



GENERALITAT
VALENCIANA



Investors Presentation

December 2023

Economic outlook



The Valencian Community

	Valencia 	Spain 
Surface (km ²)	23,255 4.6%	505,990 100%
Population October '23 (m)	5,29 10.92%	48,45 100%
GDP 2022 (€ bn)	126.4 9.4%	1,346.4 100%
GDP per capita 2022 (€)	24,473 86.9%	28,162 100%

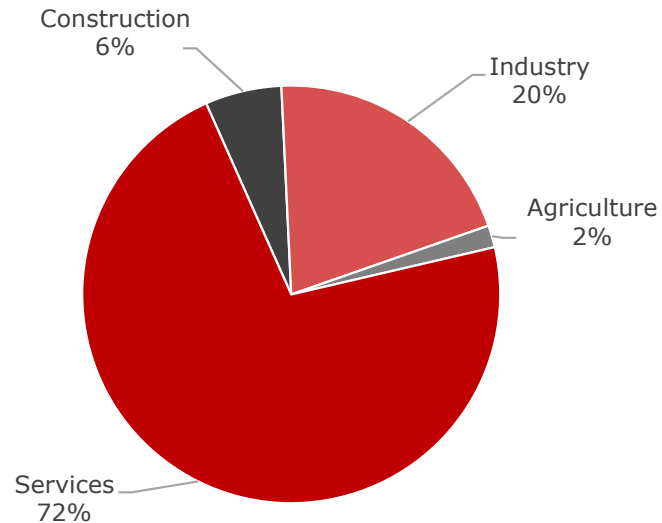
- ▶ The Valencian Community was established in 1982.
- ▶ Located on the Eastern coast of Spain.
- ▶ Mid-sized region that constitutes almost 5% of the national territory.
- ▶ It incorporates the provinces of Valencia, Alicante and Castellon.







The Valencian Community: Economic structure

GROSS VALUE ADDED (2022)



EXPORTS*

	Valencia 	Spain 
Exports / Imports (%) October '23 (last 12 months)	108.28%	90.15 %
Exports (% of GDP) 2022 (full year)	31.34%	28.91%

- Valencia has an open, dynamic and diversified economy.
- **Services** weighed 72% of the regional GDP in 2022 :
 - Tourism represents a high percentage of regional GDP (15.7%) (2019)
- The **industrial sector** represented 20% of the regional GDP in 2022:
 - The industrial base includes automotive, food and beverages, chemical, building materials and textile companies.
 - The automotive industry represented 15% of regional exports ⇒ Ford's plant is regarded as one of the most efficient in Europe (2019) and it has been appointed to manufacture two new electric cars, thus ensuring its continuity for the next decade at least
 - Installation of the Volkswagen Gigafactory whose investment will reach **€ 4,500 m.**
- Highly-intensive in **exports**, compared to Spain:
 - 31.34% of Valencia's GDP (vs 28.91% Spain).
 - 10.18% of total exports in Spain (2022) is the fourth most exporting Community only below Catalonia, Madrid and Andalusia.
- The Valencian Community holds a fundamental strategic position for commercial interconnections.

*Exports of goods

Source: INE and Secretaría de Estado de Comercio



The Valencian Community: Economic structure

A strong industry sector:

- In 2020 the **manufacture of other non-metallic mineral products** represents for almost **31%** of the country's production. In this sector, Valencian region is leader in Spain in the production of **ceramic tiles** with 85% national exports and 11 % of total exports in the region.
- The region concentrates **45%** of the **manufacture of leather and related products** national production, **32%** of national exports and **4%** of total exports in the region.
- **Manufacture of motor vehicles, trailers and semi-trailers** production in the region represents in 2019, **13%** of Spain's total production, **10%** of national exports and **15%** of total exports in the region.
- **Manufacture of food products** : It accounts in 2020 **8%** of the total national production, **7%** of national exports and **9% of total exports** in the region.
- **Manufacture of chemicals and chemical products** : In 2020 represents **9% of the national output, 11 %** of regional exports .



The Valencian Community: Economic structure

Highly competitive services:

- Valencia's port is the leading commercial port on the West Mediterranean in terms of containerised cargo volumes. The Port's expansion project that has been approved involves an investment of 1.6 billion euros under the public-private partnership formula.
- 9.6 million of **foreign tourists** visited the region in 2019 before pandemic. In 2022 there were 8.6 million tourist figure very close to 2019 levels. By October 2023, 9.1 million tourists had visited the region, representing an increase of 20% over the last year same period.

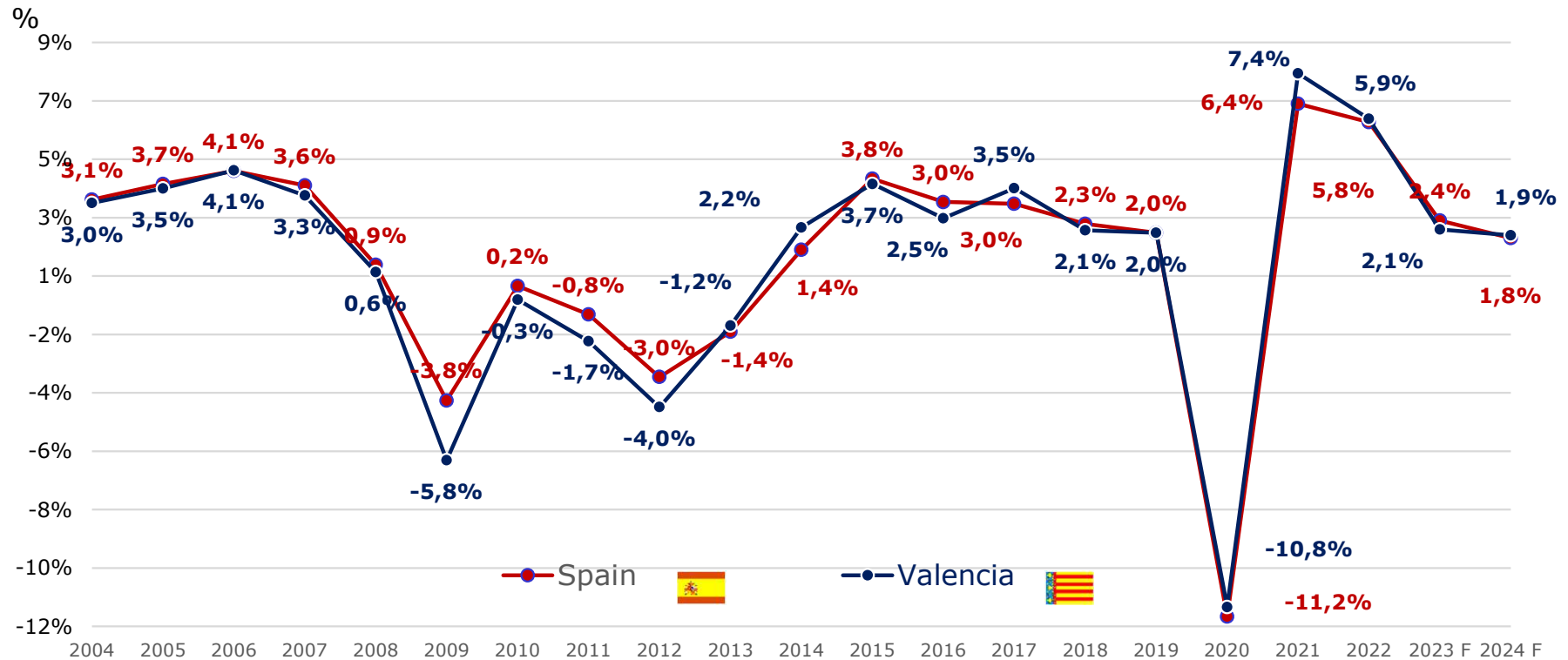
Services, Gross Value Added by activity, 2022	€ m	% of Spain
Trade and repair, Transportation, hotels and storage,	28,803	9.8%
Information and communications	2,454	5.2%
Financial and insurance activities	4,382	8.3%
Real estate activities	14,413	10.3%
Professional, scientific and technical activities	8,446	7.7%
Public Administration and defence, Compulsory Social Security, Education, Human health and social work activities	19,313	8.9%
Artistic, recreation and entertainment services	4,994	9.5%
Total services	82,805	9.1%



The Valencian Community

GDP growth rate



GDP GROWTH (yoy, %)





The Valencian Community: Strengths

Resilient GDP growth rate:

GDP growth	Valencia 	Spain 
2018	2.1%	2.3%
2019	2.0%	2.0%
2020	-10.8%	-11.2%
2021	7.4%	6.4%
2022	5.9%	5.8%
2023 (F)	2.1%	2.4%
2024 (F)	1.9%	1.8%

- Non-reimbursable funds from the European Union: Recovery and Resilience Facility and Recovery Assistance for Cohesion and the Territories Europe (REACT_UE).
- Implementation of structural reforms.
- Led by the auto sector and semi-manufactured products, boosted by increases in productivity. Installation of the Volkswagen Gigafactory whose investment will reach € 4,500 m and Ford decision to produce electrically-powered vehicles in its Valencian plant .
- Valencia's port expansion project with a planned PPP's investment of 1.6 billion.
- Tourism dynamics.



The Valencian Community: Weaknesses

- **Geopolitical Tensions.**
- **Restrictive monetary policies already having an effect on economic growth.**
- **Key macro figures below than national average.**
 - GDP per capita: 13.1 pp gap as of 2022 (Spain: 100 vs Valencia: 86.9).
- **Imbalances in the current regional financing system...**
 - It has led to continuous deviations in the deficit target.
 - Uncertainty about the final outcome of the regional financing model reform.
 - **...which partly led Valencia to be the region with the highest relative regional indebtedness**
 - In 3Q2023, debt to GDP represented 41.2% of Valencia's GDP (vs 22.3% for the average of Spanish regions).
- **Political uncertainty in Spain :**
 - Due to parliamentary fragmentation.

