



G GOVERNMENT OF BALEARIC
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Investor Presentation
February 2019



GOIB

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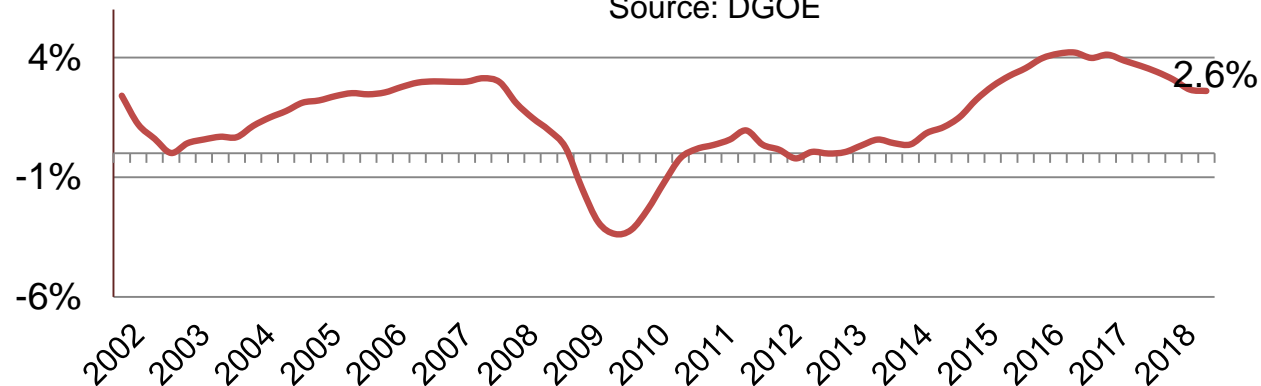
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Key Messages

- **The growth of the Balearic Islands will continue to be very dynamic;** all sectors show positive rates of change, which contributes to the sectorial balance and the dynamism of the Balearic economy.
- **GDP is expected to grow in 2018 to levels close to 3%** and 2.7% in 2019 (levels above the Spanish and European average). If this scenario is met, the impact on the unemployment rate would be very positive.
- **The current gross added value produced in the Balearic Islands is 11.2% higher in real terms today** than in 2008 (in Spain it barely exceeds 3%).
- **Tourism spending grew up to November 2018** by 1.6% in year-on-year terms, reaching €16,140 million - record of the historical series.
- **Strength of the hotel sector;** travelers staying in hotels until November 2018 also surpass the 2017 records, figures which already represented historical records. Improved seasonality with differentiated tourism (cycling, gastronomy, hiking, etc.) and quality, increasing occupancy in low season easing the pressure on high season.
- **The labor market continues its recovery;** Social Security enrollment remains at historic highs with job creation data above 3% (3.16% in December). Levels of registered unemployment is below the levels of 2008.
- **The construction sector accelerates progress;** Construction accelerates the pace of activity and leading indicators continue to increase.
- **Indebtedness plan of the Balearic Islands:** gradual exit to the market. The Autonomous Community presented a Multi-Year Indebtedness Plan (PPEs covering a period of three successive natural years), favorably informed by the Central Government, which implies the gradual access to the financial markets; the regional financing in the markets by 50% in 2019 and 2020 (€517Mn and €750Mn euros respectively) and 100% in 2021 (€1,197Mn).

Annual Growth of Balearic Islands

Source: DGOE





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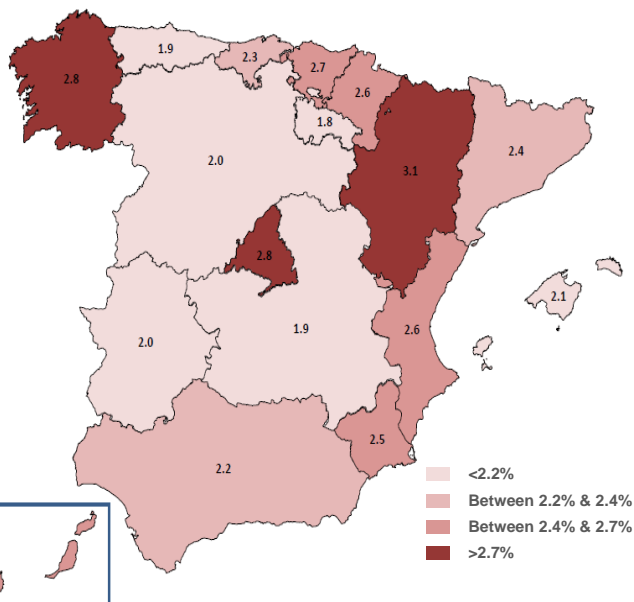
1. Balearic Islands Economy

2019 Forecasts

- Although the growth rates of the first half of 2018 are slightly below those of 2017, the annual closing forecast maintains a level close to three points.
- For 2019, the forecast is 2.7%, half a percentage point more than Spain and better than the forecasts of the main countries of the European Union.

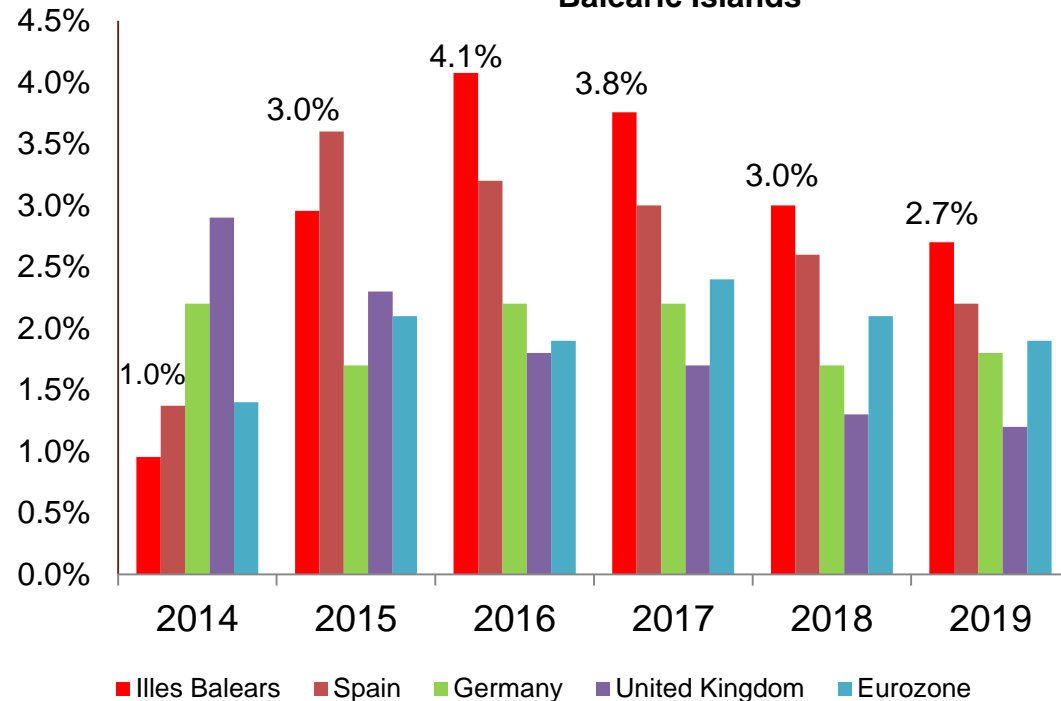
Interannual Forecasted GDP by Autonomous Region

Source: European Commission, Government of Balearic Islands



Annual GDP Growth

Source: European Commission, Government of Balearic Islands

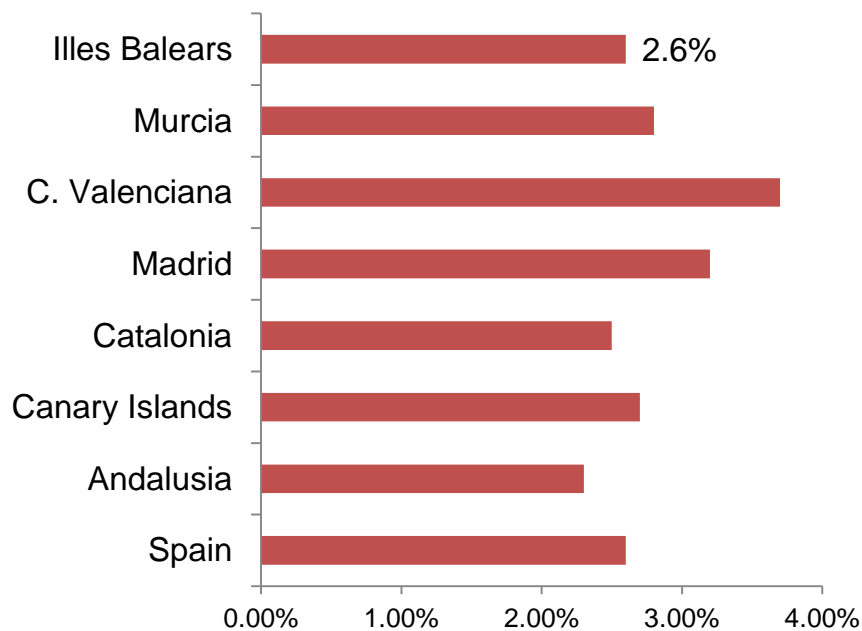




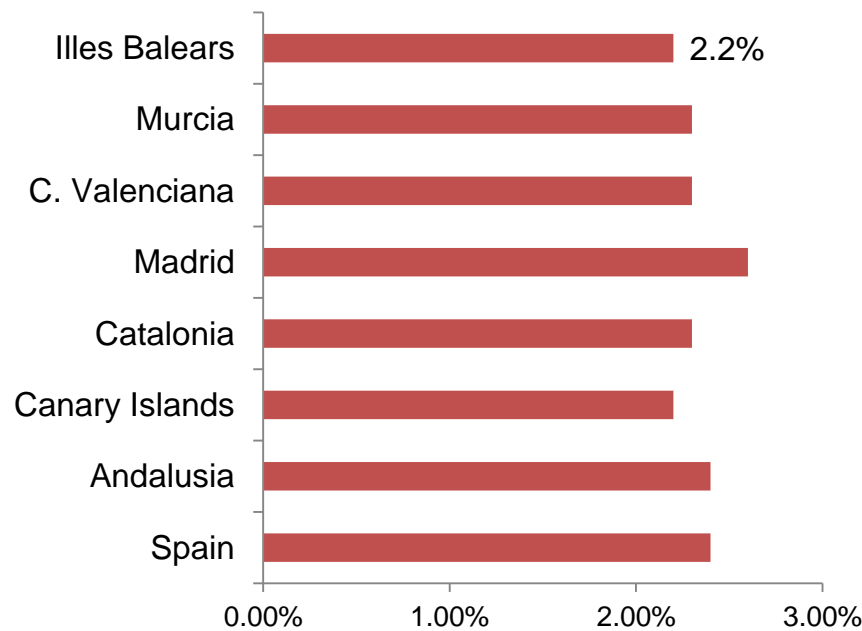
Economic Forecasts from External Entities

- AIREF, FUNCAS, BBVA Research, Hispalink and CAEB, align the growth forecasts of Balearic Islands with those of Spain.
- Equal to the DGOE forecasts, in all cases a reduction is forecasted between 2018 and 2019, but in any case it is slight (ranging from two tenths of FUNCAS to four tenths of BBVA Research).
- CAEB, a body that together with DGOE offers estimates disaggregated by sectors and demand components, forecasts growth in the Islands of 2.8% by 2018.

