

Investor presentation



Generalitat de Catalunya
Government of Catalonia

May 2017

Agenda

1. Key economic drivers of Catalonia

2. Fiscal rebalancing

3. Debt and treasury overview

Catalonia, similar to other similar middle-size economies in Europe

Population (2016) 7.5 million

Similar to Switzerland, Austria, Finland and Denmark.

16 % of the Spanish population.

As many as 13 countries in the EU have a smaller number of inhabitants.

GDP (2016) €23.6 billion

Similar to Finland, Denmark and Ireland. 19 % of the Spanish GDP.

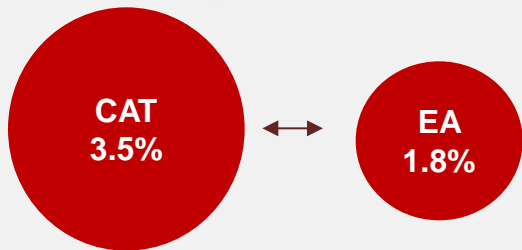
Only 8 countries in the EU have a higher GDP per capita (PPP).

GDP per capita PPP (EU-28=100) (2015) Catalonia: 112.3 Spain: 89.8

- Located between the **Mediterranean** and the **Pyrenees**, the Catalan landscape is diverse. **Barcelona**, its capital city, is cosmopolitan, a centre of trade, culture and services, and a first-rate tourist destination.
- **Catalonia's strategic location** favors close linkages with the other Mediterranean countries, as well as with continental Europe and Asia.

Key figures of the Catalan economy

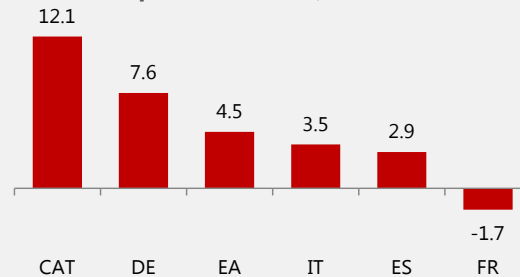
Growing at a stronger pace than the EA (2016), the highest in 10 years



2017 forecast: 2.7% CAT, 1.7% EA

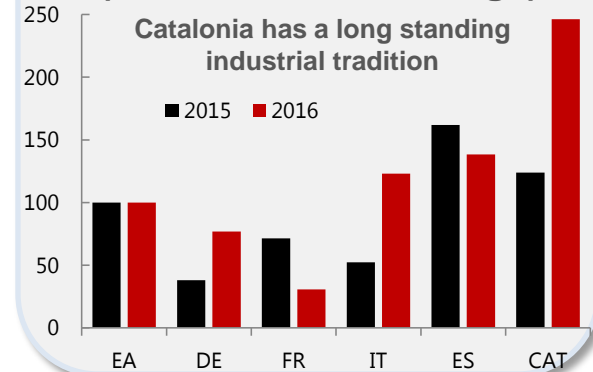
Foreign trade balance (2016, % of GDP)

Catalonia (12.1% GDP) has the third largest trade surplus in the EU, after LU and IE



Industrial production (EA=100, annual change)

Catalonia has a long standing industrial tradition



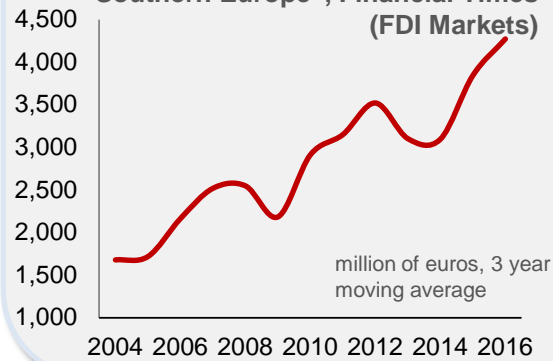
Excellent research model

29.9 ERC grants per 1 million inhabitants, 2nd position in the EU and 4th in the European Research Area (2007-2016)

- 3.2% of ERC grants in 2007-2016, while Catalonia accounts for 1.5% of EU's population.
- 35% of all Spanish patents

Foreign Direct Investment

"Best region to invest in 2016/17 in Southern Europe", Financial Times (FDI Markets)



Sharply reducing Unemployment

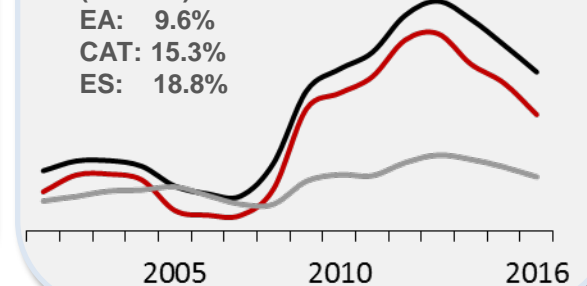
Although structural challenges remain

(2017Q1)

EA: 9.6%

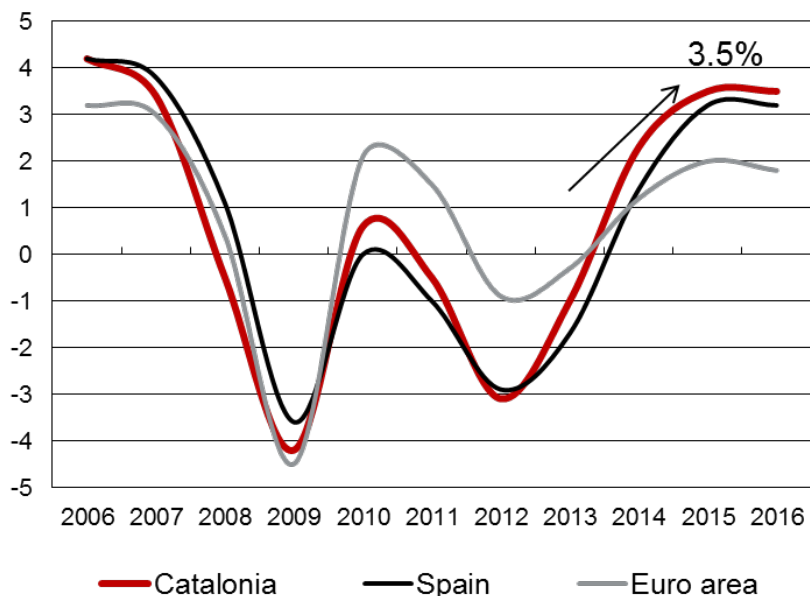
CAT: 15.3%

ES: 18.8%



The economic recovery started in mid-2013 and remains solid and broad-based

GDP evolution (% annual change)



Source: Idescat, INE and Eurostat.

Evolution of GDP in Catalonia (% annual change)

	2014	2015	2016
GDP	2.3	3.5	3.5
Domestic demand	2.0	4.0	3.2
Household expenditure	1.9	3.3	2.7
Public administration expenditure	-0.5	4.7	2.7
Gross capital formation ¹	4.6	5.6	5.2
Equipment goods and others	6.1	5.9	4.5
Construction	-0.8	3.9	4.6
Foreign exports (goods and services)	4.5	5.5	4.1

¹Includes the stock variation.

Source: Idescat.

GDP growth by sectors (% annual change)

	2016	2016Q2	2016Q3	2016Q4	2017Q1
Agriculture	10.1	11.2	11.8	9.2	4.6
Industry	4.0	4.1	4.2	3.9	3.0
Construction	3.2	2.7	3.3	5.0	6.3
Services	3.1	3.6	3.0	2.3	2.2
GDP	3.5	3.8	3.4	2.8	2.5

Source: Idescat.