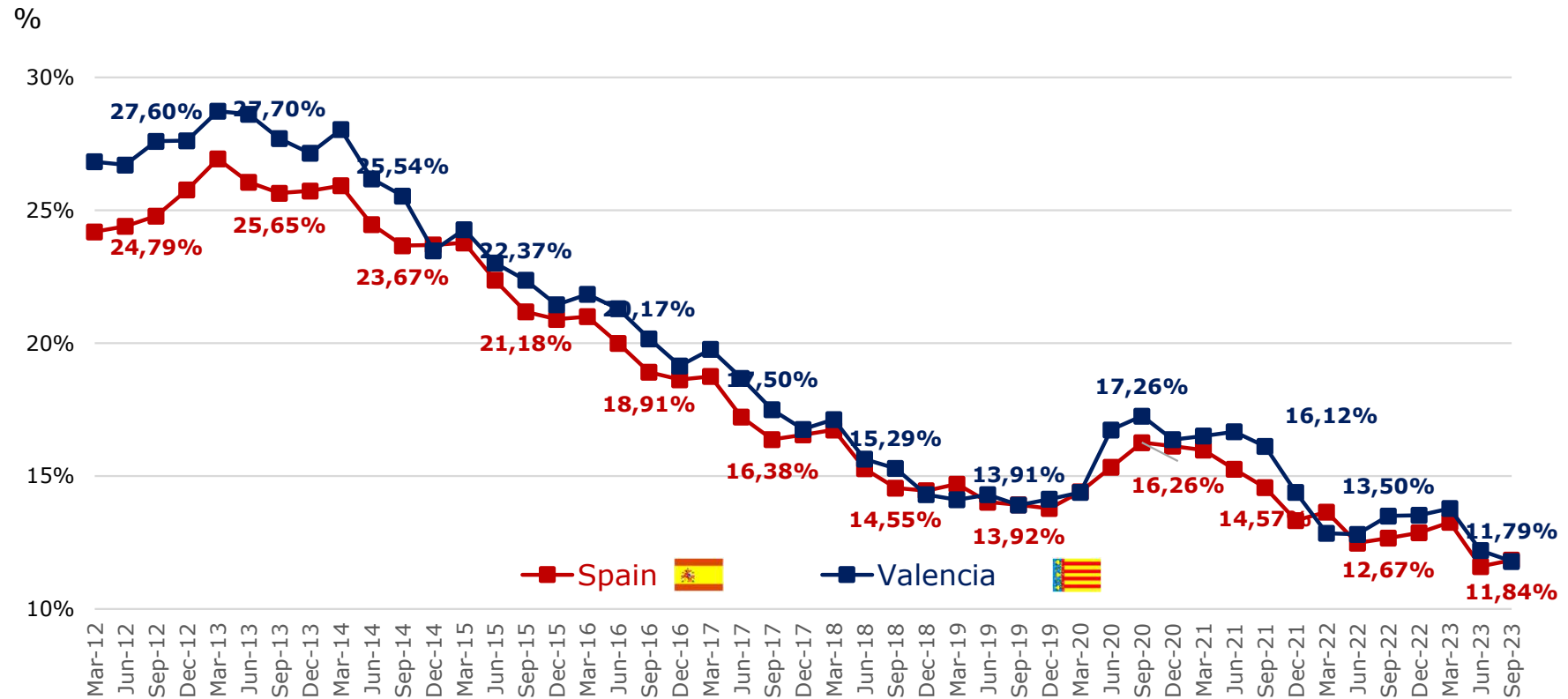


The Valencian Community in figures: Unemployment

Reduction and finally reversion of the gap between Spanish and Valencian unemployment rate

- From 2.64% (March 2012) to -0.05% (Sept 2023).

UNEMPLOYMENT RATE (Quartely, %)

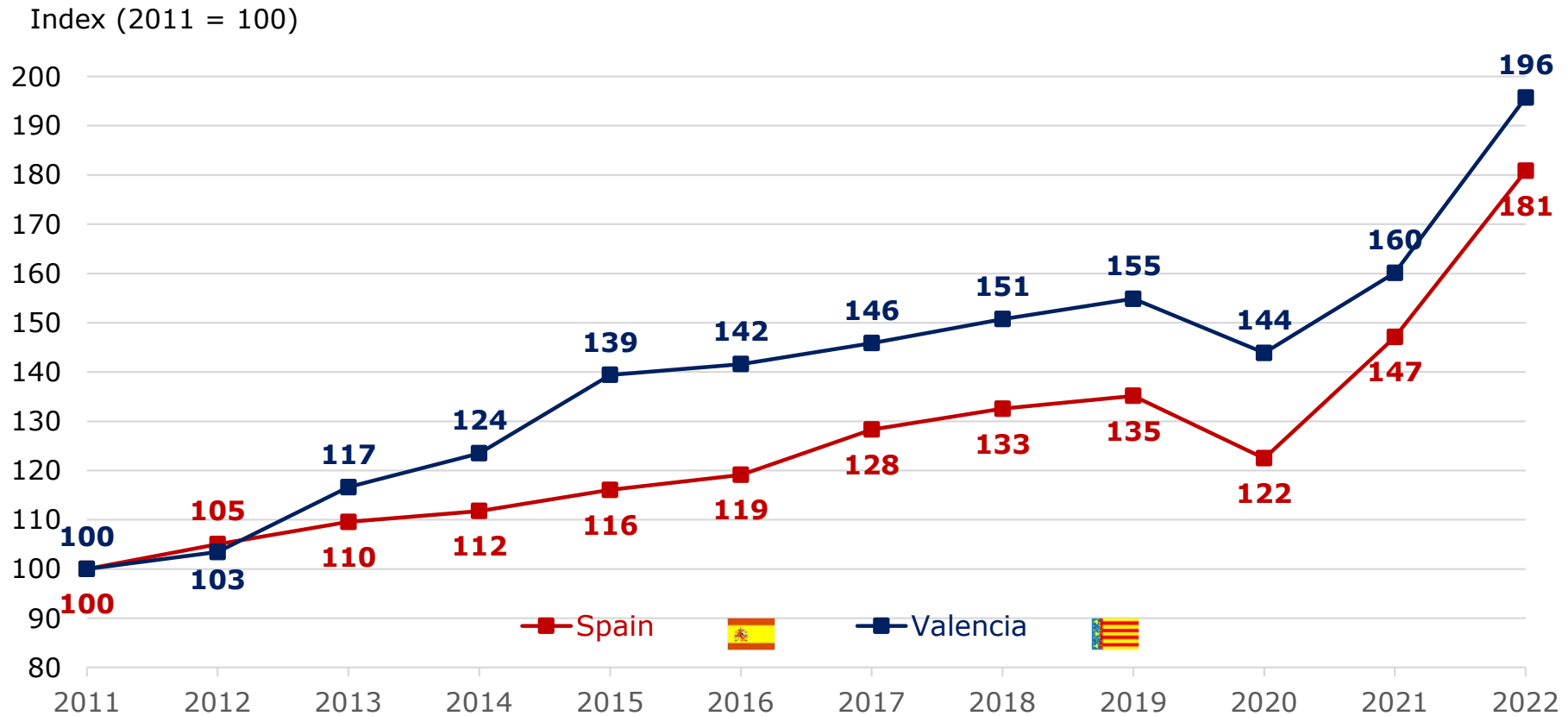




The Valencian Community in figures: Exports

- Exports increased by 96% since 2011 until 2022, significantly above data for the whole country.

EXPORTS OF GOODS (Index, 2011 = 100)