**2018 GDP growth forecasts
by Autonomous Region
Source: BBVA Research.**



**2019 GDP growth forecasts
by Autonomous Region
Source: BBVA Research.**



Sectorial Analysis

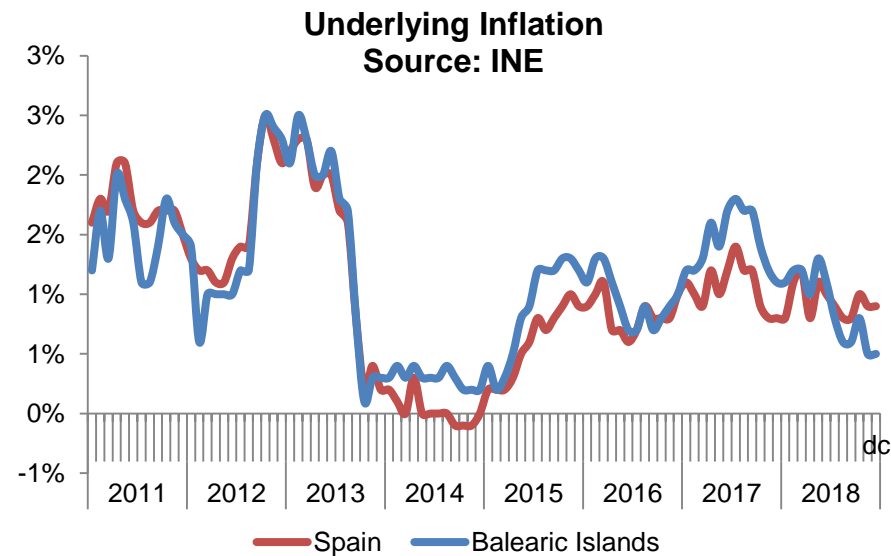
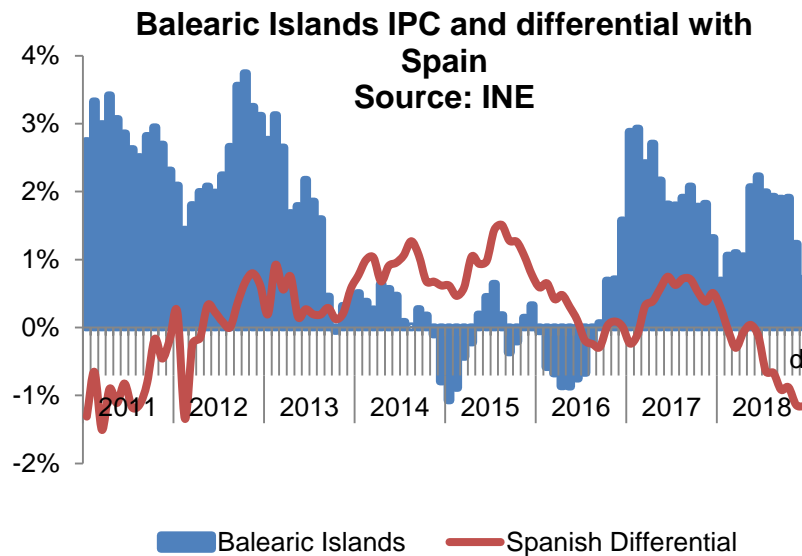
- The construction sector shares the leading role with that of services, which are the activities with the greatest expansion both in 2018 and in 2019.
- Hereafter, by weight on the GVA, is the industry, which with rates close to two points is still recovering dynamism.
- The agriculture sector also contributes to the sectoral balance, although, due to its low participation in the total, the effect is mitigated.

GVA Annual Change (Source: DGOE)								
	2012	2013	2014	2015	2016	2017	2018*	2019*
Agriculture	-0.5%	1.0%	0.2%	0.0%	2.3%	1.7%	2.0%	2.0%
Industry	-0.8%	-1.1%	-1.0%	1.9%	2.6%	2.1%	1.5%	1.8%
Construction	-5.5%	-5.4%	-2.6%	2.9%	3.5%	3.6%	3.4%	2.9%
Services	0.6%	1.0%	1.4%	3.1%	4.3%	3.9%	3.0%	2.7%
Total Balearic	0.0%	0.3%	1.0%	3.0%	4.1%	3.8%	3.0%	2.7%

* Forecasts

Inflation hits ceiling and moderates its pace

- After a stable start to the year, inflation accelerated in May due to higher prices for electricity, fuel and transport. After touching the roof it remains at stable levels and in the final stretch of the year it collects the cheapening of the price of crude oil. The differential with Spain returns to 2011 levels (-0.5).



- The interannual variation of core inflation (which is not affected by energy products) has generally followed a slight upward trend since 2015, although in recent months the trend has shifted back to moderation.

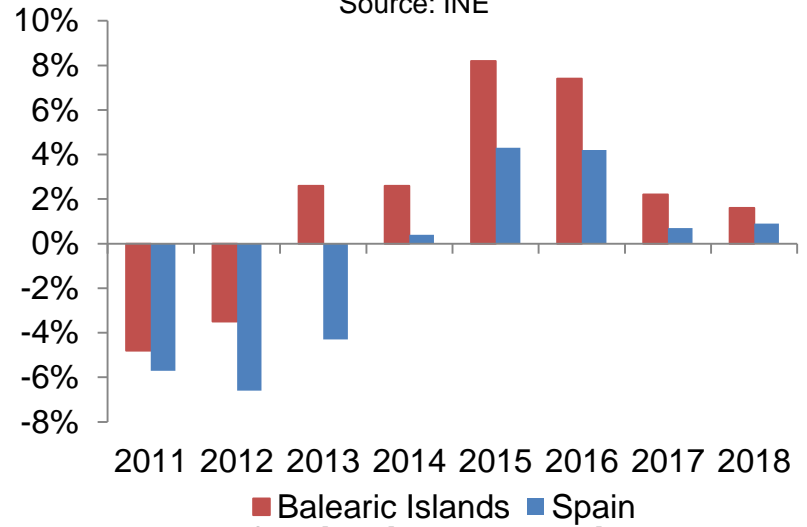


Upward consumption with positive values

- The total number of vehicles registered in the Balearic Islands in 2018 exceeds 72,700, 6.4% more than in the previous year.
- Consumption, represented by trade turnover reduces its rate of growth, but remains positive and above the national average.
- Imports of consumer goods up to October exceeded €400M, the highest since 2006 and 5.3% more than in the same months of 2017.

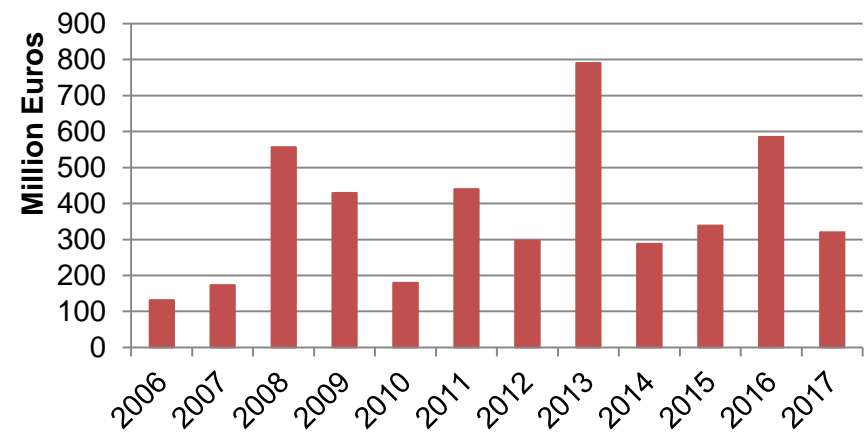
ICM Evolution. January-November

Source: INE



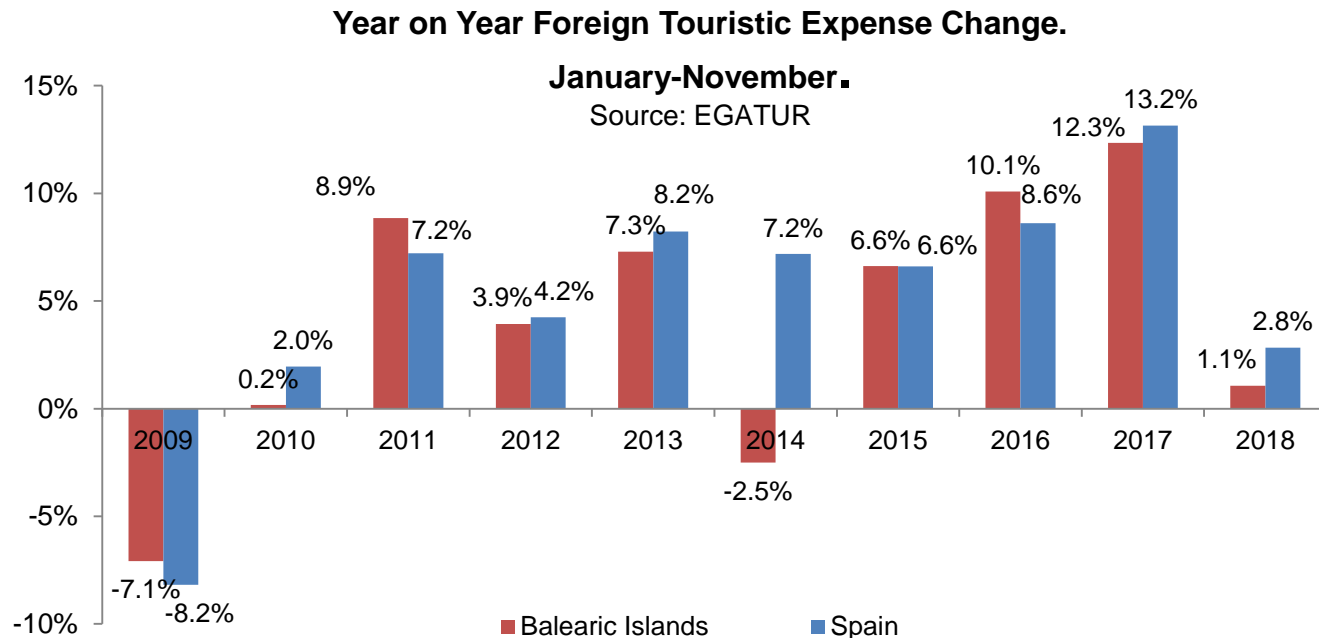
Gross foreign investment in the Balearic Islands

Source: Ibestat



Tourist Expenditure

- Between January and November the expenditure made by international tourists (EGATUR) grows moderately and in months 11 months reaches a figure of €14,367M, 1.1% more than the same months of 2017.
- If you add the tourist spending of Spanish tourists, the total figure reaches €16,140M, the highest accumulated figure in the historical series, up to 1.6%.
- The average daily cost per tourist increases (8.2% in the accumulated from January to November 2018).