- ❑ **Strong recovery** from the second half of 2013 onwards. Growth was reinforced in 2014 (2.0%) and consolidated in 2015 (3.5%) and 2016 (3.5%).
- ❑ **Most recent data indicates that the dynamics continue being positive.** Quarterly growth rate in 2017Q1 is 0.7%, implying an y-o-y growth of 2.5%.
- ❑ **Slight deceleration** expected as some of the tailwinds ease but the improved outlook for the euro area and global economy is expected to impact positively going forward.
- ❑ **Strong dynamism of the industry and the external sector.**

An intensely diversified economy

GVA distribution (2016)

	Catalonia	Spain	EA-19	EU-28
Agriculture, livestock, forestry and fisheries	0.9	2.6	1.5	1.5
Industry (mining, manufacturing and energy)	20.8	17.8	20.0	19.3
Manufacturing	17.4	14.1	16.9	16.0
Construction	4.7	5.6	5.1	5.3
Services	73.7	74.1	73.5	73.9
Commerce; vehicle repair; transport and storage, and hotel	25.7	23.4	18.9	19.1
Trade and repair of vehicles ¹	15.6	12.0	10.9	11.1
Transportation and storage ¹	5.3	4.7	4.9	5.0
Accommodation services, food and beverages ¹	5.4	6.5	3.0	2.8
Information and communication	3.7	4.2	4.6	5.0
Financial and insurance	3.6	3.9	4.7	5.1
Real estate activities	11.4	11.0	11.3	11.2
Professional, scientific, technical and administrative	10.8	8.7	11.1	11.0
Public administration, education, health and social services	14.3	18.9	19.4	19.0
Arts, entertainment, entertainment and other services	4.1	4.0	3.5	3.5

¹ 2015 data, except for Catalonia (2014 data).

Source: Idescat, INE and Eurostat.

- Catalonia has a **long industrial tradition**. The weight of manufactures in total GVA is 1.4 pp higher than EU-28 and 3.3 pp than Spain.
- **Commerce** is also an outstanding feature of the economy.
- The **public administrative sector** is underweighted in comparison to the weight it has in the economy of Spain and of the EU.

Economic forecasts are positive

Macroeconomic forecasts of Catalonia

		2015	2016	2017 (f)
GDP mp	variation in volume (%)	3.5	3.5	2.7
Domestic demand	contribution to growth	3.5	2.8	2.2
Household consumer expenditure	variation in volume (%)	3.3	2.7	2.3
Public administration consumer expenditure (1)	variation in volume (%)	4.7	2.7	1.3
Gross capital formation (2)	variation in volume (%)	5.6	5.2	4.1
Exterior trade balance	contribution to growth	0.0	0.6	0.5
Foreign trade balance	contribution to growth	0.9	-0.3	0.4
Exports of goods and services	variation in volume (%)	5.5	4.1	4.9
Imports of goods and services	variation in volume (%)	3.7	5.8	4.6
Balance with the rest of Spain	contribution to growth	-0.9	0.9	0.1

(f) Forecast.

(1) Includes consumption expenditure of non-profit institutions serving households.

(2) Includes stock variation.

Source: Department of Vice-presidency and of the Economy and Finance.

- ✓ We expect a **slight deceleration of growth in 2017**, although the economy will remain strong, growing well above most EA countries.

- **Domestic demand moderates:** the recovery continues at more sustainable levels after the rebound in past years (strong containment of demand in the crisis years). Households still maintain high debt ratios.
- **Consumption of public sector:** continuation of the recovery but at a more moderate pace, taking into account the deficit constraints.
- **Gross capital formation:** the expectations are very positive, giving continuity to the recovery of the investment.
- **The external sector is also expected to continue very robust:** latest data strengthens the positive forecasts of exports.

A diversified industrial sector

Geostrategic location

- The Mediterranean is at the center of trade relations between Europe, Asia and North Africa.

Communication networks

- The Mediterranean railway corridor is included in the EU Core Network.
- High-speed railway line enhances communications with France.

Excellence in research

- Catalan-based state-of-the-art scientific facilities including Synchrotron ALBA, Barcelona Supercomputing Centre and the National Microelectronics Centre.
- Catalonia ranks second in the EU—and fourth in the European Research Area—in the number of European Research Council (ERC) grants obtained per million inhabitants
- More than 50% of all ECR grants awarded in Spain go to Catalonia

Diversified industry

- The industry accounts for 20.8% of GVA in 2016.
- The industry has increased its specialization in pharmaceuticals, bio-tech, and biomedicine.

Gross Value Added of industrial sectors as a % of the total industry (2014)

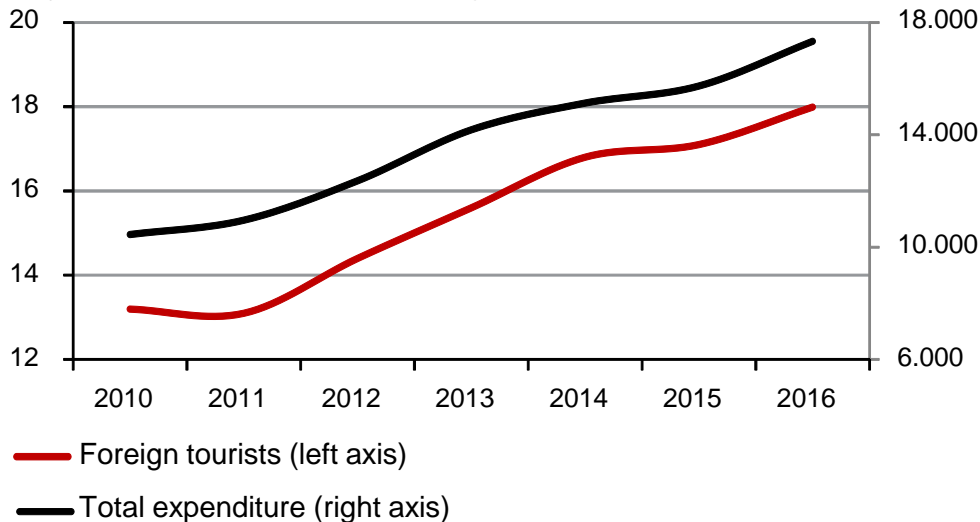
Manufacture of food products, beverages and tobacco	13.9
Chemical industries and oil refining	11.7
Manufacture of pharmaceuticals	8.5
Manufacture of transport equipment	8.1
Electricity, gas, steam and air conditioning supply	7.2
Manufacture of fabricated metal products, except machinery	6.7
Manufacturing industry for equipment and machinery	6.0
Water supply, sewerage, waste management and remediation activities	5.2
Textile, manufacture, leather and footwear	5.1
Manufacture of furniture and other manufacturing industries	3.9
Rubber and plastic material	3.7
Timber and paper industry	3.6
Intake, potabilization, drinking water distribution	3.2
Manufacture of other non-metallic mineral products	2.6
Publishing, printing and reproduction of recorded media	2.4
Manufacture of materials and electrical equipment	2.1
Repair and installation of machinery and equipment	2.1
Manufacture of electronic components and computer products	1.7
Metallurgy	1.3
Extractive industry	0.8
Total industry	100.0

Source: Idescat

Fundamentals of the Catalan economy: Tourism

Foreign tourism evolution

(millions of tourists and millions €)



Source: INE.

Tourism records have been exceptional in 2016, both in terms of tourist arrivals and their expenditure.

Catalonia received **18 million of foreign tourists in 2016** (23.8% of the Spanish total), with an annual growth of 4.0%. **Total foreign tourist expenditure was 17,328 M€** in Catalonia during 2016, 3.7% higher than in 2015.

