

BASQUE GOVERNMENT

Second Sustainable Bond 2020

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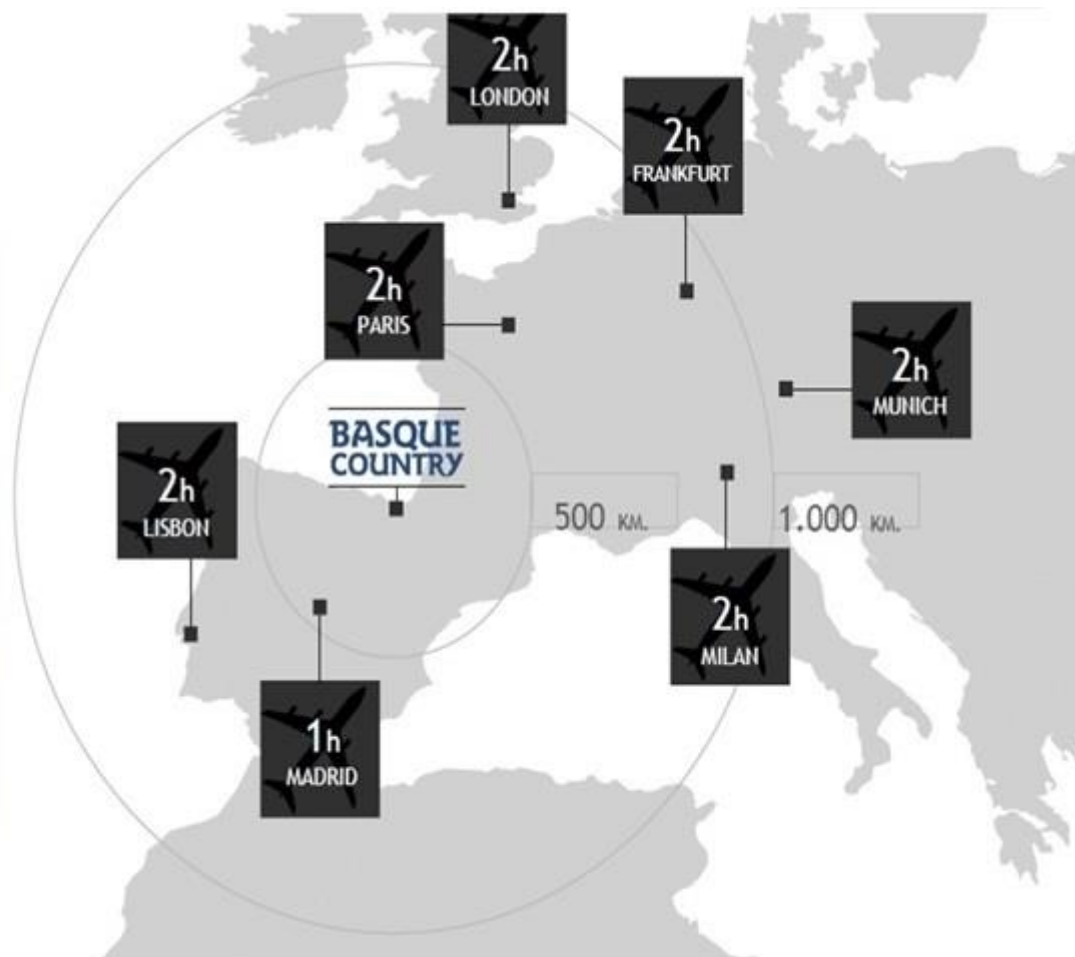


Surface area, Population and Market Access.

Surface Area **7,234 sq. km.**

Population **2,199,711**

Market access within a radius of 1,000 km
507,416,607 inhabs.



A Well-Connected Country

“Best European Medium-Sized Region in Connectivity”

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

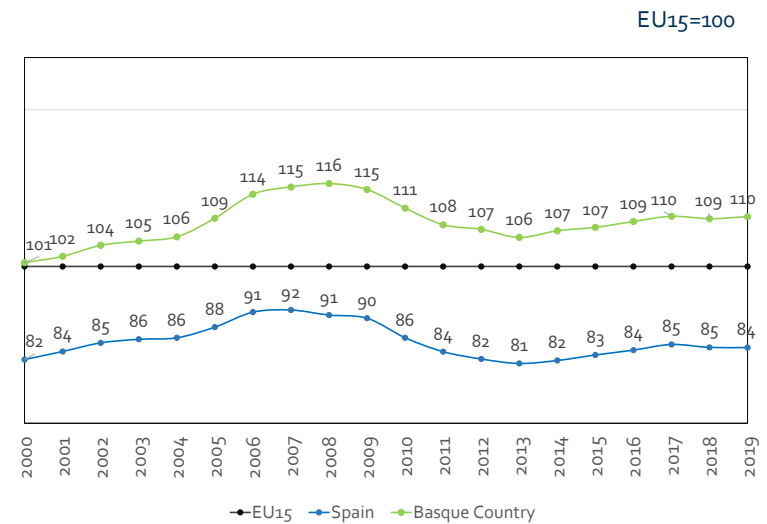
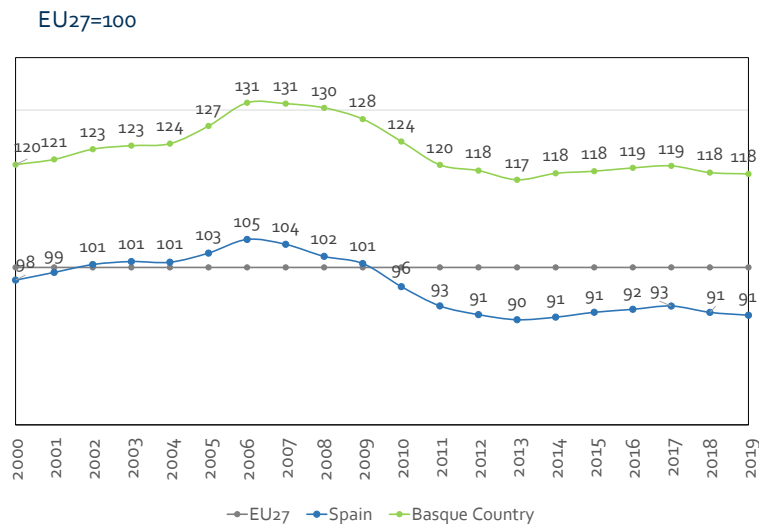
- ✓ Logistics
- ✓ International Airports
- ✓ Railway connections
- ✓ Motorways



A dynamic economy that stands out in Europe.

- Overall, the Basque GDP per inhabitant, measured in PPP, is 18% higher than the European average and is about 25 points above the Spanish average.
- If we compare ourselves with the leaders (EU-15), we are also in a good position.

GDP per capita in PPP



Source: Own preparation with Eurostat data.

A dynamic economy that stands out in Europe

- The progression of the Basque Country in the European environment has stagnated in the last twenty years. It loses less than two points, compared to almost seven in Spain.
- Luxembourg and Ireland stand out, both of which have very important tax benefits.

GDP per capita in PPP. EU27 = 100

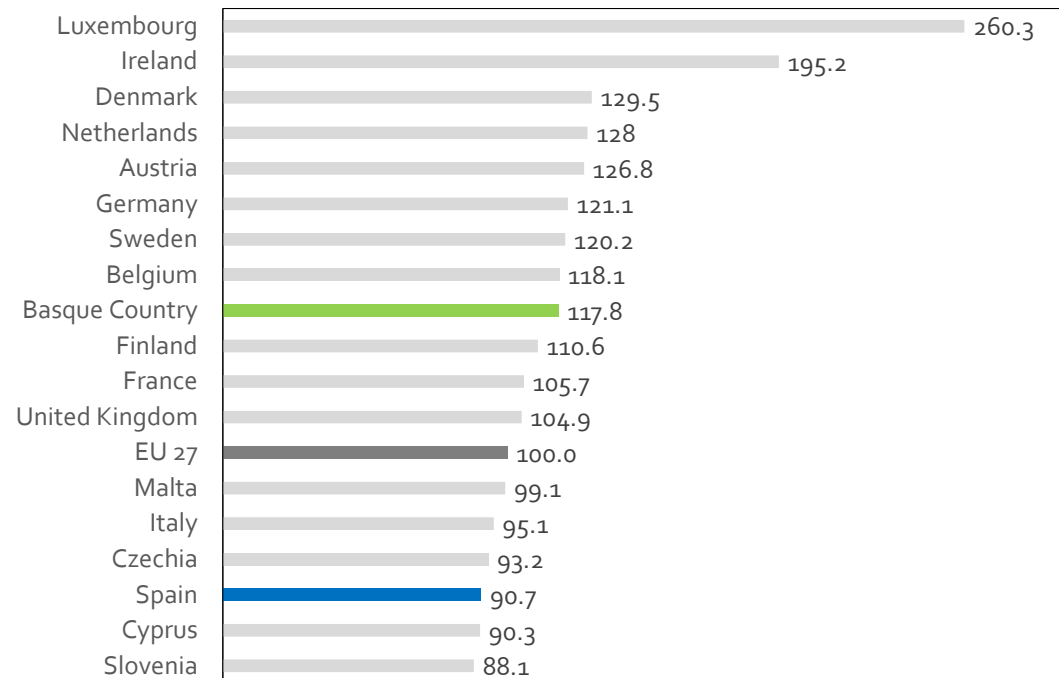
	2000	2019	Diferencia
Luxembourg	249.7	260.3	10.6
Ireland	136.4	195.2	58.8
Denmark	129.5	129.5	0.0
Netherlands	144.0	128.0	-16.0
Austria	132.7	126.8	-5.9
Germany	124.0	121.1	-2.9
Sweden	133.8	120.2	-13.6
Belgium	125.5	118.1	-7.4
Basque Country	119.6	117.8	-1.8
Finland	121.0	110.6	-10.4
France	117.9	105.7	-12.2
United Kingdom	119.3	104.9	-14.4
EU 27	100.0	100.0	0.0
Malta	83.0	99.1	16.1
Italy	122.3	95.1	-27.2
Czechia	73.2	93.2	20.0
Spain	97.6	90.7	-6.9
Cyprus	96.2	90.3	-5.9
Slovenia	81.3	88.1	6.8

Source: Prepared by the Economy and Planning Department with Eurostat and INE data.

A dynamic economy that stands out in Europe

- The progression of the Basque Country in the European environment has stagnated in the last twenty years. It loses less than two points, compared to almost seven in Spain.
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GDP per capita in PPP. EU27 = 100



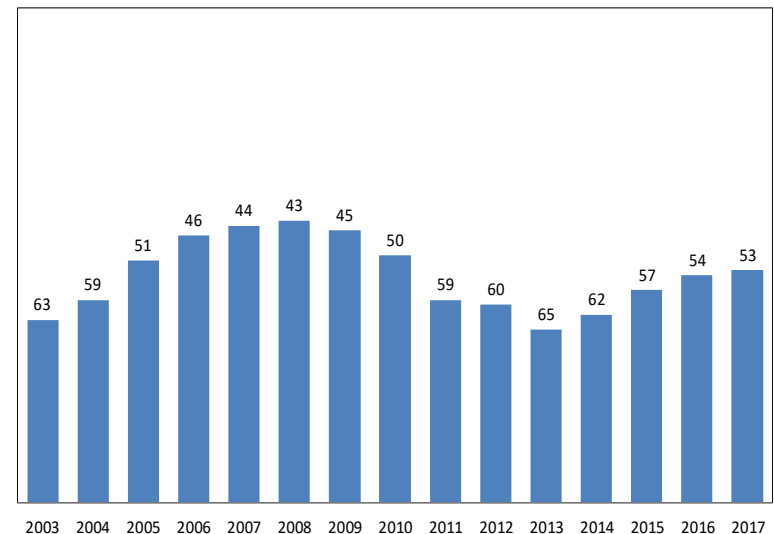
Source: Prepared by the Economy and Planning Department with Eurostat and INE data.

Recovering positions in the European ranking

- In the ranking of 281 European regions (NUT II), the Basque Country was ranked 53rd in 2017.
- Before the crisis, we reached 43rd position and subsequently went down to 65th position. In recent years, we have gone up several positions and the improvement will have continued in 2018.

Ranking of European regions (GDP in PPP)

2000	2008	2017
1 Inner London-West	1 Inner London-West	1 Inner London-West
2 Luxemburg	2 Luxemburg	2 Luxemburg
3 Hamburg	3 Brussels	3 Southern
4 Inner Londo-East	4 Hamburg	4 Hamburg
5 Vienna	5 Groninger	5 Brussels
6 Stockholm	6 Praga	6 Eastern & Midland
↓ ↓	↓ ↓	↓ ↓
60 Basque Country	43 Basque Country	53 Basque Country
↓ ↓	↓ ↓	↓ ↓
266 Mayotte (FR)	276 Mayotte (FR)	281 Severozapaden

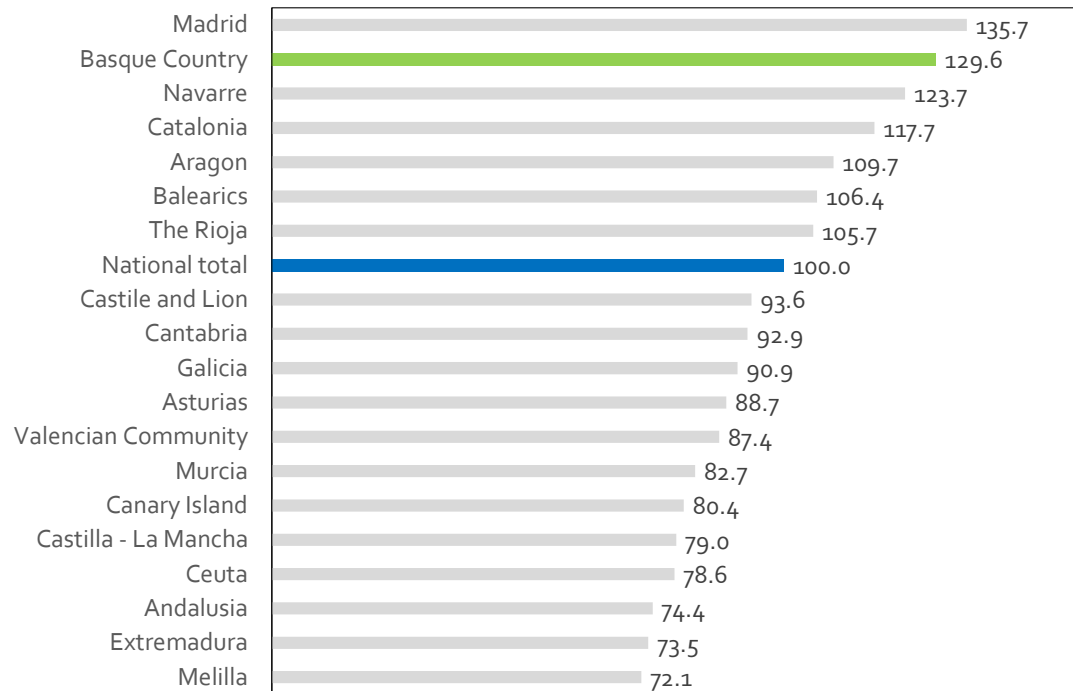


Source: Eurostat. SEC-2010.

The Basque Country is the second most advanced autonomous community

- The 2019 data, already published by the INE, make it clear that we continue to be in second position in GDP per capita, behind Madrid.
- The capitals of a European state usually have some advantages over the rest, thanks to the headquarters effect.

GDP per capita in 2019

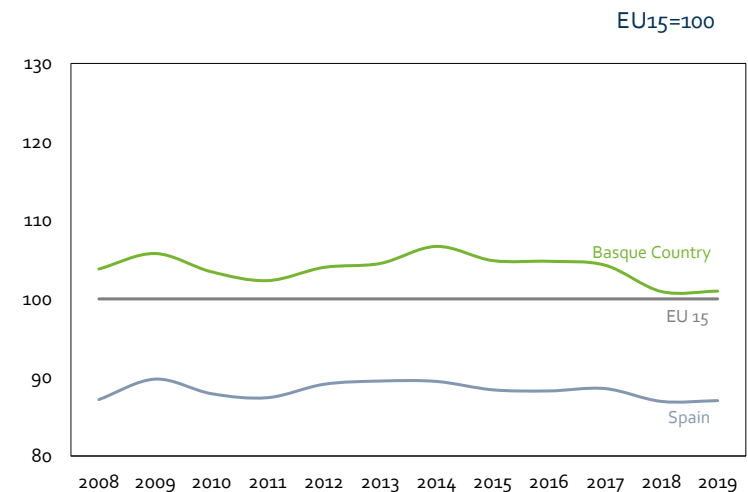
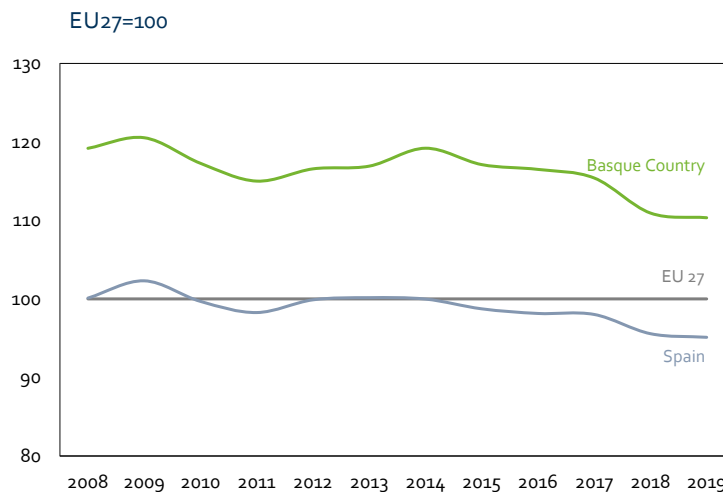


Source: INE. Regional Accounting September 2020.

The Key to Competitiveness: High Productivity

- The Basque economy owes its relative good situation in Europe to its high productivity. Compared with the average of the European Union, the Basque is 15% higher. Even if compared with the average of the Europe of 15, the leaders of Europe, Basque productivity is somewhat higher.

Productivity per hour worked



Source: Eurostat and INE.

High productivity

- The highest productivity in the Basque economy is not only concentrated in industrial activities, but also in the primary sector, construction and various branches of services have higher productivity than the average of the 27-member European Union.

Productivity per hour worked

UE27=100

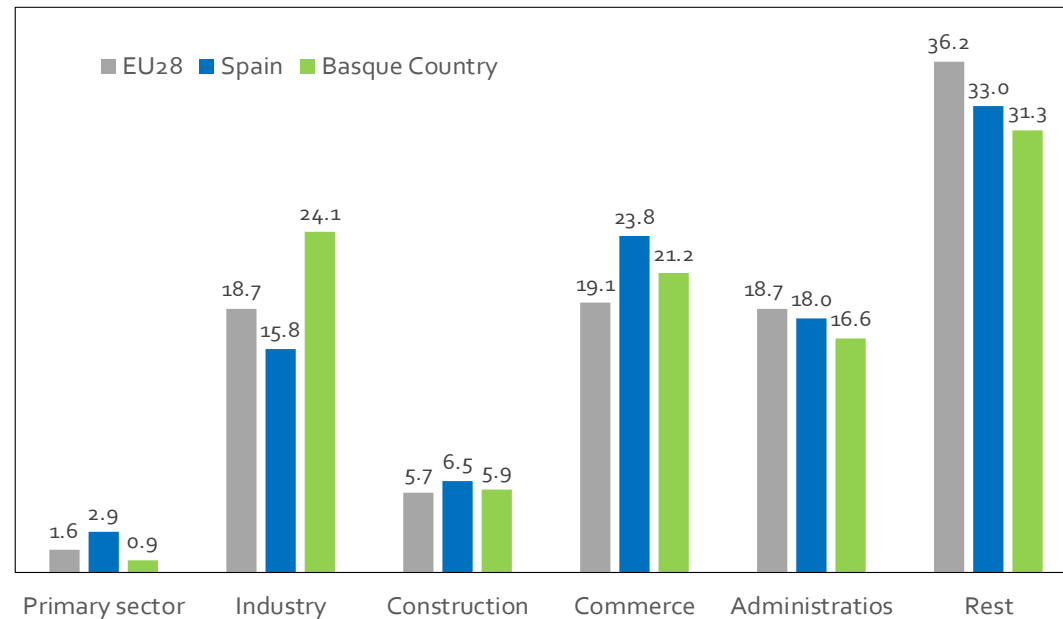
	Euros			PPP		
	2000	2008	2018	2000	2008	2018
Total	103.0	111.5	103.6	115.7	119.2	111.0
Primary	237.0	175.7	162.9	266.1	187.8	174.7
Industry	103.8	120.1	109.8	116.6	128.4	117.7
Manufacturing	103.0	120.9	110.1	115.6	129.2	118.0
Construction	133.6	161.7	153.8	150.0	172.9	164.8
Commerce and hotel and catering	120.4	123.3	110.0	135.2	131.8	117.9
Information and communications	100.1	90.1	73.6	112.4	96.3	78.9
Financial activities	111.4	149.2	123.6	125.0	159.5	132.5
Real Estate activities	82.7	168.0	258.7	92.9	179.5	277.3
Professional activities	72.6	77.5	79.2	81.5	82.8	84.9
Public Administration	115.9	118.4	103.8	130.1	126.5	111.3
Artistic activities	82.5	98.4	101.5	92.7	105.2	108.8

Source: Prepared by the Economy and Planning Department with Eurostat data.

Significant importance in the industrial sector

- It can be seen that the Basque Country has, in proportion, more industry than Spain and the European Union.
- On the contrary, we have fewer services. Among these, it stands out that the public administration (includes education, health and social services, public and private) has a relatively low percentage.
- The adjustment in construction is striking, which came to weigh 10.3% of the value added in the times of the bubble (2007) and which is now practically at the level of Europe

Sectoral structure over GVA. 2019



Source: Eurostat, INE and Eustat.

Main Clusters and Industrial Specialisation

ENERGY



68,000 Jobs
€44,000 M

AUTOMOTIVE



36,583 Jobs
€15,004 M

AEROSPACE



12,546 Jobs
€1,755 M

RAILWAY



14,176 Jobs
€2,600 M

MARITIME



14,210 Jobs
€2,150 M.

MACHINERY



5,672 Jobs
€1,180 M

ELECTRONICS & ICT



10,840 Jobs
€2,840 M

ECOINDUSTRIES



20,000 Jobs
€4,000 M

BIOSCIENCES



2,700 Jobs
€376 M

Reorganization of productive sectors

- The Great Recession especially hit the construction, which reduced its relative weight by almost half, going from about 10% of the total added value to just under 6%. The industry was also affected, but since 2014 it maintains its percentage.

Sectoral evolution of Basque GDP

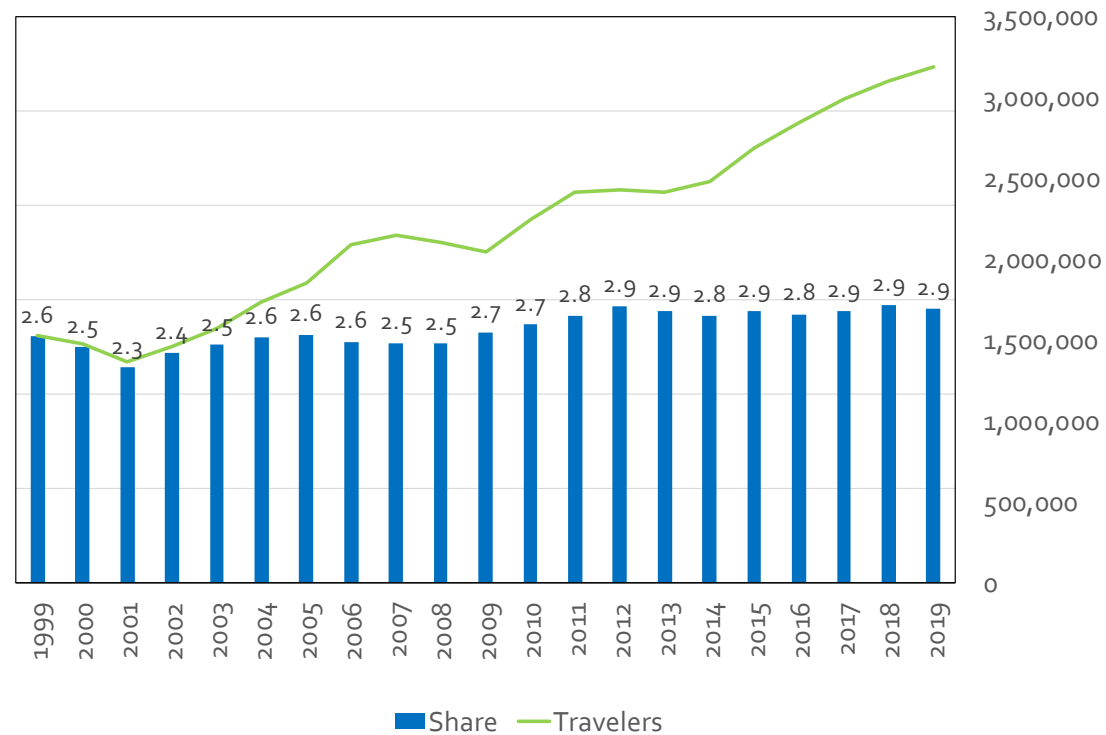
	2008	2011	2014	2017	2019
Value added	100.0	100.0	100.0	100.0	100.0
Primary	0.7	0.7	0.8	1.0	0.9
Industry	28.3	25.2	24.1	24.2	24.1
Construction	9.7	7.5	6.1	5.7	5.9
Services	61.4	66.5	69.0	69.1	69.1

Source: Prepared by the Economy and Planning Department with Eustat data.