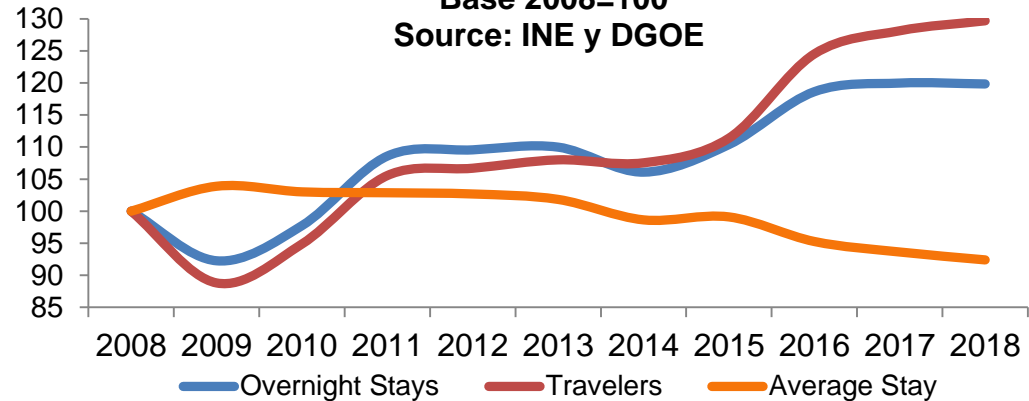


Tourist Activity

- Regarding the number of passengers arriving by air in 2018, a historical level has been beaten again (20.3 million people, 3.4% more than the previous year). This increase was achieved with increases in the domestic pass (9.9%) and the German (4.6%), together with significant increases in Austria (3.3%) and France (9.5%).
- Tourists arrived in the Balearic Islands between January and November 2018 exceeded 16.3 million and increased by 1.0%. In the first eleven months of the year, the increase in domestic tourism stands out (7.2%).
- The number of travelers continues to increase without resorting to price reduction.

Overnight Stays, travelers & average stay in hotels
(Jan-Nov)
Base 2008=100

Source: INE y DGOE



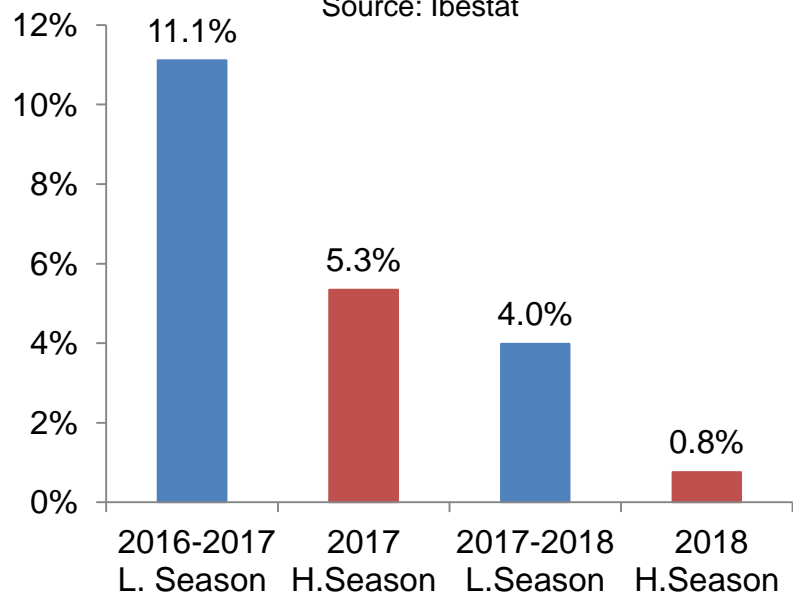
- Revenues per room available in hotels increased by 10.9% and remained above the state average. The average daily rate (ADR) shows an increase of 7.4% in 2017. In all the months of 2018 (except in January) it also increases in interannual rate (in November, + 14.83%).
- Hotel prices for 2017 rose by 8.6% and were also above the state average (6.4%). Like the profitability, all the months of 2018 show positive variations (except January) and in November it increases 2.84%.

The deseasonalization is an opportunity that is becoming a reality

- In the last tourist campaigns, the growth in the number of tourists is greater in the low season months (from November to April) than in the high season (May to October), seasonally adjusting the tourist activity and opening opportunities for stable growth.
- Touristic expenditure is also seasonally adjusted in parallel with the number of tourists.

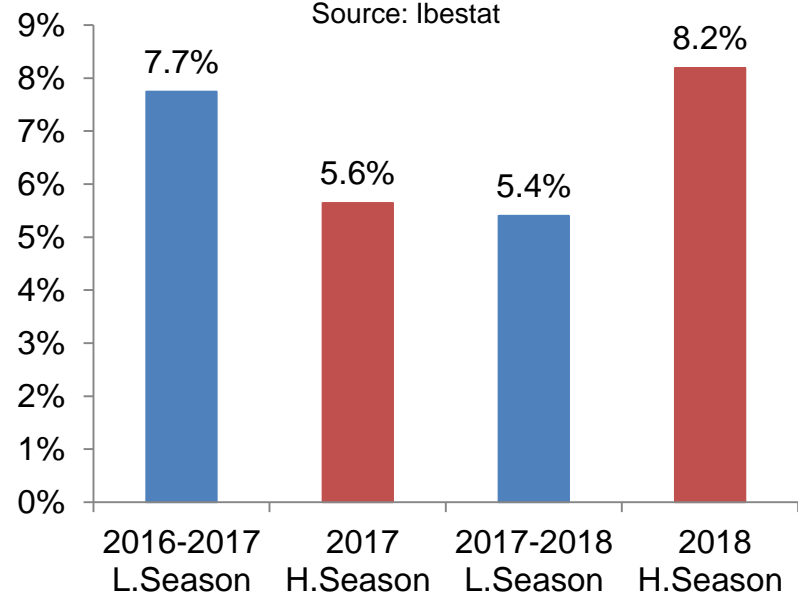
Variation in the number of tourists per season

Source: Ibestat



Variation in average daily tourist spending per season

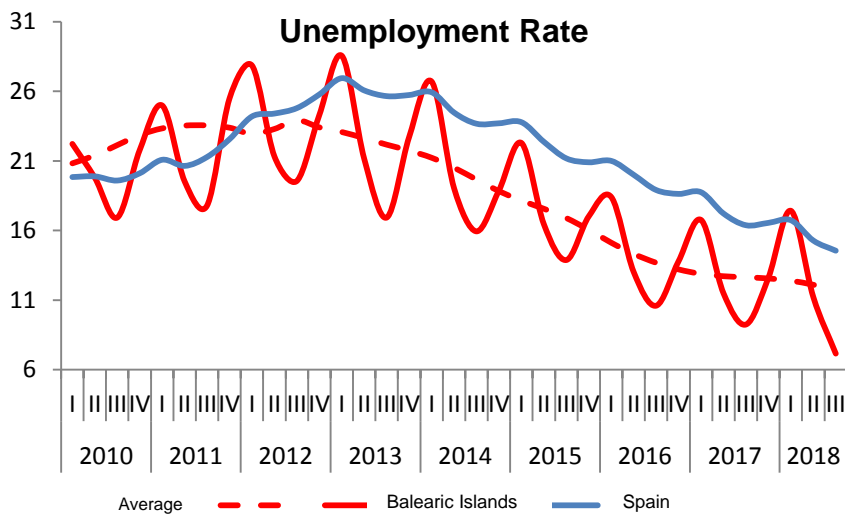
Source: Ibestat





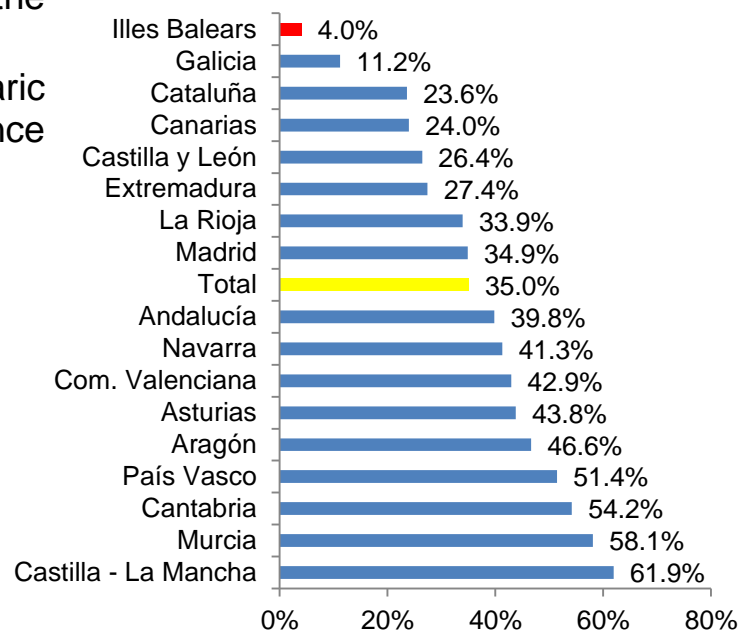
Labor Market: Unemployment

- Unemployment in Balearic Islands fell by 19.6% in the third quarter of 2018 compared to the previous year, according to the EPA. Since the second quarter of 2014 the rate of unemployment of the Islands is below the State average (except for the 1st quarter of 2018). The rate for the 3rd quarter of 2018 was 7.2% in Balearic Islands, the lowest since the 3rd quarter of 2007.
- In the same line, registered unemployment in the Balearic Islands presents six years of year-on-year falls and since June 2018 is lower than those registered in 2008.

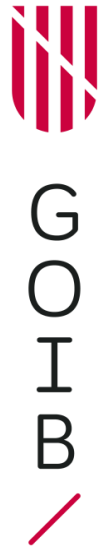


Source: EPA (INE)

Unemployment change January-October 2018 vs 2008

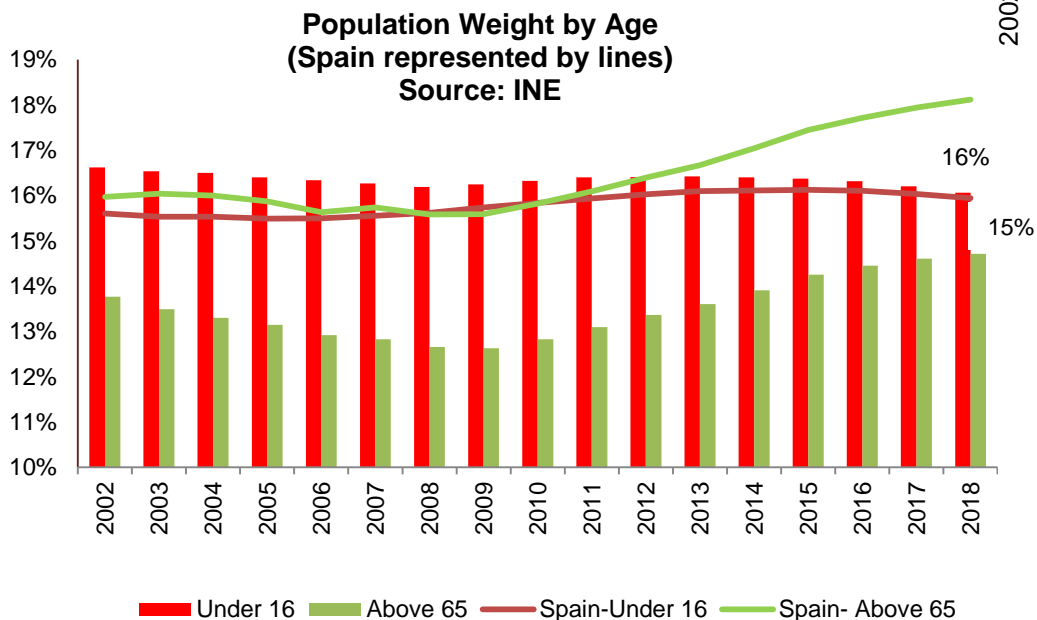
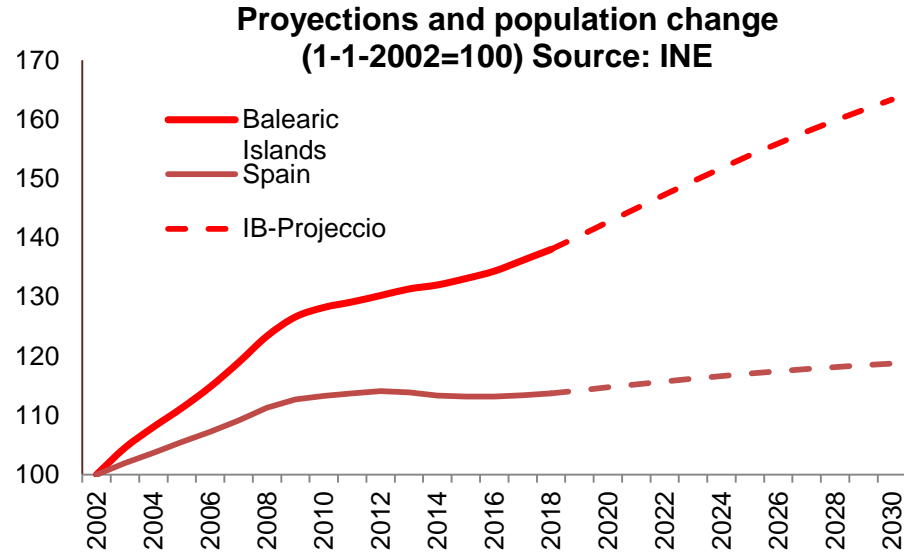


