

---

## KINGDOM OF SPAIN

### New EUR 5 billion 1.45% 50-year benchmark due 31 October 2071

---

PRESS RELEASE – 9<sup>th</sup> February 2021

The Kingdom of Spain, acting through the Spanish Treasury, rated A/A-/Baa1/A (neg/stab/stab/stab) by S&P, Fitch, Moody's and DBRS, priced a new 50-year benchmark on Tuesday 9<sup>th</sup> February, the second *Obligaciones de Estado* in 2021. The new EUR 5 billion SPGB due 31 October 2071 pays an annual coupon of 1.45% and was priced at a spread of 13bps over the SPGB 30-July-2066 and with a reoffer price of 99.713%. The placement was carried out through a syndicate comprising six lead managers: BBVA, Citi, Crédit Agricole CIB, J.P. Morgan, Nomura and Santander. 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 issuance of a new 50-year SPGB since 2016, when it launched a EUR 3 billion SPGB due July 2066.
- The Kingdom of Spain's total gross funding needs for 2021 are projected to be EUR 289.1 billion (of which EUR 184.4 billion in medium- and long-term instruments).
- Following today's transaction, the Spanish Treasury has now completed 19% of its stated medium-and long-term funding for the year, with over EUR 35 billion issued in 3 auctions and 2 syndicated transaction.

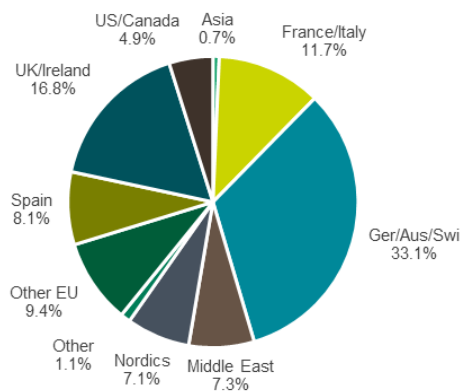
#### Execution highlights

- The mandate for the new *Obligaciones de Estado* syndicated 50-year euro benchmark was announced on Monday 8<sup>th</sup> February 2021 at 14:15 CET with the objective to execute the transaction on Tuesday 9<sup>th</sup>.
- Following the announcement, the new benchmark transaction received substantial interest from investors throughout the European afternoon and overnight, with bids standing in excess of EUR 37 billion (including EUR 4.425 billion JLM interests) when books officially opened with guidance at SPGB 07/2066 + 15bps area (+/-2 WPIR) the following morning at 09:30 CET.
- Momentum continued through the European morning and at 11:00 CET, as demand reached above EUR 60 billion (including EUR 4.575 billion JLM interests), the decision was taken to set the final spread at SPGB 07/66 + 13bps.
- Books closed at 11:30 CET with a final size in excess of EUR 65 billion (including EUR 4.575 billion JLM interests), allowing for the transaction to be launched with a EUR 5 billion size at 11:45 CET.
- Allocations were released at 15:15 CET and the transaction priced at 15:54 CET at SPGB 07/66 +13bps, implying a reoffer yield of 1.458%.

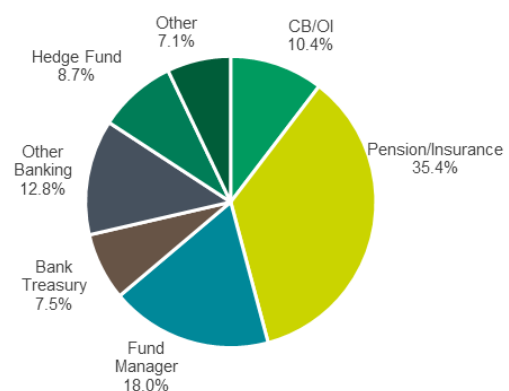
### Summary of distribution

- The transaction evidenced once again the ongoing appetite for the Spanish sovereign credit from international investors, with over 90% of the issue being allocated to accounts outside of Spain. Germany/Switzerland/Austria took the lion's share, with 33.1%, followed by UK/Ireland (16.8%), France/Italy (11.7%), other EU (9.4%) and the Nordics (7.1%). Outside of Europe, Middle East accounts received 7.3%, while investors based in US/Canada took 4.9%.
- From an investor perspective, the transaction benefitted from a strong support from the real money investors community, with Pension/Insurance receiving 35.4%, followed by Fund Managers (18%) and Central Banks and Official Institutions (10.4%). Bank Treasuries received 7.5% while 12.8% went to Other Banking. Hedge funds received 8.7%.

*Distribution by region*



*Distribution by type*



### Summary of terms and conditions

|                   |   |
|-------------------|---|
| Issuer            | The Kingdom of Spain  |
| Issuer ratings    | A/A-/Baa1/A (neg/stab/stab/stab) (S&P/Fitch/Moody's/DBRS)                                   |
| Format            | Obligaciones del Estado (in dematerialized book entry form) RegS Cat 1, 144A eligible, CACs |
| Size              | Euro 5,000,000,000  |
| Launch date       | 9 <sup>th</sup> February 2021   |
| Settlement date   | 16 <sup>th</sup> February 2021 (T+5)  |
| Maturity date     | 31 <sup>st</sup> October 2071   |
| Coupon            | 1.45%, annual, ACT/ACT, short first to 31 <sup>st</sup> October 2021                        |
| Reoffer spread    | SPGB 07/66 + 13bps  |
| Reoffer price     | 99.713%   |
| Reoffer yield     | 1.458%  |
| Listing           | Madrid (AIAF Mercado Renta Fija)  |
| Governing law     | Spanish Law   |
| ISIN              | ES0000012H58  |
| Joint-Bookrunners | BBVA, Citi, Crédit Agricole CIB, J.P. Morgan, Nomura, Santander                             |