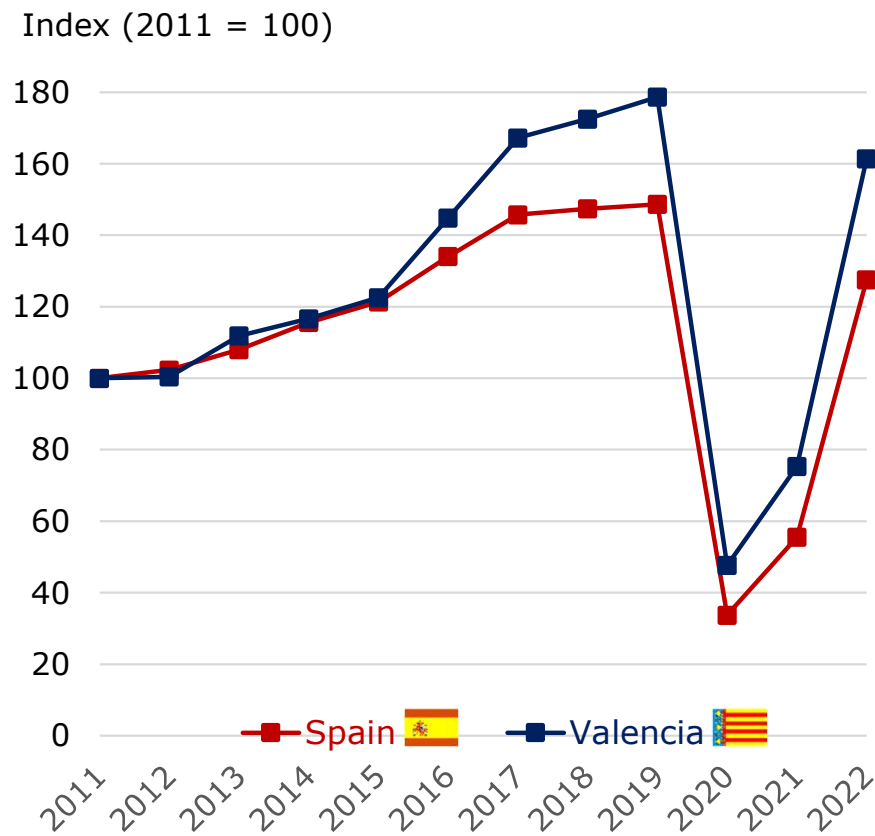




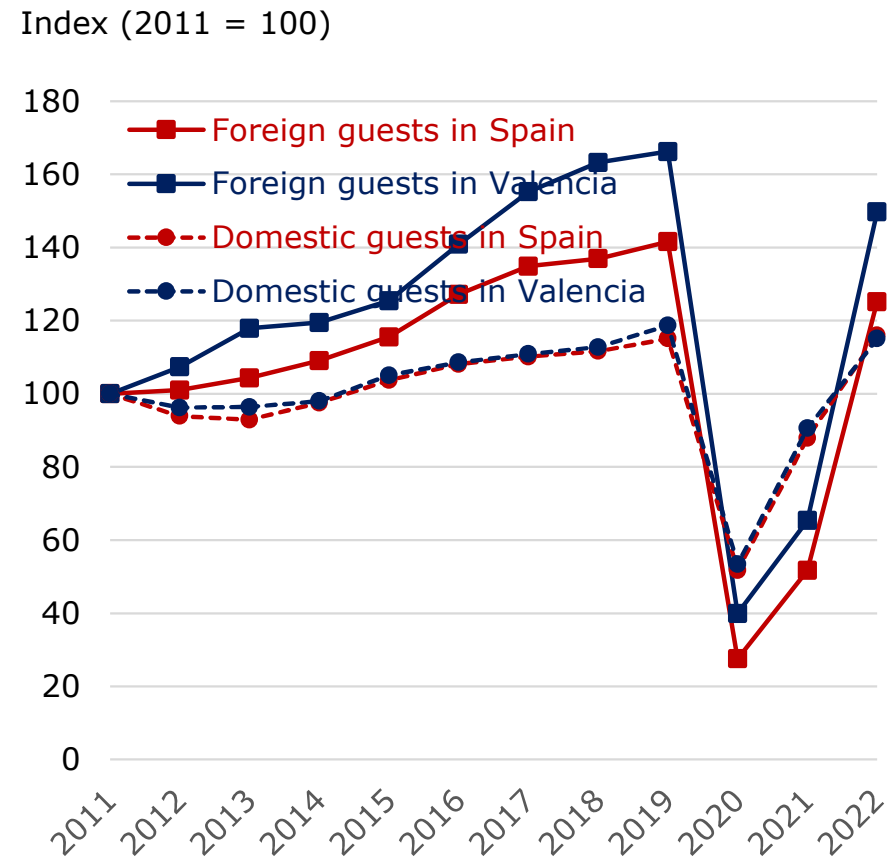
The Valencian Community in figures: Tourism

- Foreign tourist arrivals in 2022 almost recovered the record tourism levels of 2019
- Valencian Community is ranked in the top 5 destinations in Spain

TOURISTS (Index , 2011 = 100)



GUESTS IN HOTELS (Index, 2011 = 100)



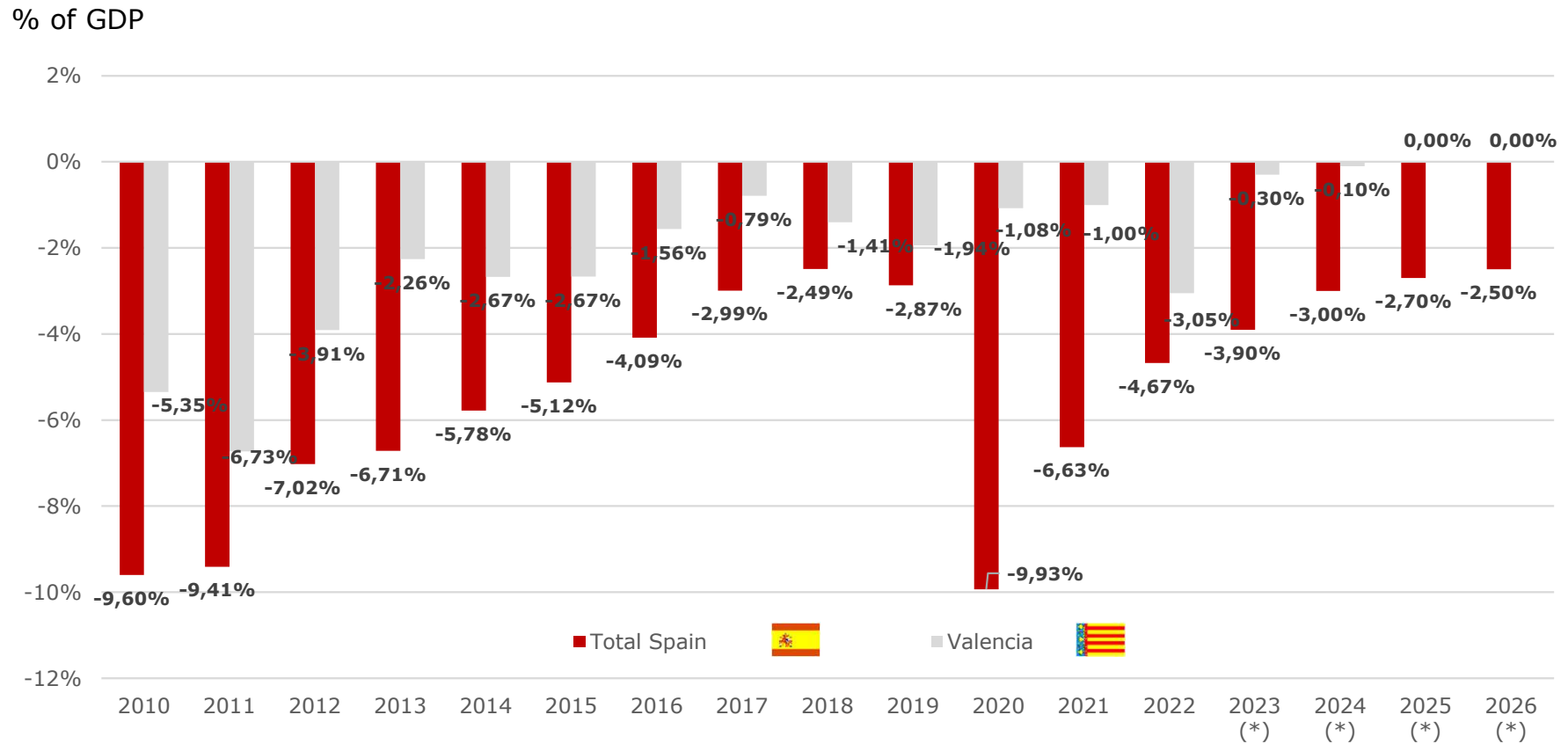
Fiscal targets and budget



Fiscal targets

▪ National and Regional deficit

BUDGET BALANCE (% of GDP)



Total Spain Deficit excludes support to the financial sector . * Council of Ministers agreement of 12/12/2023

Source: Ministerio de Hacienda



Budget outturn: Revenues

Revenues (€ m)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Var.	Var.
												2022/2021	2022/2012
												%	%
Direct taxes	3.917	2.949	2.956	3.069	3.496	4.394	4.499	4.557	5.223	5.191	5.400	4%	38%
Indirect taxes	6.329	5.131	5.504	5.610	6.160	6.625	6.938	6.897	6.875	7.194	7.011	-3%	11%
Fees, sales & other revenues	631	569	596	677	857	685	765	1.048	968	873	1.104	26%	75%
Current transfers	-487	1.869	1.201	1.106	1.262	1.210	1.159	1.365	2.957	3.695	1.980	-46%	-507%
Property incomes	9	9	42	6	3	8	7	5	23	1	4	300%	-56%
Current revenues	10.399	10.527	10.299	10.468	11.778	12.922	13.368	13.872	16.046	16.954	15.499	-9%	49%
Disposal of real investments	1	1	57	0	0	1	0	0	1	0	5	3758%	400%
Capital transfers	204	248	139	103	235	88	101	277	154	665	1.003	51%	392%
Capital revenues	205	249	196	103	235	89	101	277	155	665	1.008	52%	392%
Non-financial revenues	10.604	10.776	10.495	10.571	12.013	13.011	13.469	14.149	16.201	17.619	16.507	-6%	56%



Budget outturn: Expenditure

Expenditure (€ m)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Var. 2022/2021	Var. 2022/2012
												%	%
Personnel expenses	4.647	4.750	4.900	5.222	5.342	5.438	5.795	6.190	6.722	7.074	7.540	7%	62%
Purchase goods & services	4.523	3.207	3.897	4.024	3.463	3.463	3.636	3.664	4.185	4.238	3.806	-10%	-16%
Financial expenses	957	1.184	1.229	658	351	467	458	625	479	398	322	-19%	-66%
Current transfers	3.519	3.327	3.098	3.627	3.854	4.269	4.693	5.075	5.533	6.450	6.261	-3%	78%
Current expenditure	13.646	12.468	13.124	13.531	13.010	13.637	14.582	15.554	16.919	18.160	17.929	-1%	31%
Real investment	512	370	410	352	301	369	391	438	512	572	660	15%	29%
Capital transfers	870	822	830	431	269	418	397	498	497	921	1.211	31%	39%
Capital expenditure	1.382	1.192	1.240	783	570	787	788	936	1.009	1.493	1.871	25%	35%
Non financial expenditure	15.028	13.660	14.364	14.314	13.580	14.424	15.370	16.490	17.928	19.653	19.800	1%	32%
Current Balance	-3.247	-1.941	-2.825	-3.063	-1.232	-715	-1.214	-1.682	-873	-1.206	-2.430	101%	-25%



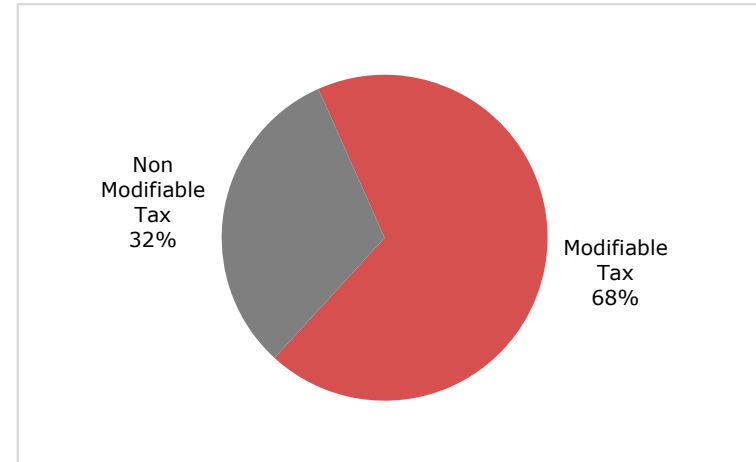
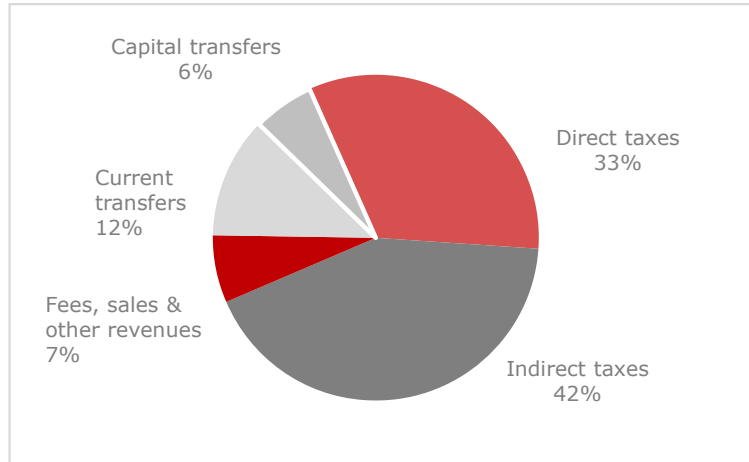
Budget outcome in 2022