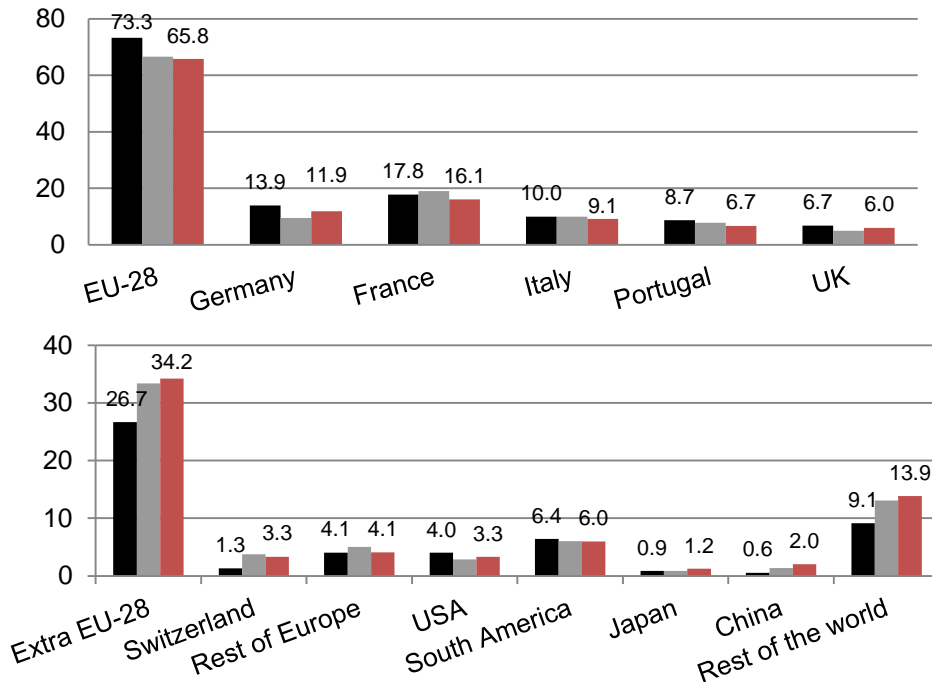
- **Barcelona** ranks **3rd worldwide** in **hosting international conferences**, both in number of meetings and participants (ICCA, 2015). It also ranks among the leading cities for scientific, business meetings and trade fairs linked to **strategic activities** such as **ICTs** or **medical sectors**.
- **Barcelona** is the **1st cruise port in the Mediterranean** and the **4th cruise port worldwide**. **Barcelona's airport**, with 44 million passengers in 2016, is the **7th European airport** in number of passengers and the fastest growing in the top-10.

Increasing geographical diversification of exports

Catalan exports by partner country

(% of total)

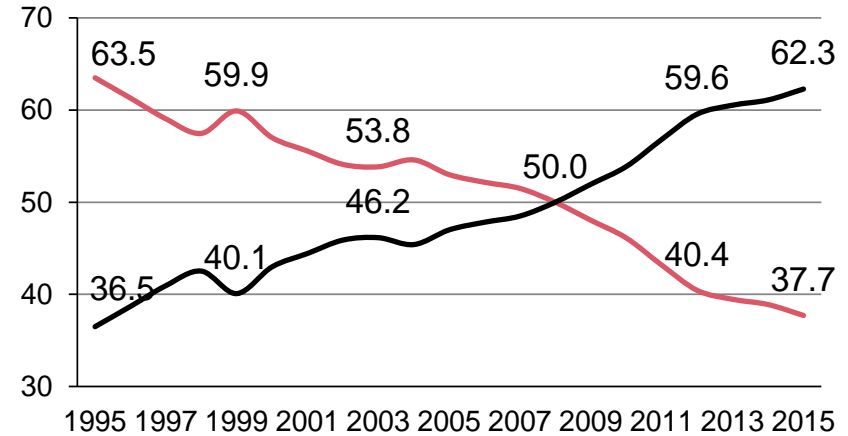
■ 2000 ■ 2010 ■ 2016



Source: Idescat.

Exports by destination

(% of total)



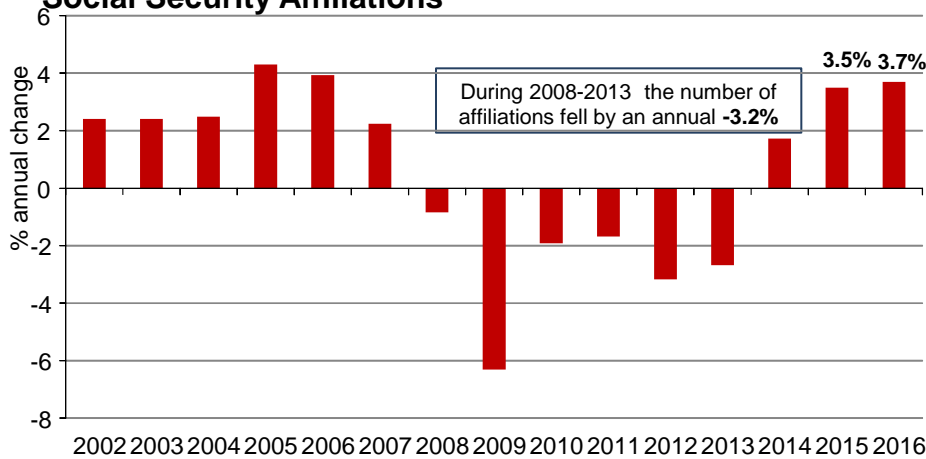
— to Spain — to the rest of the world

Source: C-Intereg.

- **The EU-28 is still the main destination of foreign Catalan exports: 65.8% of the total.** Trade diversification has increased in the last 15 years. Since 2010, exports to the EU have increased 32% while exports outside the EU have increased 37%.
- Outside the EU, remarkable increase of exports towards **Japan and China**.
- **Trade dependency with Spain has significantly declined in the past years.**

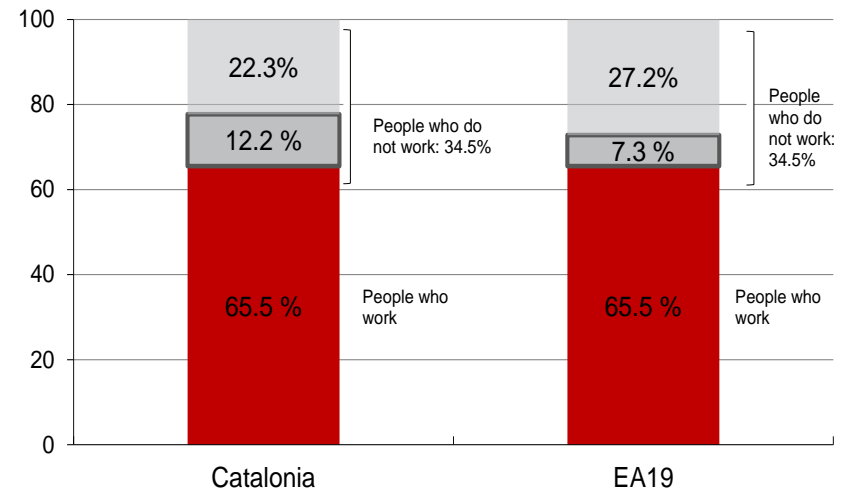
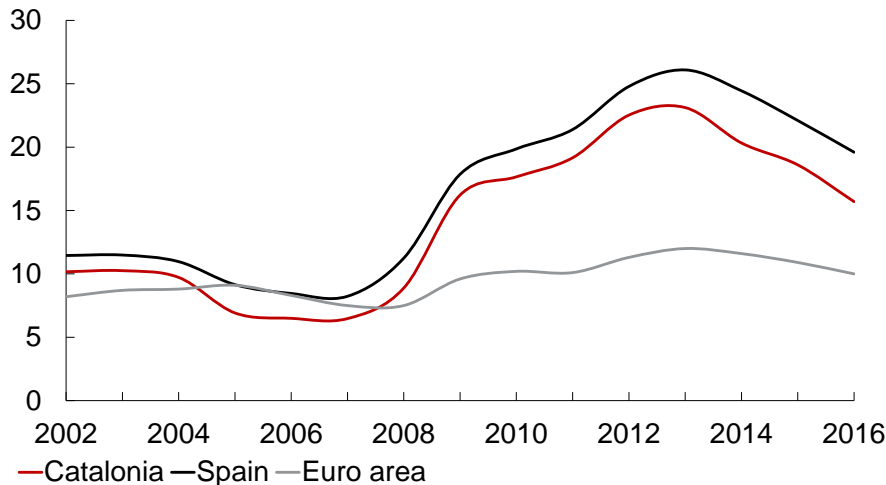
The unemployment rate is at its lowest level since 2009

Social Security Affiliations



- Net employment is increasing since end-2013. **Social security affiliation grew by 3.7% in 2016, the highest rate since 2006** (in Spain, by 2.9%).
- In the first quarter of 2017 **the growth of affiliation remains robust: 3.8%** (in Spain 3.3%).
- In 2017Q1 unemployment stood at **15.3%**. Average 2016 is 15.7% (18.6% Spain total).
- **The employment rate stood in 2016 at 65.5%, very similar to the average EA level (65.5%)**. Higher unemployment in Catalonia due to a higher proportion of people willing to work.