Services sector: stability in the weight of tourism

- The data show a stability over time, with a slight bullish bias.

Basque Country share in relation to travelers in Spain

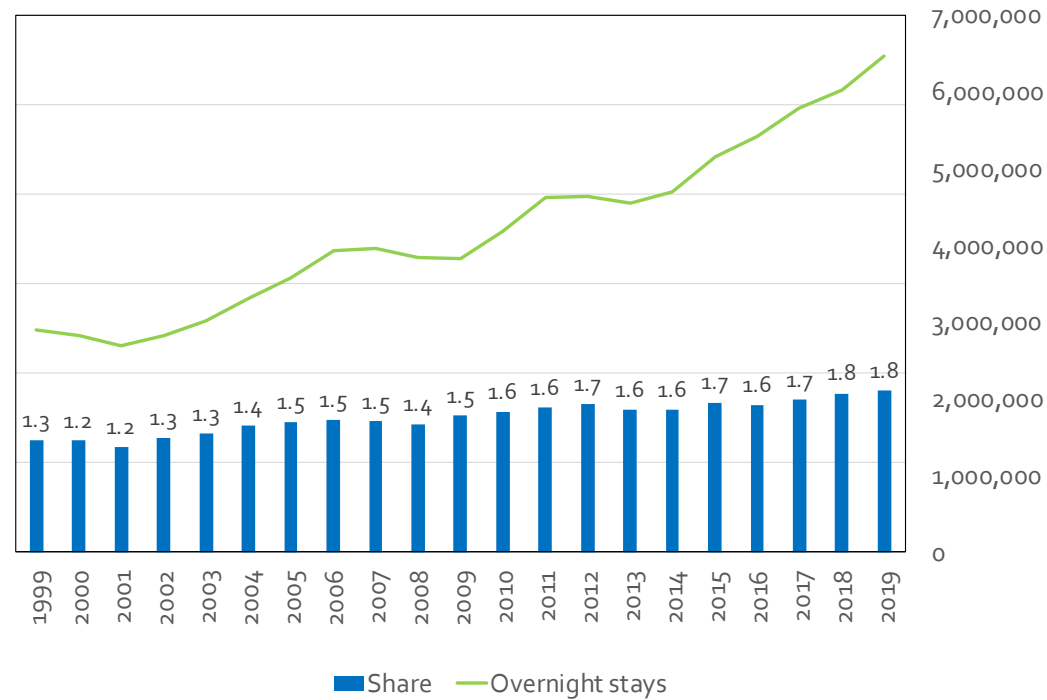


Source: INE.

Services sector: stability in the weight of tourism

- The data show a stability over time, with a slight bullish bias.

Basque Country share regarding hotel overnight stays in Spain

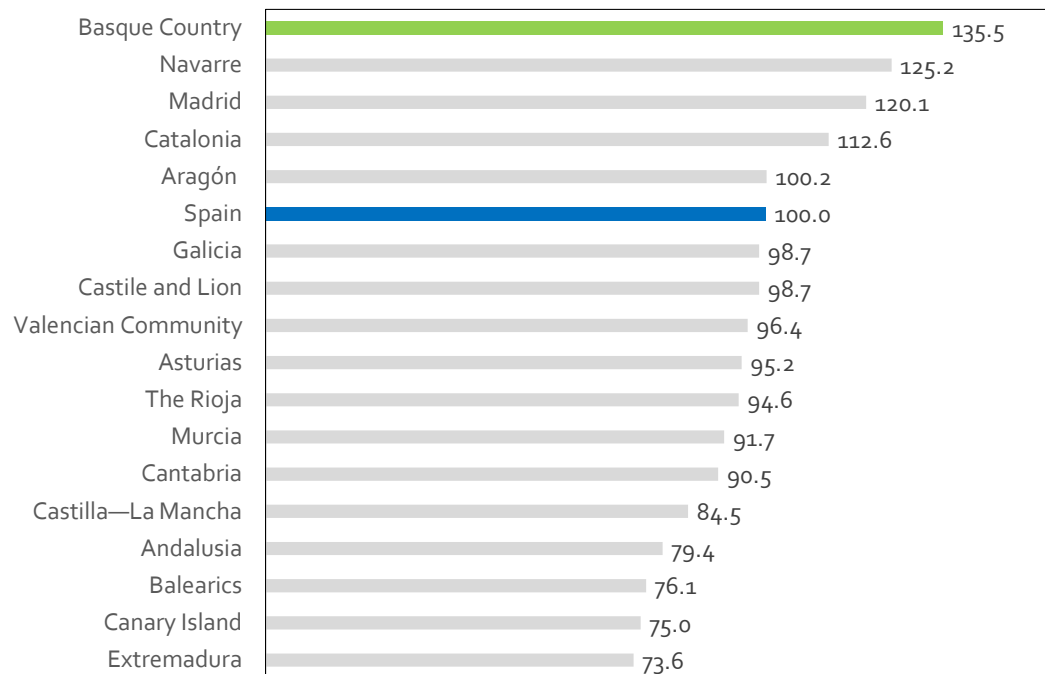


Source: INE.

High Competitiveness: Ceprede Regional Indicator

- It is made up of 18 partial indicators classified into 5 large groups: macro-economic aspects, job market, business development, infrastructures and innovation.
- In this indicator, in 2020 the Basque Country is leading in four of the five blocks.

Regional competitiveness indicator in Spain



Source: CEPREDE. ISCRE 2020.

Beyond the GDP: Human Development Index 2019

- The human development index, prepared by the United Nations, takes into account, in addition to GDP, life expectancy, years of schooling and literacy rates.
- Euskadi is among the top 15 countries in the world in this indicator. Especially highlights the high life expectancy at birth.

Very high human development index

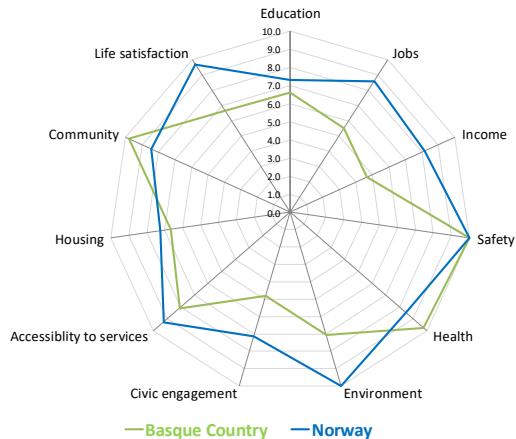
Position		%	Position		%
1	Norway	0.954	11	Denmark	0.930
2	Switzerland	0.946	12	Basque Country	0.926
3	Ireland	0.942	13	Finland	0.925
4	Germany	0.939	14	Canada	0.922
5	Hong Kong, China (RAE)	0.939	15	New Zealand	0.921
6	Australia	0.938	16	United Kingdom	0.920
7	Iceland	0.938	17	U.S	0.920
8	Sweden	0.937	18	Belgium	0.919
9	Singapore	0.935	19	Liechtenstein	0.917
10	Netherlands	0.933	20	Japan	0.915

Source: Eustat Social indicators HDI, with data from the 2019 Human Development Report of the United Nations Development Program (UNDP). The data for Basque Country is provisional

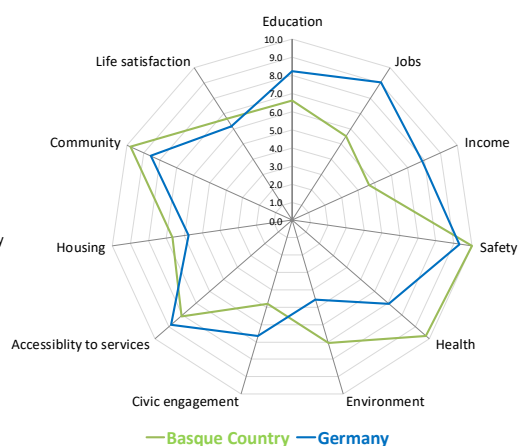
Beyond the GDP: Regional Welfare Index

- This indicator bears in mind eleven different fields related to welfare. It is carried out by the OECD.
- In the Basque Country, the data is particularly good in terms of health and safety and community belonging.
- On the other hand, the results are relatively low in income (available income) and in civic commitment (participation in elections). In terms of employment, the result is somewhat modest.
- The two countries that stand out are Australia and Norway.

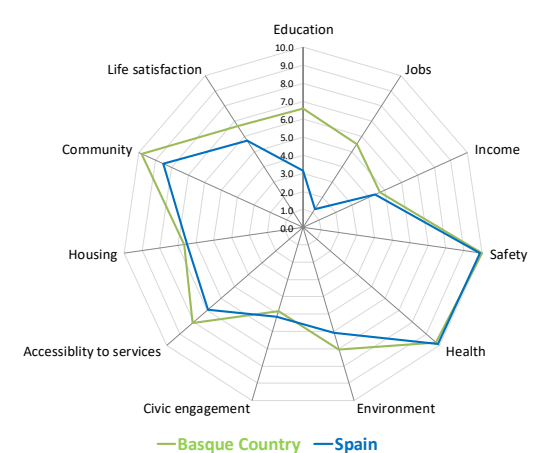
Basque Country-Norway



Basque Country-Germany



Basque Country-Spain

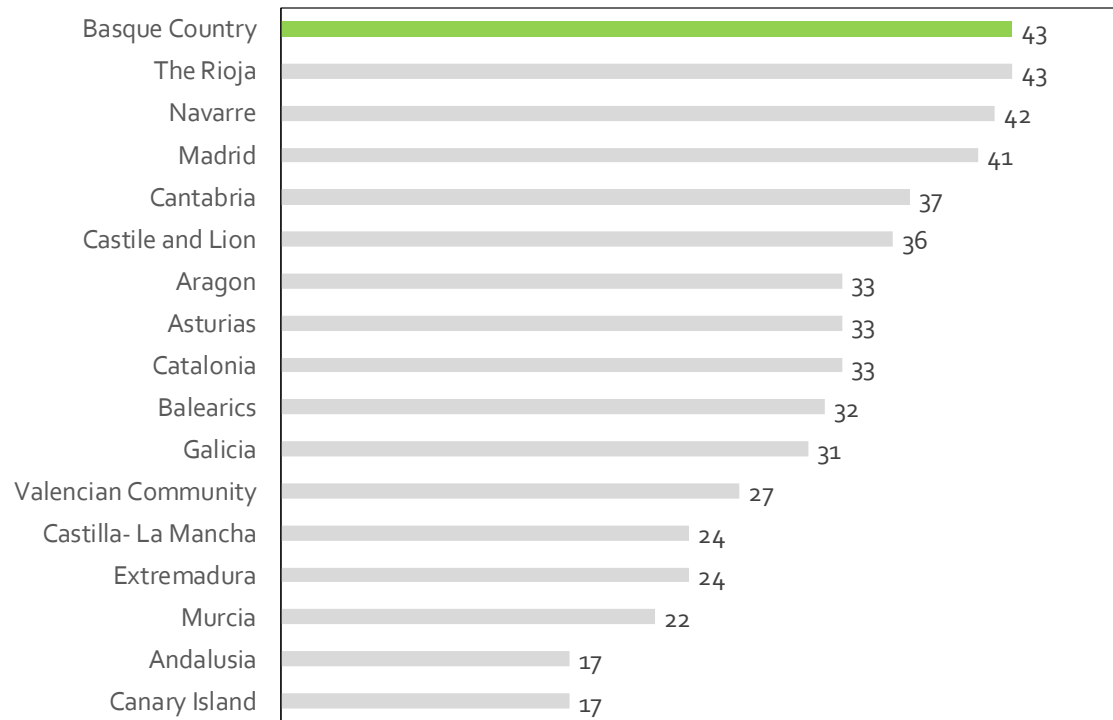


Source: OECD.

Beyond GDP: welfare ranking by Autonomous Communities

- Based on the OECD calculation, the BBVA Foundation and the IVIE made a ranking of well-being that takes into account 12 variables related to material well-being, health and education.
- In that ranking, Basque Country is in the first position, next to La Rioja.

Wellness ranking. 2015



Source: BBVA and IVIE.

Competitiveness: Human Capital. 2019

- Practically half of the Basque population between the ages of 25 and 64 have tertiary studies. This ranks us in first position in Spain and among the most advanced European countries in this variable.
- In the age group of 30 to 34, which is one of the objectives of Europe 2020 (to reach 40%), the Basque population reaches 59.8%, with a leading position in Europe.

Percentage of the population between the ages of 25 and 64 who have successfully completed tertiary studies

Position		%	Position		%
1	Inner London - West	72.8	11	Eastern Scotland	53.0
2	Inner London - East	63.8	12	Utrech	52.7
3	Outer London - West and Northwest	60.7	13	Hovedstaden	52.3
4	North-Eastern Scotland	55.8	14	Eastern and Midlan	51.5
5	Brabant Walloon	55.7	15	Surrey, East and West Susexx	51.4
6	Warszawski Stoleczny	55.5	16	Ile de France	51.2
7	Outer London - South	55.3	17	Basque Country	50.8
8	Helsinki	53.7	18	Vlaams-Brabant	49.2
9	Stockholm	53.0	19	Madrid	49.1
10	Berkshire, Buckinghamshire	53.0	20	Noord-Holland	48.5

Source: Eurostat.

Beyond the GDP: Regional Social Progress Index

- This indicator was established in 2016 by the European Commission for the 272 European regions. The Basque Institute for Competitiveness participated in its compilation.
- It includes 50 variables grouped into twelve fields.
- The Basque Country has a leading position in Spain and remains among the top 10 European countries.

EU-SPI Regional Social Progress Index

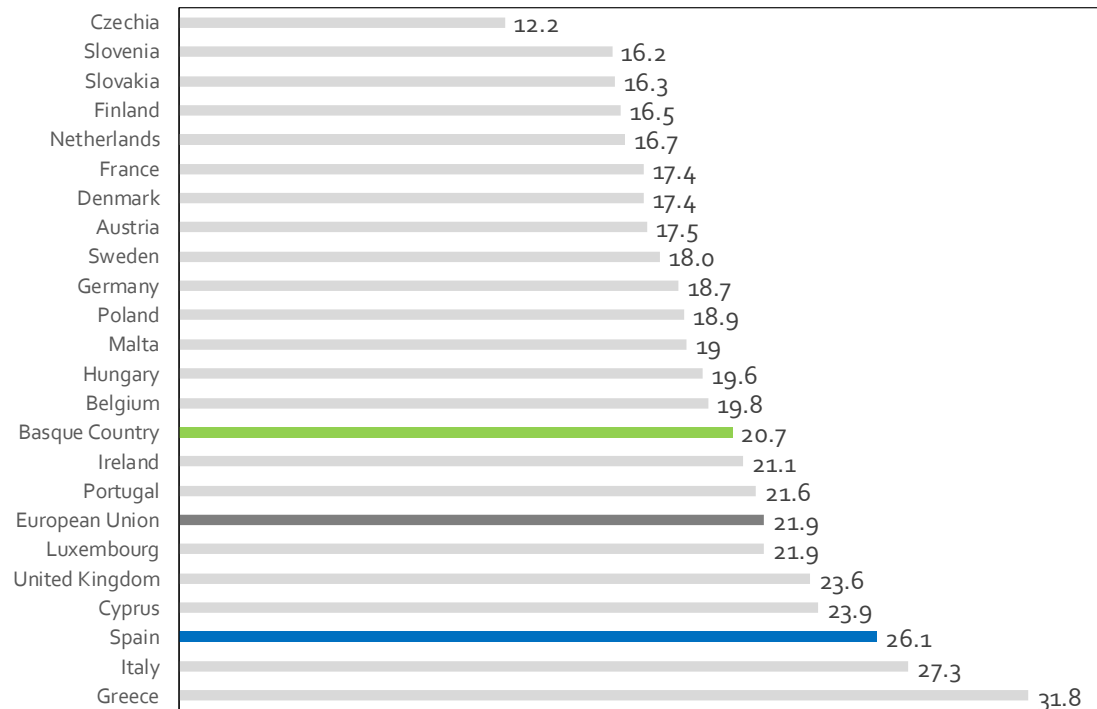
Position	Countries	%	Position	Autonomous Community	%
1	Denmark	79.53	1	Madrid	70.17
2	Finland	79.18	2	Basque Country	69.95
3	Sweden	78.14	3	Navarre	67.91
4	Holland	77.91	4	Cantabria	67.34
5	Luxemburg	71.45	5	Castile and Leon	66.92
6	Austria	71.15	6	Asturias	66.35
7	Ireland	71.09	7	Aragon	66.29
8	United Kingdom	70.82	8	The Rioja	66.15
9	Germany	70.65	9	Valencian Community	64.74
10	Basque Country	69.65	10	Galicia	64.44
11	Belgium	67.80	11	Murcia	63.78
12	France	67.33	12	Catalonia	63.67
13	Slovenia	66.03	13	Canary Islands	63.61
14	Spain	65.14	14	Extremadura	63.11
15	Estonia	62.98	15	Castilla la Mancha	62.68

Source: European Commission. Report February 2016.

Beyond the GDP: Risk of Poverty and Social Exclusion

- Basque Country is in ninth position, ahead of the European Union and Spain which, with a value of 26.1 is very late in the classification.

Risk of poverty and social exclusion rate. 2018

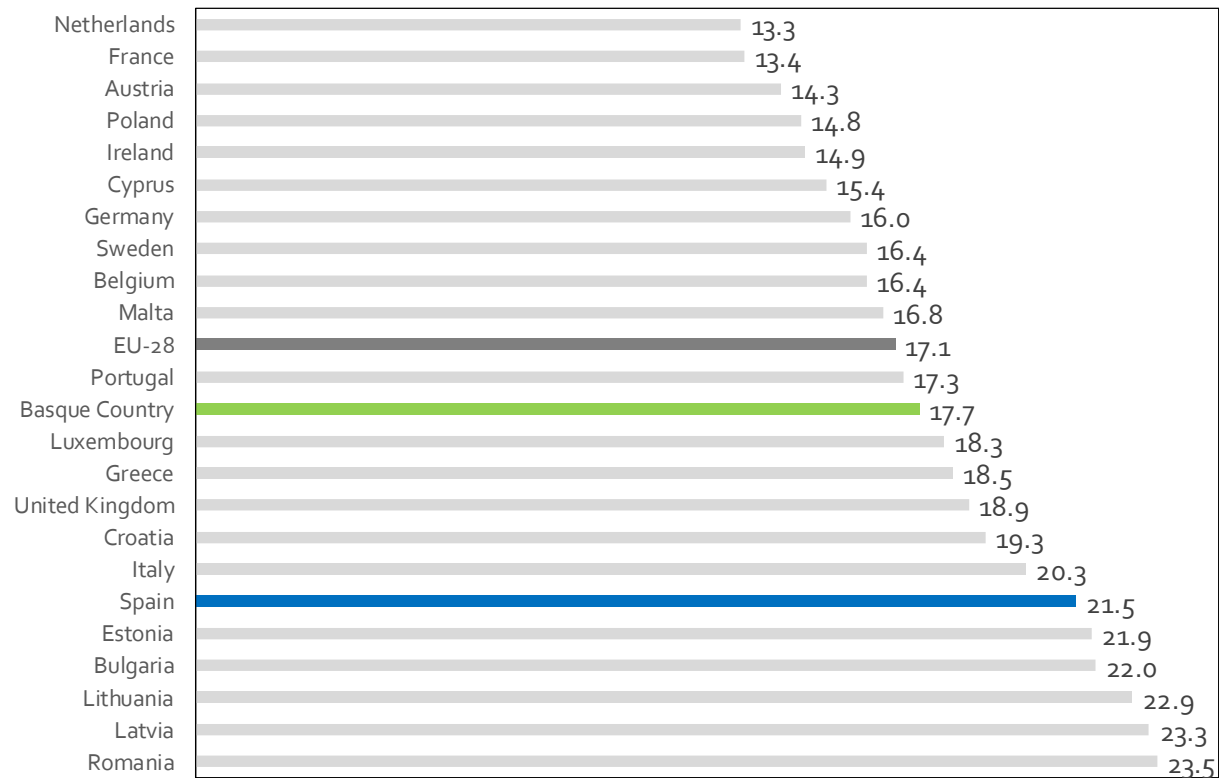


Income from the year prior to the interview.
Source : Eurostat and EPDS 2018.

Beyond the GDP: Risk of Poverty and Social Exclusion

- The Basque Country is in a medium position at risk of poverty after receiving welfare.

Risk of poverty after receiving welfare. 2018

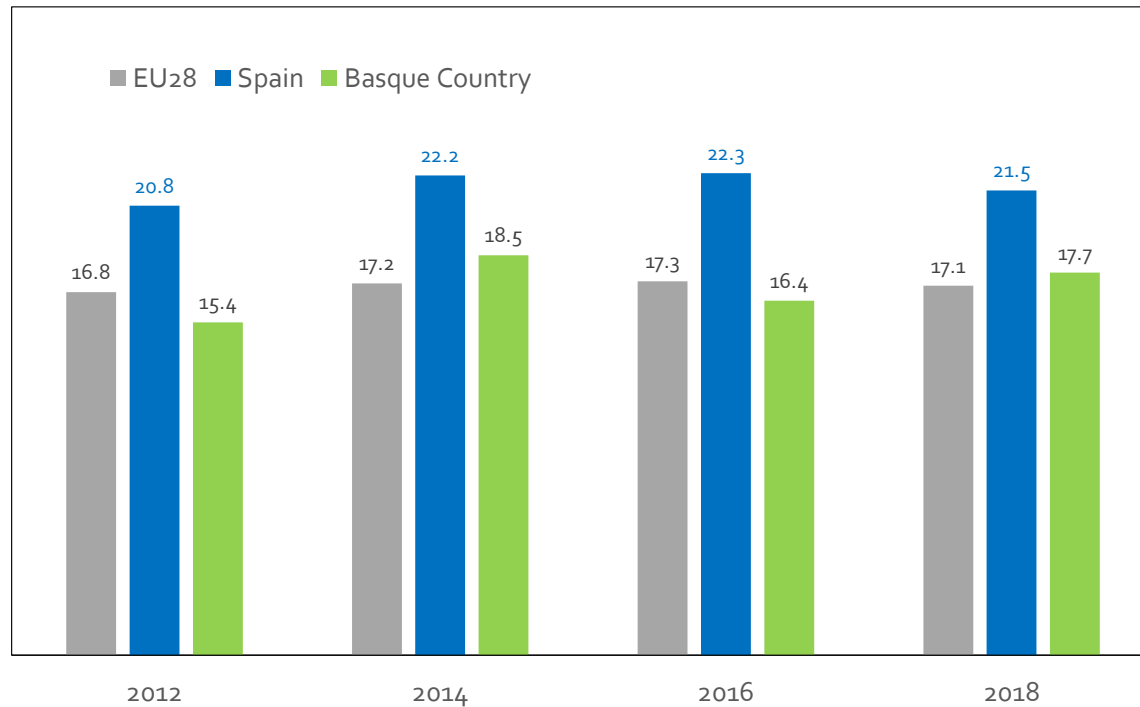


Europe Strategy 2020..
Source : Eurostat and EPDS 2018.

Beyond the GDP: Risk of Poverty and Social Exclusion

- Basque Country is close to European records, although in 2018 it rebounded after reducing its rate in 2016.
- Spain, for its part, shows greater stability, albeit above the basque records.

Risk of poverty after receiving welfare

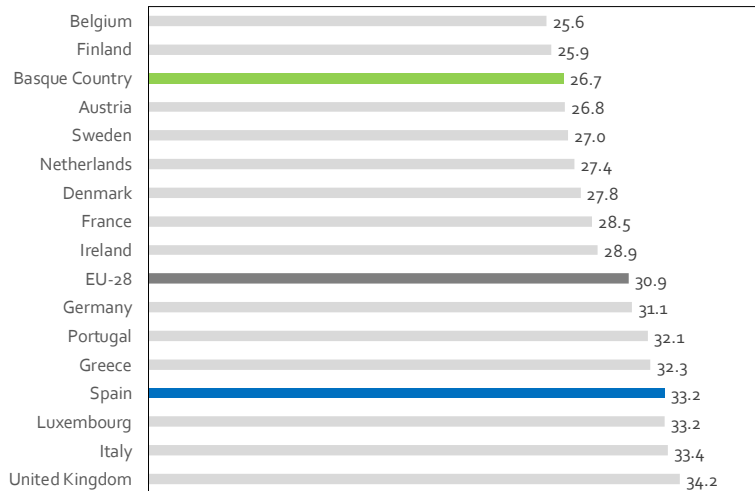


Europe Strategy 2020..
Source : Eurostat and EPDS 2018.