- **During 2022 current revenues have decreased by 9%.**
 - ▶ Mainly due to the reduction in Current Transfers by 46% (€ 1,715) as a result of the disappearance of covid aid from the central government and the lower amount of the final settlements of the financing system corresponding to the year 2020. The drop in revenues in 2022 has been transitory. By 2023, the revenue from the financing system shows an increase of 25% (€ 2.700 m).
 - ▶ Direct tax increase by 4% (€ 209 m), Fees, sales & other revenues increase by 26% (€ 231) and Indirect Taxes decrease 3% (€ 183 m).
- **Current expenditure has decreased by 1% .**
 - ▶ Personnel expenses increase by 7% (€ 466 m).
 - ▶ Purchase goods & services decreased by 10 % (€ 432 m).
 - ▶ Current transfers decreased by 3% (€ 189 m).
 - ▶ Financial expenses decrease by 19% (€ 76 m).
- **The 2012 -2022 budget figures evolution shows:**
 - ▶ Improvement of the current balance over the period 2012 – 2022, From € -3,247 m to € -2,430 m.
- **2022 ESA's Deficit-to-GDP ratio reached a 3% quite far from the 0,6% indicative deficit set by Central Government.**
 - ▶ AIREF forecast a deficit of 1.9 in 2023. A strong improvement compared to 2022

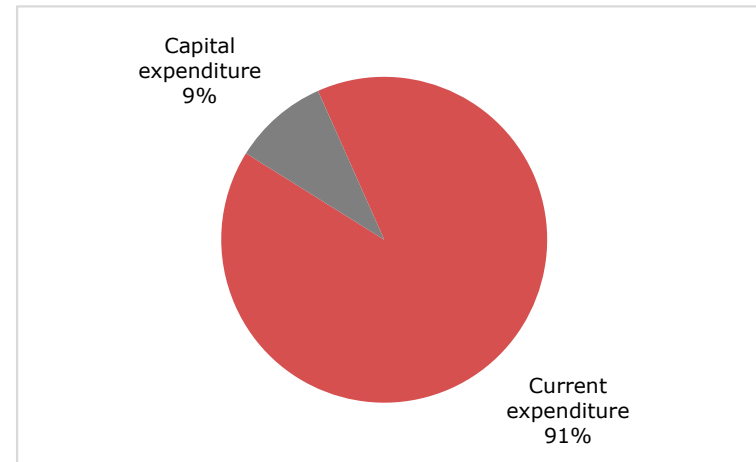
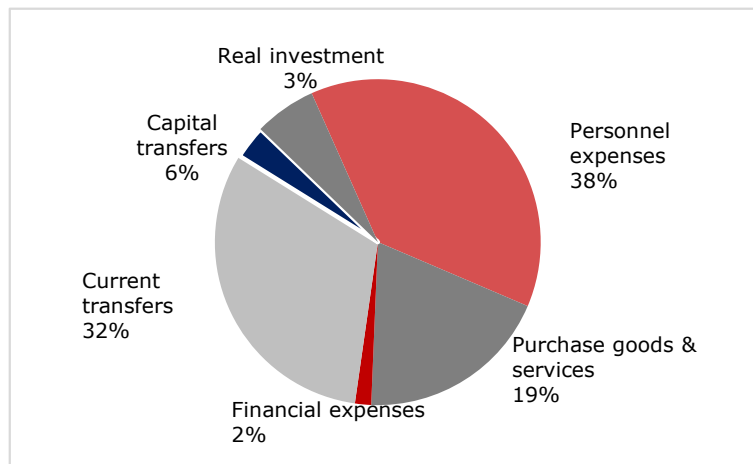


Budget outcome in 2022: Breakdown by type

REVENUES



EXPENDITURES

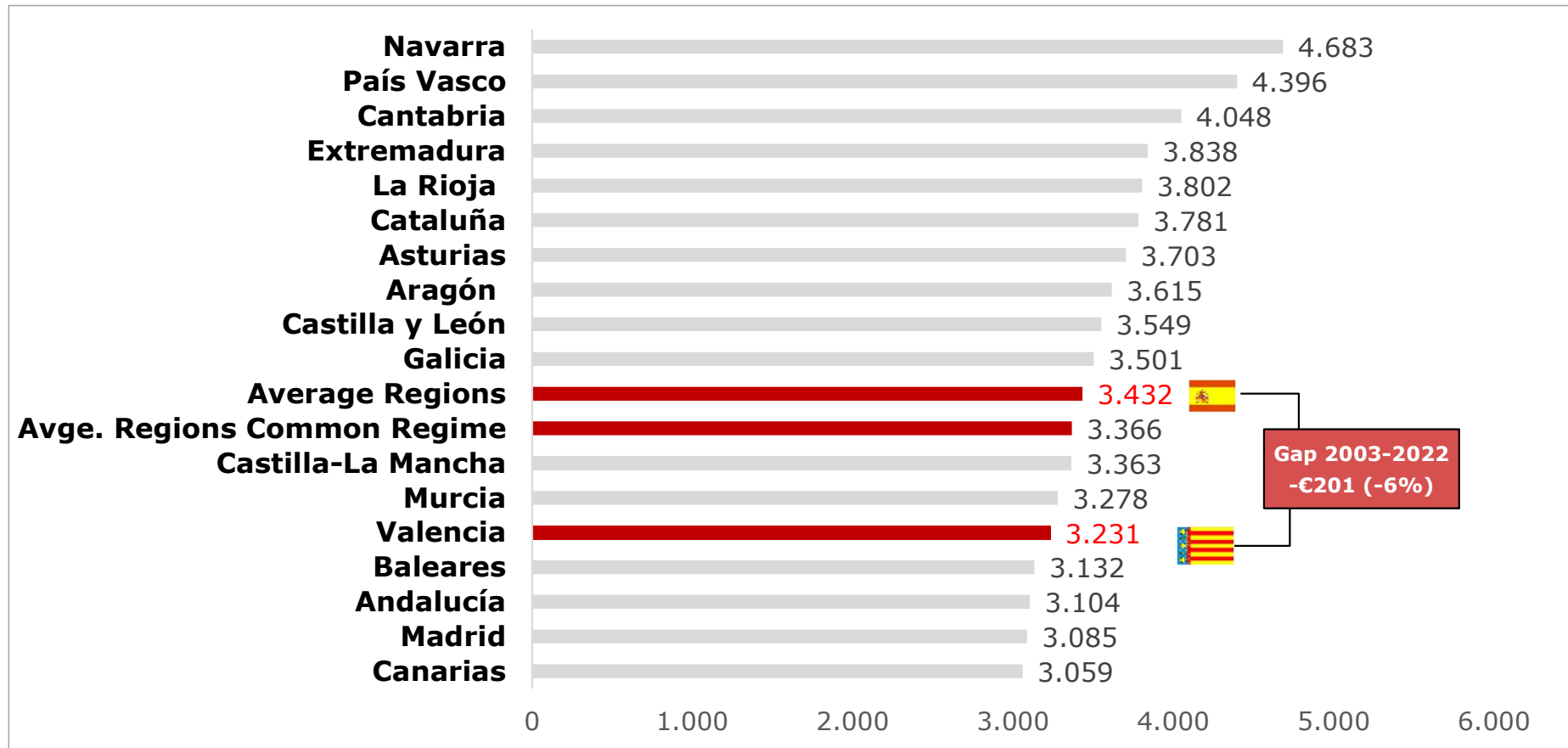




Analysis of the region's expenditures and revenues

- The Valencian Region public spending has been below the average Spanish regions...

Regional Public Expenditure, Average 2003-2022 (€ per inhabitant)

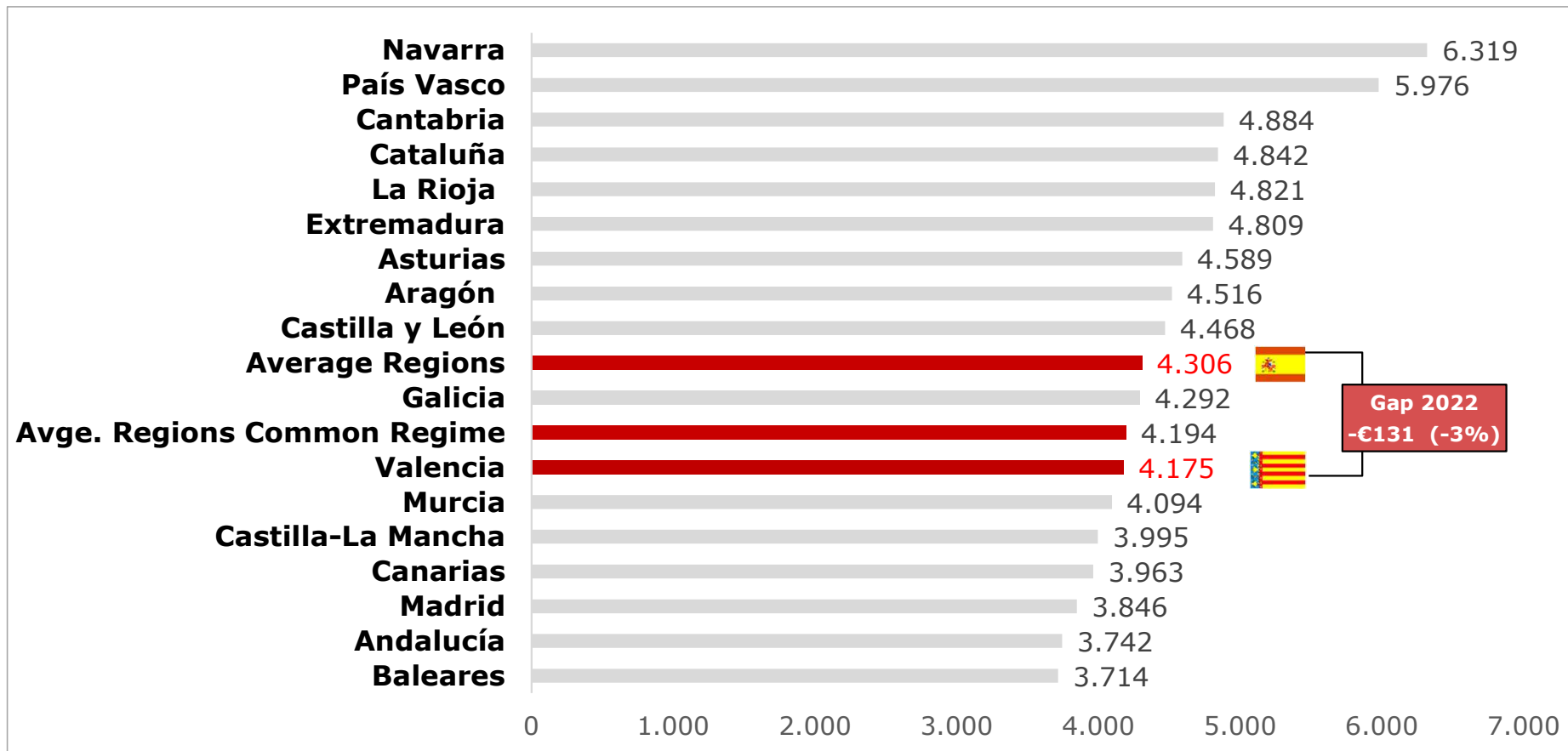




Analysis of the region's expenditures and revenues

- ... and also in 2022

Regional Public Expenditure, 2022 (€ per inhabitant)