Unemployment rate (% unemployed/active population)



■ % of employed people (employment rate) ■ % of unemployed ■ % of inactive people

Source: Compilation based on data from Idescat and Eurostat.

Agenda

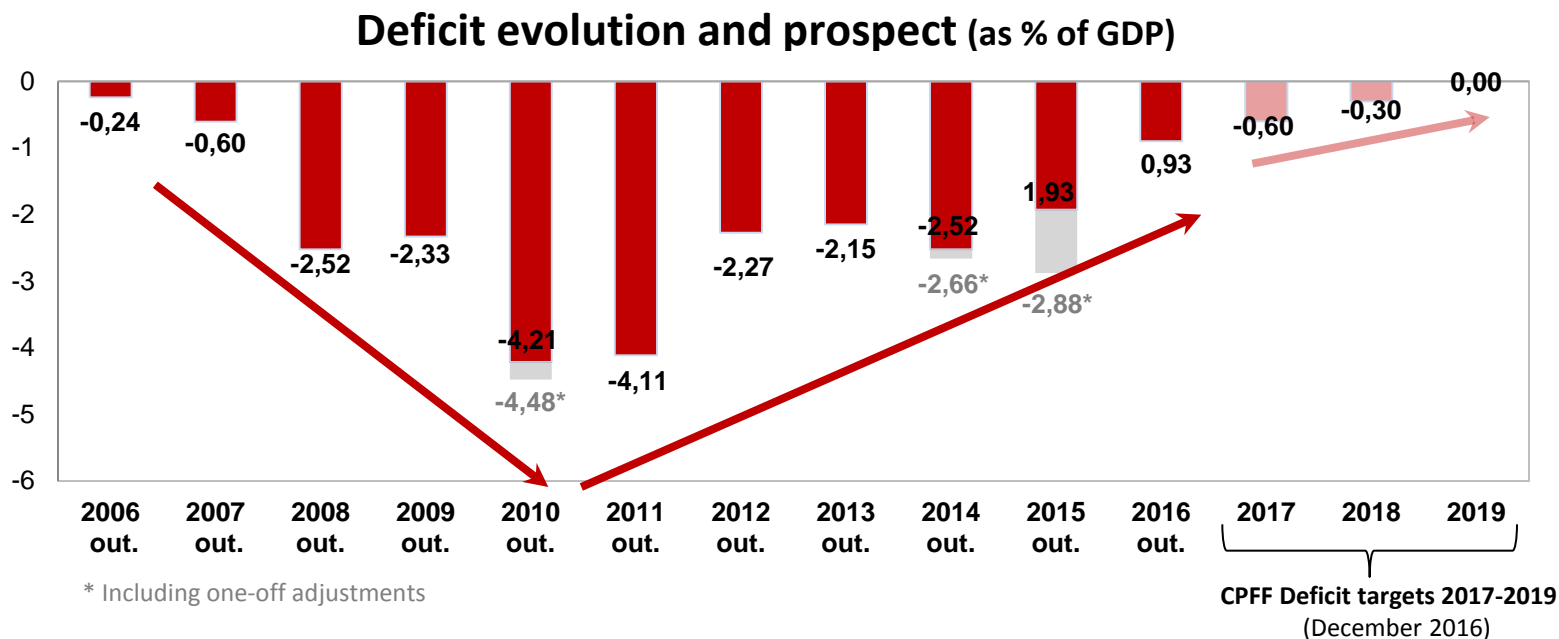
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3. Debt and treasury overview

Fiscal consolidation

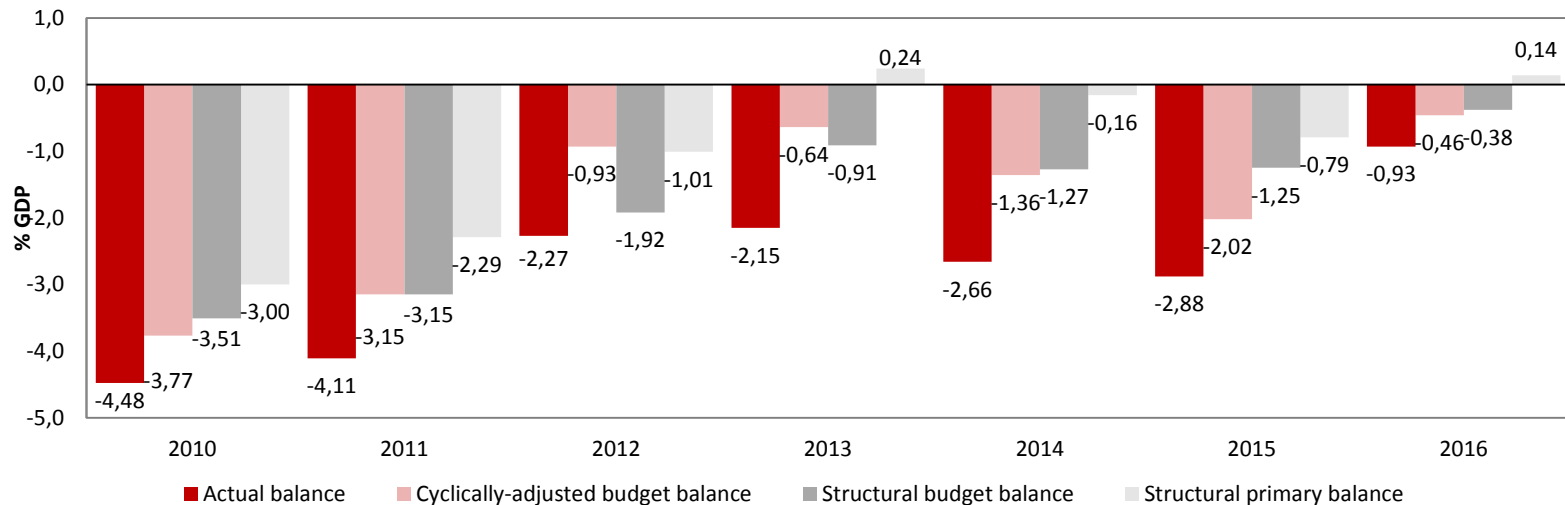
Budget balance evolution



- Fiscal consolidation is a priority for the Catalan Government.** The public accounts are being rebalanced under the principles of **austerity and sustainability**.
- From 2010 Catalonia has reduced its deficit by 78%, from 4.48% of GDP in 2010 to 0.93% of GDP in 2016 (7,132M€ in 6 years).

Budget balance

- The structural budget balance has reduced 3.14 GDP points (from 3.51% in 2010 to 0.38% in 2016). The structural budget annual average reduction was 0.52 points.
- The effort to reduce the deficit was 7,132 M€ (-78%) between 2010 and 2016.



	2010	2011	2012	2013	2014	2015	2016	Variation 2016-2010	
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Amount	%
Actual balance	-9.100	-8.219	-4.437	-4.144	-5.233	-5.879	-1.968	-7.132	78%
Cyclically-adjusted budget balance	-7.669	-6.297	-1.813	-1.239	-2.684	-4.115	-984	-6.685	87%
Structural budget balance *	-7.131	-6.297	-3.752	-1.748	-2.508	-2.560	-808	-6.323	89%
Structural primary balance	-6.095	-4.586	-1.969	462	-311	-1.607	291	-6.386	105%

* Cyclically-adjusted budget balance excluding one-off and other temporary measures.