- Balearic Islands practically stands at the levels of registered unemployment in 2008, while the Spanish average is still one third higher.



Population

- On January 1, 2018 the population of the Islands reached 1.17 million, and increased again (1.4%) more than the Spanish average (0.3%).
- The archipelago gains attractiveness for Spaniards (0.5%) but more for those of foreign nationality (5.0%).



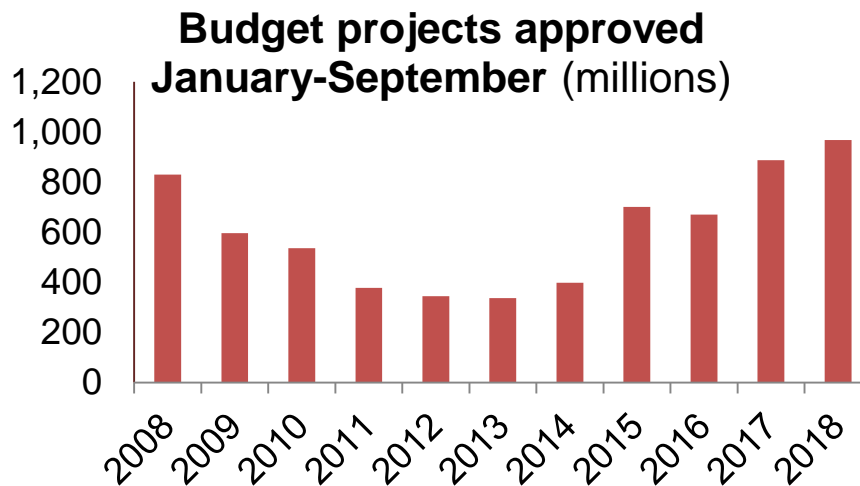
- Balearic Islands presents a comparatively younger and less aged population than Spain.
- According to the projections of the INE's short-term population, the upward trend in the number of people living in the next decade will continue.



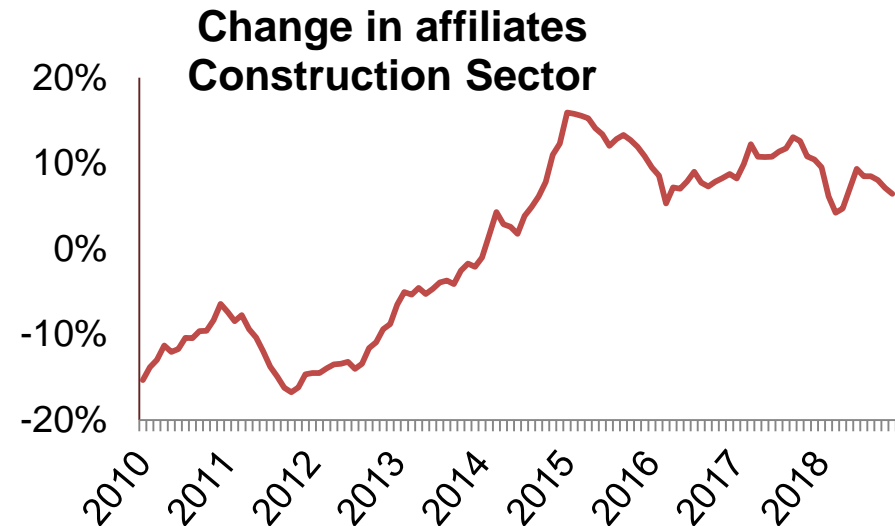
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Construction: A sector in takeoff

- The GVA of construction continues with high growth rates, close to 3.5 points.



Source: COAIB e IBESTAT



Source: Observatory of Labor

- The construction indicators show that the good progress of the sector continues in 2018, reaching an increase of 6.4% year-on-year in November and a reduction of unemployment registered in December of -6.6%.
- Although production levels prior to the crisis have not yet been reached (22.3% below 2008), construction is a sector with a clear upward trend, albeit with more stable patterns than in previous stages.



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2. Recent Development in Balearic Islands Budget



Evolution of Budget Income. Consolidated Budget

(Million Euros)

Income	2016		2017		2018	
	Ini. Forecast.	Rec. Rights	Ini. Forecast	Rec. Rights	Ini. Forecast	Rec. Rights
Direct Taxes	1,099.25	1,114.02	1,129.44	1,278.42	1,395.87	1,430.96
Indirect Taxes	1,973.34	2,048.76	2,144.86	2,315.39	2,684.48	2,707.99
Fees & Other Income	84.27	98.66	88.45	107.32	87.69	109.00
Current Transfers	21.24	-2.44	44.54	-87.32	-321.47	-346.00
Patrimonial Income	5.16	4.27	5.62	4.45	5.76	5.20
Current Income	3,183.26	3,263.27	3,412.91	3,618.26	3,852.33	3,907.15
Real.Inv Sales	2.72	0.20	2.68	23.35	8.49	3.02
Capital Transfers	35.27	13.84	160.69	-2.28	166.97	1.00
Capital Income	37.99	14.04	163.37	21.07	175.46	4.02
Non Financial Income	3,221.25	3,277.31	3,576.28	3,639.33	4,027.79	3,911.17
Financial Assets	11.55	5.75	20.92	19.59	33.13	37.40
Financial Llablites	1,008.09	1,276.50	1,071.02	1,327.14	947.89	889.60
Financial Income	1,019.64	1,282.25	1,091.94	1,346.73	981.02	927.00
Total Income	4,240.89	4,559.56	4,668.22	4,986.06	5,008.81	4,838.17

Note: CAIB, ATIB and IBSA consolidated budget does not include the rest of the public sector entities.

* Forecast end of 2018



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Evolution of Expenditure Budget. Consolidated Budget

(Million Euros)

Expenditures	2016		2017		2018	
	Ini. Forecast	Rec.Oblg	Ini. Forecast	Rec.Oblg	Ini. Forecast	Rec.Oblg
Personnel Expenses	1,356.27	1,353.86	1,459.21	1,40.28	1,548.55	1,519.23
Purchases of goods & services	533.47	620.58	594.60	619.61	644.93	611.60
Financials Expenses	155.50	108.95	130.80	111.58	114.45	131.30
Current Transfers	1,020.49	1,017.65	1,140.00	1,125.00	1,207.46	1,205.70
Contingency Fund	3.87	0.00	38.40	0.00	20.43	
Current Expenses	3,069.59	3,101.04	3,363.01	3,296.47	3,535.82	3,467.83
Inversiones Reales	150.03	146.67	171.64	140.94	180.16	283.71
Transferencias capital	259.28	300.62	304.99	439.62	370.57	377.13
Capital Expenses	409.32	447.29	476.63	580.56	550.73	660.84
Non Financial Expenses	3,478.91	3,548.33	3,839.64	3,877.03	4,086.55	4,128.67
Financial Assets Expenses	48.01	133.88	20.67	15.70	50.07	41.32
Financial Liabilities Expenses	713.98	711.92	807.92	807.21	872.19	860.06
Financial Expenses	761.99	845.80	828.59	822.91	922.26	901.38
TOTAL EXPENSES	4,240.90	4,394.13	4,668.23	4,699.94	5,008.81	5,030.05

Note: CAIB, ATIB and IBSA consolidated budget does not include the rest of the public sector entities

* Forecast end of 20188



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Balearic Islands 2019 Budget

Income and Expenditure Budget Items Breakdown

20

- Autonomic Financing
- Debt & Loans
- Ceded Taxes
- Other external contributions
- Own Taxes
- Fees & other revenues



Revenues

- Health Care
- Public Debt
- Education
- Insular Board Financing
- Others
- Environment
- Social Welfare
- Economic Development
- Transportation
- Employment



Expenditures

(million Euros)

Economic Classification

Note: In 2019 a change of criterion has been applied in terms of the imputation of the tax revenues included in the settlement of the resources of the regional financing system. Following the criterion used by the Ministry of Finance, the income from the forecast of settlement for the year 2017 of the IRPF, VAT and excise taxes have been foreseen in chapters 1 and 2, according to the economic nature, and not in Chapter 4, as had been done until 2018. This means that the variations observed in Chapters 1, 2 and 4 of the income budget are not real, but should be evaluated as a whole.

	2018	2019	Var.	% Var.
1.- Direct Taxes	1,189.03	1,557.89	368.86	31.02%
2.- Indirect Taxes	2,590.13	2,865.91	275.78	10.65%
3.- Fees. Public Prices & Other Revenues	87.69	93.03	5.34	6.09%
4.- Current Transfers	-20.29	-434.11	-413.82	2039.96%
5.- Patrimonial Income	5.76	4.70	-1.06	-18.42%
Total Current Budget	3,852.32	4,087.42	235.10	6.10%
6.- Sale of Real Investments	8.49	5.50	-2.99	-35.23%
7.- Capital Transfers	166.97	210.13	43.15	25.85%
Total Capital Budget	175.47	215.63	40.16	22.89%
Total No Financial Budget	4,027.78	4,303.05	275.26	6.83%
8.- Financial Assets	33.13	34.86	1.72	5.20%
9.- Financial Liabilities	947.89	1,119.85	171.95	18.14%
Total Financial Budget	981.02	1,154.70	173.68	17.70%
TOTAL	5,008.81	5,457.75	448.94	8.96%

Main Taxes

	2018	2019	Var.	% Var.
IRPF	1,002.33	1,148.82	146.50	14.62%
VAT	1,274.35	1,352.07	77.72	6.10%
IE	430.60	466.33	35.72	8.30%
ITP y AJD	623.23	695.01	71.78	11.52%
ISD	106.79	106.98	0.19	0.17%
IP	71.25	70.79	-0.47	-0.65%
ITS	120.00	118.50	-1.50	-1.25%
Sanitation canon	85.11	93.96	8.85	10.39%
Gambling Taxes	36.83	39.38	2.55	6.91%

Note: Personal income tax, VAT and excise data include only the anticipated income in respect of advance payments for the year n of the OSS and not the part corresponding to the final settlement of year n-2 that up to 2018 charged in aggregate form.