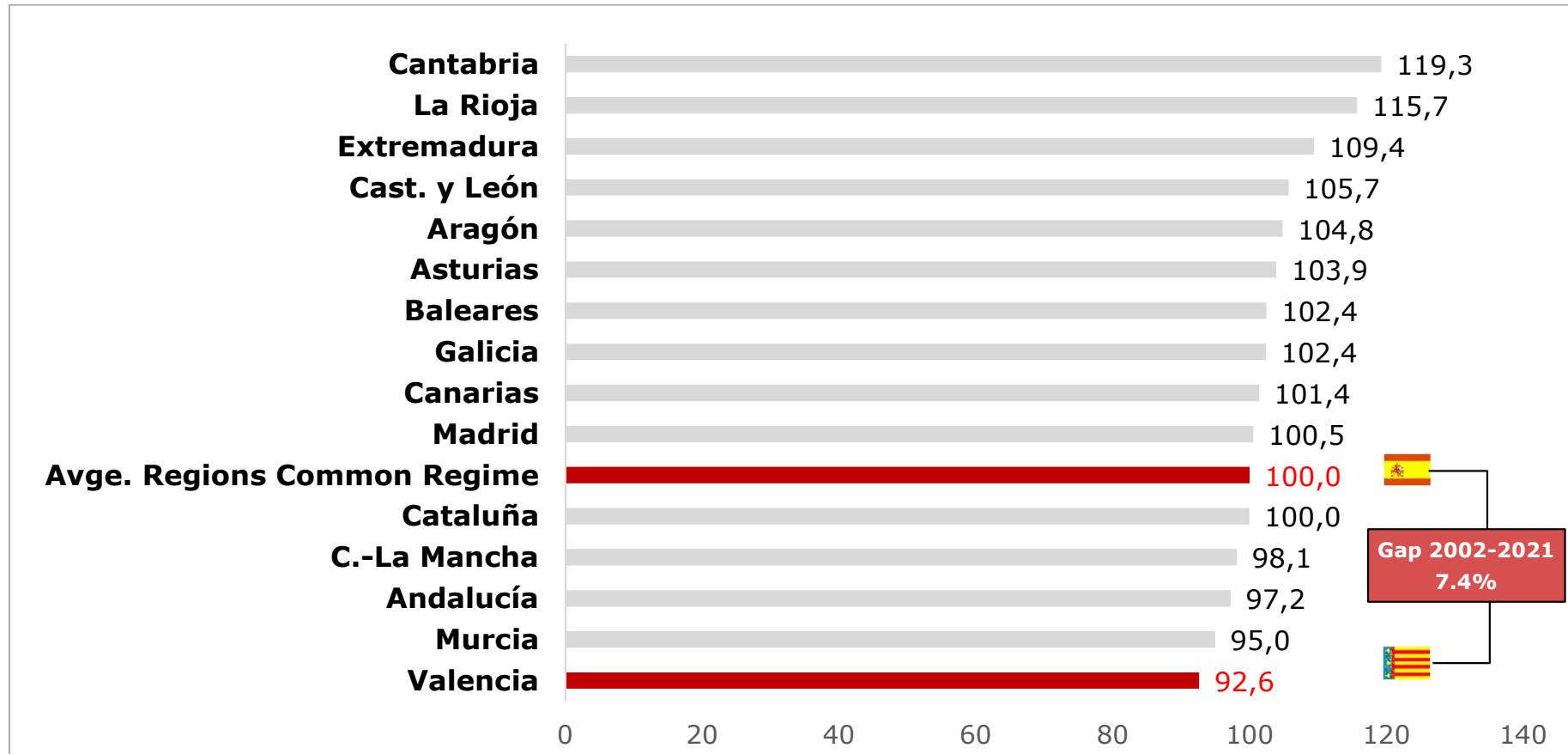




Analysis of the region's expenditures and revenues

- Valencian Region has been the worst financed by regional financing system during the period 2002-2021

Adjusted financing per-capita post equalization transfers, Average 2002- 2021 (Spain = 100)

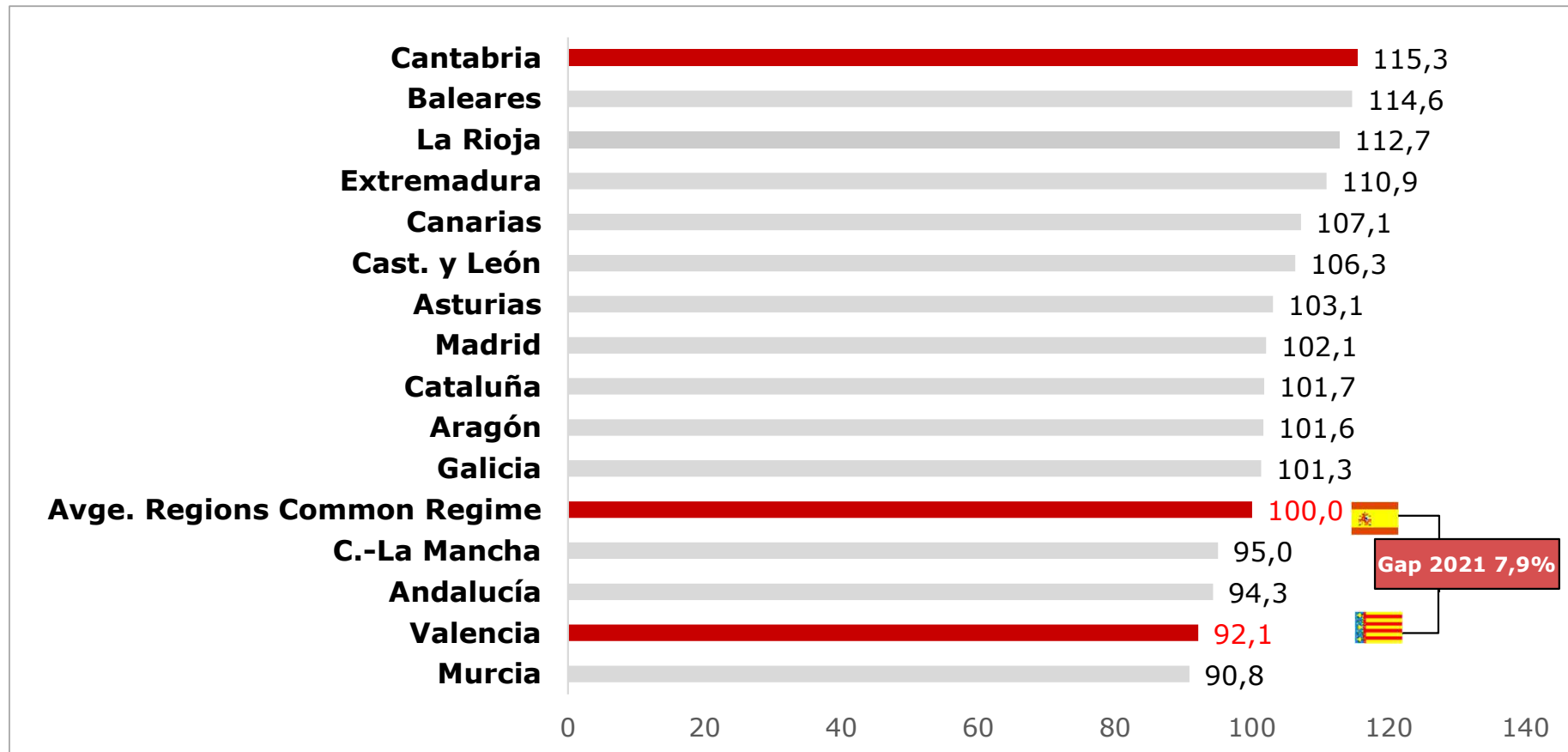




Analysis of the region's expenditures and revenues

- ... and the second worst financed in 2021

Adjusted financing per-capita post equalization transfers, 2021 (Spain = 100)

