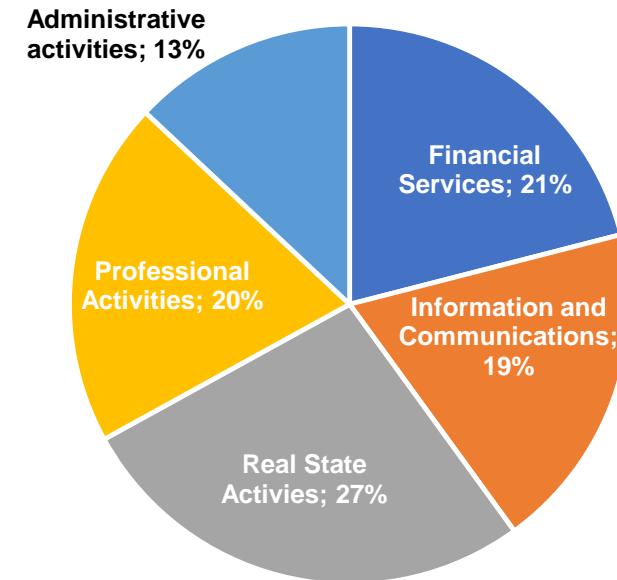
# Composition of the two main categories of the services sector in 2023

- By breakdown of the **Distribution and Hospitality** category in 2023, the most important sub-sector is **wholesale trade (35%)**.
- Within **Business and financial services**, almost half corresponds to **Real estate activities (27%)** and **Information and communications (21%)**.

Composition of constant GVA by breakdown of the Distribution and Hotels & Catering category in Madrid, 2023  
(% of category total)

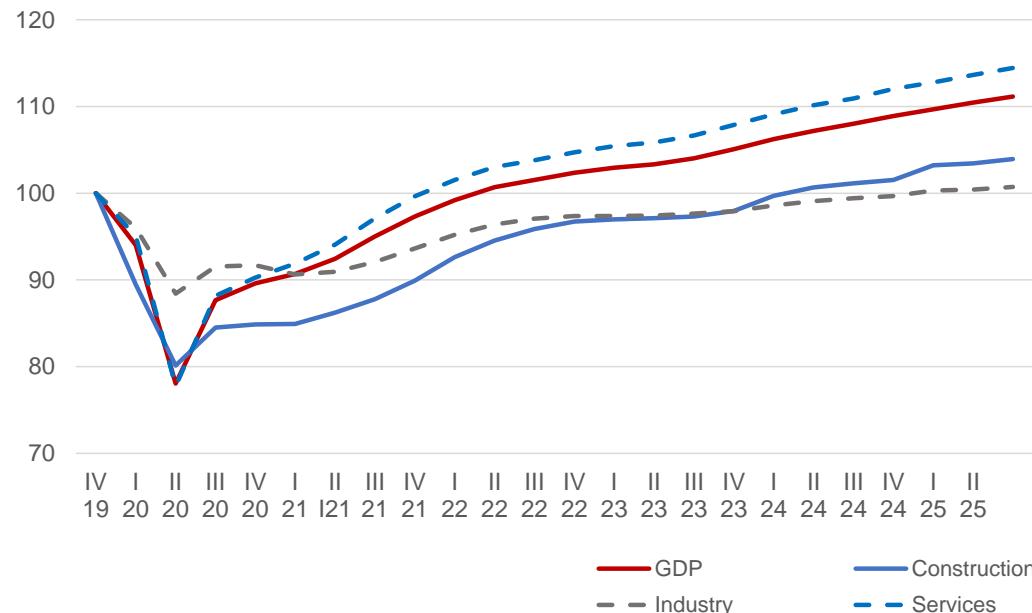


Composition of constant GVA by breakdown of the category Business and Financial Services in Madrid, 2023  
(% of category total)



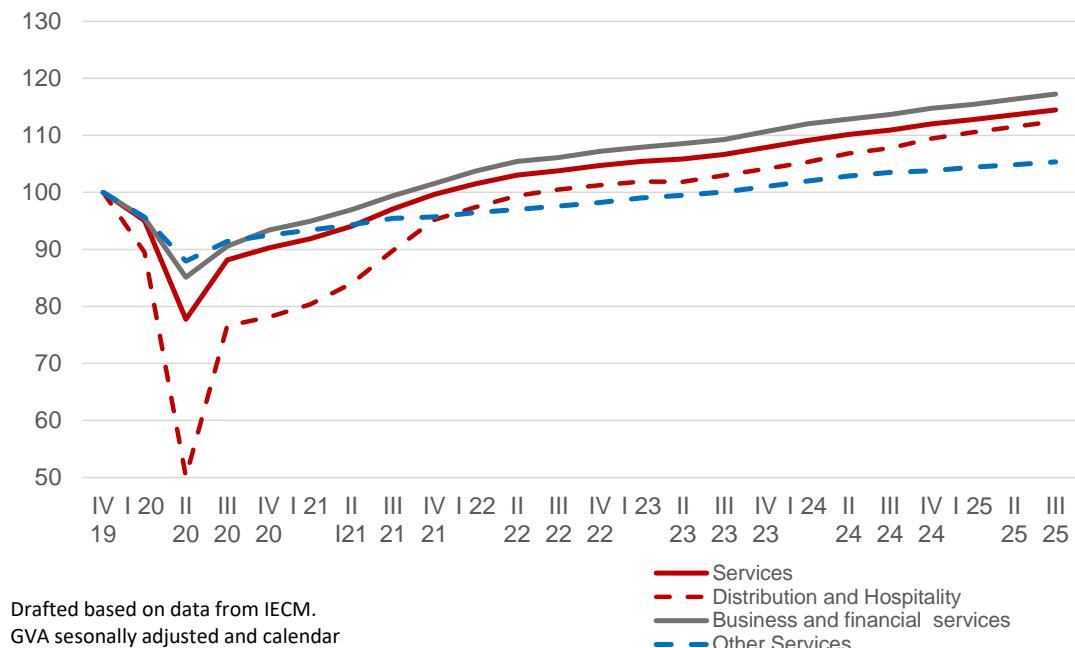
# The regional economy has now fully recovered to pre-pandemic levels

Main sectors in the Community of Madrid  
Index Q4-2019=100



Source: Based on data from the IECM. GVA adjusted for seasonality and calendar effect

GVA services sector  
Index Q4-2019=100



Drafted based on data from IECM.  
GVA seasonally adjusted and calendar

Source: Based on data from the IECM. GVA adjusted for seasonality and calendar effect

- ✓ **Year-on-year growth 2.9% continued in 25Q3 compared to 24Q3.**
- ✓ Services sector +3.2% in 25Q3.
- ✓ Services are the most dynamic branch, with a year-on-year increase of 4.4%. (12.5% above 19Q4)
- ✓ **Construction +2.87% 25Q3 vs. +3.9% 24Q3 (4% above 19Q4)**
- ✓ **Industry 1.3% 25Q3 vs. +1.8% 24Q3 (0.1 above 19Q4)**



# A less favorable global macroeconomic backdrop has slowed regional demand growth in 2024

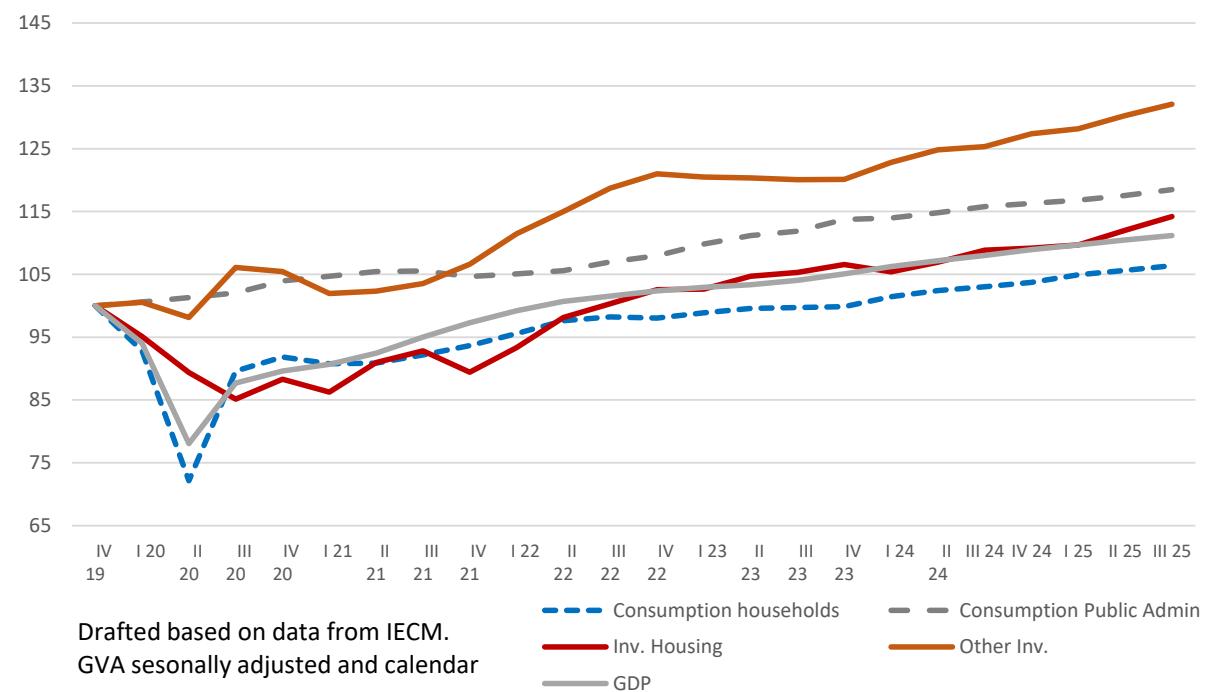
## ✓ Year 2024

- **Consumption continued to recover**, albeit at a more moderate pace of 3.3%, with greater momentum in household consumption (2.9%) than in general government consumption (4.4%).
- **New investment** had an increase of 1.4%; housing investment reactivated (2.6%) and a modest pace in the rest (1.1%).
- **Increase in the contribution of external demand** to 0.8 points.

## ✓ 2025Q3

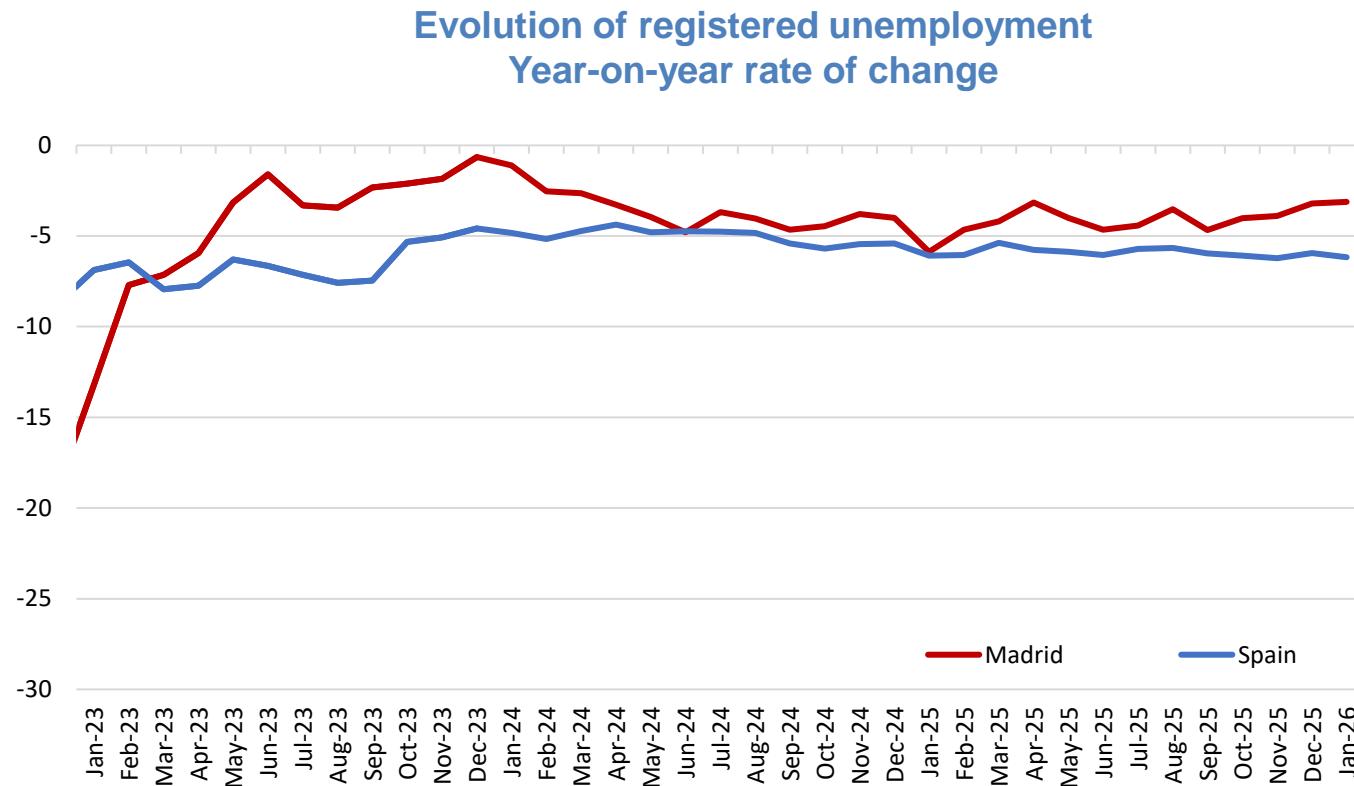
- **Domestic demand +3.6% 25Q3 vs +3.6% 24Q3**
  - **Investment +5.3% 25Q3 :**
    - » Housing investment 4.9%, 15 p.p. above 19Q4.
    - » Rest of lending +5%, 32 p.p. above 19Q4.
  - **Final consumption expenditure +3.0% 25Q3:**
    - » Household consumption +3.3% in 25Q3, 6.4 p.p. above 19Q4.
    - » General government consumption +2.3%, 18.5 p.p. above 19Q4.

Consumption and investment in the Madrid Region  
Index Q4-2019=100



Source: Based on IECM data GVA adjusted for seasonality and calendar effect.

# Unemployment at lowest level since 2008

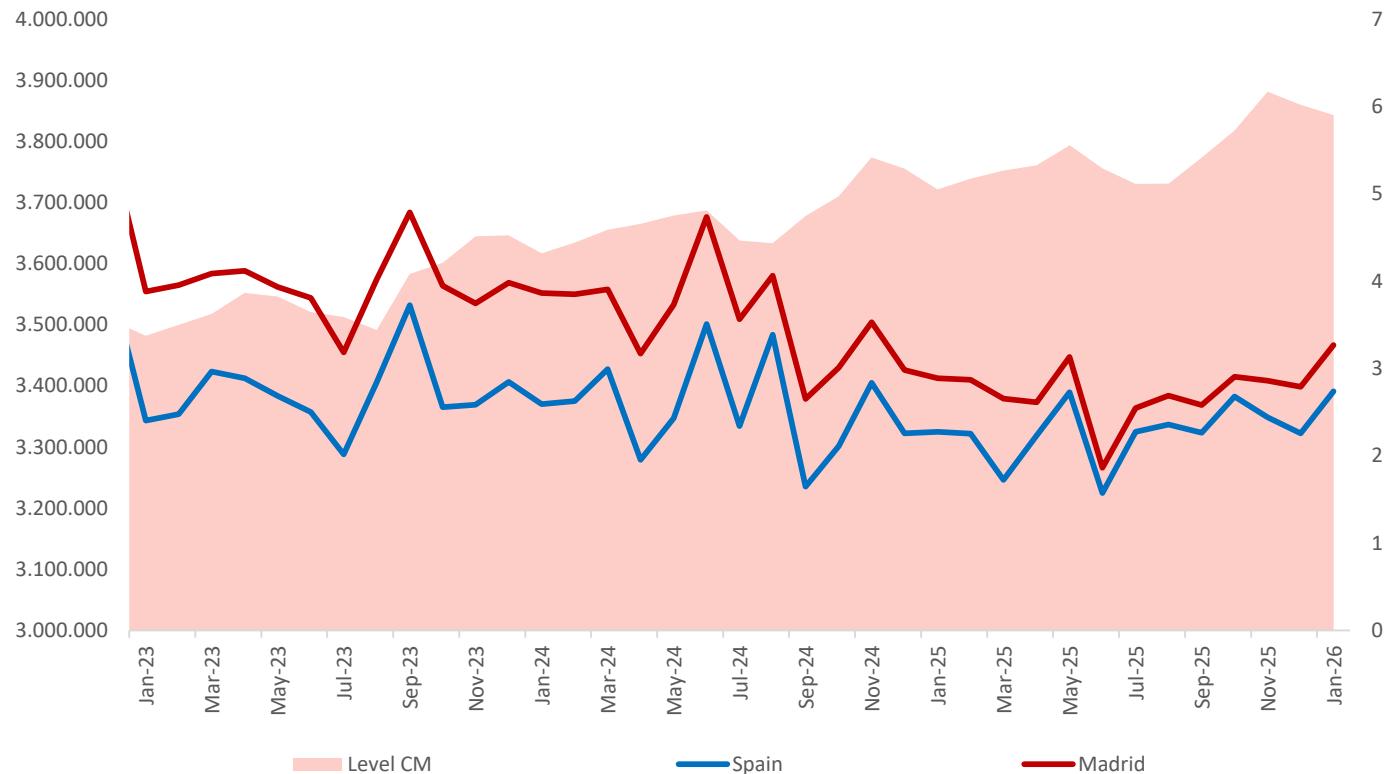


- ✓ Continued decline in the number of unemployed, falling below pre-crisis levels.
- ✓ Jan 25: 278,589 -3,1% YoY.



# Social Security enrollment in maximum levels

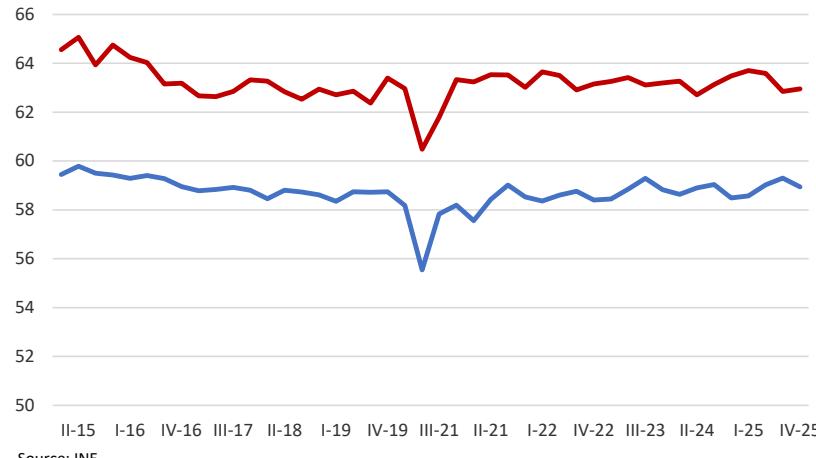
Average monthly enrollment in Social Security



- ✓ Social Security enrollment performed very well in the last months.
- ✓ Jan-25: 3,843,181 members, +3,3% YoY

# Significant increase in the labour force in the region - LFS

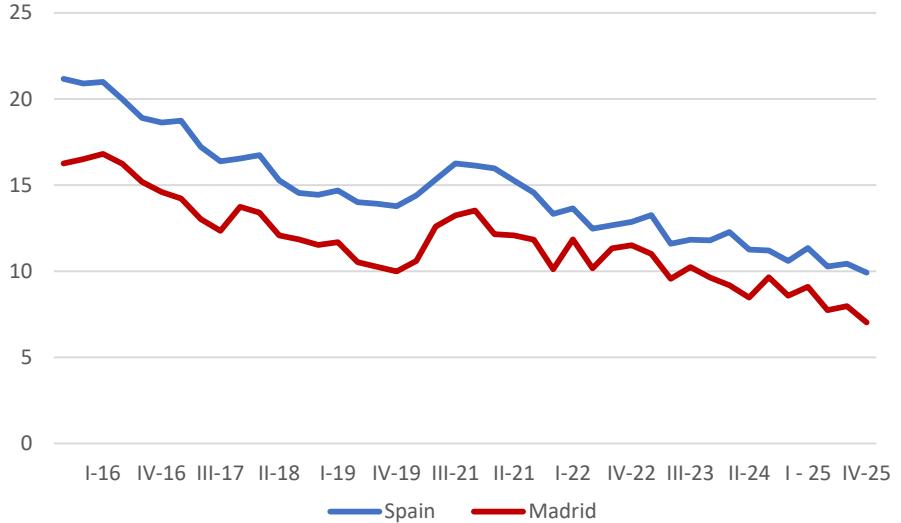
Evolution of activity rate



Source: INE

- ✓ **CM activity rate**  
**63.0% 25Q4 vs. 63.5% 24Q4.**  
The second highest of all the Autonomous Communities.
- ✓ **Activity rate SPAIN**  
**58.9% 25Q4 vs. 58.5% 24Q4.**

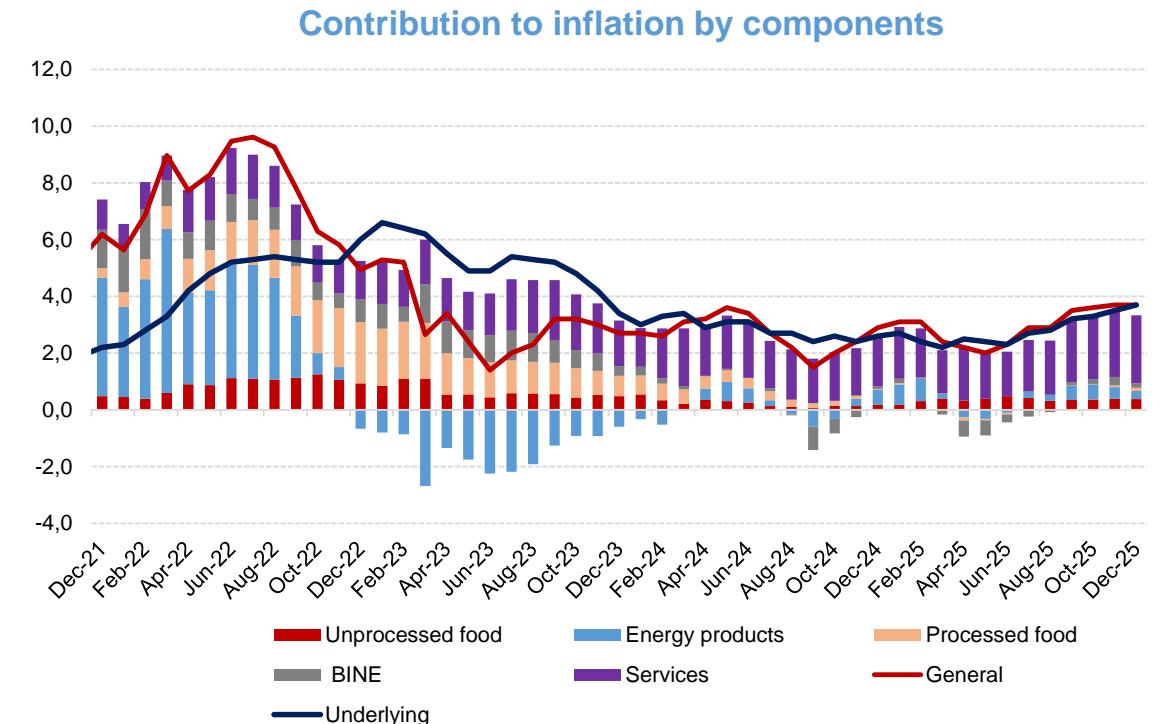
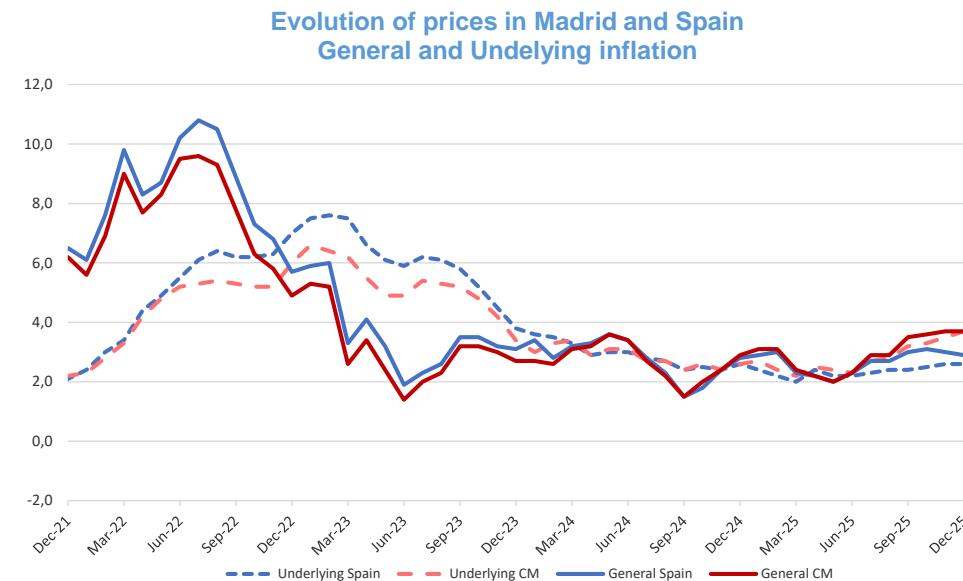
Evolution of unemployment rate