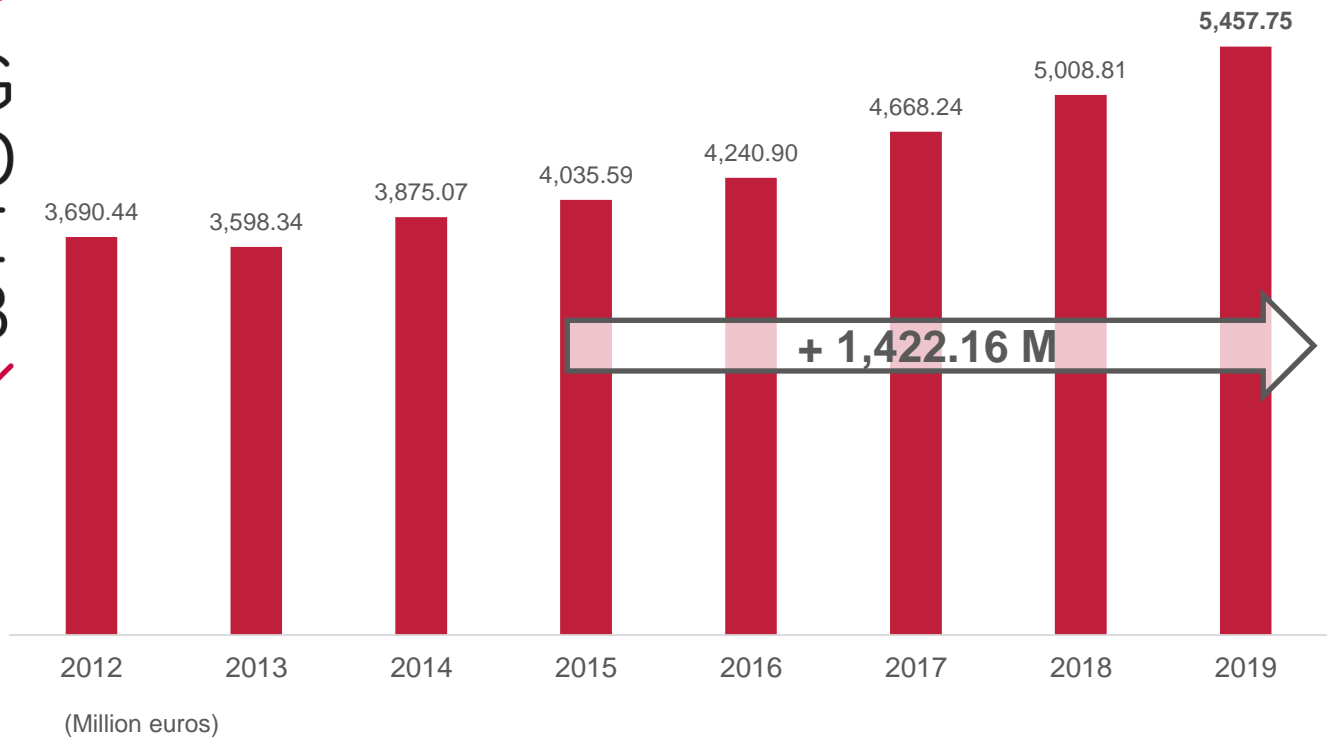
(Million euros)

Economic
classification

	2018	2019	Var.	% Var.
1.- Personnel Expenses	1,548.55	1,641.74	93.19	6.02%
2.- Current Expenditures on goods and services	644.93	699.74	54.82	8.50%
3.- Financial Expenses	114.45	123.62	9.17	8.01%
4.- Current Transfers	1,207.46	1,335.93	128.47	10.64%
5.- Contingency Fund	20.43	22.17	1.74	8.50%
Total Current Budget	3,535.82	3,823.21	287.39	8.13%
6.- Real Investments	180.16	202.45	22.30	12.38%
7.- Capital Transfers	370.57	408.40	37.84	10.21%
Total Capital Budget	550.72	610.86	60.13	10.92%
Total Non Financial Budget	4,086.54	4,434.06	347.52	8.50%
8.- Financial Assets	50.07	34.06	-16.02	-31.98%
9.- Financial Passives	872.19	989.63	117.44	13.46%
Total Financial Budget	922.27	1,023.68	101.42	11.00%
TOTAL	5,008.81	5,457.75	448.94	8.96%



Budget Evolution



+ 448.94 M
(+8.96%)

PG 2019 ➡

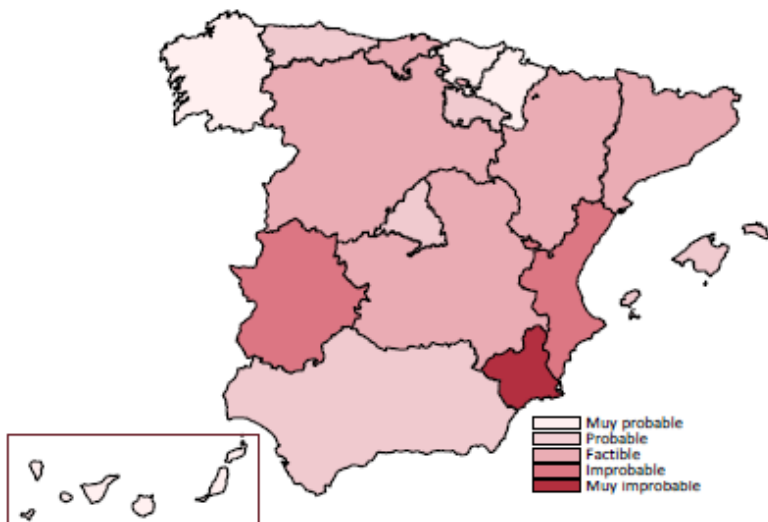
5,457.75 M



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Budget Stability and Financial Sustainability Plan

Cumplimiento del objetivo de estabilidad



Source: Expected compliance report of the stability, debt and expenditure rule objectives. July 2018 (AIREF)

	2018	2019	2020	2021
Budget Deficit	-0.40%	-0.10%	0.00%	0.00%
Public Debt	29.10%	28.10%	27.00%	27.00%
Expense Ruling	2.40%	2.70%	2.80%	2.80%

Note: The currently valid objectives for the period 2018-20 have been taken into account, although the CPFF favorably reported new targets for the period 2019-21 in the session of August 22, 2018, which provide for an upward revision of the the deficit and debt objectives.

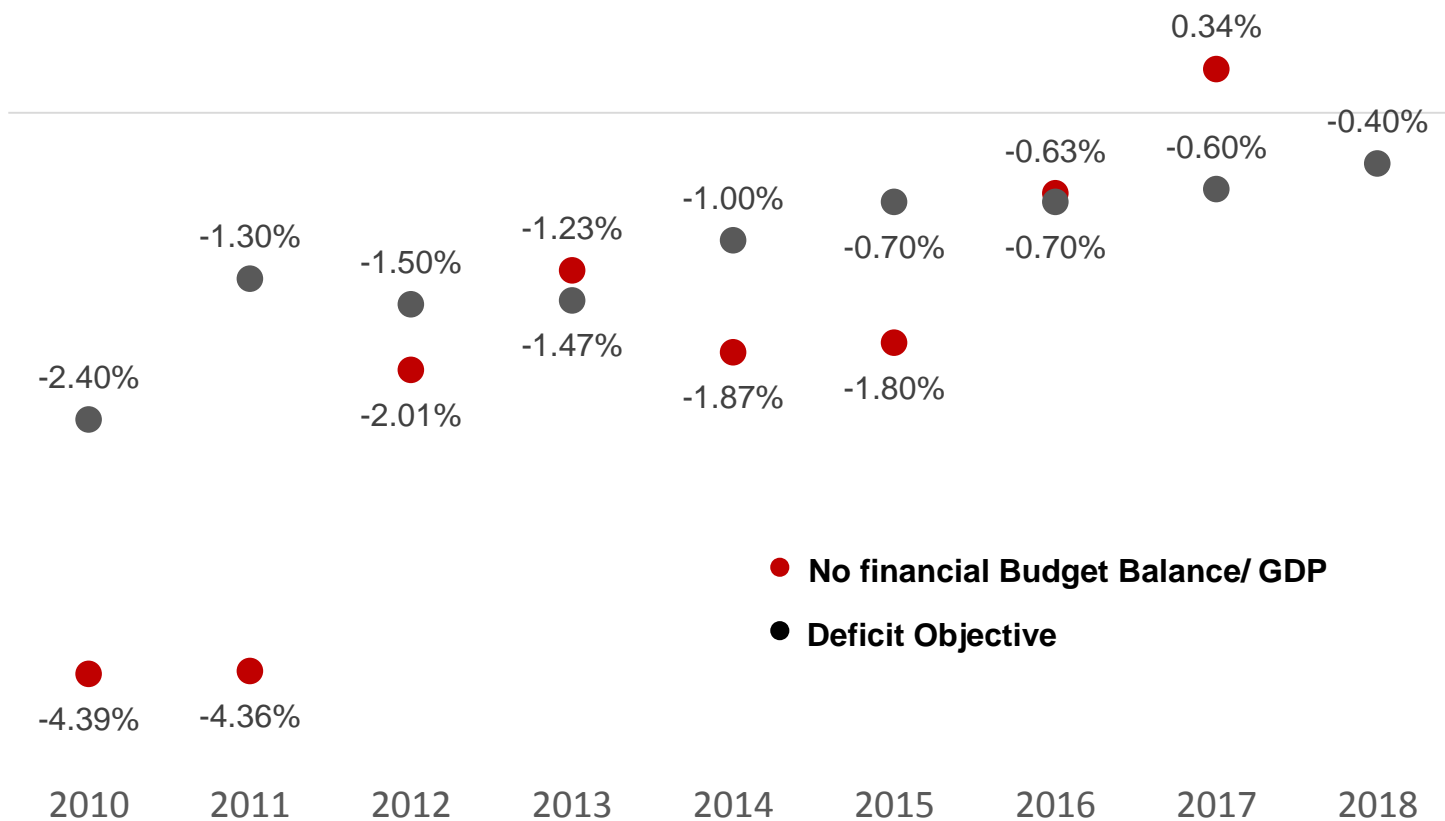
Source: Ministry of Finance

Region	Compliance with deficit target	Compliance with debt target	Compliance with stability & debt targets	Compliance with expenditure rule limit	Economic-Financial Plan needed
Balearic Islands					