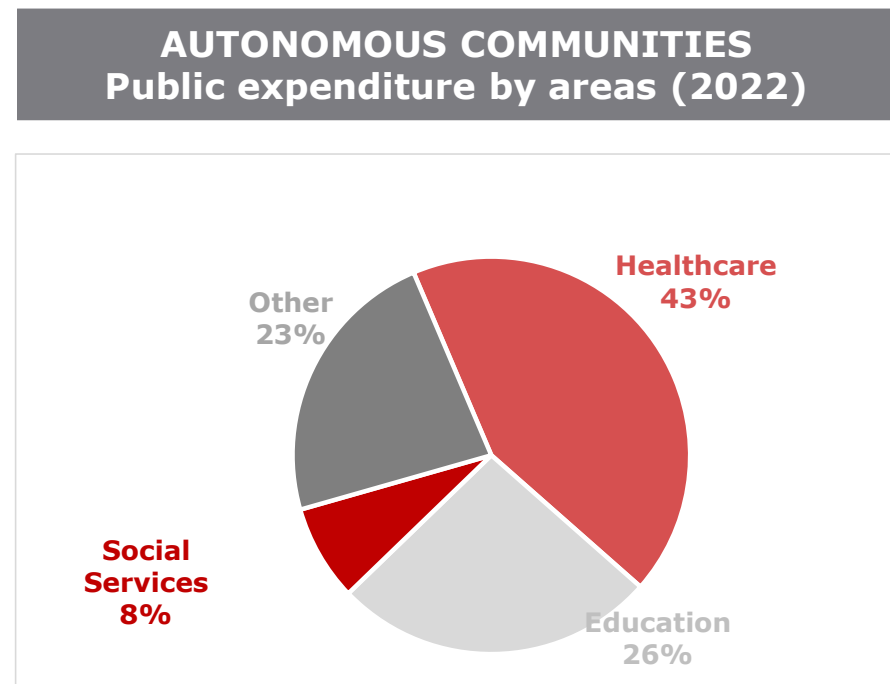


Institutional Framework



Institutional Framework

- Spain has been a **Quasi-federal State** since 1978
- The Spanish Government Administration has the following **levels**:
 - 1) Central Government
 - 2) 17 autonomous communities
 - 3) 50 provinces
 - 4) and 8,000 plus municipalities
- The **autonomous communities** are mainly responsible for:
 - ▶ Healthcare
 - ▶ Education and Universities
 - ▶ Environment
 - ▶ Infrastructures
 - ▶ Social Services
 - ▶ Employment
 - ▶ Economic Activities
- Public expenditure at the autonomous community level represents around **32% of total Spanish public expenditure**





Responsibilities of the European Regions

	Spain	Germany	Austria	Belgium	Italy		France
					Ordinary Status 	Special Status	
Education	✓	✓	✓	✓	✗	✓	✓ (second,)
Healthcare	✓	✓ (p)	✓	✓ (p)	✓	✓	✗
Transport	✓	✓	✓	✗	✓	✓	✓
Economy	✓	✓	✓	✗	✓	✓	✓
Justice	✓	✓	✓	✗	✗	✗	✗
Universities	✓	✓	✗	✗	✗	✗	✗
Police	✓	✓	✗	✗	✗	✗	✗
Infrastructures	✓	✓	✓	✗	✗	✓	✗
Environment	✓	✗	✓	✗	✗	✓	✓
Housing	✓	✗	✓	✗	✓	✓	✗
Local entities	✓	✗	✓	✗	✗	✓	✗
Culture	✓	✗	✗	✓	✗	✗	✓
Tourism	✓	✗	✗	✗	✗	✗	✓
Employment	✓	✗	✗	✗	✗	✗	✓
Social Services	✓	✗	✗	✗	✗	✗	✗



Supervision Framework

A Regional debt sustainability and management

- Debt is approved by the Valencian annual budget law.
- Issuance of long-term debt must be authorized by the central government's *Consejo de Ministros*.
- Stability and Budgetary General Law.
- Autonomous Communities Financial Law (LOFCA):
 - ▶ Debt burden can not exceed 25% of operative revenues ⇒ The rule does not apply until 2020 (*).
 - ▶ Funds must be spent on financing public works (real investments) ⇒ The rule did not apply until 2020 (*).

(*) According to the General State Budget Law for 2023 the afore mentioned rules did not apply in 2023.

B Institutional support from the central administration

▪ 1. Revenues

- ▶ Equalisation of the 75% regional taxes through the Guarantee of Basic Public Services Fund (GBPSF), according to adjusted population
- ▶ Revenues are less dependant from regional economic cycle
- ▶ The model penalises the tax rate reduction policies
- ▶ Global Sufficiency Fund (GSF) is an additional equalisation fund, ensures that under the new financing frameworks no CC.AA,'s can receive less funds – status quo-; Competitivity Fund is used to reduce the deviation of financing per capita; Cooperation Fund for Autonomous Communities where the level of GDP per capita is lower than average

▪ 2. Expenditure

- ▶ Increasing annual population is updated yearly for increasing the public resources
- ▶ Central Government guarantees a minimum level of provision of public services (healthcare, education and social services) by law (Art, 15 LOFCA)
- ▶ Central Government ensures that CC.AA,'s resources are enough for its responsibilities



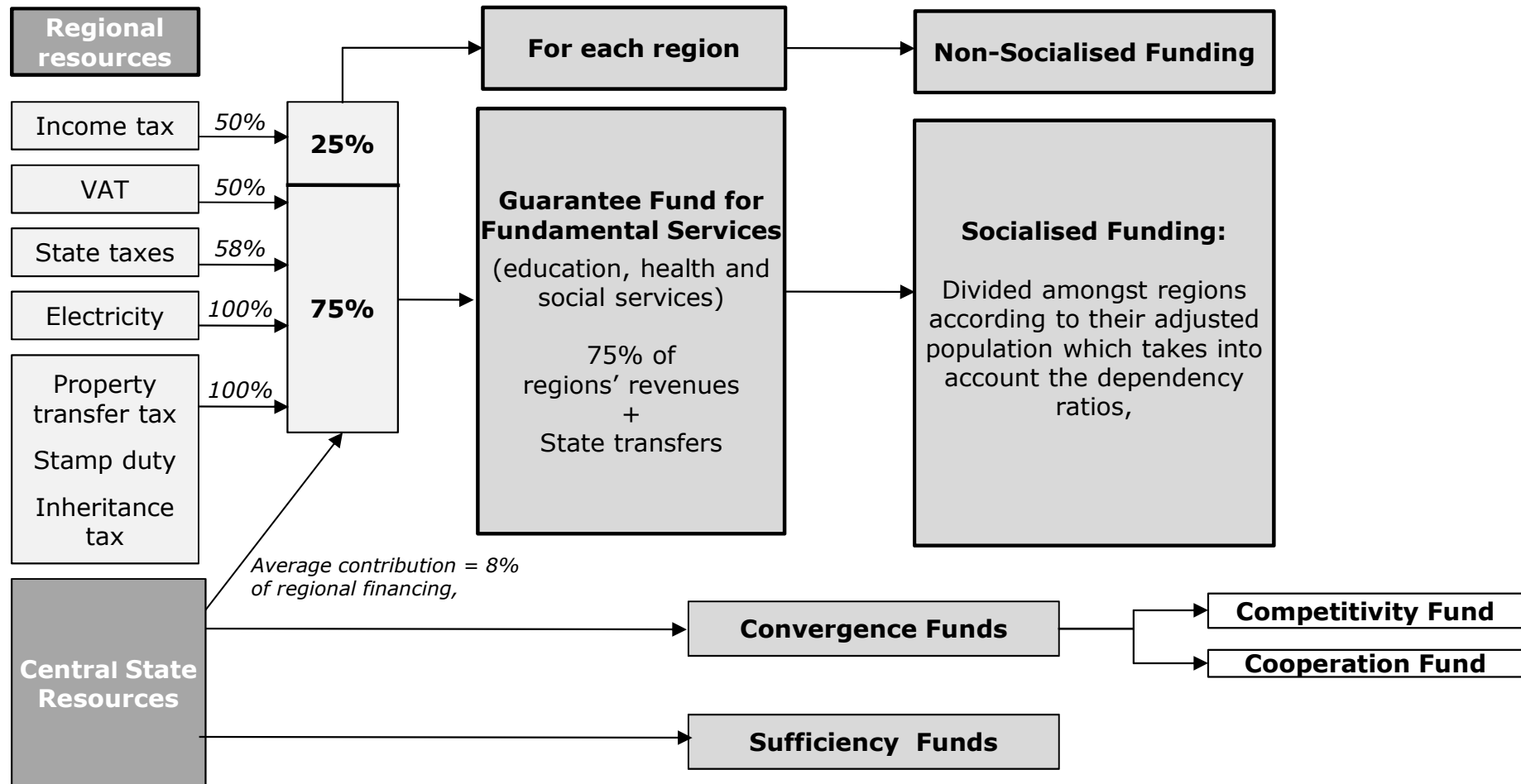
Financing System for Spanish Regions

- **Revenues**

- ▶ Full responsibility (*'cupo' system*): Basque Country and Navarre
- ▶ The remaining Autonomous Communities have partial substantial responsibilities on revenues:
 - 50% Income Tax
 - 50% Value Added Tax (VAT)
 - 58% Special Taxes (alcohol, tobacco and gasoline)
 - 100% Electricity Taxes
 - 100% Inheritance Tax
 - 100% Stamp Duty
 - 100% Gambling Tax
 - Other Taxes and Duties



Financing System for Spanish Regions



Current financing system should have been reviewed in 2014



National legal framework

- **Spanish Constitution reform: New debt ceiling and stability budget principle law**
 - ▶ Approved by almost absolute majority of the Parliament, it sets both debt and deficit limits for all government levels, including regional and local.
 - ▶ **Art, 135: 'Financial burden payments are priority'** ⇒ Interest and public debt payments have priority over any other expenditure.
 - ▶ It came into force on 27th Sep 2011.
- **Spanish Law on Budgetary and Financial Sustainability of Public Administration.**
 - ▶ It leaves no room for doubt: fiscal consolidation is a must (*)
 - ▶ Implements Article 135 of the Spanish Constitution

Key Points


Structural Balance	0%, Exceptions must be approved by a majority in Parliament
Public Debt	60% of GDP or EU target: 44% for central government, 13% for regional government and 3% for local authorities
Application	The entry into force of these limits was scheduled in 2020 (for all public administrations) (*)
Expenditure Rule (*)	Medium term GDP growth reference rate (according to EC methodology and published in an economic situation report)
Budgets	Budgetary framework medium term (minimum 3 years)

(*) *Fiscal Rules suspended in 2020-2022 due to COVID -19 and in 2023 due to Russia – Ukraine conflict. The council of Ministers of 12/12/2023 has agreed to set expenditure rule, deficit and debt targets for the period 2024-2026.*



National legal framework

- Reforms are quite in line with other carried out by our European peers
- German legislation states that revenues and expenditure must be balanced, in principle, without recourse to credit, but this rule is applied differently to the Federal Government and the Landers