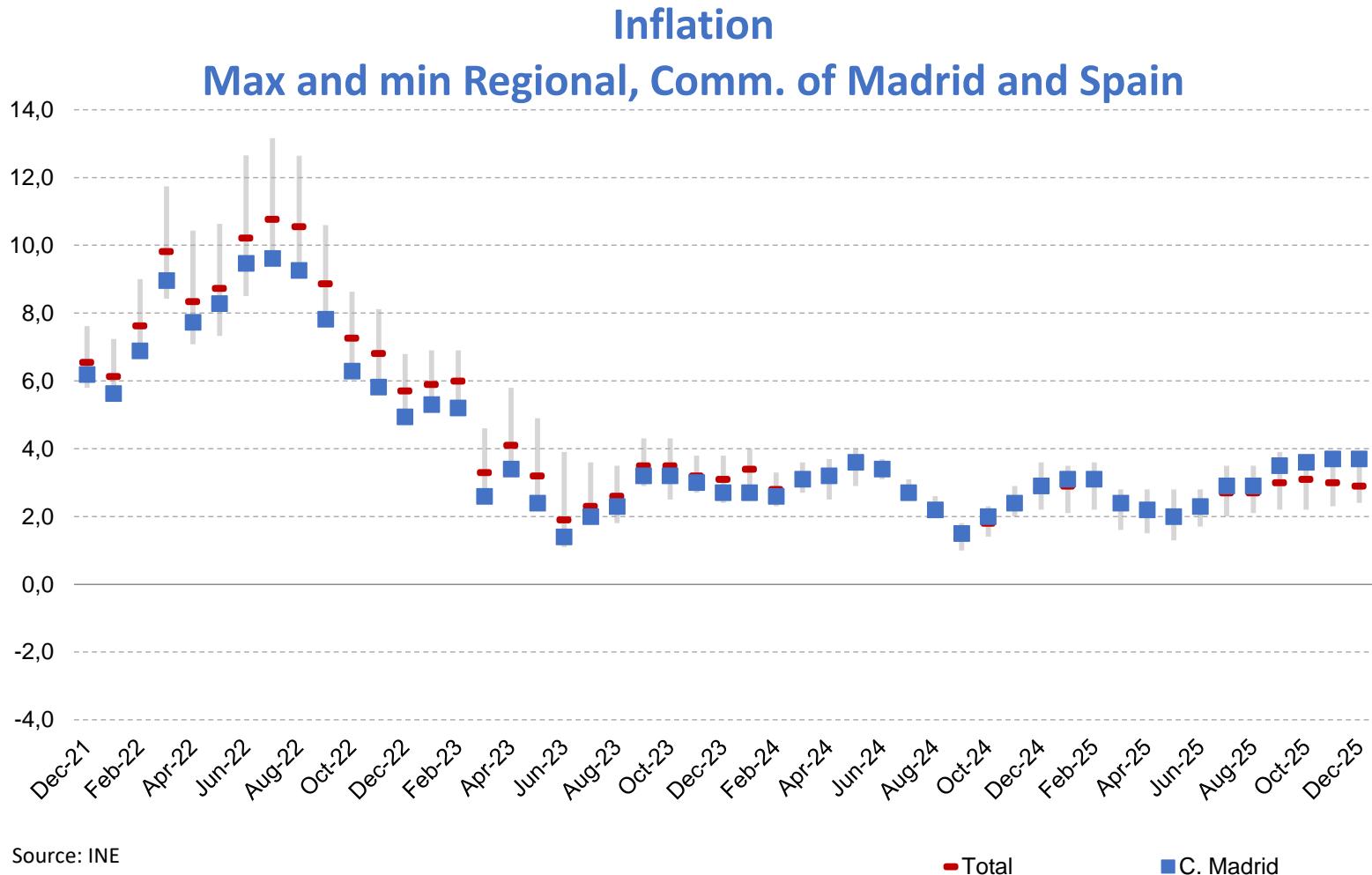
- ✓ **Unemployment rate CM**  
**7.0% 25Q4 vs. 8.6% 24Q4**
- ✓ **Unemployment rate SPAIN**  
**9.9% 25Q4 vs. 10.6% 24Q4**



# Services are pushing upward the inflation



# Inflation in the Community of Madrid in the regional context

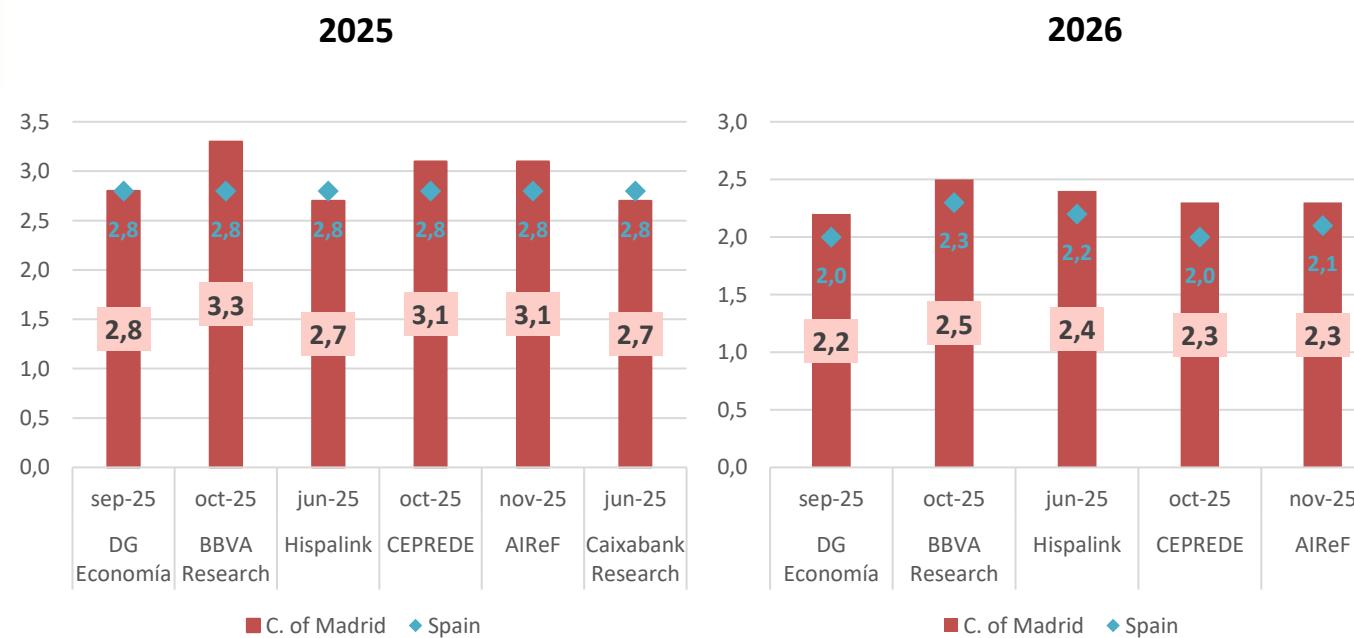


🌐 The Community of Madrid's CPI above the national CPI.

# Growth estimates for the Community of Madrid in 2025-2026

- **Growth in the Madrid Region is expected to be 3% in 2025 or even more and to decelerate slightly in 2026.**
- **In both years, the Madrid economy is expected to be more dynamic than that of Spain.**

**GDP growth forecasts. Community of Madrid and Spain**  
**Real GDP growth rates**



## Issues to follow:

- ✓ Protectionism of United States
- ✓ Block polarisation and its implications.
- ✓ General weakening of global demand.
- ✓ Developments in the war in Ukraine in Gaza.
- ✓ Response of activity and employment to current and future changes in the policy mix.

Risk of financial fragmentation stemming from high levels of public debt and possible territorial asymmetry in the current adjustment phase.

Stakeholder confidence in a context of high levels of uncertainty.

Challenge: the cohesion of the European Union and its positioning in the new global geopolitical framework.

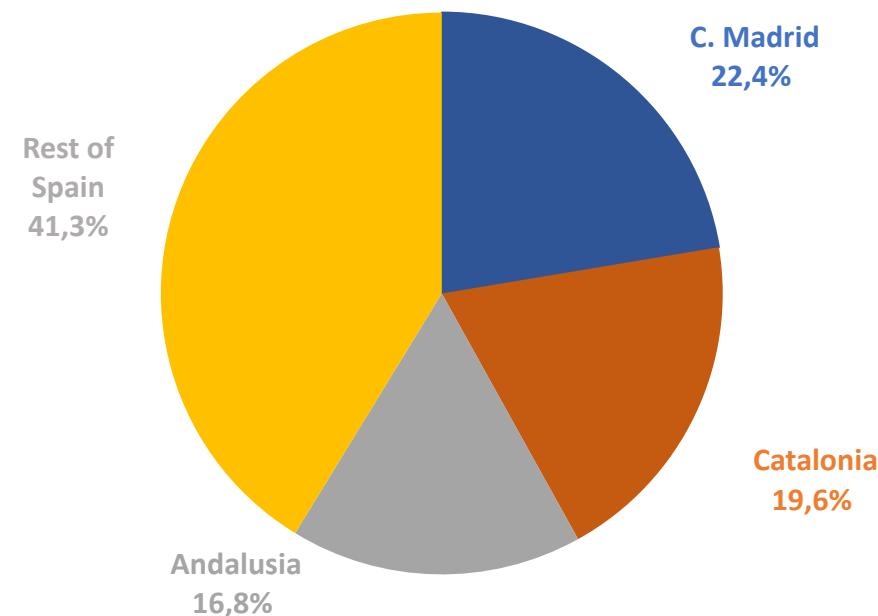


# Madrid leads business creation in 2024 and 2025

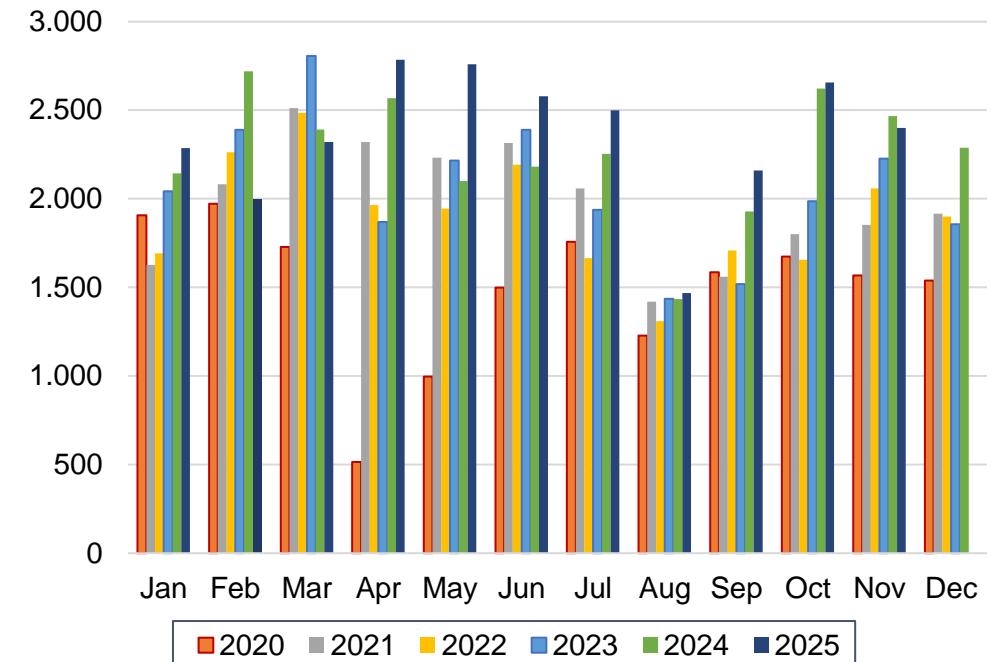
Community of Madrid maintains its leadership in company creation with a total of 2,399 companies in november 2025.

Madrid leads in the creation of trading companies in november 2025, with 22.4% of the national total.

**Commercial companies created**  
(Percentage of the national total November 2025)

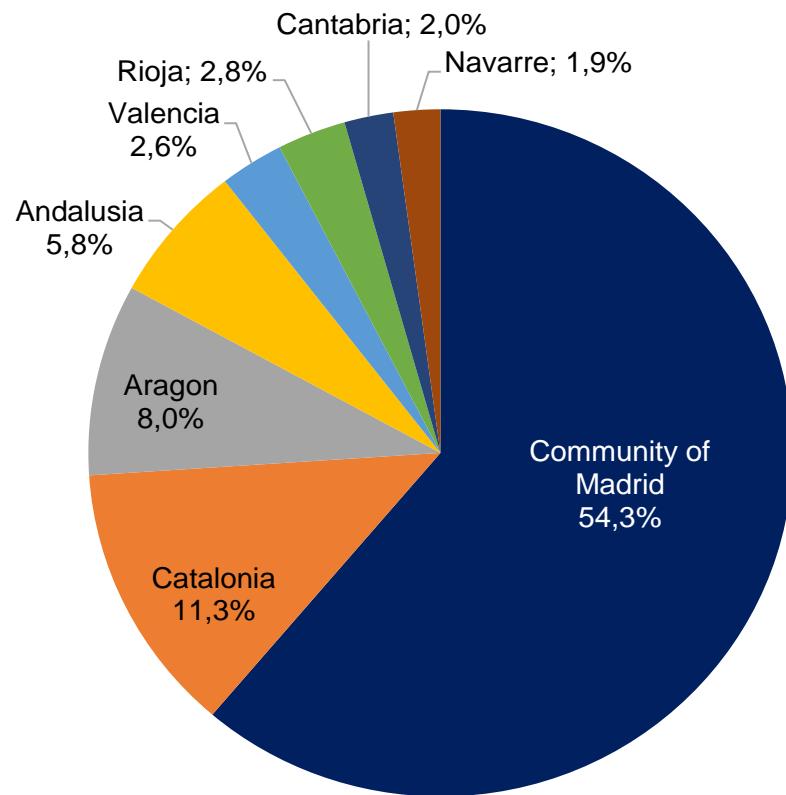


**Companies set up montly**  
Community of Madrid



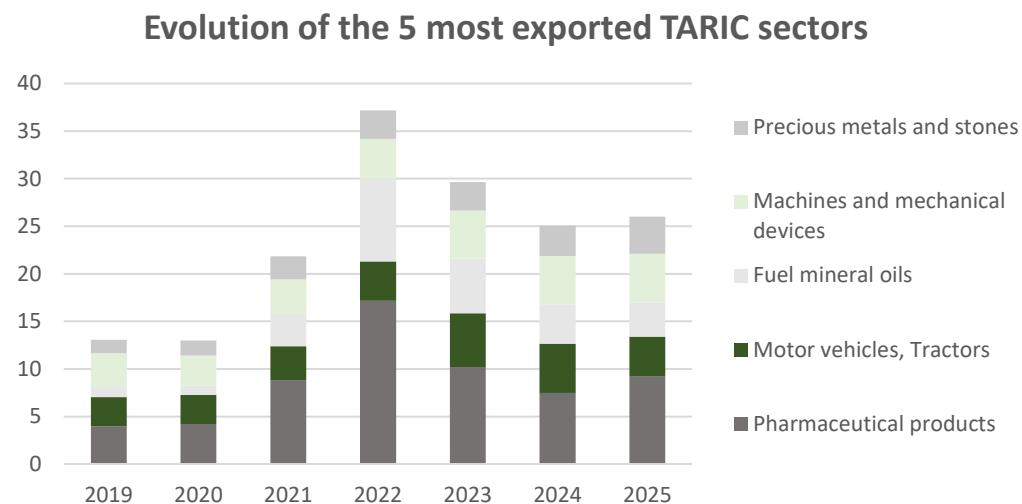
# Madrid, preferred destination for foreign investment

- Based on data up to the third quarter of 2025, the Community of Madrid attracted €10.259 billion in investment, representing 54.3% of the national total. Considering the third quarter alone, this share rose to 56.9% of the total.



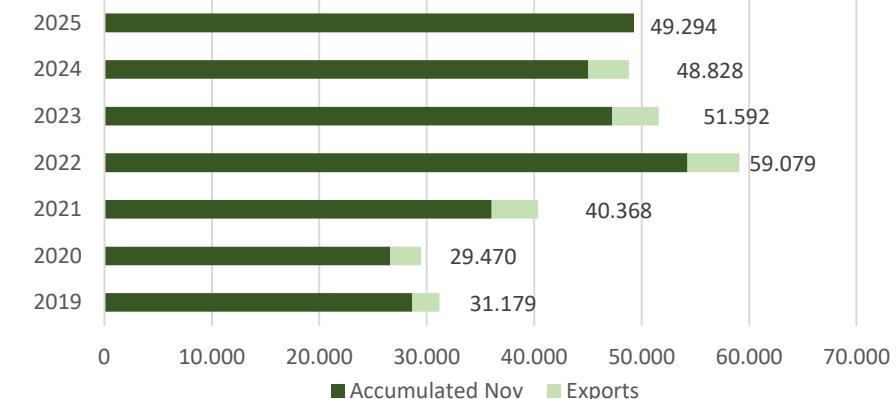
# International flows continue to improve.

- Exports **increased** compared to the same period of the previous year, reaching **49,293** million euros in november 2025. Imports also increased, with a volume of 98,653 million euros.
- As of november 2025, exports from the Community of Madrid represent **13.8% of the total exported** by Spain and imports account for **24.2% of total Spanish purchases abroad**.



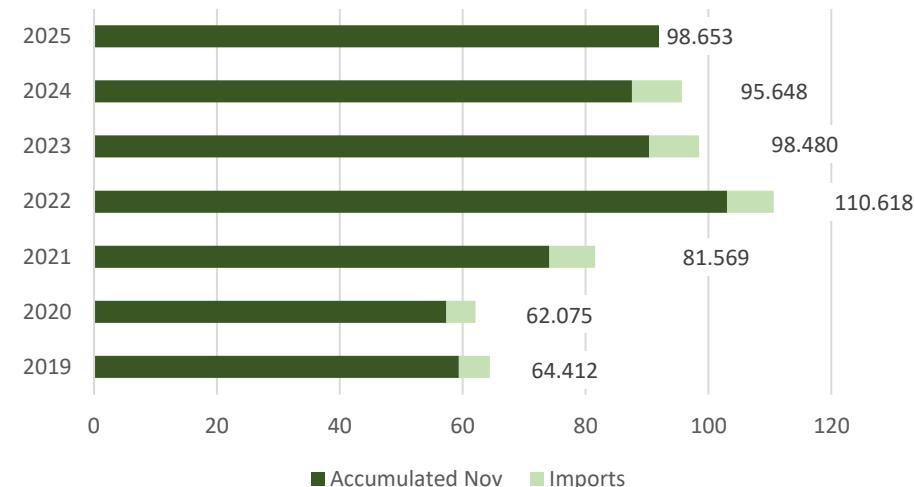
Source: Ministry of Industry, Trade and Tourism

## Exports (Community of Madrid, €mn)



Source: AEAT

## Imports (Community of Madrid, €mn)

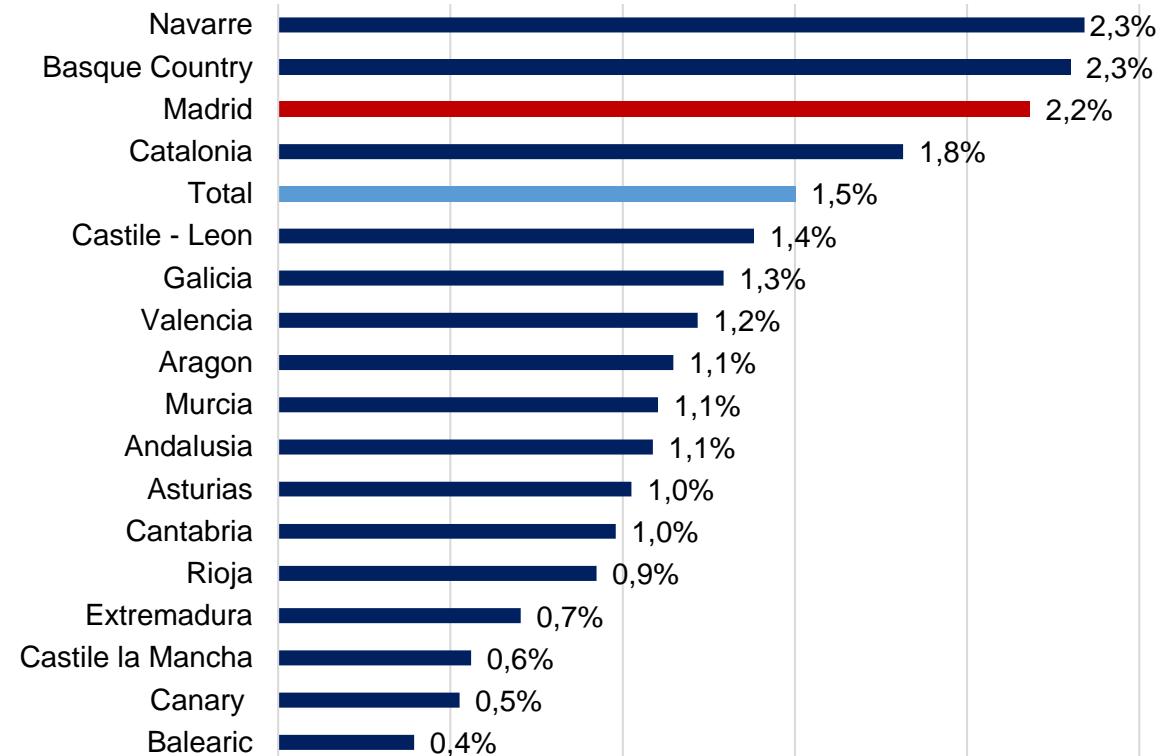


Source: AEAT

# R&D investment remains strong

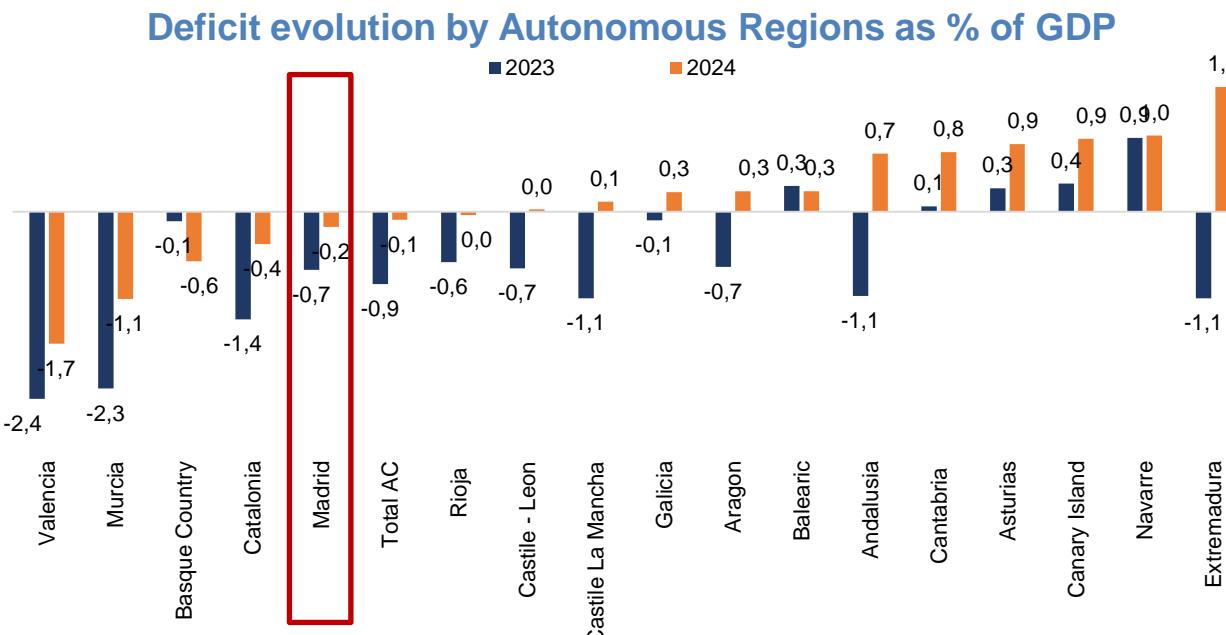
- **6,902 M€** of R&D investment in the Community of Madrid (2024).
- **+13.3%** year-on-year growth.
- **28.8%** of total Spanish R&D expenditure (first region in terms of expenditure).
- Third **region in investment as a % of GDP (2.2%)**, +70 basis points compared to the national average.

R&D investment over GDP (%, 2024)

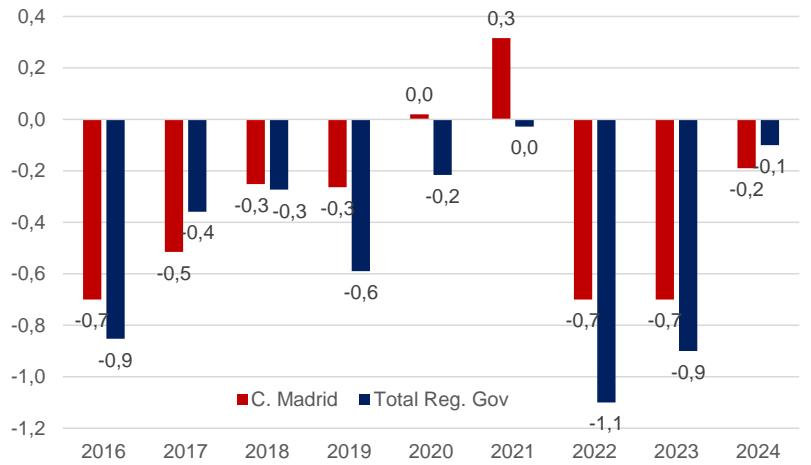


# Near fiscal equilibrium in 2024

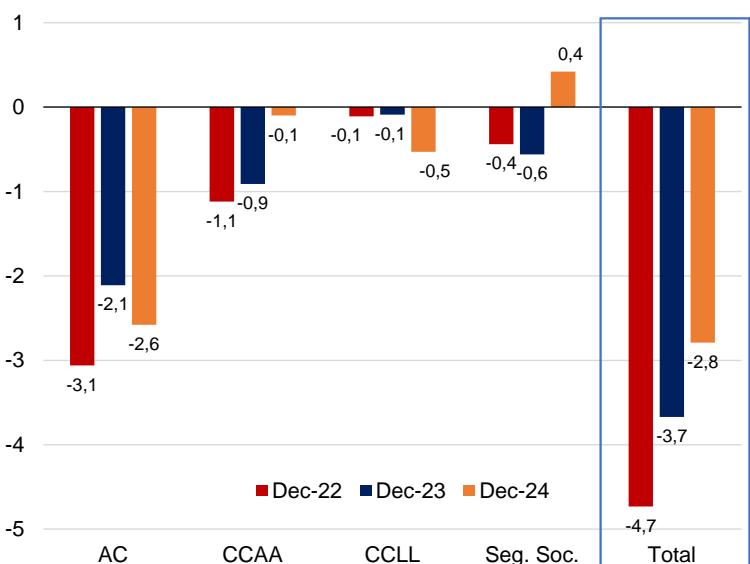
- At the aggregate level, Spanish public administrations have made an effort to reduce the deficit to 2.8% of GDP (nine points lower than in 2023).
- The historical fiscal discipline of the Community of Madrid has allowed the region to consistently deliver better fiscal execution than the regional average, although in 2024, the Community's deficit slightly exceeded the national average (-0.2% vs -0.1% of GDP). All this in a context of suspension of fiscal rules, in which administrations have accelerated spending in order to improve fiscal sustainability after their application from 2025.