Fiscal consolidation measures

Revenue measures

	Million €				
	2012	2013	2014	2015	2016
Recurrent ¹	457	824	1,538	1,044	1,102
Non recurrent	1,358	212	331	0	0
Non-financial revenues ² increase	9.9%	5.5%	10.3%	5.4%	5.0%
% GDP	0.9%	0.5%	1.0%	0.5%	0.5%
Revenue measures	1,815	1,036	1,869	1,044	1,102

¹ In 2014 include 686 M€ the revenues from tax on bank deposits

² Without additional measures

Expenditure measures

	2010	2016	Variation	
			M€	%
Employees compensation	7,590	7,161	-429	-5.7
Current expenditures on goods and services	8,014	8,101	87	1.1
Current transfers	8,433	7,361	-1,072	-12.7
Current expenditures	24,037	22,623	-1,414	-5.9
Real investments	1,178	459	-719	-61.0
Capital transfers	1,134	506	-628	-55.4
Capital expenditures	2,312	966	-1,346	-58.2
Accrued expenditures without interests	26,349	23,589	-2,760	-10.5
Entities result ¹	-1,718	46	1,764	-102.7
Other expenditures displaced ²	-406	0	406	-100.0
Total adjustment			-4,930	
% GDP			-2.3%	

¹ Capital contributions included

² Displaced expenditures not imputed by chapters

□ In 2016, the revenue measures were 1,102 M€, 0.5 GDP points

□ Between 2010 and 2016, **current expenditures** have been reduced 1,414 M€ (5.9%)

□ The **accrued expenditures** without interests have been reduced 2,760 M€ (10.5%)

□ The total adjustment has been 4,930 M€, 2.3 GDP points.

Fiscal consolidation – Tax measures

Recurrent revenue measures

Tax measures	Actual					Budget
	2012	2013	2014	2015	2016	2017
Tax on wealth (recovery and increase of taxation)	305.0	562.7	431.3	461.7	495.4	517.4
Increase in tax rates on documented legal acts	40.5	45.6	49.0	63.5	68.7	91.3
Increase in the rates of the autonomous section of the hydrocarbon tax	60.8	139.0	109.1	106.0	107.1	115.0
Tax on stays in tourist establishments	--	35.2	41.0	43.2	47.6	50.5
Tax on large commercial establishments	--	--	--	--	--	14.6
Increase in property tax rates	--	35.0	174.7	199.4	226.7	245.2
Reform of inheritance tax	--	--	45.2	130.5	119.8	140.8
Reform of the civil protection levy	--	--	--	--	0.2	0.2
Taxation on gambling	--	--	--	--	--	9.4
Tax modifications	406.2	817.6	850.2	1,004.4	1,065.7	1,184.5
Pharmaceutical prescription or product tax ⁽¹⁾	45.6	4.3	--	--	--	--
Judicial fees	5.1	2.1	0.0	2.3	2.7	3.5
Tax on deposits of credit institutions ⁽¹⁾	--	--	688.3	--	--	--
communication services ⁽²⁾	--	--	--	7.3	18.4	16.1
Tax on the production of electrical energy of nuclear origin ⁽¹⁾	--	--	--	30.3	--	--
Tax on the emission of gases and particles into the atmosphere	--	--	--	0.1	1.0	2.2
commercial aviation	--	--	--	--	3.0	4.1
Tax on empty housing ⁽²⁾	--	--	--	--	11.5	11.5
Tax on beverages with excess sugar	--	--	--	--	--	31.0
custody and emission of radioactive elements	--	--	--	--	--	28.3
Creation of new taxes	50.7	64.0	688.3	40.0	36.6	96.7
Total tax measures	456.9	824.0	1,538.5	1,044.3	1,102.3	1,281.2

Evolution of public sector entities and job positions

Public sector entities included in the budget	2011	2012	2014	2015	2017
Generalitat	1	1	1	1	1
CatSalut, ICS, i ICASS	3	3	3	-	-
Autonomous admin. entities and Catalan Healthcare Service	25	23	19	20	20
Autonomous commercial and financial entities	5	3	2	2	2
Public law companies	46	47	43	44	44
Trading companies	52	47	30	26	27
Consortiums	62	61	50	50	54
Foundations	46	43	35	37	34
Total public sector entities	240	228	183	180	182
Total other entities non-majority shareholding	28	26	26	24	19
Consortium non-majority shareholding ²	-	-	-	-	2
Total entities	268	254	209	204	203

Source: Generalitat de Catalunya. Ministry of the Vice-presidency and of the Economy and Finance. Presentation of Budget 2017.

Job positions included in the public sector consolidated budget	2011	2017	
Executive and consulting personnel	549	566	 -65 entities (-24.3%)
Civil servants	168,113	166,392	
Private regulation personnel	62,351	60,620	
Total public sector	231,013	227,578	

Source: Generalitat de Catalunya. Ministry of the Vice-presidency and of the Economy and Finance. Presentation of Budget 2017.

Budget reforms to improve expenditure management

- New impulse of the **performance-based budgeting reform** (started in 2006)
- Reinforcement of the **medium-term budgeting frameworks** in the annual budget elaboration process
- **Spending Review 2017-2020**: review of program expenditures of all policies
- Boosting the **evaluation of public policies** to provide evidence for budget decisions (economic evaluation of initiatives, capital projects...)
- Increased **transparency and dissemination of budget information** (new graphical and navigable budget tools, improved budget execution information and open data)

Budget 2017

Revenue Budget 2017 (PA-ESA Sector)

Million €

Chapter	Budget 2015 ¹	Budget 2017	Var. 2017/2015	
			M€	%
1. Direct taxes	8,766	9,630	865	9.9
2. Indirect taxes	9,382	10,912	1,530	16.3
3. Fees, sales and other revenue	2,450	2,652	202	8.3
4. Current transfers ⁽²⁾	2,372	2,920	548	23.1
5. Property revenue	625	171	-454	-72.7
Current revenue ⁽²⁾	23,595	26,284	2,691	11.4
6. Real investments disposal	255	94	-161	-63.1
7. Capital transfers	829	80	-749	90.3
Capital revenue	1,084	174	-910	-83.9
Non-financial revenue ⁽²⁾	24,679	26,458	1,781	7.2
8. Financial assets	158	95	-62	39.5
Total revenue 1 to 8	24,837	26,554	1,717	6.9
9. Financial liabilities (total borrowing) ⁽³⁾	8,051	7,002	-1.049	-1.3
Total revenue 1 to 9 ⁽²⁾	32,888	33,556	668	2.0

(1) According to new distribution of responsibilities

(2) It doesn't include Local governments share of Central Government's revenue neither European Agricultural Guarantee Fund (EAGF).

(3) Net borrowing: 2,013M€ (2015) and 1,259M€ (2017).

Budget 2017

Expenditures Budget 2017 (PA-ESA Sector)

Million €

Chapter	Budget 2015 ¹	Budget 2017	Var. 2017/2015	
			M€	%
1. Employee compensation	9,269	9,929	660	7.1
2. Current expend. on goods and services ⁽²⁾	7,753	8,216	463	6.0
3. Interests and financial fees	2,037	979	-1,058	-51.9
4. Current transfers ⁽²⁾	5,779	6,694	915	15.8
5. Contingency fund	200	330	130	65.0
Current expenditures	25,038	26,148	1,110	4.4
6. Real investments	1,174	1,059	-115	-9.8
7. Capital transfers	456	507	51	11.1
Capital expenditures	1,630	1,565	-65	-4.0
Non-financial expenditures ⁽²⁾	26,668	27,713	1,045	3.9
8. Financial assets ⁽³⁾	182	100	-82	-44.9
Total expenditures chapters 1 to 8	26,850	27,813	963	3.6
9. Financial liabilities (debt repayment)	6,038	5,743	-295	4.9
Total expenditures chapters 1 to 9	32,888	33,556	668	2.0

(1) According to new distribution of responsibilities

(2) It doesn't include Local governments share of Central Government's revenue neither European Agricultural Guarantee Fund (EAGF).

