

BASQUE ECONOMY

CURRENT SITUATION AND PROSPECTS

February 2025

EUSKO JAURLARITZA



GOBIERNO VASCO

OGASUN ETA FINANTZA SAILA

DEPARTAMENTO DE HACIENDA Y
FINANZAS

1

INDEX



Features of the economy:
From Basque to
Global vision

Page 2



Economic forecasts

Page 16



Financing system,
budgets, deficit and
debt

Page 23



Sustainability
mandate

Page 34



Issuances
(historical) &
Deal Reviews

Page 43



Appendix:
Other interesting
data

A FEW KEY DATA ABOUT THE BASQUE COUNTRY

SURFACE AREA

7,234 SQ. KM.

POPULATION

2.196.745

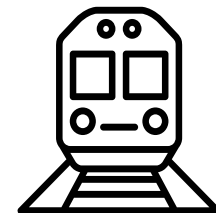
MARKET ACCESS WITHIN
A RADIUS OF 1,000 KM

507,416,607 INHABS.

A WELL-CONNECTED COUNTRY



Logistics



Railway connections



International Airports



Motorways



"Best European Medium-Sized Region in Connectivity"

(fDi- European Cities and Regions of the Future - Ranking 2016-2017)

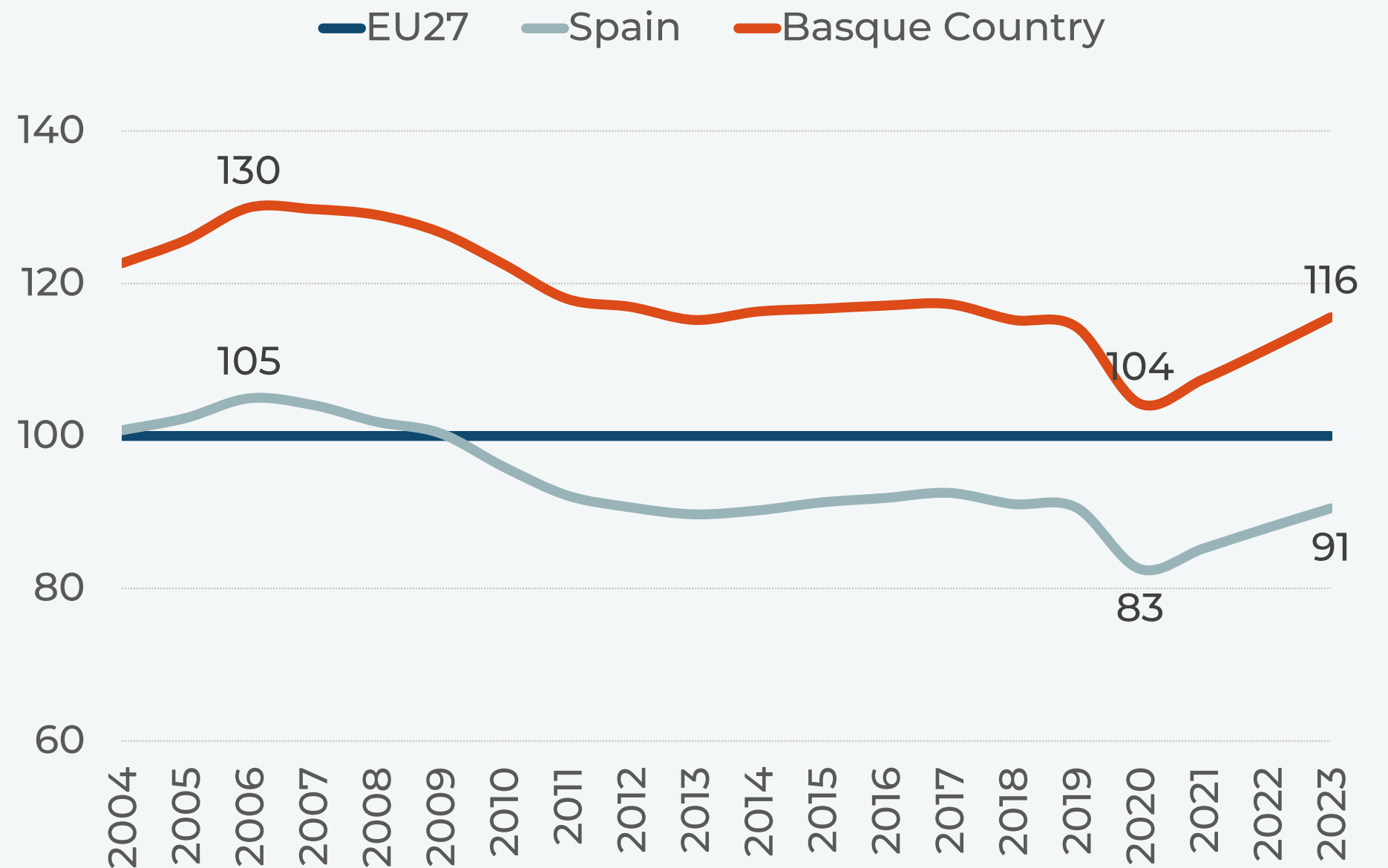
GDP PER CAPITA ABOVE THE EUROPEAN AVERAGE

Basque GDP per capita, measured in Purchasing Power Parity (PPP) terms, was 15.6% higher than the European average in 2023 and 25.1% points above the Spanish average.

The pandemic has deepened a downward trend that began in 2008.

In 2020 the indicator bottomed out and then began a smooth upward trend.

However, we are a long way from the values recorded in 2006 and 2007.



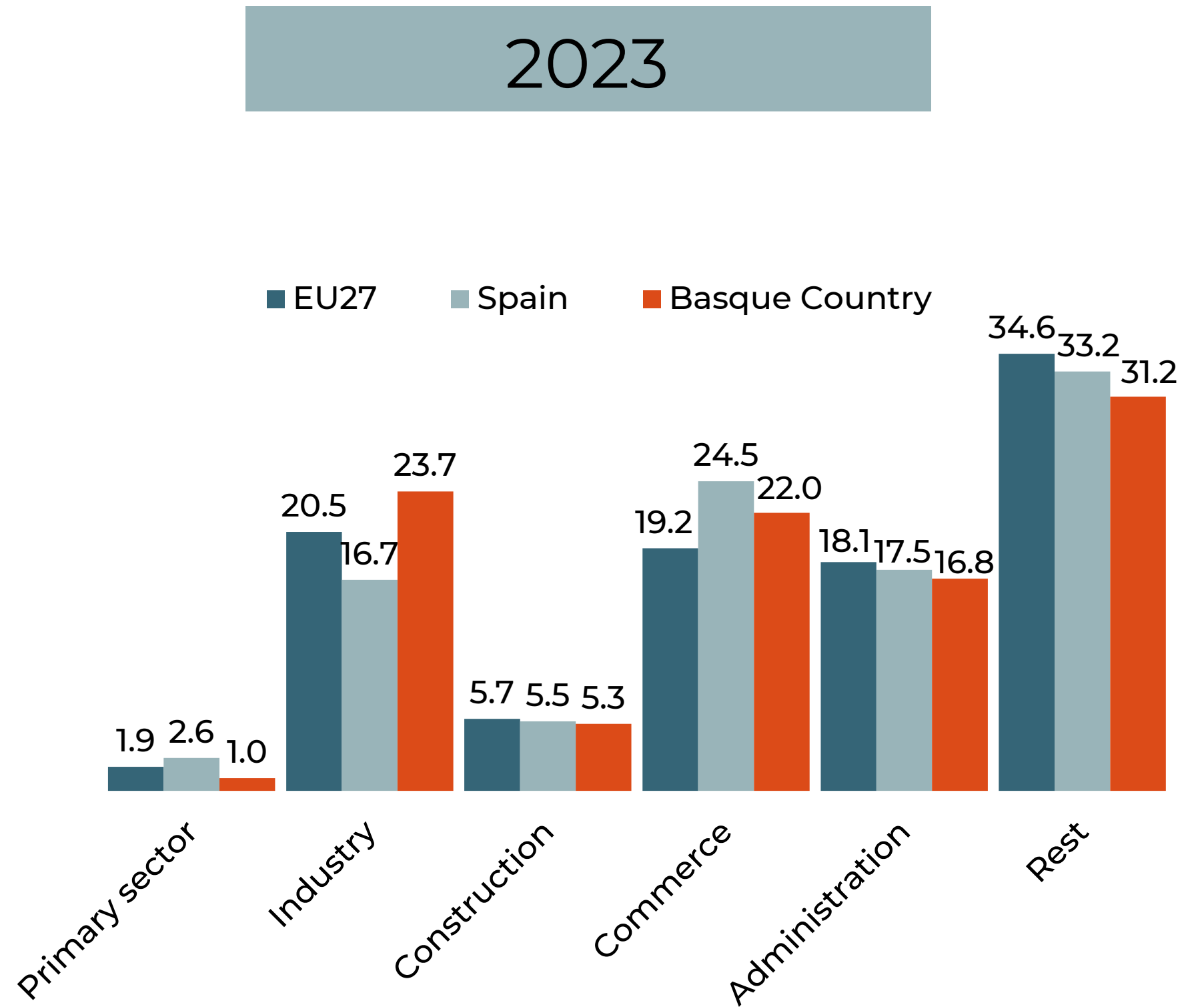
Source: Eurostat and the Directorate of Economy for the 2023 estimate for Euskadi.

AN ECONOMY WITH A GREATER RELATIVE WEIGHT OF INDUSTRY

Industry in the Basque Country has a substantially higher relative weight than the European average (23.7% compared to 20.5%) and than the whole of Spain (16.7%).

Its greater industrial weight is compensated by a lower weight in service activities and in the primary sector.

The relative weight of the construction sector is similar to that of the European average.



Source: Eustat, Eurostat and INE.

THE BASQUE COUNTRY IS AMONG THE LEADING EUROPEAN REGIONS IN TERMS OF PERCENTAGE OF POPULATION WITH HIGHER EDUCATION

55.7% of the population between 25 and 64 years of age in the Basque Country has tertiary studies in the Basque Country, which places it at the head of the State and in tenth position in the ranking of European regions.

2023

Percentage of population aged 25-64 with successful tertiary education

Position		%	Position		%
1	Prov. Brabant wallon	62.0	11	Hovedstaden	55.1
2	Sostinès regionas	62.0	12	Région de Bruxelles-Capital	53.8
3	Warszawski stołeczny	62.0	13	Oslo og Viken	53.8
4	Stockholm	58.8	14	Praha	53.2
5	Eastern and Midland	58.0	15	Northern and Western	52.0
6	Zürich	57.0	16	Luxembourg	51.9
7	Ile de France	56.5	17	Bratislavský kraj	51.2
8	Budapest	56.4	18	Kýpros	51.1
9	Utrecht	56.4	19	Noord-Holland	50.7
10	Basque Country	55.7	20	Comunidad de Madrid	50.5

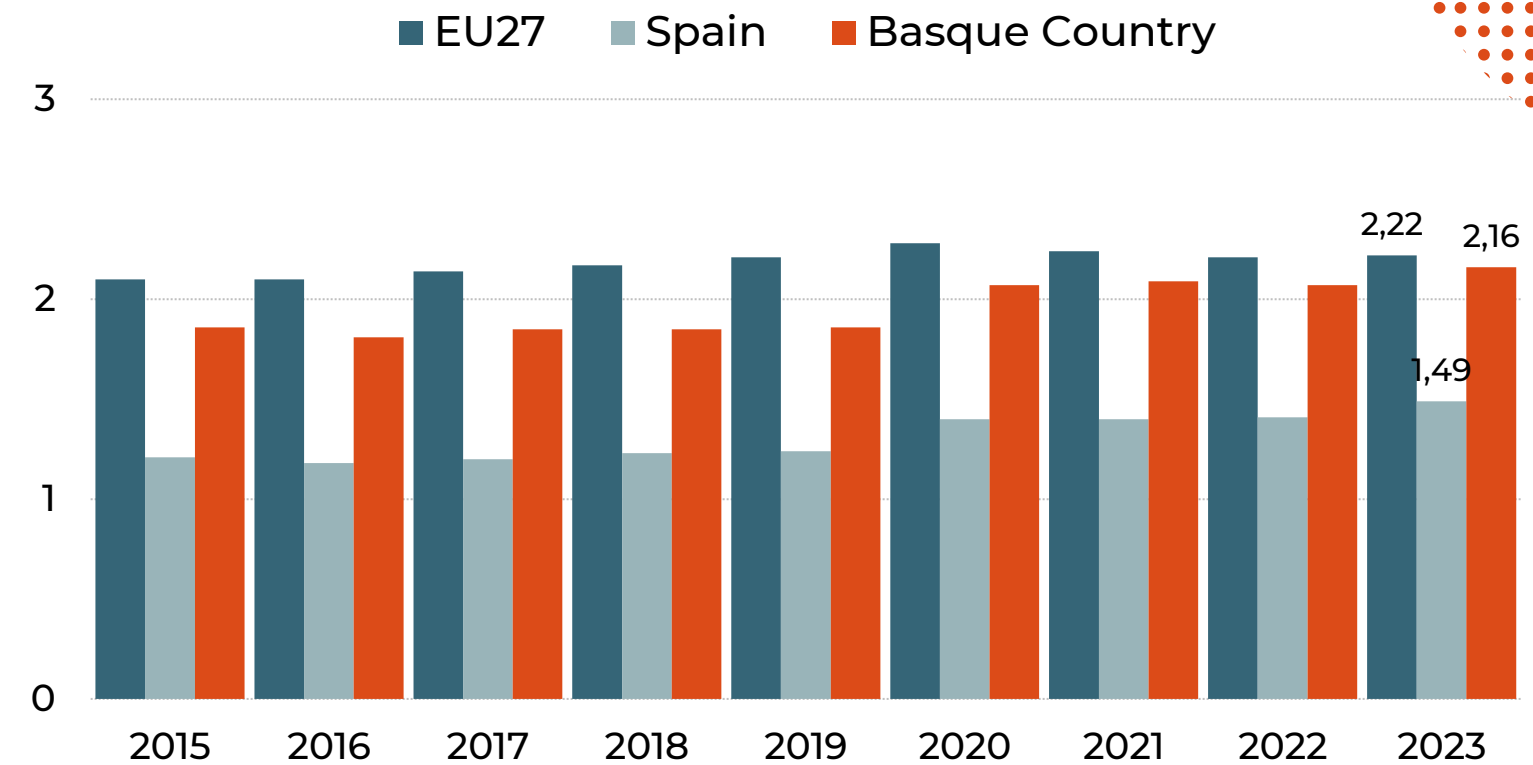
Source: Eurostat.

INVESTMENT IN R&D IS CLOSE TO EUROPEAN AVERAGE AND THE BASQUE COUNTRY IS IN THE GROUP OF REGIONS WITH STRONG INNOVATION

The increase in public expenditure on R&D and the accompaniment of private investment in recent years are making it possible to bring investment in R&D over GDP closer to the European average; 2.16 in the Basque Country compared to 2.22 in Europe.

The EIS panel (2024) also places the Basque Country among the countries with high innovation, at 111.5% compared to 100% represented by the European Union. However, it is far from the leading countries in innovation (above 132.0%), led by Denmark and Sweden.

R&D % of GDP



Innovation Indicators Panel (EIS)

Position		Relative to EU-27	%	Position		Relative to EU-27	%
1	Denmark	135,7	0,750	11	Cyprus	106,2	0,587
2	Sweden	132,9	0,734	12	Estonia	104,8	0,579
3	Finland	127,8	0,706	13	France	104,0	0,575
4	Netherlands	125,7	0,695	14	EU-27	100,0	0,553
5	Belgium	123,6	0,683	15	Slovenia	91,0	0,503
6	Austria	116,2	0,642	16	Spain	89,9	0,497
7	Ireland	113,2	0,626	17	Czechia	89,7	0,496
8	Luxembourg	112,1	0,619	18	Italy	89,6	0,495
9	Germany	111,7	0,617	19	Malta	88,0	0,486
10	Basque Country	111,5	0,616	20	Lithuania	83,6	0,462

Source: Eustat, Eurostat and INE.

THE BASQUE COUNTRY REGAINS ITS APPEAL FOR PEOPLE FROM THE REST OF THE WORLD

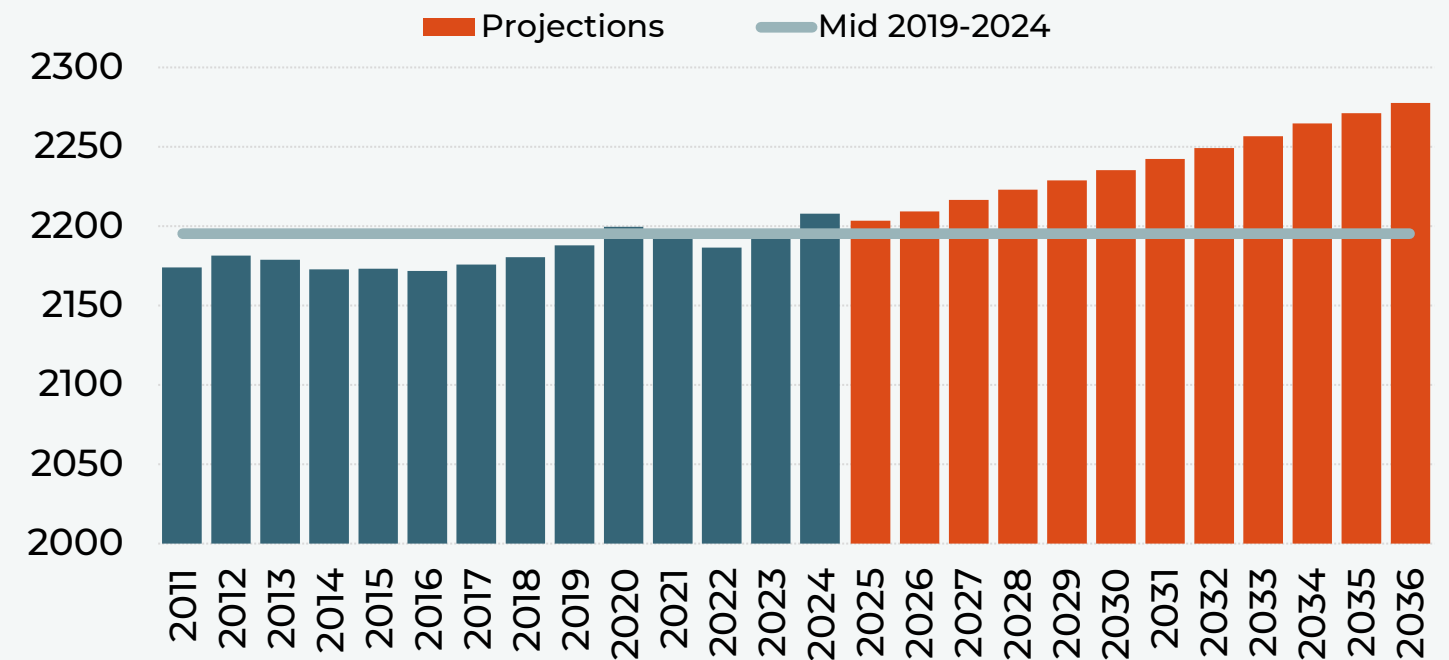
In 2024 Basque population got over 2,2 million inhabitants, exceeding the last years' stable amount of 2,19 millions. (This figure exceeds the projection made by the Statistics Department, which did not expect this amount of population until 2026)

The recovery of attraction for migrants in recent years helped in the notable growth in the population, although the amount went down in 2023.

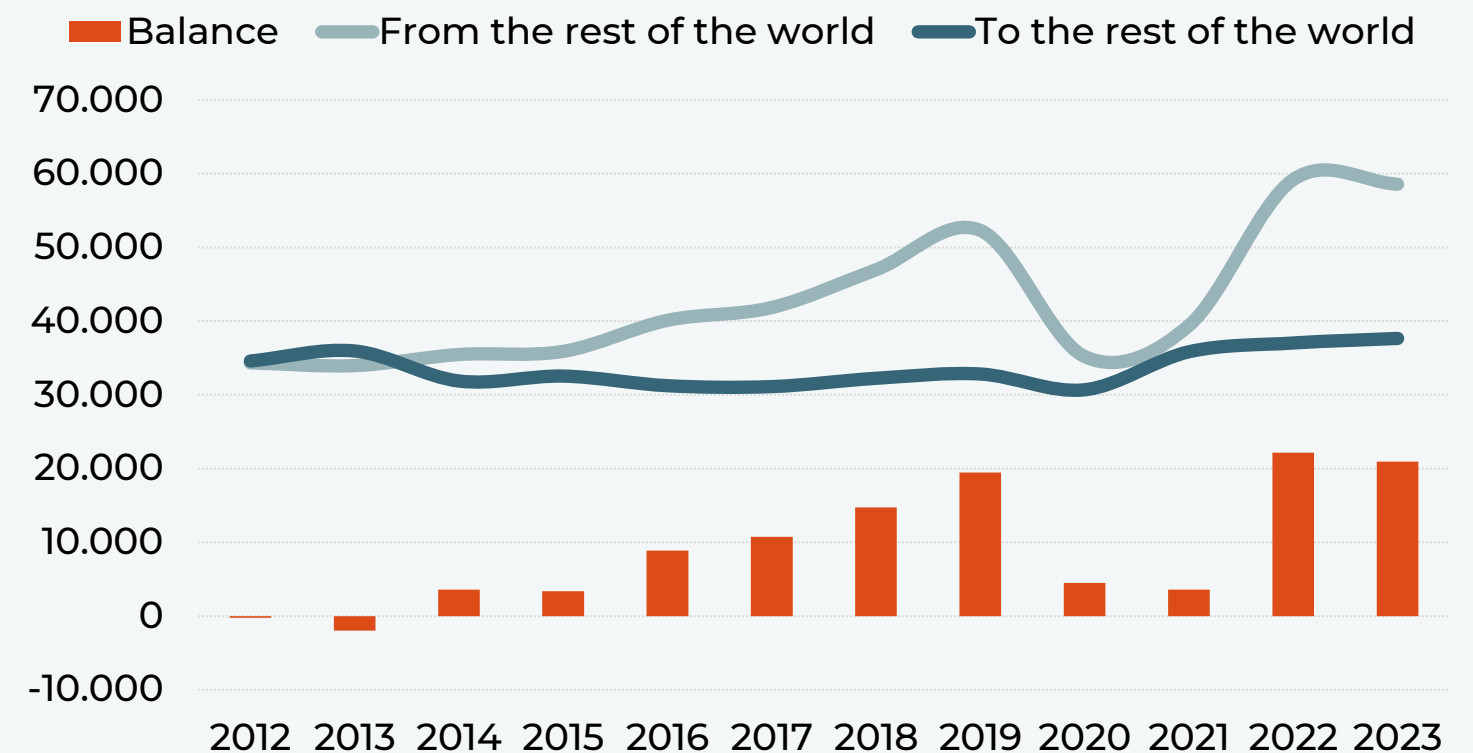
The positive migratory balance in 2023 is close to 21,000 people (close to the maximum reached in 2022). The Basque Country is once again an attractive place for migrants.