**Evolution of the public deficit (% GDP)**

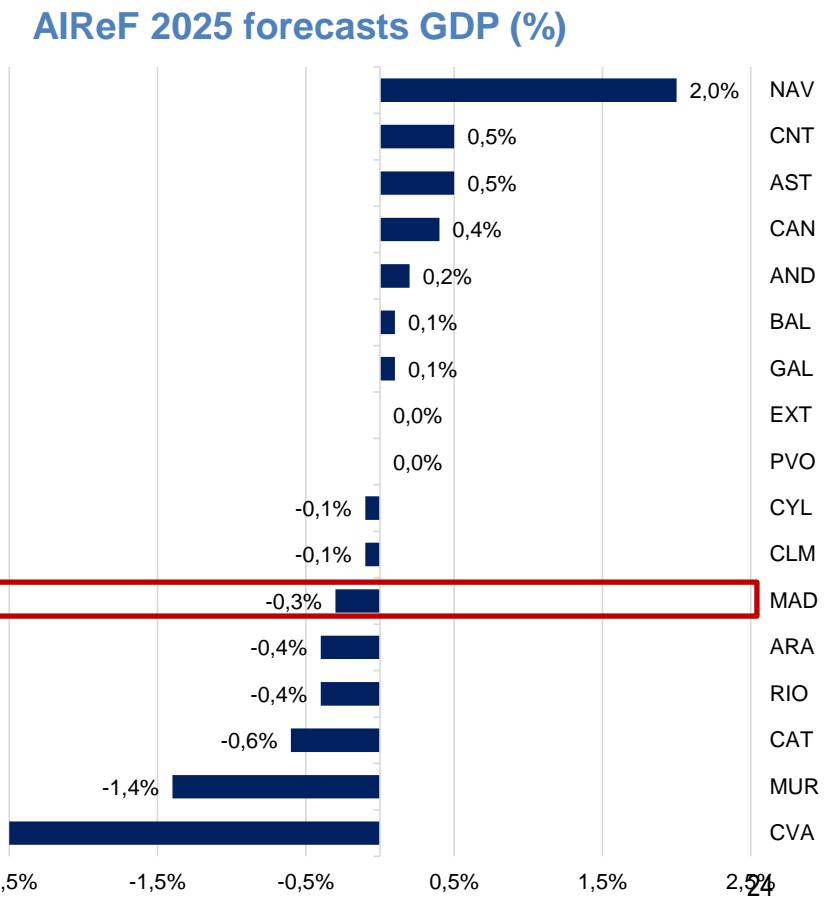
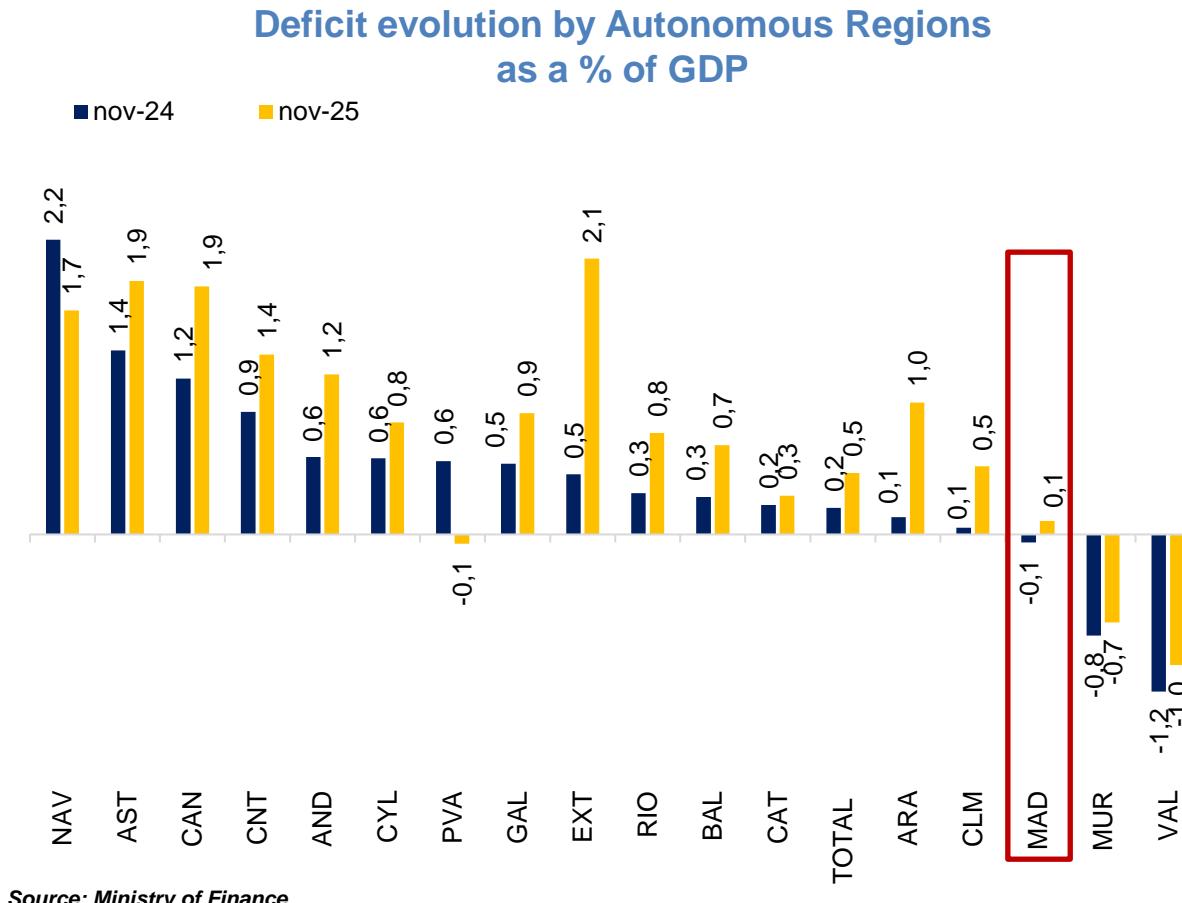


**Evolution of public deficit by subsector (% GDP)**



# Fiscal dynamics in 2025

- Expectations for this fiscal year 2025 are positive for the common regime regional administrations. The strong growth of the spanish economy supports fiscal accounts
- According to AIReF, the expected budget deficit for Madrid would be at -0,3% of GDP by 2025YE.



# The Community of Madrid. Rating Comparison

- In recent years, the major credit rating agencies have upgraded Madrid's rating by at least two notches.

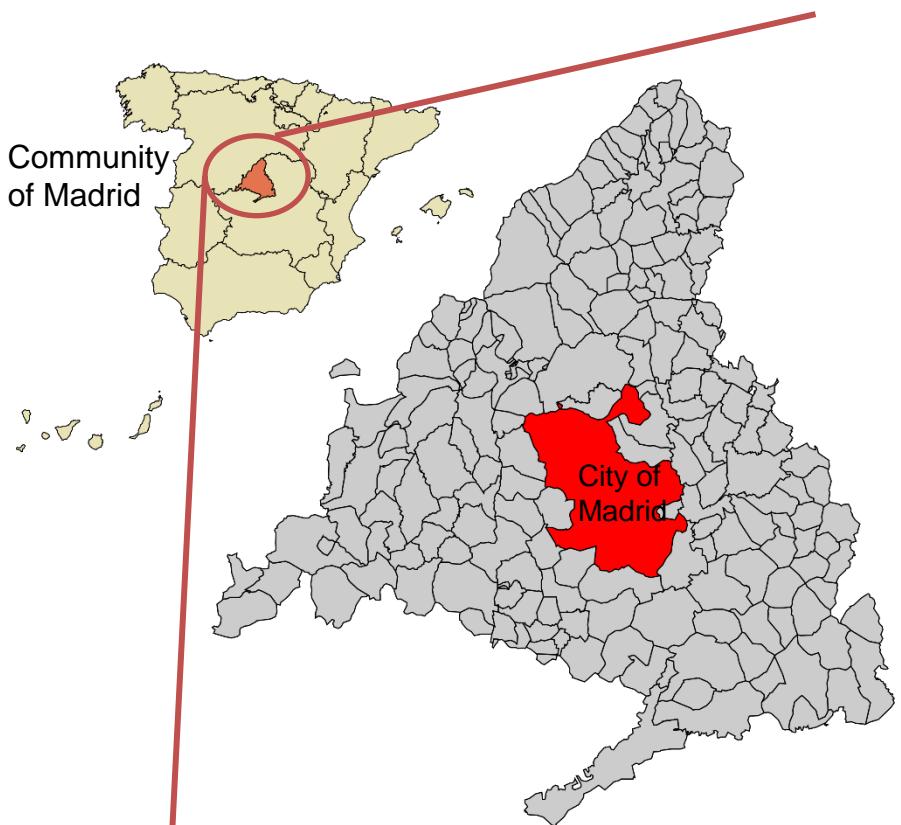
Region	Fitch			Moody's			S&P		
	Issuer	Outlook	Issuer Date	Issuer	Outlook	Issuer Date	Issuer	Outlook	Issuer Date
Autonomous Community of Madrid	A-	POS	25/04/2025	A3	STABLE	30/09/2025	A	STABLE	26/07/2024
State of North Rhine-Westphali	AAA	STABLE	25/03/1999	Aa1	STABLE	15/12/2006	AA	NEG	13/09/2019
State of Hesse							AA+	STABLE	02/03/2018
Free State of Bavaria	NR		02/12/2010	Aaa	STABLE	20/01/2000	AAA	STABLE	19/01/2012
Land Baden-Wuerttemberg				Aaa	STABLE	14/12/1999	AA+	STABLE	14/08/2020
State of Saxony-Anhalt	AAA	STABLE	25/03/1999	Aa1	STABLE		NR		15/12/2023
Free and Hanseatic City of Hamburg	AAA	STABLE	22/05/2013				NR		16/12/2010
Region of Ile de France	A+	STABLE	19/09/2025	Aa3	NEG	03/02/2012	NR		20/10/2017
Province of Ontario Canada	AA-	STABLE	19/12/2014	Aa3	STABLE	13/12/2018	AA-	STABLE	03/12/2024
Province of Alberta Canada	AA	STABLE	12/06/2024	Aa2	STABLE	15/06/1999	AA-	STABLE	18/12/2023
Province of British Columbia C	AA+	NEG	27/02/2025	Aa1	NEG	02/04/2025	A+	NEG	02/04/2025
Province of Quebec Canada	AA-	STABLE	18/06/2002	Aa2	STABLE		A+	STABLE	16/04/2025



# Community of Madrid and the City of Madrid

- ✓ The Community of Madrid is an **autonomous region** with its own regulatory, fiscal, and economic policy powers, covering the city of Madrid and its metropolitan area, as well as 178 other municipalities.
- ✓ The **Madrid City Council** is a municipal government responsible for local services and urban management, **operating within the regional framework established by the Community**.
- ✓ The **Community of Madrid manages broad areas of responsibility such as health, education and social services**, while Madrid City Council focuses on local issues: urban planning, cleaning, traffic, parks and direct services to citizens.
- ✓ To this end, the **Community of Madrid manages taxes transferred by the State and some of its own**, such as the regional portion of personal income tax, inheritance and gift tax (ISD), property transfer tax (ITP) and stamp duty (AJD), and wealth tax. For its part, **Madrid City Council manages municipal taxes** focused on property tax (IBI), motor vehicle tax (IVTM), municipal capital gains tax (IIVTNU), and business tax (IAE).

Community of Madrid and the City of Madrid



# Autonomous Regional Financing System

- ✓ The **total resources of the regional financing system (SFA)** for the year consist of the **State account transfers** (an estimate made by the State of the resources expected to be collected in the year) and the **settlements of the system** (an adjustment made two years later, representing the difference between the payments on account and what was actually collected).
- ✓ **The Community of Madrid will receive revenues from the SFA of 20,757.62 million euros in 2024 (+12.3% with respect to 2023):** the State account transfers have been retroactively updated in September, while the settlement was disbursed in July.
- ✓ **For 2025, State account transfers will grow by 9.1% year-on-year to 20,447 million euros.** The distribution of the settlement, amounting to 11,785 million euros, is still pending.

State account transfers (EUR mn)

	2024 State account transfers	2022 Settlement	Total resources SFA 2024	2025 State account transfers	YoY 2024/2025
<b>Catalonia</b>	25,645	4,324.39	29,969.39	28,229.00	10.1%
<b>Galicia</b>	9,374	1,269.66	10,643.66	10,262.00	9.5%
<b>Andalusia</b>	25,061	2,995.27	28,056.27	27,523.00	9.8%
<b>Asturias</b>	3,458	474.05	3,932.05	3,763.00	8.8%
<b>Cantabria</b>	2,329	254.47	2,583.47	2,487.00	6.8%
<b>La Rioja</b>	1,256	195.32	1,451.32	1,360.00	8.3%
<b>Murcia</b>	4,166	651.65	4,817.65	4,571.00	9.7%
<b>Valencia</b>	12,690	2,685.79	15,375.79	13,974.00	10.1%
<b>Aragon</b>	4,564	628.37	5,192.37	4,981.00	9.1%
<b>Castile La Mancha</b>	6,386	684.97	7,070.97	6,957.00	8.9%
<b>Canary Islands</b>	6,072	1,304.40	7,376.40	6,594.00	8.6%
<b>Extremadura</b>	3,877	590.02	4,467.02	4,198.00	8.3%
<b>Balearic</b>	2,770	1,241.19	4,011.19	2,986.00	7.8%
<b>Madrid</b>	18,742	2,015.62	20,757.62	20,447.00	9.1%
<b>Castile and Leon</b>	8,188	1,178.35	9,366.35	8,987.00	9.8%
<b>TOTAL</b>	<b>134,578</b>	<b>20,493</b>	<b>155,071.50</b>	<b>147,319</b>	<b>9.5%</b>

Source: Ministry of Finance



# A flexible tax regime that drives competition and dynamism

The Community of Madrid's policy on regional taxes aims at a flexible tax regime that favours business creation and economic dynamism.

		Community of Madrid	Catalonia	Andalusia	Castile - Leon
Personal income tax	Tariff	18-45%	20-50%	19-47%	18,5-46%
Wealth Tax	Exempt minimum	700.000 €	500.000 €	700.000 €	700.000 €
	Tariff	Bonus of 100%	0,21-2,75%	0,24-3,03%	0,2-2,5%
	Tariff	7,65-34%	7-32%	7,65-26%	7,65-34%
Inheritance and Gift Tax	Inheritance	Reduction - Bonif. -Ded.	Group I y II: 99% Group III: 10-15%	Group I y II: 99-20%	Group I y II: 99% Group I y II: 99%
		Tariff	7,65-34%	Group I y II: 5-9%	7,65-26% 7,65-34%
	Gifts	Reduction - Bonif. -Ded.	Group I y II: 99% Group III: 25%		
Tax on property transfers and acts	TPO	Rate	6%	10-11%	7% 8-10%
	ADJ	Rate	0,75%	1,50%	1,20% 1,50%

Source: Tax Agency.

\*Note: It should be noted that the tax rates and deductions shown in the following table are of general application. However, the tax regulations establish other deductions with a more residual application.

## Fiscal measures 2024:

- 1) Tax incentive to attract new foreign investors.
- 2) Deduction for the rental of empty properties.
- 3) Deduction for the increase in the cost of external financing for investment in primary residence due to the rise in interest rates.
- 4) Deduction for change of residence to a municipality at risk of depopulation.
- 5) Tax credit for purchasing a primary residence in municipalities at risk of depopulation.
- 6) Tax relief on transfer tax and stamp duty for the purchase of a primary residence in municipalities at risk of depopulation.



## Characteristics:

- ✓ Deduction of 20% of the personal tax liability on the financial investment made (no minimum investment and applicable to all types of assets).
- ✓ Minimum tax deduction of 6 years.

## Objectives:

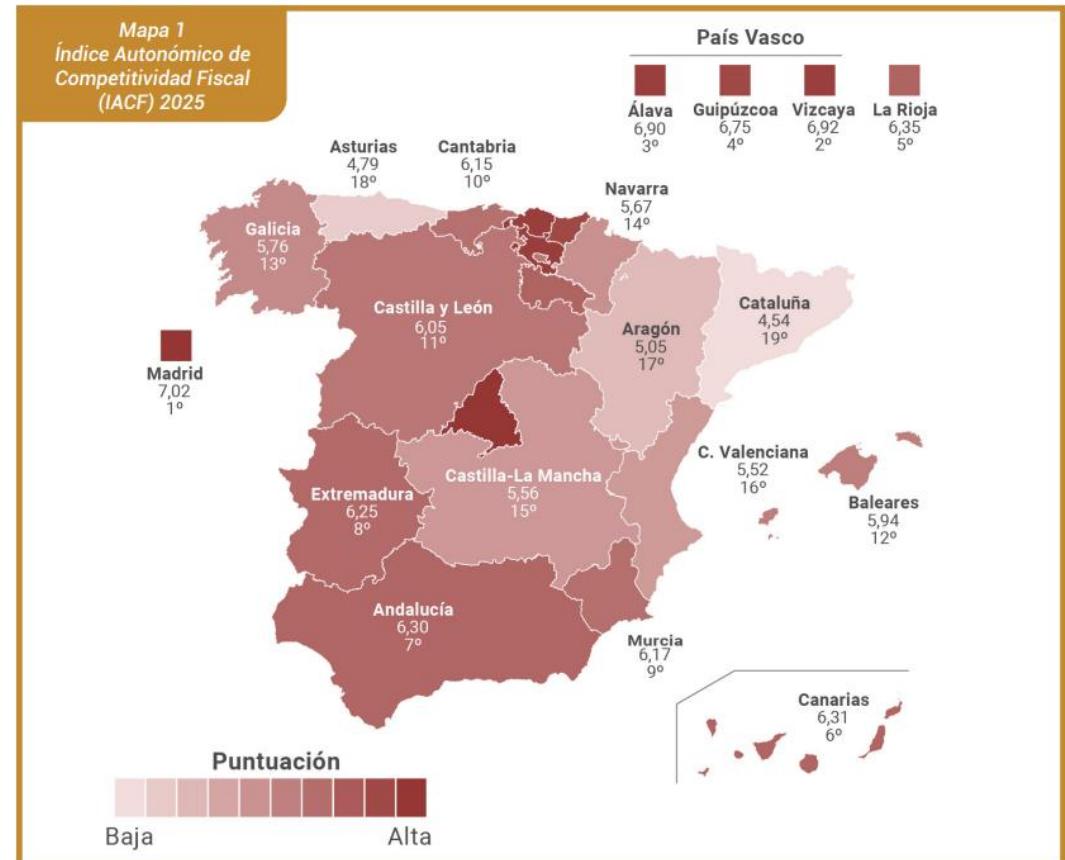
- ✓ Boost savings and investment.
- ✓ Encourage the creation of new companies and support the growth of existing ones.
- ✓ Strengthen Madrid's position as a benchmark for international investment to counteract the negative effects of the creation of the New High Wealth Tax.



# The region of Madrid is the region with the highest tax competitiveness index (RTCI)

- ✓ The Autonomous Community Tax Competitiveness Index (IACF) **makes it possible to evaluate, measure and compare the tax system of the different Autonomous Communities**, with the aim of analysing the structure of the tax system in each one of them.
- ✓ The IACF is a **hierarchical index made up of five taxes** (Income, Wealth, Inheritance, Inheritance, Transfer Tax (ITP) and Stamp Duty (ADJ), and the autonomous community taxes) that assesses the specific indicators of each of these taxes.
- ✓ In **2025, the most fiscally competitive Autonomous Community was Madrid** with a value of **7.02**, leading the index for the sixth consecutive year.

Autonomous Index of Fiscal Competitiveness  
(IACF 2025)



## Economic strengths of the region

- The Community of Madrid has consolidated its position as national leader during 2024 by remaining the autonomous community with the greatest weight in Spain's Gross Domestic Product (GDP), accounting for 21.1%. The region also has the highest per capita income, reaching 44,775 euros.
- Significant contribution of domestic demand to the region's growth, focused on household consumption and investment. Moderate inflation growth compared to other regions means that consumers' purchasing power is not excessively eroded, maintaining a positive outlook for subsequent quarters.
- Leadership in the creation of new companies. A diversified productive structure with a large presence of larger companies.
- The good relative performance of the labour market. Madrid has one of the highest percentages in higher education in Spain (40.8%). Moreover, in the second quarter of 2025, the unemployment rate in Madrid was 8.0% (2.5 percentage points below the Spanish rate).
- Madrid is the most deregulated and lowest taxed economy in Spain and the most open to foreign trade and investment.
- Until November 2025, the region has evolved favourably in terms of the number of commercial companies created, leading the creation of new companies in Spain.



# Community of Madrid: Key sectors

## ● Digital economy

- Madrid is the epicentre of the Spanish digital economy, accounting for 30.7% of the market.
- Digitalisation is already responsible for 24% of regional GDP.
- It leads in start-ups investment, with 2.48 billion euros in 2023.
- Madrid is the 5th European region with the highest number of startups and the 6th most promising hub.

## ● Aeronautics and aerospace

- Madrid is home to 25% of the country's aeronautics and aerospace companies.
- The companies in this sector operating in Madrid produce a turnover of more than 5,200 million, 48% of the national total.

## ● Video games and content industry

- Madrid hosts 28% of the national companies.

## ● Banking, insurance and fintech

- Madrid stands out with the 33% of national activity.

## ● Pharmaceuticals and Biotechnology

- +9.2 billions of turnover, accounting for the 45% of the national total.
- Exports reach 17 billions, 63% of the national total in 2023

## ● Higher education

- 85% of labor market insertion rate compared to 80% in Spain.

## ● Entrepreneurial ecosystem

- Represents more than a quarter part of total R&D expenditure in Spain in 2023.
- Madrid is the second region in Europe with more offices opened by foreigners, only behind London in 2022.

## ● Logistics

- 14% of the road transport surface area in Spain is concentrated in the vicinity of Madrid.
- Represents more than 38 million square metres dedicated to logistics infrastructure.

## ● Design and graphic arts

- Second region by number of companies in this sector (more than 2,500), behind only Catalonia (3,000) in 2022.

## ● Communications and ICT

- Madrid is home to 26,8% of ICTs and communication companies.
- 71,2% of the turnover of the Spanish communications an ICT sector in 2023.

## ● Sustainable mobility

- First major European capital without a single diesel bus.
- Sustainable mobility accounted for 55% of the journeys in Madrid during October 2023.



# Competitive advantages

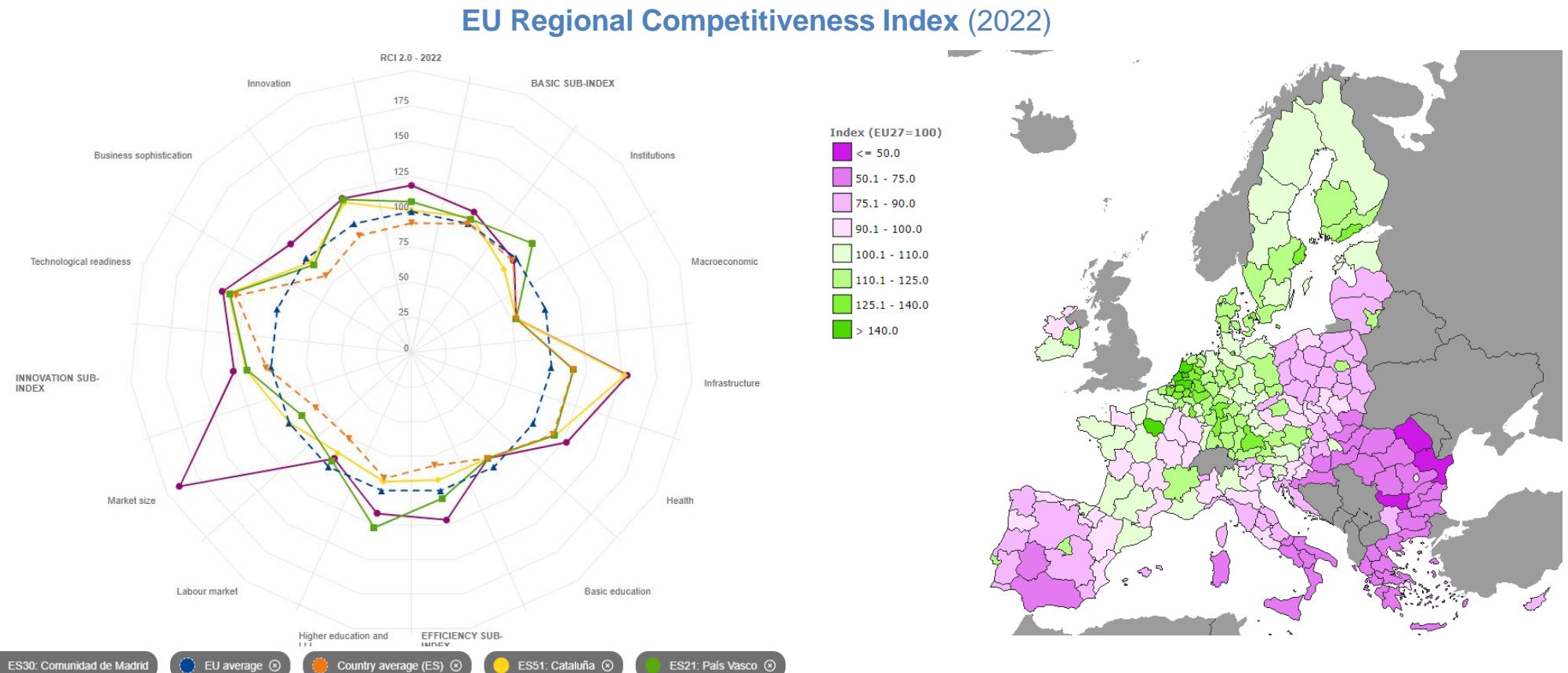
Breakdown of the sectoral weightings of Spanish regions  
(Year 2023)

CCAA	Farming	Industry	Construction	Wholesale & Retail commerce. vehicle repairs. hospitality. transport.	Information & Communication activities	Finance & Insurance activities	Real Estate activities	Technical & Scientific activities and auxiliary services	Public Administration. Defense. Social Security. Education. Healthcare and Social Services	Art. Culture and Entertainem ent. activities.	Total Services
Andalusia	5,5%	9,8%	6,2%	23,0%	2,8%	3,2%	14,1%	8,7%	21,3%	5,4%	84,7%
Aragon	5,0%	22,3%	5,3%	20,9%	2,7%	3,4%	10,6%	7,3%	18,2%	4,4%	72,7%
Asturias	1,2%	17,7%	6,2%	22,0%	3,2%	3,5%	14,4%	8,1%	19,3%	4,4%	81,1%
Balearic	0,4%	4,6%	7,7%	36,9%	2,4%	2,9%	16,2%	10,4%	13,1%	5,5%	95,0%
C. Valenciana	2,0%	16,4%	6,3%	24,2%	2,8%	3,3%	13,8%	9,0%	17,1%	5,2%	81,6%
Canary Islands	1,3%	5,0%	5,5%	33,3%	2,7%	2,7%	13,8%	9,3%	20,6%	5,8%	93,6%
Cantabria	1,0%	20,2%	6,2%	21,2%	2,4%	3,0%	14,7%	7,5%	19,0%	4,9%	78,8%
Castille la Mancha	7,2%	21,7%	6,4%	19,2%	1,8%	3,2%	10,7%	5,5%	19,8%	4,4%	71,1%
Castille and Leon	3,9%	21,3%	5,6%	20,0%	2,0%	3,3%	11,1%	7,1%	21,3%	4,3%	74,8%
Catalonia	0,8%	17,9%	4,6%	24,6%	4,5%	3,4%	13,5%	12,1%	14,0%	4,6%	81,4%
Extremadura	6,3%	15,5%	7,2%	18,1%	1,9%	3,4%	9,9%	6,4%	26,2%	5,2%	78,2%
Galicia	4,6%	18,2%	6,2%	23,3%	2,8%	3,1%	10,8%	8,1%	18,6%	4,3%	77,2%
Community of Madrid	0,1%	7,7%	4,3%	22,7%	11,4%	5,4%	11,0%	18,7%	13,6%	5,3%	92,2%
Murcia	4,3%	18,7%	5,7%	23,9%	2,1%	2,8%	10,1%	8,1%	19,9%	4,5%	77,0%
Navarre	3,1%	29,1%	5,2%	19,6%	1,9%	2,8%	9,0%	7,5%	16,8%	4,9%	67,8%
Basque Country	0,5%	22,1%	5,6%	21,7%	3,2%	3,2%	11,3%	9,8%	17,6%	4,9%	77,4%
Rioja	5,4%	24,2%	5,2%	20,8%	1,8%	2,9%	10,9%	6,5%	18,4%	3,7%	70,3%
<b>Spain</b>	<b>2,3%</b>	<b>14,2%</b>	<b>5,3%</b>	<b>25,9%</b>	<b>4,6%</b>	<b>3,4%</b>	<b>12,0%</b>	<b>10,8%</b>	<b>16,7%</b>	<b>4,8%</b>	<b>83,5%</b>

- ✓ Higher than average exposure to the **services sector** (92,2%), a dynamic and highly competitive sector that allows it to be at the forefront of technological developments and productivity.
- ✓ Less weight than average in **construction**; a very labor-intensive sector and very sensitive in terms of unemployment rates in recessions and stress scenarios.
- ✓ Leader among other regions in activities with great potential for development and growth: **information, communications, finance, IT, scientific activities, etc.**

# Competitive advantages

- The Community of Madrid recorded a **competitiveness index** in 2022 (corrected in March 2023) **higher than not only Spain but also some EU countries such as France, Italy and Portugal.**
- It is also the **most attractive Spanish region to live and work in**, followed by the Basque Country and Catalonia.
- The Community of Madrid is the **European region with the best public health indicators**.