(3) Equity contributions to public sector entities, granted loans and acquisition of other financial assets.

Structural adjustment by level of administration

- ✓ Autonomous communities concentrate 46.50% of the 2010-2016 adjustment, above their public expenditure contribution (31.89%).
- ✓ Central and Social Security System administrations participate 30.03% on the deficit reduction.
- ✓ Government of Catalonia's effort represents 13.20% of the total deficit reduction. This percentage is 7.48 percentage points higher than its share to the total public spending.

Subsectors Financing Capacity (+) / Need (-)							
	2010 (%GDP)	2016 (%GDP)	Adjustment			2010-2016 Adjustment distribution (%)	2016 (1) Public spending distribution (%)
			% GDP	M€	€per capita		
Total Public Administrations (TPA)	-9.46	-4.33	5.13	54,014	1,163	100.00	100.00
Central and Social security system adm. (CSSA)	-5.77	-4.14	1.63	16,223	349	30.03	57.03
Central Administration	-5.54	-2.52	3.03	31,886	687	59.03	23.71
Social security system administration	-0.23	-1.62	-1.40	-15,663	-337	-29.00	33.32
Autonomous communities (AC)	-3.17	-0.82	2.35	25,116	541	46.50	31.89
Local government (LG)	-0.52	0.64	1.15	12,675	273	23.47	11.09
Government of Catalonia	-4.48	-0.93	3.55	7,132	958	13.20	5.72

(1) Non-financial public expenditures, excluding State aid to financial institutions

Source: Compilation based on IGAE (State Government Comptroller's Office) data. SEC 2010

Spanish Fiscal Deficit can only be understood under a consolidated view

Regional revenues based on a complex and unbalanced financing model

- Financial analysts can not spend enough time to understand it.
- And in any case it is not a sustainable framework and has to be renegotiated.

While regional expense basis is strongly influenced by the “basic legislation” set by central Government

- Universal and free education and health care is a basic right which can not be changed at Regional Level.
- Many rigid regulations in Social Welfare (*dependencia*), environment, labor regulations...

So the central Government has the power to decide:

- The share of resources allocated to Regions (over 90% of our revenues).
- Mandatory levels of the welfare society: Constraint over 90% of our cost.
- Legal changes to enable public sector restructuring.

Catalonia does not have a structural financial problem

- Regional public expenses are below the Spanish average in PPP.
- Regional tax collection is well above the Spanish average.

Agenda

1. Key economic drivers of Catalonia

2. Fiscal rebalancing

3. Debt and treasury overview

Current debt portfolio

OUTSTANDING DEBT DECEMBER 2016

General Admin.	67,098 M€
ESA Entities	8,000 M€
TOTAL	75,098 M€

Source: Banco de España

Liquidity Mechanisms 50,037 M€

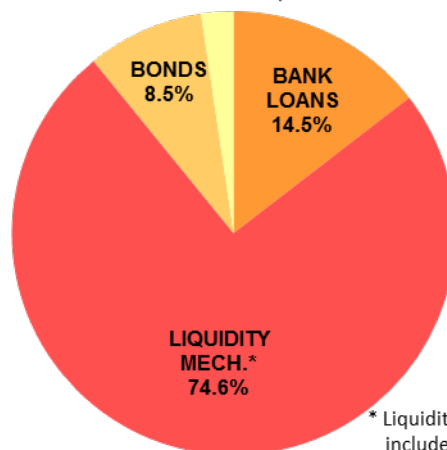
Liq.Mech. / Total Debt 66.6%

GENERALITAT'S RATING 04/30/2017

Moody's	Ba3 (negative outlook)
S&P	B+ (negative outlook)
Fitch	BB (negative outlook)

