

KINGDOM OF SPAIN

New EUR 5 billion 3.45% 20-year benchmark due 30th July 2043

PRESS RELEASE – 20th September 2022

The Kingdom of Spain, acting through the Spanish Treasury, rated A/A-/Baa1/A (sta/stab/stab/stab) by S&P, Fitch, Moody's and DBRS, priced a new 20-year benchmark on Tuesday 20th September, the fourth *Obligaciones de Estado* in 2022. The new EUR 5 billion SPGB due 30th July 2043 pays an annual coupon of 3.45% and was priced at a spread of 7bps over the SPGB Oct-2040 and with a reoffer price of 99.291%. The placement was carried out through a syndicate comprising six lead managers: BBVA, Crédit Agricole CIB, Deutsche Bank, J.P. Morgan, Santander and Société Générale. The remaining primary dealers in the Kingdom of Spain government bond market were invited into the syndicate as co-leads.

Background

- This is the Kingdom of Spain's first syndication of a new 20-year SPGB in 2022
- The Kingdom of Spain's total gross funding needs for 2022 are projected to be EUR 237.5 billion (of which EUR 148.1 billion in medium and long-term instruments)

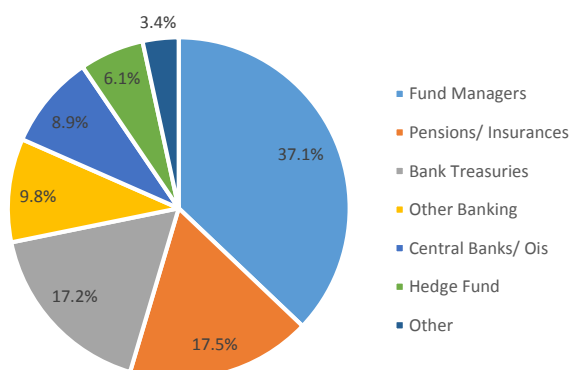
Execution highlights

- The mandate for the new *Obligaciones de Estado* syndicated 20-year euro benchmark was announced on Monday 19th September 2022 at 13:03 CET with the objective to execute the transaction on Tuesday 20th September 2022.
- Despite the absence of any pricing indications, the new benchmark transaction was met with substantial interest from investors during the European afternoon and overnight, with bids standing in excess of EUR 20bn when books officially opened with guidance at SPGB 10/40 +9bps area on Tuesday morning at 9:03 CET.
- The orderbook grew steadily within the next two hours to EUR 38bn (incl. €3.6bn JLM trading interest) allowing the Tesoro to tighten and set the spread at SPGB 10/40 +7bps at 10:43am CET. Global books were set to go subject at 11:30am CET.
- Final books closed in excess of EUR 40bn (incl. €3.6bn JLM trading interest and Coleads orders), allowing for the transaction to be launched with a EUR 5 billion size at 12:04 CET.
- Allocations were released at 14:25 CET and the transaction priced at 15:15 CET at SPGB 10/40 +7bps, implying a reoffer yield of 3.499%

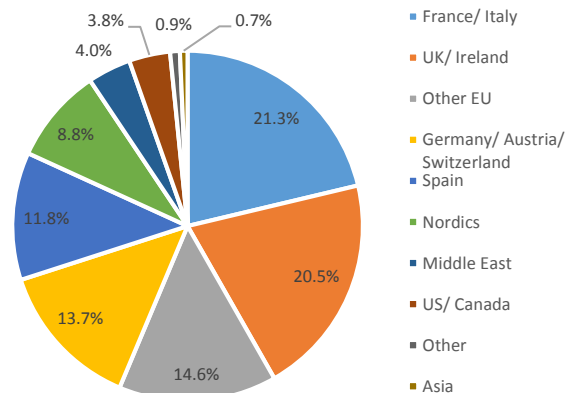
Summary of Distribution

- In terms of investor type, Fund Managers constituted the largest investor group taking 37.1% of the transaction, followed by Pensions/Insurances with 17.5% and Bank Treasuries with 17.2%
- European investors took more than 90% of the final allocation, including 11.8% allocated to domestic investors. France/ Italy was the single largest geography with 21.3%. Other notably active investor regions were UK / Ireland with 20.5% of allocations, Other EU countries with 14.6% and Germany / Austria / Switzerland with 13.7%.

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	EUR 5bn
Maturity	30 July 2043
Settlement	27 September 2022 (T+5)
Coupon	3.45% Fixed, annual ACT/ACT, short first to 30 July 2023
Reoffer	99.291% / 3.499%
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	ES0000012K95
Bookrunners	BBVA / Crédit Agricole CIB / Deutsche Bank / J.P. Morgan / Santander / Société Générale
Timing	Priced / T.O.E 15:15 CET/FTT Immediately