## II. FUNDING PROFILE AND STRATEGY

# Strong Normative protection of Debt payment

## The Comunidad de Madrid's debt is included in the scope of State debt

- *Article 135 of the Constitution states ...*
- *". Loans to meet payment on the interest and capital of the State's Public Debt shall always be deemed to be included in budget expenditure and may not be subject to amendment or modification as long as they conform to the terms of issue.".*

### *In terms of Organic Law*

#### *Article 14.5 of the Law on Financing of the Autonomous Communities states:*

*"The public debt of the autonomous communities and the securities of an equivalent nature issued by them shall be subject, to the same rules and shall enjoy the same benefits and conditions as the Public Debt of the State".*

#### *Article 14 of the Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability provides:*

*"The payment of interest and principal on the debt of public administrations shall have absolute priority over any other expenses"*

*In practice, the Spanish Government has provided financial support to regions that have experienced budgetary difficulties or access to the financial market*

- ✓ *Since 2012 the Treasury has implemented mechanisms such as the FLA (Autonomous Liquidity Fund) and FFPP (Payment Provider Fund) to provide liquidity to the regional governments and local authorities to enable them to cope with their payment obligations (Royal Decree-Law 17/2014). Ultimately, the Government of Spain is the ultimate guarantor of debt amortization.*

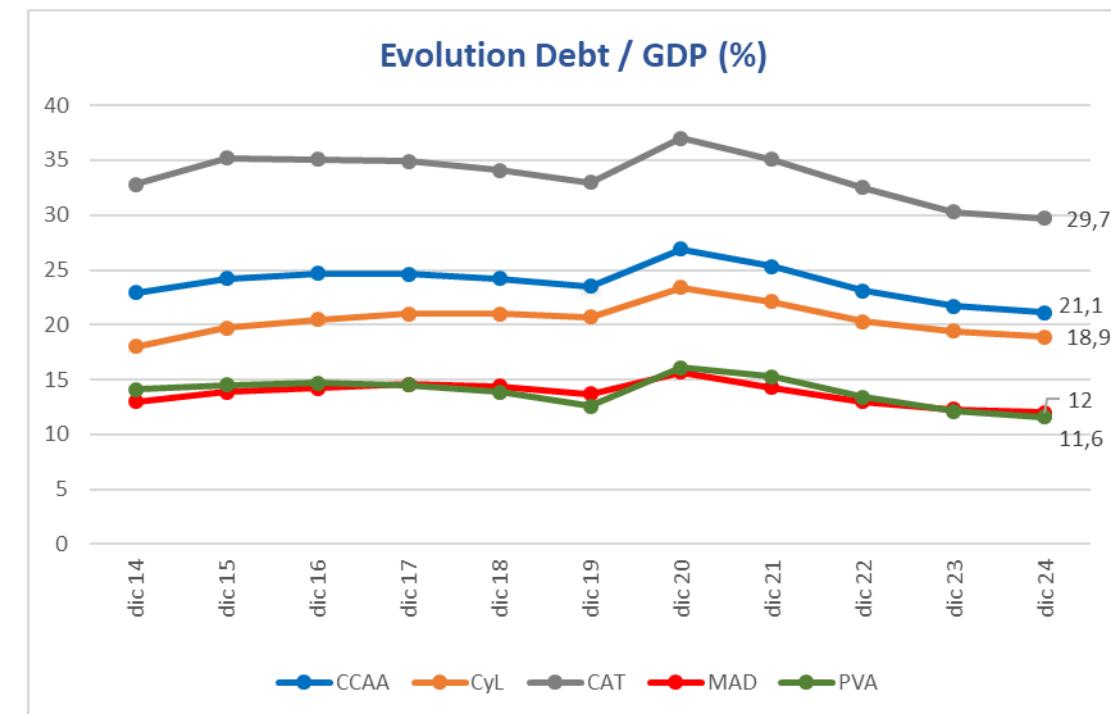


# Debt ratios of the Comunidad de Madrid

The Comunidad de Madrid has strong credit fundamentals, putting it in a very favourable starting position to face the current economic and health crisis.

These debt ratios mean that the Community's cost of financing is very favourable. As a result, the Community has opted for **greater financial autonomy** (similar to the strategy of the Foral Regions), having repaid early in 2020 all the outstanding capital concentrated in the FFCA (unlike other regions where more than 80% of its debt is state-funded).

CCAA	2024 4Q	
	Debt (€ mill.)	Debt/GDP (%)
Comunidad Foral de Navarra	2.745.479	10,3
Canarias	6.569.448	11,4
País Vasco	10.841.911	11,6
<b>Comunidad de Madrid</b>	<b>37.260.300</b>	<b>12,0</b>
Principado de Asturias	4.065.659	13,5
Galicia	11.935.565	14,5
La Rioja	1.634.487	14,5
Cantabria	3.234.389	18,1
Illes Balears	8.426.455	18,8
Castilla y León	14.239.080	18,9
Aragón	9.402.406	19,0
Andalucía	40.529.099	19,1
Extremadura	5.551.593	21,0
Castilla-La Mancha	16.655.742	29,1
Cataluña	89.035.422	29,7
Región de Murcia	13.518.442	31,5
Comunitat Valenciana	60.331.973	40,7
<b>National Average</b>	<b>335.977.451</b>	<b>21,1</b>



Source: Bank of Spain



# Gross Financing Needs 2026

2,973MM

- Refinancing of long-term debt redemptions in 2026

348 MM

- Deficit 2026 (0.1% Regional GDP)

55 MM

- Negative settlement 120 monthly payments (DA 36th, Law 2/2012, 29 june)

328 MM

- Deficit 2025 (0.1% Regional GDP)

**TOTAL FUNDING NEEDS 2026: 3,704 MM**

**TOTAL ISSUED 2025: 3,445.61MM**



## 2026 Debt Strategy

1. Initial authorized Funding needs: EUR 3,028 bn.
2. EUR Benchmarks transactions.
3. Preference for medium and long maturities.
4. Smooth the maturity profile towards longer term financing.
5. Promote Sustainable Finance:
  - Capacity to issue bonds and loans.
  - Public and private deals.
  - In compliance with the GBP and SBP and aligned with the SDG.



# Rating and debt ratios

	Moody's	S&P	DBRS	FITCH	SCOPE
<b>Current Rating</b>	A3	A	A (high)	A-	A
<b>Outlook</b>	Stable	Stable	Stable	Positive	Positive
<b>Date</b>	30 Sep. 25	26 Jul. 24	05 Dec.25	25 Apr.25	28 Nov. 25

	Comunidad de Madrid				National Total			
	2022	2023	2024	2025 3Q	2022	2023	2024	2025 3Q
Debt/GDP (%)	13.0	12.2	12.0	11.5	23.1	21.7	21.1	20.4
Debt	34,824	35,880	37,260	37 829	317,093	325,242	335,977	338 804

	Comunidad de Madrid				Spanish Treasury			
	2022	2023	2024	2025 3Q	2022	2023	2024	2025 3Q
Debt Average Cost (%)	2.09	2.27	2.27	2.34	1.73	2.09	2.21	2.29

**LCR (Liquidity Coverage Requirement): NIVEL 1 EUROCLEAR.ECB  
0% risk weighted.**

**Minimum risk applicable in accordance with European Prudential Regulations**

**The average cost of Comunidad de Madrid is 2.33 % (January 2026)**

Source: Comunidad de Madrid, INE and Bank of Spain

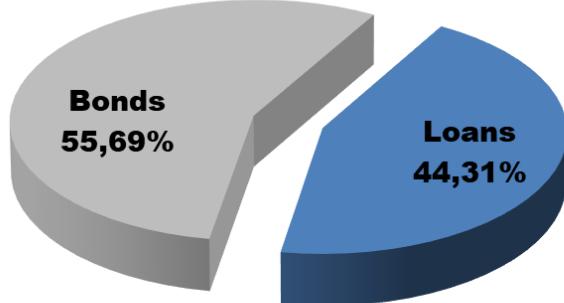
Considering rights and obligations

\*Cost: Spanish Treasury



# The main characteristics of the debt

## Distribution bonds/loans



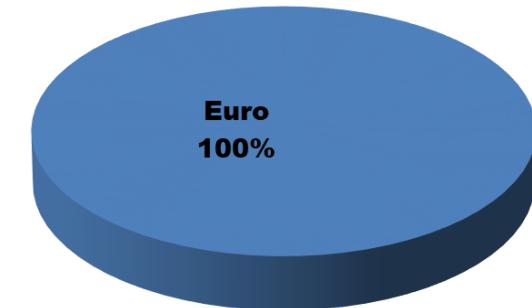
## Loans

Type	%
Public entities	17,33%
Private entities	82,67%
<b>Total % Loans</b>	<b>44,31</b>

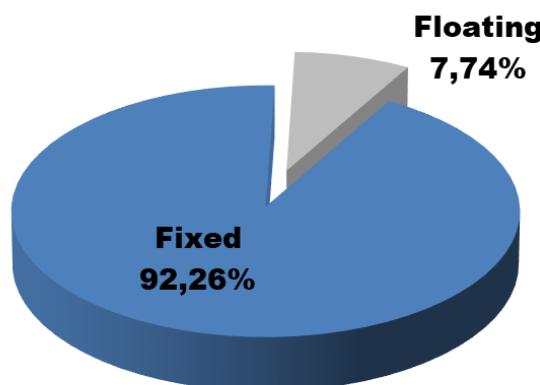
## Bonds

Type	%
Euro	100,00
Foreign currency	0,00
<b>Total % Bonds</b>	<b>55,69</b>

## Currency distribution



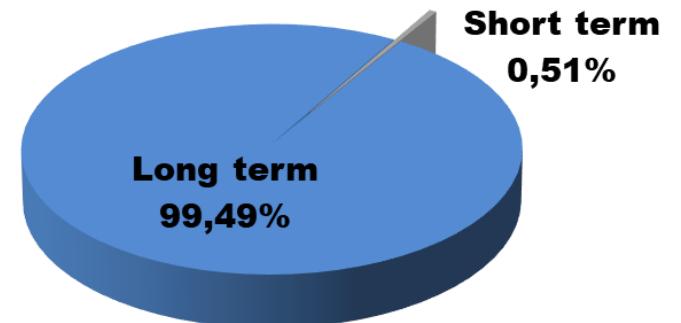
## Distribution fixed/variable



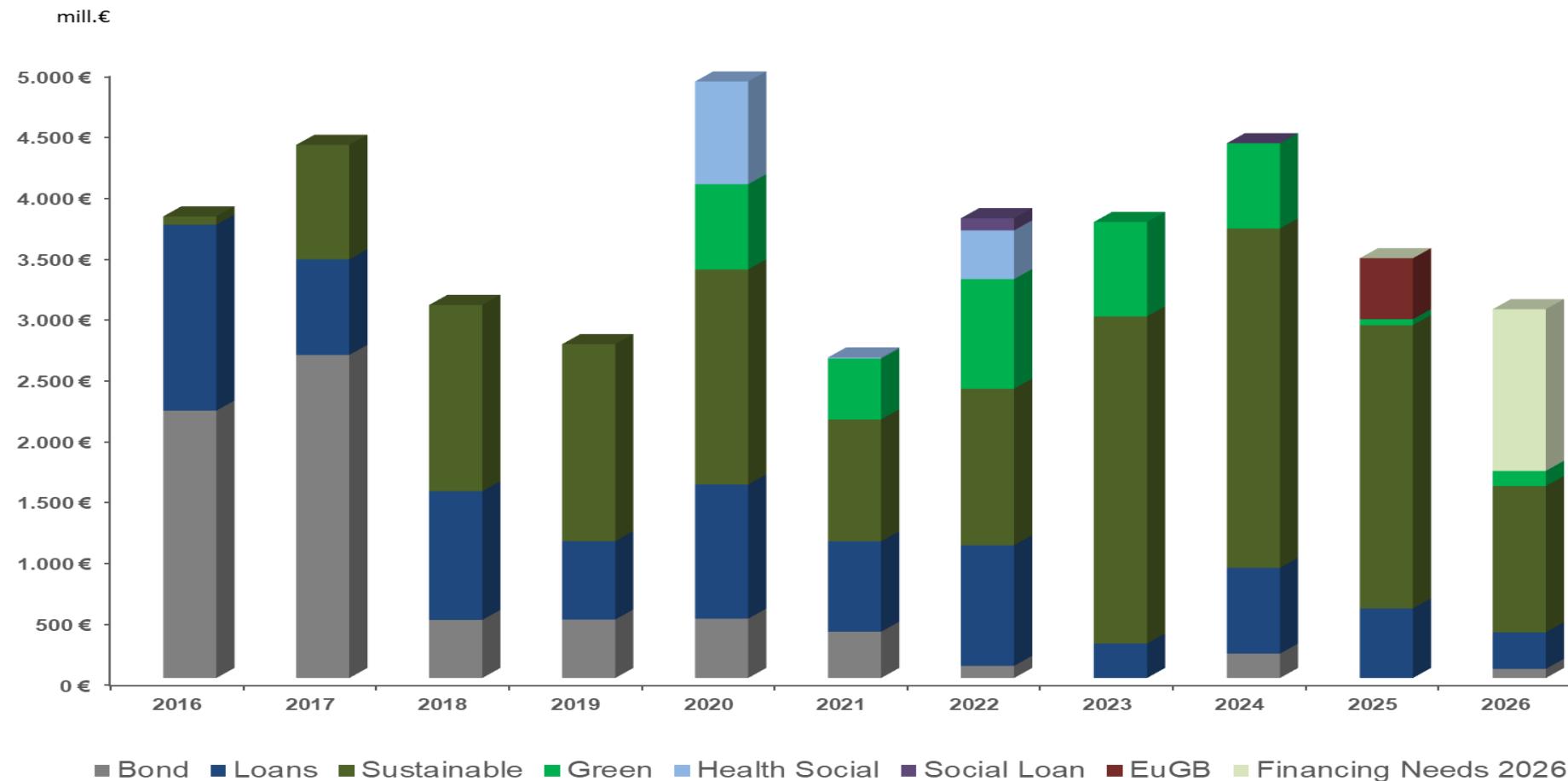
A commitment to fixed-rate issuances is a strength:

- Reducing risks.
- Reducing volatility when making payments.

## Maturity Distribution



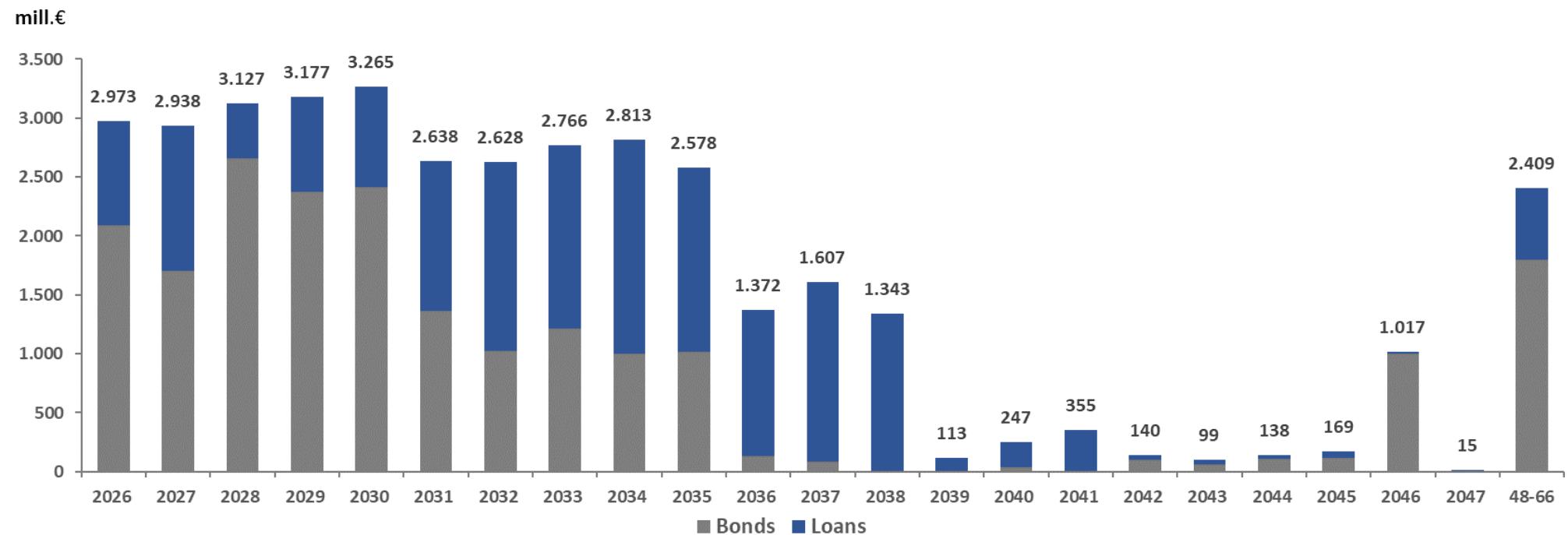
# Funding Activity



Madrid, regular player in Capital Markets.

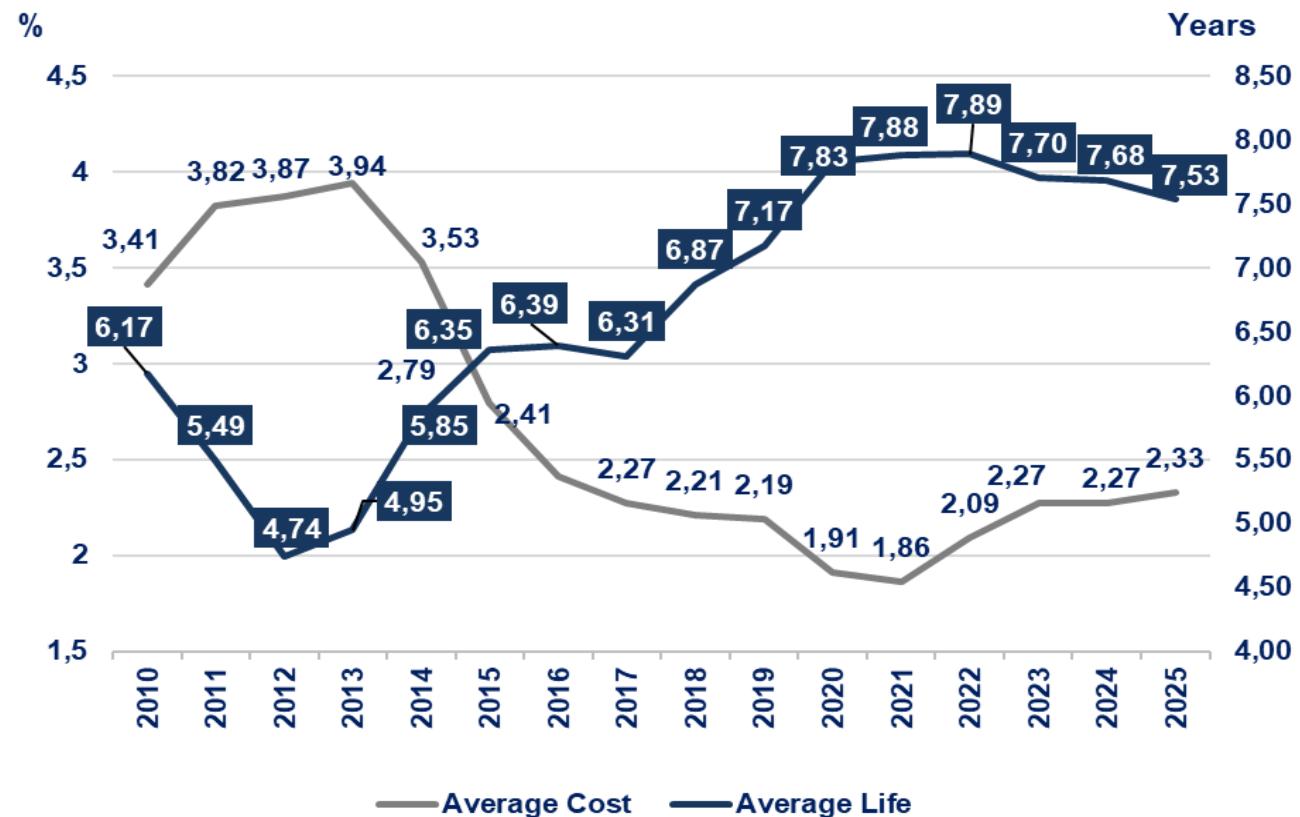
Source: Comunidad de Madrid

# Maturities profile



Source: Comunidad de Madrid

## Average cost and life

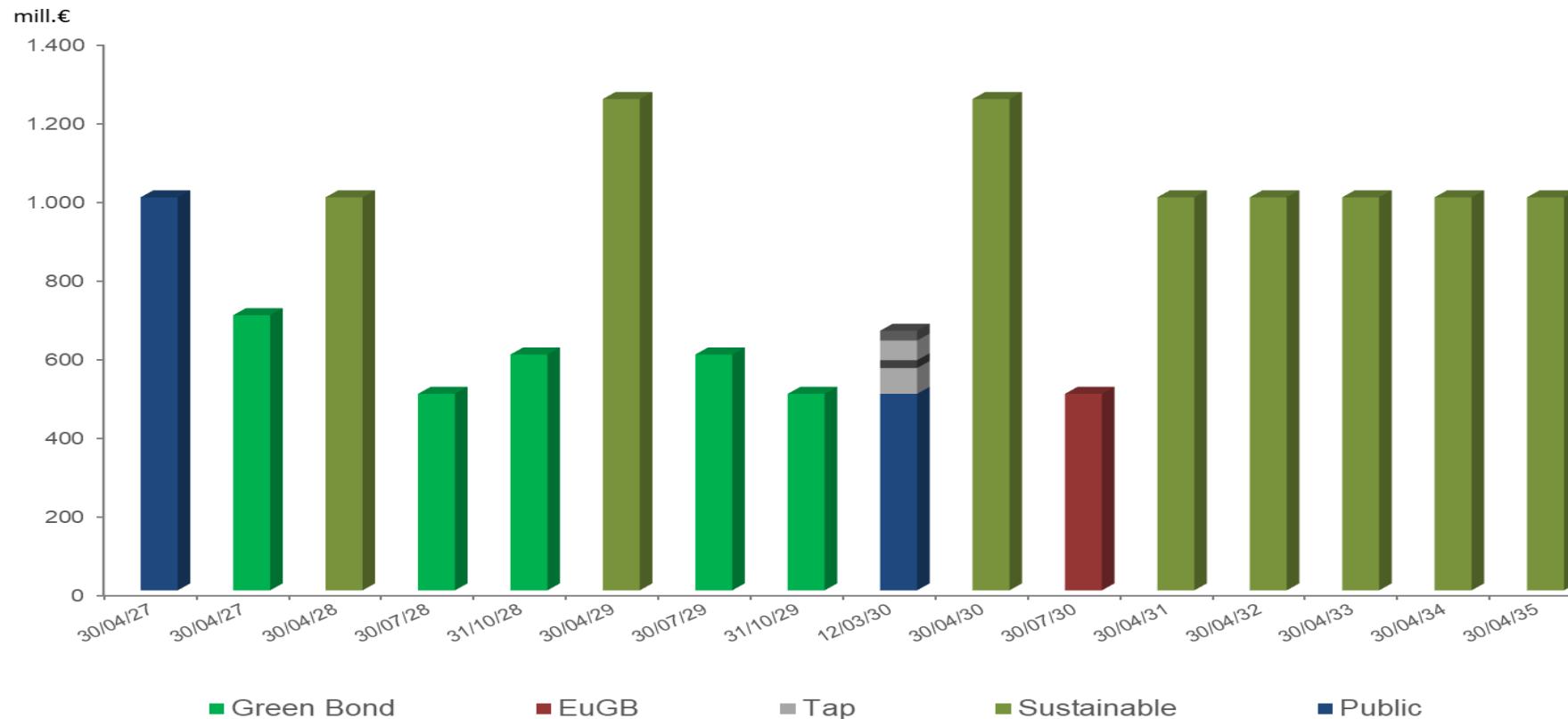


Average maturity of debt  
(January 2026)

- Community of Madrid: 7.45 years.  
- Spanish Treasury: 7.95 years.