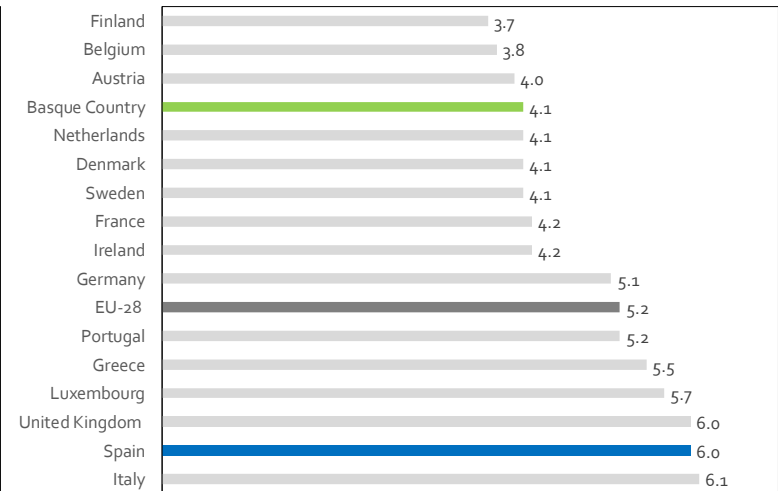
Beyond the GDP: Inequality Indicators

- The most recent information available places the Basque Country among the most egalitarian regions in Europe, just behind Belgium and Finland (Gini Index) and behind the same two countries and Austria (Index S80/S20).
- The position of Spain at the opposite end of the ranking can also be appreciated here.

Gini Index



S80/S20

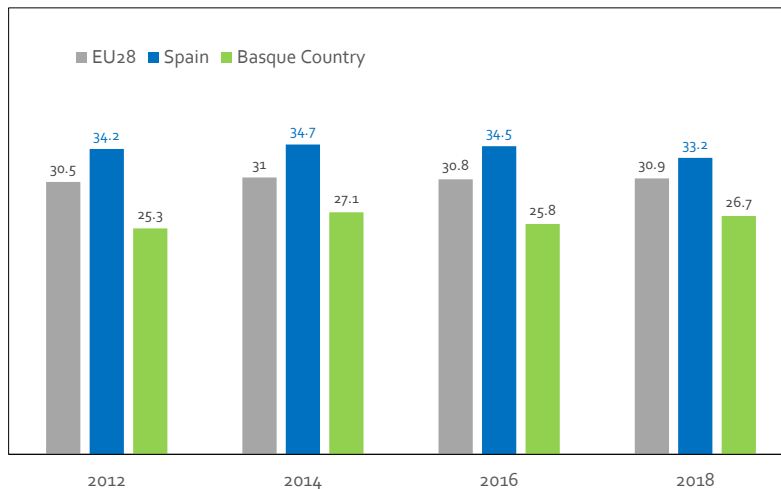


Source: Eurostat-SILC and EPDS 2018.

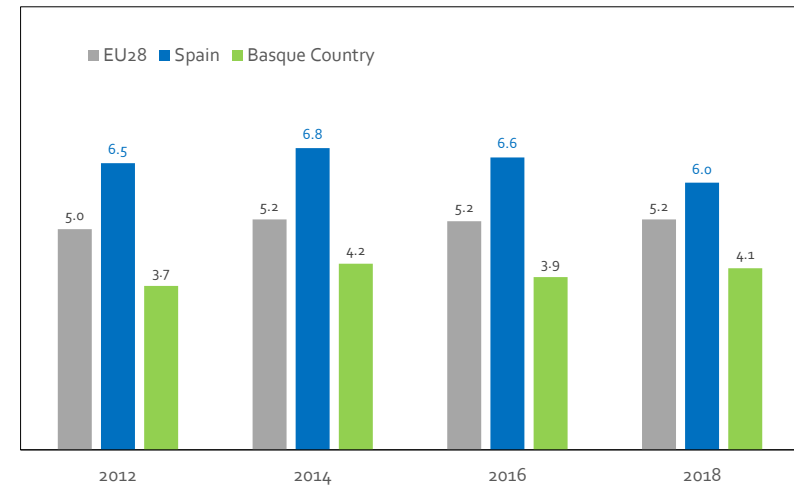
Beyond the GDP: Inequality Indicators

- The situation of the Basque Country with respect to the Gini index and the S80 / S20 indicator shows less inequality than that experienced by the European Union 28 and well below that registered for Spain.
- In any case, stability prevails in all of them.

Gini Index



S80/S20

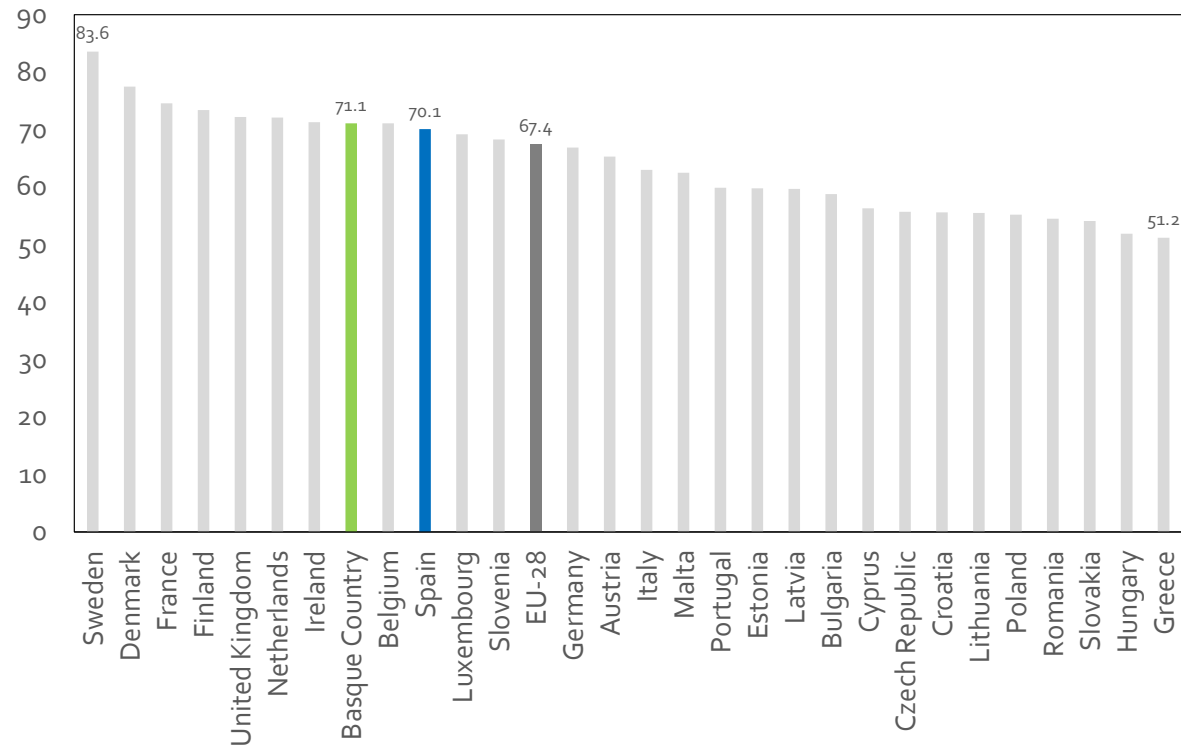


Source: Eurostat-SILC and EPDS 2018.

Beyond the GDP: Gender equality index. 2017

- The Basque Country is in an advanced position within European countries in terms of gender equality.

Gender equality index

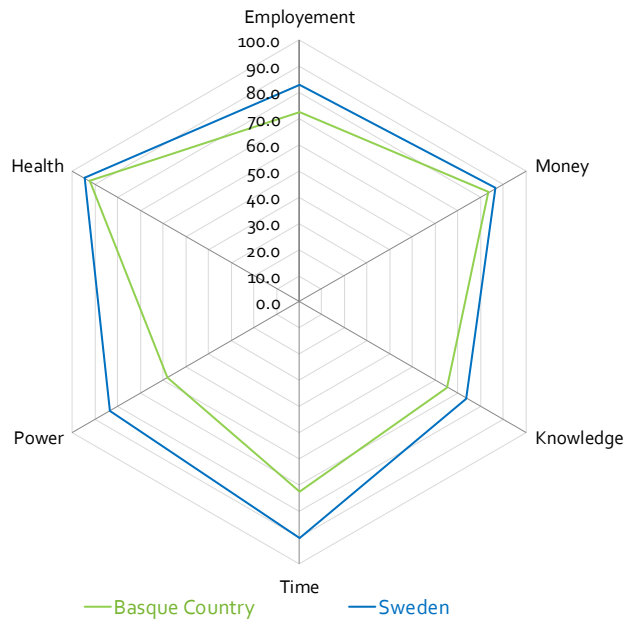


Source: Eustat Basque Statistical Office.

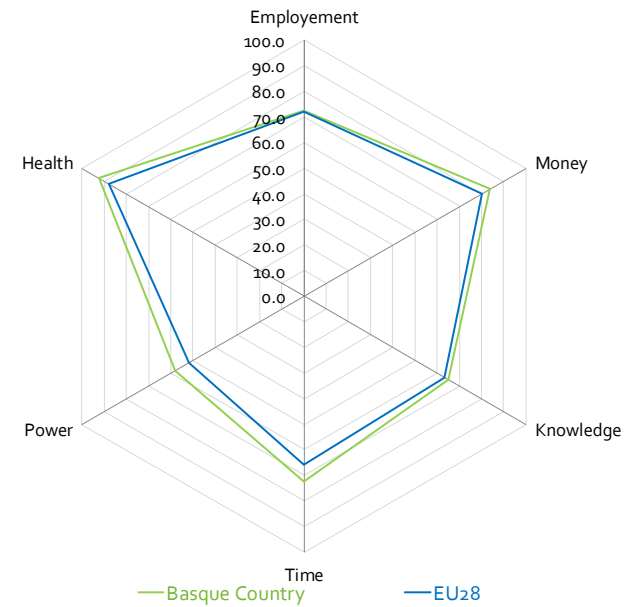
Beyond the GDP: Gender equality by dimensions. 2017

- In comparison with the EU-28, Basque Country fares well. However, the comparison with the leading country (Sweden) indicates that there are important differences in power and time.

Basque Country-Sweden



Basque Country-EU28



Source: Eustat Basque Statistical Office.

Europe 2020: Indicators for Europe 2020

- Compared to the European Union, four of the nine main indicators offer better values in the Basque Country: the population at risk of poverty or exclusion, the consumption of primary energy and the two education indicators.
- With respect to Spain, better figures are also recorded in these four indicators in addition to the occupancy rate.

SUBJECT	Indicator	Basque Country	Spain	EU 28
OCCUPATION	Occupation rate (20-64 years) (%) Total	72.6	68.0	73.9
	Women	68.5	62.1	68.2
	Men	76.7	74.0	79.6
R+D (*)	Gross domestic product in R+D (% GDP)	1.85	1.2	2.12
CLIMATE AND ENERGY (*)	Greenhouse gas emissions, base year 1990=100	91.1	119.7	76.8
	Quota of renewable energies in final gross energy consumption (%)	16.9	17.5	18.0
	Primary energy consumption, base year 2005=100	83.8	91.3	90.2
	Final energy consumption, base year 2005=100	91.7	88.5	94.2
EDUCATION	Early school leaving rate (18-24 years) (%) Total	8.8	17.3	10.3
	Women	8.0	13.0	8.6
	Men	9.6	21.4	11.6
	Level of higher education (30-34 years) (%) Total	48.0	44.7	41.6
	Women	53.0	50.8	46.7
	Men	42.9	38.5	36.6
POVERTY	Population at risk of poverty or exclusion (union of the following 3) (%)	20.7	26.1	21.7
	Population who live in homes with very low work intensity (%)	9.1	10.7	9.0
	Population at risk of poverty after social transfers (%)	17.7	21.5	16.9
	Population in a situation of grave material deprivation (%)	5.6	5.4	5.8

(*)2018 data

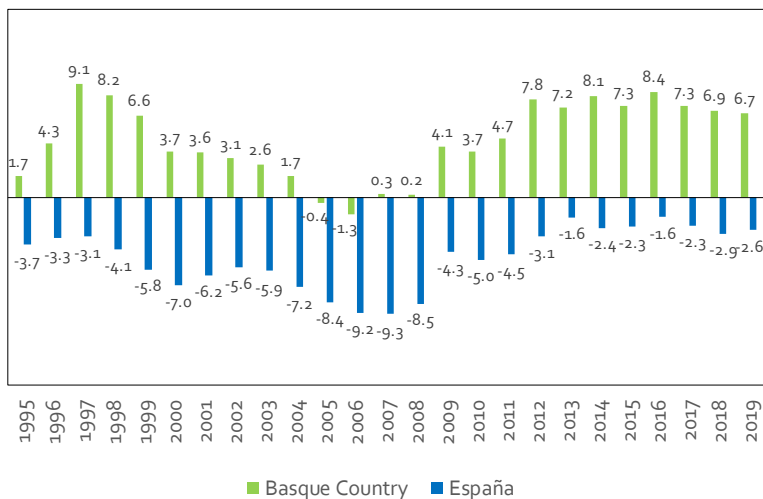
Source: EUSTAT. Structural indicators. Europe 2020

An economy that looks towards the exterior

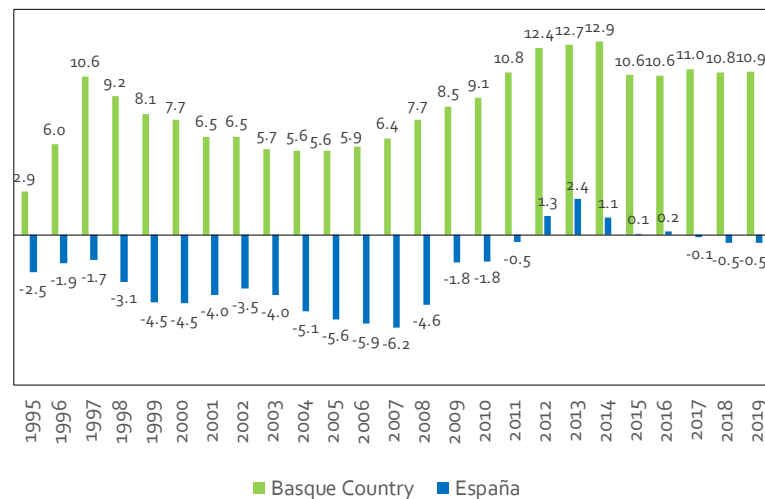
- The Basque economy exported in 2019 products with a value close to 25.4 billion euros, 0.4% below the 2018 record. This contraction was due to the lower sale of energy products.
- In fact, non-energy exports registered a new record of over 23.3 billion euros.
- Trade balance surplus remains very high, while Spain shows a trade balance deficit.

Foreign Trade: Trade Balance / GDP

Total Balance



Non-energetic Balance



Source: Eustat and Ministry of Industry, Commerce and Tourism

Diversification of foreign markets

- The European countries concentrate almost two thirds of their exports abroad. Furthermore, the Euro-Zone buys more than half of the total.
- France and Germany follow as the main destinations for Basque exports.

Destination of Basque exports. Evolution 2009-2019

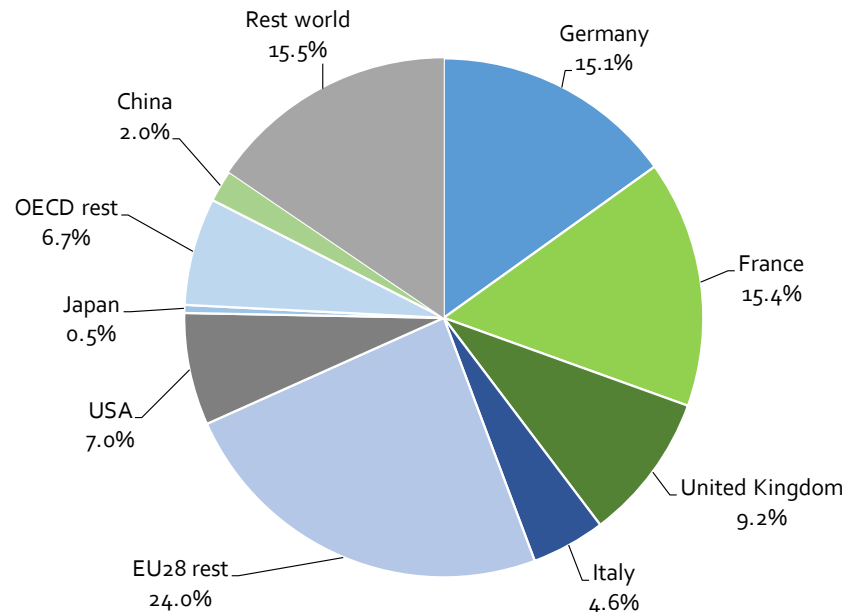
	2009	2011	2013	2015	2017	2019 (P)
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
OECD	76.2	77.3	77.6	79.3	81.8	82.5
Euro-Zone	50.0	52.3	49.6	50.9	51.8	51.6
European Union	60.8	64.1	61.3	64.0	65.4	68.3
France	16.7	16.9	16.8	16.6	15.6	15.4
Germany	13.7	14.8	14.4	14.7	15.7	15.1
United Kingdom	5.4	6.0	5.9	6.5	6.3	9.2
Italy	5.6	5.9	4.5	5.3	4.6	4.6
Rest of OECD	20.2	18.3	21.7	21.8	23.4	21.1
USA	6.5	6.4	7.2	7.9	7.5	7.0
Japan	0.2	0.2	0.4	0.3	0.5	0.5
Non-OECD	23.8	22.7	22.4	20.7	18.2	17.5
Russia	0.7	1.0	1.0	0.8	1.0	1.1
China	1.7	2.3	2.4	2.0	2.2	2.0
Brazil	1.7	3.0	2.2	1.5	1.2	1.0
Rest of the World	19.6	16.4	16.8	16.4	13.8	13.5

Provisional 2019 data.
Source: Eustat.

Economy open abroad

- European countries account for almost two thirds of Basque exports abroad. In addition, the euro zone buys more than half of the total.
- France and Germany are the main destinations of these exports.

Distribution of exports by countries

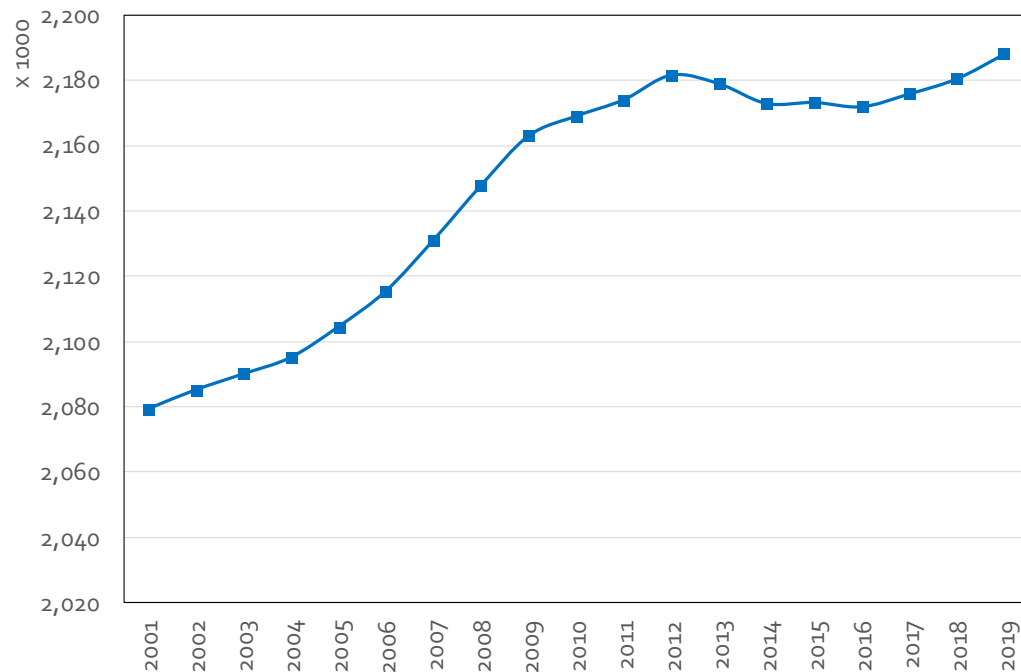


(*) Provisional 2019 data.
Source: Eustat.

Smooth increase in population

- The population of Basque Country is slightly higher than two million people. This figure has very few variations from one year to another, although there is a slight positive trend.

Population Evolution

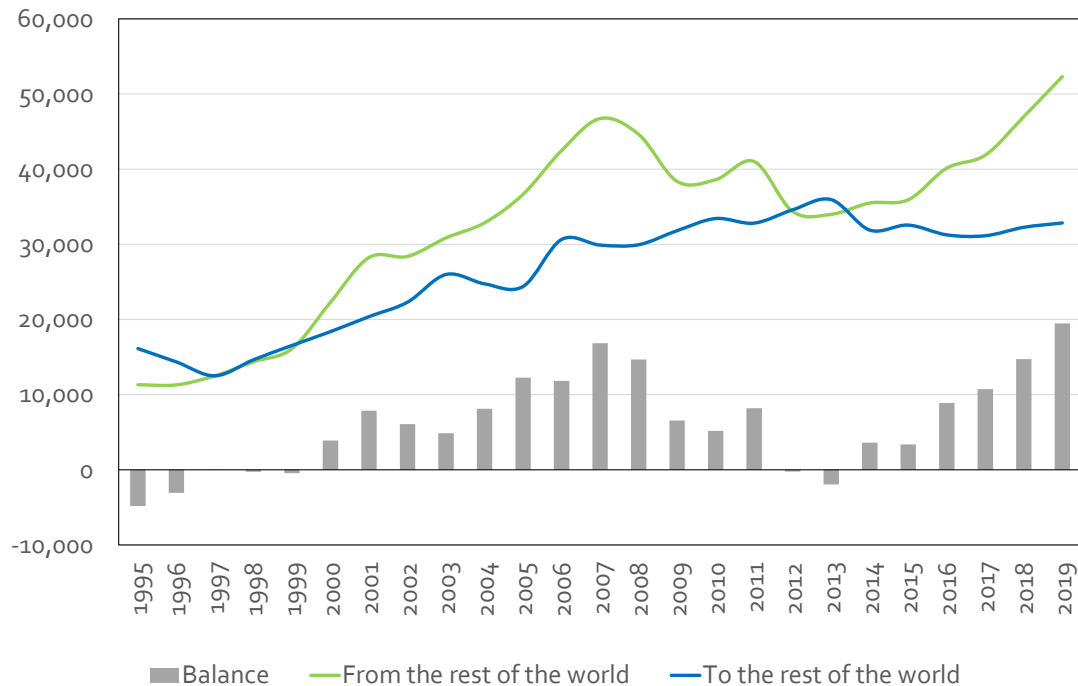


Source: Eustat

Migratory movements are favorable

- The migratory balance of recent years is positive and growing. Therefore, the trend experienced in the years before the Great Recession is resumed and Basque Country is once again an attractive place for migrants.

Migratory flows

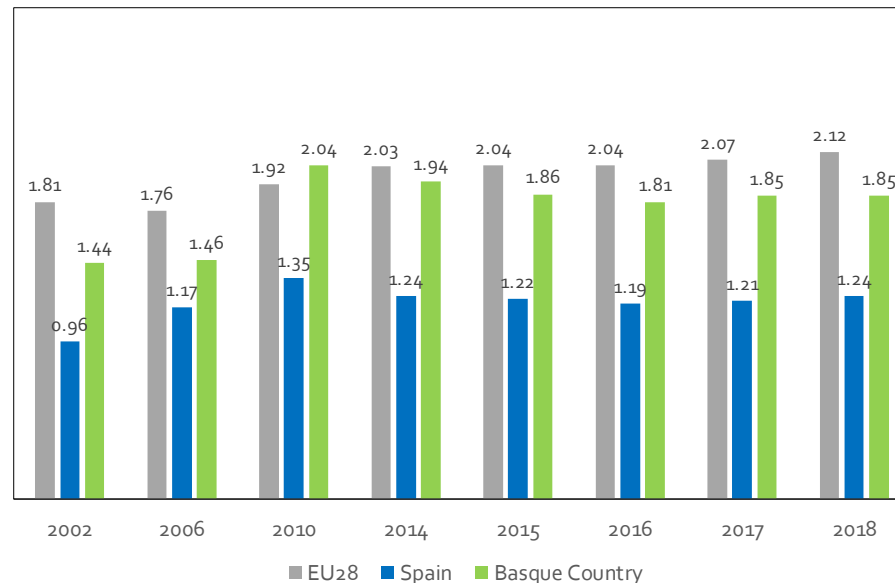


Source: Eustat.

Competitiveness: R&D Expenditure.

- R&D spending has undergone a disappointing evolution in recent years. In 2010, it exceeded the European average, but since then, it has fallen and is now almost three tenths below Europe. He has been stuck at 1.85 for two years.
- Spain is far from the European average, as well as the values registered in Basque Country.

R&D Expenditure (% of the GDP)



Source: Eurostat, Eustat and INE.

Innovation Indicators Panel (EIS)

- The Basque Country is among the countries with a high level of innovation (between 90% and 120% of the average). However, it is a long way off the leading countries in innovation (more than 120%), which is headed by Sweden and Finland.
- It has improved by two hundredths of a decimal point.
- Spain is in the moderate innovation group (between 50% and 90% of the average).