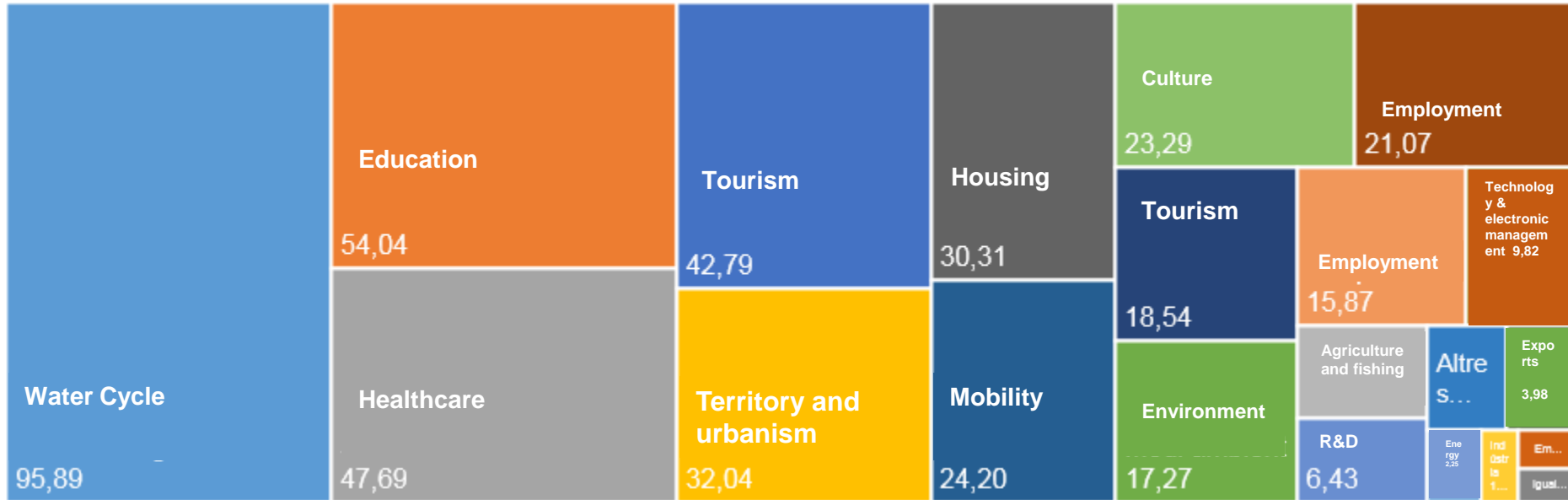
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Evolution of compliance with the objective of budgetary stability



Investments Policy

Breakdown by area

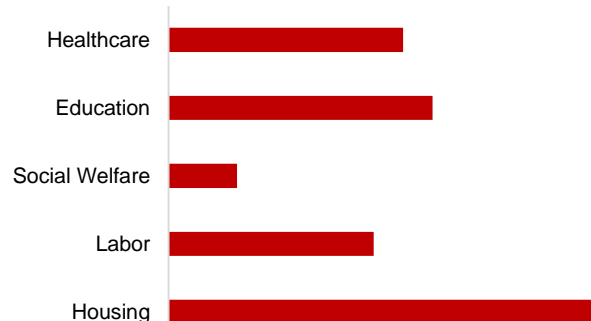


Note: C6 of the SPA and SPI budget is included, as well as the investment expenses corresponding to the projects financed with the ITS and through the Tourist Accommodation Exchange of Mallorca.

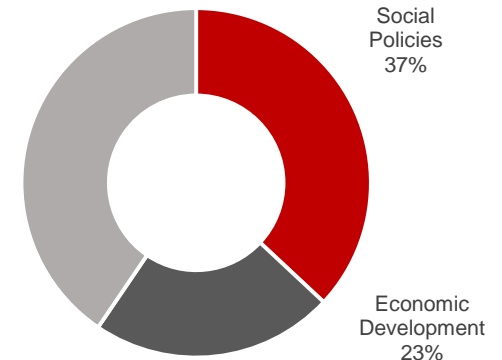
(million Euros)

Var. 2018-19

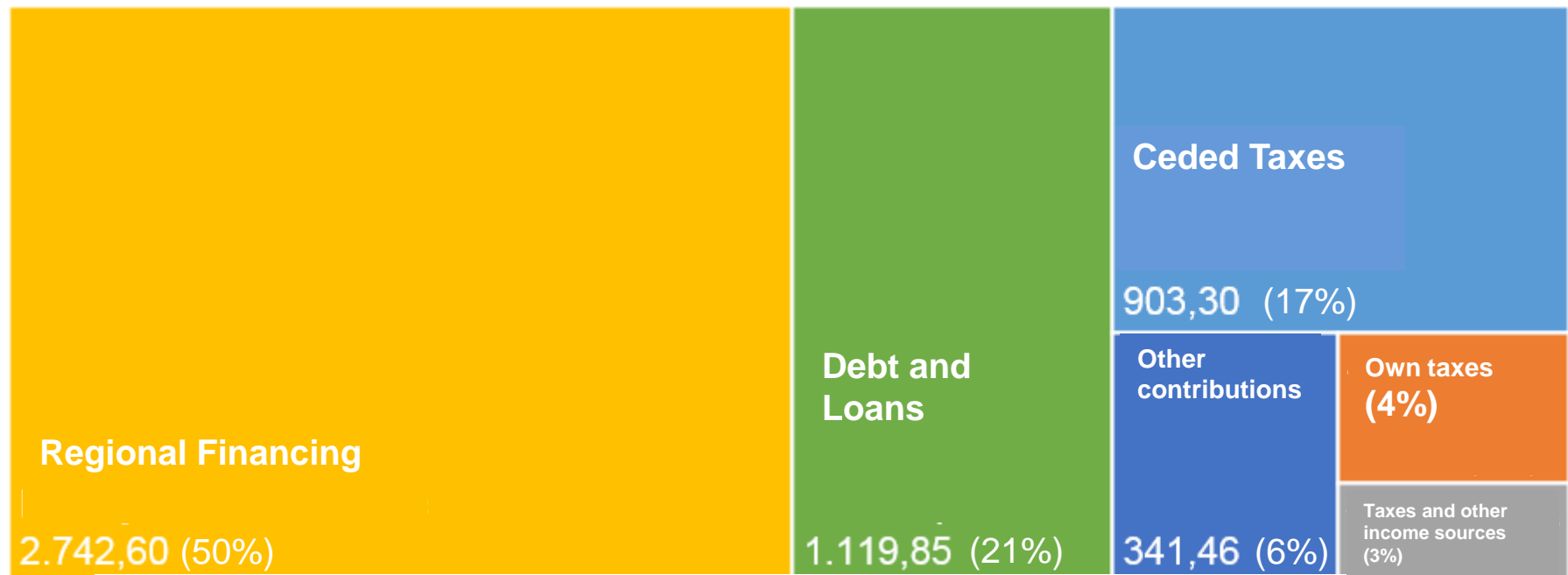
The infrastructure investment regarding **social matters** increases by more than €50M and goes from representing 26% to 37%



Basic Infrastructures
40%

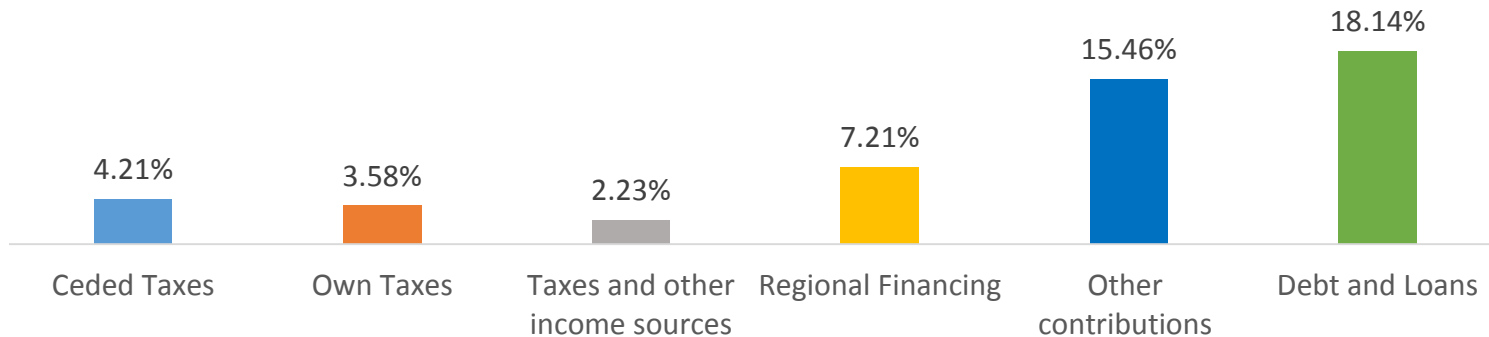


Funding Sources

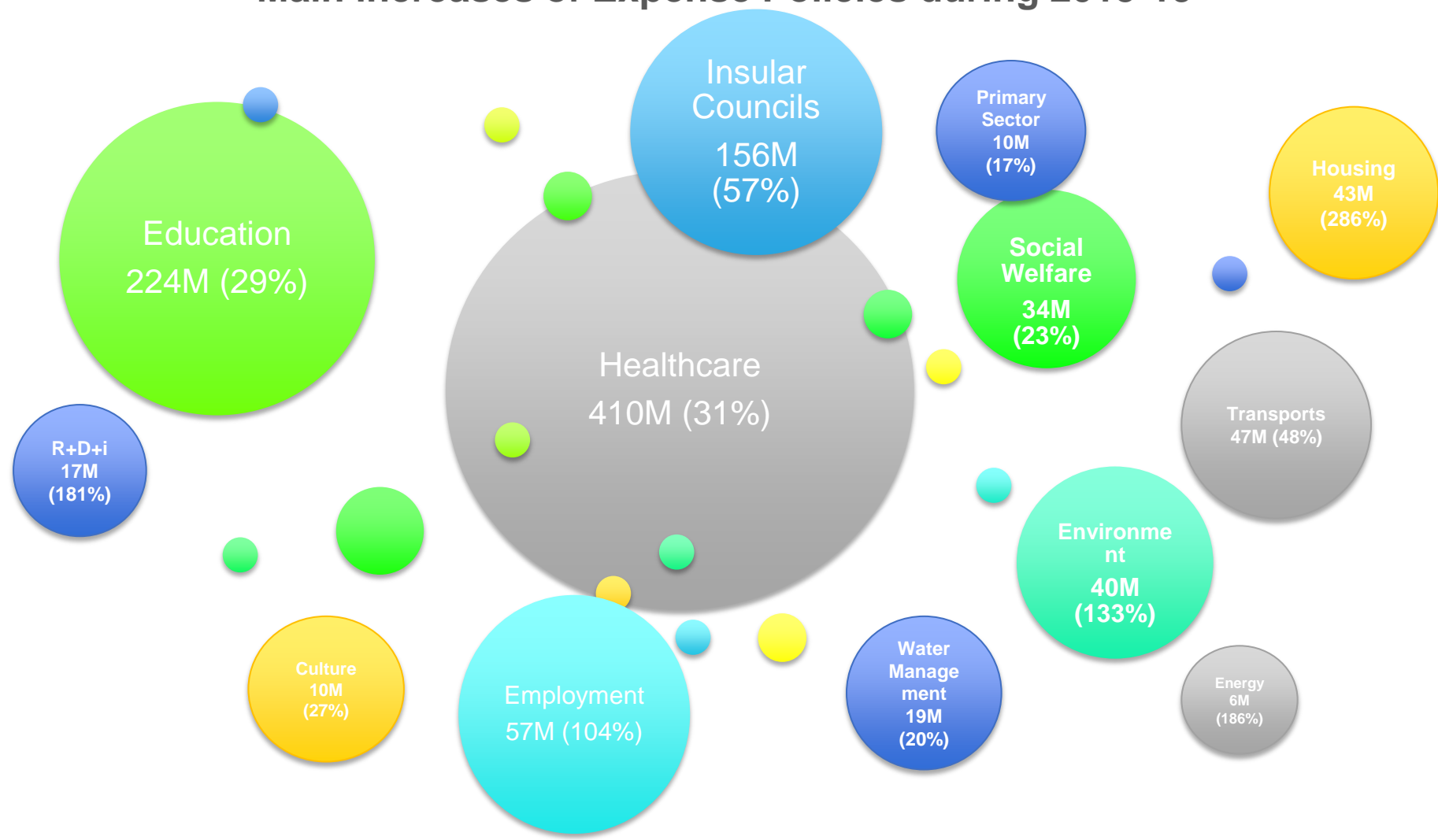


Var. 2018-19

(million Euros)