GENERAL ADMINISTRATION

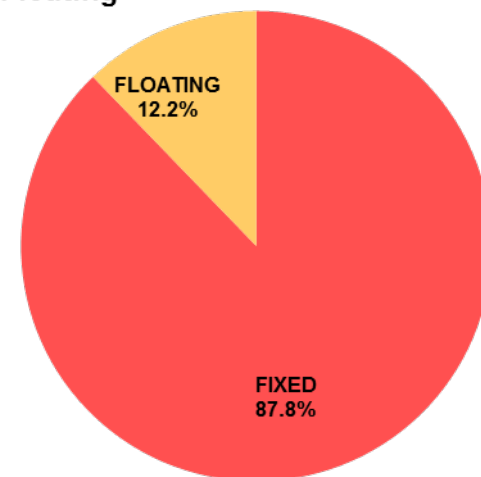
By type of funding PPP 2,4%



* Liquidity Mechanisms include FLA, Suppliers Payment Fund and Social Fund

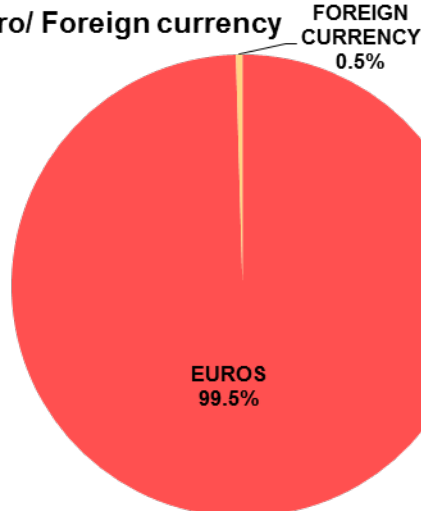
GENERAL ADMINISTRATION

Fixed/Floating



GENERAL ADMINISTRATION

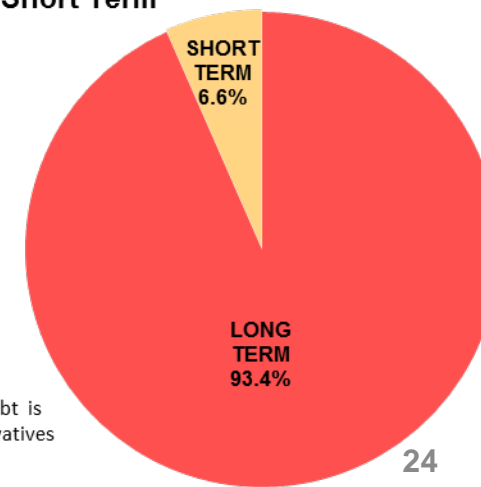
Euro/ Foreign currency



* Foreign currency debt is hedged through derivatives

GENERAL ADMINISTRATION

Long/Short Term

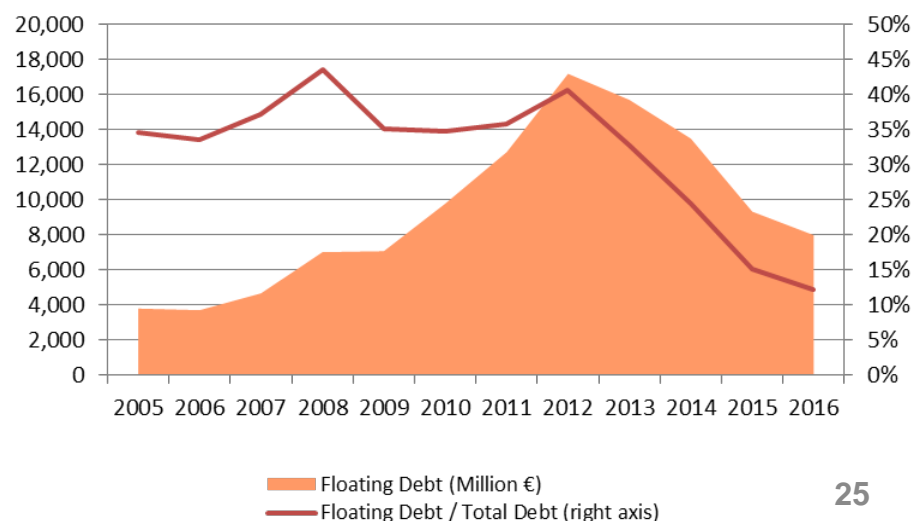
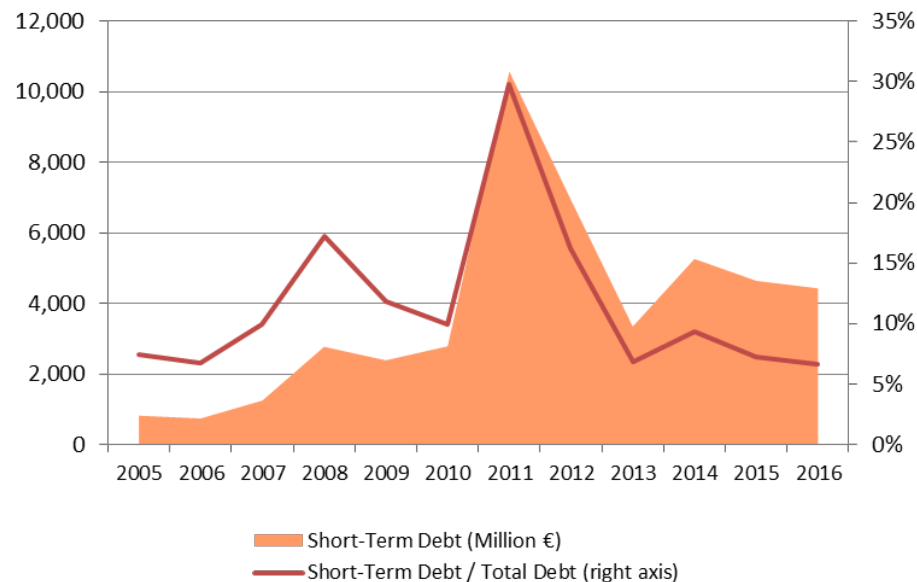


Moving towards a more balanced debt portfolio

In the period 2011-2016, Generalitat has reduced its short-term and floating debt.

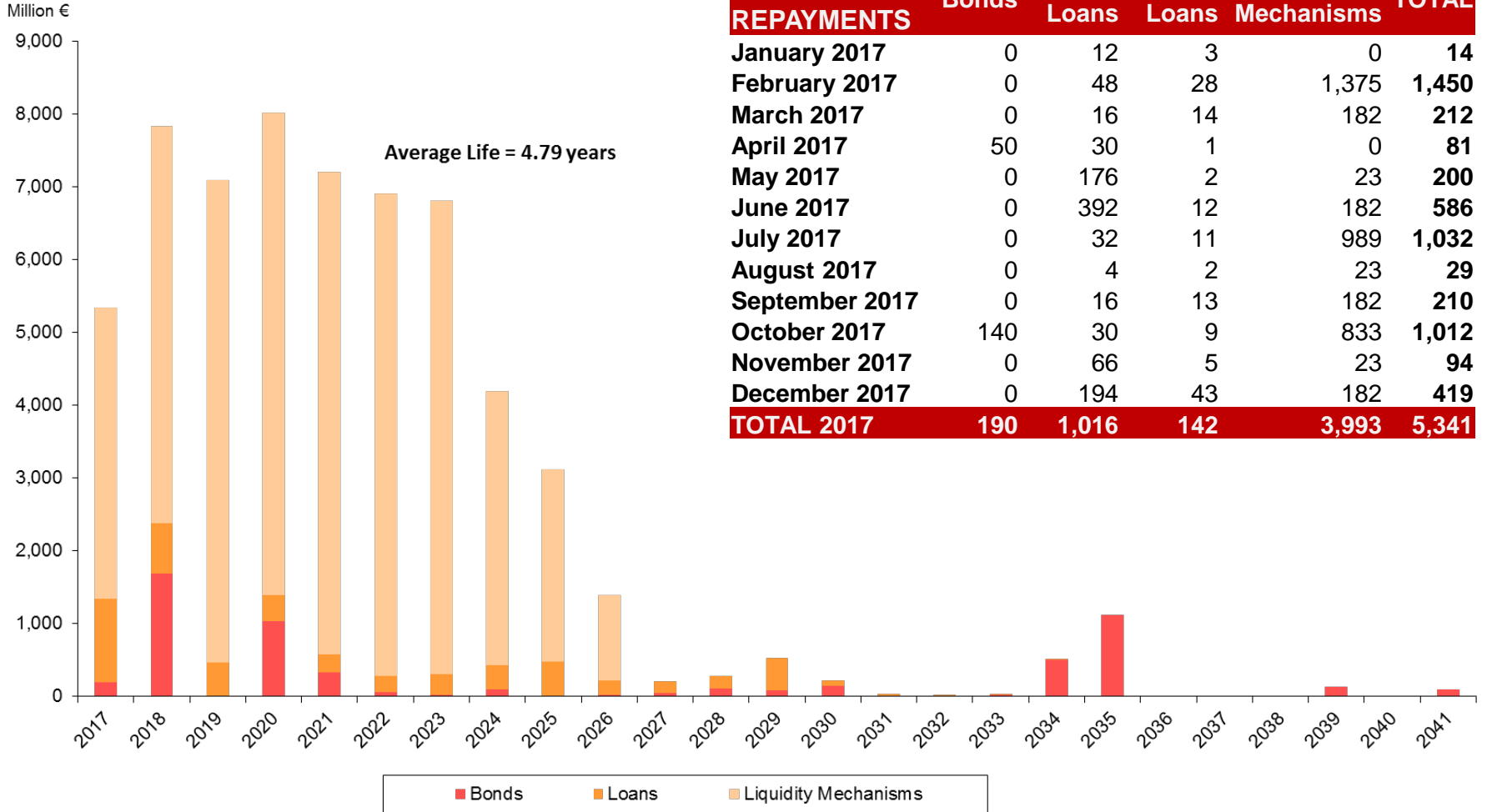
This change in the debt structure makes Generalitat less vulnerable to interest-rate and refinancing risks.

Liquidity mechanisms set by the Central Government will allow Generalitat to move on in the same direction in 2017.



Debt repayments

LONG TERM DEBT REPAYMENTS - GENERALITAT DE CATALUNYA SITUATION AS OF 12/31/2016



Million €

MONTHLY REPAYMENTS	Bonds	National Loans	Foreign Loans	Liquidity Mechanisms	TOTAL
January 2017	0	12	3	0	14
February 2017	0	48	28	1,375	1,450
March 2017	0	16	14	182	212
April 2017	50	30	1	0	81
May 2017	0	176	2	23	200
June 2017	0	392	12	182	586
July 2017	0	32	11	989	1,032
August 2017	0	4	2	23	29
September 2017	0	16	13	182	210
October 2017	140	30	9	833	1,012
November 2017	0	66	5	23	94
December 2017	0	194	43	182	419
TOTAL 2017	190	1,016	142	3,993	5,341

Liquidity mechanisms

	Million €			
	CATALONIA	SPAIN (CCAA's)	Average cost (Catalonia)	
			Initial	Current (04/30/2017)
ICO financial maturities ¹	1,304	5,397	6.23%	-
Suppliers payment fund (Part 1) ²	2,020	17,705	5.91%	0.834%
FLA 2012 ²	6,665	16,638	5.20%	0,834%
TOTAL 2012	9,989	39,740		
FLA 2013 ²	10,815	22,921	4.04%	0.834%
Suppliers payment fund (Part 2) ²	738	939	4.18%	0.834%
Suppliers payment fund (Part 3 – 1 st Tranche) ²	1,489	3,606	3.34%	0.834%
TOTAL 2013	13,042	27,466		
Suppliers payment fund (Part 3 – 2 nd Tranche) ²	2,306	7,970	3.34%	0.834%
FLA 2014	7,913	23,215	2.05%	0,834%
TOTAL 2014	10,219	31,185		
Financial Facility 2015	-	14,267	-	-
FLA 2015	11,292	22,830	0%	0.834%
Social Fund 2015	397	683	0%	0.834%
TOTAL 2015	11,689	37,780		
Financial Facility 2016	-	3,045	-	-
FLA 2016	10,091	28,327	0.50%	0.50%
TOTAL 2016	10,091	31,373		
Financial Facility 2017 (1Q + 2Q)	0	1,660	-	-
FLA 2017 (1Q + 2Q)	3,598	10,276	-	-
TOTAL 2017 (1Q + 2Q)	3,598	11,935		

¹ Totally repaid. ² Partially repaid.