Basque Country was at the same level as countries with a high level of innovation in 2019

Position	Country	%	Position	Country	%
1	Sweden	0.71	11	France	0.54
2	Finland	0.70	12	EU-28	0.52
3	Denmark	0.68	13	Estonia	0.50
4	Netherlands	0.65	14	Basque Country	0.50
5	Luxembourg	0.62	15	Portugal	0.47
6	United Kingdom	0.62	16	Czech Republic	0.43
7	Germany	0.61	17	Slovenia	0.42
8	Belgium	0.61	18	Cyprus	0.42
9	Austria	0.60	19	Italy	0.41
10	Ireland	0.57	20	Spain	0.41

Source: Eustat. Innovation Indicators Panel (EIS 2019).

Contents 2

1. Features of the Basque economy
- 2. Current situation of the economy and forecasts**
3. Sustainability mandate
4. Financing system, budget, deficit and debt

International Environment: Growth of the GDP

- The Covid-19 pandemic has generated an unprecedented global crisis. Together, the developed economies have reduced their GDP by 11.7%. Emerging and developing countries growth has also been affected. The case of China is relevant because it was the origin of the pandemic and the first to control it.
- European countries have recorded greater falls than the United States. The declines in France, Italy and Spain stand out
- In the Basque case, the decline intensified in the second quarter to 19.5%.

Gross Domestic Product. Evolution

	Interannual variation rate							
	2018	2019	2019				2020	
			I	II	III	IV	I	II
Developed Economies	2.3	1.6	1.6	1.5	1.7	1.7	-0.9	-11.7
European Union 27	2.1	1.5	1.7	1.5	1.6	1.2	-2.7	-13.9
-Basque Country	3.1	2.2	2.2	2.3	2.1	2.2	-3.2	-19.5
-Spain	2.4	2.0	2.2	2.1	1.8	1.7	-4.2	-21.5
-Germany	1.3	0.6	1.1	0.1	0.8	0.4	-2.2	-11.3
-France	1.8	1.5	1.8	1.8	1.6	0.8	-5.7	-18.9
-Italy	0.8	0.3	0.4	0.4	0.5	0.1	-5.6	-18.0
United Kingdom	1.3	1.5	1.7	1.3	1.0	1.0	-2.1	-21.5
United States	3.0	2.2	2.3	2.0	2.1	2.3	0.3	-9.0
Japan	0.3	0.7	0.8	0.9	1.7	-0.7	-1.9	-10.1
China	6.6	6.1	6.4	6.2	6.0	6.0	-6.8	3.2
India	6.7	5.1	5.4	5.0	4.4	4.1	3.3	-23.5
Russia	2.5	1.3	0.6	2.7	1.4	0.3	-0.1	-5.6
Brazil	1.1	1.1	0.8	1.4	0.7	1.6	-1.4	-11.4

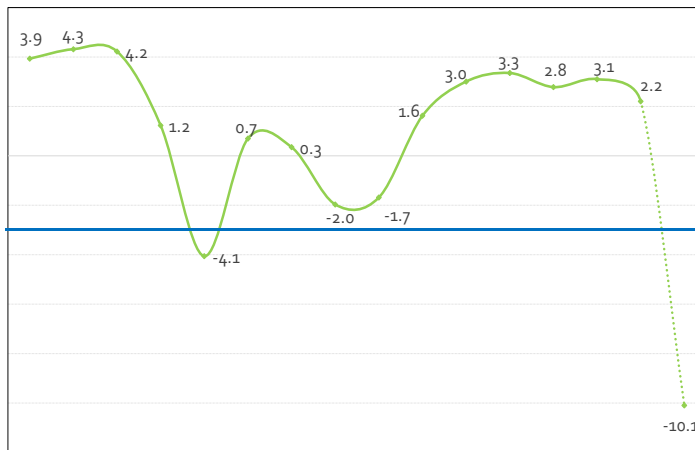
Source: Eurostat, OCDE and Eustat.

Sharp decline in GDP in 2020

- Similarly to other countries, the Basque Country has suffered a severe blow in the first half of 2020, with a sharp deterioration in GDP, which ends a six-year period of growth.
- It is still too early to know what the GDP of 2020 will look like, but it may represent a step back of about ten points compared to 2019.

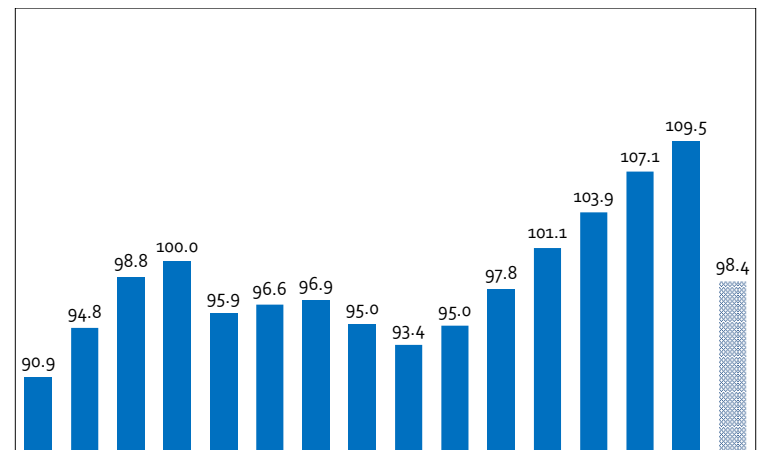
Evolution of the Gross Domestic Product

Year-on-year variation rates



2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

GDP 2008 = 100



2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

The 2019 data is advance and the 2020 data are forecasts.
Source: Prepared by the Economy and Planning Department with data from Eustat.

The expansion of the Covid-19 has changed everything

- The measures adopted to keep under control the pandemic have brought the paralysis of economic activity. That affected the first quarter and much more the second.
- Industry was the sector that was hit the hardest at first, but trade and the hotel industry also fell sharply.

Evolution of the GDP on the supply side

	Variation rates							
	2018	2019	2019				2020	
			I	II	III	IV	I	II
GDP (p.m.)	3.1	2.2	2.2	2.3	2.1	2.2	-3.2	-19.5
Primary Sector	1.7	3.2	0.5	3.3	2.8	5.9	3.5	-6.1
Industry and Energy	2.0	1.3	0.5	1.2	1.2	2.2	-3.6	-26.7
Construction	4.0	3.4	4.9	3.5	3.2	2.1	-2.7	-17.9
Services	3.1	2.5	3.0	2.5	2.4	2.1	-2.8	-17.5
Commerce, Hospitality and Transp.	4.3	2.6	3.4	2.8	2.3	2.1	-4.2	-21.8
AA. PP., Education and Health	1.8	2.3	2.1	2.3	2.6	2.0	1.2	0.7
Rest of Services	3.0	2.5	3.2	2.5	2.3	2.2	-4.0	-24.2
Gross Value Added	2.9	2.3	2.5	2.3	2.1	2.2	-3.0	-19.6
Net Product Taxes	4.9	2.2	2.2	2.2	1.8	2.3	-5.1	-18.4

Source: Eustat. Series adjusted for seasonal variation.

Collapse of internal demand

- On the demand side, both final consumption and investment recorded very negative interannual variations, as a result of the lack of activity and uncertainty
- Only public consumption grew, due to the need to face the health and economic consequences of the pandemic.
- The lack of activity paralyzed foreign trade, both sales and purchases.

Evolution of the GDP with respect to demand

	Variation rates							
	2018	2019	2019				2020	
			I	II	III	IV	I	II
GDP (p.m.)	3.1	2.2	2.4	2.3	2.1	2.2	-3.2	-19.5
Final Consumption	2.5	1.9	2.2	1.9	1.8	1.6	-3.0	-15.4
Private Consumption	2.7	1.9	2.3	1.9	1.6	1.5	-4.8	-20.3
Public Consumption	1.6	2.1	1.7	2.2	2.4	2.3	4.1	3.0
Gross Capital Formation	4.7	2.8	4.4	3.2	2.7	2.7	-3.6	-23.0
Equipment Goods	3.7	2.3	3.3	2.0	0.5	2.5	-5.0	-30.1
Remaining Investment	5.2	3.0	5.1	4.0	4.0	2.8	-2.8	-18.8
Internal Demand	3.0	2.1	2.7	2.2	2.0	1.9	-3.1	-17.2
Exports	3.0	0.4	-1.7	2.7	-0.6	1.4	-7.5	-30.1
Imports	3.0	0.4	-1.2	2.6	-0.6	1.0	-7.2	-26.4

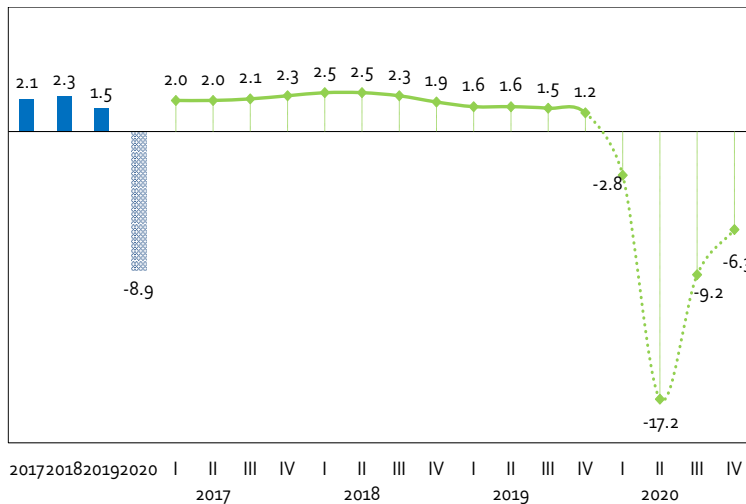
Source: Eustat. Series adjusted for seasonal variation.

Great decrease in the days worked

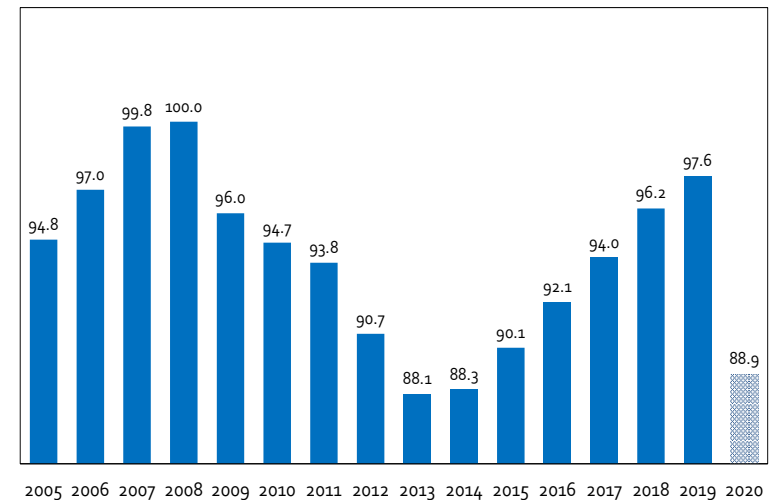
- The pandemic has affected the amount of hours worked, which fell significantly (-17.2% in the second quarter), but the employment rate didn't fell that much (-3.9%).
- The difference between both rates is explained by the use of ERTEs, which keep people linked to their companies, even if they do not carry out all or part of their working day.

Evolution of Jobs

Year-on-year variation rate



Employment in 2008 = 100

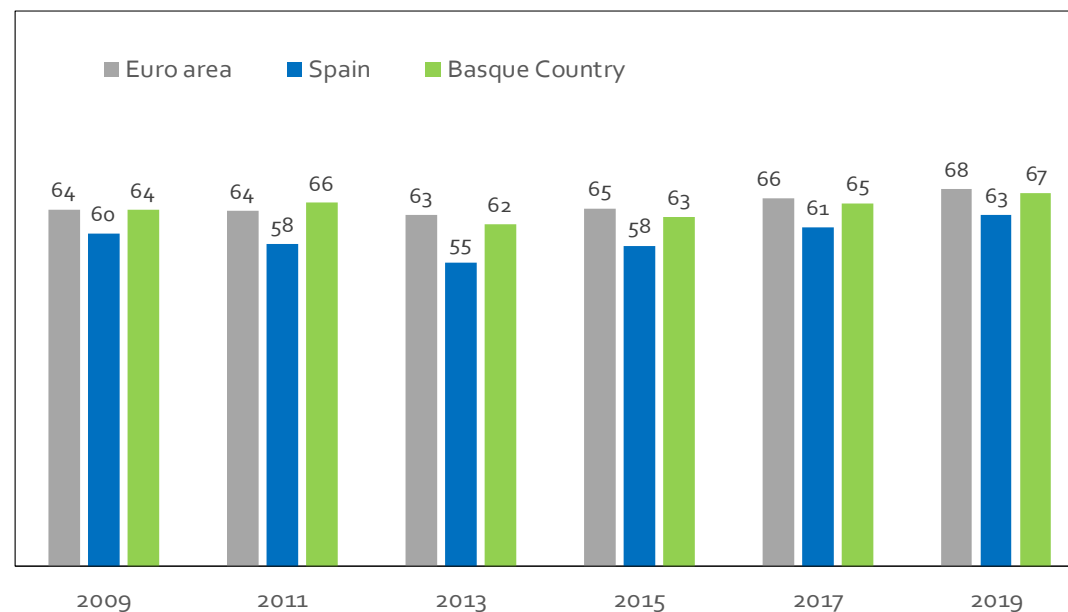


The 2019 data is advance and the 2020 data are forecasts.
Source: Prepared by the Economy and Planning Department with data from Eustat.

The employment rate is similar to the European

- The employment rate fell at the beginning of the previous crisis, going from 64% to 62%. This situation also occurred in the whole of the State and, to a lesser extent, in Europe.
- Since then, a recovery process has been followed and in 2019 the employment rate was already 67%, higher than that existing before the crisis.

Employment rate of the population aged 15 to 64



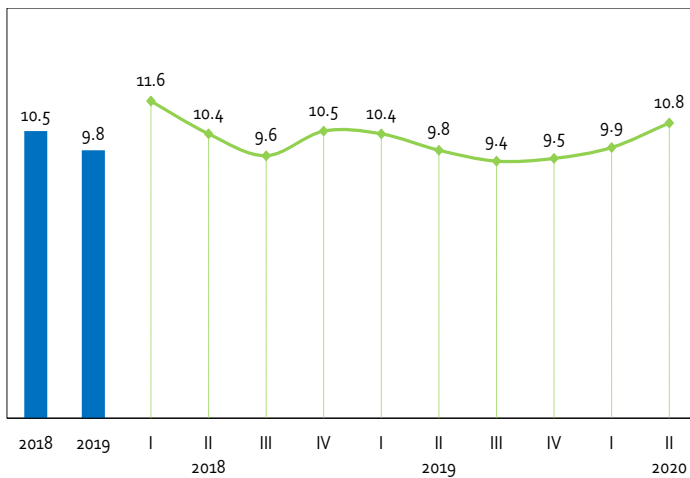
Source: Eurostat.

The unemployment rate does not reflect the employment situation

- The stoppage of activity has not been translated into a significant increase in unemployment, thanks to the implementation of the ERTE, which have retained the workforce in the companies.
- This situation can get worse if there are new outbreaks.

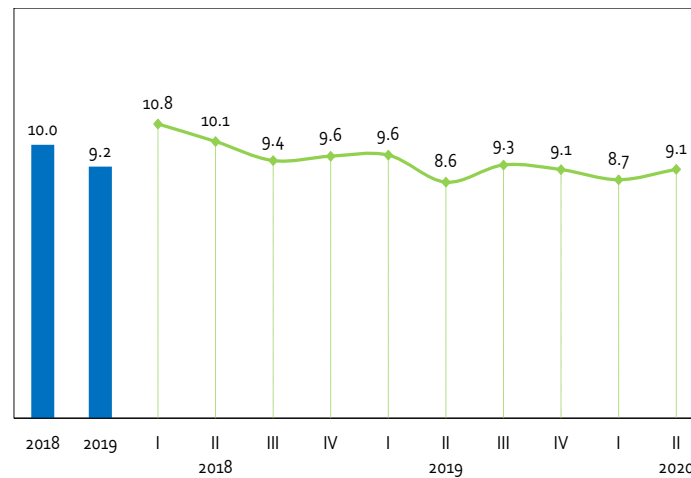
PRA (Eustat)

Year-on-year variation rate



EPA (INE)

Year-on-year variation rate

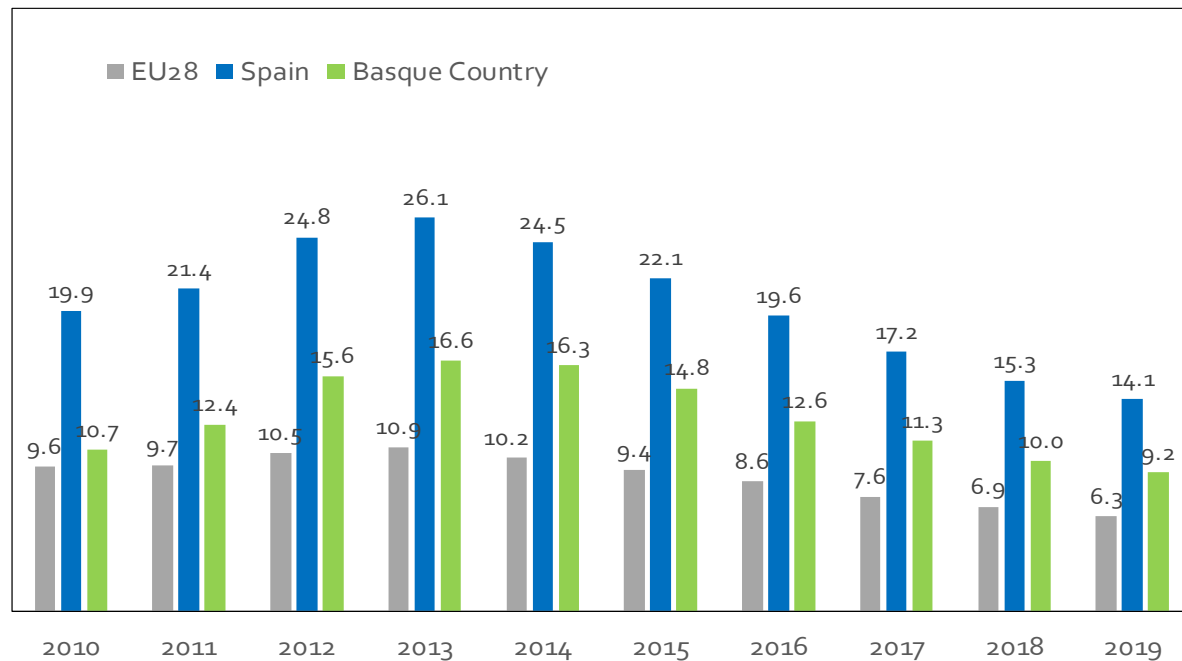


Source: Eustat and INE.

The unemployment rate rises due to the pandemic

- Comparison with the Spanish average indicates that the unemployment rate in Euskadi is below that of Spain.
- While waiting to see how the pandemic finally affects the labor market, the differential with respect to the European average has narrowed in recent years.

Unemployment rate (%)

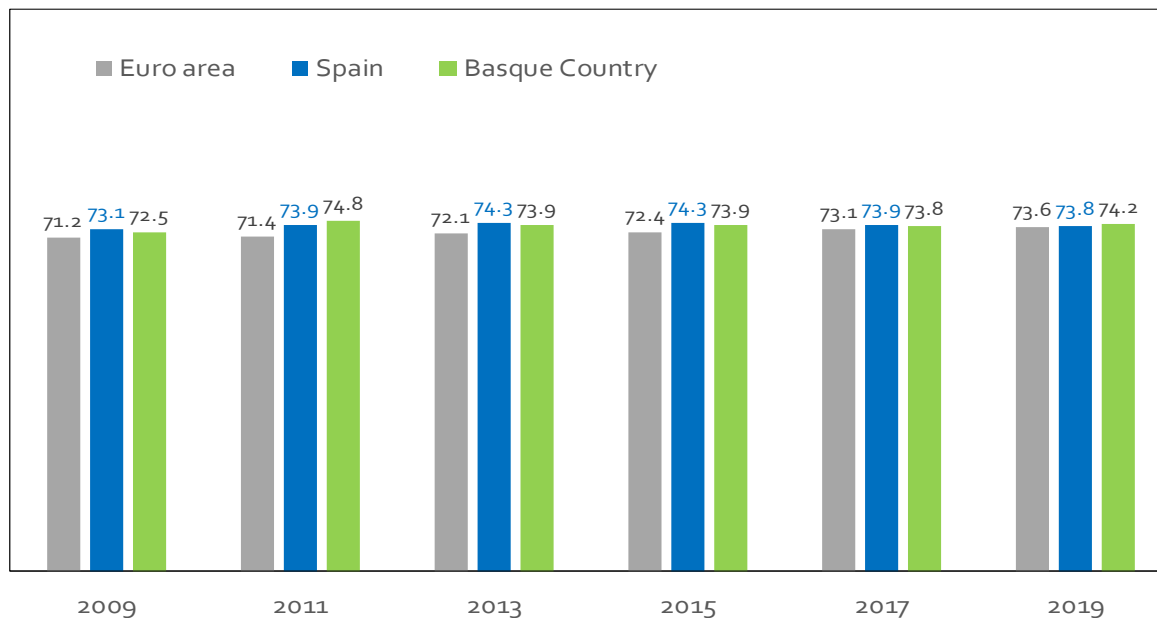


Source: Eurostat e INE.

Activity rate is similar to the Eurozone

- Participation in the labor market, measured through the activity rate, is similar to that in Europe. In other words, three out of four people between the ages of 15 and 64 want to work.

Activity rate of the population between the ages of 15 and 64

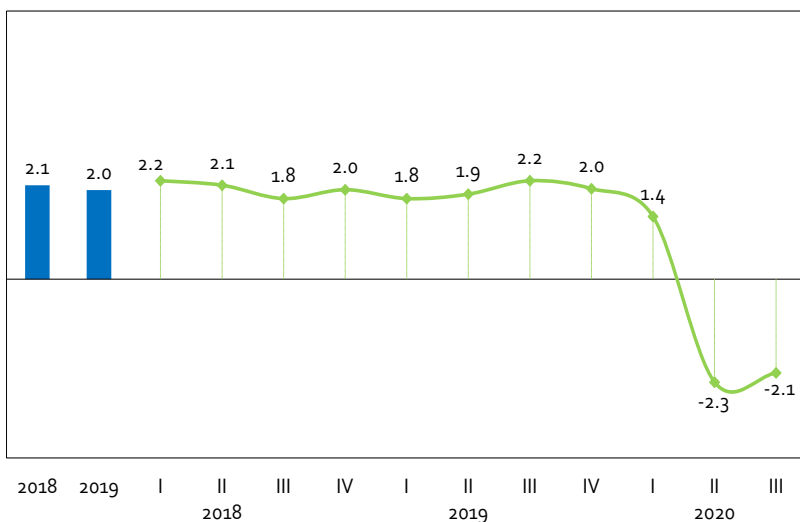


Source: Eurostat.

Important decrease in employment

- The pandemic has affected most branches of activity, which are losing affiliations. However, some of them are managing to increase their interannual rate, especially activities related to the public sector: health, education and public administration.

Total affiliation



Annual variation rates.
Source: Social Security
September 2020 branch data

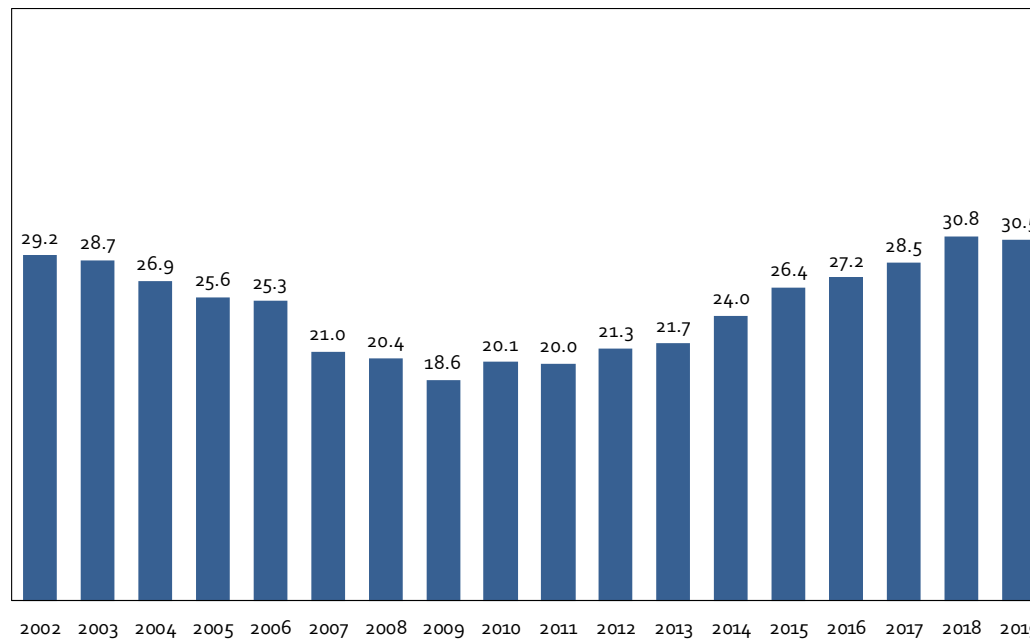
Branch Affiliation

CNAE – 2009 GRUPO	VARIATION (People)
Health and social services activities	3,059
Education	1,177
Agriculture, livestock, forestry and fisheries	687
Public Administration, Defense and S.S.	282
Water supply, waste	47
Real estate activities	38
Offshore agencies	0
Extractive Industries	-11
Information and communications	-98
Professional, scientific and technical activities	-154
Energy supply	-262
Construction	-326
Financial and insurance activities	-512
Transportation and storage	-521
Artistic, recreational and entertainment act	-744
Households p. domestic	-1,062
Other services	-1,103
Administrative act. and auxiliary services	-1,519
Commerce, vehicle repair	-2,851
Hostelry	-4,296
Manufacturing industries	-7,478
TOTAL	-15,647

The duality of the labor market is not corrected

- Although employment grows, no steps are being taken to correct the duality of the labor market. Specifically, the percentage of people with a temporary contract has been increasing in the period of recovery of the economy, until reaching record figures.
- Temporality affects both genders, but somewhat more women (32.9% vs. 28.1% in 2019).