The latest Eustat forecasts show that the population of the Basque Country will gain almost 70,000 people between 2024 and 2036.

Population Evolution



Migration flows



Source: Eustat.

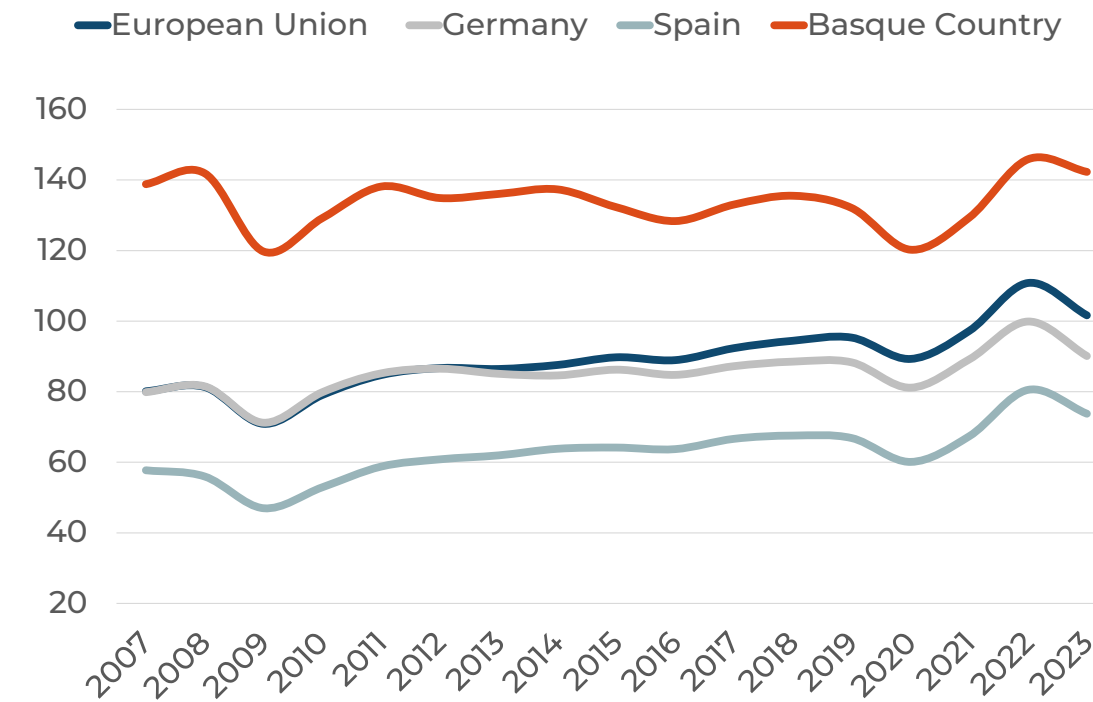
THE BASQUE COUNTRY HAS AN ECONOMY THAT IS OPEN TO THE WORLD

The Basque Country is one of the most open economies in Europe. Its degree of openness is 142.3 points in 2023, high above the 101.6 recorded by the EU.

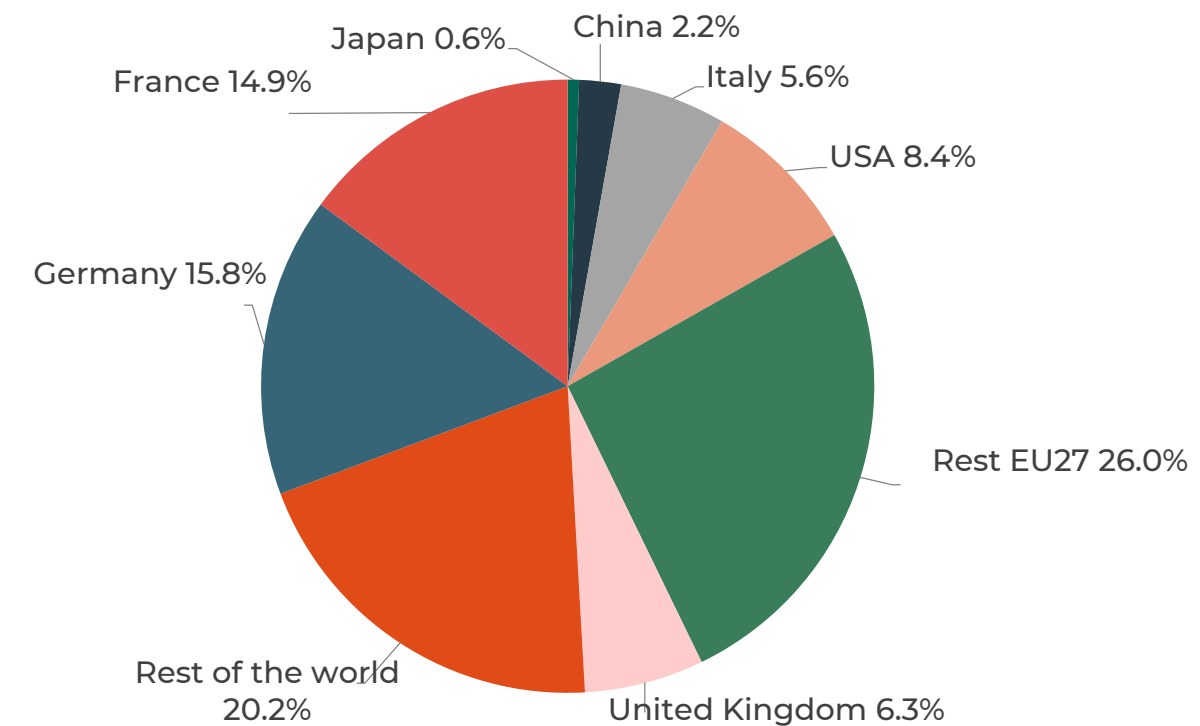
European countries account for almost two-thirds of Basque exports abroad. In addition, the eurozone buys more than half of the total.

Germany and France are the main destinations for these exports.

Degree of openness to the outside



Distribution of exports by countries



The data for 2023 is provisional.
Source: Eustat and Eurostat.

WORLD ECONOMY IS RESILIENT IN 2024

In 2024, global economic activity has shown no signs of weakness and inflation has continued its path of deceleration, although with less intensity than in the course of 2023.

In 2024, the strength of the United States and the recovery of the European Union counterbalance the slowdown in China, which continued to be weighed down by the housing crisis and the weakness of its domestic demand.

Despite the improvement in the European Union, Germany has yet to take off.

Interannual variation rate

	2023	2024	2023				2024			
			I	II	III	IV	I	II	III	IV
Developed economies	1,8	--	1,9	1,8	1,7	1,7	1,7	1,6	1,7	--
European Union 27	0,4	--	1,2	0,5	0,1	0,4	0,6	0,8	0,9	--
- Basque Country	2,7	2,1	3,2	2,8	2,5	2,3	2,2	2,0	2,0	1,9
- Spain	2,7	--	3,9	2,4	2,2	2,3	2,6	3,2	3,3	--
- Germany	-0,3	--	0,2	0,1	-0,3	-0,2	-0,1	-0,2	-0,3	--
- France	0,9	--	1,1	1,3	0,9	1,2	1,4	0,9	1,2	--
- Italy	0,7	--	2,3	0,5	0,1	0,3	0,3	0,7	0,4	--
United Kingdom	0,4	--	0,9	0,6	0,3	-0,3	0,3	0,7	0,9	--
United States	2,6	--	2,3	2,8	3,2	3,2	2,9	3,0	2,7	--
Japan	1,7	--	2,3	1,7	1,1	0,9	-0,9	-0,9	0,5	--
China	5,2	5,0	4,5	6,3	4,9	5,2	5,3	4,7	4,6	5,4
India	7,7	--	6,2	7,9	8,0	8,7	8,0	6,6	5,8	--
Brazil	3,2	--	4,0	3,6	2,8	2,5	2,2	2,8	3,5	--

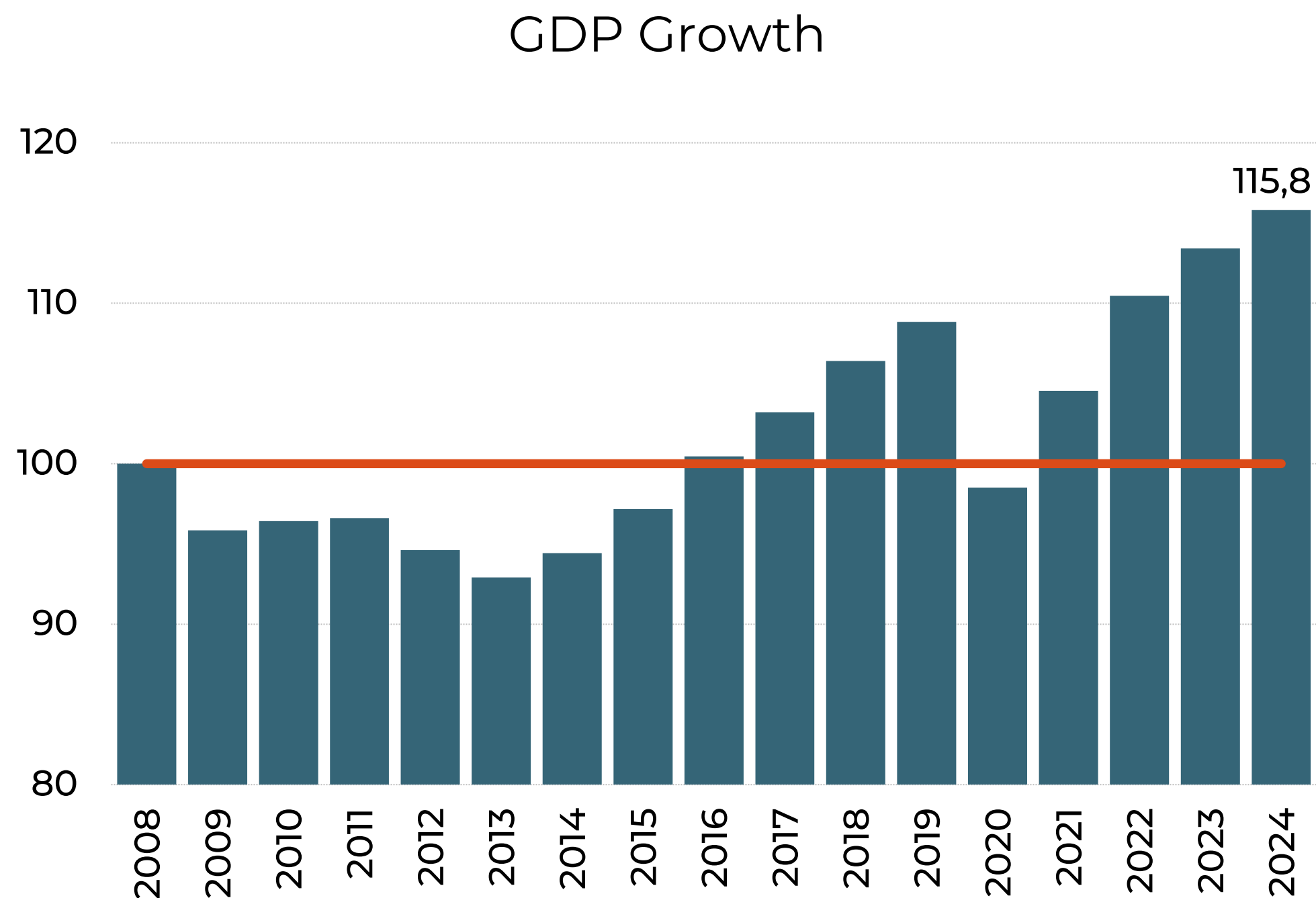
Source: Eustat, Eurostat and OECD.

AFTER THE PANDEMIC, THE GDP OF THE BASQUE ECONOMY HAS RECOVERED STRONGLY

Like the rest of the countries, the Basque Country suffered a severe blow in 2020, with a sharp deterioration in GDP, which put an end to a six-year period of growth.

Like the rest of the European countries, the Basque Country has experienced a V-shaped recovery, which has allowed it to grow by 6.1% in 2021, 5.7% in 2022 and recover to the pre-pandemic level.

In 2023, after the rebound effect and the slowdown caused by the invasion of Ukraine, growth moderated to 2.7%. In 2024, growth further slowed to 2.1% due to a weak economic environment.



Data from 2023 advance and 2024 provisional.

Source: Directorate of Economy and Planning with data from Eustat.

THE BASQUE ECONOMY SHOWS A DECELERATED PROFILE IN 2024

The weakness of the main European partners (Germany has not yet recovered, while the United Kingdom and France remain at apathetic rates) has been a significant burden for the Basque industrial sector, which is losing momentum quarter by quarter.

Exports abroad also reflected this lower dynamism, contracting by 5.1% between January and November, led by the collapse of the automotive sector, which fell to almost 4%.

However, the services sector remains strong, and construction is relatively stable, as is domestic demand.

Interannual variation rate

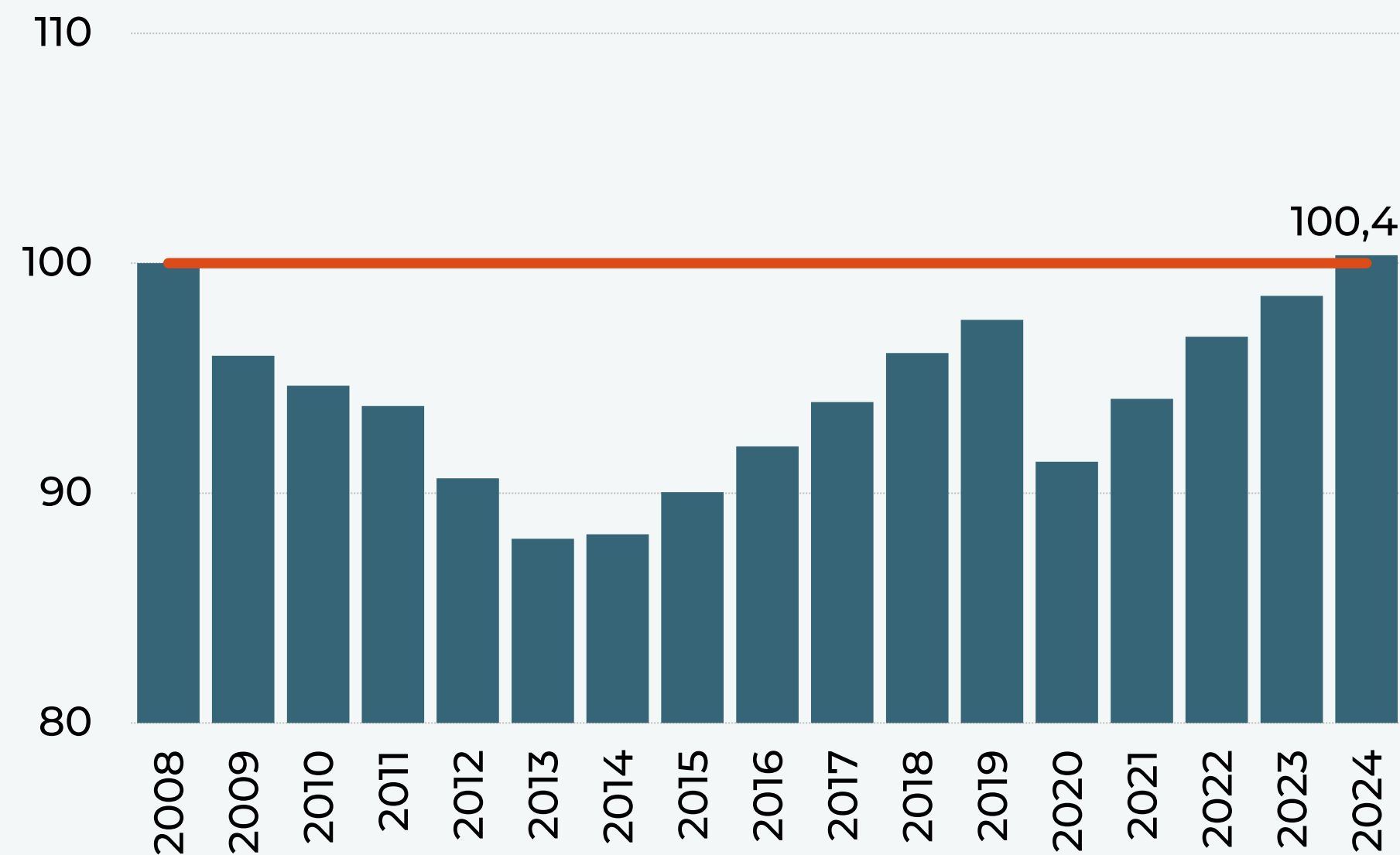
	2023	2024	2023			2024			
			II	III	IV	I	II	III	IV
Final consumption	1,7	--	1,5	1,1	1,8	--	--	--	--
Private consumption	1,9	--	1,7	1,2	1,9	--	--	--	--
Public consumption	1,3	--	1,1	0,8	1,8	--	--	--	--
Gross capital formation	1,8	--	1,7	1,5	2,0	--	--	--	--
Equipement Goods	3,1	--	2,5	2,6	3,1	--	--	--	--
Remaining Investment	1,0	--	1,2	0,7	1,3	--	--	--	--
Internal Demand	1,8	--	1,6	1,2	1,9	--	--	--	--
Exports	1,0	--	1,5	0,3	-1,6	--	--	--	--
Imports	-0,2	--	0,0	-1,3	-2,0	--	--	--	--
GDP (p.m.)	2,7	2,1	2,8	2,5	2,3	2,2	2,0	2,0	1,9
Primary sector	16,0	--	18,8	14,4	10,3	--	--	--	--
Industry and energy	1,8	--	1,5	1,7	2,0	--	--	--	--
Construction	2,6	--	2,6	2,3	1,8	--	--	--	--
Services	3,0	--	3,2	2,6	2,2	--	--	--	--
Commerce, Hospit. and Transp.	1,1	--	1,0	0,3	0,1	--	--	--	--
AA. PP., Education and Health	0,9	--	0,5	0,5	1,5	--	--	--	--
Rest of Services	5,4	--	6,2	5,4	4,0	--	--	--	--
Gross Value Added	2,8	--	2,9	2,5	2,2	--	--	--	--
Net Product Taxes	1,7	--	1,4	2,0	2,2	--	--	--	--

Source: Eustat.

SIGNIFICANT RECOVERY OF LOST JOBS

The Basque economy is approaching one million full-time equivalent jobs and in 2024 it has already recovered pre-Great Recession levels.

Evolution of employment



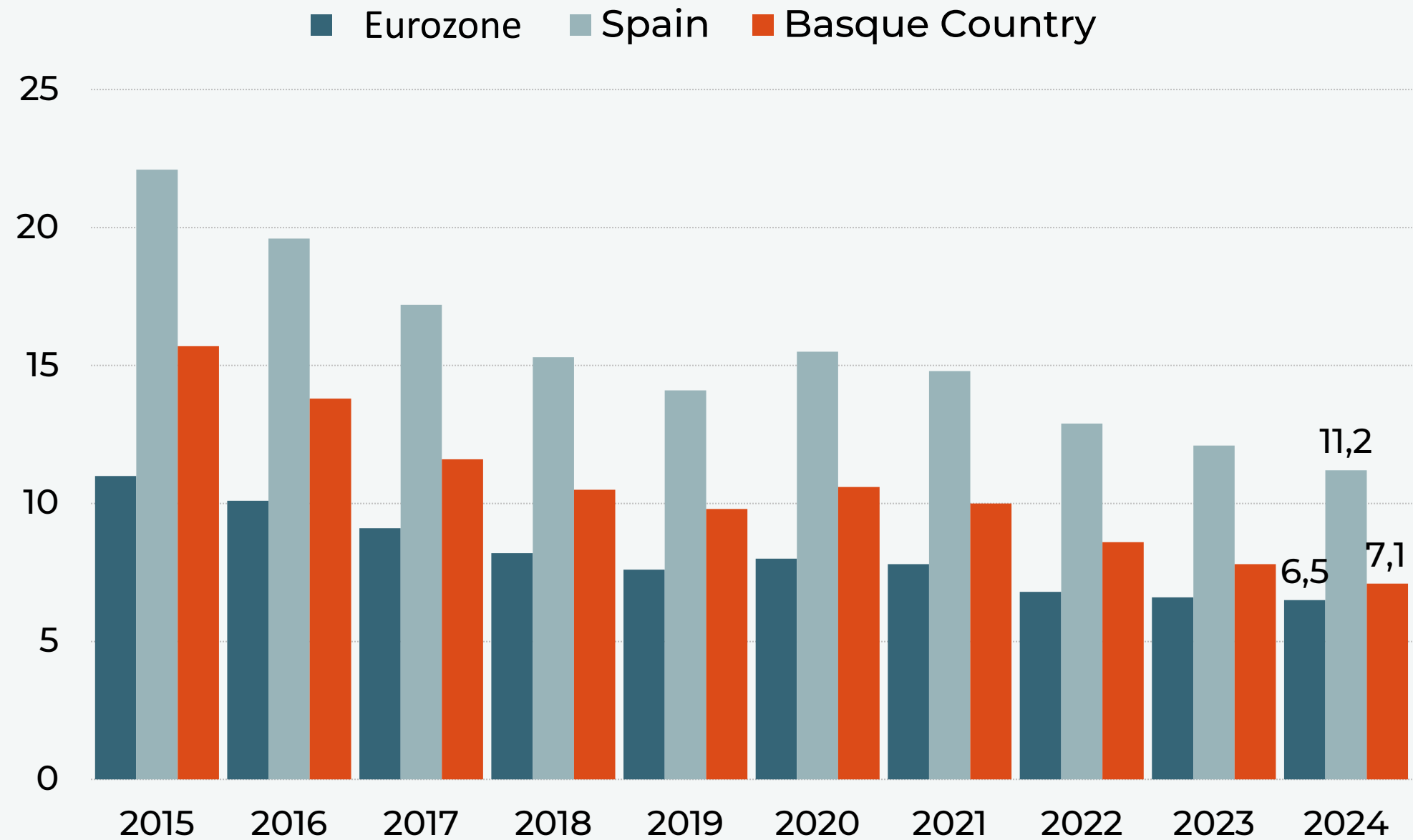
Data from 2023 advance and 2024 provisional. Base year 2008
Source: Directorate of Economics and Planning with data from Eustat.

