
KINGDOM OF SPAIN

New EUR 13 billion 3.55% 10-year Obligaciones del Estado due 31 October 2033

PRESS RELEASE – 7th June 2023

The Kingdom of Spain, acting through the Spanish Treasury, rated A/A-/Baa1/A (all stable) by S&P, Fitch, Moody's and DBRS, priced a new long 10-year benchmark on Wednesday 7th June, the third syndicated *Obligaciones del Estado* in 2023. The new EUR 13 billion SPGB due 31st October 2033 pays an annual coupon of 3.55% and was priced at a spread of plus 10bps over the SPGB 3.15% due Apr-2033 resulting in a reoffer price of 99.963%. The placement was carried out through a syndicate comprising six lead managers: Barclays, BBVA, Credit Agricole CIB, Deutsche Bank, Goldman Sachs Bank Europe, and Santander. The remaining primary dealers in the Kingdom of Spain government bond market were invited into the syndicate as co-leads.

Background

- This new 10-year benchmark transaction is the third syndicated *Obligaciones del Estado* issued in 2023.
- The Kingdom of Spain's total gross funding needs for 2023 are projected to be EUR 256.8 billion (of which EUR 172.5 billion in medium and long-term instruments). With this issue, the Kingdom of Spain has now raised EUR 101.4bn in medium and long-term instruments in 2023 to date.

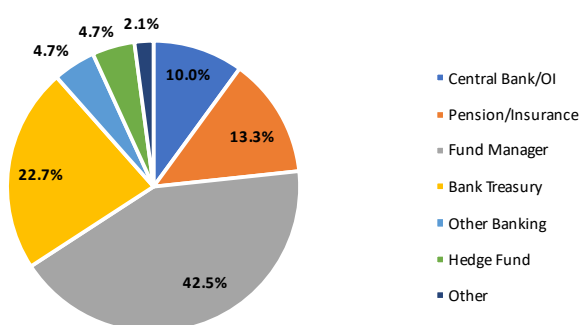
Execution Highlights

- The mandate for the new *Obligaciones del Estado* syndicated long 10-year Euro benchmark was announced on Tuesday 6th June 2023 at 14:10 CET with the objective to execute the transaction on Wednesday 7th June 2023.
- Following the announcement, the new transaction received strong interest from investors throughout the European afternoon and overnight. With indications of interest ("IOIs") in excess of EUR 34 billion (including EUR 7.9 billion JLM interest), books officially opened on Wednesday morning at 09:16 CET with initial guidance released at SPGB 04/2033 +12bps area.
- Momentum built from the outset and at 10:42 CET, with orderbooks above EUR 65 billion (including EUR 7.9 billion JLM interest), the Kingdom of Spain set the final spread at SPGB 04/33 +10bps, with books to go subject at 11:30 CET.
- The final order book size was above EUR 85 billion (including EUR 7.9 billion JLM interests). The granular orderbook attracted high-quality investors from around the world. This enabled the transaction to be launched with a EUR 13 billion size at 12:26 CET, which in conjunction with the previous 10-years syndication in January, represents the second largest syndicated *Obligaciones del Estado* in history.
- At 16:30 CET, allocations were released and the transaction finally priced at 17:29 CET at SPGB 04/33 +10bps, implying a reoffer yield of 3.556%.

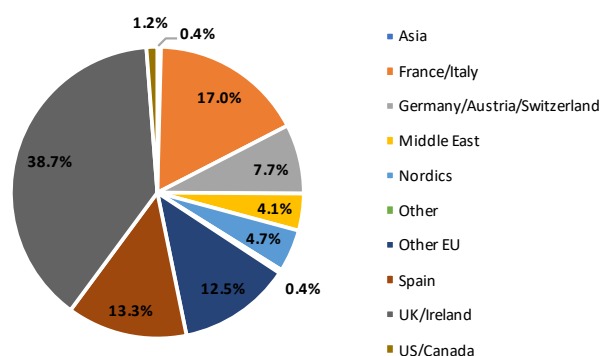
Summary of Distribution

- In terms of geographical split, with a vast array of international investors taking 86.7% of the allocation, this transaction reaffirms the elevated demand for the Spanish credit within the international investor community. Within this, UK/Ireland received 38.7% of allocations, followed by France/Italy (17.0%), Other EU (12.5%) and Germany/Austria/Switzerland (7.7%). Domestic accounts represented 13.3% of the allocation.
- From an investor perspective, Fund Managers were allocated the lions share with an allocation of 42.5% followed by Bank Treasuries with 22.7%. and Pension/Insurances with 13.3%. Meanwhile, Central Banks/Official Institutions played a significant role in the transaction as well accounting for 10.0% of the allocation.

By Type



By Region



Summary of Terms and Conditions

Issuer	The Kingdom of Spain
Issuers Ratings	A/A-/Baa1/A (stab/stab/stab/stab) (S&P/Fitch/Moody's/DBRS)
Format	<i>Obligaciones del Estado</i> (in dematerialised book entry form), RegS Cat 1, 144A eligible, CACs
Size	€ 13 bn
Maturity	31 October 2033
Settlement	14 June 2023 (T+5)
Coupon	3.55% Fixed, annual ACT/ACT, short first to 31 Oct 2023
Reoffer	99.963% / 3.556%
Denom/Listing/Law	€1k+1k / Madrid (AIAF Mercado Renta Fija) / Spanish Law
Docs	Exempt from prospectus requirements in Spain. Spanish public debt tax regime. No events of default. No tax gross-up.
ISIN	ES0000012L78
Bookrunners	Barclays / BBVA / CACIB / Deutsche Bank / Goldman Sachs / Santander
Timing	Priced / T.O.E 17:29 CET/FTT immediately