Temporary employment rate

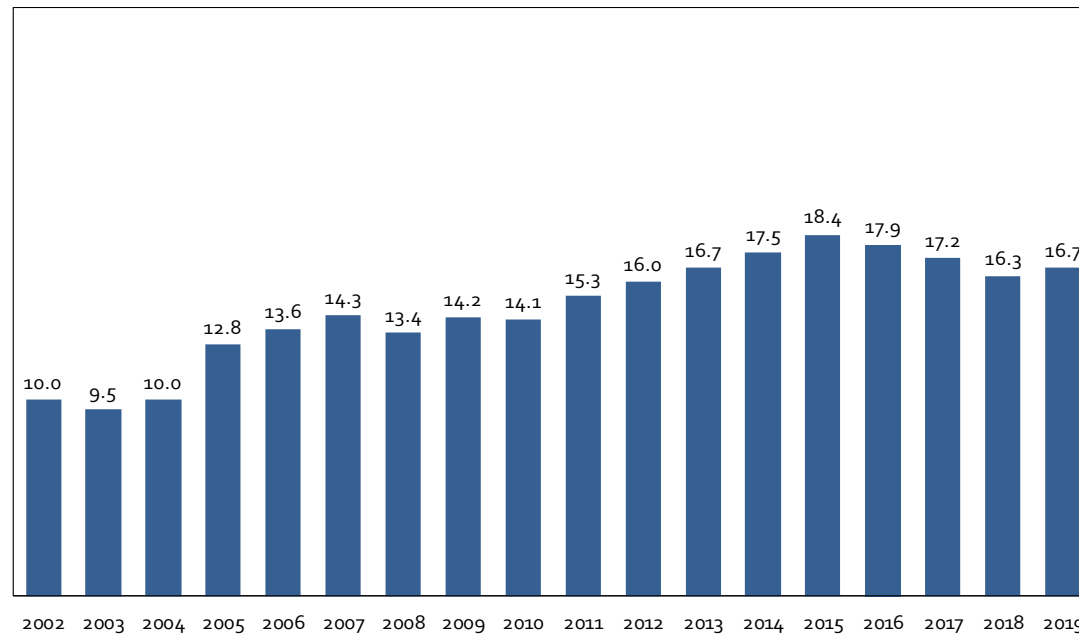


Source: Eustat.

Part-time employment is slightly reduced

- Unlike temporary employment, part-time employment has been declining in recent years, from the maximum of 2015 (18.4%) to 16.3% in 2018, to increase slightly in 2019 (16.7%).
- Part-time contracts affect women especially. In fact, only 7.0% of men have a part-time contract, compared to 27.2% of women.

Part-time employment rate



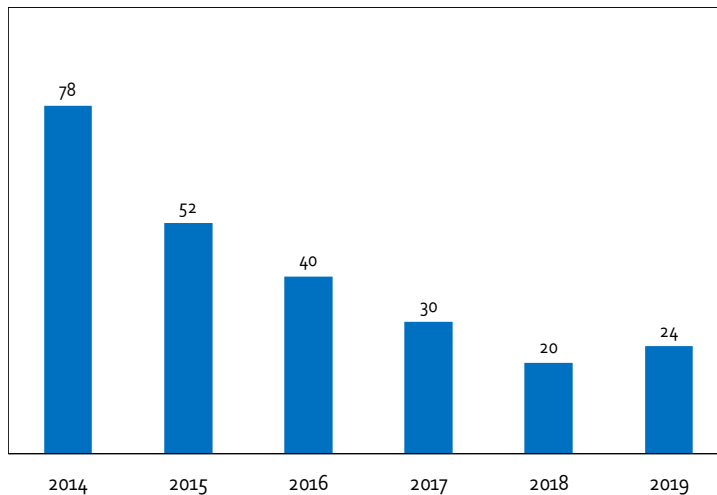
Source: INE.

Job opportunities slow down

- Since 2019 it began to be seen that the number of vacancies did not increase in relation to the total of unemployed people. In the case of Euskadi, the balance was higher than in 2019. In Spain it still improved a bit.
- In 2020, unemployment will rise and vacancies will be reduced, so this indicator will rise strongly.

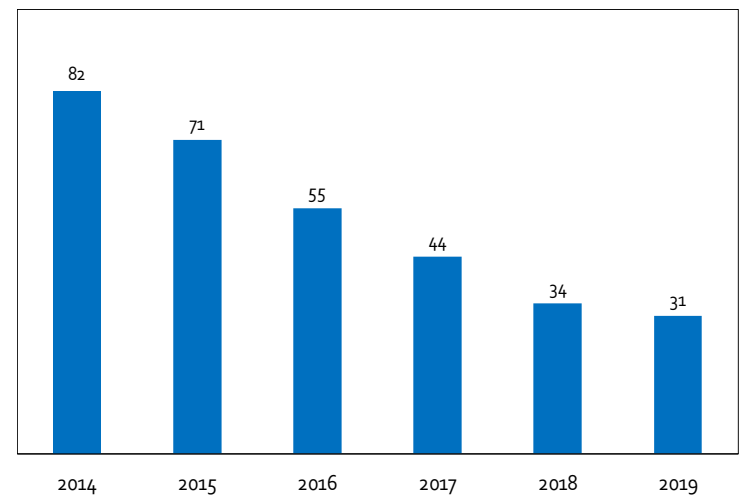
Basque Country

Unemployed people for each vacancy



Spain

Unemployed people for each vacancy

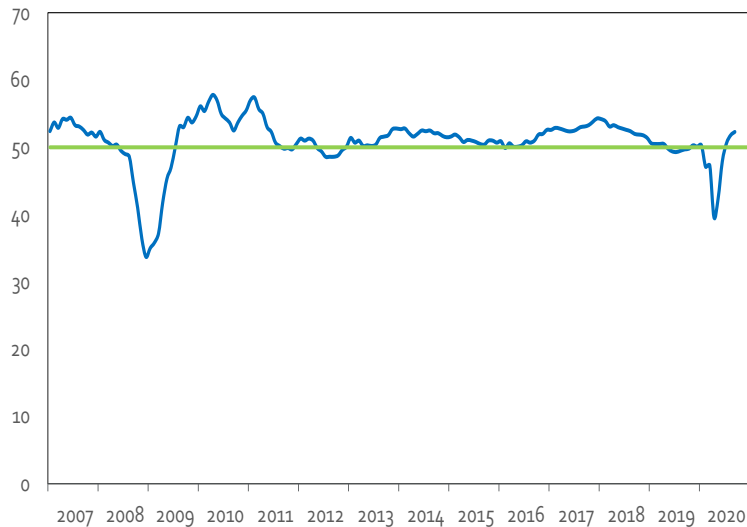


Source: Economy and Planning Department with data from Lanbide and INE.

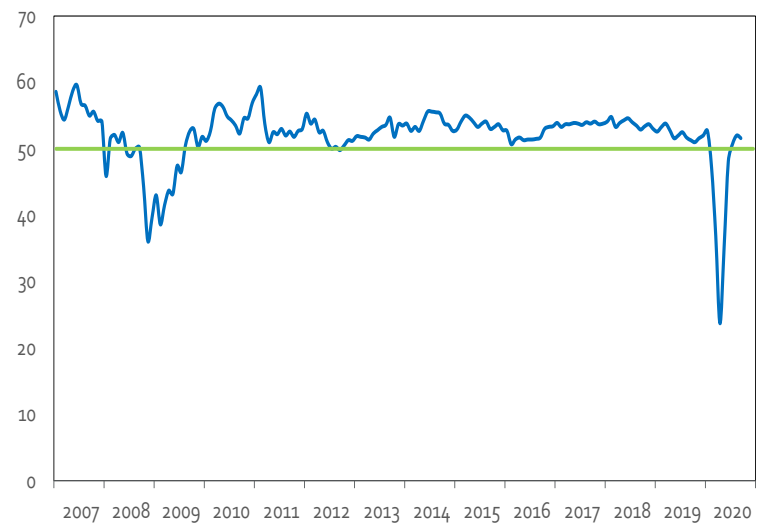
Signs of a recovery around the world

- The coronavirus crisis has had a notable impact on the two main sectors, but especially on services. The drop in manufacturing has been significant, but less than in 2008-2009.
- After the bad data in March and April, the indices have registered a significant improvement and are once again in the expansion zone.

Manufacturing PMI world economy



PMI services world economy

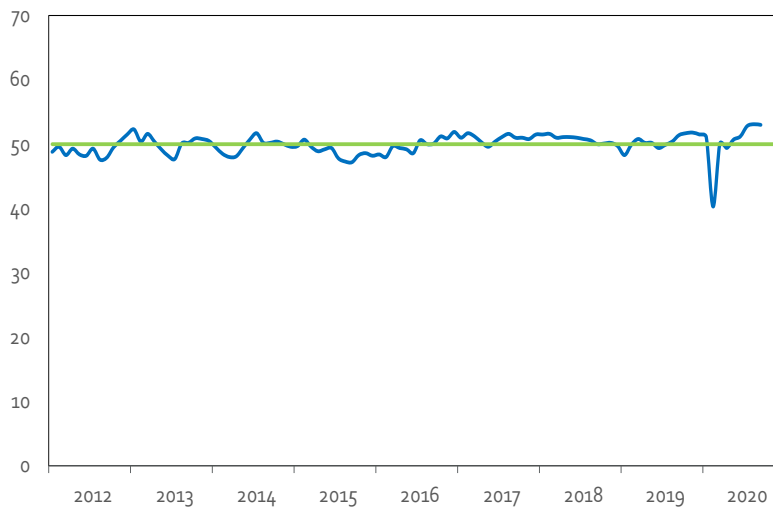


Source: Markit.

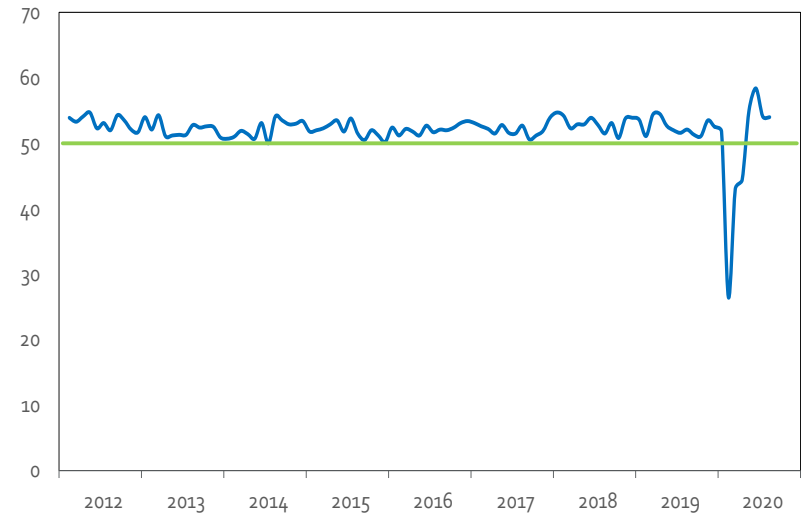
First signs of a recovery: China

- It is interesting to know the evolution of China, because it was the first important country to apply containment measures and subsequent escalation. It could indicate the path for the other economic areas.
- In September, both the manufacturing indicator (53.0) and that of services (54.0) had consolidated in the expansion zone, above the value 50.

Manufacturing PMI China



PMI services China

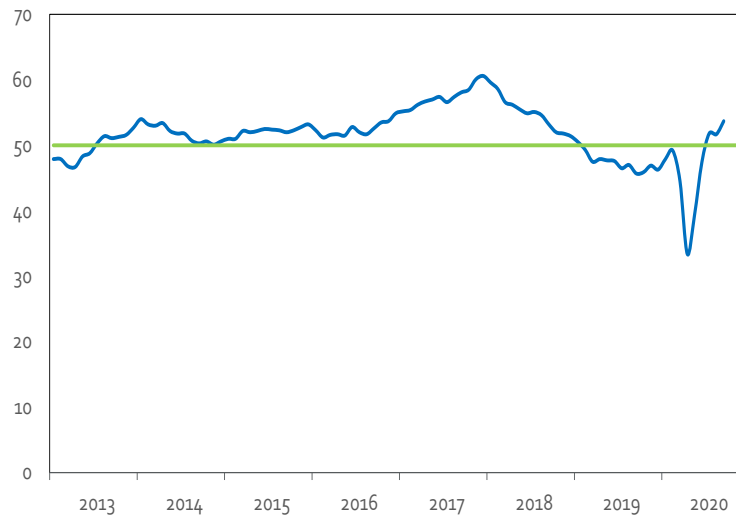


Source: Markit.

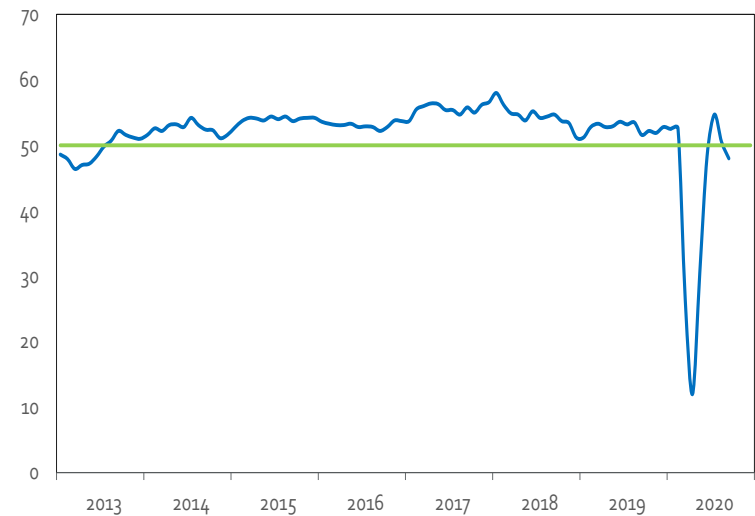
First signs of a recovery: Eurozone

- The European industry has experienced a very important fall between the months of February and April, but in recent months it has recovered and in September it was at 53.7.
- Services were more affected in the initial moment and, although the expansion zone recovered quickly, the second wave of infections has returned them to the negative zone.

Manufacturing PMI Eurozone



Services PMI Eurozone

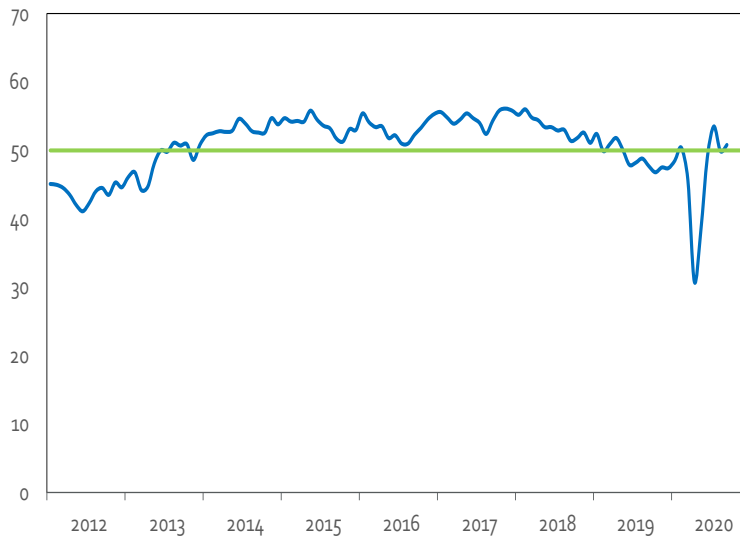


Fuente: Markit.

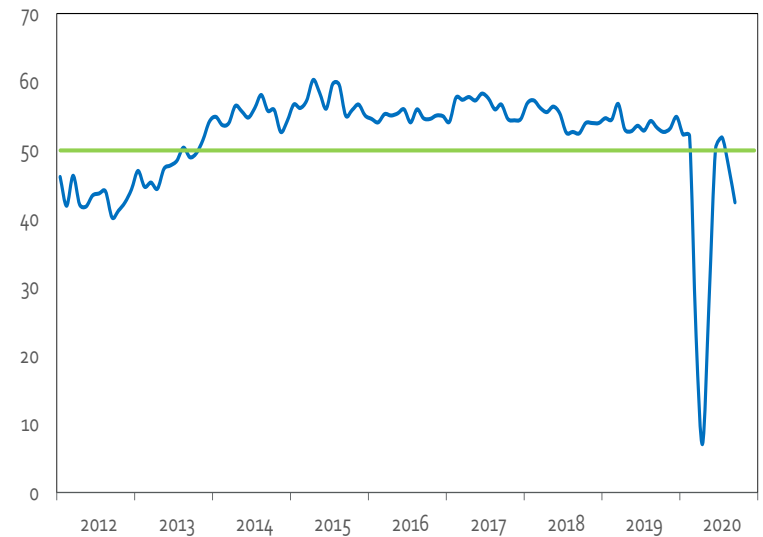
First signs of a recovery: Spain

- The case of Spain is similar to that of other European countries, although its composite index (44.3) is slightly worse than the average for the euro area (50.4).
- The greater weight of tourism and the closure of borders due to the second wave of infections explain the greater fall in the Spanish PMI.

Manufacturing PMI Spain



PMI services Spain

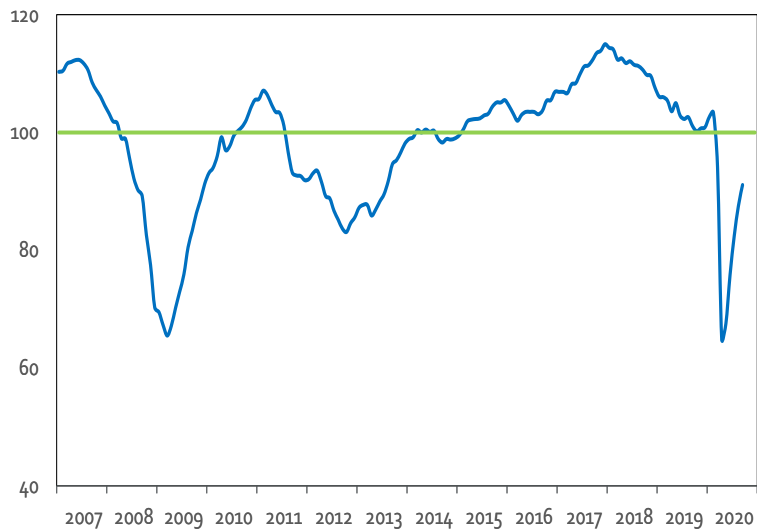


Source: Markit.

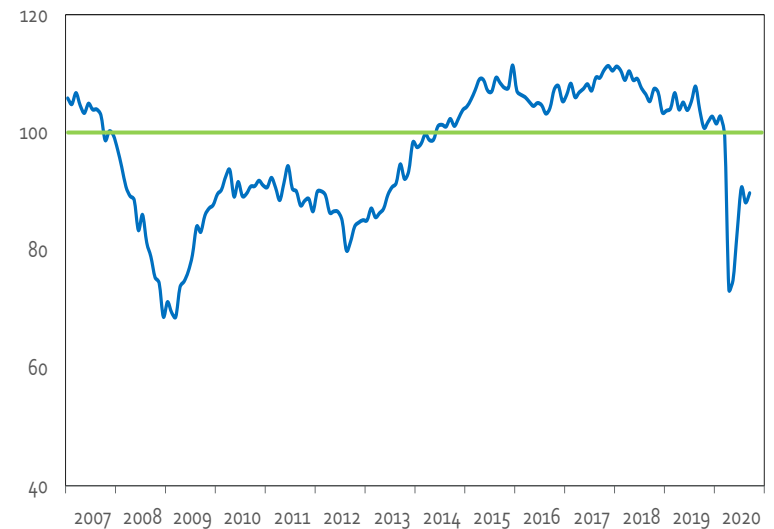
Signs of a recovery: economic sentiment

- Economic sentiment in Europe has now fallen as much as in 2008-2009. In the case of Spain, the decline has been somewhat lower than at that time.
- Also in this indicator, which includes economic sectors, consumer confidence and retail trade, an improvement can be seen in the latest data, although in Spain it has slowed.

Economic sentiment Eurozone



Economic sentiment Spain

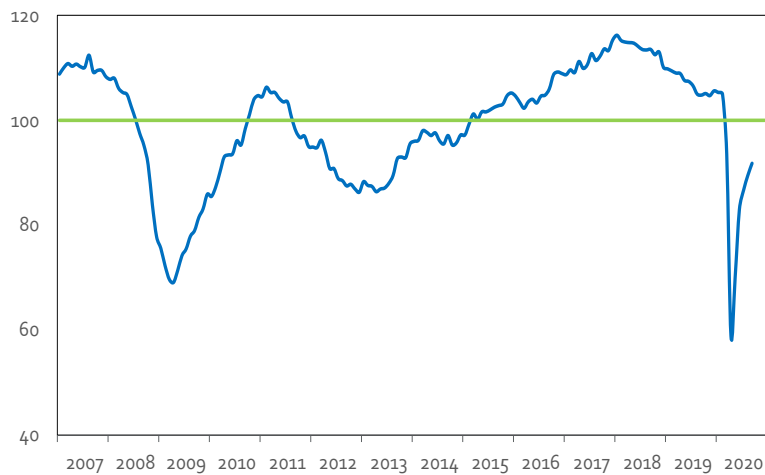


Source: European Commission.

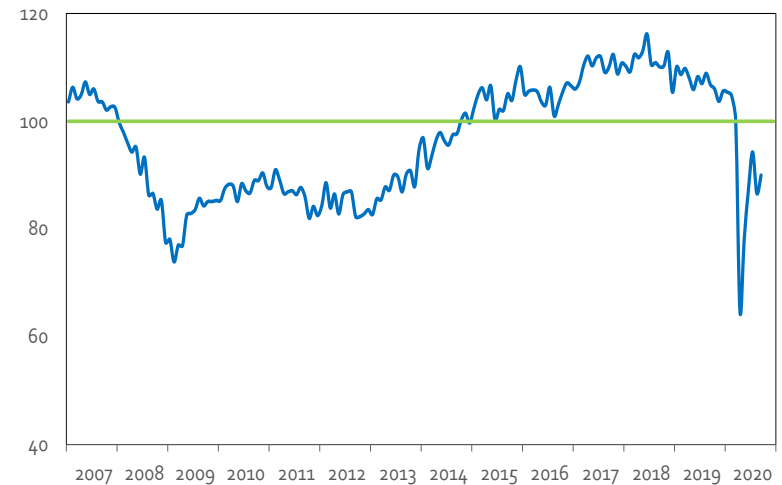
Signs of a recovery: job expectations

- Employment tends to be late in responding to GDP developments. However, this indicator suggests that expectations are recovering before economic sentiment. However, there is still a long way to go before a normal situation is returned.
- Regarding employment, there is less optimism in Spain than in the euro area.

Eurozone employment expectations



Employment expectations Spain

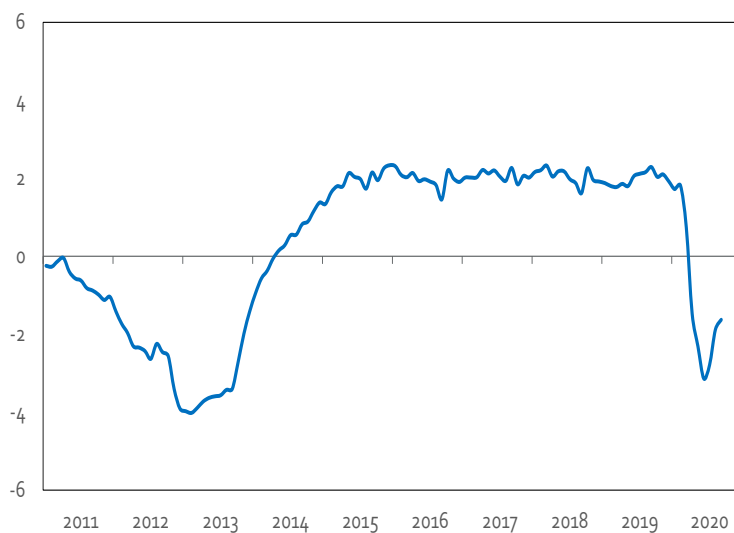


Source: European Commission.