THE UNEMPLOYMENT RATE SLOWS DOWN SLIGHTLY AND NARROWS ITS DIFFERENTIAL WITH THE EUROZONE

In the third quarter of 2024, the global unemployment rate stood at 7.1%, with 6.8% for men and 7.6% for women. People with Spanish nationality registered a rate of 5.8%, compared to 18.0% for foreigners.

The differential with European average narrows slightly.

Unemployment rate %



The 2024 data is for the second quarter for Eurozone and third quarter for Spain and Basque Country.
Source: Eustat, Eurostat and INE.

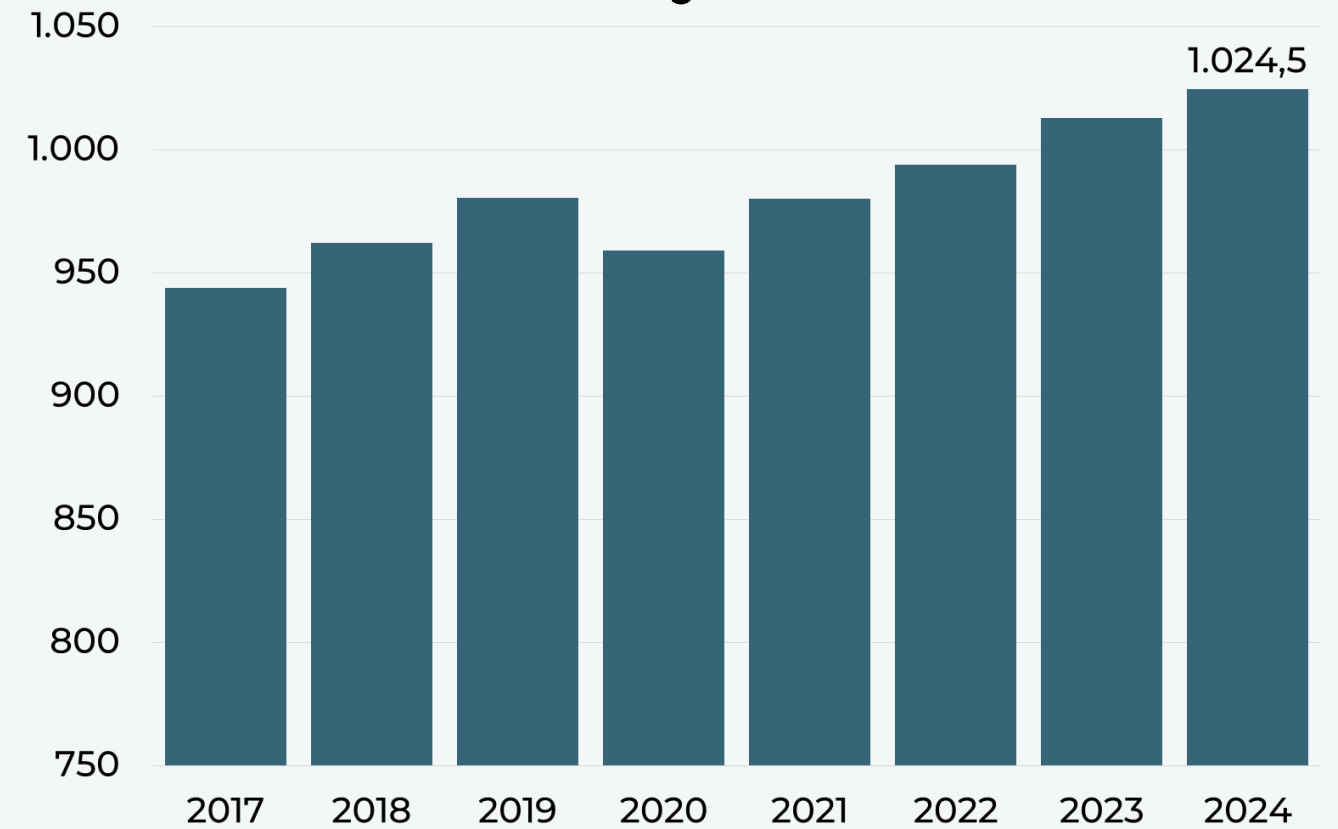
THE LABOUR MARKET REMAINS STRONG IN THE BASQUE COUNTRY

In December, Social Security affiliation increased by 1.1% compared to the same period of the previous year.

A new record for the entire historical series is confirmed, after reaching a record of 1,024,511 affiliations.

As in recent months, women (1.3%) were more involved in this evolution than men (1.0%).

October of each year. Thousands



Interannual rate



Source: Social Security.

INDEX



Features of the economy:
From Basque to
Global vision

Page 2



Economic forecasts

Page 16



Financing system,
budgets, deficit and
debt

Page 23



Sustainability
mandate

Page 34



Issuances
(historical) &
Deal Reviews

Page 43



Appendix:
Other interesting
data



RISKS FOR THE ECONOMY IN 2025

- ✓ **Geopolitical risks** are the greatest threat to the improvement of credit market conditions. Further conflicts could undermine investment flows and lead to sustained volatility in financial markets.
- ✓ **The rise of protectionism threatens global trade.** If the new Trump Administration fulfills its campaign promise and significantly raises tariffs across the board, a global trade war cannot be ruled out - a scenario in which no one would win. Even Europe, traditionally open to trade, has now decided to adopt protectionist measures to counteract China's subsidies to certain strategic industries, such as electric vehicles.

- ✓ **China's weakness.** At a time when the Asian giant's economy is struggling to boost its economic growth and leave the real estate crisis behind, it will also have to contend against rising tariffs, which could stall its economy and increase the risk of recession for its trading partners.
- ✓ Even though **inflation** has fallen to levels close to central bank's targets, new protectionist measures could drive prices back up.
- ✓ **Climate risk** and the rising costs of the energy transition.
- ✓ The **threat of cyberattacks** and the potential that rapid technological change could menace world trading and government infrastructures.

RELATIVELY LOW GROWTH IN THE WORLD ECONOMY

According to Consensus Forecasts, the eurozone will regain some dynamism in 2025, although its growth will remain modest, mainly due to the weakness of Germany and other major economies.

In emerging countries, a year of stability is expected.

By 2026, is projected to accelerate its growth, which will offset the slower momentum in the USA.

As a result, global GDP will be similar to that of 2025.

Interannual variation rate

	2024	2025	2026
World Economy	2,6	2,6	2,5
United States	2,8	2,2	2,0
Japan	-0,1	1,2	0,9
United Kingdom	0,8	1,2	1,4
Eurozone	0,7	1,0	1,2
Germany	-0,2	0,4	1,0
France	1,1	0,7	1,1
Italy	0,5	0,7	0,9
Spain	3,0	2,3	1,8
Pacific Asia	3,7	3,7	3,6
Latin America	2,0	2,2	2,4
Eastern Europe	2,9	2,6	2,7

Source: Consensus Forecasts

THE BASQUE ECONOMY SHOWS PROSPECT OF GROWTH OF 2.0% FOR 2025 AND WILL SLOW DOWN 3-TENTHS IN 2026

In Euskadi, the growth in 2025 will be due to the improvement in domestic demand and a dynamic labor market.

Household spending will drive the growth of economic activity in the Basque economy in 2025, due to strong employment growth and the recovery of real wages.

Gross capital formation will grow at a faster pace than overall production, driven by lower financing costs, public stimulus through the Next Generation EU funds, and expectations of a less turbulent macroeconomic and geopolitical outlook with reduced uncertainty.

Demand-side forecasts

Interannual variation rate

	2024	2024	2025				2025	2026
	IV		I	II	III	IV		
GDP (p.m.)	1,8	1,9	1,8	2,0	2,1	2,0	2,0	1,7
Household Final Consumption	1,8	1,9	1,9	2,0	2,1	2,0	2,0	1,6
Household Consumption Spending	1,6	1,8	1,9	2,0	2,1	2,0	2,0	1,6
Consumption Expense of AA. PP.	2,2	2,2	1,8	2,1	1,9	1,8	1,9	1,6
Gross Capital Formation	2,0	1,9	2,1	2,5	2,6	2,6	2,4	2,6
Contribution of Domestic Demand	1,8	1,9	1,9	2,2	2,2	2,1	2,1	1,9
Contribution of the External Balance	0,0	0,0	-0,2	-0,1	-0,1	-0,1	-0,1	-0,1

Source: Directorate of Economy and Planning (December 2024)

INDUSTRY WILL DOUBLE ITS PACE OF PROGRESS IN TWO YEARS

Industry will grow in the next two years at a rate of 1.4% in 2025 and 1.6% in 2026. This is driven by stronger growth in the main economies importing Basque goods.

The activity in services will continue expanding (although slower than the previous year) thanks to the increase in the active population and significant job creation.

As for the construction sector, a greater dynamism is expected (2.2% and 2.3%) once the fall of Euribor has managed to revive demand.

Supply-side forecasts

Interannual variation rate

	2024	2024	2025				2025	2026
	IV		I	II	III	IV		
GDP (p.m.)	1,8	1,9	1,8	2,0	2,1	2,0	2,0	1,7
Primary sector	-3,4	1,1	-3,3	-3,0	-0,9	0,7	-1,7	1,3
Industry	0,6	0,8	1,0	1,8	1,4	1,5	1,4	1,6
Construction	2,0	1,6	2,1	2,5	2,2	2,1	2,2	2,3
Services	2,3	2,3	2,0	2,1	2,3	2,1	2,1	1,7
Gross Value Added	1,8	1,9	1,7	2,0	2,1	2,0	1,9	1,7
Net taxes on products	2,1	2,1	2,3	2,1	2,3	2,1	2,2	1,9

Source: Directorate of Economy and Planning (October 2024).

EMPLOYMENT DYNAMISM WILL CONTINUE IN 2025 AND 2026

In 2025 and 2026 job creation may slightly moderate. It is expected that 14,000 and 12,000 full-time jobs will be created.

The unemployment continues shortening to rates not seen since 2004 and 2005.

Labour market forecasts

Interannual variation rate

	2024	2024	2025				2025	2026
	IV		I	II	III	IV		
Employment	1,5	1,7	1,4	1,4	1,5	1,4	1,4	1,2
Busy Persons (PRA)	1,8	1,9	1,5	1,5	1,2	1,2	1,3	1,0
Unemployment rate	7,2	7,4	7,3	6,8	6,6	6,7	6,9	6,7

Source: Directorate of Economy and Planning (October2024).

CONCLUSIONS

- ✓ Despite various geopolitical risks and resulting tensions, the **global economy** has demonstrated remarkable **resilience** and has maintained a **solid growth rate**. This has been possible thanks to the continued **decrease in inflation**, which is approaching the targets set by central banks, the **flexibility of monetary policy**, and the **strength of labor markets**.
- ✓ After global economic growth of **2.6% in 2024**, **Consensus Forecasts** maintains this year's increase at the same level and lowers it by one-tenth for next year (2.5%).
- ✓ In the case of **Euskadi**, the **Basque Government's forecast** projects growth of **2.0% in 2025** and **1.7% in 2026**.

- ✓ These forecasts are subject to a wide range of factors: geopolitical risks, inflation, monetary policy, and uncertainty are the most visible ones, to which the potential increase in protectionism should be added.
- ✓ **Employment**, measured in full-time equivalent jobs, will increase this year by **1.4%** and by **1.2% in 2026**. These are more modest rates than in 2024 but will generate 14,000 and 12,000 full-time jobs, respectively.
- ✓ The **unemployment rate** will decrease from **7.4% in 2024** to **6.7% in 2026**, levels not seen since 2004 and 2005.
- ✓ Regarding inflation, according to **Funcas'** forecasts, **inflation in Spain** will start the year at **2.5%** and will stand at **1.9% in December**, reaching an **annual average of 2.2%**, very close to the **ECB's target**.

INDEX



Features of the economy:
From Basque to
Global vision

Page 2



Economic forecasts

Page 16



Financing system,
budgets, deficit and
debt

Page 23



Sustainability
mandate

Page 34



Issuances
(historical) &
Deal Reviews

Page 43



Appendix:
Other interesting
data



THE BASQUE COUNTRY HAS A SPECIFIC FUNDING SYSTEM

The financing system of the Basque Country, under a foral regime, is different from the financing system of most of the autonomous communities of Spain.

Tax and financial relations between the Basque Country and the Spanish State are governed by the **Economic Agreement** system.

The Basque Country has the **capacity to manage and collect almost all taxes** and has regulatory capacity over a relevant proportion of its collection.

The Basque Country finances via **quota** the functions or competences of the State that it has not assumed.

The Basque Country debt is subject to **the same regulation** as the State debt.

IN 2023 THERE IS A MARKED INCREASE IN REVENUE

Revenue in 2023 saw a substantial increase of 6.3%.

The increase in direct taxation was greater (11.5%) than that of indirect taxation (0.6%), favored by both the increase recorded in personal income tax (9.0%) and corporate income tax (21.0%).

2023

	Millions of euros	Variation rates (%)
DIRECT TAXES	9,265.8	11.5
Personal income tax	7,085.5	9.0
Corporation income tax	1,635.7	21.0
Wealth tax	176.2	3.8
Inheritance and gift tax	159.0	4.1
Other direct taxes	209.4	51.7
INDIRECT TAXES	8,834.0	0.6
Value Added Tax	6,930.3	0.1
Excise duties	1,434.7	6.1
Property conveyance tax	168.0	-5.9
Document duty	36.5	-19.6
Other indirect taxes	264.5	-9.1
FEES AND OTHER REVENUE	112.7	213.5
TOTAL AGREED TAXES	18,212.5	6.3

Source: Department of Economy, Labour and Employment

THE BASQUE GOVERNMENT'S ACCOUNTS MAINTAIN THEIR TONE OF FISCAL DISCIPLINE

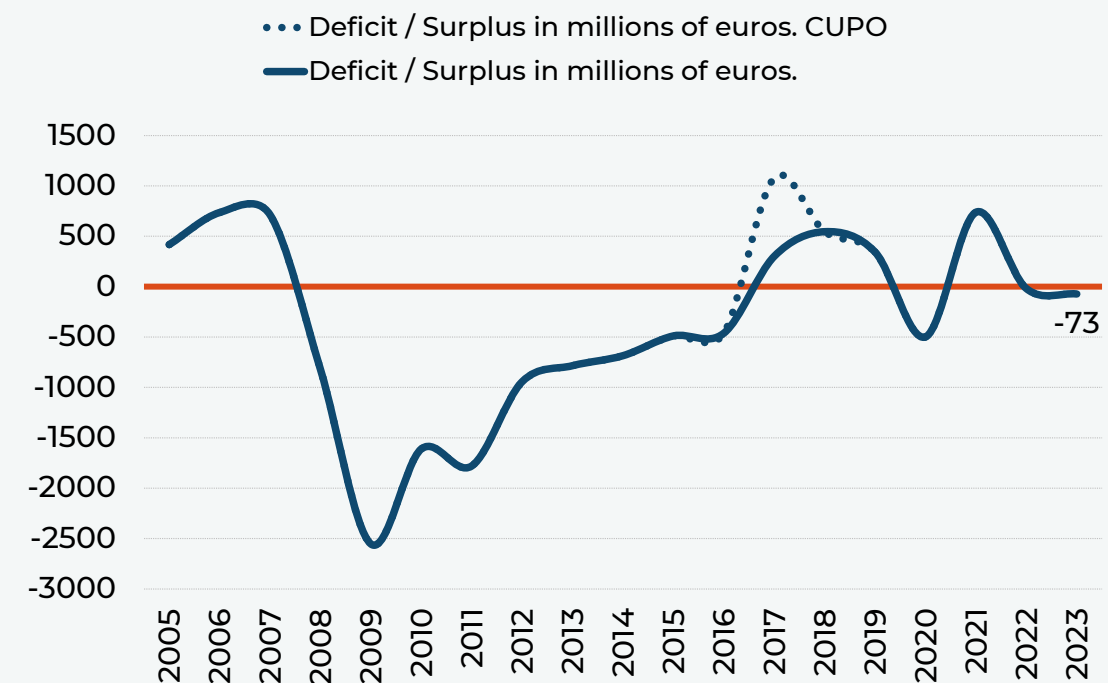
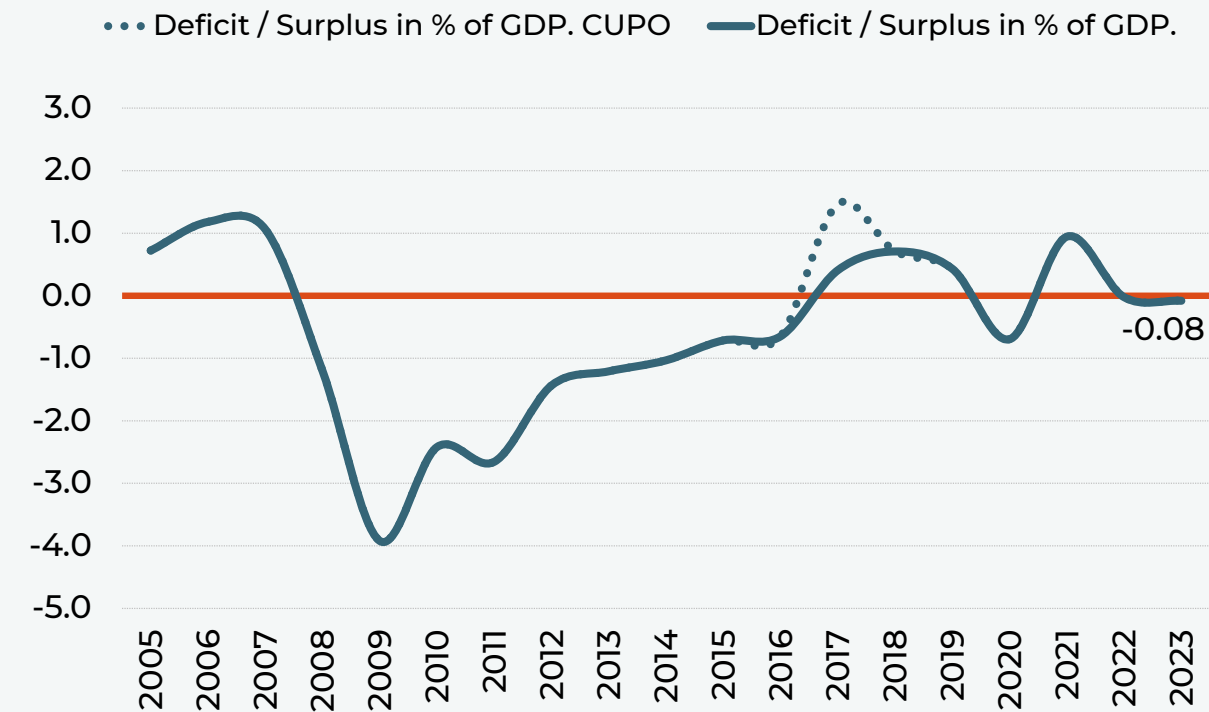
The Basque regional administration complies with the established deficit targets.

From 2017 to 2019, it closed the accounts with a surplus.

In 2020, the year of the pandemic, it had a deficit of 0.69% of GDP that is reversed in 2021 with a surplus of almost one point of GDP.

Both 2022 and 2023 close with a symbolic deficit of less than 0.1% of GDP.

The 2025 Budget has been prepared with a deficit forecast of 0.3% of GDP, about 293 million euros.



Years	Deficit/Surplus
2012	-1.43%
2013	-1.21%
2014	-1.03%
2015	-0.71%
2016	-0.65%
2017	1.47%
2018	0.71%
2019	0.43%
2020	-0.69%
2021	0.95%
2022	-0.02%
2023	-0.08%
2024 (*)	-0.30%

(*) Forecast presented in the budgets.

Source: Department of Economy, Labour and Employment and Eustat for GDP data.