	Spanish constitution 	German constitution 
Central government	Max, structural deficit: 0,26% of GDP	Max, structural deficit: 0,35% of GDP
Regional government	Max, structural deficit: 0,14% of GDP	Zero deficit Debt can only be taken on for amortization
Exceptions to the limits	Natural disasters, recession or extraordinary emergency situations beyond the State control Exceptions must be approved by a majority in Parliament	Natural disasters, recession or extraordinary emergency situations which considerably worsen the State's financial situation Requires a majority motion from the members of the Bundestag
Application	The entry into force of these limits was scheduled in 2020 for all public administrations (*)	Law already in force for the central government (since 1 st Jan 2016) For Landers it was scheduled from 1 st Jan 2020
Special aid to regions with difficulties in fiscal consolidation	For the time being, no such aid is forecasted	Potential access to aid for fiscal consolidation for five regions in exchange of their commitment to meeting certain targets during the transitional period



National legal framework

- Under the following framework, Central Government guarantees regional budgetary and debt discipline

Preventive Mechanisms

- Fiscal objectives established by Central Government
- Regional Economic and Financial Plans (EFP) to be approved by Central government
- Budgetary and debt control
- Non compliance risk warning: 1 month to adopt new measures

Corrective Mechanisms

- Automatic corrective measures
- ▶ Authorization for all debt operations (long term only following EFP approval)
- ▶ Preliminary report from Ministry of Treasury for any subsidy or agreements
- Rebalancing Plans

Enforcement Measures

- Causes: No EFP submitted, not approved, no compliance EFP
- Measures:
 - ▶ 15 day adoption of a plan to cut expenditure
 - ▶ Possible exercise of regulatory authority on taxes granted by central government



Central Government and European Union Support

-to mitigate the socio-economic impact of the pandemic with the arrival of non-reimbursable funds the European Union

REACT-EU FUND

- "Recovery Assistance for Cohesion and the Territories of Europe", Transfers from the European Union,
- Promotes the ecological, digital and resilient recovery of the economy,
- Earmarked funds,
- Assigned amount : € 1,254 m.

RECOVERY AND RESILIENCE FACILITY

- Transfers from the European Union,
- Make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital,
- Earmarked funds,
- Until June 2023, the amount assigned to Valencian Community is € 3,934 m of which € 2,290 m has been directly managed by itself.

Financial Situation



Generalitat Valenciana: Ratings

RATINGS

	Long Term	Short Term
Moody's (Jul'23)	Ba1 (Stable outlook)	NP
S&P (Nov'23)	BB (Positive outlook)	B
Fitch (Sep'23)	BBB- (Stable outlook)	F3

OTHER FEATURES

- Management through a **special agency** until August 2018⇒ **Institut Valencià de Finances**, After Decree 119/2018, debt management falls under the "Conselleria de Hacienda, Economía y Administración Pública" responsibility
- Funding **until 2011** was done in **international capital markets** ⇒ EMTN and ECP
- Since Dec'15 the EUR marketable debt instruments issued by regional and local governments located in the Euro area have been **eligible for regular PSPP** purchases (no primary purchases), as long as they meet the other conditions of eligibility, including a minimum rating
- Spanish regions enjoy the **same regulatory treatment as sovereigns** for banks and insurance companies:
 - ▶ 0% risk weighted and Level 1 LCR (0% haircut) for banks under Basel III and CRD IV
 - ▶ 0% capital charges for insurance companies under Solvency II
 - ▶ Also eligible under Eurosystem haircut category II, similar to that supranational debt

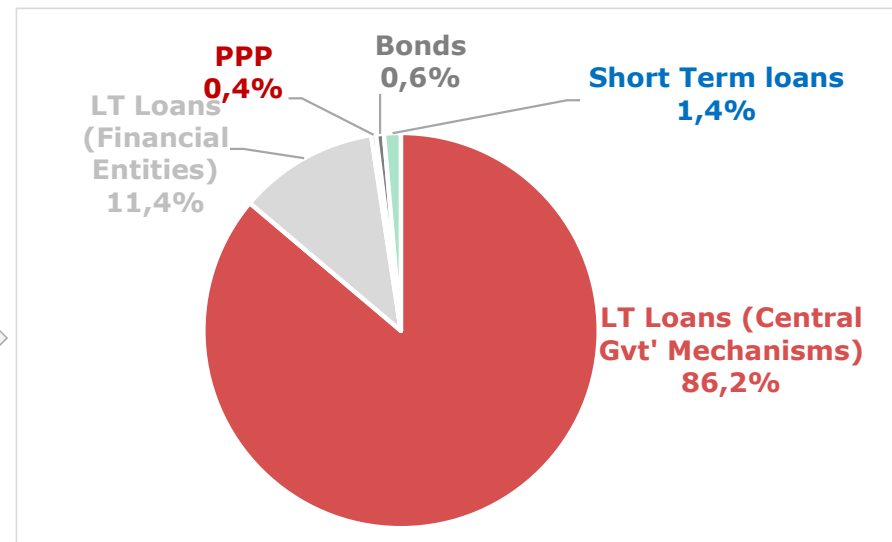


Generalitat Valenciana: Total Debt (ESA 2010)

MAIN FIGURES 3Q2023)

DEBT DISTRIBUTION	€ m
General Administration	54,775
Other entities included in the Public Administration Sector	460
Total debt (3Q2023)	55,235
Debt / GDP (3Q2023)	41.2%

BREAKDOWN BY TYPE





Funding Support Mechanisms from Central Government

▪ **Regional Liquidity Fund (FLA).**

- ▶ Since 2012, it has guaranteed financial aid until Autonomous Regions regain access to financial markets
- ▶ It has been replaced by the Fund for the Financing of Spanish Regions (FFSR).

▪ **Fund for the Financing of Spanish Regions (FFSR).**

- ▶ Created by RD 17/2014, it centralises all liquidity support from central government to regions.
- ▶ Intention of central government to recentralise the funding of Spanish regions and increase the monitoring, There is no 'temporary' mention in the definition, reinforcing the idea of permanence.
- ▶ 5 different layouts:

FINANCIAL FACILITY

- Target: previous non-FLA regions and current FLA regions which fulfil the goals of budget stability, public debt and average payment period to suppliers.
- Non ex-ante rebalancing plan is requested.

LIQUIDITY FUND

- Target: regions which do not meet the condition on average payment period to suppliers.

SOCIAL FUND

- Optional format that allowed Spanish regions to refinance their pending debt with municipalities up to 31 December 2014.

SUPPLIER PAYMENTS FUND

- Same purpose as the previous one. Legally terminated from 1 January 2015.

REACT – EU LIQUIDITY FUND

- Created in 2020 to provide liquidity in order to speed up their execution.



Funding Support Mechanisms from Central Government

▪ **Fund for the Financing of Spanish Regions (FFSR)**

▶ The Financing Facility and the Liquidity Fund have similar funding goals

▶ Cash requirements due to:

i) Bonds maturities

ii) Long Term Loans maturities

→ Funding needs derived from regional deficits

→ The 2008/2009 financing System negative liquidation repayments

→ Other financial operations approved by the central government

▶ Spanish regions are returning progressively to markets, CDGAE has authorized the return to the market of those regions that are under the Financial Facility Fund subject to the fulfilment of certain conditions.

▶ **Pros:**

✓ Liquidity and funding support to regions during critical episodes

✓ Extremely low financing costs

✓ Reduction in the average payment time to suppliers

▶ **Cons:**

i) Loss of financial autonomy

ii) Loss of access to capital markets



Funding Support Mechanisms from Central Government

- Several mechanisms have been instrumented since 2012...

€ m	FLA and Social Fund			Suppliers Payment Fund			REACT_EU Liquidity Fund		
	Disbursed	Cost	Outstanding	Disbursed	Cost	Outstanding	Disbursed	Cost	Outstanding
2012	3.830	5,130%	0	4.351	Euribor 3 m +525 pb	0			
2013	3.119	3,820%	0	70	Euribor 3 m +395 pb	6			
				931	3,34%	0			
2014	6.057	2,097%	339	2.221	3,34%	70			
2015	8.760	0,834%	1.798						
2016	6.968	0,475%	2.613						
2017	5.409	0,840%	2.021						
2018	5.828	0,861%	3.104						
2019	6.783	0,511%	5.088						
2020	8.161	0,308%	8.161						
2021	8.993	0,116%	8.993				650	0,000%	542
2022	7.763	1,499%	7.763				195	0,316%	195
2023	9.391	3,449%	9.391						
Total	81.062		49.270	7.573		76	845		737
TOTAL OUTSTANDING									50.083

- All mechanisms improved in 2015 their financial conditions to 0.834%.
- Estimated 2024 FLA loan amount: € 7,309 m.

Data for cost stand for interest rate initial conditions, Data in € m and %

Source: Conselleria de Hacienda, Economía y Administración Pública, as of 31 December 2023



Funding Support Mechanisms from Central Government

- Significant cost savings thanks to the central government strong support

ESTIMATION OF SAVINGS

€ m	2014	2015	2016	2017	2018
Financial expenses	1,229	685	351	467	458
Savings related to 2014	-	571	878	762	771

€ m	2019 *	2020	2021	2022	2023	2024
Financial expenses	485	479	398	322	465 B	964 B
Savings related to 2014	744	750	831	907	764	265

(*) Excluded one-off impact of € 140 m

(B) Budget

Source: Conselleria de Hacienda, Economía y Administración Pública



Debt Market Approach and Financing

FUNDING STRATEGY (General Administration)

€ m	2023	2024	2025
Redemptions (Securities and Long-term loans)	6,153	7,000	5,960
Net Issuance Medium-Long term*	3,104	235	91
Gross Issuance Medium-Long Term	9,257	7,235	6,051

*Net Issuance Medium-Long term, includes target deficits approved by the Central Government, the 2008-2009 regional financing system negative liquidation and deviation deficit 2022