Recovery in the Basque Country: affiliation to Social Security

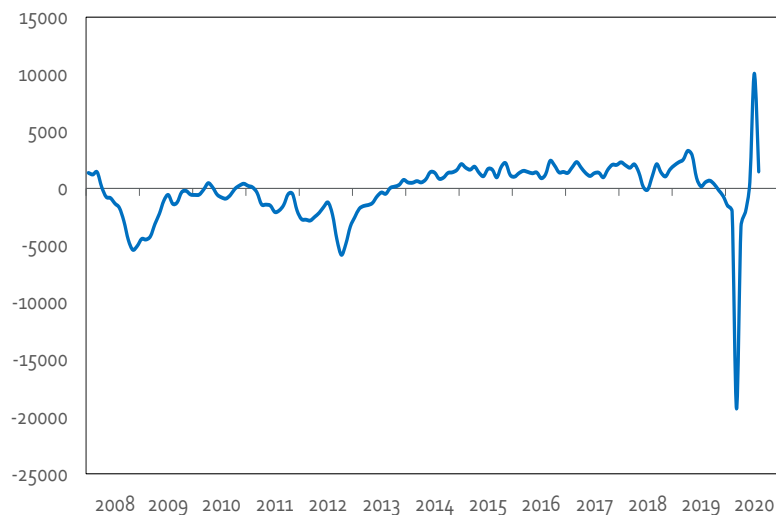
- After five years increasing employment at an average rate of 2%, the year-on-year decline in recent months has been very intense. In June it reached -3.1%, but in September it eased to -1.6%.
- In the number of affiliations, after the strong monthly decrease in April (-18,400 affiliations), a small increase has been achieved in recent months.

Evolution of membership rate interannual



Source: Social Security.

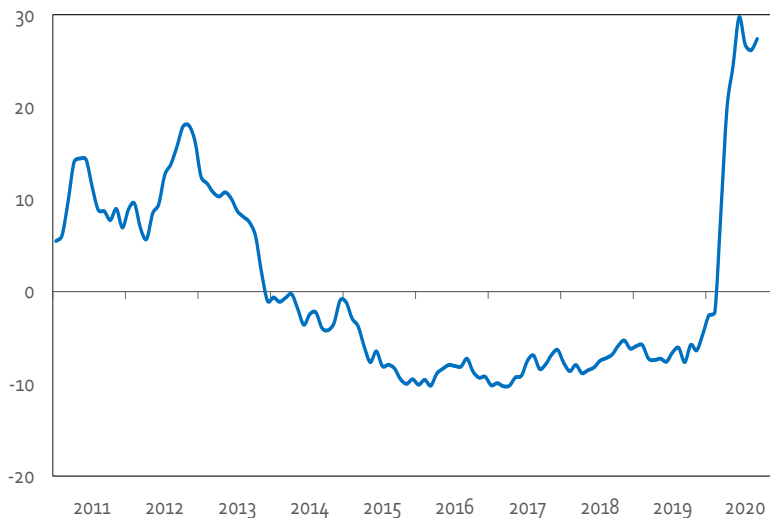
Evolution of membership monthly variation



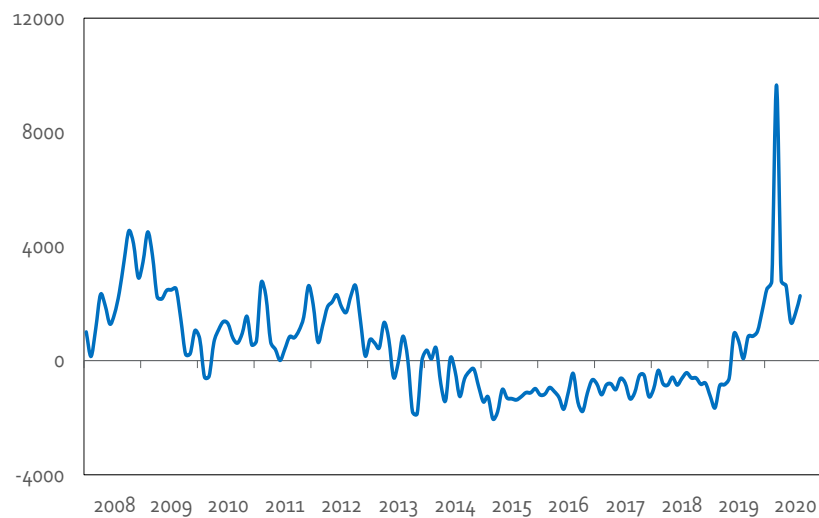
Recovery in Basque Country: registered unemployment

- Similarly, registered unemployment has seen a very intense increase in a short period of time, from March onwards. The interannual of the last five months exceeds 24.0%.
- After the sharp rise in March and April (more than 10,000 people each month), in recent months the increase in registered unemployment has been significantly lower.

Evolution of registered unemployment interannual rate



Evolution of registered unemployment monthly variation

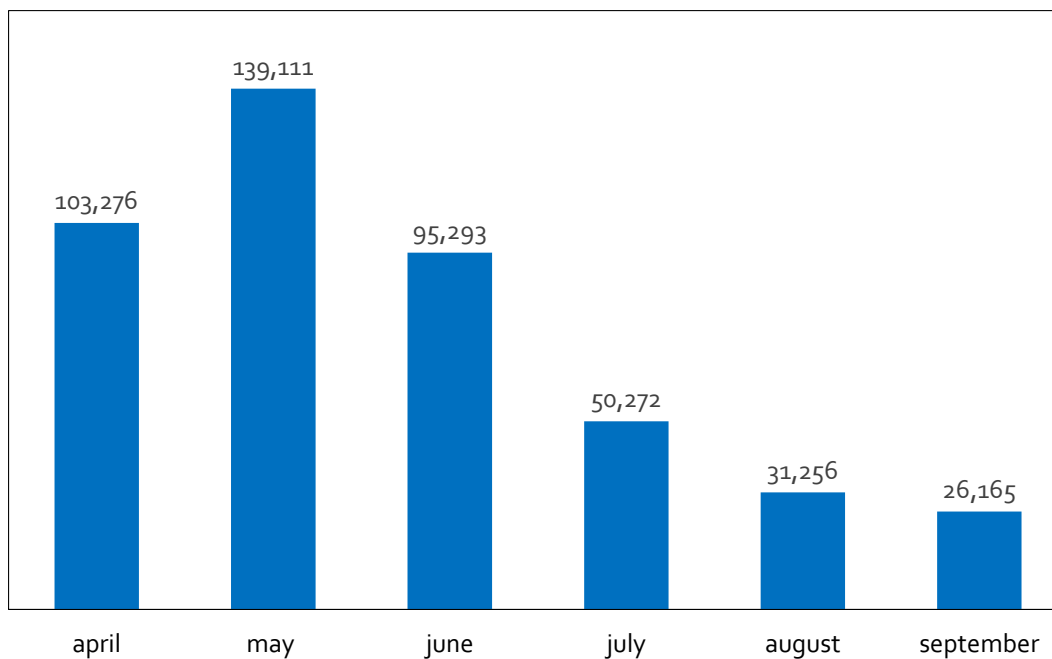


Source: Social Security.

Recovery in the Basque Country: ERTE

- The use of temporary employment regulation files (ERTE) has been massive. Slightly more than 200,000 people have been in an ERTE at some point, of which more than 80% have already returned to work.
- The highest point was in mid-May and the number has subsequently been reduced.

Evolution of people in ERTE situation

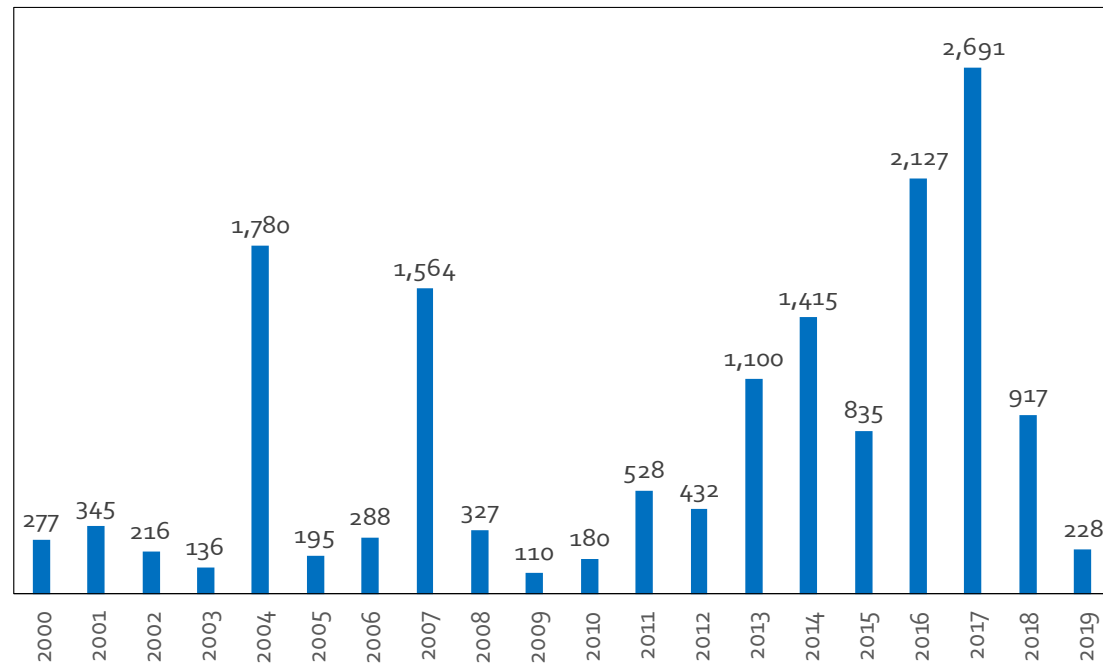


Source: Lanbide.

Foreign investment in Basque Country

- Foreign investment responds to specific opportunities, which is why it fluctuates a lot from one year to another. However, in recent years there have been some of the highest numbers of inflows of funds registered so far this century. But it was not the case in 2019.

Gross Investment Flows (millions of euros) No ETVE

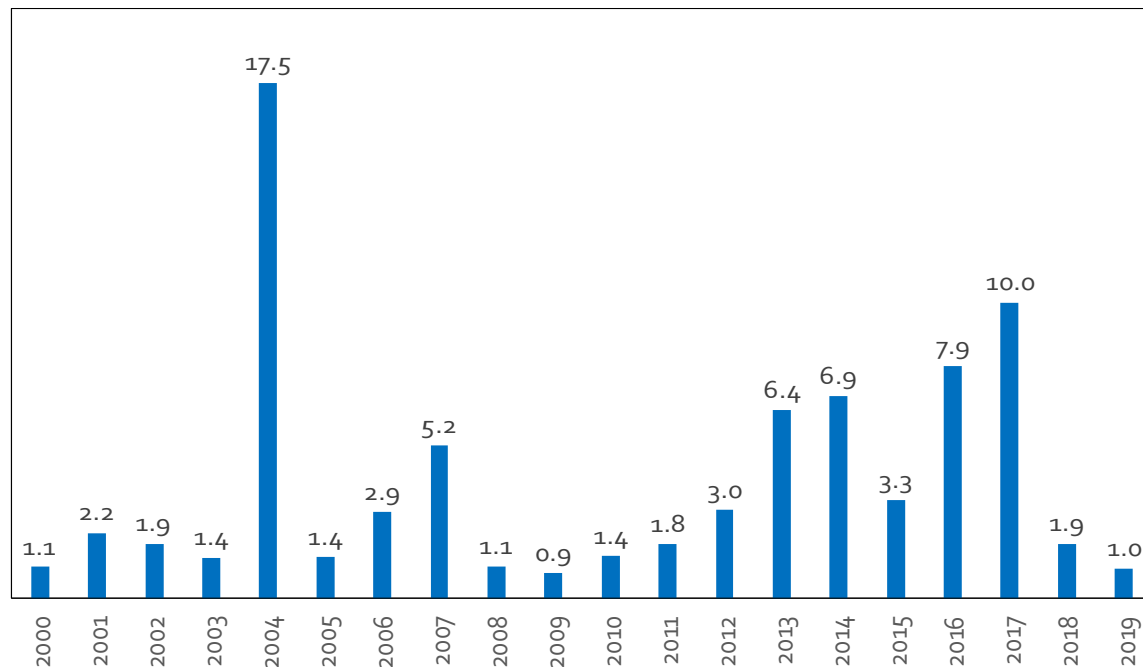


Source: Mineco Datainvest
ETVE: Foreign securities holding companies.

Foreign investment in Basque Country

- The percentage of foreign investment received by the Basque Country has been higher than its contribution to Spanish GDP in several of the last few years, but it has decreased in 2018 and 2019.

Gross Investment Flows (% total State) No ETVE

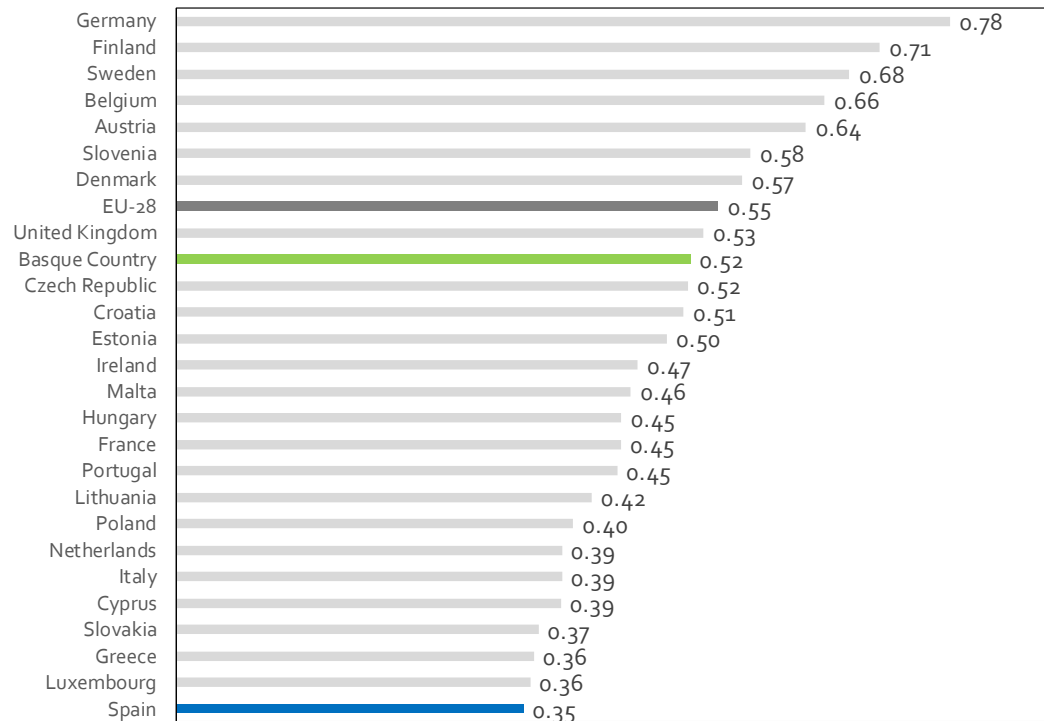


Source: Mineco Datainvest
ETVE: Foreign securities holding companies.

High business investment

- Business investment in Basque Country is close to that made in the whole of the European Union and, although far from the leading countries, it is superior to that of most of the economies of the Union.

Business investment. Composite index



Data referring to 2018.

Source: Eustat. European panel of innovation indicators-EIS 2019

Risks for the Economy in 2020

- The **coronavirus** and its impact on the world economy. It is by far the biggest threat.
- **Presidential elections in the United States.** A Trump victory may bring more episodes of uncertainty and protectionism.
- The **trade war**, especially between the United States and China. It seems on track, but the deal is fragile. Furthermore, there are more threats against Europe.
- Negotiations on **Brexit**. The differences are important and herald a 'hard' exit.
- **Geopolitical tensions** with Iran, between Turkey and Syria, Libya, etc.
- Difficulties in the **automotive industry** after the fall in sales in 2019.
- Risk in the **technology sector**. War for technological supremacy. In addition, the large companies in the sector are beginning to be less valued and a bubble could burst.

World Economy Forecasts

- According to the IMF, a 4.9% drop in world growth is expected in 2020, which will affect most countries. China (1.0%) is one of the exceptions, but its advance will be far from normal.
- Next year, growth will be 5.4% overall, but the countries will not make up for what they lost.
- Europe will need several years to return to the situation of 2019.

World Economy Forecasts

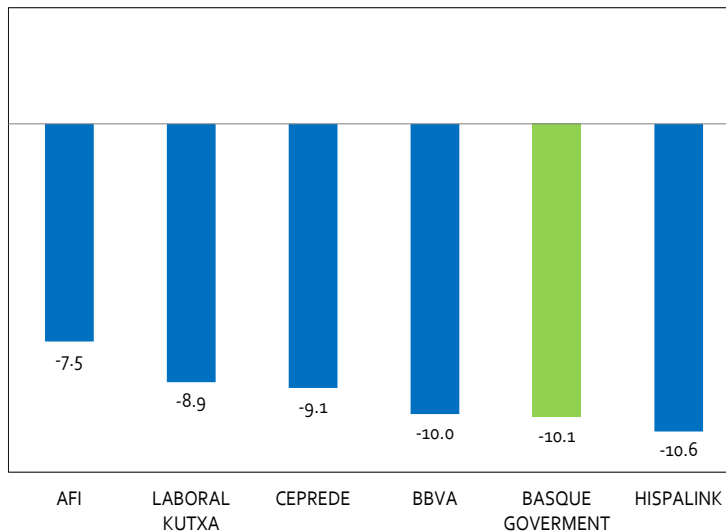
	Annual variation rates		
	2019	2020	2021
World Economy	2.9	-4.9	5.4
United States	2.3	-8.0	4.5
Japan	0.7	-5.8	2.4
Mexico	-0.3	-10.5	3.3
United Kingdom	1.4	-10.2	6.3
Eurozone	1.3	-10.2	6.0
Germany	0.6	-7.8	5.4
France	1.5	-12.5	7.3
Italy	0.3	-12.8	6.3
China	6.1	1.0	8.2
India	4.2	-4.5	6.0
Russia	1.3	-6.6	4.1
Brazil	1.1	-9.1	3.6

Source: IMF. June 2020

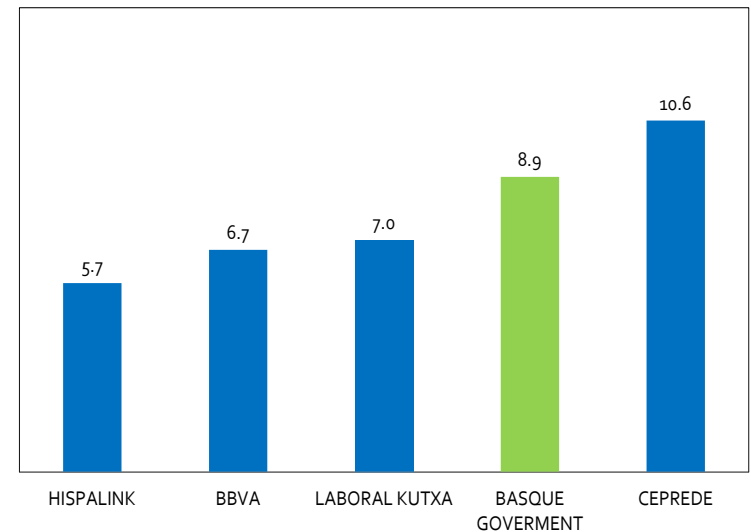
Basque Economy Forecasts

- The forecast of the Directorate of Economy and Planning is, at the moment, one of the most pessimistic of those that have been presented, estimating the fall at 10.1%.
- The rest of known forecasts is between -7.5% and -10.6% of average annual decrease.
- The recovery will be intense in 2021, according to all forecasts.

2020e GDP Forecast



2021f GDP Forecast



Source: Economy and Planning Department , CEPREDE , BBVA, AFI, Laboral kutxa and Hispalink .

Basque Government Forecasts: Demand Perspective

- The largest drop in year-on-year terms is expected to occur in the second quarter of this year, when activity has been most affected. From there, the declines will soften, but positive variation rates will not be reached until the first quarter of 2021.
- The foreign balance will subtract a few tenths from growth this year.

Evolution of the GDP on the demand side

Annual variation rates

	2020		2020	2021				2021
	III	IV		I	II	III	IV	
GDP (p.m.)	-11.9	-5.8	-10.1	0.6	21.6	11.4	4.3	8.9
Household Final Consumption	-8.9	-4.3	-7.9	0.6	17.5	8.8	3.8	7.4
Household Consumption Spending	-12.0	-6.1	-10.8	0.3	22.6	10.8	4.2	8.9
Consumption Expense of AA. PP.	2.9	2.5	3.1	1.0	1.6	1.5	1.7	1.5
Gross Capital Formation	-14.5	-6.0	-11.7	0.0	24.9	12.9	2.8	9.3
Contribution of Domestic Demand	-10.9	-5.0	-9.3	0.5	20.3	10.4	3.8	8.2
Contribution of the External Balance	-1.0	-0.8	-0.8	0.1	1.3	1.0	0.5	0.7

Source: Economy and Planning Department (September 2020).

Basque Government Forecasts: Supply Perspective

- Taking into account how the de-escalation has a greater drop in added value taken place, services sector is expected to register a drop in added value greater than the other sectors, weighed down by hospitality and retail sector.
- Construction and industry will also have a deeply negative evolution this year.

Evolution of the GDP on the Supply Side

Annual variation rates

	2020		2020	2021				2021
	III	IV		I	II	III	IV	
GDP (p.m.)	-11.9	-5.8	-10.1	0.6	21.6	11.4	4.3	8.9
Primary sector	-7.7	-8.5	-4.8	1.6	11.8	8.8	10.3	8.0
Industry	-16.9	-8.7	-14.0	-2.1	28.9	14.9	4.9	10.5
Construction	-10.1	-7.5	-9.6	0.5	19.3	8.1	6.3	8.2
Services	-10.4	-5.1	-9.0	1.0	19.9	10.5	4.3	8.5
Gross Value Added	-11.9	-6.2	-10.2	0.3	21.8	11.4	4.6	8.9
Net taxes on products	-11.5	-2.4	-9.4	3.3	20.2	11.8	1.7	8.8

Source: Economy and Planning Direction (September 2020).

Basque Government Forecasts: Job Market

- The loss of employment will be significant in 2020. It is expected that it could reach 8.9%, that is, the equivalent of 86,600 full-time jobs, although people who actually lose their jobs will be much less (some 30,000) thanks to the use of ERTE.
- The unemployment rate could reach 12.0% in the second half of 2020, but afterwards is expected to ease to 10.1% by the end of next year.

Evolution of employment and unemployment rate

	Annual variation rates							
	2020		2020	2021				2021
	III	IV		I	II	III	IV	
Employment	-9.2	-6.3	-8.9	-1.1	18.2	8.6	5.9	7.9
Busy Persons (PRA)	-5.5	-4.0	-3.2	-3.0	2.4	3.8	3.6	1.7
Unemployment rate	12.1	12.0	11.2	11.8	10.5	10.5	10.1	10.7

Source: Economy and Planning Department (September 2020).

Conclusions

- **The global economy has been hit hard by the COVID-19 pandemic.** The IMF expects global GDP to decline 4.9% this year, to post a 2021 increase of 5.4%.
- The euro area will register a decline of 10.2% this year and will grow 6.0% in 2021. At the present time, **there are several economic indicators that point to a smooth recovery** in this economic area.
- **In this environment, the forecast for 2020 for the Basque economy is for a GDP drop of 10.1%.** The decline will focus on domestic demand and will affect both consumption and investment. On the supply side, industry and private services will register the worst data.
- **In 2021, there will be a rebound effect and the Basque GDP will grow by an outstanding 8.9%,** which will not be enough to return to the level of 2019.
- **Employment will be reduced this year by 8.9%** in full-time equivalent jobs, although the number of people who will lose their jobs will be much lower, thanks to the use of ERTes, which keep people linked to companies.
- **The unemployment rate will rise in 2020 to 11.2%,** with a peak in the third quarter of 12.1%. Next year the rate will be reduced very slowly and the year will end at around 10.1%.