THE BASQUE COUNTRY IS THE AUTONOMOUS COMMUNITY WITH THE LOWEST DEBT-TO-GDP RATIO

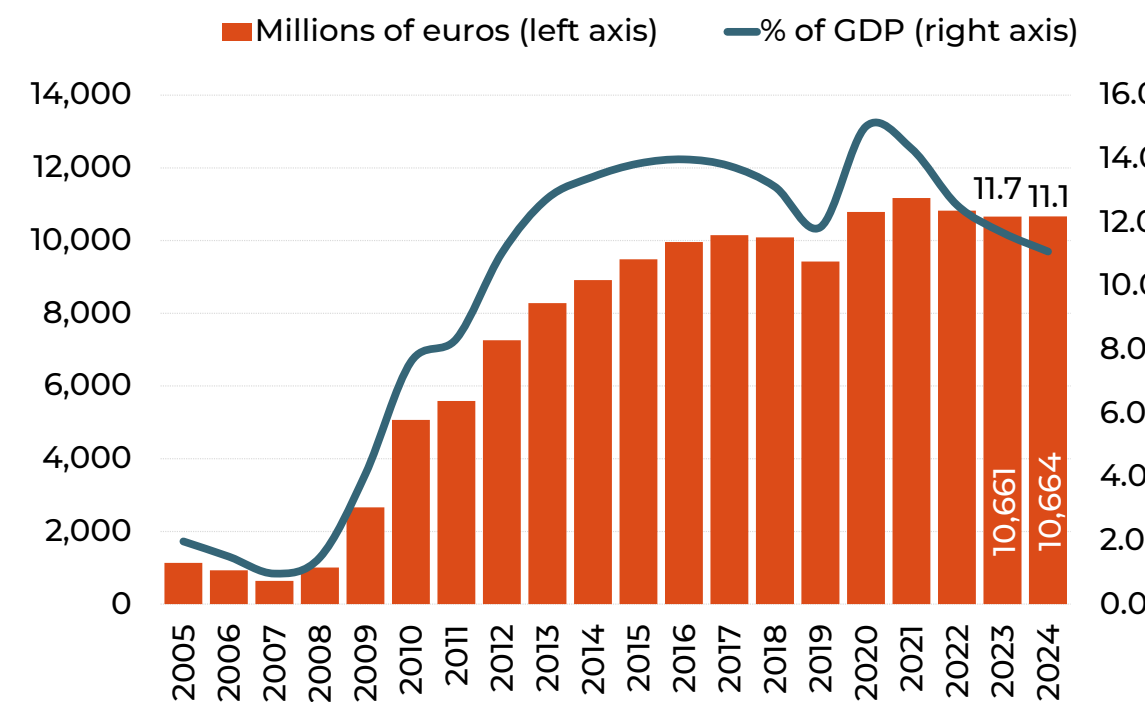
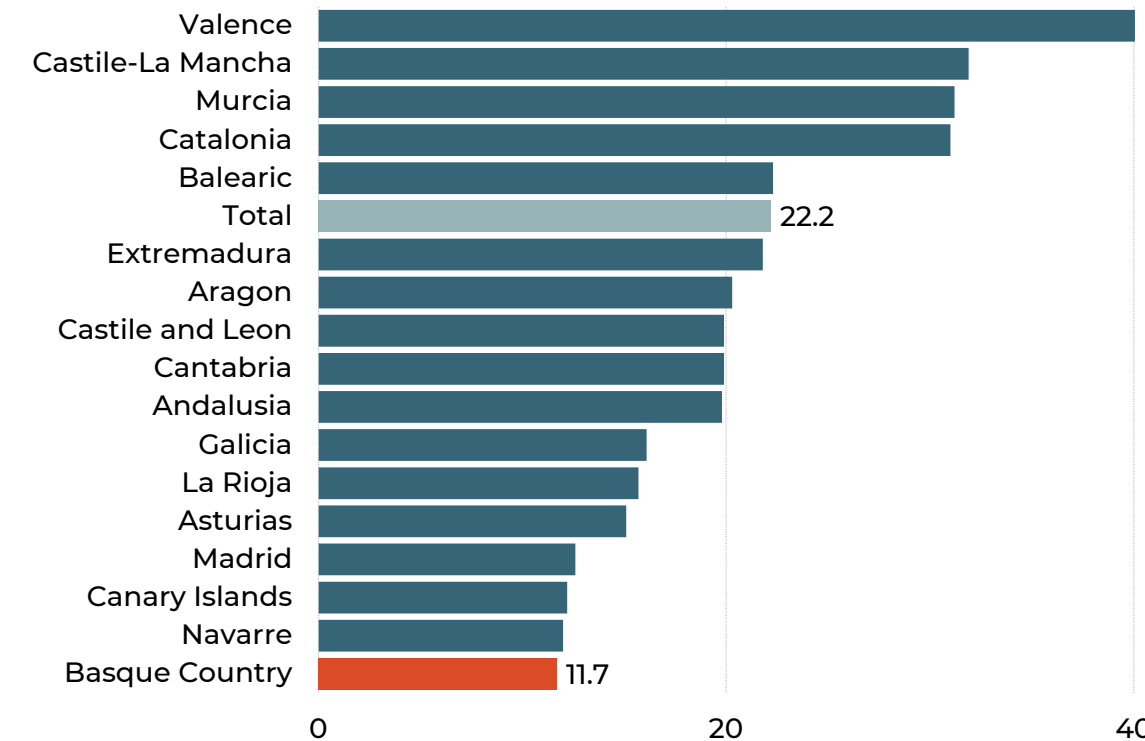
The debt, according to the excessive deficit protocol in 2023, is €10,661 million and represents 11.7% of Basque GDP.

The debt-to-GDP ratio is 10 points below the average of the autonomous communities and is the lowest among all of them.

In 2024, a debt level of €10,664 million is expected (in terms of consolidated accountancy), falling to 11.1% of GDP.

11,7%

Debt according to excessive deficit protocol



Source: Bank of Spain and Eustat for GDP data for the Basque Country. The figure for 2024 is the forecast of the Department of Economy, Labour and Employment

THE LEVEL OF INDEBTEDNESS OF THE BASQUE GOVERNMENT IS GRADUALLY REDUCING

Total debt in December 2024 amounted to €10,474.13 million. Its average cost was 2.12% and its average life was slightly higher than eight years.

By the end of 2025, a debt of 10,380.11 million euros is estimated, almost 100 million below the current debt level.

Government Debt 10.474.126

Financing Needs 2024
(Million €)

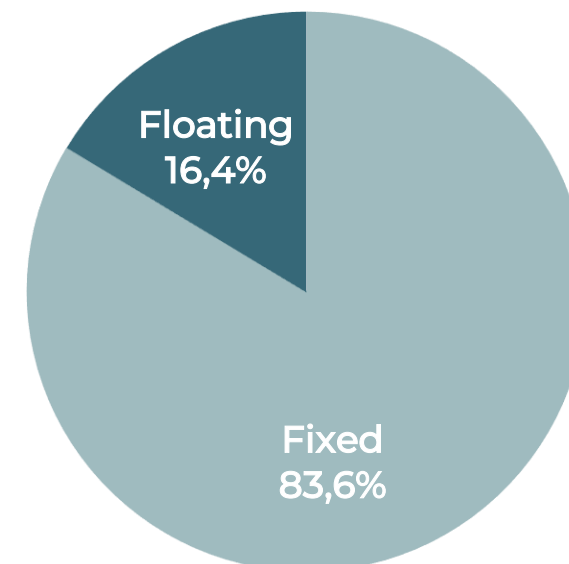
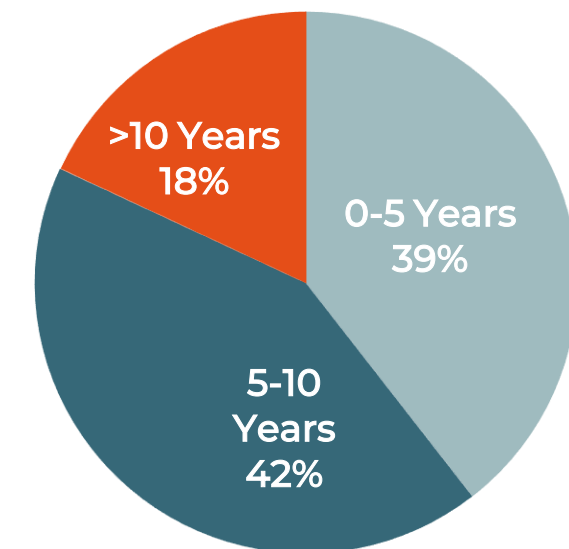
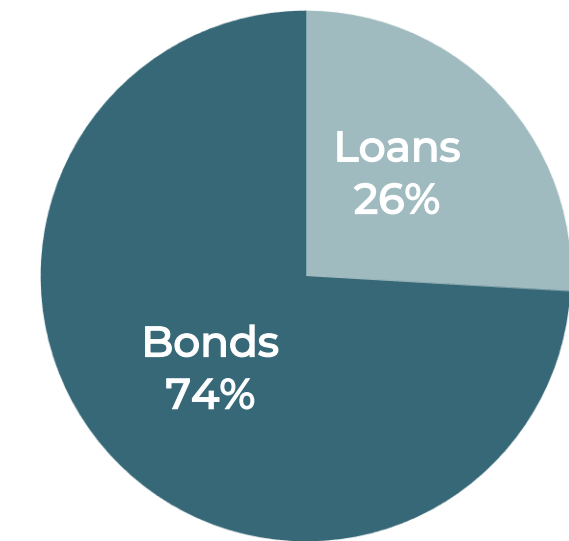
Gross Issues	835
Net Issues (after loans signed)	203

Type according to payment terms

0-5 yrs	39%
5-10 yrs	42%
>10 yrs	18%

Financing cost

Fixed	83,6%
Floating	16,4%



Source: Basque Government.

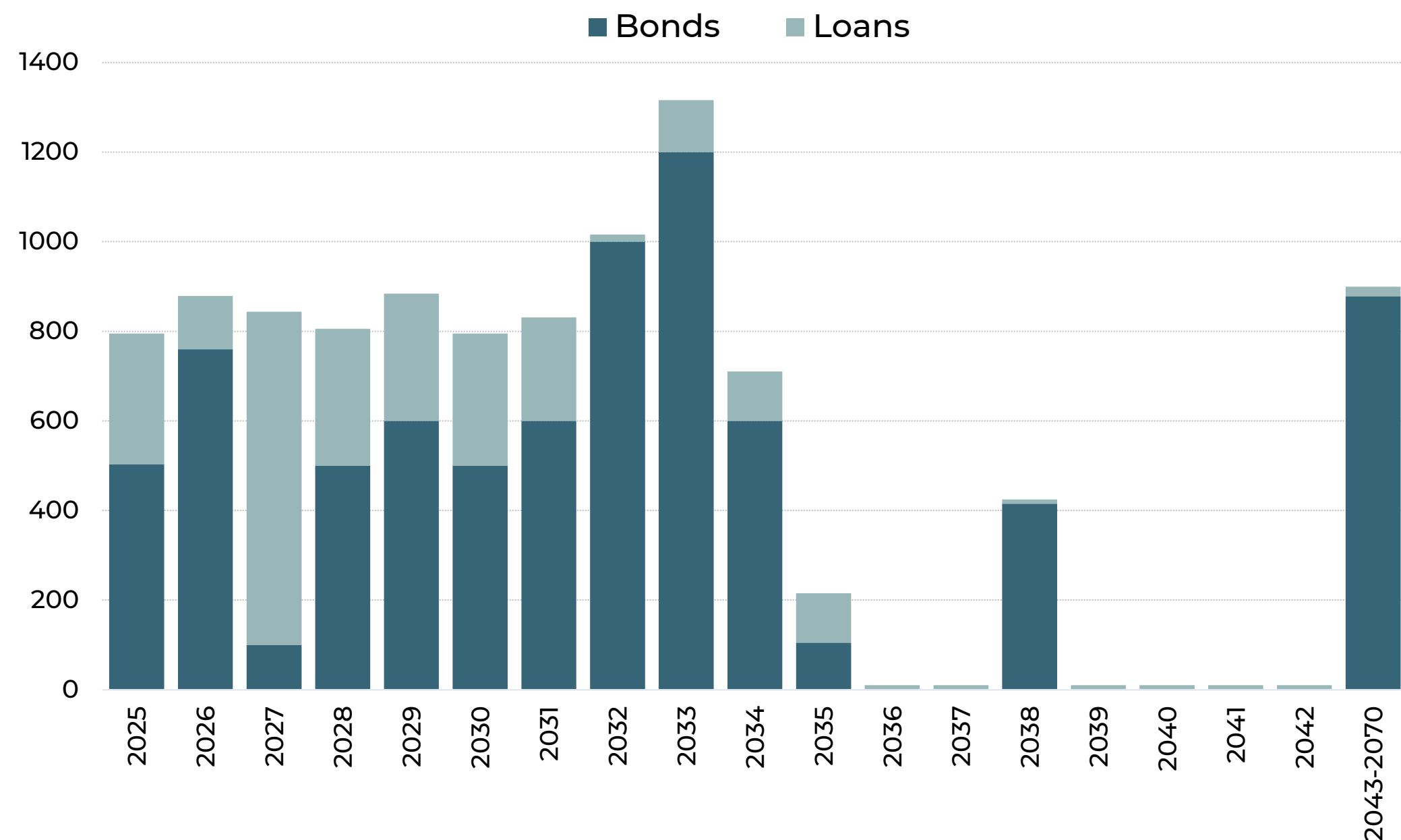


DEBT REPAYMENT HAS A GROWING PROFILE FOR THE COMING YEARS

Debt repayment has a growing profile for the coming years, with a peak in 2033 of more than €1,300 million between bond and loan repayments. This is a result of the financing strategy followed by the government.

31/12/2024

Amortisation table

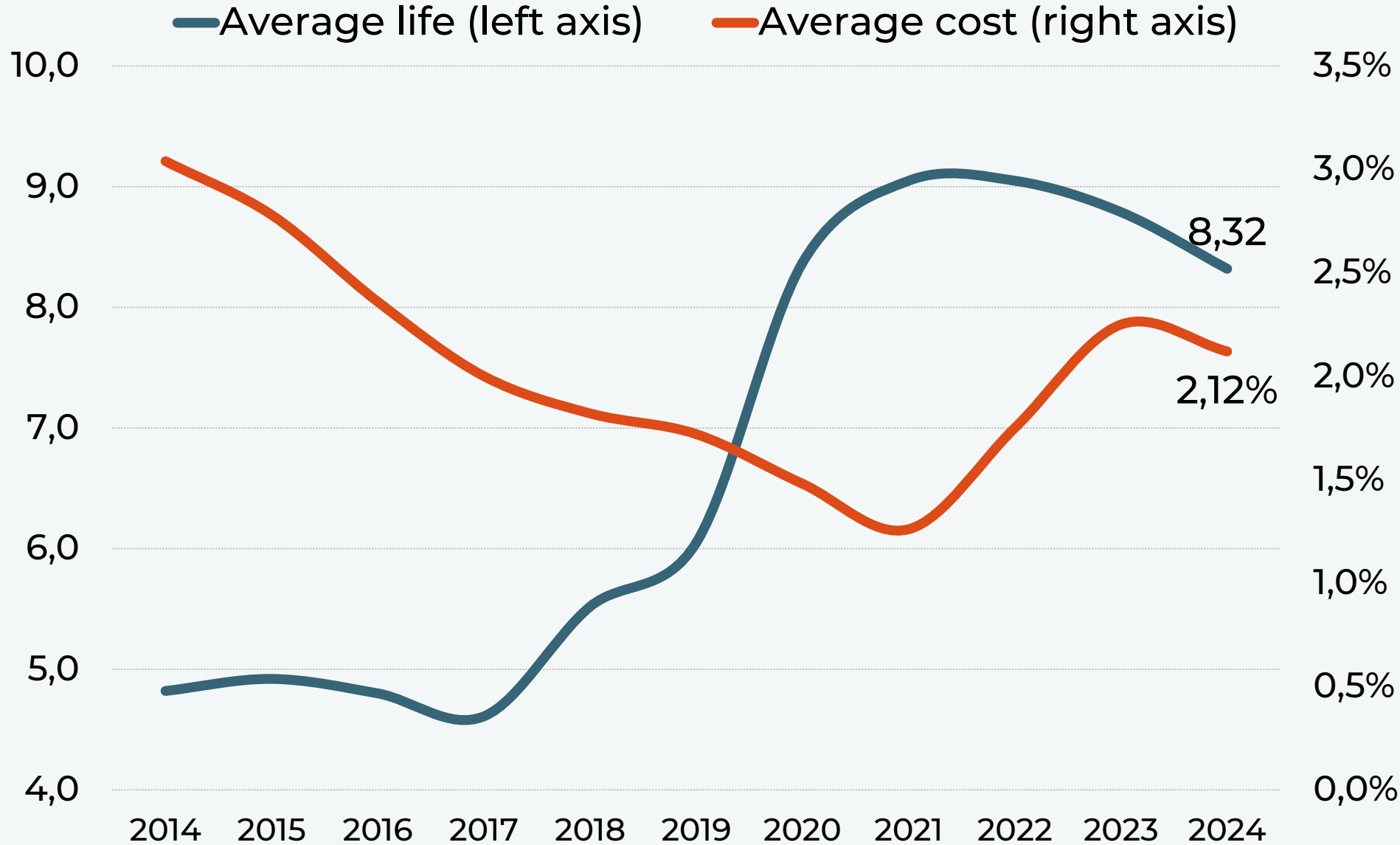


Source: Department of Economy, Labour and Employment

THE AVERAGE COST OF DEBT RISES SLIGHTLY AND ITS AVERAGE LIFE IS REDUCED

In December 2024, the average cost of debt fell to 2.12% due to the decrease in Euribor and the different strategies followed by the Department. The cost trend is downward since the peak reached in October 2023.

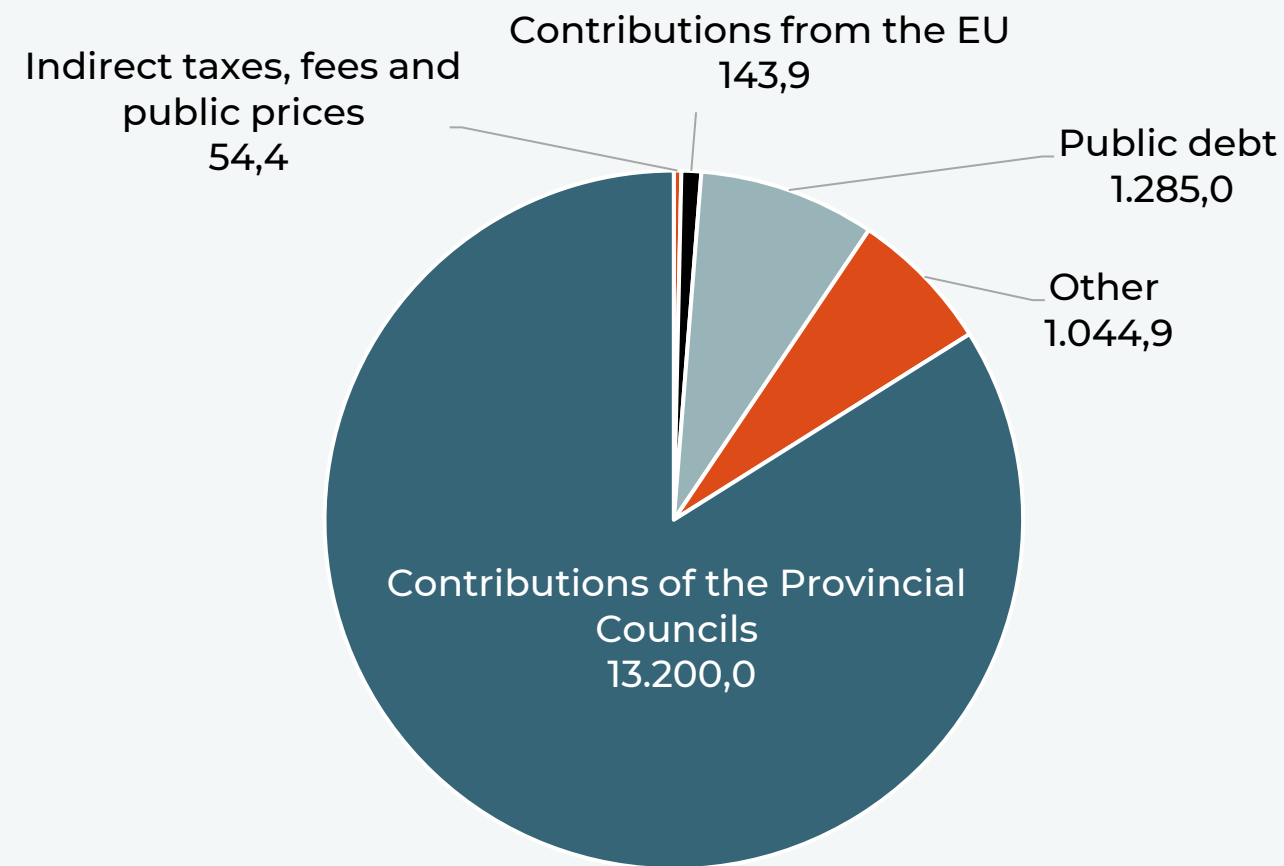
The average lifespan, on the other hand, maintains a downward trend and remains below 9 years.



Source: Department of Economy, Labour and Employment

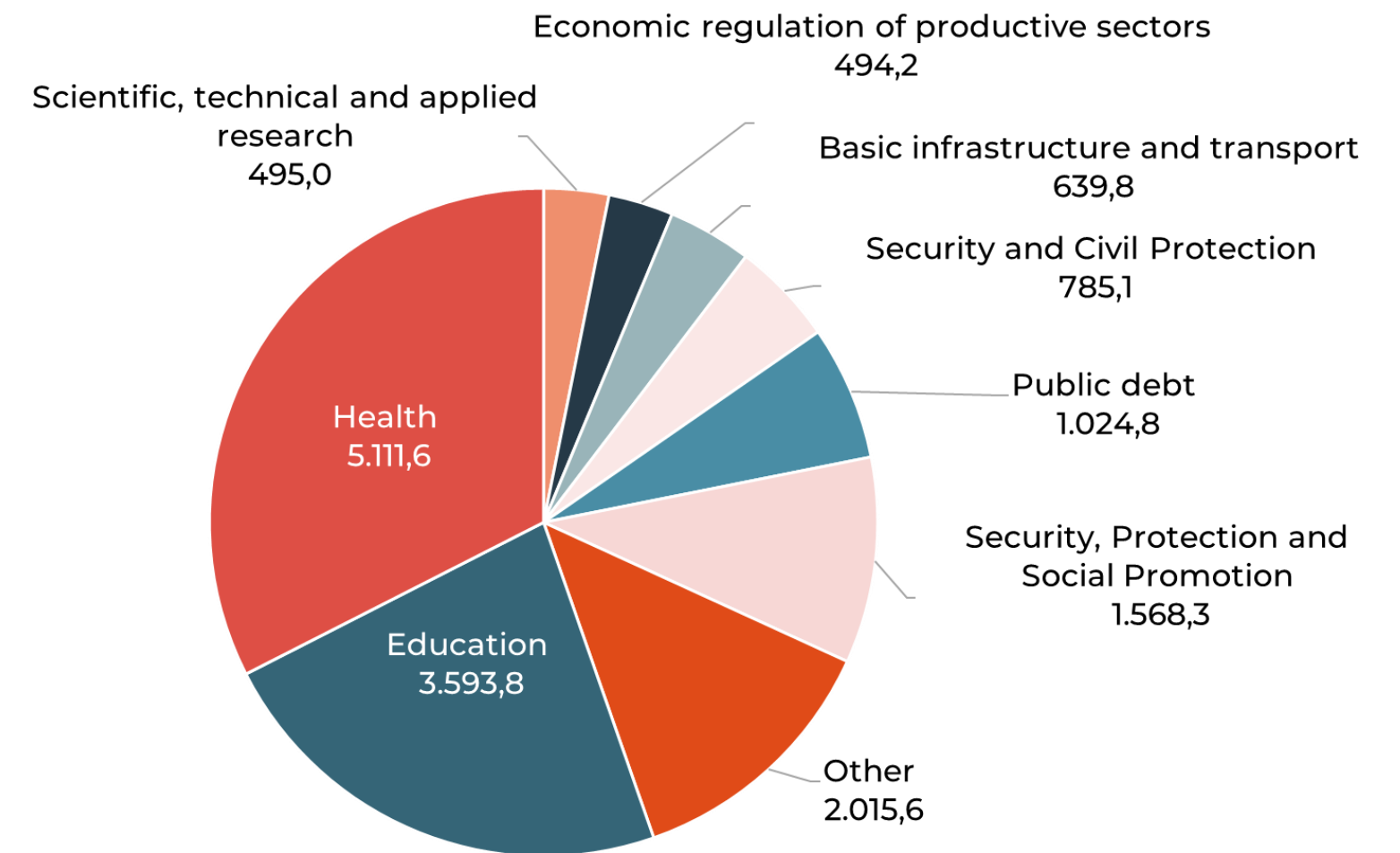
THE BASQUE GOVERNMENT'S 2025 BUDGET AMOUNTS TO €15,728.2 MILLION

Revenue (€ Million)



15,728.2 M€

Expenditure (€ Million)



15,728.2 M€

Source: Department of Finance

S&P AND MOODY'S GIVE A FINANCIAL SOLVENCY RATING ABOVE THE SOVEREIGN

Rating agencies highly value its governance policy and fiscal autonomy, as well as a diversified economic base and deep-rooted industrial culture.