Main increases of Expense Policies during 2015-19





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3.Social Policy

Development of Social Policies

	2015	2016	2017	2018	2019	Var.	% Var.
HealthCare	1,316.13	1,389.95	1,494.32	1,580.93	1,726.50	410.37	31.18%
Education	775.65	817.21	882.58	935.44	1,000.11	224.46	28.94%
Social Welfare	146.54	164.29	174.39	184.83	180.46	33.92	23.15%
Employment	54.70	65.16	95.08	99.22	111.71	57.00	104.21%
Housing	14.90	12.89	19.04	24.33	57.51	42.61	285.91%
Total	2,307.92	2,449.51	2,665.40	2,824.76	3,076.29	768.36	33.29%

Social
Policies
Weights

68.9%

70.4%

69.4%

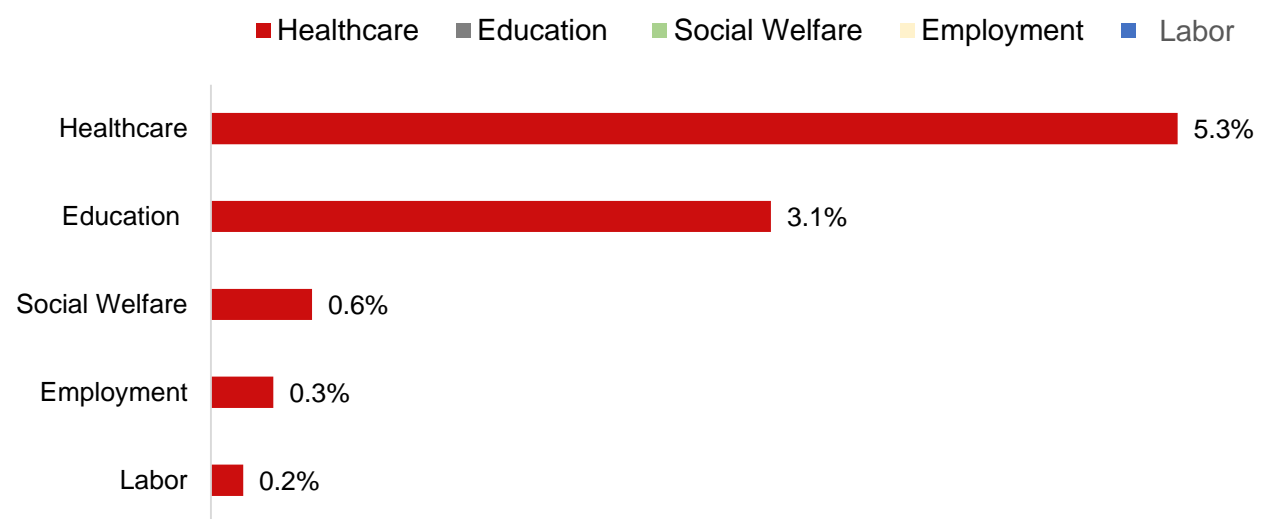
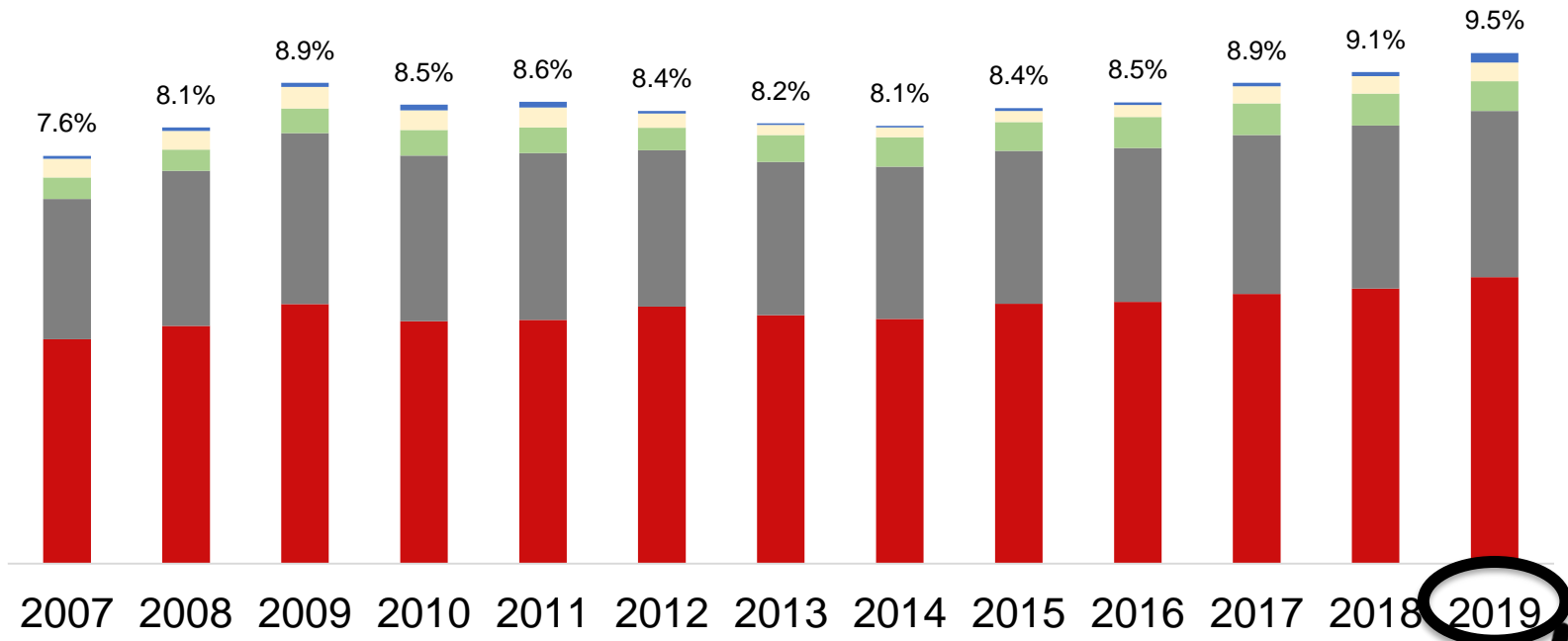
69.1%

69.4%

(million euros)



Budget Allocated to Social Polices in relation to GDP





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Government of Balearic Islands has commissioned the ESC (Economic and Social Council of Balearic Islands) **to carry out on its behalf a study on the economic, social and environmental perspective of Balearic Islands with the horizon 2030 (H2030).**

The objective of the H2030 Ruling is to agree on a strategic vision that makes Balearic Islands a reference region for its tourist quality, ability to attract talent and boost new competitive activities at national level.

The foundations of the new model of sustainable tourism will be laid :

- The use of the society's know how and new technologies to adjust, in the shortest possible time, to changes in demand and to new business models that respect the quality of work and the improvement of social welfare.
- The synergies generated by the circular economy, the "bioeconomy", the blue economy, and the new centrality that the primary sector has to play and the management of landscape quality.
- Address the challenges posed by climate change and the limits to growth in accordance with the tourist saturation indexes and the carrying capacity conditioned by a small, fragile and fragmented island territory.



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Strategic guidelines of “Dictamen” H2030

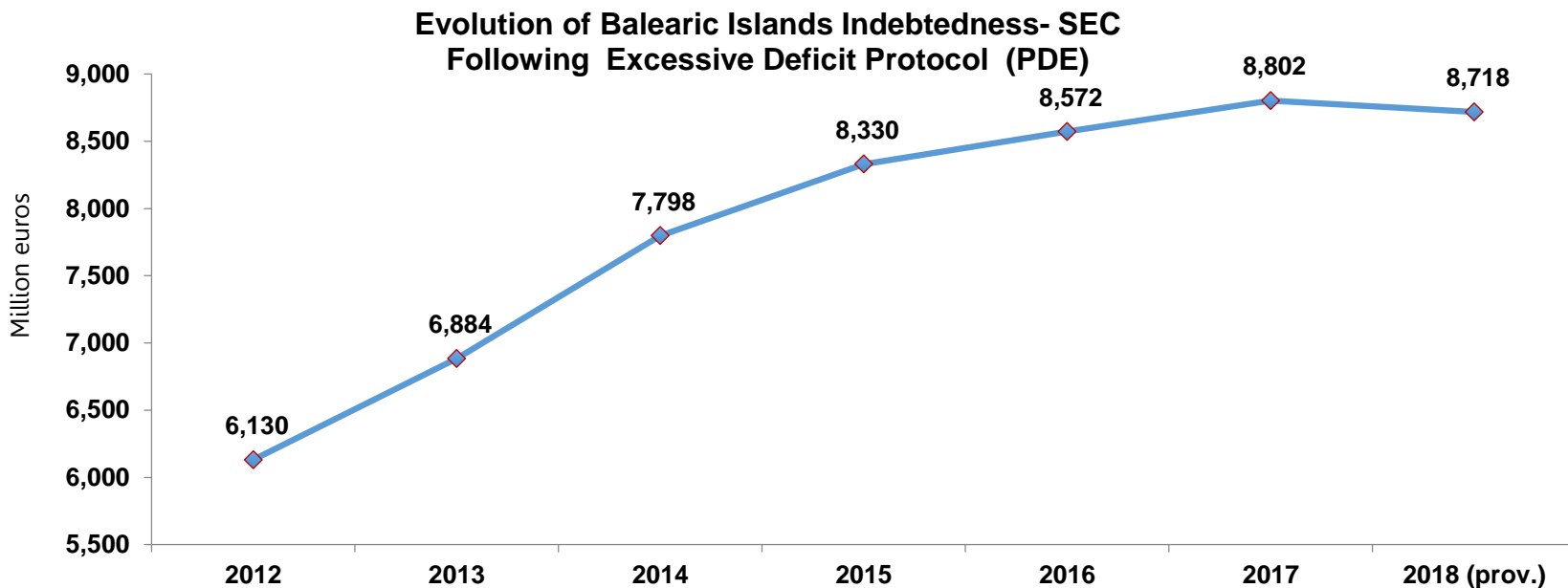
1. Make tourism activity in the Balearic Islands, a model of competitiveness and sustainability of international reference.
2. Make the Balearic Islands an attractive region for the attraction of talent and for the deployment of new economic activities based on knowledge and competitive internationally.
3. Make the Balearic Islands a model of social cohesion, quality of work, territorial balance and environmental sustainability.