# Comunidad de Madrid: Benchmark Transactions



## Common features of these operations:

- Extraordinary investor's response.
- Outstanding quality of the orderbook: Demand driven by real money investors.
- High international support, very well diversified in geographical terms.



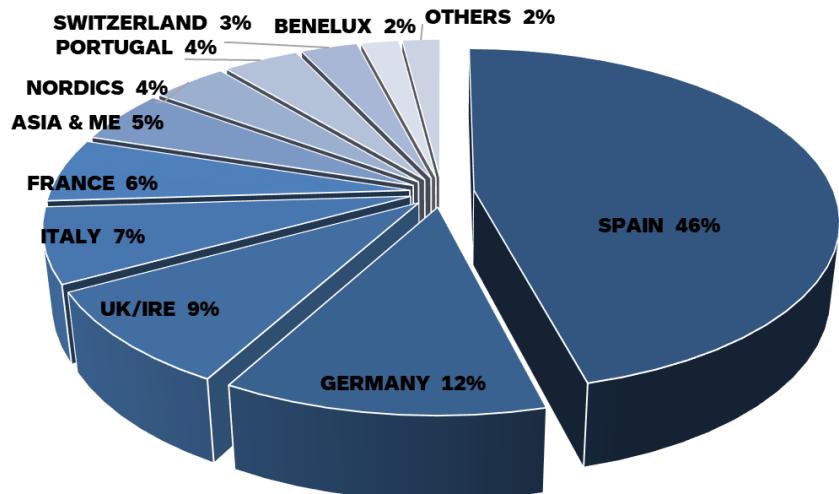
# Deals Breakdown

	Amount	Tenors	Average Maturity
<b>2026</b>			
Loans	1,700,000,000	11-15	12.79
	<b>1,700,000,000</b>	<b>11-15</b>	<b>12.79</b>
<b>2025</b>			
Loans	1,945,610,000	8-20	11.87
Public Benchmark (Sustainable)	1,000,000,000		10.21
Public Benchmark (EuGB)	500,000,000		5.13
	<b>3,445,610,000</b>	<b>5-20</b>	<b>10.41</b>
<b>2024</b>			
Loans	2,544,310,000	3-25	10.87
Public Benchmark (Sustainable)	1,000,000,000		10.16
Public Benchmark (Green)	600,000,000		5.16
Tap	200,000,000	22	22.06
Private Placements	45,000,000,00	8-11	9.57
	<b>4,389,310,000</b>	<b>3-22</b>	<b>10.42</b>
<b>2023</b>			
Loans	2,143,000,000	8-13	10.39
Public Benchmark (Sustainable)	1,000,000,000		10.18
Public Benchmark (Green)	600,000,000		5.34
	<b>3,743,000,000</b>	<b>5-13</b>	<b>9.52</b>

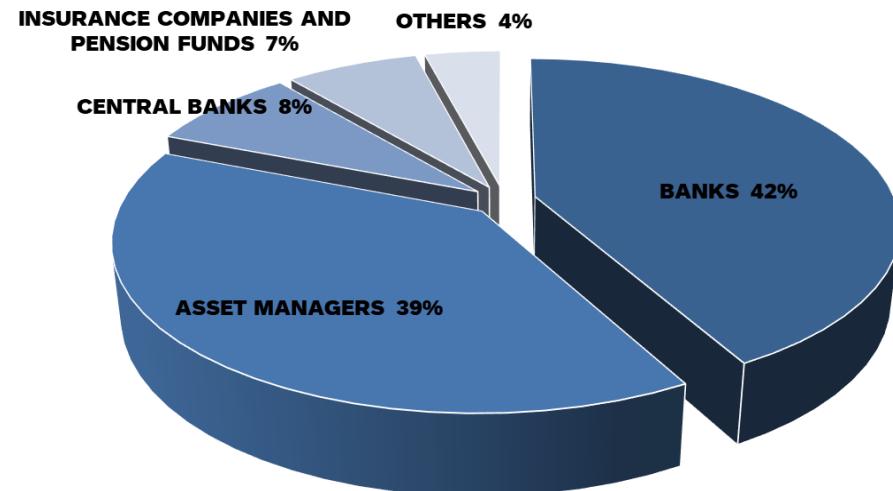
€1bn 3.137% due 30<sup>th</sup> April 2035

## 9º Sustainable Public Deal

### BY REGIONS



### BY INVESTOR TYPE



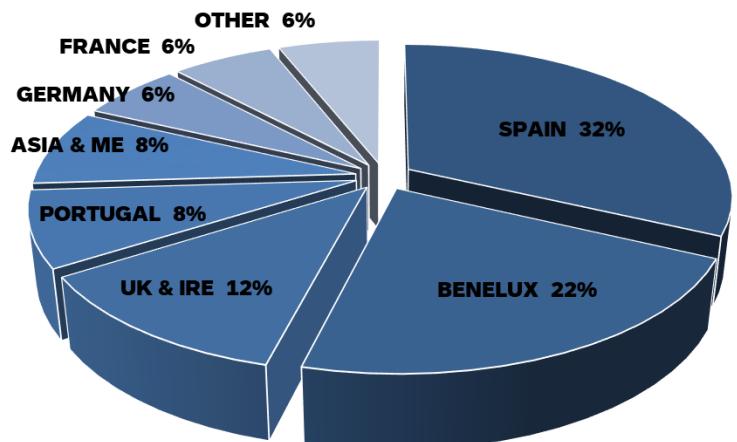
**TOTAL AMOUNT 1,000,000,000 €**

- First public benchmark issued by Comunidad de Madrid in 2025.
- 54% placed outside Spain.
- 6 oversubscribed book with over 150 investors involved

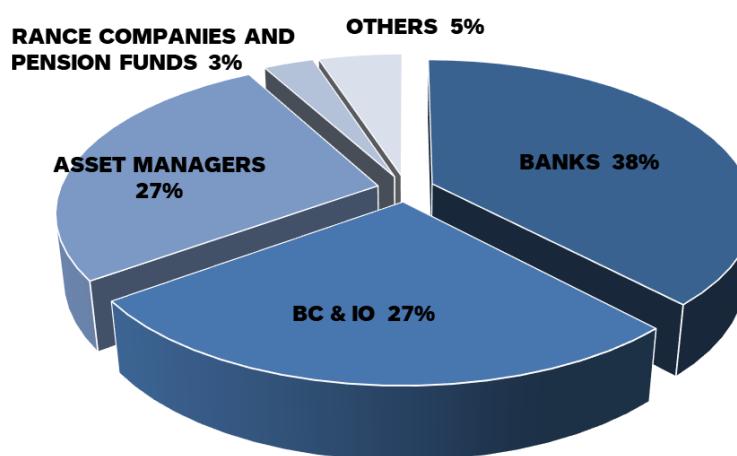
€500 bn 2.487% due 30 July 2030

## 1º EuGB Public Deal

### BY REGIONS



### BY INVESTOR TYPE



**TOTAL AMOUNT 500,000,000 €**

- This transaction represents the sixth Green syndicated benchmark transaction, and it constitutes the first EU-GBS aligned Green Bond from European Sub-Sovereign Issuer.
- International demand took around 68% of transaction.
- The transaction was met with strong investor demand with a final orderbook in excess of 2.4bn.

Source: Comunidad de Madrid



## 2026 Notes Issuance Program Operations

Operation	Amount € mill	Settlement Date	Maturity Date
Notes	20,000,000	01/19/2026	12/04/2026
Notes	27,500,000	01/30/2026	09/04/2026
<b>Total</b>	<b>47,500,000</b>		

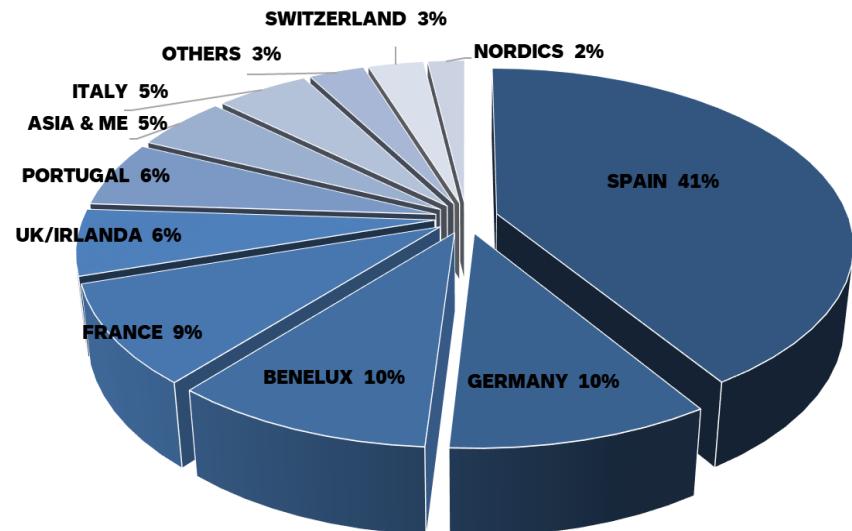
- The total Note Issuance Program amounts to €1 bn.
- The registered amount of the Note Issuance Program in AIAF is €350 million
- The outstanding amount of the registered Note Issuance Program is €302.5 million .



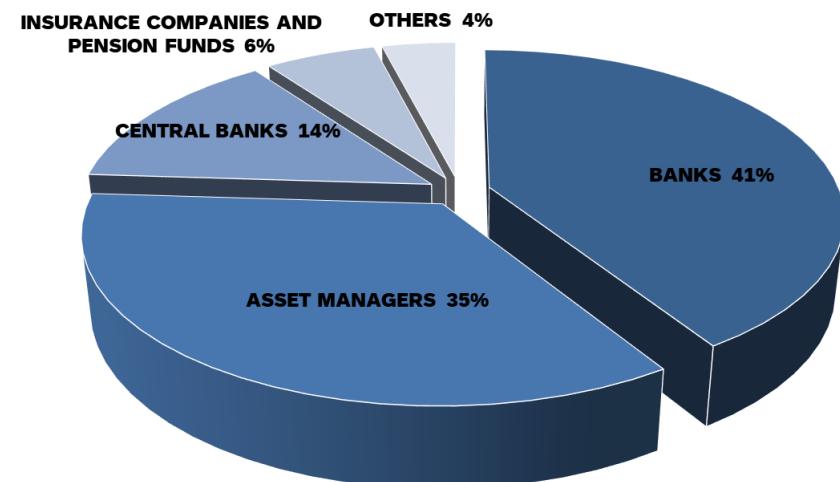
# 2025 Bond Profile

## BOND TRANSACTIONS

### BY REGIONS



### BY INVESTOR TYPE



AMOUNT ISSUED 1,500,000,000 €

Source: Comunidad de Madrid





## SUSTAINABLE AND GREEN FINANCING



## SUSTAINABLE FINANCING

## TABLE OF CONTENTS

### **I. Approach to Sustainability**

### **II. Sustainable Finance 2025 - Impact Report**





## I. APPROACH TO SUSTAINABILITY

# Sustainability Mandate of the Community of Madrid

Comunidad de Madrid has a **clear social and environmental mandate** to meet the needs of its citizens. **Fostering inclusive growth** is core for the Region, and so it is committed to integrate sustainable development and social responsibility in all its activities while playing a key role to promote sustainable initiatives on the territory.

**Social expenditures** include several programs such as the financing of public policies related to **public health, education, social services, employment promotion, public transportation, and subsidized housing**. Comunidad de Madrid's expenditure on social programs aim to strengthen Madrid's socio-economic recovery and improve social cohesion, thanks to the development of public services that benefit all the citizens and the implementation of programs to promote employment through investment of small businesses.

**Strategy for Social Inclusion 2016/2021**, within the framework of the **Europe 2020 Strategy**, which **seeks to eradicate severe poverty from the region**



# Contribution to the UN SDGs

Comunidad de Madrid is committed to the implementation of the 2030 Agenda for Sustainable Development. In order to implement concrete actions, the project "Madrid is Action" has been established



- 1 NO POVERTY**
  - Affordable Housing (Target 1.4)
  - Social Inclusion (Target 1.1 and 1.B)
- 3 GOOD HEALTH AND WELL-BEING**
  - Healthcare (Target 3.8)
- 4 QUALITY EDUCATION**
  - Education (Target 4.1, 4.2, 4.4, 4.A)
- 5 GENDER EQUALITY**
  - Social Inclusion - Fight against gender violence and promotion of equal opportunities (Target 5.1 & 5.2)
- 8 DECENT WORK AND ECONOMIC GROWTH**
  - Social Inclusion (8.6)
  - SMEs financing (8.3, 8.6)
- 11 SUSTAINABLE CITIES AND COMMUNITIES**
  - Affordable Housing (11.1)
  - Clean and Sustainable Transportation (11.2)
- 13 CLIMATE ACTION**
  - Climate Change Policies (13.2, 13.3)
- 15 LIFE ON LAND**
  - Environmental conservation and biodiversity (15.1, 15.2)



## II. SUSTAINABLE FINANCE 2025 - IMPACT REPORT

# Rationale for Sustainable Financing



## Community of Madrid' Sustainability Mandate

- Comunidad de Madrid devotes a substantial portion of its budget to social and environmental spending
- Via the issuance of sustainable debt, Community of Madrid contributes to its social and environmental policies and actions
- Alignment of the funding strategy with the sustainability strategy

## Addressing the social and environmental transition

- By issuing Sustainable Finance Instruments, Community of Madrid contributes to global, EU and national social and environmental objectives
- Contribution to the achievement of UN Sustainable Development Goals (SDGs)
- Achievement of sustainable growth for Community of Madrid's citizens

## Supporting the growth of a sustainable financial market

- Address the increasing demand for more sustainable assets by responsible investors
- Diversify its investor base targeting SRI and dark green investors, while fostering the relationship with existing investors
- Contribution to the development of a sustainable financial market

**Comunidad de Madrid believes that Sustainable Finance Instruments are effective tools to channel investments to projects demonstrating climate and social benefits**



# Sustainable Finance Framework

## Alignment with the Standards

The Sustainable Finance Framework of the Community of Madrid complies with:

- ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines
- LMA Green Loan Principles



## Community of Madrid Framework's pillars

1

### Use of Proceeds

- Sustainable Finance Instruments' proceeds will be allocated to eligible expenditures with a clear social and/or environmental benefit within the General Budget

2

### Project Evaluation and Selection

- Carried out by the Committee of Selection, Monitoring and Evaluation that meets before the issuance of a Sustainable Finance Instrument, in accordance with the Eligibility and the Exclusionary Criteria

3

### Management of Proceeds

- Sustainable Finance Instruments' proceeds will be managed in a portfolio approach

4

### Reporting

- Allocation and Impact reporting provided annually until full allocation of the Sustainable Finance Instruments' proceeds

5

### External Review

- Second Party Opinion (SPO) from Sustainalytics. Community of Madrid might hire an external party to audit the allocation of proceeds

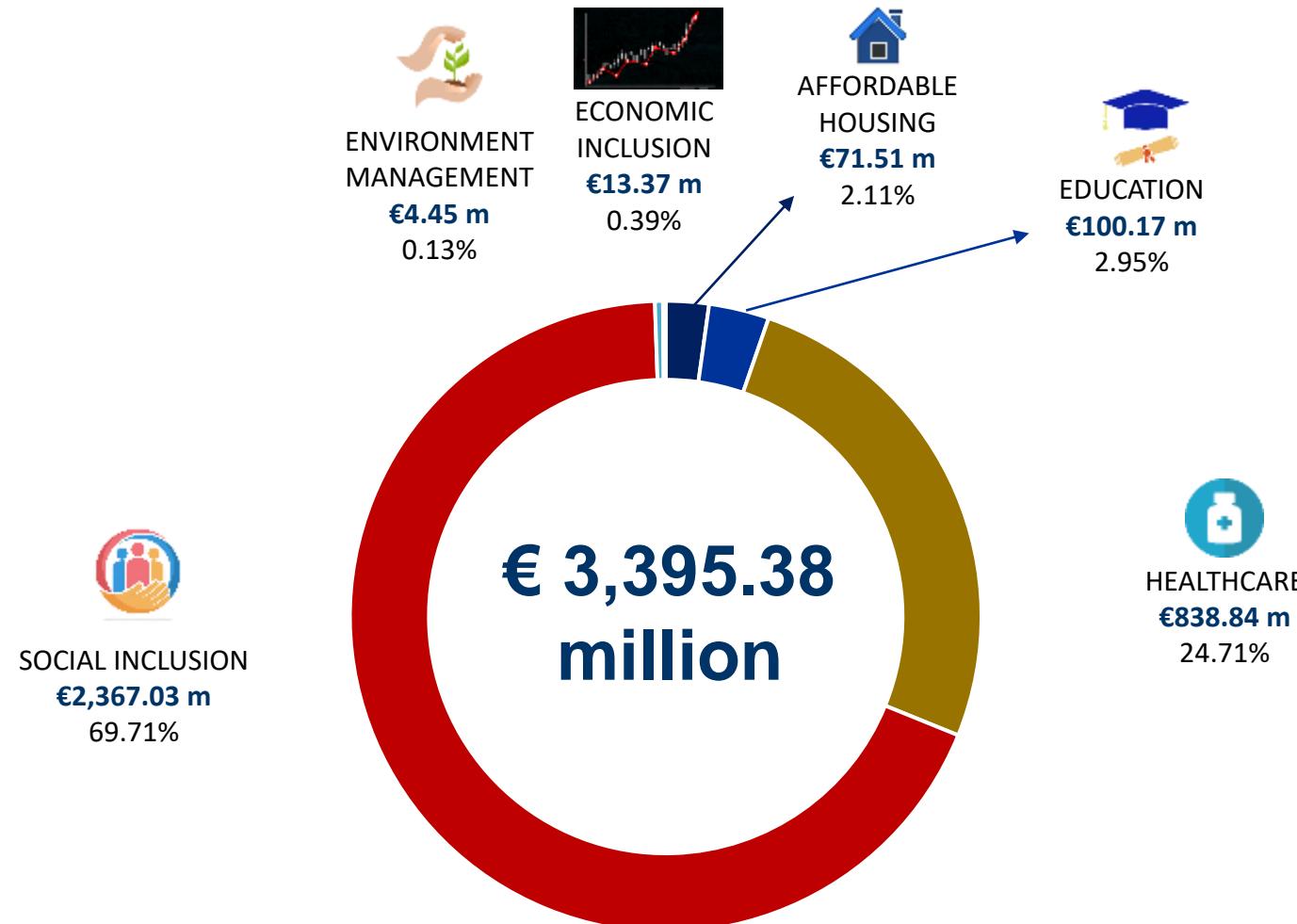
Under the Green Finance Framework, Community of Madrid can issue Sustainable Finance Instruments which include Green, Social, Sustainability bonds, private placements and loans





# 2025 Eligible Portfolio – Budgetary Programs

## AMOUNT OF THE RESPONSIBLE EXECUTED PORTFOLIO

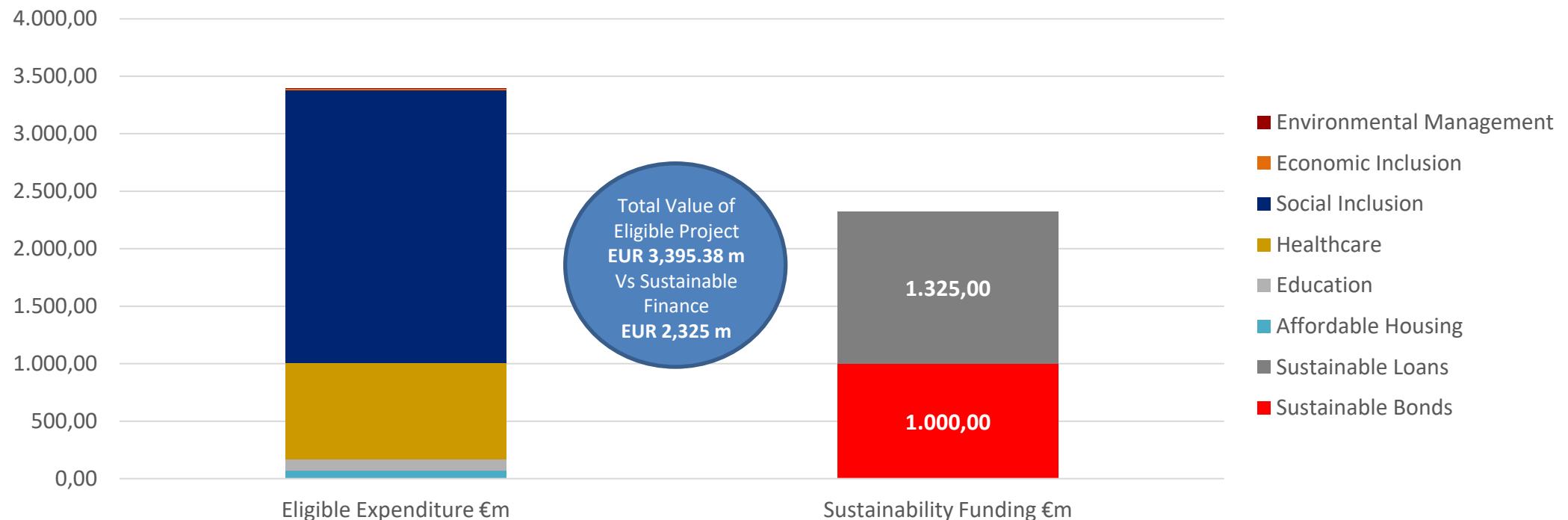


# 2025 Eligible Portfolio

Eligible categories	Program Description	Program in the General Budget	Amount in € million (budgeted 2025)	UN SDGs
<b>Affordable Housing</b>	<ul style="list-style-type: none"> <li>Provision of affordable housing and shelter to disadvantaged populations</li> </ul>	261B	470.85	
<b>Education</b>	<ul style="list-style-type: none"> <li>Provision of education to the youth (including disadvantaged groups) and support of public schools and universities</li> </ul>	232A / 322A, B, C, F / 323M / 324M	2,955.62	
<b>Healthcare</b>	<ul style="list-style-type: none"> <li>Support to Madrid's Public Healthcare System and financing of high impact medicines against rare diseases</li> </ul>	312A, 313B	3,813.17	
<b>Social Inclusion</b>	<ul style="list-style-type: none"> <li>Fight against gender violence and promotion of equal opportunities</li> <li>Integration, education and employment programmes and financial assistance to vulnerable groups at risk of social exclusion</li> <li>Universal accessibility to the public transportation system (reduced price ticketed)</li> <li>Provision of goods and services to the elderly and the mentally and/or physically disabled</li> </ul>	231A,B,C,D,E,F,I/ 232A, B, E / 241A, M/ 261B / 322A,B,F / 323M / 324 M / 422B/ 431A/ 433A/ 453N / 463A /	2,618.50	 
<b>Economic Inclusion</b>	<ul style="list-style-type: none"> <li>SMEs financing</li> <li>Employment promotion and advancement, including people with distance to labour market</li> </ul>	463A / 466A	547.94	
<b>Environmental Management</b>	<ul style="list-style-type: none"> <li>Environmental conservation and biodiversity</li> </ul>	422B / 453N / 456A,N	797.97	



# Reporting Framework example: Sustainability Financing: Allocation Reporting 2025



**% of Eligible Sustainable Project Portfolio allocated: 68.5%**

**% Sustainable net proceeds allocated: 100%**

Source: Comunidad de Madrid



# Sustainability Financing Impact KPIs

Project category		Target population	Allocation information			Impact indicators			
Eligible Project Category	SDG Addressed	Target Group (if applicable)	Budgetted amount	Allocated to sustainable bond (amount)	Share of Total Budget Financing	Number of beneficiaries		Other impact indicators	
			mEUR		%	Number	Unit of measure	Additional Indicators	number / unit of measure
Affordable Housing	Goal 1: No Poverty Goal 11: Sustainable Cities and Communities	Disadvantaged and underserved groups	71,512,834.84	71,512,834.84	3.08%	130	Families with social housing	Number of social housing units acquired	879
								Number of mortgages granted	3,979
Education	Goal 4: Quality education	Youth, disadvantaged groups	100,170,893.33	100,170,893.33	4.31%	508,099	Number of vulnerable students	Number of students with academic reinforcement	34,634
								Number of scholarships professional training higher degree	12,270
								Number of public schools (0-18 years)	1,463
								Number of people treatment medication high impact	77,804
Healthcare	Goal 3: Good Health and Well-being	Citizens (including disadvantaged and underserved groups)	838,844,020.75	838,844,020.75	36.08%	1,206	Number of people with a rare disease being provided access to services and adequate medication	Number of individuals or families benefiting of social minimum income	488
								Number of victims of gender violence supported	2,638
								Number of subsidized trips	171 millions
Social inclusion	Goal 1: No Poverty SDG 5: Gender equality	Disadvantaged and underserved groups	2,367,032,322.50	1,296,654,806.16	55.77%	1,400,872	Number of individuals or families benefiting from social benefits	Number of projects that received subsidies	164
								Number of annual data for air quality parameters	1,432,199
Economic inclusion	Goal 4: Quality education Goal 8: Decent work and economic growth	SMEs and long-term unemployed	13,367,202.64	13,367,202.64	0.57%	228	Number of SMEs that received support	Number of annual data meteorological parameters	1,703,654
								Number of environmental education centers	13
								Total	3,395,377,516.34
									2,325,000,000.00
									1,910,535