2024

Agency	Credit Rating	
	Basque Country	Spain
Moody's	A3 (positive outlook)	Baa 1 (positive outlook)
S&P	AA- (stable outlook)	A (stable outlook)
Fitch	A (positive outlook)	A- (positive outlook)

Source: S&P, Moody's and Fitch.

FINANCIAL STRATEGY FOR 2025

For the current year (2025), the evolution of economic activity and thus tax collection will continue demanding the financing of the corresponding maturities.

The gross needs would be of 1100 million (maturities and deficit), we expect to cover them with a variety of products.

1. The following structure is proposed for the total annual funding needs:

- One public sustainable bond issuance with maturity of 10 years.
- Privately placed bonds with social characteristics maturities exceeding 30 years, if needed.
- Bilateral loans with maturity below 10 years, if needed.

This will also allow us to keep debt payments at current levels for the next five years.

The public issuance will be sustainable following the commitment of the Basque Country with ESG investors of issuing at least once per year.

2. Extension of average debt life by issuing amounts at a longer term.

3. Diversification of funding by combining bond issuances and loans and looking to keep less than 20% of debt at floating rates.

INDEX



Features of the economy:
From Basque to
Global vision

Page 2



Economic forecasts

Page 16



Financing system,
budgets, deficit and
debt

Page 23



Sustainability
mandate

Page 34



Issuances
(historical) &
Deal Reviews

Page 43



Appendix:
Other interesting
data

The Basque Government sustainability mandate (1)

- ✓ The Euskadi Basque Country 2030 Agenda, drawn up by the Basque Government, reflects the degree of alignment and contribution of the Government Program to the 17 Sustainable Development Goals and 100 targets of the UN 2030 Agenda for Sustainable Development (Agenda 2030).
- ✓ We see the 2030 Agenda as an opportunity for the Basque Country because it is fully aligned with our priorities: human development guaranteeing essential services for all, and sustainable growth generating job opportunities with higher levels of quality. This is the Basque model of growth and social welfare, now strengthened by the Euskadi Basque Country 2030 Agenda.
- ✓ The Euskadi Basque Country 2030 Agenda represents a decisive step in the determination of the Basque Executive to focus its public policies on the challenges identified in the UN Agenda 2030.
- ✓ The Agenda includes 93 of the 175 commitments acquired by the Basque Government in its Government Programme, 80 Planning Instruments, 19 Legislative Initiatives and 50 Indicators. An effort that will make it possible to effectively align public policies in Euskadi with this universal 2030 Agenda, providing visibility to the contribution of the Basque Country to the implementation of the 2030 Agenda and to achieve the Sustainable Development Goals.

The Basque Government sustainability mandate (2)

UNITED NATIONS AGENDA 2030		PROGRAMA 2017-2020 GOBIERNO VASCO						
OBJETIVOS DESARROLLO SOSTENIBLE (ODS)	SPHERES OF IMPORTANCE	COUNTRY OBJECTIVES	COMMITMENTS	INITIATIVES	INDICATORS	STRATEGIC PLANS	SECTORAL PLANS	LAWS
17	5	15	175	650	100	15	54	28
1. No poverty 2. Zero hunger 3. Good health and well-being 4. Quality education 5. Gender equality	 PEOPLE	20% reduction in poverty Increased life expectancy Higher birth rate School dropout rate <8%. 75% of the population <25 years Basque-speaking Among the top 4 countries in terms of gender equality	65	225	33	Social Services Strategic Plan Health Plan 5th Professional Training Plan 4th University Plan 7th Equality Plan Strategic Agenda for the Basque language	18	10
6. Clean water and sanitation 7. Affordable and clean energy 8. Decent work and economic growth 9. Industry, innovation and infrastructure 10. Reduced inequalities	 PLANET	20% reduction in CO2 emissions	10	35	11	4th Environmental Framework Programme	11	3
11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 14. Life below water 15. Life on land	 PROSPERITY	Unemployment < 10% 20,000 young people with job experience 125% of the EU's GDP 25% industrial GDP 100 strategic innovation projects Leader in terms of transparency indexes	64	278	51	Strategic Employment Plan Basque Industry 4.0 Industrialisation Plan Basque Science and Technology Plan 2017-2020 Tourism, Trade and Consumption Plan Governance and Public Innovation Plan	16	13
16. Peace, justice and strong institutions	 PEACE	Disarming and dissolving ETA	24	80	3	Co-habitation and Human Rights Plan Public Security Plan	6	2
17. Partnerships for the goals	 PARTNERSHIP	New political status	12	32	2	"Euskadi - Basque Country" Internationalisation Strategy	3	



SUSTAINABILITY BOND FRAMEWORK AT A GLANCE

- ✓ This Sustainability Bond Framework is aligned with the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines 2017. Bonds issued under this framework will promote the Sustainable Development Goals as set out in the UN 2030 Agenda.
- ✓ The net use of proceeds will be used to finance and/or refinance eligible categories and projects included in the Basque Government's General Budget and corresponding budgetary programs and will always belong to the current budget of the fiscal year coinciding with the issuance date of each Sustainability bond.
- ✓ Eligible categories are: Affordable Housing, Access to essential services: Education and Healthcare, Socioeconomic advancement , Employment generation , Renewable Energy, Clean Transportation, Pollution prevention and control, Sustainable water and wastewater management, Terrestrial and aquatic biodiversity conservation, Energy Efficiency and Climate Change Adaptation.
- ✓ A robust project evaluation and selection process will be undertaken by the Basque Government when reviewing the allocation process: the Basque Government Sustainability Bond Committee will compare their compliance with the defined relevant eligibility criteria.
- ✓ The Basque Government will report on the impact of each Sustainability Bond issued within 12 months of the settlement date.
- ✓ Supported by an external review: Sustainalytics provides a Second Party Opinion which will be available on the issuer's website as well as in the Sustainability Bond Framework. **Link to Framework**

SECOND PARTY OPINION- SUSTAINALYTICS

Second-Party Opinion Basque Government Sustainable Financing Framework



Evaluation Summary

Sustainalytics is of the opinion that the Basque Government Sustainable Financing Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018, Green Bond Principles 2018, Social Bond Principles 2020, and Green Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible eleven categories¹ for the use of proceeds are aligned with those recognized by both the Green Bond Principles, Social Bond Principles and Green Loan Principles. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 3, 4, 6, 7, 8, 10, 11, 12, and 15.



PROJECT EVALUATION / SELECTION Basque Government's process for project evaluation and selection is managed by the Sustainable Financing Committee (SFC), which is comprised of representatives from the departments of Finance and Economy, Economic Development, Sustainability and Environment, Labor and Employment, Territorial Planning, Housing and Transportation, Education and Health Economic Development and Infrastructure. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Basque Government process for management of proceeds is overseen by the Financial and Economy Department. The Basque Government will monitor and track the allocation of proceeds through its internal accounting systems. The SFI proceeds will be directly allocated to eligible projects at the time of settlement or to budgetary programmes in the General Budget of the Basque Government, corresponding to the fiscal year of the Sustainable financing. Unallocated proceeds will be held in any form of cash or liquidity position or time deposits with banks. This is in line with market practice.



REPORTING Basque Government is committed to reporting on the allocation of proceeds via its website on an annual basis until allocation has been fully completed. In addition, Basque Government will, where feasible, report on relevant impact indicators. Sustainalytics views Basque Government's allocation and impact reporting as aligned with market practice.

Evaluation Date	March 24, 2021
Issuer Location	Vitoria-Gasteiz, Spain

Report Sections

Introduction	2
Sustainalytics' Opinion	3
Appendices.....	12

For inquiries, contact the Sustainable Finance Solutions project team:

Evan Bruner (Amsterdam)
Project Manager
evan.bruner@sustainalytics.com
(+31) 20 205 0027

Cristhian Veintimilla (Amsterdam)
Project Support
cristhian.veintimilla@sustainalytics.com
(+31) 20 205 02 09

Molly Stern (London)
Client Relations
susfinance.emea@sustainalytics.com
(+44) 20 3880 0193

[Link to SPO](#)

¹¹ Affordable Housing, Access to Essential Services - Education and Healthcare, Socio-Economic Advancement, Employment Generation, Renewable Energy, Clean Transportation, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Terrestrial and Aquatic Biodiversity Conservation, and Energy Efficiency.

SUSTAINABILITY BOND FRAMEWORK: USE OF PROCEEDS (1)

ELIGIBLE CATEGORIES

FRAMEWORK

SDG

Affordable Housing

The proceeds will be used to promote and increase the availability and access to social housing in the Basque Country



Access to essential services: Education & Healthcare

Education: Proceeds from the bond will be allocated to supporting public educational programs for young people between the ages of 14 and 25 years and to supporting the successful integration of disadvantaged groups into the education system. Disadvantaged groups refer to young people in situations of greater vulnerability due to not having completed their Compulsory Secondary Education (ESO).



Healthcare: Proceeds from the bond will be allocated to projects aimed at guaranteeing universal access to quality public healthcare for the citizens of the Basque Country (including, but not limited to, vulnerable groups).

Socioeconomic advancement

Proceeds of the bond will be allocated to projects which maintain and foster the Basque income guarantee model and promote social inclusion in the Basque Country



Employment generation

Proceeds of the bond will be used to support the job creation in the different economic sectors and to finance programs supporting unemployed people in education and training, to reduce the unemployment rate to below 10% by the end of the term



Renewable Energy

Proceeds of the bond will be allocated to projects and programs aimed at promoting the increased use of renewable energy in the Basque Country. Proceeds will be used to finance the renewable energy priorities included in the Basque Energy Strategy 2030 ("Estrategia Energética de Euskadi 2030"); Wind, Biomass (waste to energy), Solar Photovoltaic, Geothermal and Marine renewable energy.



SUSTAINABILITY BOND FRAMEWORK: USE OF PROCEEDS (2)

ELIGIBLE CATEGORIES

FRAMEWORK

SDG

Clean Transport

Proceeds of the bond will be used to reduce dependence on fossil fuel transport in accordance with the lines of action included in the Basque Sustainable Transport Master Plan 2030.



Pollution prevention and control

Proceeds of the bond will be used to improve the quality of water, air and soil, managing environmental risks and reducing human diseases related to environmental determinants, in accordance with the lines of action set out in the Environmental Framework Program 2020 and the Biodiversity Strategy of the Basque Country 2030.



Sustainable water and Wastewater Management

Proceeds of the bond will be allocated to projects and programs supporting the protection and improvement of the ecological state of water masses; projects and programs supporting not only the improvement of water quality and its supply, but also sanitation and urban sewage treatment. Additionally, proceeds of the bond will be allocated to resolving water scarcity, minimizing water consumption, or recycling to alleviate the generation of sewage water.



Terrestrial and aquatic biodiversity conservation

Proceeds of the bond will be allocated to projects and programs aimed at promoting protection and restoration of ecosystems in the Basque Country as included in the Biodiversity Strategy of the Basque Country 2030.



Energy Efficiency

Proceeds of the bond will be used to build a low carbon energy model and anticipate the risks of climate change according to the guidelines and lines of action anticipated in the 2030 Basque Energy Strategy and the Basque Climate Change Strategy 2050 (Klima 2050).



Climate Change Adaptation

Financing of plans of action and activities to reduce the impacts of extreme climate events on vulnerable areas, such as preventing floods, landslides, impacts on coastal areas, adv .



SUSTAINABILITY FRAMEWORK: PROCESS FOR PROJECT EVALUATION AND SELECTION & MANAGEMENT PROCEEDS

PROCESS FOR PROJECT EVALUATION AND SELECTION

- ✓ The process to select and to evaluate potential eligible projects and programs from the General Budget is performed by the Basque Government Sustainability Bond Committee.
- ✓ This Committee comprises four representatives of the Ministry of Treasury and Economy, and a representative of each of the following departments: Environment, Territorial Planning and Housing; Employment and Social Policies, Health and Education, Economic Development and Infrastructure.
- ✓ Each Department carries out an ex - ante evaluation of the impact indicators of the projects, in addition to the environmental impact assessment, and other actions foreseen in the regulation.

MANAGEMENT OF PROCEEDS

- ✓ The Basque Government has internal systems in place to track proceeds of its bonds, and to account for all eligible programs à the Committee will monitor and prevent any such double allocation of proceeds
- ✓ The proceeds of the Sustainability Bond will be allocated to eligible budgetary programs in the General Budget of the Basque Government, corresponding to the fiscal year of the Sustainability Bond issuance
- ✓ The total expenditures required for the eligible programs will equal or exceed the net Sustainability bond proceeds
- ✓ The proceeds from the Sustainability bond issuance will be directly allocated to the eligible projects on their settlement. If all the whole proceeds cannot be allocated, the Basque Government will temporarily keep the unallocated funds in any form of cash or liquidity position or time deposits with banks. This event would be monitored by the Financial Department of the Basque Government's Office of Financial Policy and reviewed by the Sustainability Bond Committee.

SUSTAINABILITY FRAMEWORK: REPORTING

ALLOCATION REPORTING

- ✓ The Basque Government is committed to report annually on the allocation of the bond's proceeds, including the total amount allocated and per eligibility category until the proceeds have been fully allocated
- ✓ Allocation reporting will be available to investors within one year from the date of the Sustainability Bond issuance and annually until the bond proceeds have been fully allocated. The reporting will produce insights into the total amount provided to the various eligible budgetary programs and the total of each eligibility category. The allocation reporting will be made available on the Basque Government's website .

IMPACT REPORTING

- ✓ Impact indicators are developed for each eligibility category
- ✓ The Basque Government will provide a dedicated Sustainability Bond impact report for investors within one year from the issuance date and annually until the bond proceeds have been fully allocated, with estimates of the main environmental or social impacts or outputs of the eligible programs, where feasible
- ✓ Impact indicators will include avoided CO2, renewable energy and energy savings as well as poverty rate and school enrolment rate, among others
- ✓ Some case studies of projects may be provided to illustrate the positive impact

Link to the previous years' allocation and impact report: [2022](#), [2021](#), [2020](#), [2019](#), [2018](#)

INDEX



Features of the economy:
From Basque to
Global vision

Page 2



Economic forecasts

Page 16



Financing system,
budgets, deficit and
debt

Page 23



Sustainability
mandate

Page 34



Issuances
(historical) &
Deal Reviews

Page 43



Appendix:
Other interesting
data

THE BASQUE GOVERNMENT REACHES 5,000 MILLION IN SUSTAINABLE DEBT WITH THE VIII ISSUANCE OF THE "EUSKADI SUSTAINABLE BOND"

The excellent rating of the Basque Country means that the demand for bonds in its issues is much higher than the supply.

In the last issue in February 2024 for 10 years, a coupon of 3.4% is set and demand has been almost seven times higher than supply, receiving requests worth 4,000 million euros.

Issues in circulation

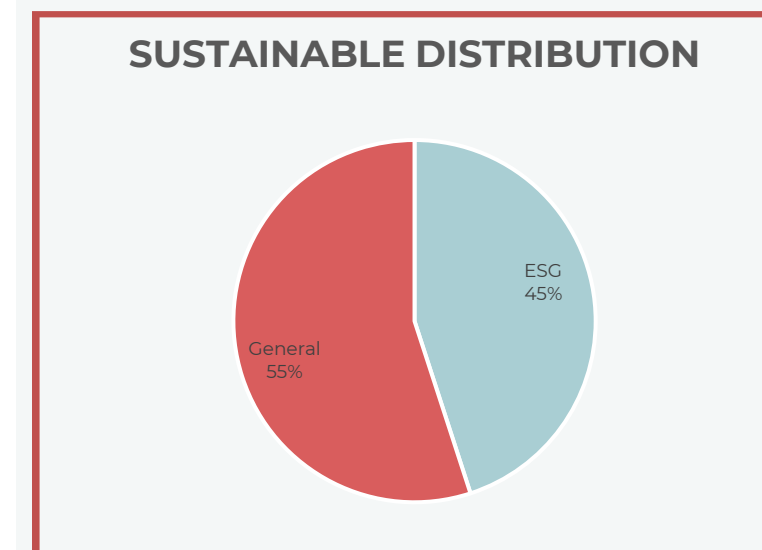
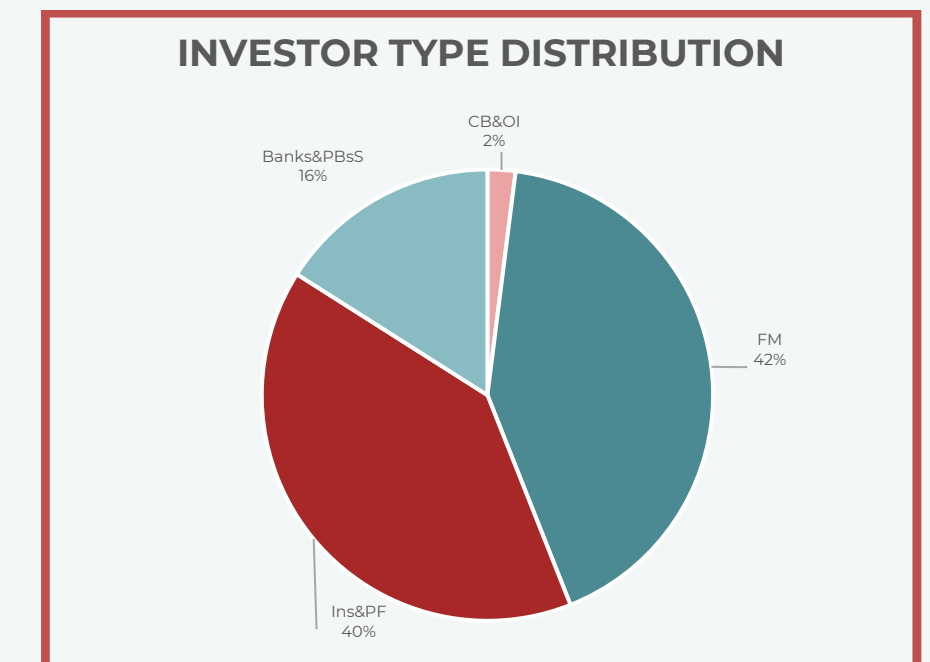
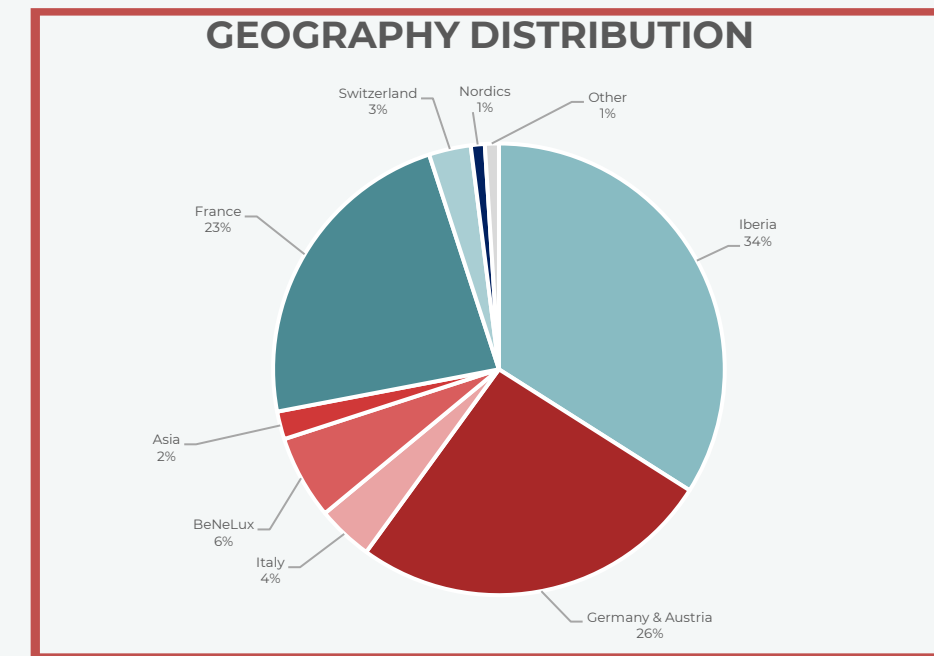
ISIN code	Date Issue	Issue volume	Coupon (%)	Maturity
ES0000106445	07/01/2010	502,800,000	4.600	07/01/2025
ES0000106551	16/03/2016	569,726,000	1.750	16/03/2026
ES0000106577	30/12/2016	190,000,000	1.466	30/12/2026
ES0000106585	16/03/2017	100,000,000	1.703	30/04/2027
ES0000106619	15/06/2018	500,000,000	1.450	30/04/2028
ES0000106635	25/04/2019	600,000,000	1.125	30/04/2029
ES0000106643	06/04/2020	500,000,000	0.850	30/04/2030
ES0000106684	19/11/2020	600,000,000	0.250	30/04/2031
ES0000106726	16/04/2021	1,000,000,000	0.450	30/04/2032
ES0000106742	17/02/2023	700,000,000	3.500	30/04/2033
ES0000106734	29/04/2022	500,000,000	1.875	30/07/2033
ES0000106700	19/02/2024	600,000,000	3.400	30/04/2034
ES0000106668	30/04/2020	105,000,000	1.300	30/04/2035
ES0000106601	28/02/2018	414,767,000	2.500	28/02/2038
ES0000106627	11/04/2019	150,000,000	2.350	11/04/2049
ES0000106650	22/04/2020	81,500,000	1.750	22/04/2050
ES0000106692	25/11/2020	78,000,000	1.000	31/10/2050
ES0000106676	30/04/2020	59,000,000	2.000	30/04/2059
ES0000106700	24/11/2020	510,000,000	1.375	31/10/2070