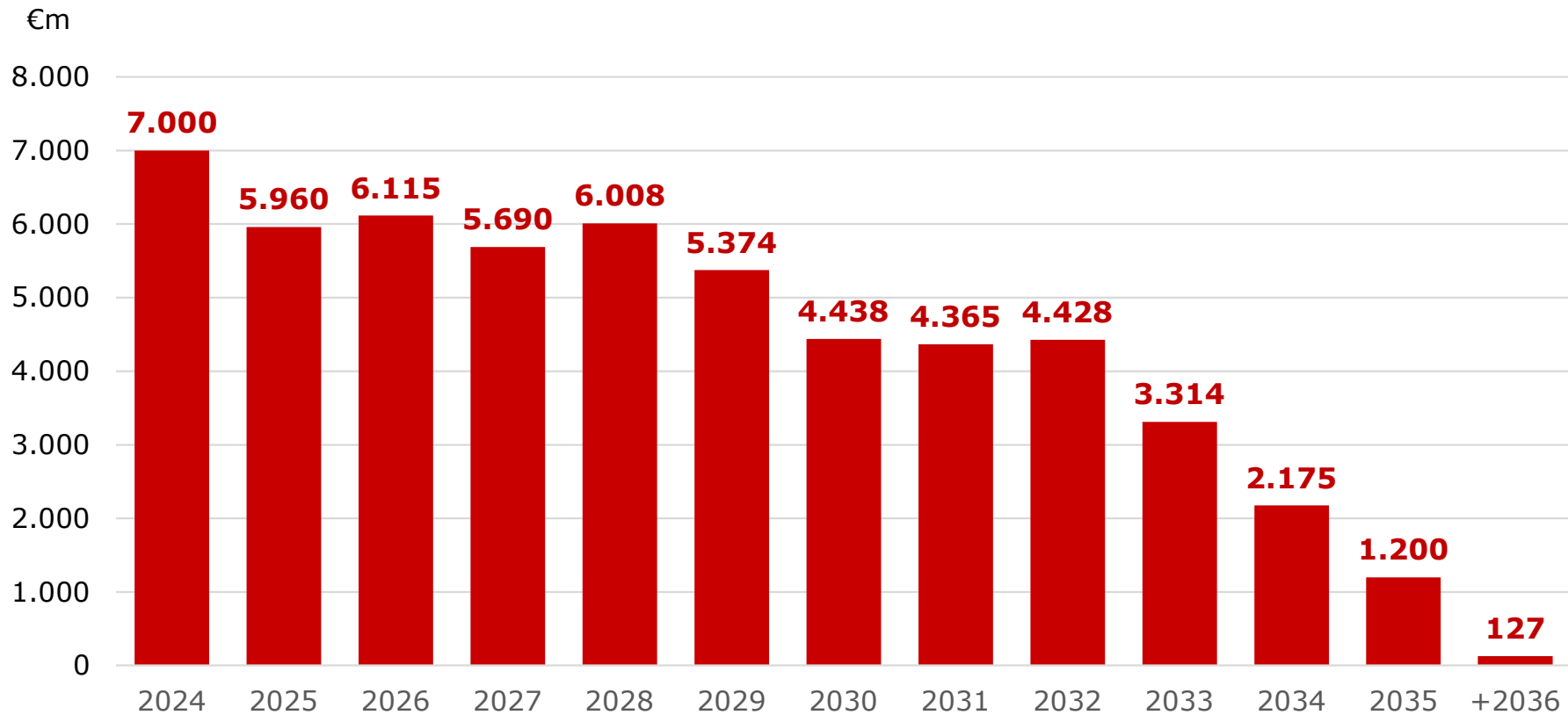
Source: Conselleria de Hacienda, Economía y Administración Pública



Debt Market Approach and Financing

- Improvement in current Debt Maturity profile thanks to the Central Government funding support

GENERALITAT VALENCIANA LONG TERM DEBT: MATURITY PROFILE (General Administration)



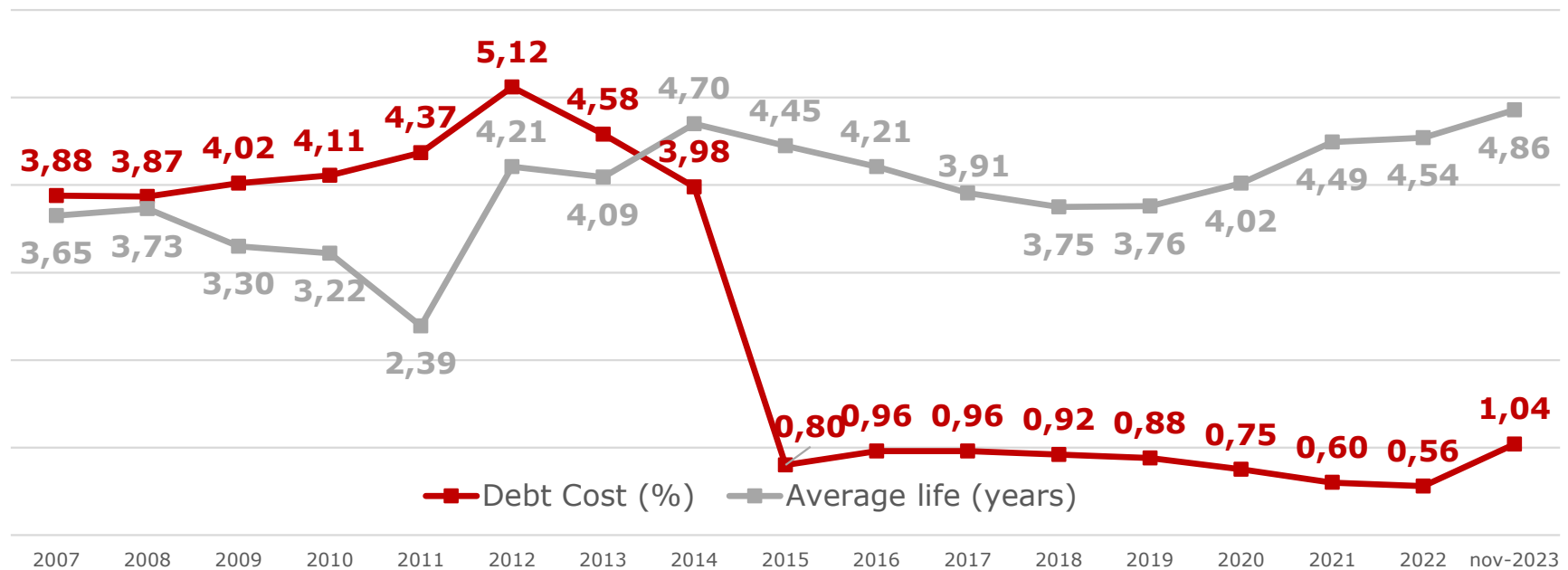


Debt Cost and Debt Average Life

- Low Debt cost

GENERALITAT VALENCIANA: COST AND AVERAGE LIFE DEBT

% / years

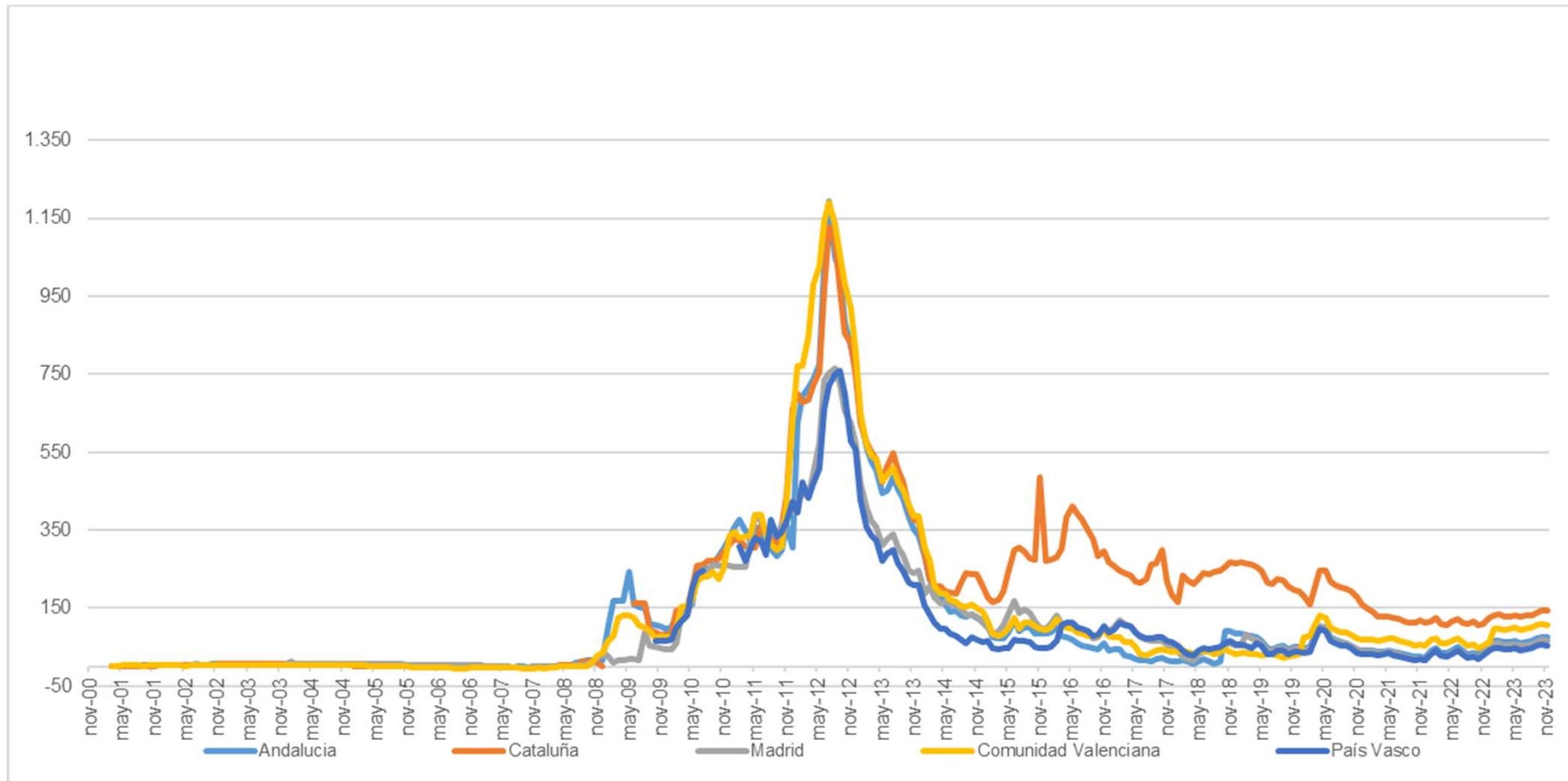




Secondary Market Spread

- Since 2012, secondary spreads of Valencian debt have decreased sharply

SECONDARY MARKET SPREAD ON SWAP (2001–2023)



*Data correspond to monthly averages,

Source: Bloomberg and Conselleria de Hacienda, Economía y Administración Pública



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