# Sustainability Bond Impact KPIs

Project category		Target population	Allocation information			Impact indicators			
Eligible Project Category	SDG Addressed	Target Group (if applicable)	Budgetted amount	Allocated to sustainable bond (amount)	Share of Total Budget Financing	Number of beneficiaries		Other impact indicators	
			mEUR		%	Number	Unit of measure	Additional Indicators	number / unit of measure
Affordable Housing	Goal 1: No Poverty Goal 11: Sustainable Cities and Communities	Disadvantaged and underserved groups	71,512,834.84	30,758,208.53	3.08%	56	Families with social housing	Number of social housing units acquired	378
								Number of mortgages granted	1,711
Education	Goal 4: Quality education	Youth, disadvantaged groups	100,170,893.33	43,084,255.20	4.31%	218,537	Number of vulnerable students	Number of students with academic reinforcement	14,896
								Number of scholarships professional training higher degree	5,277
								Number of public schools (0-18 years)	629
								Number of people treatment medication high impact	33,464
Healthcare	Goal 3: Good Health and Well-being	Citizens (including disadvantaged and underserved groups)	838,844,020.75	360,793,127.20	36.08%	519	Number of people with a rare disease being provided access to services and adequate medication	Number of individuals or families benefiting of social minimum income	210
								Number of victims of gender violence supported	1,135
								Number of subsidized trips	73,548,387
Social inclusion	Goal 1: No Poverty SDG 5: Gender equality	Disadvantaged and underserved groups	2,367,032,322.50	557,700,991.90	55.77%	602,526	Number of individuals or families benefiting from social benefits	Number of projects that received subsidies	71
								Number of annual data for air quality parameters	616,000
Economic inclusion	Goal 4: Quality education Goal 8: Decent work and economic growth	SMEs and long-term unemployed	13,367,202.64	5,749,334.47	0.57%	98	Number of SMEs that received support	Number of annual data meteorological parameters	732,754
								Number of environmental education centers	6
Total			3,395,377,516.34	1,000,000,000.00	100%	821,736			



# Selected Projects for the 2025 Sustainability Bond

*Comunidad de Madrid has a clear social and environmental mandate to meet the needs of its citizens.*

*Sustainable development is at the centre of our policies for strong, sustainable and inclusive growth and development.*

## SELECTED PROJECTS



ELIGIBLE CATEGORY	PROJECT NAME	AMOUNT
Affordable Housing	My First Home Program (Programa Mi Primera Vivienda)	25,000,000.00
	Maintenance and conservation of occupied social housing	6,433,375.89
	Land development for social housing construction	0.00
	Neighborhood Assistance Service of the Community of Madrid (ASIVECAM)	1,305,724.86
	Construction of new social housing developments	31,490,398.06
Education	Repair of vacant social housing for secondary allocation	7,283,336.03
	Support for students with special educational needs	3,657,593.84
	Book loan program (ACCEDE Program)	35,570,230.60
	Maintenance of Secondary Education Centers	22,735,565.30
	"Refuerza" Program (academic support and reinforcement activities)	2,708,200.00
	Training and awareness for women at risk of social exclusion	540,000.00
	Higher-level vocational training scholarships	28,252,684.91
	Educational compensation classrooms	706,618.68
	Financial aid for public university studies	6,000,000.00
	High-impact medicines and orphan drugs	837,330,000.00
Healthcare	Collaboration with Local Entities (CCLL)	116,400
	Collaboration with professional entities	52,967.50
	Mobile service for drug-dependent individuals	844,653.25
	Collaboration with citizen organizations	500,000.00
	Reduced prices for school menus	61,003,264.75
Social Inclusion	Economic benefits for dependency situations	402,811,962.95
	Home care for dependency situations	155,140,863.00
	Care for the elderly in centers	422,723,021.05
	Public transport user subsidies	1,248,036,615.00
	Senior center care	16,298,311.00
	Comprehensive care in residential centers for gender-based violence	900,443.64
	Soup kitchen services	4,202,028.00
	Care in non-residential centers for gender-based violence	0.00
	Economic benefits for the social integration of women victims of gender violence	292,320.00
	Free school transport for students in special education centers	9,401,603.03
	Free transport for students with physical disabilities	10,325,707.73
	Free school canteen service for students in special education centers	4,242,844.90
	Free school transport for students from shanty towns	628,554.55
	Participation and Integration Centers (CEPI)	2,371,420.00
	Volunteering school	147,361.94
	"Housing First" Program	295,759.61
	Care center for persons in situations of social exclusion	2,393,927.27
Economic Inclusion	Network of volunteer information points (PIV)	76,465.66
	Madrid Information and Care Program for LGTBI individuals	321,829.20
	Minimum Insertion Income (RMI)	1,378,476.01
	Subsidies for integration projects linked to Minimum Insertion Income	4,900,000.00
	Telecare service for dependent persons	9,585,983.00
	Development cooperation subsidies	4,490,232.00
	Youth at risk of social exclusion	1,527,125.97
	Youth: Temporary residential care (severe risk of social exclusion)	130,858.50
	Youth: First professional experience	1,300,000.00
	Convalescent care for those at severe risk of social exclusion	1,807,241.74
Environmental Management	Homeless women	0.00
	"Sal de la calle" Program	298,102.00
	Re-guaranteeing Avalmadrid (Land purchase)	5,000,000.00
	Aid to promote technological sectors and Start-ups	1,225,631.87
	Innovation service aid for SMEs (Innovation Vouchers)	562,270.76
TOTAL	Aid for industrial SMEs (Industry 4.0 projects)	5,703,331.20
	Aid for intermediate innovation entities	875,968.81
	Environmental protection and improvement measures. Environmental Education	2,789,469.08
	Subsidies for non-profit entities with environmental goals	500,000.00
TOTAL	Air Quality Network	1,160,773.20
	<b>TOTAL</b>	<b>3,395,377,516.34</b>

Source: Comunidad de Madrid



# CASE STUDY for HEALTHCARE



## High Impact Medicines and Orphan Drugs



- Comunidad de Madrid offers universal healthcare coverage to all of its citizens. The overall objective of the healthcare programme is the maintenance of a quality healthcare service and an efficient use of resources. Madrid's public healthcare service includes plans such as the **“Plan to improve healthcare services for people with rare diseases”**.
- Providing integrated and comprehensive care by all the agents involved is essential to improve the daily life of these people and their families.

## Mobile Support Service for Drug Dependency



- Comunidad de Madrid provides healthcare to drug addicts out of treatment through mobile devices in marginal areas.
- This project aims to minimize the negative effects related to consumption and contributes to public health by controlling and monitoring transmitted diseases, providing referrals to drug addiction treatment, counselling and support services network.

Proceeds of the bond will be allocated to projects aimed at providing a modern and sustainable public healthcare service system to the citizens of Madrid (including, but not limited to, vulnerable groups)

Source: Comunidad de Madrid



# CASE STUDY for EDUCATION



## ACCEDE – Book lending program



- **Accede Program textbook lending program** for eligible students of Primary Education, Compulsory Secondary Education and Basic Vocational Training.
- Over **515,000 students** from nearly **1,400 schools** benefited from this program.
- Comunidad de Madrid has allocated **EUR 35.5m** to this program.

## Education Centers Maintenance



- Comunidad de Madrid **offers a wide network of public primary and secondary education schools and special education schools.**
- Every year, Comunidad de Madrid builds new centers to cope with takes care of the maintenance of schools, by taking preventive, diagnostic, updating, replacement, and repair procedures.

## REFUERZA-Academic Support



- The **Academic Support program** seeks to complement Primary Schools training by offering students reinforcement activities, study techniques or knowledge expansion sessions.
- Over **12,000 students** benefited from this program.

**Education is a fundamental social right, bringing significant benefits to society. An educated and skilled workforce is essential for our region's competitiveness.**



# CASE STUDY for AFFORDABLE HOUSING



## Uninhabited Social Houses Refurbishment



- Comunidad de Madrid dedicated close to EUR 7.2m to Social Housing projects.
- Among others those dedicated to the maintenance and conservation of inhabited social housing to **improve the safety** and the **accessibility** and enhance its **energy efficiency**
- 222 **vacant** social homes were **refurbish**

## Mortgage Assistance Program



- 'Mi primera Vivienda' is a pioneering plan for young people under 40 years old who are economically solvent but do not have savings.
- The project facilitates the granting of up to 100% of the mortgage
- Budget of 25 million euros for 2025
- 3,979 mortgages conceded

## ASIVECAM – Neighborhood Assistance



- ASIVECAM – the Comunidad de Madrid Neighborhood Assistance service
- Aims to favor and activate processes of coexistence and communication, to provide answers to the problems raised in the promotions of public housing of the Social Housing Agency, which facilitate the integration of people and the development of these, through their participation.
- Hired 41 socio-educational technicians, acquisition 5 vehicles

Comunidad de Madrid is committed to tackle inequalities and provide access to affordable and quality housing. Social housing plays a vital role in meeting the housing needs of people across Comunidad de Madrid.

Source: Comunidad de Madrid



# CASE STUDY for SOCIAL INCLUSION



## Minimum Insertion Income (RMI)



- **Minimum Insertion Income (RMI)** refers to the different programs aimed at individuals and families who lack sufficient economic resources to cover their basic needs, accompanied by a process of social intervention.
- Comunidad de Madrid earmarked **EUR 7.8m** for this purpose

## Assistance for Women Victims of Gender Violence



- Comunidad de Madrid funds a broad range of initiatives and programs aiming to **end all forms of gender-based violence**
- In 2025, **100 women and 70 children** were treated in **Shelter Centers** specialized in offering women and their dependents a comprehensive recovery treatment that from the psychological, educational, socio-labour and legal fields, favors the normalization of the family unit.

## Care for Seniors in Centers



- Comunidad de Madrid provided assistance to more than **22,299 dependent people**.
- Promote the social integration of older people by encouraging them to remain in their environment.
- Create and maintain adequate resources for the care of dependent elderly people through the provision of specialised and quality services.

Comunidad de Madrid's strategy for social inclusion aims to achieve the full integration in society of people who are in a situation (or at risk) of poverty and social exclusion, fighting against gender violence and promoting equal opportunities

Source: Comunidad de Madrid



# CASE STUDY for SME FINANCING



## Industry digitalization projects



- SMEs play a major role in Comunidad de Madrid's economy.
- Supporting SMEs is a priority for the regional government, as well as providing these companies with the necessary tools to adapt to current market needs and expand their businesses
- Under the Digitalization program, Comunidad de Madrid provided in 2024 assistance and funding of 104 digital projects for the development and implementation of innovative projects

Digitising industries is one of the key challenges to be tackled for fostering growth. Comunidad de Madrid is committed in supporting SMEs in all stages of their life cycle to develop and achieve growth and engage in innovation

Source: Comunidad de Madrid



# Leadership in Sustainable Bonds

- First Spanish Region to issue Sustainable Bonds, Green and EuGB.
- Largest number of Sustainable Bonds and Green issued in Spain.
- Ability to Issue Green, Social and Sustainable Bonds, EuGB and Loans.
- 9 Sustainable Bonds, 5 Green Bonds and 1 EuGB issued.
- Largest amount outstanding in Sustainable Bonds (8,500 MM€), Green (2,900 MM€) and EuGB (500 MM€).
- Transparent and public reporting on projects financed by under the framework.

	Amount (EUR million)	Settlement	Tenor
Sustainable Bond (Public) (MATURED)	700	04/18/2017	5
Sustainable Bond (Public)	1,000	02/23/2018	10
Sustainable Bond (Public)	1,250	02/14/2019	10
Sustainable Bond (Public)	1,250	02/27/2020	10
Green Bond	700	05/08/2020	7
Sustainable Bond (Public)	1,000	03/26/2021	10
Green Bond	500	11/26/2021	7
Sustainable Bond (Public)	1,000	04/11/2022	10
Green Bond	500	10/14/2022	7
Sustainable Bond (Public)	1,000	02/24/2023	10
Green Bond	600	06/29/2023	5
Sustainable Bond (Public)	1,000	02/29/2024	10
Green Bond	600	05/31/2024	5
Sustainable Bond (Public)	1,000	02/14/2025	10
EuGB Bond	500	06/12/2025	5





## GREEN FINANCING

## TABLE OF CONTENTS

**I. New Sustainability Strategy**

**II. Green Financing Report-2024**

**III. European Green Bond-2025**





## I. NEW SUSTAINABILITY STRATEGY

# CAM New Sustainability Strategy – 2023 -2030

The Community of Madrid established a **new Energy, Climate, and Air Strategy (EECAM)** for the 2023-2030 period which introduces **7 Strategic Objectives**. The plan identifies key sectors for urgent action and potential challenges, proposing targeted areas where stakeholders and society **can drive meaningful change**. The strategy incorporates **58 detailed measures** within the framework to effectively address these environmental challenges.



## Goal

Transform the Community of Madrid into a decarbonized, energy-secure region with excellent air quality, leading in economic, social, and environmental aspects.



## Overview of the Key measures

- **Transport & Mobility:** Efficient use of transport, promotion of public transport, electric mobility, and low-emission zones.
- **Residential, Commercial & Institutional:** Energy certification, building rehabilitation, and support for renewable self-consumption.
- **Energy, Industry & Utilities:** Ensure energy supply quality, integrate distributed generation, and promote renewable technologies.
- **Agriculture & Natural Environment:** Improve energy efficiency in agriculture, reduce emissions, and promote sustainable forestry.
- **Cross-cutting Areas:** Climate change education, R&D, public awareness, and green public procurement.



## Strategic Objectives

1. Boost **energy efficiency** and promote self-consumption of renewable sources.
2. Contribute to the **improvement** of the **availability, security, and quality of energy supply** at a reasonable price and promoting self-sufficiency.
3. Promote the growth of electric and thermal energy production using **renewable or low-carbon sources**.
4. **Reduce greenhouse gas emissions**, encouraging carbon capture and sequestration.
5. **Reduce emissions of atmospheric pollutants** to improve air quality.
6. Progress towards a **territory fully adapted to potential climate threats**.
7. Support **cultural change towards the transition to a decarbonized society**, driving development and research

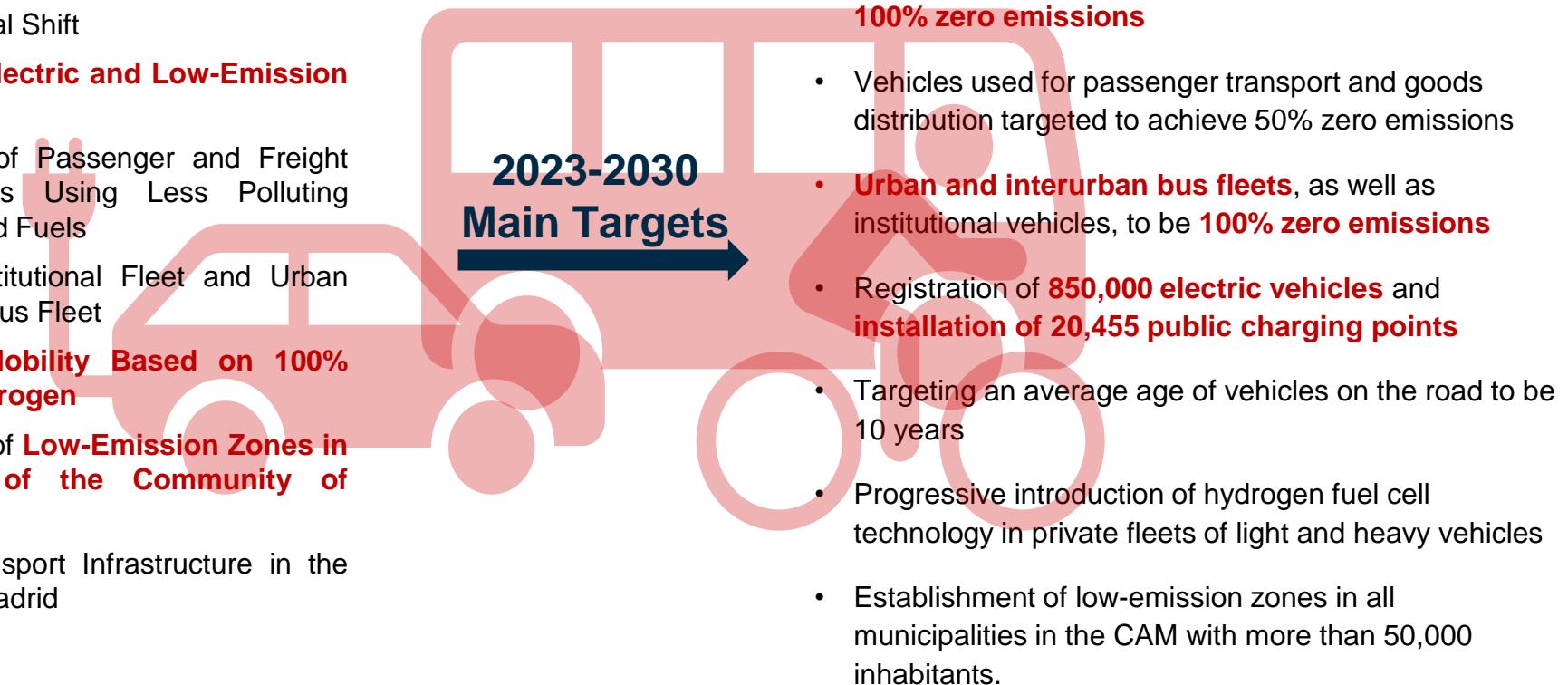


# Main areas for action per sector (EECAM)

## TRANSPORTATION AND MOBILITY SECTOR

### Areas of Action

1. Efficient Use of Transport and Promotion of Public Transport
2. Support for Modal Shift
3. Promotion of Electric and Low-Emission Mobility
4. Transformation of Passenger and Freight Transport Fleets Using Less Polluting Technologies and Fuels
5. Renewal of Institutional Fleet and Urban and Interurban Bus Fleet
6. Promotion of Mobility Based on 100% Renewable Hydrogen
7. Implementation of Low-Emission Zones in Municipalities of the Community of Madrid
8. Actions on Transport Infrastructure in the Community of Madrid



# Main areas for action per sector (EECAM)

## RESIDENTIAL, COMMERCIAL, AND INSTITUTIONAL SECTOR

### Areas of Action

9. Energy Efficiency Certification and Energy Rehabilitation of Residential and Commercial Buildings
10. Energy Efficiency Certification, Energy Rehabilitation, and Self-Consumption in Public Buildings
11. Renewal of Energy-Consuming Appliances
12. Support for Renewable Self-Consumption, Both Individual and Shared, in the Residential and Commercial Sector
13. Efficient Public Lighting



- All public and residential buildings must achieve at least an E energy rating in 2030
- Reduction of over 30% in the consumption of non-renewable primary energy in rehabilitated buildings
- Increase the number of devices with more efficient energy labeling
- 1 GW of self-consumption in 2030
- Ensure all public lighting is energy-efficient in the Community of Madrid

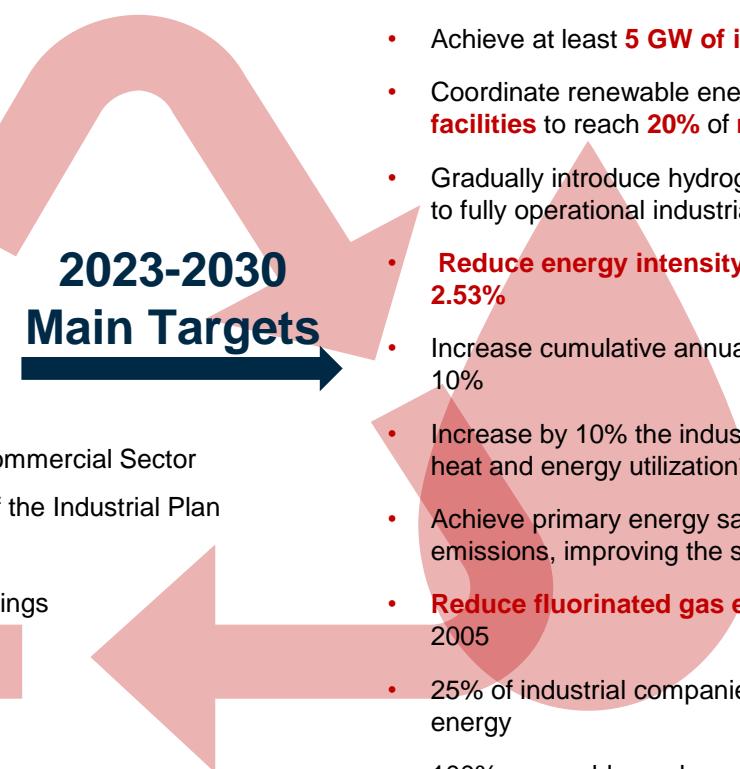


# Main areas for action per sector (EECAM)

## ENERGY, INDUSTRY, AND UTILITIES SECTOR

### Areas of Action

14. Ensure **Energy Supply Quality**
15. Adaptation of Electrical Networks for Integration of Distributed Generation
16. Promotion of Installation of Renewable Electricity Generation Technologies
17. Promotion of Deployment of Energy Storage Technologies
18. Promotion of Hydrogen Technologies in the Community of Madrid
19. Promotion of Energy Service Companies
20. Support for the Creation of Energy Communities
- 21. Protection of Energy Consumers**
22. Utilization of Residual Heat and Energy and Efficient Process Management
- 23. Promotion of High-Efficiency Cogeneration**
24. Development and Promotion of Energy Efficiency Measures in Industry
25. Reduction of Diffuse Emissions of Fluorinated Gases in the Industrial and Commercial Sector
26. Incorporation of Renewables in the Industrial Sector within the Framework of the Industrial Plan
27. Energy Efficiency and Renewable Energy in Water Management
28. Improvement of Water Footprint in Productive, Commercial, and Public Buildings
29. Promotion of **Responsible Water Use**
30. Waste Management Based on a Circular Economy Approach
- 31. Utilization of Waste for Generation of Renewable Gases and Biofuels**
32. Improvement of Adaptation Capacity of Productive Sectors to Climate Change Effects
33. Promotion of Renewable Thermal Energies
34. Support for the Implementation of Medium-High Enthalpy Geothermal Energy
- 35. Foster the Development of Synthetic Fuels**



# Main areas for action per sector (EECAM)

## AGRICULTURE AND NATURAL ENVIRONMENT SECTOR

- 36. Improvement of Energy Efficiency in Agricultural Holdings and Agricultural Machinery
- 37. Promotion of the Use of Renewable Energies in Agricultural Holdings
- 38. Reduction of Methane and Ammonia Emissions in the Livestock Sector
- 39. Promotion of Sustainable Agriculture and Livestock Farming that Contribute to Climate Change Adaptation
- 40. Promotion of Carbon Farming
- 41. Sustainable and Resilient Forest Management
- 42. Promotion of the Use of Sustainable Forest Biomass from the Community of Madrid
- 43. Improvement of Biodiversity
- 44. Detailed Evaluation of the Effects of Climate Change on Natural Heritage, Biodiversity, and the Natura 2000 Network
- 45. Impact, Vulnerability, and Adaptation Capacity Studies in the Agricultural and Livestock Sector
- 46. Promotion of Carbon Silviculture
- 47. Strengthening Forest Fire Prevention Tasks
- 48. Flood Protection
- 49. Development of Municipal Plans and Actions for Climate Change Adaptation

2023-2030  
Main Targets

- Reduce energy consumption from petroleum derivatives in the agricultural sector by up to 50%
- Achieve a 21% reduction in ammonia emissions from farms compared to 2005 emissions
- Contribute to reducing CH4 emissions linked to livestock
- Improve the carbon capture capacity of agricultural soils
- Ensure 50% of the forests in the Community of Madrid have sustainable forest management plans or silvicultural references
- Increase the sustainable use of forest biomass
- Analyze the risks and vulnerabilities of the agricultural and livestock sectors to climate change and enhance their capacity to adapt to such impacts
- Develop studies and projects for ecosystem services and promoting carbon absorption
- Reduce the risk of fire and minimize its magnitude
- Ensure 100% of municipalities with more than 50,000 inhabitants have an adaptation plan



# Main areas for action per sector (EECAM)

## CROSS-CUTTING AREAS OF ACTION

50. Training in Climate Change, Air Quality, and Energy

51. Promotion of R&D&I

52. Access to Information on Energy, Air Quality, and Climate Change for Citizens and Businesses

53. Awareness and **Sensitization of Society Regarding Decarbonization**

54. Maintain and Improve Information Networks Related to Air Quality and Climate Change

55. **Incorporation of the Climate Component in Regional Policies**

56. Green Public Procurement Based on the Promotion of Renewable Energies and Decarbonization

57. Review and Simplification of Administrative Procedures

58. **Leadership of the Regional Administration in Promoting and Supporting the Energy and Climate Transition**