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1. Features of the Basque economy
2. Current situation of the economy and forecasts
- 3. Sustainability mandate**
4. Financing system, budget, deficit and debt

The Basque Government Sustainability mandate (1)

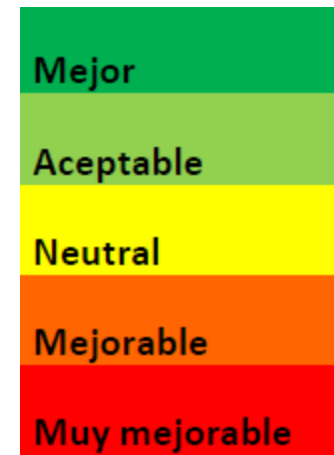
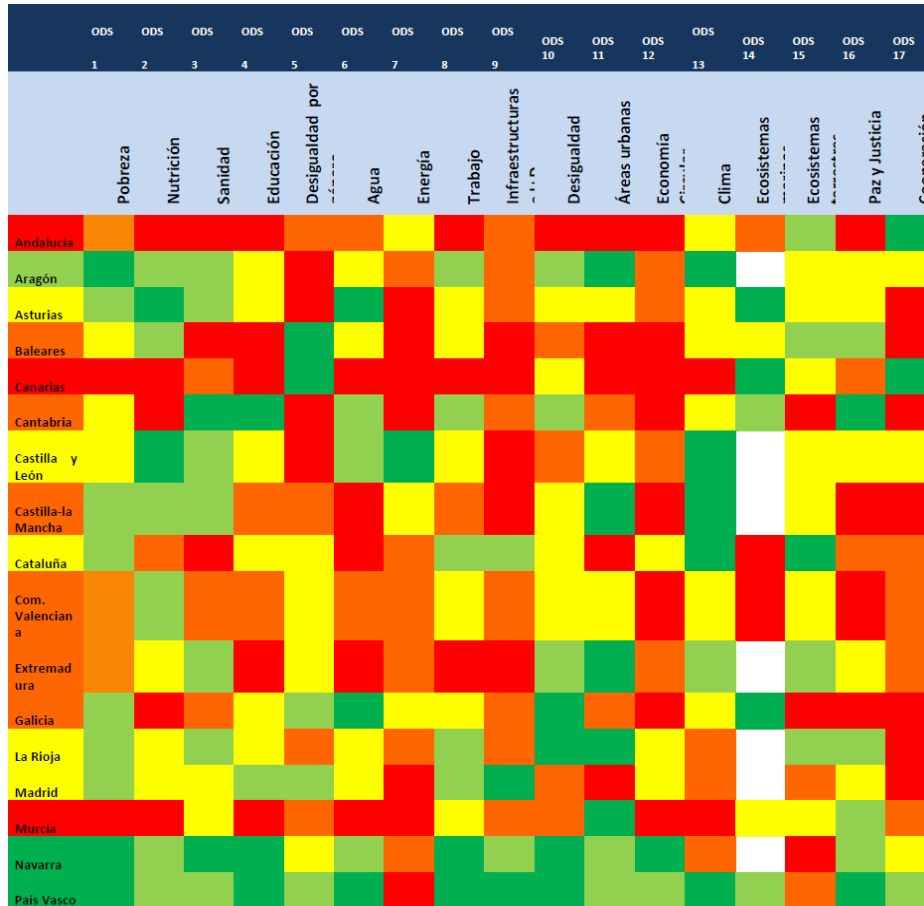
- The Agenda Euskadi Basque Country 2030, drawn up by the Basque Government, reflects the degree of alignment and contribution of the Government Programme to the 17 Sustainable Development Goals and 100 targets of the UN 2030 Agenda for Sustainable Development (Agenda 2030).
- We see Agenda 2030 as an opportunity for the Basque Country because it is fully in step with our priorities: human development guaranteeing essential services, and sustainable growth generating job opportunities with higher levels of quality. This is the Basque model of growth and social welfare, now strengthened by presentation of the Agenda Euskadi Basque Country 2030.
- This Agenda Euskadi Basque Country 2030 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. It is the First Agenda Euskadi Basque Country 2030 for the period 2016-2020.
- 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 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 the achievement of the Sustainable Development Goals.

Sustainability mandate of the Basque Government (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	

Beyond the GDP: Sustainability indicators of the Spanish Autonomous Communities

- The Basque Country is the leading Spanish Autonomous Community with respect to fulfilment of the UN Sustainable Development Goals



Source: Observatorio de la Sostenibilidad 2019

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 edition). 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 programmes 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.

Sustainability bond framework at a glance (II)








SECOND SUSTAINABILITY BOND TO BE ISSUED IN 2020:

- The health alarm generated by the Covid-19 pandemic in Euskadi and globally (at regional level and global level) has shown the need to adopt extraordinary and urgent measures that can help stop the spread of the virus in our region. Besides, these measures are needed in order to alleviate the negative effects of the pandemic on Basque citizens and families, especially the most vulnerable groups, and to mitigate the financial collapse of the treasury departments of Basque's SMEs, micro-enterprises, self-employed, and local businesses.
- The financing system of the Basque Country, although having full capacity to manage and to collect practically all taxes, will be significantly affected in its budget by a reduction in taxes's revenues as a consequence of the decline in economic activity derived from the Covid-19 virus pandemic.
- Therefore, the decline in tax collection and the assumption of extraordinary expenses caused by the Covid-19 pandemic, makes us expand the range of eligible projects for our forthcoming sustainable bonds. The sustainability bond committee has been working to identify additional eligible projects to those already shown for the first sustainability bond issued in April. In this sense, and given the extraordinary situation in which some economic sectors are affected by the pandemic, we have identified and included extraordinarily the expenses of health and education personnel (budgetary items that had not been included in sustainable bonds issued so far), while also having identified new social projects which had not been included in the analysis that the committee made in April of this year.

Sustainability bond framework: use of proceeds (1)

Eligible Categories	Use of Proceeds	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	<p>Education: proceeds of the bond will be allocated to support public educational programmes for young people between the ages of 14 and 25 years and to supporting the successful integration of disadvantaged groups to the education system. Disadvantaged groups refer to young people in a situation of greater vulnerability due to not having completed their Compulsory Secondary Education (ESO). Given the exceptional circumstances, the bond proceeds will be allocated to hiring backup staff and to the refurbishment of schools to better address the effects of the Covid-19 pandemic.</p> <p>Healthcare: proceeds of the bond will be allocated to projects aimed to guarantee universal access to quality public healthcare for the citizens of the Basque Country (including, but not limited to, vulnerable groups). Given the exceptional circumstances, parts of the bond proceeds will be allocated to hiring backup staff and to the refurbishment of hospital and nursing home facilities, as well as additional expenditures in medical equipment to better address the effects of the Covid-19 pandemic.</p>	
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 generation of employment in the different economic sectors and to finance programmes supporting unemployed people in education and training, in order to reduce the unemployment rate to below 10% by the end of the term and support SMEs to mitigate the liquidity shortfalls generated by the Covid-19 pandemic, with the purpose of keeping the unemployment rate below 10% at the end of the period.	

Sustainability bond framework: use of proceeds (2)

Eligible Categories	Use of Proceeds	SDG
Renewable Energy	Proceeds of the bond will be allocated to projects and programmes 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.	
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 programmes supporting the protection and improvement of the ecological state of water masses; projects and programmes 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 programmes 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, etc.	

Sustainability Bond Framework: Process for Project Evaluation and selection & Management of Proceeds

Process for Project Evaluation and Selection

- The process to select and to evaluate potential eligible projects and programmes 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. In October 2020 a new member joins as representative of the IHOBE (publicly-owned company supporting environmental policy and the spreading of the sustainability culture in the Basque Autonomous Community).
- 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 → 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 Covid-19 pandemic will consume a significant portion of the proceeds of this second Sustainable Bond Issuance in 2020.
- The proceeds from the Sustainability bond issuance will be directly allocated to the eligible projects on their settlement. If 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 Bond Framework: Reporting

Allocation Reporting

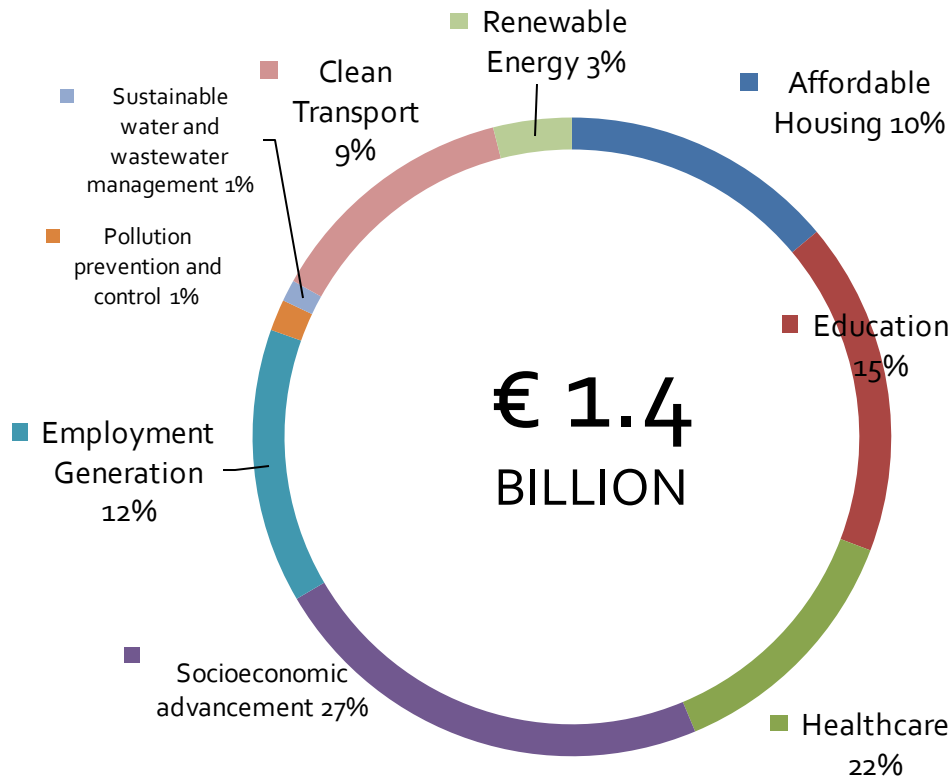
- The Basque Government is **committed to annually reporting** on the allocation of the bond's proceeds, including the total amount allocated and per eligibility category until the proceeds have been fully allocated
- Allocation reporting will be available to investors **within one year from the date 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 programmes and the total of each eligibility category. The allocation reporting will be made available on the Basque Government's website .

Impact Reporting

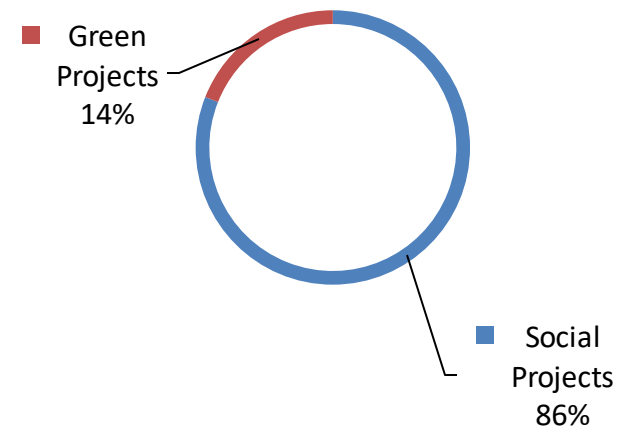
- Impact **indicators** are developed for each eligibility category
- The Basque Government will provide a dedicated Sustainability Bond impact report for investors within one year from the issuance date and annually until the bond proceeds have been fully allocated, with estimates of the main **environmental 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, number of beneficiaries (people and companies), among others.
- Some case studies of projects may be provided to illustrate the positive impact

Selected Eligible Assets for 2020 Sustainability Bonds

By Project



By Project Category



Eligible Assets 2020: Social Projects (1)

Affordable housing	140,000,000	Socio-economic advancement	370,000,000
Financing of supplementary housing benefit (PCV) and housing benefit (PEV)	68,000,000	Financing of social emergency assistance programs	27,500,000
Financing of Bizigune program	30,000,000	Increase of Financing of social emergency assistance programs. COVID-19	16,000,000
Building of homes to rent	12,000,000	Financing of family support benefits	40,000,000
Aid to refurbish and/or renovate homes and buildings	22,500,000	Financing of income security allowance	157,500,000
Gaztelagun program	7,500,000	Increase of income security allowance COVID-19	100,000,000
		New COVID-19 exclusion scope fund	10,000,000
		Autonomous aid and individual entrepreneurs. COVID	19,000,000
Education	213,500,000	Job creation	164,000,000
Building and equipping nurseries and primary schools	31,000,000	Local employment support and development projects – county employment plans	37,500,000
Building and equipping secondary and vocational training schools	41,000,000	Financing of labour market integration – career guidance for disadvantaged collectives, qualified young people	8,000,000
Refurbishment of schools. COVID-19	15,000,000	Financing of Lehen aukera program	3,000,000
Financing of contract-program and investment University of the Basque Country	14,000,000	Financing of programs to promote employment – jobs supporting people with disabilities, recruitment of over-35s, special job centres	55,000,000
Backup staff. COVID-19	25,000,000	Financing of training programs – sandwich courses for young people, training for unemployed people	35,500,000
Non-university scholarships	57,000,000		
Non-university scholarships increase	4,000,000	Financing liquidity SMEs and individual entrepreneurs COVID-19	25,000,000
University scholarships	26,500,000		

Eligible Assets 2020: Social Projects (2)

Health	300,000,000
Financing hospital and non-hospital pharmacy expenses	75,000,000
Additional expenditures of pharmacy expenses	5,000,000
Healthcare investments – expansion of existing hospitals, health centres, equipment	55,000,000
Backup staff. COVID-19	50,000,000
Medical devices. COVID-19	85,000,000
Refurbishment of hospitals and health centers	30,000,000

SUMMARY SOCIAL PROJECTS

Affordable housing	140,000,000
Socio-economic advancement	370,000,000
Education	213,500,000
Job creation	164,000,000
Health	300,000,000
TOTAL SOCIAL€	1,187,500,000

Eligible Assets 2020: Green Projects

Clean transport	127,000,000	
Supply of new trams	7,000,000	
Construction of new infrastructure – doubling tracks, new trams in Vitoria-Gasteiz, Donostia-San Sebastian train line [popularly known as “Topo”]	70,000,000	Financing investment in ETS [Basque train network]
Financing railway operators	50,000,000	Financing 30 m of running costs in ETS and 20 in contributions to the CTB [Biscay transport consortium]
Pollution control and prevention		
Sustainable management of water and waste water		
Conservation of terrestrial and aquatic biodiversity		Financed by the 4421, 5121 and 7311 programmes, for a total of 42 m
Energy efficiency		
Climate change adaptation		
Renewable energy		

	<i>Budget programmes</i>	Total	Elegible
4421	Environmental protection	24,493,894	18,000,000
5121	Hydraulic administration and planning	17,040,748	13,000,000
5131	Rail transport management and infrastructure	182,066,829	127,000,000
7311	Energy (EVE group without SHESA)	57,619,000	35,000,000
		281,220,471	193,000,000
TOTAL GREEN €			193,000,000

External Review

Sustainalytics

- The Basque Government has engaged the services of Sustainalytics to provide a review of the Basque Government Sustainability Bond Framework and a second-party opinion on alignment of the sustainability bond with the Green Bond Principles 2017 (the "GBP"), Social Bond Principles 2017 (the "SBP") and Sustainability Bond Guidelines 2017, as administered by the International Capital Market Association (the "ICMA"), and the framework's environmental and social credentials.
- Sustainalytics has held conversations with various members of the Basque Government team to understand the sustainability impact of their business processes and the planned use of proceeds, as well as management of proceeds and reporting aspects of the Basque Government's sustainability bond. Sustainalytics has also reviewed relevant public documents and non-public information.
- **Sustainalytics conclusion**
 - The Basque Government intends to issue multiple bonds which finance projects and programmes addressing the region's social and environmental challenges and overall contribution to the UN Sustainable Development Goals.
 - The eligible categories and target populations are aligned with the Green and Social Bond Principles and Sustainalytics considers the use of proceeds to be impactful given the overlap of the Basque Government's focus on electric transportation, renewable energy and target populations that overlap with particularly vulnerable populations identified by EU strategies. In addition, the Basque Government project selection and evaluation, management of proceeds and reporting is aligned with market practices, including the integration of environmental and social criteria to the Basque procurement policies.
 - Based on the above points, Sustainalytics considers the Basque Government's Sustainability bond to be robust, credible and transparent.

Contents 4

1. Features of the Basque economy
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4. **Financing system, budget, deficit and debt**

Financing System

- **The Basque Country's financing system is different** to the other autonomous communities in Spain, and it has its own tax system.
- Full authority to **manage, levy and collect almost all taxes.**
- Relations between the Basque Country and the Spanish State are governed by the **Economic Agreement.**
- **The Basque Country collects and contributes** with the relevant quota to the services that the Spanish State continues to provide in this area.

Collection 2019 and forecast 2020

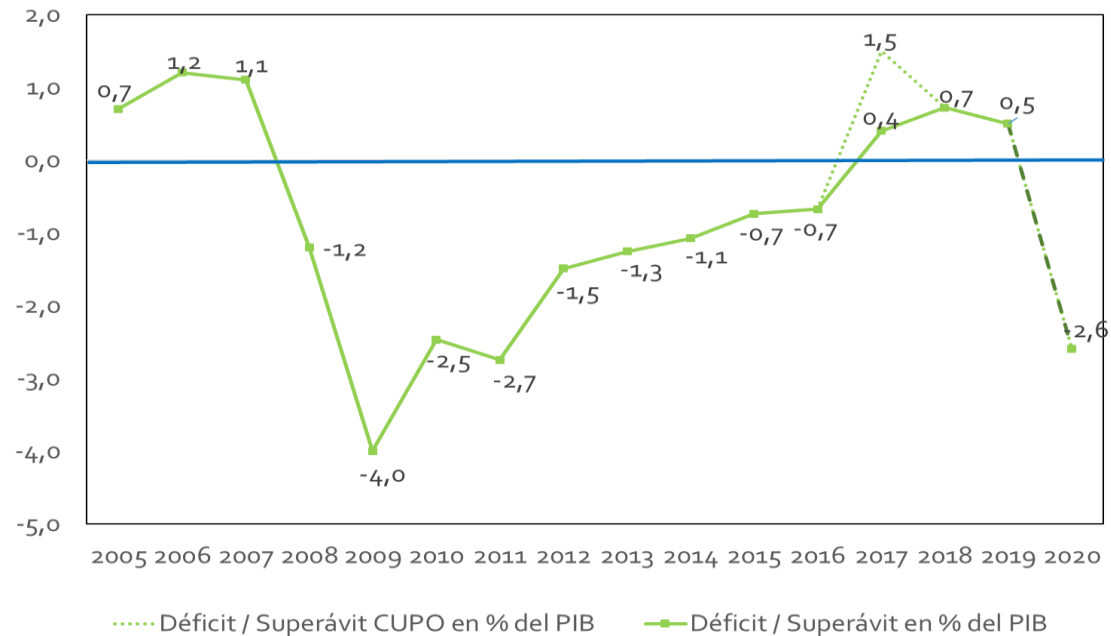
	Million euro	
	2019	2020 Forecast
DIRECT TAXES	7.407,1	6.801,7
Personal Income tax	5.713,7	5.610,0
Corporation tax	1.303,8	805,6
Wealth tax	167,6	171,1
Inheritance and gift tax	122,3	108,3
Other direct taxes	99,7	106,7
INDIRECT TAXES	7.952,8	6.541,1
Value Added Tax	6.028,6	4.951,9
Excise duties	1.600,4	1.321,9
Hydrocarbons	--	832,2
Manufactured tobacco products	--	368,6
Alcohol, fermented beverages and intermediate	--	46,4
Beer	--	19,2
Electricity	--	55,5
Property conveyance tax	162,8	127,1
Document duty	47,5	35,2
Other indirect taxes	113,5	105,0
FEES AND OTHER REVENUE	109,7	68,8
TOTAL AGREED TAXES	15.469,6	13.411,6

Source: Office of Economy and Planning.

Deficit / Surplus in % of GDP

- After reaching a surplus equivalent to 0.7% of GDP in 2018, and to 0,5% in 2019, the effects of the pandemic COVID-19 generate a deficit in 2020.

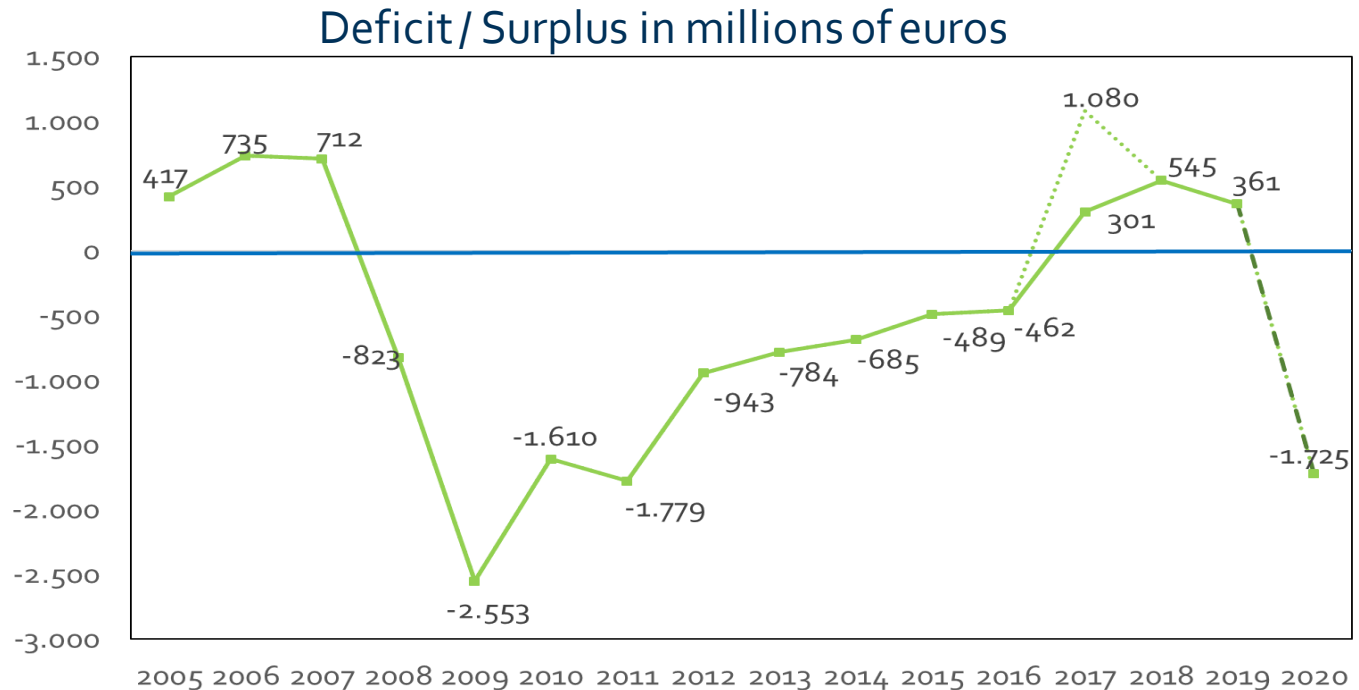
Deficit / Surplus in % of GDP



Source: IGAE. SEC 2010. Base 2010. National accounts. Non-financial operations of the Regional Administration subsector (S.1312) and detail by community
 Note: The INE has not published the regional distribution of the new series of national GDP presented on September 16, 2019. The regional distribution has been made by the IGAE, applying to the new GDPs the annual percentage structure of each region in GDP from the previous series.
 (*) 2020: Forecast data

Deficit / Surplus in millions of euros

- The figures for 2019 show a surplus of 361 million euros, lower than the 545 million achieved in 2018, but the forecast for 2020 is a deficit of 1725 million euros, because of the pandemic.



..... Déficit / Superávit en millones de euros CUPO — Déficit / Superávit en millones de euros

Source: IGAE. SEC 2010. Base 2010. National accounts. Non-financial operations of the Regional Administration subsector (S.1312) and detail by community

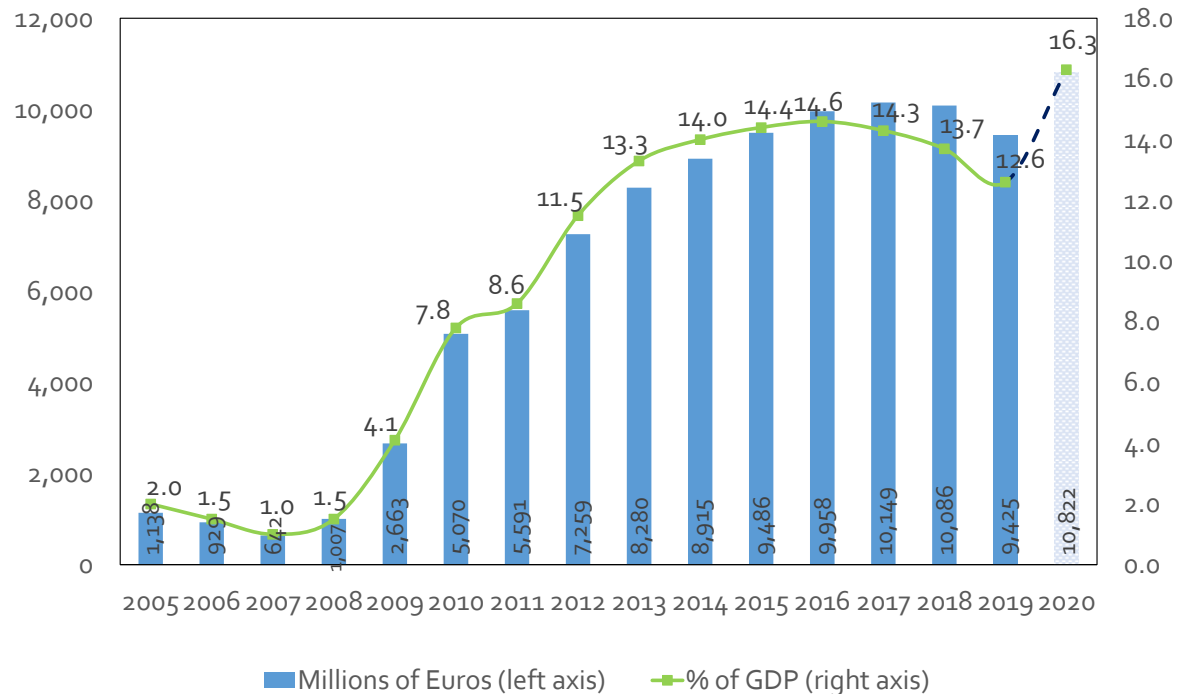
Note: The INE has not published the regional distribution of the new series of national GDP presented on September 16, 2019. The regional distribution has been made by the IGAE, applying to the new GDPs the annual percentage structure of each region in GDP from the previous series.