2016 needs and strategy

2016 Funding Needs

Million €

Non-financial needs 3,387

2016 Deficit goal (0.7% of GDP)	1,480
2015 Non-financed excess of deficit	1,782
Devolution 2008-09 neg. liq. of fin. system	125

2016 Maturities (Generalitat) 5,993

Long term loans	4,726
· Liquidity Mechanisms	2,869
· Foreign Banks	204
· Spanish Banks ¹	1,604
· PPP	49
Bonds	1,267

2016 Maturities (ESA Entities) 768

Long term loans	768
· Foreign Banks	153
· Spanish Banks ¹	582
· PPP	33

2016 GLOBAL GROSS NEEDS 10,148

Note 1:

2016 maturities do not include short term debt with Spanish banks.

2016 Funding Strategy

Million €

DONE AS OF DECEMBER 2016

FLA 2016	10,091	1,480	2016 Deficit goal (0.7% of GDP)
		1,782	2015 Non-financed excess of deficit
		6,704	2016 Maturities (bonds; long term loans; liquidity mechanisms; others)
		125	Others

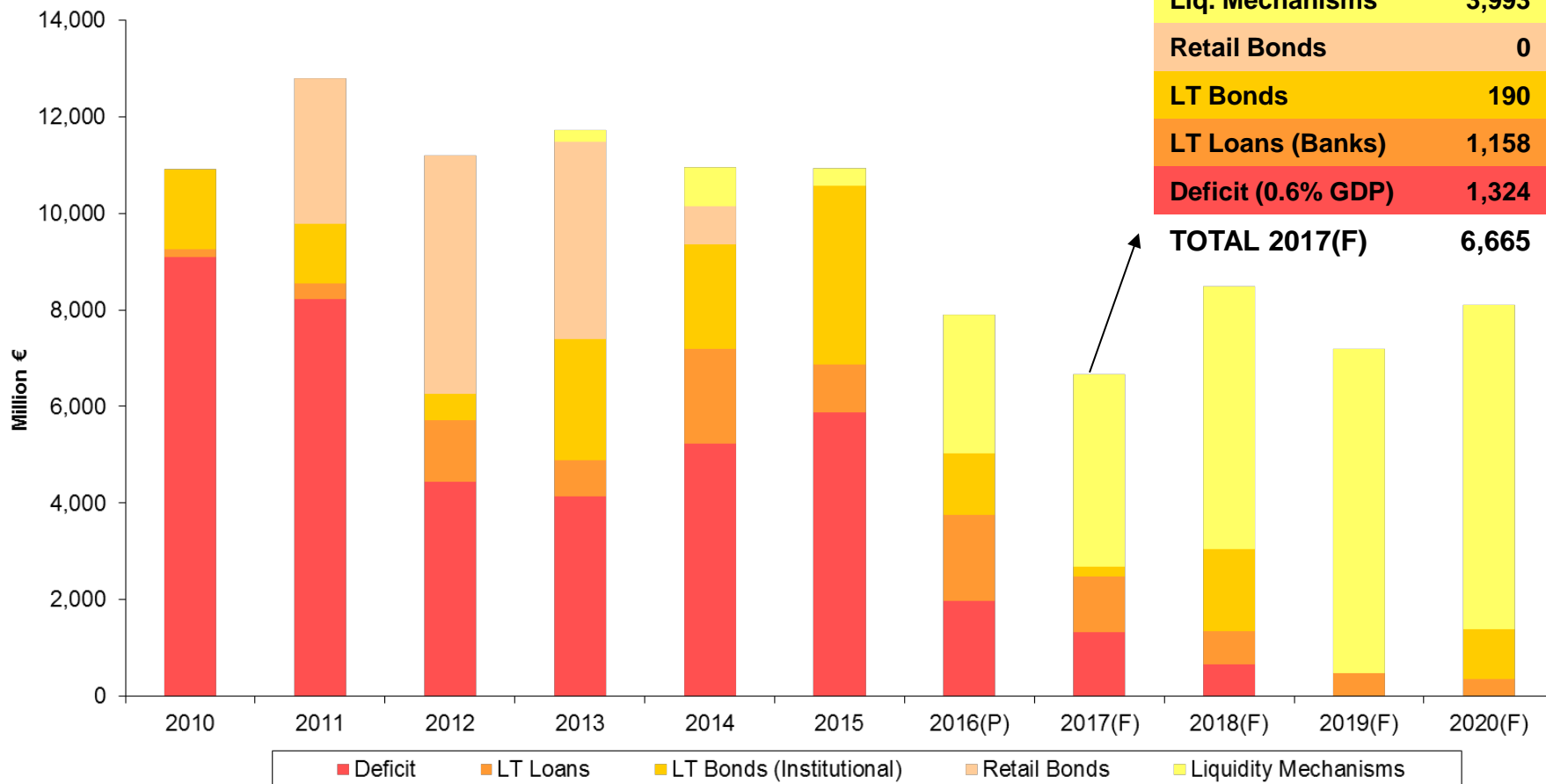
Evolution of funding needs

GENERALITAT OF CATALONIA

FUNDING NEEDS (Deficit + LT Maturities + ST Retail Bond Maturities)

Situation as of 04/24/2017

Million €



Liq. Mechanisms	3,993
Retail Bonds	0
LT Bonds	190
LT Loans (Banks)	1,158
Deficit (0.6% GDP)	1,324
TOTAL 2017(F)	6,665

2017 needs and strategy

2017 Funding Needs (estimate) Million €

Non-financial needs	1,449
2017 Deficit goal (0.6% of GDP)	1,324
Devolution 2008-09 neg. liq. of fin. system	125

2017 Maturities (Generalitat) 5,341

Long term loans	5,151
· Liquidity Mechanisms	3,993
· Foreign Banks	142
· Spanish Banks ¹	887
· PPP	128
Bonds	190

2017 Maturities (ESA Entities) 550

Long term loans	550
· Foreign Banks	141
· Spanish Banks ¹	372
· PPP	37

2017 GLOBAL GROSS NEEDS 7,340

Note 1:

2017 maturities do not include the roll-over of the short term debt with Spanish banks .

2017 Funding Strategy (estimate) Million €

FLA 2017	7,340	1,324	2017 Deficit goal (0.6% of GDP)
		5,891	2017 Maturities (bonds; long term loans; liquidity mechanisms; others)
		125	Others

Done as of 04/30/2017 Million €

FLA 2017 (1Q + 2Q)	3,598	662	2017 Deficit goal
		2,874	2017 Maturities
		62	Others

Treasury needs are currently managed through the liquidity mechanisms

- **Historical non-financed deficits up to 2015 have been fixed via Suppliers Payment Fund and FLA.**
- **2016 non-financed deficit should be included in FLA 2017 (Art. 21 e) RDL 17/2014, of Dec. 26th)**
- **Ongoing financial needs**
 - Deficit will be covered by existing FLA
 - Maturities from bonds, long term loans and liquidity mechanisms will be covered by FLA
 - Short term maturities with local banks are rolled over under the framework of “Principle of Financial Prudence”

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The information contained in this presentation is elaborated based on the present political situation and the existing legal framework, and does not contemplate the political developments taking place in Catalonia that could lead to alternative institutional scenarios that may take place in the future due to the different political debates existing in Catalonia, Spain and Europe.

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