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4. Debt overview and Funding Programme

Evolution of indebtedness indicators for Balearic Islands



Source: Bank of Spain & Treasury General Board, Patrimonial and Financial Policies – Government of the Balearic Islands

Debt Ratios	CAIB					NATIONAL			
	2015	2016	2017	2018 Prov.	2019 forecast	2015	2016	2017	2T 2018
Debt/GDP (%)	30.4%	29.9%	29.4%	28.0%	26.9%	24.40%	24.80%	24.80%	24.70%
Debt per Capita (Euros)	7,542	7,742	7,887	7,409	7,515	5,690	5,983	6,208	6,319
Average Cost of Debt (%)	2.22%	1.75%	1.50%	1.35%	1.37%	3.12%	2.77%	2.55%	2.54%
Rating	BBB-	BBB	BBB	BBB+	-				

Note: 2018 data is provisional

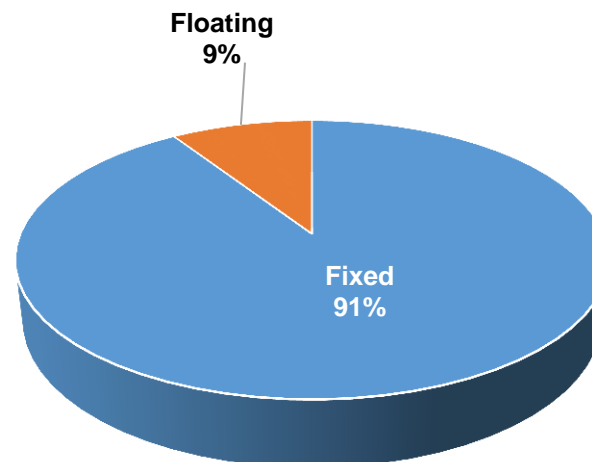
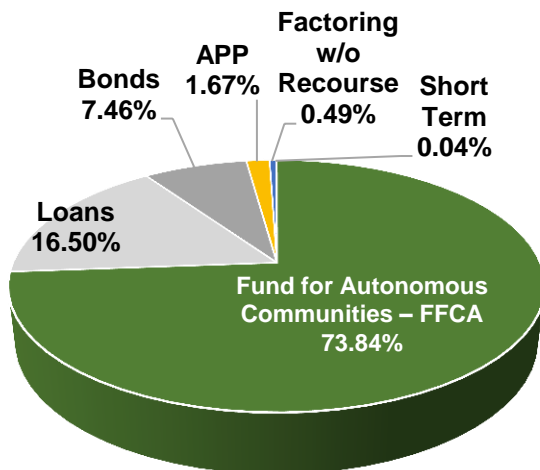


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Debt Distribution SEC on 12-31-2018 Autonomous Community of Balearic Islands

	Debt to 31-12-2018	%
Fund for Autonomous Communities - FFCA	6,437,077,725.95	73.84%
Loans	1,438,572,521.30	16.50%
Bonds	650,000,000.00	7.46%
APP	145,658,933.26	1.67%
Factoring w/o recourse	43,074,428.00	0.49%
Short Term	3,225,960.37	0.04%
Total	8,717,609,568.88	100%

Nota: Factoring w/o recourse amount is provisional

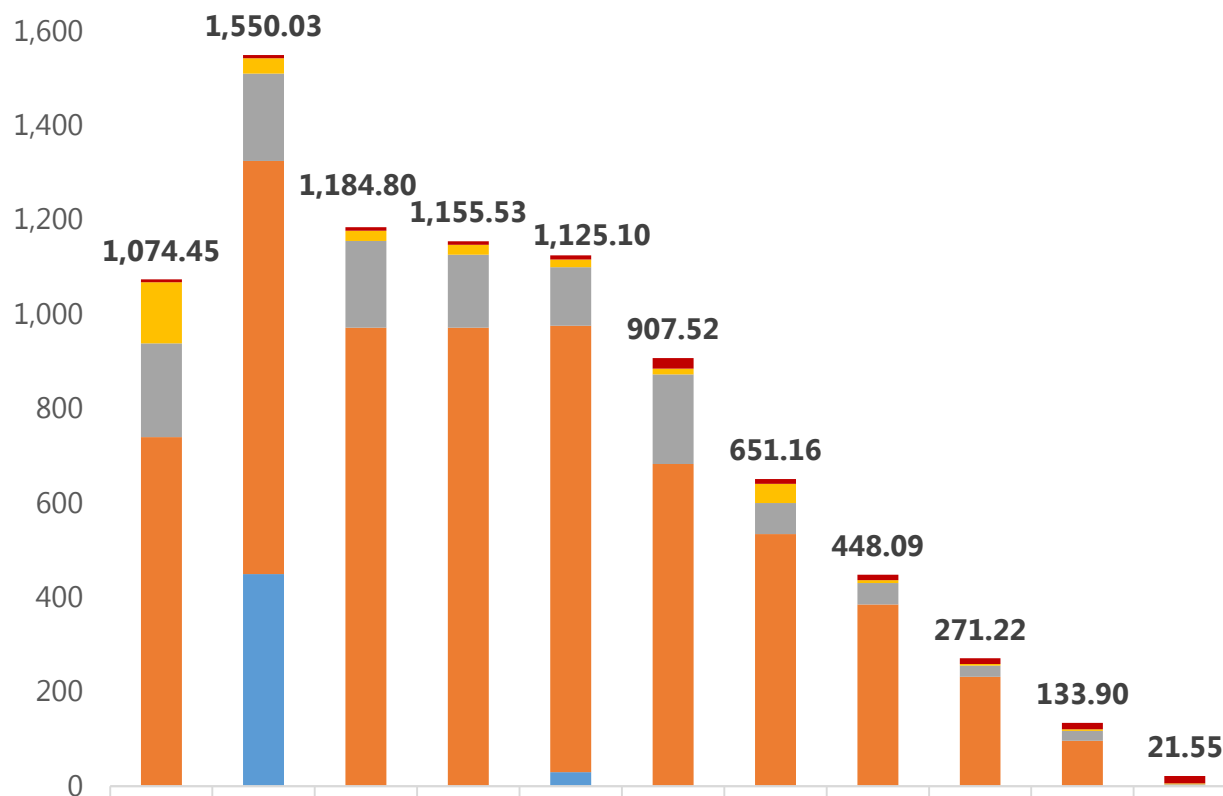





Long term-10 year debt maturity profile SEC of the Autonomous Region of Balearic Islands

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Mn euros



	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
TOTAL	1074.45	1550.03	1184.80	1155.53	1125.10	907.52	651.16	448.09	271.22	133.90	21.55
Public-Private Partnerships	6.29	6.78	7.32	7.91	8.56	22.56	10.08	11.00	12.08	13.43	15.41
Loan with non-domestic institutions	129.01	32.66	21.73	20.59	16.37	12.20	40.88	6.14	3.49	3.52	1.93
Loan with domestic institutions	199.30	184.97	183.94	155.22	123.81	189.50	65.45	45.49	23.69	20.76	4.21
Fund for Autonomous Communities (FFCA)	739.86	875.62	971.81	971.81	946.36	683.26	534.75	385.46	231.96	96.19	
Bonds	0.00	450.00	0.00	0.00	30.00	0.00	0.00	0.00	0.00	0.00	0.00



Public debt outstanding in the Autonomous Community of the Balearic Islands on 12-31-2018

ISIN Code	Issue Date	Deal Size	Coupon (%)	Maturity	Issue Type
ES0001348103	23/02/2010	300.000.000,00	4,80%	04/03/2020	Fixed
ES0001348053	23/11/2005	150.000.000,00	3,87%	23/11/2020	Fixed
ES0001348202	20/05/2011	30.000.000,00	3,75% + inflation linked differential	25/05/2023	Floating
ES0001348061	23/11/2005	170.000.000,00	4,06%	23/11/2035	Fixed

Multi-Year Funding Plan 2018-2021

Gradual exit from State Funding Mechanisms

The Autonomous Community of the Balearic Islands accepted the gradual exit of the State financing mechanisms (Fund for Autonomous Communities - FFCA) agreed by the Delegate Commission of the Government for Economic Affairs in July 2018.

The Multi Year Indebtedness Plan (PPE) of the Balearic Islands approved by the State contemplates financing in markets by 50% in 2019 and 2020 and 100% in 2021.

Forecasted Indebtedness (Million Euros)	2019	2020	2021
Markets	517,00	751,24	1.197,48
Public Placements	300,00	500,00	750,00
Private Placements/Loans	217,00	251,24	447,48
Fund for Autonomous Communities - FFCA	603,05	811,48	0,00
TOTAL	1.120,05	1.562,72	1.197,48



2019 Indebtedness forecast & Financial Strategy

Gradual exit from State Funding Mechanisms

- **2019 Funding: € 1,120.05 million euros**

2019 Funding Requirements

SEC Ordinary Amortizations	€ 1,074.45 Mn
2019 Regional GDP Deficit 0.1%	€ 32.92 Mn
Negative Liquidations D.A.4 ^a Law 22/2009	€ 12.68 Mn

2019 Funding Strategy

Fund for Autonomous Communities - FFCA: Financial Facility fund	€ 603 Mn
Markets	€ 517 Mn
Public Placements	€ 300-400 Mn
Private Placements/Loans	Remainder

- **2019 Budget Stability Objectives Autonomous Region of Balearic Islands**

2019 Autonomous Region of Balearic Islands Forecast:

2019 Regional GDP Deficit %: 0.1%

PDE Debt in % of regional GDP: 26.9%

Approved 2019 scenarios by CPFF (July 2018):

2019 Regional GBP Deficit : 0.1%

PDE debt in% of regional GDP: 28.1%



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Balearic Islands xx% €x00,000,000 due 20xx

Indicative Terms and Conditions

Issuer:	Govern Illes Balears (Balearic Islands Government)
Issuer Ratings:	BBB+ (Pos) S&P
Joint Bookrunners:	BBVA / BANKIA / CaixaBank/ HSBC
B&D	BBVA
Principal Amount:	EUR Xxx,xxx,xxx
Trade Date:	Xx February 2019
Settlement Date:	Xx February 2019
Maturity Date:	Xx November 2028
Coupon:	x.xx%
Reoffer Spread Vs. SPGB:	SPGB + xx bps (Calculated in agreement with Annex 2 and 3 from the xxxx xxx General Secretariat of the Treasury and Financial Policy Resolution)
Reoffer Price:	100.00%
Reoffer Yield:	xxx%
All in price:	99.xx%
Net Proceeds:	xxx,xxx,xxx.xx
Format	Senior Unsecured
Distribution	Reg S only, Dematerialised Book-entry form, no sales into Canada
Day Count Fraction:	Act/Act, ICMA
Day Convention	Unadjusted, Modified Following
Business Days:	TARGET 2
Coupon Dates:	Annually every xx Xxxxx, commencing on xx Xxxxx (xxx)
Redemption:	100.00%
Listing:	AIAF
Target Markets:	Professionals & eligible counterparties (MIFID II)
Denominations:	EUR 1,000 + EUR 1,000
Law:	Spanish law, no disclosure document, no negative pledge, no events of default, no tax gross up, Spanish public debt tax regime.
ISIN code:	ESxxxxx



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Contacts:

José Luis Gil Martín
General Director of Treasury, Financing
Policy & Patrimony

+34 971 177 123
jlil@tresorer.caib.es

Joan Carrió Vidal
General Director of Budgetary and Funding

+34 971 177 298
jcarrio@dgpresup.caib.es

More information at:

<http://www.caib.es/sites/financespublic/es>



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Thank you for your attention