2020: Forecast data.

Debt: evolution 2005-2020

- The debt comes from very low levels (having reached maximum in 2016) and it has been always contained at moderate levels.
- Since then, a firm reduction process has been registered and is already below the limits of the stability legislation, but the pandemic COVID-19 is going to origine a increase of the amount of debt in 2020.

ESA debt



Source: Bank of Spain and Ministry of Treasury and Economy.
2020: Forecast data

Government debt

- The government debt (without ESA entities) is balanced between loans and bonds.
- At the start of the year, previously to the pandemic COVID-19, the financing needs were limited to less than €700M. The foreseen deficit for 2020 of public accounts require a new debt of around €1,364M

Debt as of 31/12/2019
(Thousand €)

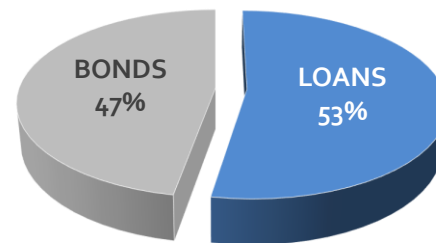
LOANS	4,571,930
BONDS	4,072,886
Government debt	8,644,816

Financing needs 2020
(Millions €)

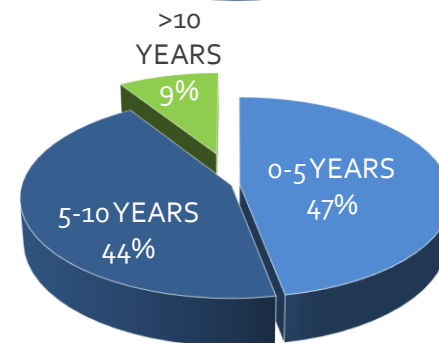
Maturities	686
Deficit	1,364

AVERAGE COST (%)	AVERAGE LIFE (years)
1.72%	5.60

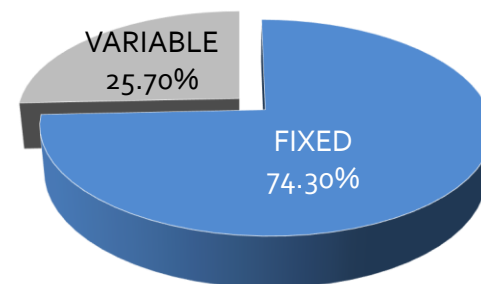
Type of debt



Maturity



Interest



Source: Basque Government.

Financial Strategy

For the current year (2020), as well as the upcoming ones, the shrinkage of economic activity and thus tax collection due to the Covid-19 pandemic will demand the financing of annual budget deficits, in addition to the corresponding maturities.

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

- 50% - public sustainable bond issuance (maturities of 10-12 years)
- 30% - privately placed bonds with social characteristics (maturities exceeding 30 years)
- 20% - bilateral loans with maturities below 10 years

To further expand our investor base with Green, Social and Sustainable bonds, strengthen liquidity as well as distributing the impact of the Covid-19 pandemic among different generations. This will also allow us to keep annual debt payments at current levels for the next five years.

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

3. Diversification of funding by combining bond issuances and loans, and looking to keep 25% of debt at floating rates.

Basque Government 2018 €500m Inaugural 10yr Sustainable bond

1.45% due April 2028

On 5th June 2018, HSBC acted as Joint Bookrunner on the highly successful inaugural Sustainable 10y transaction for the Basque Govt

The deal represents the first transaction from a Southern European borrower in the aftermath of the Italian political crisis and the issuer's comeback to Benchmark Euro capital markets

The transaction was preceded by an extensive European Roadshow, which along with the SRI angle resulted in a outstanding international participation accounting for 66% of the total allocation

Strong demand of EUR 1.6bn allowed Basque Government to print at SPGB+15 bps, the tightest spread vs. Bonos achieved by a Spanish region in a public benchmark and -5 bps inside IPTs

The deal consolidates HSBC's #1 position in the Spanish Public Sector and Sustainable Capital Markets and it is a testament of strong perception of Basque Country among the international investor community

Summary Terms & Conditions

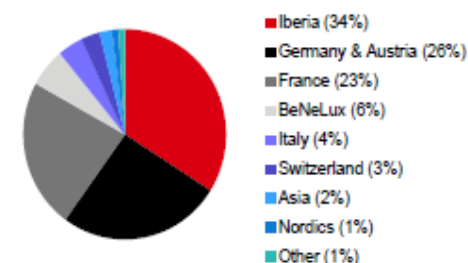
Issuer:	Basque Government
Ratings:	A3 / A+ / A- (Moody's / S&P / Fitch)
Format:	Sustainable Bond
Pricing Date:	5 th June 2018
Settlement:	15 th June 2018
Maturity:	30 th April 2028
Size:	EUR 500m
Coupon:	1.45%, annual, Act/Act ICMA
Reoffer spread:	SPGB 1.4% 04/2028 + 15 bps
Reoffer Price / Yield:	99.346% / 1.522%
Denominations:	EUR 1k + EUR1k
ISIN	ES0000106619
UoP:	Allocated to a mix of beneficial environmental and social projects according to the Basque Government Sustainable Framework ¹
HSBC Role:	Joint Bookrunner

Execution highlights

- On Tuesday, 5th June, Basque Government launched its inaugural EUR 500m 10-year Sustainable Bond at SPGB 1.4% 04/2028 +15 bps
- Basque Government announced the mandate on 16th May 2018 to meet investors across Paris, Frankfurt, Dusseldorf, Madrid and Bilbao, allowing the issuer to present its Sustainable Framework¹ along with its 2030 agenda which advances UN Sustainable Development Goals and UN 2030 Agenda for Sustainable Development
- Books were officially opened at 14:30h CET on Monday 4th June with IPTs of SPGB 1.4% 04/2028 +20 bps following a 2-day execution strategy
- Demand was strong from the outset, enabling the issuer to set price guidance at SPGB 1.4% 04/2028 + 19 bps with EUR 750m of lots
- With the book growing at a good pace throughout the morning, a sharp 5 bps move vs. IPTs was taken to land at +15 bps supported by EUR 1.6bn orderbook
- International distribution was extremely well diversified with German & Austrian accounts (26%) leading the way, followed by France (23%), BeNeLux (6%), Italy (4%), Switzerland (3%) and Asia (2%)
- Asset Managers and Insurance & PF dominated the allocation with 82% combined, complemented by Banks & PB (16%) and CB & Ols (2%)

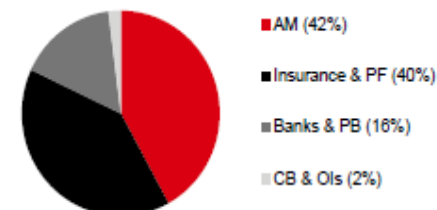
Distribution by Geography

% of allocation



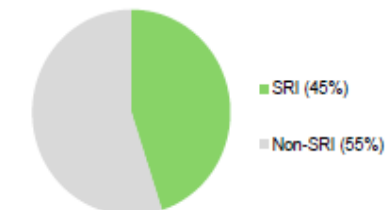
Distribution by Investor Type

% of allocation



Dedicated and committed SRI

% of allocation



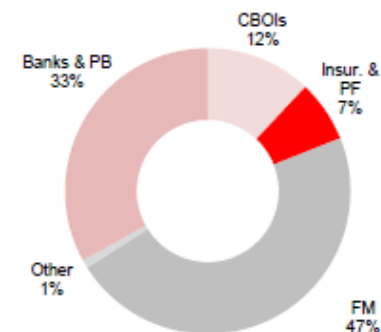
Basque Government 2019 €600m 10yr Sustainable bond



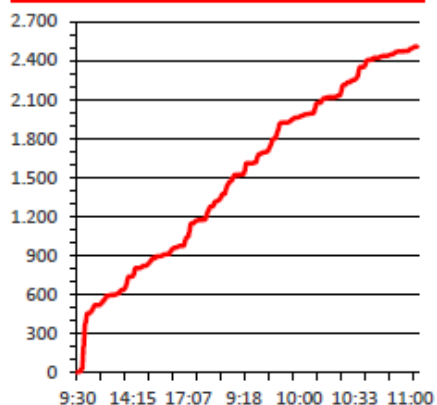
Terms & Conditions

Issuer	Basque Government
Ratings	A3 (st) / A+ (pos) / A- (st)
Pricing Date	9 April 2019
Maturity	30 April 2029
Amount	EUR 600mn
Format	Fixed Rate - Sustainable
Coupon	1.125%
Reoffer Price	99.465%
Reoffer Spread	SPGB 1.45% 04/29 + 10 bps
Listing	Bolsa de Bilbao

Breakdown by Investor Type*



Orderbook Evolution (CET, €m)



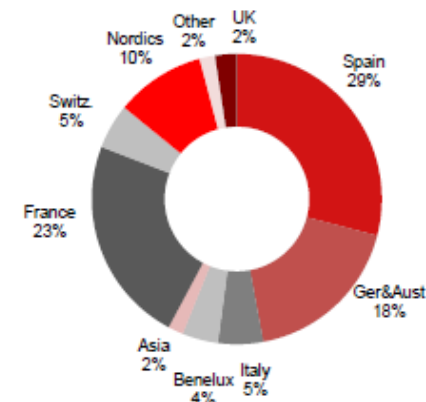
Orderbook Analysis

Orders	Book Size	Transaction size	Over-subscription
120+	>€2,5bn	€600mn	~4.18x

Transaction Highlights

- Basque Country successfully printed €600mn through a new 10-year benchmark, its second (and largest) Sustainable Bond transaction so far.
- Official mandate was announced on Friday 5th April at 12:15 CET, and bids were taken on Monday 8th 13:15 CET at a level of SPGB + 15 bps area. On the back of a very positive reaction during the afternoon and overnight, with interest in excess of €1.8bn, books were officially open on Tuesday 9th at 9:00, with a revised guidance spread of SPGB + 13 bps area.
- The momentum and traction continued with books subsequently rising to €2.3bn, which allowed to tight the spread to SPGB +11 bps (+/-1).
- Books were closed at 11:00 CET, with interest reaching €2.5bn and over 120 high quality investors involved (58% SRI), allowing the issuer to print its second Sustainable transaction at SPGB + 10 bps.
- Interest from international investors was substantial, with 71% of the transaction distributed to nondomestic accounts. France took 23%, Germany and Austria 18% and Nordics the 10%.
- In terms of investor type, demand was driven by real money accounts, which represented 67% of the allocation. Fund Managers accounted for 47%, while banks representing the 33%, Central Banks 12% and Insurance and Pension Funds represented the 7% of the allocation.

Breakdown by Geography*



* Bv Allocation

BASQUE GOVERNMENT €500m 0.85% 10-YEAR SUSTAINABLE BOND 2020

Mar 26th 2020



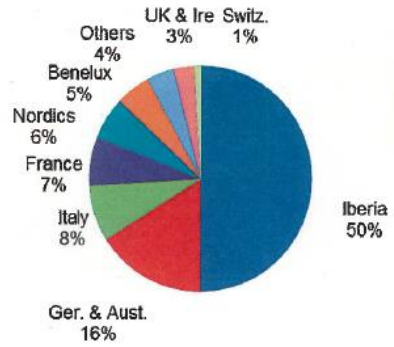
EUR 500,000,000
10 years, 0.85%
Joint-Bookrunner

Issuer: Basque Government
Issue Ratings: Moody's: A3 / Fitch: A-
Subordination: Senior Unsecured – Sustainable Bond
Coupon: 0.85%
Tenor: 10 year
Maturity Date: 30 April 2030
Size: €500,000,000
Re-offer spread: SPGB 04/30 + 25bps
Re-offer yield: 0.876%
Re-offer price: 99.750%
ISIN : ES0000106643

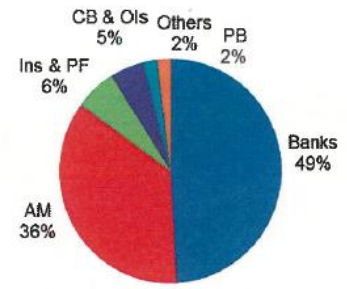
Transaction Overview

- The Basque Government successfully launched its third Sustainable Bond after the ones in May 2018 and April 2019
 - This transaction is the first one in 2020, **€500 million, 10 years**, at Basque Government lowest coupon ever. This is a success given the difficult market conditions seen in the past weeks due to the impact of the COVID-19 outbreak
- After some days of improvement on the market sentiment driven by the coordinated measures of the different Governments and Central Banks, on Thursday March 26th, the issuer took advantage of the market window to announce the mandate and execute the transaction on the very same day
- At 9:20 CET guidance was announced at **SPGB + 35 bps area for a €500m (“will not grow”) transaction**
- Given the high quality of the name and the strength of the market, the book grew nicely reaching €2.0bn of demand so an update was sent to the market at 10:20 CET with a **revised Guidance of SPGB + 30 bps area**. This update was well received by investor and only half an hour later, at 10:50, final terms were released at **SPGB + 25bps** for a €500m issuance **with books above €3bn (pre-rec)**. Books were closed at 11.00 CET with a total demand above €3.3bn
- Around 110 investors** took part in the transaction (**35% Green Investors**). The deal gathered significant interest from **international accounts**, which represented **50%** with Germany & Austria (16%), Italy (8%) France (7%) and Nordics (6%) being the most relevant jurisdictions
- Real money investors represented 98%** of the total, led by Banks (49%), Fund Managers (36%), Insurance & Pensions (6%) and Central Banks & Official Institutions (5%)
- The book benefited from a very **high granularity and limited price sensitivity**, with the allocation process reducing dramatically the average size from €29,9 to €5,5m
- Secondary performance was positive** with the new issue tightening -2 bps the morning after

Breakdown by Geography



Breakdown by Investor Type



Private & Confidential

Rating: Above the Sovereign rating by S&P and Moody's

- The rating agencies place a very positive value on their government management policies and fiscal autonomy, as well as on their diversified economic base and long-standing industrial cultures.

Current rating

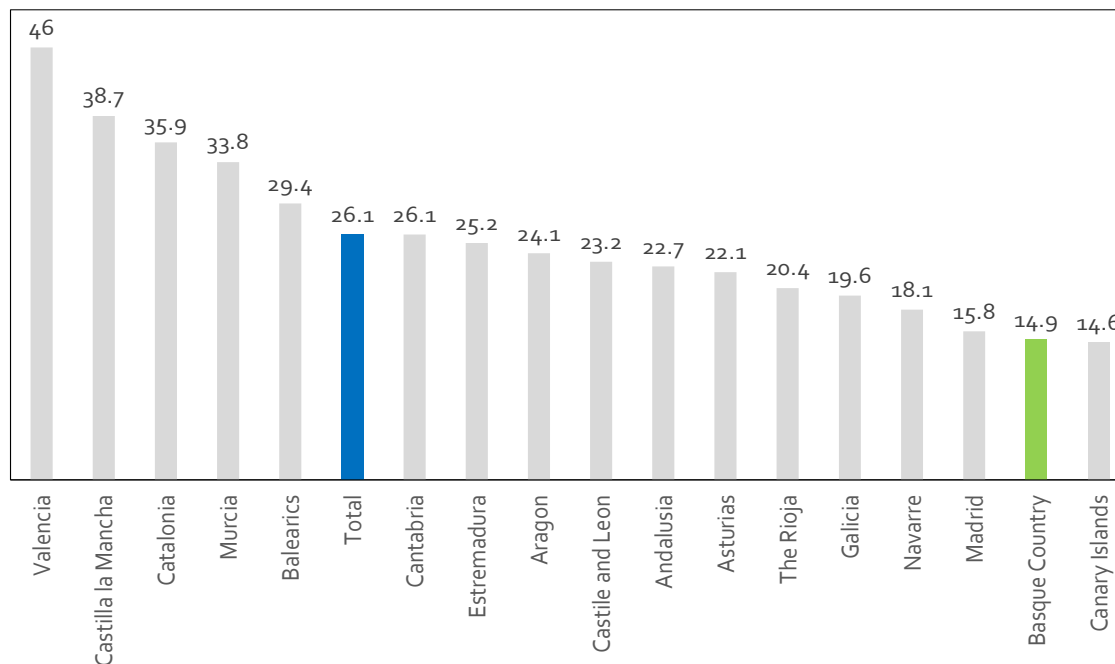
Agency	Basque Country	Spain
Moody's	A ₃ (stable outlook)	Baa 1 (stable outlook)
S&P	AA- (negative outlook)	A (negative outlook)
Fitch	A- (stable outlook)	A- (stable outlook)

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

Debt in percentage of GDP according to excessive deficit protocol

- The debt, according to the excessive deficit protocol, was equivalent to 14.6% of Basque GDP. This figure is the second lowest among the autonomous communities and is more than 10 points below the average.

Debt in% of GDP. Accumulated the second quarter of 2020

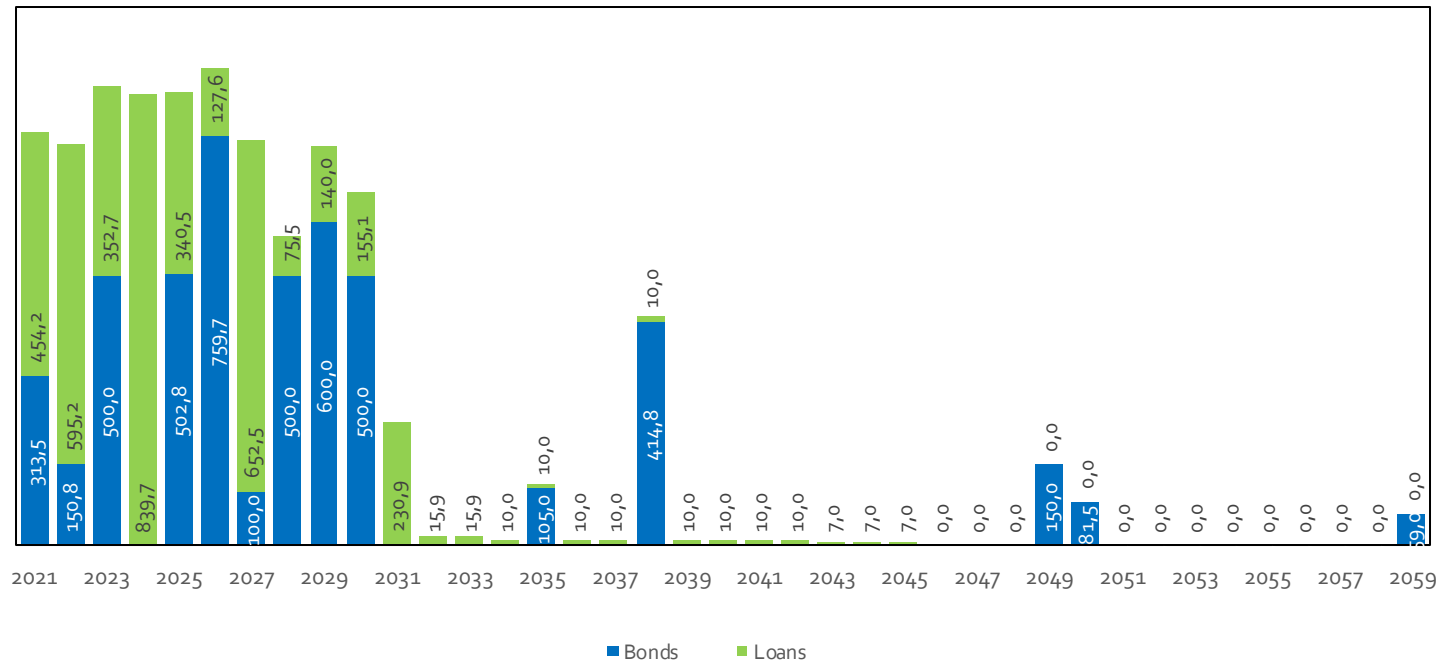


Source: Bank of Spain.

Maturity profile as of 30/09/2020

- Debt amortization has an increasing profile for the next five years, with a peak in 2026 (887.3 million). Thereafter the amounts will be lower.

Maturity profile as of 30/9/2020

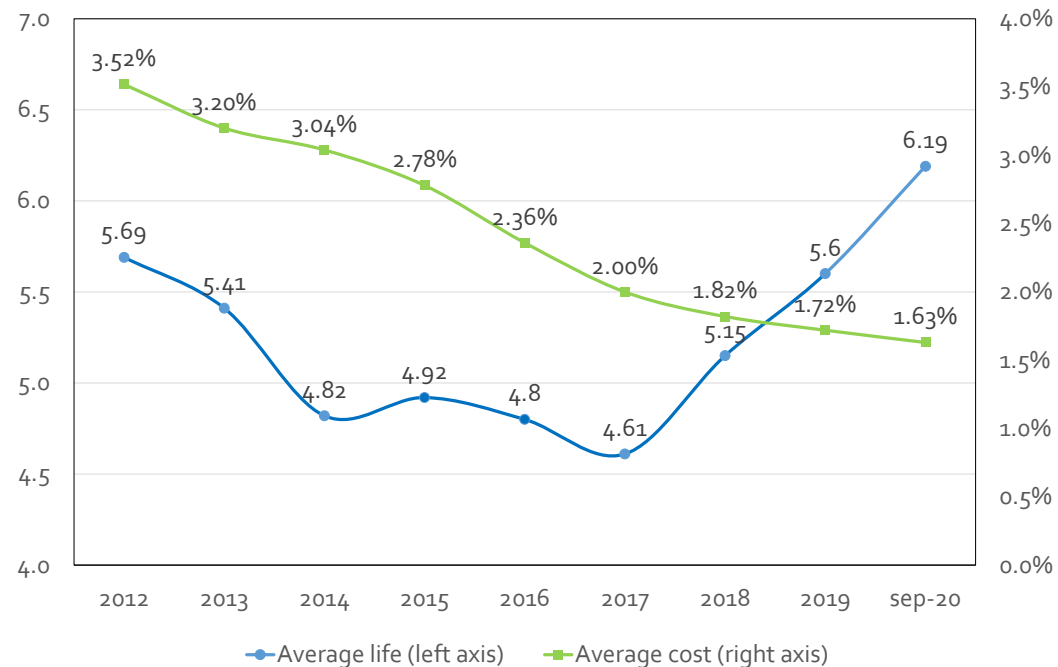


Source: Department of Economy and Finance.

Average life and Average cost

- Until September 2020, the cost of debt has been falling, while its average life continued on its gentle upward path, currently over six years.

Average life (years) and Average cost (%) of debt



Source: Department of Economy and Finance.

Public Debt in the Basque Country

- Issues in circulation

Issue data				
ISIN code	Date Issue	Issue volume	Coupon (%)	Maturity
ES0000106510	04/20/2011	313,500,000	6.375	04/20/2021
ES0000106593	04/18/2017	150,763,000	0.6	04/30/2022
ES0000106544	04/13/2015	500,000,000	1.25	04/13/2023
ES0000106445	01/07/2010	502,800,000	4.6	01/07/2025
ES0000106551	03/16/2016	569,726,000	1.75	03/16/2026
ES0000106577	12/30/2016	190,000,000	1.466	12/30/2026
ES0000106585	03/16/2017	100,000,000	1.703	04/30/2027
ES0000106619	06/15/2018	500,000,000	1.45	04/30/2028
ES0000106635	04/25/2019	600,000,000	1.125	04/30/2029
ES0000106643	04/06/2020	500,000,000	0.850	04/30/2030
ES0000106668	30/04/2020	105,000,000	1.300	04/30/2035
ES0000106601	02/28/2018	414,767,000	2.5	02/28/2038
ES0000106627	04/11/2019	150,000,000	2.4	04/11/2049
ES0000106650	04/22/2020	81,500,000	1.750	04/22/2050
ES0000106676	04/30/2020	59,000,000	2.000	04/30/2059

Source: Department of Economy and Finance.

The debt of the Basque Country is subject to the same regulation as the 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".

Contents



The Basque Government

Mr Pedro María Azpiazu, Minister of Economy and Finance
Mr Hernando Lacalle, Deputy Minister of Economy, Finance and Budget
Mr Francisco Javier Arnaez, Director of Financial Policy
Mr Jordi Campás, Director of Economy and Planning.

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DEPARTMENT FOR FINANCE AND
THE ECONOMY