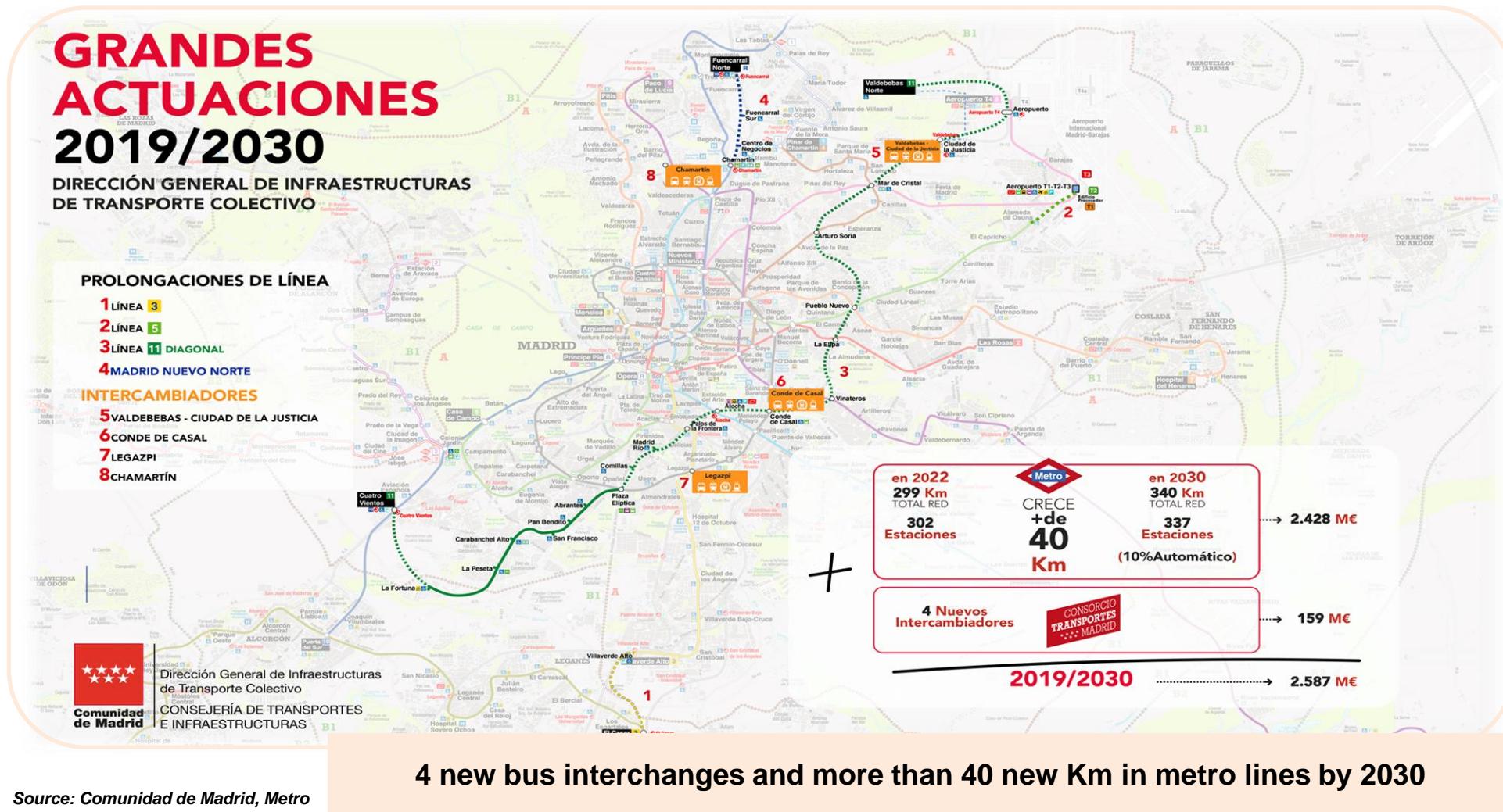
2023-2030  
Main Targets

- Increase the level of education of society in matters related to the strategy
- Maintain and improve **air quality networks** and climate change monitoring in the CM
- Incorporate the climate change variable into new plans and legal instruments
- Include sustainability, energy savings, and efficiency criteria in contracts of the CAM public administrations and entities
- **Reduce** the total cumulative **energy consumption** in all public buildings **by 18% by 2025 and by 50% by 2030**



# CAM Sustainability Strategy 2030

Ambitious investments in subway line extensions and bus interchanges & terminals



# CAM Sustainability Strategy 2030

## Comprehensive water cycle management



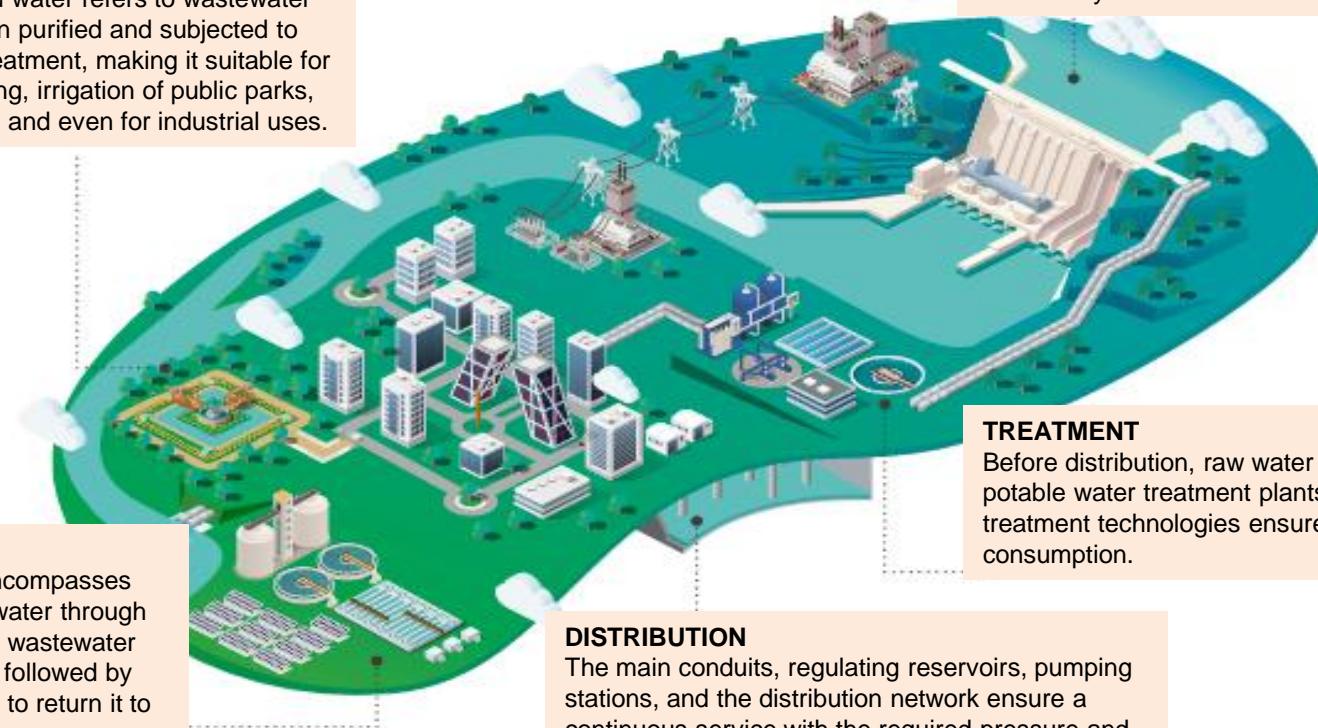
### INTEGRATED WATER CYCLE

#### REGENERATION

Regenerated water refers to wastewater that has been purified and subjected to additional treatment, making it suitable for street cleaning, irrigation of public parks, golf courses, and even for industrial uses.

#### SANITATION

Sanitation management encompasses the transportation of wastewater through urban drainage networks to wastewater treatment plants (WWTPs), followed by the purification of this water to return it to rivers in optimal conditions.



#### CAPTURE

Reservoirs, weirs, and groundwater wells make up the bulk of the water collected by the Canal for supplying the Community of Madrid.

#### TREATMENT

Before distribution, raw water arrives via large channels at the potable water treatment plants (WTPs), where the most modern treatment technologies ensure the highest water quality before consumption.

#### DISTRIBUTION

The main conduits, regulating reservoirs, pumping stations, and the distribution network ensure a continuous service with the required pressure and quality.



# Metro de Madrid – Sustainability Financing Framework

Metro de Madrid has developed a Sustainable Financing aligned to ICMA GSS Principles and LMA Principles to issue Green, Social, Sustainability and Sustainability Linked bonds and loans to finance and support activities that will contribute to the United Nations Sustainable Development Goals and the Company's Sustainability Strategy.

## STRATEGIC AREAS

- ✓ Carbon neutrality
- ✓ Protection of the environment
- ✓ Commitment to people
- ✓ Inclusive mobility
- ✓ Sustainable performance



## MAIN FEATURES of the SUSTAINABILITY FINANCING FRAMEWORK

1

### USE OF PROCEEDS CATEGORIES

#### Green Eligible Categories

- ❖ Clean transportation
- ❖ Energy efficiency
- ❖ Renewable Energy

#### Social Eligible Categories

- ❖ Affordable basic infrastructure
- ❖ Access to essential services

2

### KPI & SPTs

**KPI** - Total electric energy consumption (KWh) / metro car-kilometre produced. Total electric energy consumption is the sum of electric energy consumption for traction and auxiliary services.

**SPT** - Reduce total electric energy consumption (KWh) / metro car-kilometre produced to 2,8888 by 2028 coming from 2,9815 in year 2023 as baseline represents a reduction of 3,06% by 2028)  
Intermediate targets set 2024-2028



# EMT – Sustainability Financing Framework

- EMT Madrid is a leading public transportation company in the city of Madrid .
- Operates a fleet of more than **2,000 buses**, averaging over 1.5 million trips daily. Manages the Madrid **Public Bicycle service** (BiciMad) which features over **3,500 bicycles, more than 250 stations**, and records more than 3 million uses
- Since its inception, **EMT Madrid has been committed to sustainability and reducing greenhouse gas emissions**. It has been a **pioneer** in incorporating **hybrid and electric buses** into its fleet and implementing measures to enhance energy efficiency, thereby reducing the environmental impact of all its operations.

## STRATEGIC PILLARS

- ✓ Strategy, Management, and Transparency
- ✓ Good Governance and Ethics
- ✓ Customers and Society
- ✓ Environment
- ✓ Economically Sustainable Management



## MAIN FEATURES OF THE SUSTAINABILITY FINANCING FRAMEWORK

1

### USE OF PROCEEDS CATEGORIES

#### Green Eligible Categories

- ❖ Clean transportation
- ❖ Energy efficiency
- ❖ Renewable Energy

#### Social Eligible Categories

- ❖ Affordable basic infrastructure
- ❖ Access to essential services

2

### KPI & SPTs

#### KPI

1. The percentage of electric fleet and zero-emission vehicles.
2. Nox emissions
3. Renewable energy generated by photovoltaic panels for self-consumption

#### SPT

1. Increase by 25% by 2025 of electric fleet and zero-emission vehicles
2. Decrease by 0.30 Kg/1,000Km Nox emissions by 2025
3. Increase to 6,000 MWh/year renewable energy generated by photovoltaic panels for self-consumption



## II. GREEN FINANCING REPORT-2024

# Green Financing Strategy - Overview

5 Green bonds issued up to date totaling a size of EUR 2,900Mn

2021, 2022, 2023 & 2024 Green Bonds allocated to clean transportation projects fully aligned with EU Taxonomy

Continued assessment towards implementing alignment on EU Taxonomy regarding other green categories, such as Waste Management and Environmental Conservation

2024 Green Financing eligible portfolio of EUR 1,063.3 Mn

Annual impact report published on Comunidad de Madrid Website\*

Committed to at least one Green Bond issuance per year

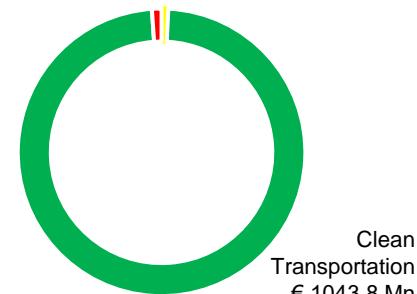
Continuous leadership in the Sustainable Finance Front: First Sub-Sovereign to Issue a EuGBS

**Comunidad de Madrid is a relevant player in Sustainable Finance**



## Green Eligible Portfolio

Environmental Conservation € 11.4 Mn  
Waste Management € 8 Mn

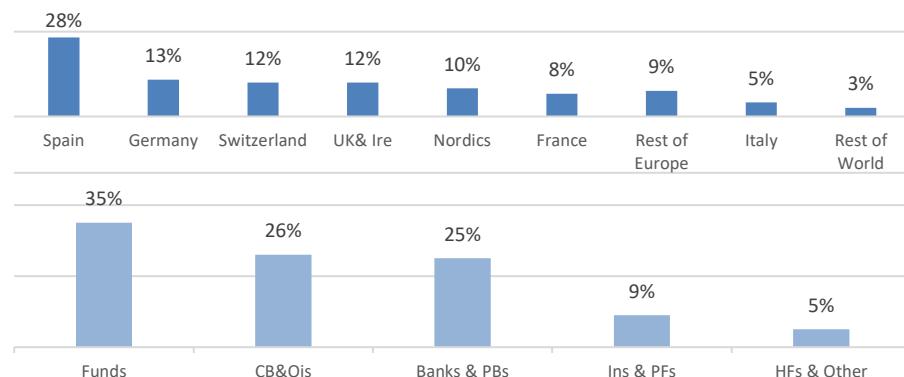


# CAM – 2024 Green Bond - Review

## Final Terms and Conditions

Issuer	The Autonomous Community of Madrid
Issuer Ratings	A/Baa1/A/A- (Sta/Pos/Sta/Sta) (S&P/Moody's/DBRS/Fitch)
Format	Senior Unsecured
Ranking	RegS, Dematerialised
Risk Weighting	0%
Size	EUR 600m
Maturity	30th July 2029
Settlement	31 <sup>st</sup> May 2024 (T+7)
Coupon	3.173 Fixed, Annual, Act/Act, long first coupon
Reoffer	100%, 3.357% Yield
Benchmark	SPGB 0.8% 07/33/2029 +14bps
Listing	AIAF
Min Denoms	€1k + €1k
Bookrunner	BVA, Caixabank, Citi, Credit Agricole CIB, Deutsche Bank and Santander

## Investor Type & Geographical distribution



## Transaction Highlights

- On May 22nd 2024, the Autonomous Community of Madrid successfully launched and priced a new EUR 600M Long-5yr Green Bond at a spread of +14 bps over SPGB. The transaction concurs with the publication of the impact report of its forth green bond issued in 2023.
- The mandate was announced the previous day on Tuesday May 21st with no Initial Price Thoughts, to be launched and priced in the near future subject to market conditions.
- The strong response from investors with IO's exceeding EUR 1bn allowed the transaction to hit the screens early the next day: o Books opened at 9:00 CET for a size EUR 500M (expected) and a Guidance of SPGB + 20bps area
  - By 10:25 CET the demand already exceeded EUR 2.8bn (including EUR 200M JLM interests) which allowed the guidance to be revised to SPGB + 17 bps area.
  - Shortly after the demand peaked at EUR 3.4bn with more than 120 accounts involved.
  - By 11:00 CET, with books over EUR 3.3bn (including EUR 250M JLM interests), the spread was set at SPGB+ 14bps for a final size of EUR 600M.
  - Books closed at 11:30 CET with final demand north of EUR 3bn (including EUR 200M JLM interests)
  - The deal was Priced at 99.991% with yield of 3.173%.
- Comunidad de Madrid managed to print a very successful transaction in the upper range of the size target and beating expectations in terms of levels, pricing inside its theoretical secondary curve. Investors showed very low price sensitivity with an impressive 5x oversubscribed book, peaking at EUR 3.4bn, with a -6bps move from initial Guidance.
- In terms of metrics the transaction was well supported by the international investor community accounting for 72% of the total allocations. The outstanding quality of the book is also reflected on the 44% allocation to asset managers, insurance and pension funds and the 26% granted to Central Bank & Official Institutions.

# CAM – 2024 Green Bond - Highlights



- The 2024 Green bond issued in May 2024 represented the fifth Green bond offering of Comunidad de Madrid.
- Comunidad de Madrid is the only region in Spain issuing Green Bonds.



- Comunidad de Madrid is committed to keep on promoting the ESG bond market and sustainable investments with a Framework that allows the Region to issue Green, Social and Sustainable Bonds.



- The proceeds of the bond have been allocated to expenditures mostly in Clean Transportation followed by Waste Management and Environmental conservation
- 2023 Green Bond use of proceeds is fully aligned with the EU Taxonomy (100% of the use of proceeds allocated).
- The projects will contribute to one environmental objective as defined the EU Taxonomy, Climate Mitigation.



- Avoided a total of 249,164 CO2eq atmospheric emissions.



- Comunidad de Madrid engaged with a third party verifier to assess compliance with the EU Taxonomy\*.



- Strong demand from dedicated ESG investors.

# CAM – 2024 Green Bond – Selected Allocated Projects

## Clean Transportation



- Comunidad de Madrid supports the **decarbonization of the Region's public transport**
- In 2024, EMT acquired **149 new electric buses**, bringing **the total number of electric buses in their fleet to 380 (+43% vs 2023)**, complemented by **1,752 (-4.6% vs 2023) buses powered by natural gas**.
- This is in line with the **company' strategy** of gradually reducing the fleet's carbon emissions reaching 539 electric vehicles by 2025



- Comunidad de Madrid supports the maintenance and development of the fully-electrified Madrid's metro
- In 2012, Metro de Madrid initiated an Energy Savings Plan, investing over 8.5 million euros. By 2023, the plan had achieved a **26% reduction in energy consumption from 2011 levels**. Additionally, Metro de Madrid continues to strive for increased efficiency. In 2024, it has worked on a new energy efficiency plan with a broad time horizon (2025-2030), as some of the proposed measures will be implemented in the medium term, so the savings generated will be obtained in the medium and long term.

Aligned to EU Taxonomy and standards



# 2024 Green Eligible Portfolio

Overview of the Green Eligible Expenditures 2024					
Eligible Category	Eligible Expenditures	Budgetary Programme	Budget Code	UN SDGs	EU Environmental Objectives
Climate change and environmental management	<b>Waste Management:</b> <ul style="list-style-type: none"> <li>Measures to implement the Waste Strategy of Comunidad de Madrid</li> </ul>	16: Environment, Local administration and territorial planning	456N 456B		EU Objective 4: Circular economy
	<b>Clean transportation:</b> <ul style="list-style-type: none"> <li>Promote the manufacture and use of electric vehicles and points of recharge</li> <li>Promote public transport services and modal shift towards public transportation (e.g. railway, metro de Madrid, bus system) and soft mobility, support multimodal transport solutions and promote the use of bicycles</li> </ul>	14: Transport, Social Housing & Infrastructure	453N 456B	 	EU Objective 1: Climate change mitigation
	<b>Environmental conservation:</b> <ul style="list-style-type: none"> <li>Management and restoration of Protected Natural Parks and other unique spaces with important conservation value</li> </ul>	16: Environment, Local administration and territorial planning	456A		EU Objective 6: Protection and restoration of biodiversity and ecosystems

# 2024 Green Eligible Portfolio

Overview of the Green Eligible Expenditures Portfolio 2024				
Eligible Expenditures	UN SDGs	Amount (EUR Mn)	Subcategories	Amount (EUR Mn)
<b>Waste Management</b>		8	<ul style="list-style-type: none"> <li>Domestic Waste Management</li> <li>Maintenance of the Air Quality Network</li> </ul>	7.0 1.0
<b>Clean Transportation</b>	 	1,043.8	<ul style="list-style-type: none"> <li>EMT Bus</li> <li>Intercity Bus</li> <li>Metro</li> <li>Measures for the Promotion of Sustainable Mobility</li> <li>Light Train</li> <li>Environmental Education</li> </ul>	142.8 266.2 508.2 0.7 125.9 1.8
<b>Environmental Conservation</b>		11.4	<ul style="list-style-type: none"> <li>Conservation of Protected Natural Areas</li> <li>Connectivity through Green Infrastructure</li> <li>Grants to NPOs with Environmental Purposes</li> </ul>	3.4 5.8 0.5
		1,063.2		

# 2024 Green Eligible Portfolio – Impact Indicators

Overview of the Green Use of Proceeds					Impact Indicators							
Eligible Expenditures	UN SDGs	Amount (EUR m)	Subcategories	Amount (EUR m)	Managed Waste (tn)	Data Samples Collected	Emissions Avoided (tCO2)	Vehicles Subsidized	Number of Programs	Intervened Surface (ha)	Projects Selected	
Waste Management		8	<ul style="list-style-type: none"> <li>Domestic Waste Management</li> <li>Maintenance of the Air Quality Network</li> </ul>	7.0 1.0	79,028.6 2,772,829							
Clean Transportation	 	1,043.8	<ul style="list-style-type: none"> <li>EMT Bus</li> <li>Intercity Bus</li> <li>Metro</li> <li>Measures for the Promotion of Sustainable Mobility</li> <li>Light Train</li> </ul>	142.8 266.2 508.2 0.7 125.9		6,641 183,821 484,031 - 12,482		- - - 956 -				
Environmental Conservation		11.4	<ul style="list-style-type: none"> <li>Environmental Education</li> <li>Conservation of Protected Natural Areas</li> <li>Connectivity through Green Infrastructure</li> <li>Grants to NPOs with Environmental Purposes</li> </ul>	1.8 3.4 5.8 0.5					8 67,858 722 19			
		1,063.2		1,063.2	79,028.6	2,772,829	686,975	956	8	68,581	19	

# 2024 Green Eligible Portfolio – Clean Transportation

Eligible Expenditures for Clean Transportation				Impact Indicators	EU Taxonomy Alignment (6.3 Urban and suburban transport, road passenger transport)			
Green category	UN SDGs	Subcategories	Allocation Amount (EUR m)	Emissions Avoided (tCO2)	Primary EU Environmental Objective	EU Technical Screening Criteria	DNSH Criteria	Minimum Safeguards
Clean Transportation (*)	 	EMT Bus	142.8	6,641	EU Objective 1: Climate Mitigation	✓	✓	✓
		Intercity Bus	266.2	183,821		✓	✓	✓
		Metro	508.2	484,031		✓	✓	✓
		Light Train	125.90	12,482		✓	✓	✓
			<b>1043,1</b>	<b>686,975</b>				

\* Excluding Measures for the Promotion of Sustainable Mobility

# 2024 Green Bond – Allocation & Impact

Overview of the allocation of bond proceeds				Impact Indicators	EU Taxonomy - 6.3 Urban and suburban transport, road passenger transport			
Green category	UN SDGs	Subcategories	Allocation Amount (EUR Mn)	Emissions Avoided (tCO2)	Primary EU Environmental Objective	EU Technical Screening Criteria	DNSH Criteria	Minimum Safeguards
Clean Transportation	 	EMT Bus	50	2,325	EU Objective 1: Climate Mitigation	✓	✓	✓
		Metro	400	380,977		✓	✓	✓
		Light Train	50	4,957		✓	✓	✓
		Intercity Bus	100	69,046		✓	✓	✓
			600	457,305				

**Emissions avoided by Clean Transportation** initiatives funded by the 2024 Green Bond proceeds are equivalent to in excess of those of **106,669 gasoline-powered passenger vehicles driven for one year\***

\* Calculated using: <https://espanol.epa.gov/la-energia-y-el-medioambiente/calculador-de-equivalencias-de-gases-de-efecto-invernadero>

# 2024 Green Bond – Clean Transportation - Impact



Metro: the equivalent distance travelled by car would have caused 545,654 tCO2 emissions



EMT bus: the equivalent distance travelled by car would have caused 22,264.44 tCO2 emissions.



Intercity bus: the equivalent distance travelled by car would have caused 256.873 tCO2 emissions.



Light trains: the equivalent distance travelled by car would have caused 12,481.84 tCO2 emissions



**2024 Avoided Emissions by Public Clean Transportation in the Region (tCO2):  
837,273.28\***

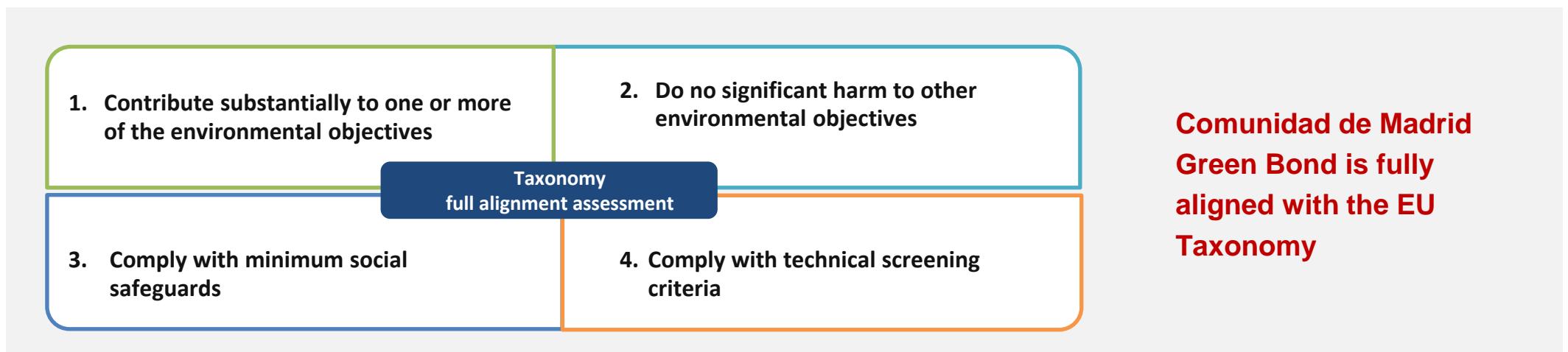


Source: Comunidad de Madrid

\* Calculated as: tCO2 emissions that would have been produced by traveling by car minus tCO2 emissions generated by hybrid and electric buses (EMT & Intercity busses)

# EU Taxonomy alignment process 2024 Green Bond Comunidad de Madrid

- In 2024, Comunidad de Madrid carried out an exercise to asses which proportion of its Green bonds use of proceeds were aligned with the EU taxonomy.
- In this regard, Comunidad de Madrid engaged with a third party, DNV to asses Comunidad de Madrid's 2021 Green Bond Use of Proceeds (fully allocated into the Clean Transportation category) compliance with the EU Taxonomy and has received a positive assessment.
- Comunidad de Madrid, based on that assessment has replicated the allocation process for its Green Bond issued in October 2022 and therefore confirms that the 2024 green bond is fully aligned with the taxonomy.
- Comunidad de Madrid has reviewed the Clean Transportation expenditures towards the EU Green Taxonomy



# DNV opinion on Taxonomy alignment assessment

## Finding and DNV's Opinion Alignment to EU Taxonomy dated September 2022



WHEN TRUST MATTERS

### GREEN BOND ALLOCATION AND IMPACT REPORTING EU Taxonomy Alignment

Comunidad Autónoma de Madrid



Report No.: 1, Rev. 1  
Document No.: PRJN-446392  
Date: 23/09/2022

**"On the basis of the information provided by Comunidad de Madrid and the work undertaken, it is DNV's opinion that proceeds have been used on Clean Transport projects that are aligned with the criteria established in the EU Taxonomy for Sustainable Activities— ANNEX 1 to Regulation (EU) 2021/2139 Section 6.3 (i). for DNV GL Business Assurance España S.L.U."**



Table 1: Compliance with the technical screening criteria

EU Taxonomy Technical Screening Criteria	Project EU Taxonomy Alignment - Comunidad de Madrid
The activity provides urban or suburban passenger transport, and its direct (tailpipe) CO <sub>2</sub> emissions are zero	Use of proceeds for Metro (EUR 387 million) and electric buses (EUR 105,375 million) are zero emissions and hence considered aligned with substantial contribution criteria set by the EU Taxonomy.
Until 31 December 2025, the activity provides interurban passenger road transport using vehicles designated as categories M2 and M3 that have a type of vehicle classification of 'C1' (single-deck articulated vehicle) or 'C2' (double-deck articulated vehicle), and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 and, from the time of entry into force of those requirements, to that Regulation, in the latest step of the standards, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle. Where such standard is not available, the direct CO <sub>2</sub> emissions of the vehicles are zero.	Use of proceeds for interurban passenger road transport using vehicles designated as categories M2 and M3 that have a type of vehicle classification of 'C1' (single-deck articulated vehicle) or 'C2' (double-deck articulated vehicle), and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 and, from the time of entry into force of those requirements, to that Regulation, in the latest step of the standards, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle. Where such standard is not available, the direct CO <sub>2</sub> emissions of the vehicles are zero.
N/A	Emissions avoided with this UoP have been calculated by Comunidad de Madrid as 137,895 tCO <sub>2</sub> for Metro, and 6,280 tCO <sub>2</sub> for buses (EMT).