Sustainable bond issuances in bold.
Source: Department of Finance

Basque Government 2018 €500m inaugural 10yr sustainable bond

TERMS & CONDITIONS

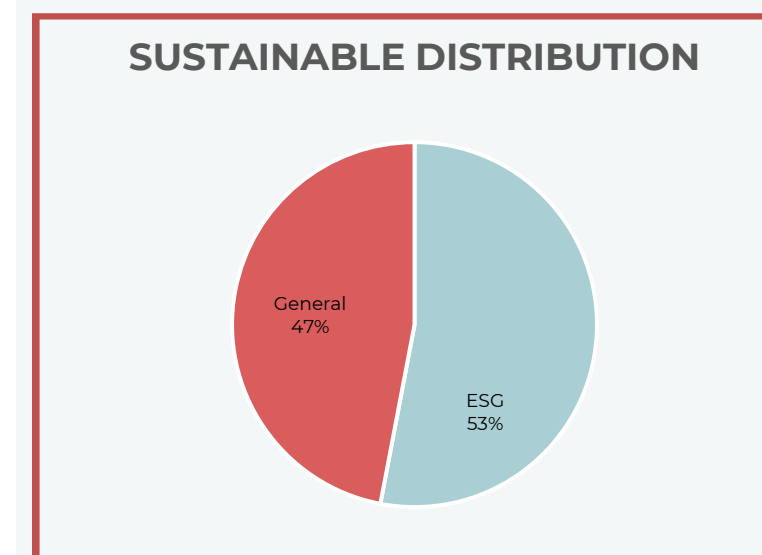
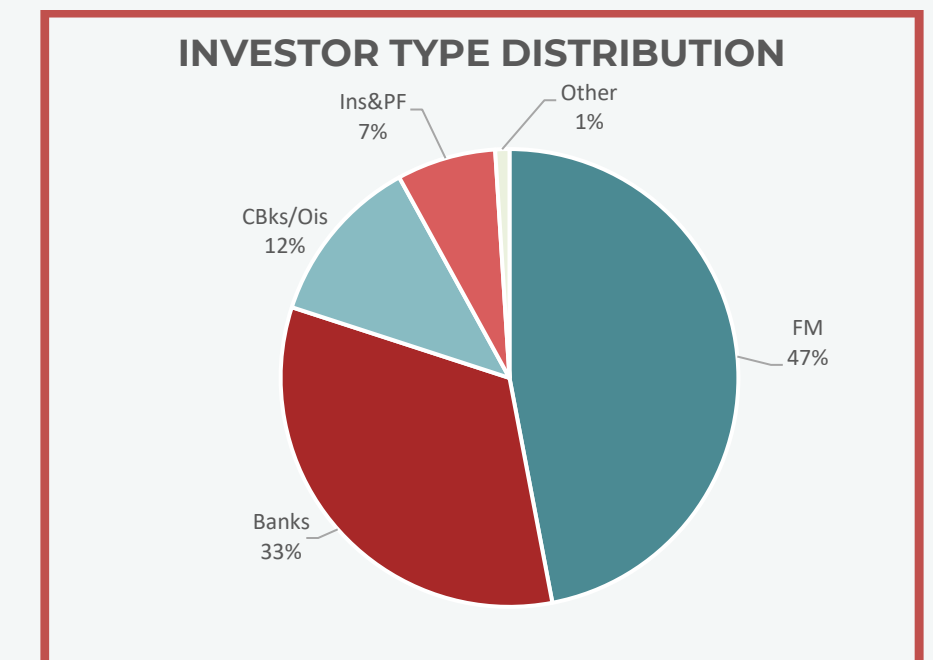
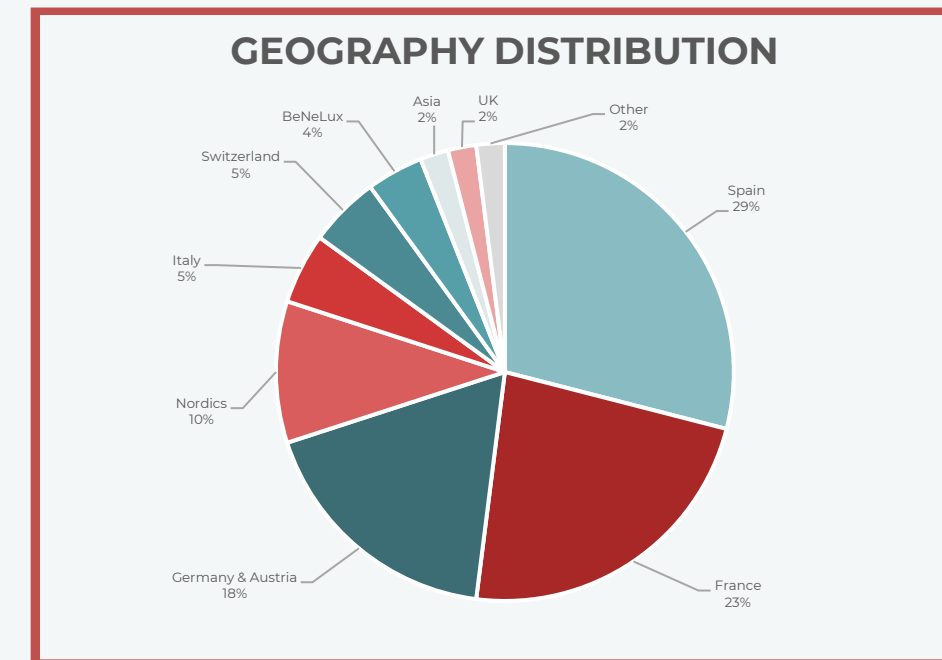
Issuer:	Basque Government
Rating:	A3 (st) "Moody's" / A+ (pos) "S&P" / A- "Fitch"
Format:	Sustainable Bond
Pricing date:	5 June 2018
Settlement:	15 June 2018
Maturity:	20 April 2028
Size:	EUR 500M
Coupon:	1.45%, anual, Act/Act ICME
Reoffer spread:	SPGB 1.4% 4/2028 + 15bps
Reoffer Price/ Yield:	99.346% / 1.522%
ISIN:	ES0000106619



Basque Government 2019 EUR 600M 10yr sustainable bond

TERMS & CONDITIONS

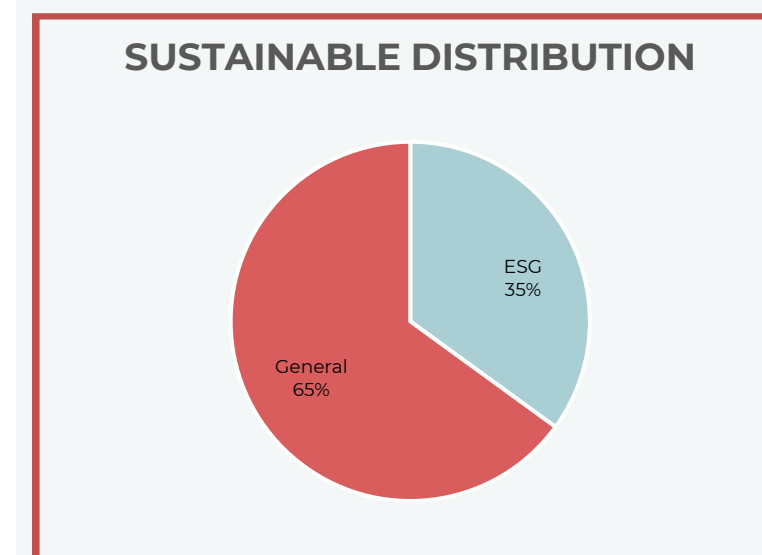
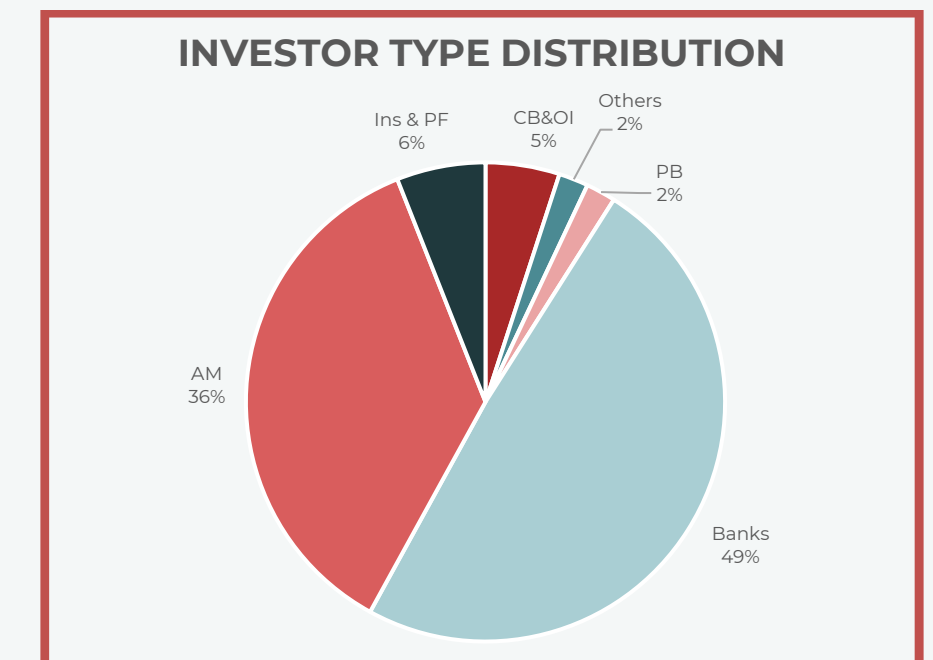
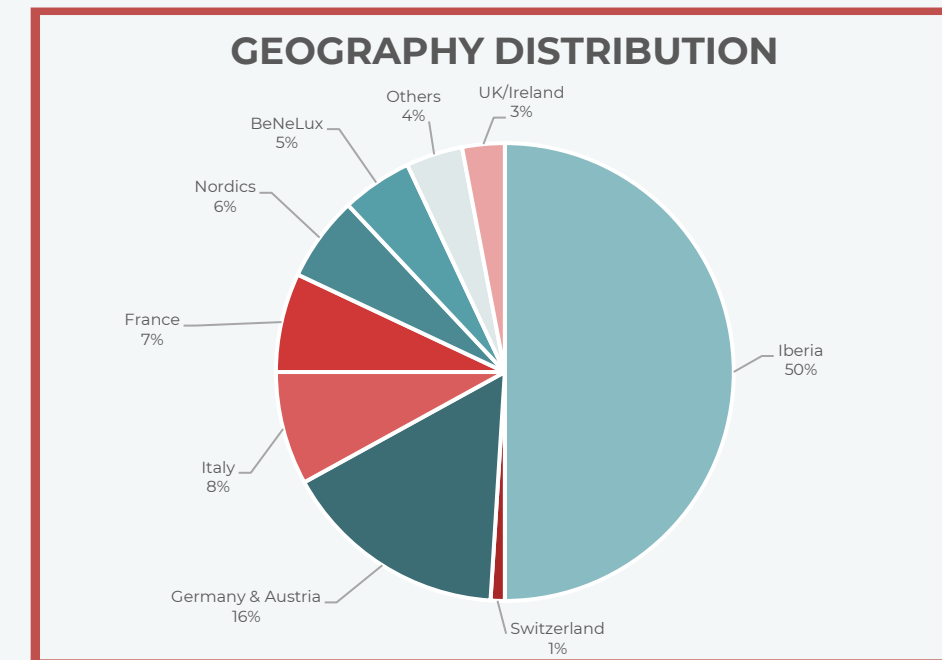
Issuer:	Basque Government
Rating:	A3 (st) "Moody's" / A+ (pos) "S&P" / A- "Fitch"
Format:	Sustainable Bond
Pricing date:	9 April 2019
Settlement:	25 April 2019
Maturity:	30 April 2029
Size:	EUR 600M
Coupon:	1.125%
Reoffer spread:	SPGB 1.45% 4/2029 + 10bps
Reoffer Price/ Yield:	99.445% / 1.183%
ISIN:	ES0000106635



Basque Government 2020(1) EUR 500M 10yr sustainable bond

TERMS & CONDITIONS

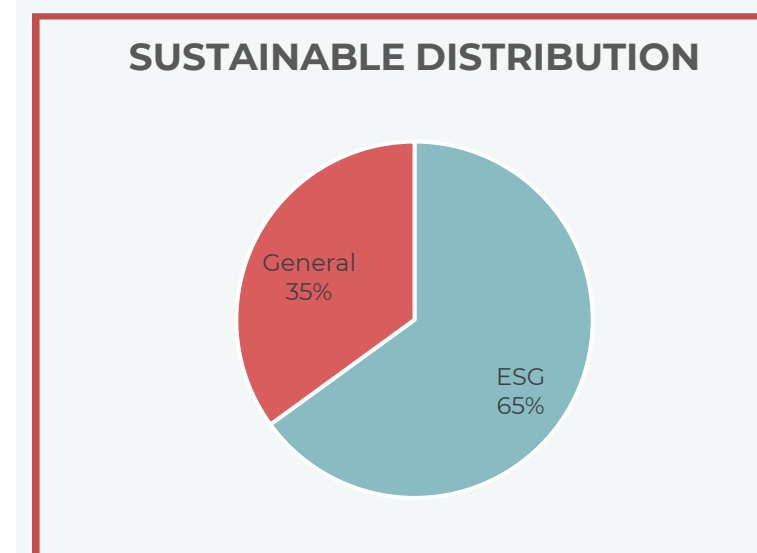
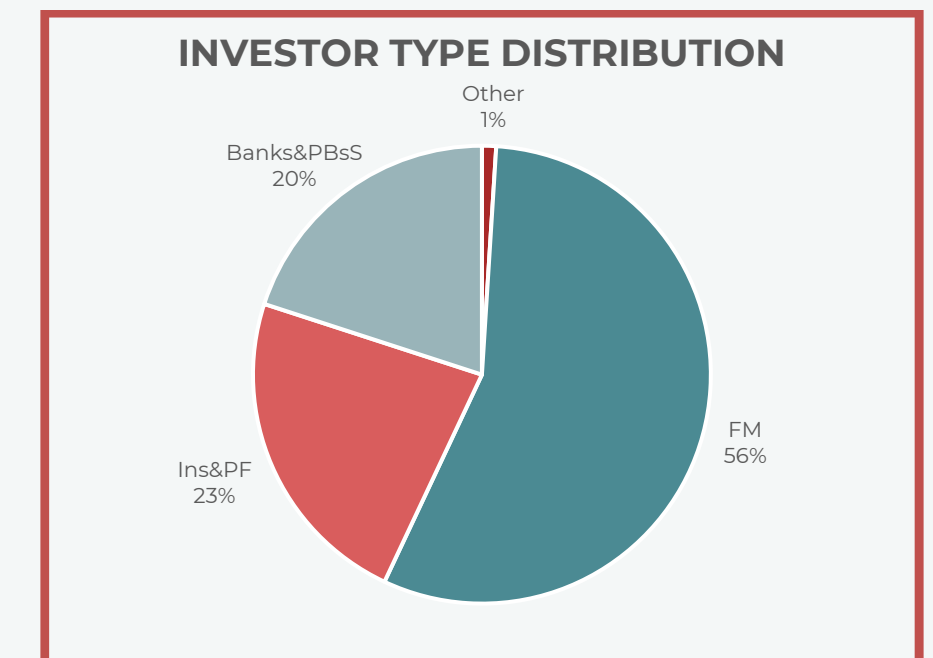
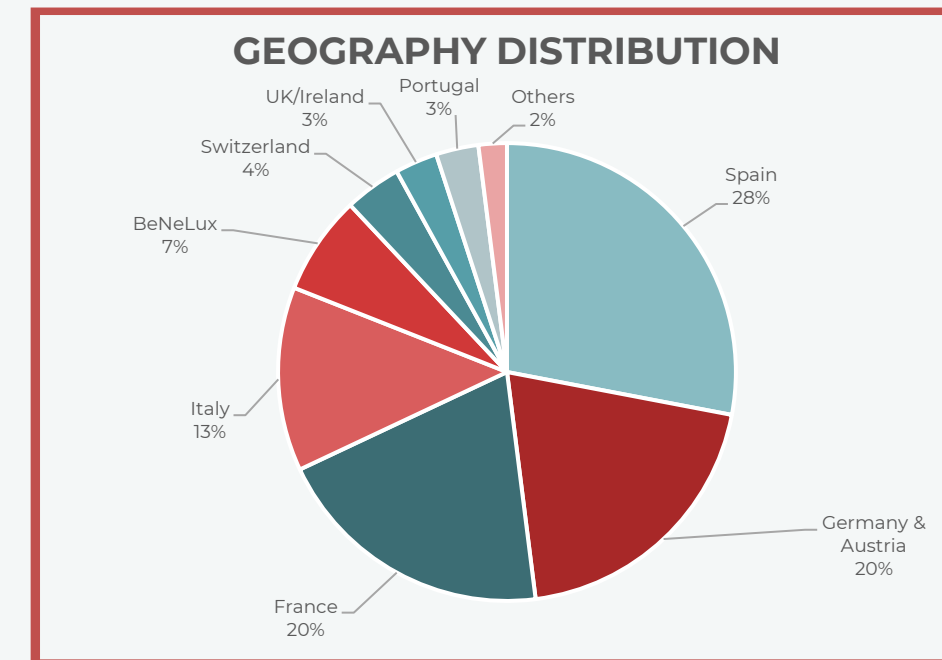
Issuer:	Basque Government
Rating:	A3 "Moody's" / A- "Fitch"
Format:	Sustainable Bond
Pricing date:	26 March 2020
Settlement:	6 April 2020
Maturity:	30 April 2030
Size:	EUR 500M
Coupon:	0.85%
Reoffer spread:	SPGB 04/2030 + 25bps
Reoffer Price/ Yield:	99,750% / 0.876%
ISIN:	ES0000106643



Basque Government 2020(2) EUR 600M 10yr sustainable bond

TERMS & CONDITIONS

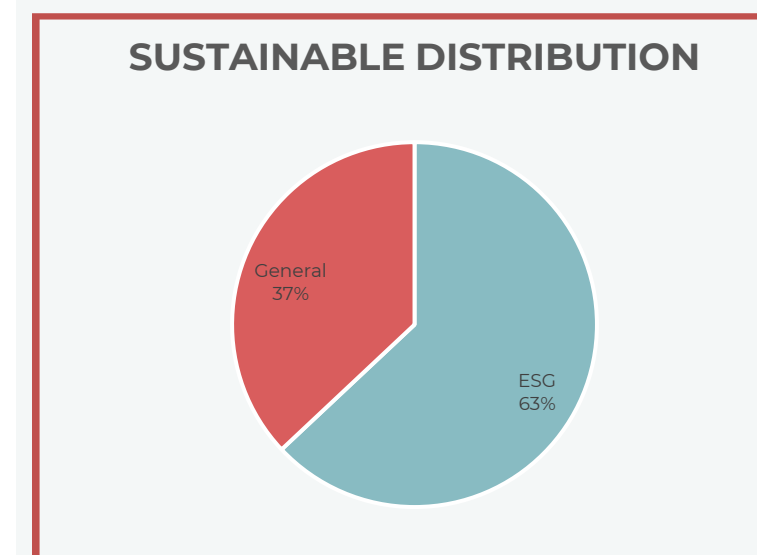
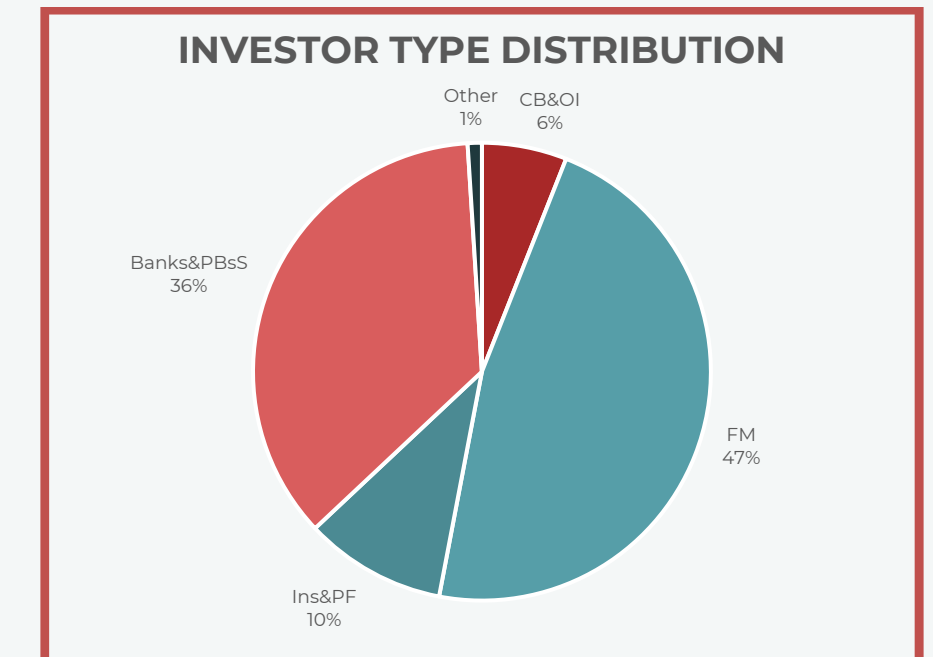
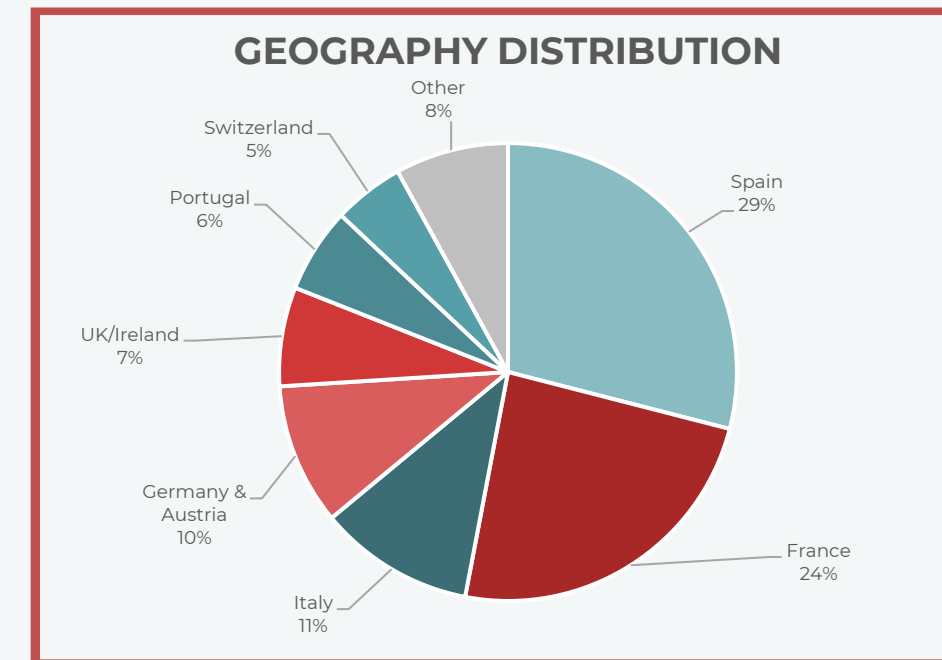
Issuer:	Basque Government
Rating:	A3 "Moody's" / A- "S&P" / A- "Fitch"
Format:	Sustainable Bond
Pricing date:	10 November 2020
Settlement:	19 November 2020
Maturity:	30 April 2031
Size:	EUR 600M
Coupon:	0.25%
Reoffer spread:	SPGB 1.25% 10/2030 + 9bps
Yield:	99,548% / 0.294%
ISIN:	ES0000106684



Basque Government 2021 EUR 1bn 11yr sustainable bond

TERMS & CONDITIONS

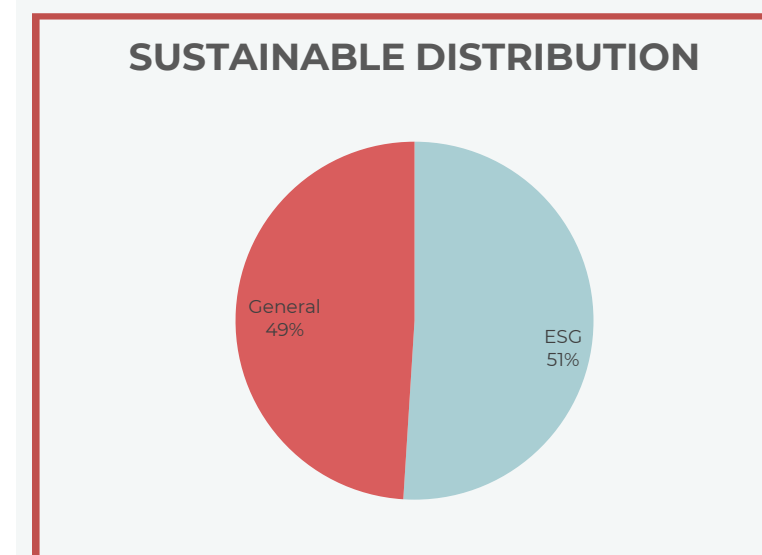
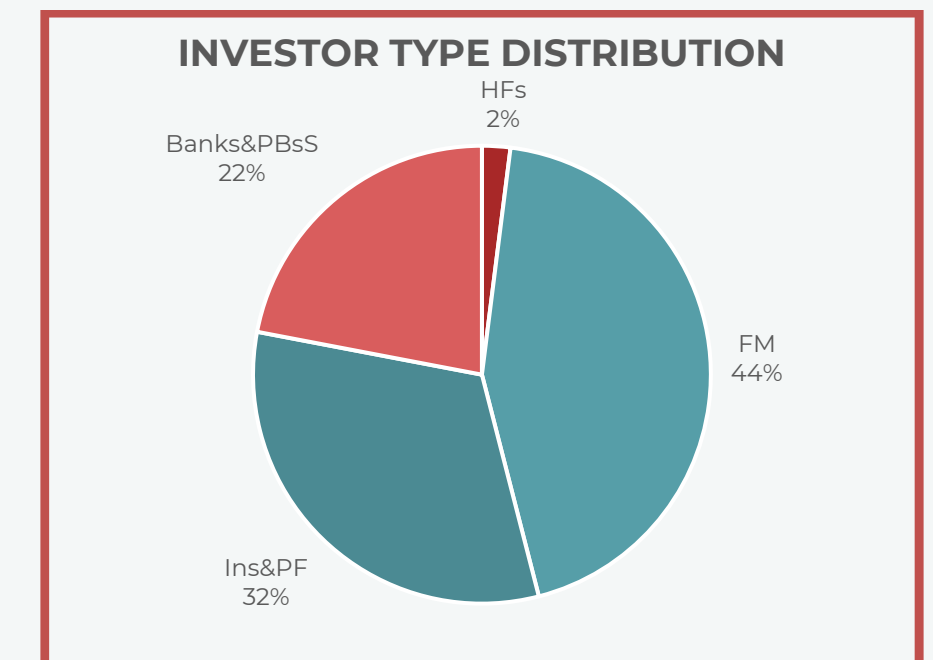
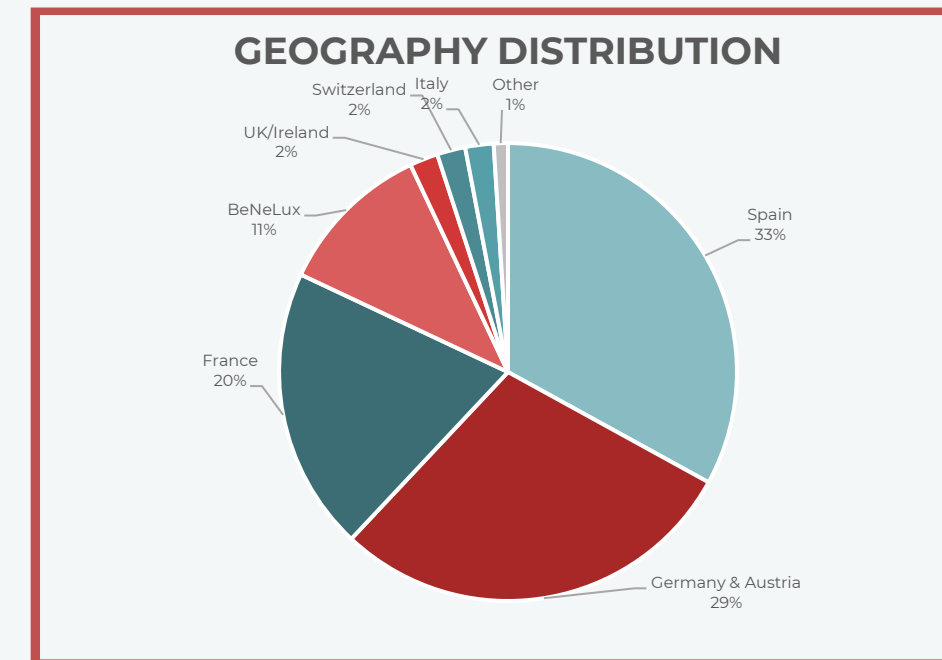
Issuer:	Basque Government
Rating:	A3 (st) "Moody's" / AA- (neg) "S&P" / A- (st) "Fitch"
Format:	Sustainable Bond
Pricing date:	7 April 2021
Settlement:	16 April 2021
Maturity:	30 April 2032
Size:	EUR 1bn
Coupon:	0.45%
Reoffer spread:	SPGB + 9bps
Reoffer Price/ Yield:	99.272%/ 0.518%
ISIN:	ES0000106729



Basque Government 2022 EUR 500M 10yr sustainable bond

TERMS & CONDITIONS

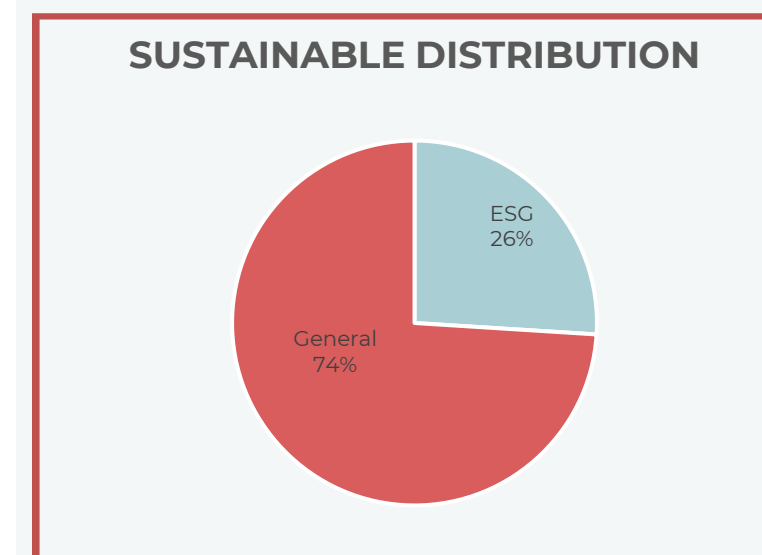
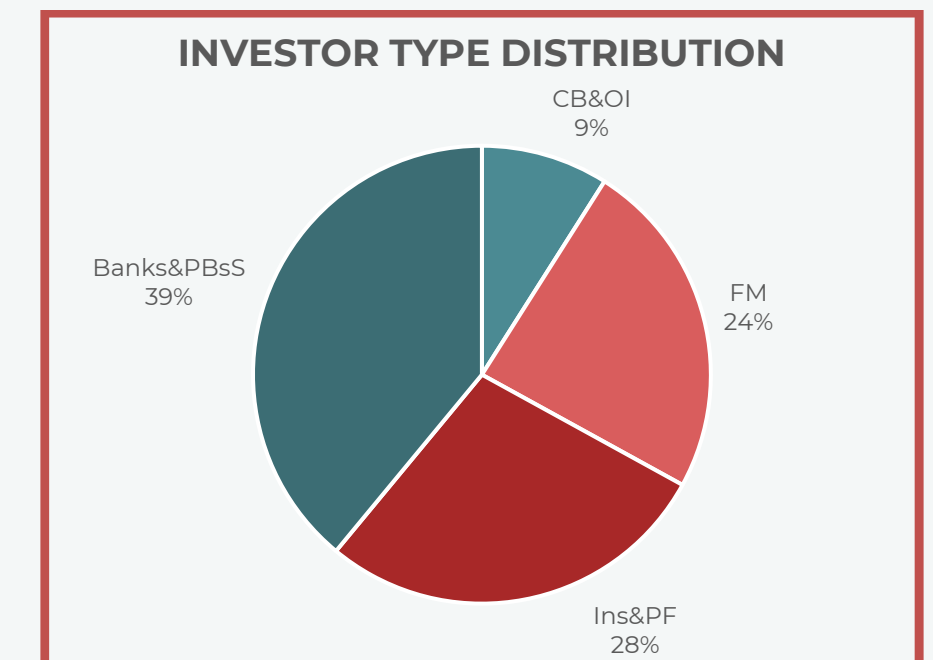
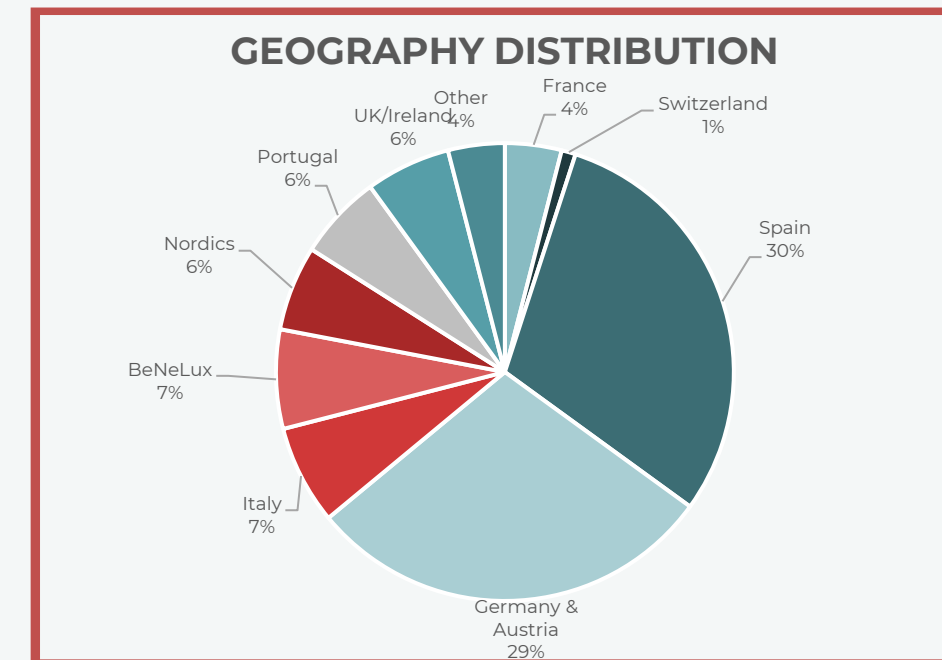
Issuer:	Basque Government
Rating:	A3 "Moody's" / AA- "S&P" / A "Fitch"
Format:	Sustainable Bond
Pricing date:	20 April 2022
Settlement:	29 April 2022
Maturity:	30 July 2033
Size:	EUR 500M
Coupon:	1.875%
Reoffer spread:	SPGB 2.35% 7/2033 + 14bps
Reoffer Price/ Yield:	99.323%/ 1.942%
ISIN:	ES0000106734



Basque Government 2023 EUR 500M 10yr sustainable bond

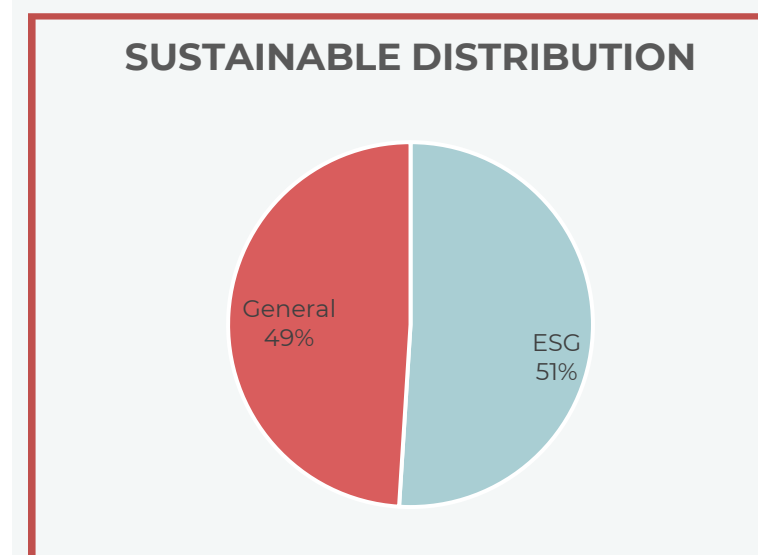
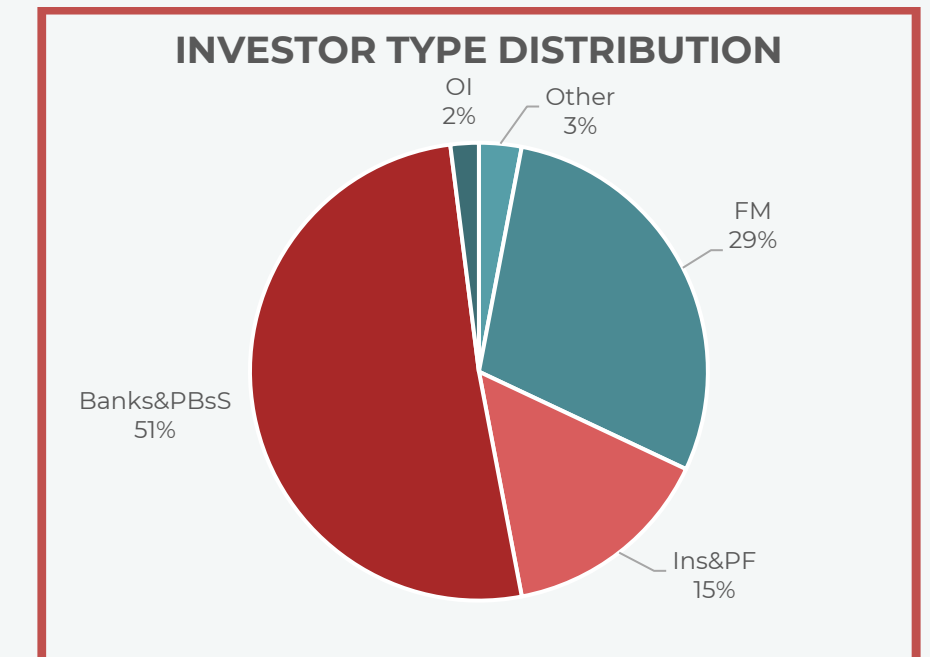
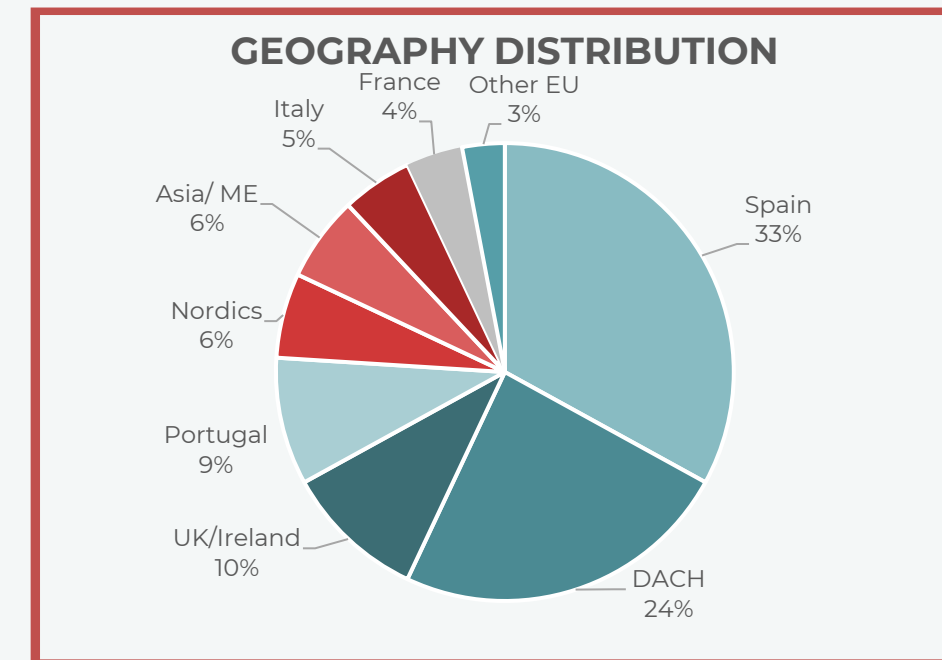
TERMS & CONDITIONS

Issuer:	Basque Government
Rating:	A3 (st) "Moody's" / AA- (st) "S&P" / A (st) "Fitch"
Format:	Sustainable Bond
Pricing date:	8 February 2023
Settlement:	17 February 2023
Maturity:	30 April 2033
Size:	EUR 700M
Coupon:	3.50% Fixed, Annual, Act/Act, Long 1 st Coupon
Reoffer spread:	SPGB 3.15% 4/2030+ 21bps
Reoffer Price/ Yield:	99.203% / 3.593%
ISIN:	ES0000106742



Basque Government 2024 EUR 600M 10yr sustainable bond

TERMS & CONDITIONS	
Issuer:	Basque Government
Rating:	A3 (st) "Moody's" / AA- (st) "S&P" / A (st) "Fitch"
Format:	Sustainable Bond
Pricing date:	7 February 2024
Settlement:	19 February 2024
Maturity:	30 April 2034
Size:	EUR 600M
Coupon:	3.40%
Reoffer spread:	SPGB + 15bps
Reoffer Price/ Yield:	99.843% / 3.417%
ISIN:	ES0000106759



INDEX



Features of the Basque economy (current state)

Page 2



Economic forecasts

Page 16



Financing system, budgets, deficit and debt

Page 23



Sustainability mandate

Page 34



Issuances (historical) & Deal Reviews

Page 47



Appendix: Other interesting data

THE BASQUE COUNTRY DEVELOPED LAST YEAR AND RECOVERED THE PRE-PANDEMIC LEVEL IN THE HUMAN DEVELOPMENT INDEX

While OECD member countries have already recovered the HDI for 2019, half of the least developed countries are below the level they reached that year.

Following the trend of the most developed countries, the HDI of the Basque Country has recovered to the pre-pandemic level and is positioned at the level of 18th place in the world ranking.

The Human Development Index is a synthetic indicator developed by the United Nations that takes into account, in addition to GDP, life expectancy, years of schooling and literacy rate.

2022

Human Development Index

Position		%	Position		%
1	Switzerland	0.967	10	Netherlands	0.946
2	Norway	0.966	12	Belgium	0.942
3	Iceland	0.959	12	Finland	0.942
4	Hong Kong	0.956	12	Liechtenstein	0.942
5	Denmark	0.952	15	United Kingdom	0.940
6	Sweden	0.952	16	New Zealand	0.939
7	Germany	0.950	17	United Arab Emirates	0.937
8	Ireland	0.950	18	Basque Country	0.936
9	Singapore	0.949	19	Canada	0.935
10	Australia	0.946	20	Rep. of Korea	0.929

Source: Eustat. Social indicators.
The data for Basque Country is provisional.