Table 3: Compliance with the minimum social safeguards

Minimum social safeguards	Project EU Taxonomy Alignment - Comunidad de Madrid
As per article 18 of Regulation (EU) 2020/852: The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These include the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.	CSR Policy and Code of Conduct is in place for both Metro and EMT, aligned with the principles and rights set in the UN Guiding Principles on Business and Human Rights and the principles and rights set out in the fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

As part of public administration, procurement is regulated by the Public Sector Contracts Act and subject to principles and requirements of responsible procurement, including compliance with ethical standards and respect for the human rights, integrity, transparency and protection of the environment.

DNV has reviewed the information provided and concludes that Comunidad de Madrid complies with the minimum social safeguards in Article 18 of Regulation (EU) 2020/852.

Table 2: Compliance with the "Do no significant harm" ("DNSH") criteria.

DNSH Criteria	Project EU Taxonomy Alignment - Comunidad de Madrid
(2) Climate change adaptation	Following climate change vulnerability and risk analysis, Comunidad de Madrid issued Plan Adel + 20 in 2020, a strategic program of measures for mitigation and adaptation to climate change, to be implemented in Comunidad de Madrid. Furthermore, a new strategy is under development that will set out the broad lines of action up to 2030 to make progress in terms of climate action (mitigation and adaptation) and improvement of air quality, in line with recent international and national guidelines.
(3) Sustainable use and protection of water and marine resources	The use of water in Metro and buses is deemed not to interfere with the adaptation measures contained in Plan Adel. measures for water resources, other vulnerable systems and industries, indicators for climate change adaptation, reforestation, increase of carbon sequestration in agricultural soils in the region.
(4) Transition to a circular economy	DNV considers this is in line with the criteria established for Climate Change Adaptation in Commission Delegated Regulation (EU) 2021/2139, Annex 1, 6.3 Urban and suburban transport, road passenger transport.
(5) Pollution prevention and control	Metro de Madrid and EMT operate under an Environmental Management Systems certified according to ISO 14001. Responding to a new organisational model in Metro, actions and initiatives are implemented based on integral management of the waste hierarchy, from prevention and reduction of resources (water and energy), materials and waste. Among others: recovery of more than 95% of the waste generated, including batteries and electronic products, through improved waste segregation and management.
(6) Protection and restoration of biodiversity and ecosystems	A strategic plan in place in EMT for circular economy includes projects like the design and construction of a Hydrogen Fuelling Station and purchasing of biogas for the supply of CNG.
	DNV considers this is in line with the criteria established for circular economy in Commission Delegated Regulation (EU) 2021/2139, Annex 1, 6.3 Urban and suburban transport, road passenger transport.
	Comunidad de Madrid has provided type approvals and technical specification of the busses showing compliance with EURO VI standard and external noise requirements.
	DNV considers this is in line with the criteria established for pollution and prevention control in Commission Delegated Regulation (EU) 2021/2139, Annex 1, 6.3 Urban and suburban transport, road passenger transport.
	Not applicable as per Commission Delegated Regulation (EU) 2021/2139, Annex 1, 6.3 Urban and suburban transport, road passenger transport.

# Selected 2030 Targets for Energy, Climate, and Air Strategy (EECAM)

## 1.- METHODOLOGICAL BASES

To quantify the emissions avoided by the use of regular public passenger transport in relation to hybrid or electric buses and rail modes (metro and rail concessions), it is assumed that if these trips had not been made by public transport, they would have been made by using private vehicles.

In this way:

Emissions Avoided = Emissions generated by the private vehicle - Emissions generated by public transport

To calculate the emissions that would have been produced by the travel of passengers in private vehicles, the number of passenger-km(1) that have used public transport in electric or hybrid modes will be multiplied by an emission factor based on the circulating fleet of passenger cars in the Community of Madrid, according to data from the DGT for 2020 (latest available). To calculate the emissions generated by trips made by public transport users in electric or hybrid modes, the energy consumed in these trips is multiplied by the emission factors mentioned in section 5.

## 2.- YEAR OF CALCULATION: 2022

## 3.- SCOPE:

### Road modes:

- EMT of Madrid (hybrid and pure electric vehicles)
- Road concessions in the rest of the Community of Madrid (hybrid and pure electric vehicles)

### Railway modes:

- Metro de Madrid (Subway)
- Railway concessions (TFM, MLM, MLO, Parla Tramway)

## 4.- ACTIVITY DATA

### Road modes:

- Vehicle characteristics (Euro standard, fuel type)
- Fuel/electrical energy consumption of vehicle fleets or, alternatively, kilometers traveled per year

### Railway modes:

- Electricity consumption

## 5.- EMISSION FACTORS

CO2 emission factors for fossil fuels published by the Spanish Office of Climate Change (OECC), year 2022

- Diesel fuel B7: 2.519 gr CO2eq/liter
- CNG: 2.783 gr CO2eq/kg

Electricity emission factors year 2022. (Published by the CNMC):

- marketer without REC 2022: 273 gr CO2eq/kWh
- marketer with REC: 0 gr CO2eq/kWh

Average private vehicle emissions: Prepared by the authors based on the number of cars in circulation in the Community of Madrid, according to Dirección General de Trafico data for 2020 (latest available).

- Average private vehicle (occupancy 1.2 passengers): 146 g CO2eq/km

(1) *Travelers-km = No. of trips x Average trip length*





### III. EUROPEAN GREEN BOND-2025

# Comunidad de Madrid Green Bonds: ICMA vs EuGB

European Green Bonds are fully aligned with the ICMA GBP & Comunidad de Madrid's Sustainable Finance Framework

	ICMA The Green Bond Principles	Comunidad de Madrid ICMA Green Bond	European Commission EUROPEAN GREEN BONDS	Comunidad de Madrid European Green Bond
Basis	<b>Green Bond Framework</b> <ol style="list-style-type: none"><li>Use of Proceeds</li><li>Process for Project Evaluation and Selection</li><li>Management of Proceeds</li><li>Reporting</li></ol>	<b>CAM Sustainable Finance Framework</b>	<b>EUGBS Factsheet</b> <ol style="list-style-type: none"><li>General information</li><li>Enviro. strategy &amp; rationale</li><li>Intended allocation of bond proceeds</li><li>Impact of bond proceeds</li><li>Information on reporting</li></ol>	<b>CAM EUGBS Factsheet</b>
Use of Proceeds	<b>Alignment with ICMA GBP project categories</b>	ICMA GBP category: <b>Clean Transportation</b> Voluntary EU Taxonomy alignment ( <a href="#">DNV assessment 2022</a> )	<b>Mandatory EU Taxonomy alignment</b> 15% flexibility pocket (if needed)	<b>100% EU Taxonomy alignment</b> Allocation to the Bus & Metro systems of Madrid ( <b>6.3 Urban and suburban transport</b> )
Reporting	<b>Allocation and Impact report recommended</b> annually until full allocation	<b>Allocation</b> : at fiscal year end when the definitive budgetary amounts are approved <b>Impact</b> : annually until full allocation	<b>Allocation and Impact report required</b> annually until full allocation	<b>Allocation</b> : at fiscal year end when the definitive budgetary amounts are approved <b>Impact</b> : annually until full allocation
Verification	External Review <b>recommended</b>	 <b>Sustainalytics</b> <a href="#">Second Party Opinion</a>	Pre-issuance: <b>EUGBS Factsheet External Review required</b> Post-issuance: <b>Allocation Report External Review required</b>	<a href="#">DNV EUGBS Factsheet External Review</a>  <b>Allocation Report External Review<sup>1</sup></b> : i. state auditor to confirm allocation of the proceeds ii. ESMA approved External Reviewer to confirm EU Taxonomy alignment

# Comunidad de Madrid EuGB – Factsheet Summary

Section	Comunidad de Madrid  EuGB Factsheet	
General Information	<ul style="list-style-type: none"><li>Applicable for <b>multiple EuGB issuances</b></li></ul>	
Environmental Strategy and Rationale	<ul style="list-style-type: none"><li>EuGBs aim to support the Community of Madrid's action to combat climate change and <b>support the achievement of the EU goal of carbon neutrality by 2050</b> – as per the <a href="#">Air, Climate and Energy 2030 Horizon Strategy</a></li><li>Contribution to EU Environmental Objective: <b>Climate Change Mitigation</b></li></ul>	
Intended Allocation of Bond Proceeds	<ul style="list-style-type: none"><li>Proceeds allocated in accordance with the <b>Gradual Approach</b> (bond-by-bond approach)</li><li><b>100% EU Taxonomy aligned allocation</b> to economic activity: <i>6.3 Urban and suburban transport, road passenger transport (Bus &amp; Metro systems of Madrid)</i></li><li><b>Proceeds allocated to eligible activities in the General Budget of Comunidad de Madrid, corresponding to the fiscal year of the issuance</b> (and, in case necessary, the preceding fiscal year)</li><li>Internal Committee responsible for selecting eligible activities from the General Budget that comply with the EU Taxonomy criteria</li></ul>	
Environmental Impact of Bond Proceeds	<ul style="list-style-type: none"><li>EuGB impact reporting is expected to be <b>aligned with CAM's latest Green Bond impact reporting</b></li><li>Impact indicator: <b>Estimated Avoided Emissions (tCO2)</b> by Public Clean Transportation in the Region</li></ul>	



# External Review: EuGB Factsheet - DNV

DNV has provided a pre-issuance External Review of CAM's Green Bond Factsheet

DNV was included on the [ESMA list](#) of External Reviewers in April 2025, under the transitional regime




EU Taxonomy Activity	Asset Eligibility	Substantial Contribution Criteria	Do No Significant Harm Criteria	Minimum Social Safeguards
6.3 Urban and suburban transport, road passenger transport	✓	✓	✓	✓

*“Based on information provided by the CdM, DNV, in its capacity as External Reviewer, is of the opinion that **the use of proceeds of the European Green Bond(s) is aligned with Regulation (EU) 2020/852 [EU Taxonomy Regulation]** and meets, or is expected to meet, where applicable, **the requirements of Regulation (EU) 2023/2631 [EU Green Bond Standard Regulation]**”*

# Thanks you for your attention

## Contact Information



**Rodrigo Robledo Tobar**

*Director General for Financial Policy and Treasury*

**Mª Luz García Aliaga**

*Deputy Director Financial Policy*

**Beatriz Mula Coso**

*Head of Funding*

*[dgpf@madrid.org](mailto:dgpf@madrid.org)*

*<http://www.comunidad.madrid/inversion/relacion-inversores>*

## Disclaimer

- *This presentation was created by the Comunidad de Madrid*
- *This presentation does not constitute an offer or invitation (by or on behalf of) the Comunidad de Madrid to the subscription or purchase of securities issued by the Comunidad de Madrid.*
- *This presentation is not intended to provide any assessment of the financial situation of the Comunidad de Madrid or any assessment of the instruments used by the Comunidad de Madrid and should not be considered as a recommendation from the Comunidad de Madrid. Each recipient of this presentation, independently, should judge the relevance of the information contained in this document, make their own assessment and determine whether additional information should be sought and consult their own advisors in terms of legal, fiscal, or another type that is deemed necessary.*





## ANNEXES

# Overview of outstanding Sustainable, Green and EuGB transactions

	Settlement	Maturity	Amount
<b>SUSTAINABLE PLACEMENT</b>			
Private Placement (Social)	2016	2031	48.000.000
Private Placement (Sustainable)	2018	2058	238.000.000
Private Placement (Sustainable)	2020	2050	265.000.000
Public Benchmark (Sustainable)	2018	2028	1.000.000.000
Public Benchmark (Sustainable)	2019	2029	1.250.000.000
Public Benchmark (Sustainable)	2020	2030	1.250.000.000
Public Benchmark (Sustainable)	2021	2031	1.000.000.000
Public Benchmark (Sustainable)	2022	2032	1.000.000.000
Public Benchmark (Sustainable)	2023	2033	1.000.000.000
Public Benchmark (Sustainable)	2024	2034	1.000.000.000
Private Placement (Sustainable)	2024	2032	25.000.000
Private Placement (Sustainable)	2024	2035	20.000.000
Public Benchmark (Sustainable)	2025	2035	1.000.000.000
<b>GREEN BOND</b>			
Public Benchmark (Green)	2020	2027	700.000.000
Public Benchmark (Green)	2021	2028	500.000.000
Public Benchmark (Green)	2022	2029	500.000.000
Public Benchmark (Green)	2023	2028	600.000.000
Public Benchmark (Green)	2024	2029	600.000.000
<b>EuGB</b>			
Public Benchmark (EuGB)	2025	2030	500.000.000
<b>TOTAL</b>			<b>12.496.000.000</b>

	Settlement	Amount
<b>BILATERAL LOANS</b>		
Total Social Loan	2016	20.000.000
Total Sustainable Loan	2017	240.000.000
Total Sustainable Loan	2018	379.000.000
Total Sustainable Loan	2019	367.000.000
Total Sustainable Loan	2022	250.000.000
Total Green Loan	2022	400.000.000
Total Social Loan	2022	100.000.000
Total Sustainable Loan	2023	1.490.000.000
Total Green Loan	2023	175.000.000
Total Sustainable Loan	2024	1.740.000.000
Total Green Loan	2024	100.000.000
Total Sustainable Loan	2025	1.325.000.000
Total Green Loan	2025	50.000.000
Total Sustainable Loan	2026	1.200.000.000
Total Green Loan	2026	125.000.000
<b>TOTAL</b>		<b>7.961.000.000</b>

	Settlement	Maturity	Amount
<b>SUPRANATIONAL LOANS</b>			
Sustainable Loan	2018	2027	70.000.000
Sustainable Loan	2020	2029	130.000.000
Health Social Loan	2020	2033	140.000.000
Health Social Loan	2020	2035	465.000.000
Health Social Loan	2020	2035	135.000.000
Health Social Loan	2020	2033	51.000.000
Health Social Loan	2021	2034	9.000.000
Sustainable Loan	2022	2035	10.000.000
Health Social Loan	2022	2041	200.000.000
Health Social Loan	2022	2037	200.000.000
Sustainable Loan	2022	2035	25.000.000
Sustainable Loan	2023	2036	165.000.000
<b>TOTAL</b>			<b>1.600.000.000</b>

**TOTAL** **22.057.000.000**

# Debt issuance Procedure: Public issue (I)

## Authorizations

- Authorization from the Regional Government.
- Authorization from the Central Government.

## Contact with Investors and Financial Institutions

- Continuous contact is maintained with investors and financial institutions, indicating deadlines, levels and amounts in which Comunidad de Madrid has more interest.
- Instructions to a group of institutions that are selected taking into account those which have realized higher amounts of private placements with Comunidad de Madrid, as well as those which have participated successfully in public issue of equivalent terms of the Treasury; FADE, ICO, FROB and even private companies. If market conditions are good the transaction will carry out.
- Range price formation. The syndicate, in communication with Comunidad de Madrid, sets a price range to trade the issue within the agreed timeframe with Comunidad de Madrid; the eventual commission to be received by the syndicate is discussed, and on the issue date, Comunidad de Madrid informs via email of the roles to be played by each one of the participants of the group and seeks the approval of the syndicate.
- On the scheduled issue date, the transaction is announced on the trading screens of Bloomberg and Reuters in order to capture the attention of investors.
- The order book is opened.
- The order book is closed.

## Fixing of Issue Price

- Once the bonds have been allotted to the investors who have recorded orders in the book, a time is announced to fix the issue price; at the scheduled time, a joint call for fixing the price is made. Once Comunidad de Madrid and all banks are connected online with the screens of Bloomberg, the transaction is priced in accordance with the agreed terms in the Termsheet, based on the Treasury references. Fixing the issue price, coupon and IRR for the transaction. A first simulation of the relevant calculations is made.

## Documentary Process

- Sending the final Termsheet, with the terms and conditions of the transaction that has just been established, to his approval. At this stage, a distribution by type of investor and nationality is requested. At this point, the institution that has been assigned this role, advises Bloomberg of the price, date, coupon, and ISIN code for the transaction.
- Preparation internal report to be signed by the Managing Director of Financial Policy, Treasury and Real Estate and then sent out to our Legal Services.
- Legal Service, in accordance with the terms of the report, applies for the corresponding ISIN code to the Bank of Spain and prepares the transaction authorization order to be signed by Regional Minister of Economy and Finance once it has been examined by the Intervención Delegada de Tesorería.
- The Orden is published in the BOCM at least two days before payment takes place, since during this period of time the Bank of Spain must be advised of the list of subscribers and the application for the credit of securities; this Order becomes the Prospectus for the public issue. Letters are also sent to the rating agencies in order to request a specific rating for the transaction in question, that is submitted to the subscribing institution.
- At the same time, over this period, Legal Services, along with the Financial Institution, prepare the Contract which is signed the day before disbursement day and requires a preparatory report by Legal Services and by the Intervención Delegada de Tesorería. That Contract:
  - Is a subscription contract.
  - Is excluded from the scope of Law 30/2007, of 30 October, on Public Sector Contracts.

## Disbursement :T+7

- Disbursement :T+7
- At this stage, the rating letters from the rating agencies are submitted to the subscribing institution.

Source: Comunidad de Madrid



# Debt Issuance Procedure. Private placement or retap (II)

## Authorizations

- Authorization from the Regional Government.
- Authorization from the Central Government.

## Contact with Investors and Financial Institutions

- Continuous contact is maintained with investors and financial institutions, and the communications indicate that Comunidad de Madrid has the necessary authorizations to execute financial transactions, as well as the deadlines, levels and minimum amounts that interest us.
- A specific offer is submitted by an investor or financial institution which should have been assigned a code by the Bank of Spain (Banco de España); for this reason, sometimes the operation is carried out through a bank that has been assigned such code and functions as an intermediary.
- The offer submitted is then studied by means of an indicative termsheet, in which key elements that must be included are:
  - Amount
  - Pricing date
  - Date of disbursement
  - IRR all-in (including all commissions), indicating the Treasury reference levels.

## Fixing of Issue Price

- Once the operation has been internally approved, taking into account the financial strategy of Comunidad de Madrid, the pricing time is fixing with the financial institution.
- On the day and agreed time for pricing, the financial institution contacts by telephone with Comunidad de Madrid in order to establish the price.
- Connected online with the screens of Bloomberg, and in accordance with the terms established in the indicative Termsheet, a first simulation of the relevant calculations is made, and if the parties agree, the transaction is established in a real way.

## Documentary Process

- The final Termsheet, with the terms and conditions of the transaction that has just been established, is submitted to the issuer for his approval. At this stage, a distribution by type of investor and nationality is requested. At this point, the financial institution advises Bloomberg of the amount, coupon, maturity date and ISIN code for the transaction.
- Preparation Internal Report to be signed by the Managing Director of Financial Policy, Treasury and Real Estate.
- Legal Services, in accordance with the terms of the Report, applies for the corresponding ISIN code to the Bank of Spain (provided that the transaction is not a reopening) and prepares the authorization order to be signed by the Regional Minister of Economy and Finance, once it has been examined by the Intervención Delegada de Tesorería.
- The Order is published in the BOCM at least two days before payment takes place. Bank of Spain is advised of the list of subscribers and the application for the credit of securities. This Order becomes the Prospectus for the private placement. Letters are also sent to the rating agencies in order to request a specific rating for the transaction in question, that is submitted to the subscribing institution.
- At the same time, over this period, Legal Service, along with the Financial Institution, prepare the Contract which is signed the day before disbursement day and requires a preparatory report by Legal service and by the Intervención Delegada de Tesorería. Said Contract:
  - Is a subscription contract.
  - Is excluded from the scope of Law 30/2007, of 30 October, on Public Sector Contracts.

## Disbursement (T+6)

- Disbursement: T+6
- At this stage, the rating letters from the rating agencies are submitted to the subscribing institution.



# Affordable Housing

**Use of proceeds:** Proceeds of the Sustainable Finance Instruments will be allocated to projects aimed at **fighting against housing exclusion** by providing **affordable housing** and shelter to disadvantaged populations.

Eligible expenditures include:

- Development and **provision of social housing** in Comunidad de Madrid;
- Renovation, maintenance and **improvements of affordable housing projects**;
- Provide affordable housing with **adjusted rents to disadvantaged targeted populations**;
- Maintenance, adaptation and **modernization of shelters for at risk youth**, improving spaces for accommodation.



By financing affordable housing, Comunidad de Madrid directly supports Spain's State Housing Plan

Source: Comunidad de Madrid



# Education

**Use of proceeds :** Proceeds of the Sustainable Finance Instruments will be allocated to projects aimed at providing **educational programs and vocational training to youth**, as well as allowing for a successful **integration of disadvantaged groups in the education system**, preparing them for future labor market opportunities.

Eligible expenditures include:

- Construction, rehabilitation and maintenance of **public education schools**;
- Construction, rehabilitation and maintenance of **public education centers**;
- **Acquisition of equipment** to ensure a quality education in public education schools;
- Financing expenses related to **home educational support service (SAED)**, **hospital classrooms (AAHH)** and **therapeutic educational centers (CET)**;
- Financing **educational programs and vocational training** for young people at **risk of exclusion or unemployed**;
- Collaboration to support the **integration of students with special educational needs**;
- Expenses related to **subsidized school transport services**;
- Financing the **development and maintenance of public universities**;
- Providing financial support to university students, based on **socioeconomic criteria such as income level and patrimony, or disabilities**.



**Comunidad de Madrid finances public education for all, and devotes particular attention to allocate resources to guarantee access to education for disadvantaged students**

*Source: Comunidad de Madrid*



# Healthcare

**Use of proceeds:** Proceeds of the Sustainable Finance Instruments will be allocated to projects aimed at providing a **modern and sustainable public healthcare service system to the citizens of Madrid** (including, but not limited to, vulnerable groups).

Eligible expenditures include:

- Development, maintenance and modernization facilities integrated in the **public healthcare service system** (hospitals, health-care centers, mental health facilities, etc.);
- Provision of health care or social services in **underdeveloped areas or vulnerable populations**;
- Acquisition of **medical equipment** or **provision of diagnostic services**;
- Financing programs for the **promotion of health**;
- Financing activities to prevent and treat drug addiction.

***Expenditures related financing to healthcare aimed at fighting COVID-19 in the Madrid's Region can be used for the purpose of the issuance of thematic social bonds.***



**The financing of the healthcare programme will facilitate the ongoing provision of quality healthcare services to the local population, including, but not solely, to the disadvantaged groups**

Source: Comunidad de Madrid



# Social Inclusion

**Use of proceeds :** Proceeds of the Sustainable Finance Instruments will be allocated to projects aimed at supporting, integrating and **providing basic services to several vulnerable population groups** (victims of domestic violence, the elderly, risk population and minorities, physically and/or disabled people, etc.) and to **integrate, education and employment programs** as well as financial assistance to vulnerable groups at risk of social exclusion.

Eligible expenditures include:

- Fighting against domestic violence and promotion of **equal opportunities**;
- Support integration of **families and individuals at risk** (social action and education);
- Provision of **financial assistance** (i.e minimum income) to people **at risk of social exclusion**;
- Ensure universal accessibility to the **public transportation system**;
- Support to **the elderly**;
- Support to **the mentally and/or physically disabled**.



**Comunidad de Madrid supports social cohesion and inclusion, protection of children and women, and care for the elderly and incapacitated via its measures and policies**

Source: Comunidad de Madrid



# Economic Inclusion & SME Financing

**Use of proceeds:** Proceeds of the Sustainable Finance Instruments will be allocated to projects and programs aimed at **promoting labor market entry opportunities for long-term unemployed or people** with lower employment prospects, and **financing SMEs in the Comunidad de Madrid**. This activity will contribute to the growth and development of Madrid's economy, hence promoting employment creation and retention.

#### Eligible expenditures include:

- Supporting professional training directed at the **unemployed in the Comunidad of Madrid**;
  - Conducting studies and labor market research to plan and **implement policies of employment**;
  - Support in **orientation programs** for those distant to the labor market that allow for a direct contact with employment agencies and employers;
  - Promote **integration in the labor market of persons with disabilities** and those who are in **risk of social exclusion**;
  - Provide **finance to SMEs, including start-ups** in order to stimulate their competitiveness and job creation;
  - Provide **training and advice to commercial SMEs** to help them improve their skills and business;
  - Support SMEs in the **Handicraft and Artisan Market** to improve their competitiveness.



**The support provided to Madrid's SMEs, will strengthen the competitiveness of SMEs and leading to the creation and preservation of jobs, and promote the integration of vulnerable people**



Source: Comunidad de Madrid

# Climate Change and Environmental Management

**Use of proceeds:** Proceeds of the Sustainable Finance Instrument will be allocated to financing the measures to promote the sustainable mobility solutions, financing of activities related to the 'Waste Strategy of the Comunidad de Madrid' and to the management and restoration of Protected Natural Parks and other unique spaces with important conservation value ('Zonas de Especial Conservacion').

Eligible expenditures include:

## Clean Transportation

- Development, extension, improvement, promotion and maintenance of **public transport** including metro, low-carbon buses (such as hybrid and electric buses), including **new stations for electric buses only, rail-related infrastructure**;
- **Renewal of the most polluting fleets** (replacing vehicles with lower emission vehicles);
- Funding the installation of **charging points for electric vehicles**;
- **Urban planning and development** that leads to a reduction in the use of passenger cars.



## Waste Management

- Measures to **decrease the volume of waste generated**;
- Treatment of **electrical and electronic equipment waste**;
- Programmes for **new uses of recycled materials** such as rubber from tires;
- Development of **research studies on contaminated soils** and financing necessary measures to ensure **decontamination** of identified sites.



## Environmental conservation and biodiversity

- **Conservation and restorative activities** such as: repair of damaged areas to reconstruct distorted natural habitats, ongoing maintenance in the form of tree, plant and wildlife care and management and fire protection;
- Educational activities and facilities to enhance awareness and knowledge of the importance of the **National Parks** and other environmental spaces in the Comunidad de Madrid, encouraging the environmental care by local residents and visitors;
- Monitoring and development of the **Forestry Plan of the Comunidad de Madrid**

**Comunidad de Madrid is heavily financing low carbon transportation and subsequently contributing to the reduction of greenhouse gas emissions in the Region**