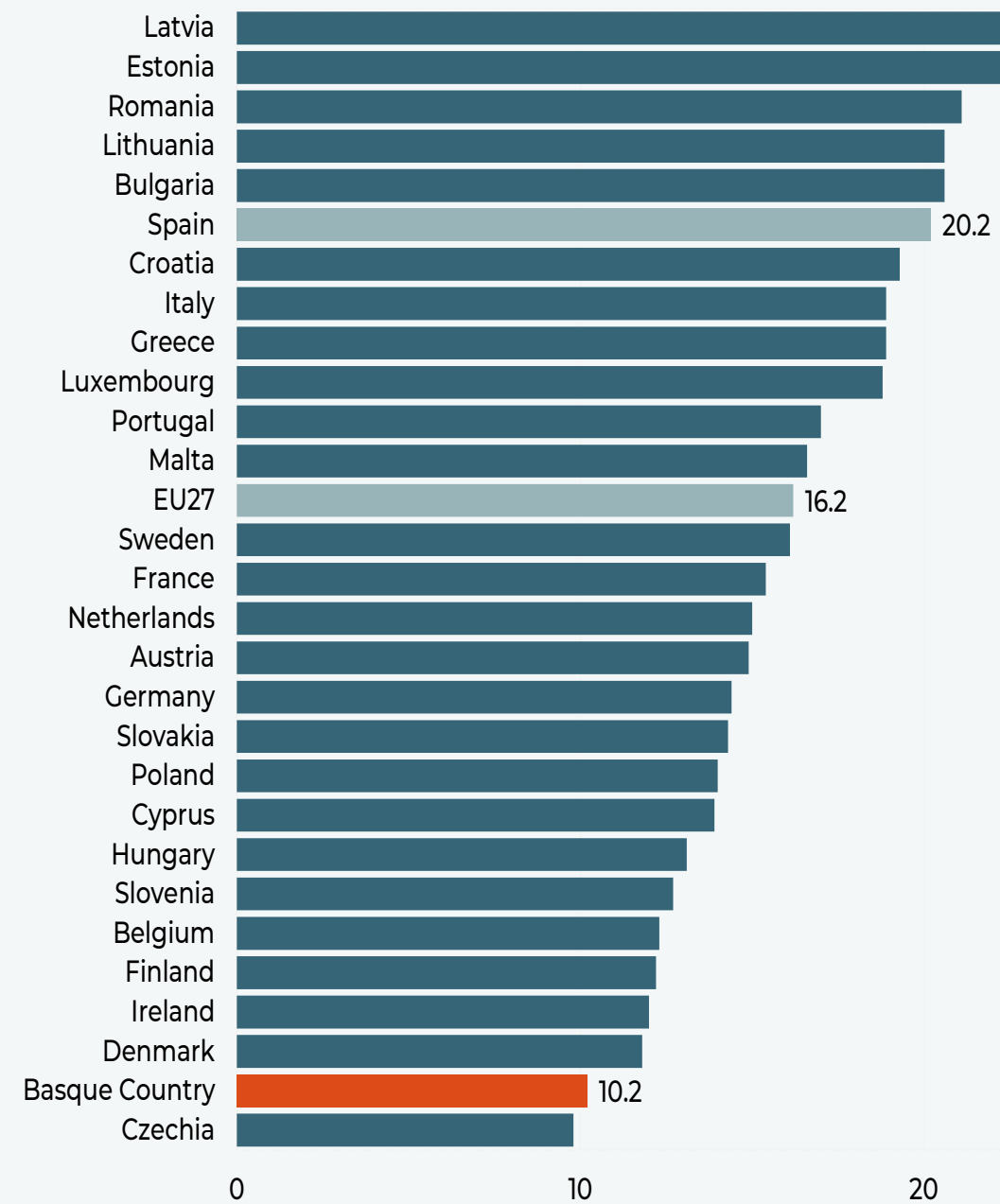
THE BASQUE COUNTRY LEADS THE COUNTRIES WITH THE LOWEST AT-RISK-OF-POVERTY RATE

In a single year, the Basque Country has reduced its at-risk-of-poverty rate after social assistance by two points, which places it in second place in the European comparison, after the Czech Republic.

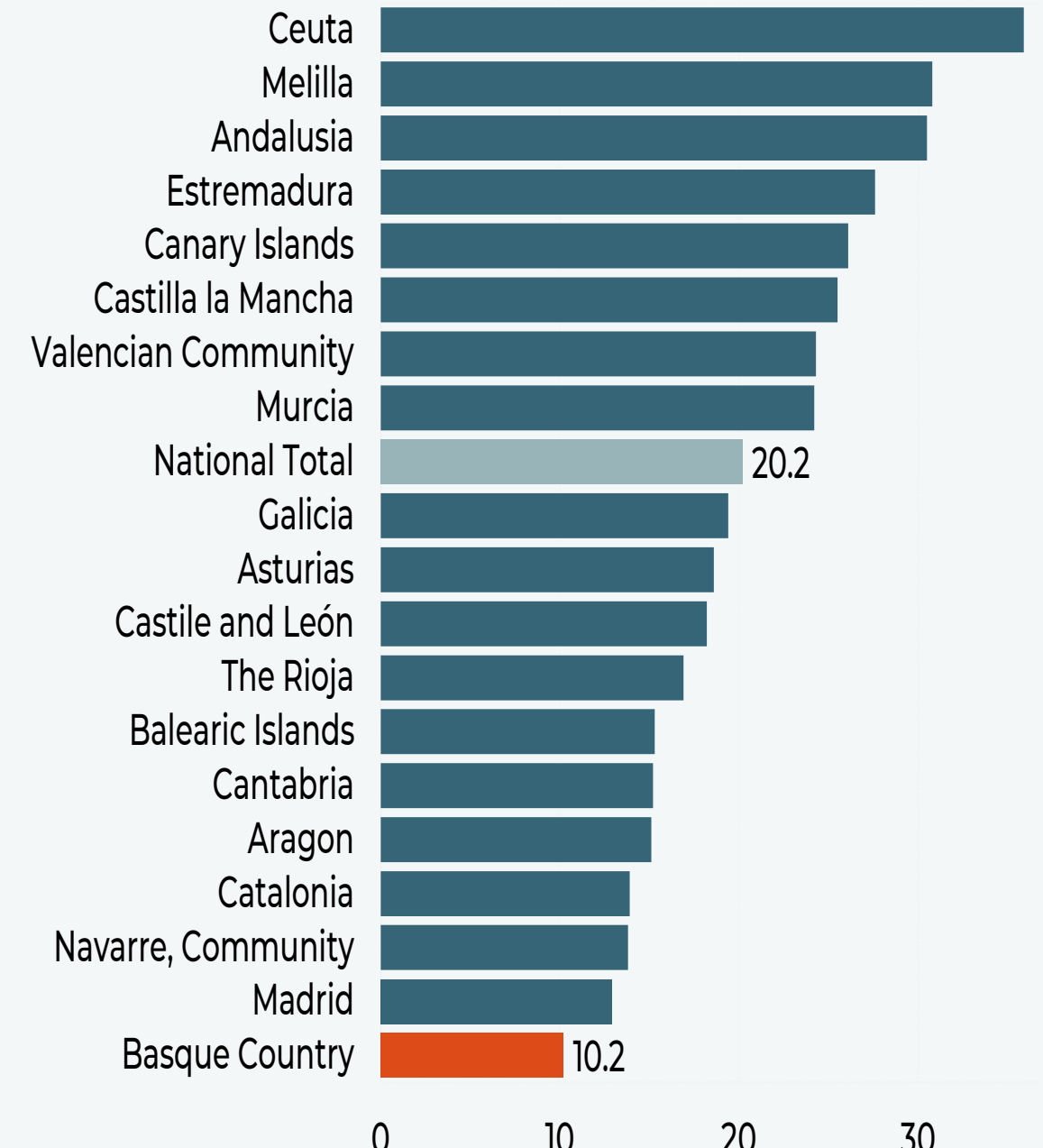
At the state level, its evolution has been even more favorable, as it has been placed at the top, with a risk-of-poverty rate 10 points below the average.

2023

Risk of poverty rate after receiving social assistance



Income for the year prior to the interview. **The lower the best.**
Source: Eurostat.



Income for the year prior to the interview. **The lower the best.**
Source: INE.

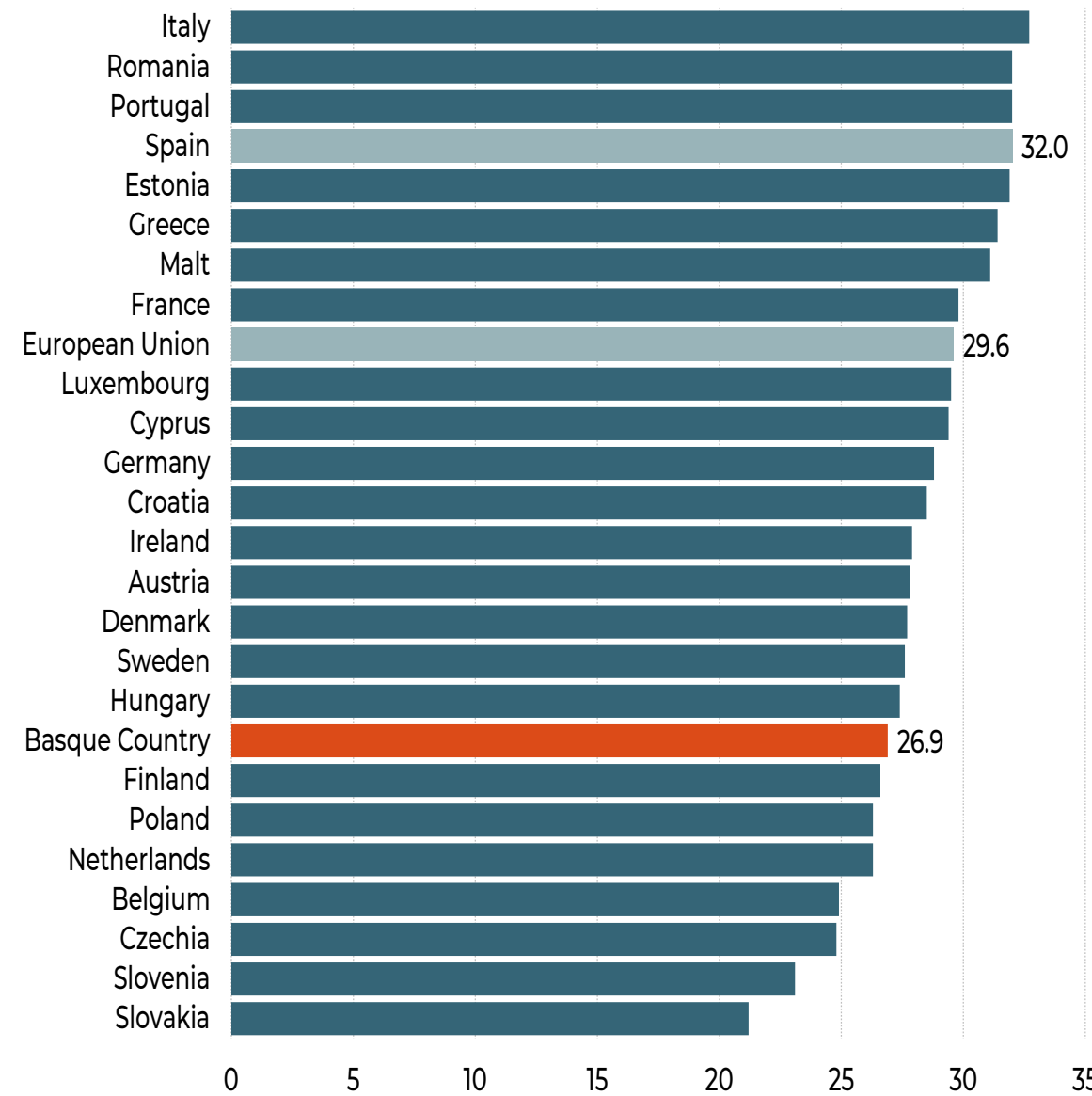
THE BASQUE COUNTRY IS ONE OF THE COUNTRIES IN EUROPE WITH THE LOWEST INEQUALITY

The most widely used equality indicators, the Gini index and the S80/S20 index, place the Basque Country among the most egalitarian territories in Europe. In eighth and eleventh place, respectively.

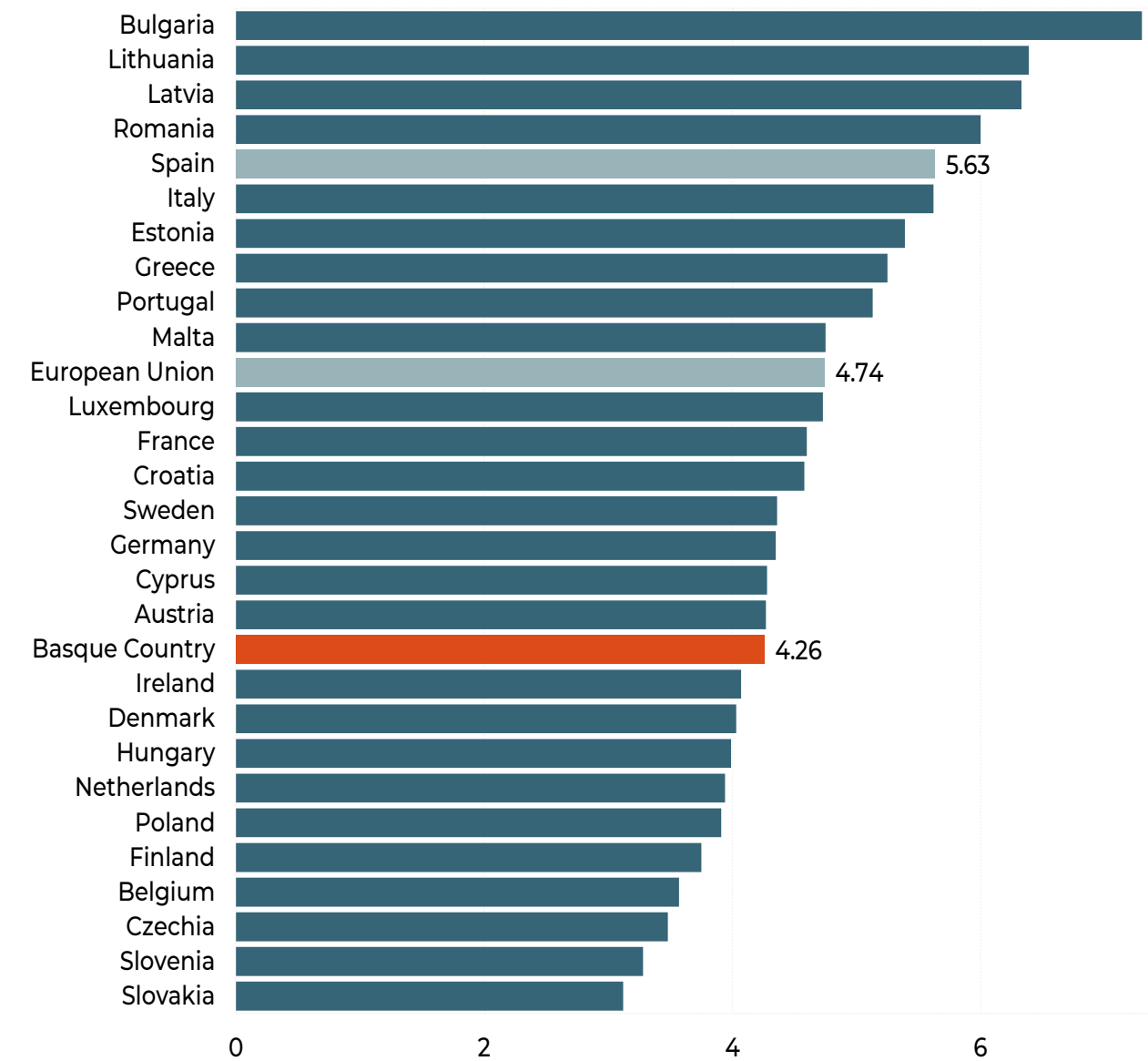
Here, too, it contrasts with Spain's position, which is far from the top of the rankings.

2022

Gini Index



S80/S20 Index



Source: Basque Government. Department of Justice and Human Rights. EPDS (2022) and Eurostat.

THE BASQUE COUNTRY CONTINUES TO BE IN AN ADVANCED POSITION IN EUROPE IN TERMS OF GENDER EQUALITY

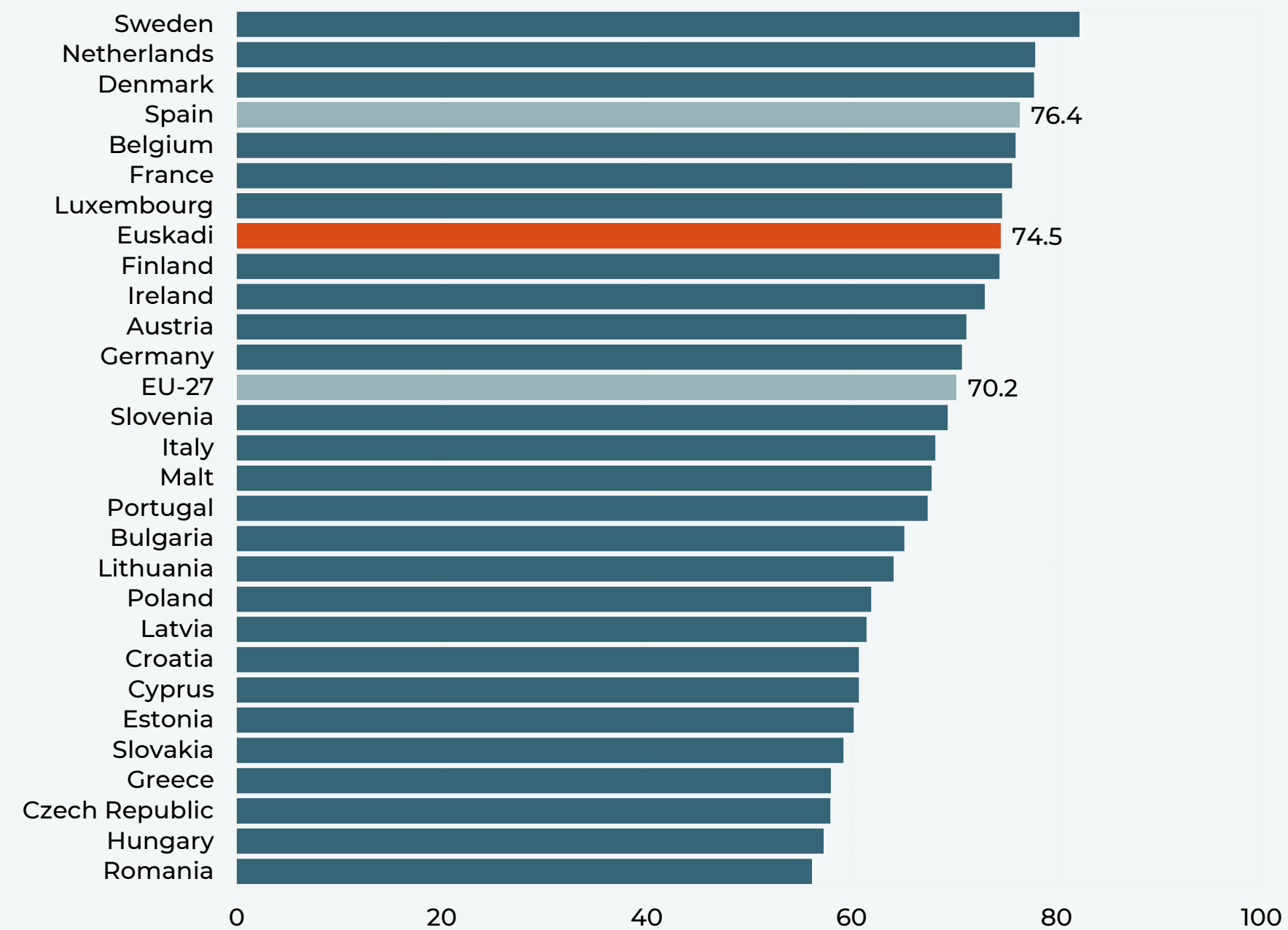
The gender equality index, which summarizes the inequalities that still exist between men and women in a series of relevant aspects that affect their well-being and personal development, places the Basque Country in an advanced position among European countries in terms of gender equality.

Between 2010 and 2021 it has risen from 68.9 points to 74.5 points in 2021 (in only two years it has improved 1.4 points) and ranks 8th among European countries.

The highest values are in the dimensions of Health, Money and Time. With respect to the EU-27 average, the Basque Country obtains a higher score in all the dimensions in which gender equality is measured.

2021

Gender Equality Index



Source: Eustat.

RELATIVELY LOW GROWTH IN THE WORLD ECONOMY

According to Consensus Forecasts, the eurozone will regain some dynamism in 2025, although its growth will remain modest, mainly due to the weakness of Germany and other major economies.

In emerging countries, a year of stability is expected.

By 2026, is projected to accelerate its growth, which will offset the slower momentum in the USA.

As a result, global GDP will be similar to that of 2025.

Interannual variation rate

	2024	2025	2026
World Economy	2,6	2,6	2,5
United States	2,8	2,2	2,0
Japan	-0,1	1,2	0,9
United Kingdom	0,8	1,2	1,4
Eurozone	0,7	1,0	1,2
Germany	-0,2	0,4	1,0
France	1,1	0,7	1,1
Italy	0,5	0,7	0,9
Spain	3,0	2,3	1,8
Pacific Asia	3,7	3,7	3,6
Latin America	2,0	2,2	2,4
Eastern Europe	2,9	2,6	2,7

Source: Consensus Forecasts

DISCLAIMER

- ✓ This presentation was created by the Basque Government.
- ✓ This presentation does not constitute an offer or invitation (by on behalf of) the Basque Government to the subscription or purchase of securities issued by the Basque Government.
- ✓ This presentation is not intended to provide any assessment of the financial situation of the Basque Government or any assessment of the instruments issued by the Basque Government and it should not be considered a recommendation made by the Basque Government. Each recipient of this presentation, independently, to judge the adequacy of the information contained in this document, make your own assessment and determine whether to seek additional information and proceed to consult their own advisors as to legal, tax or otherwise deemed necessary.

INVESTOR PRESENTATION 2024

EUSKO JAURLARITZA



GOBIERNO VASCO

OGASUN ETA FINANTZA SAILA

DEPARTAMENTO DE HACIENDA Y
FINANZAS

