

### TERMS AND CONDITIONS

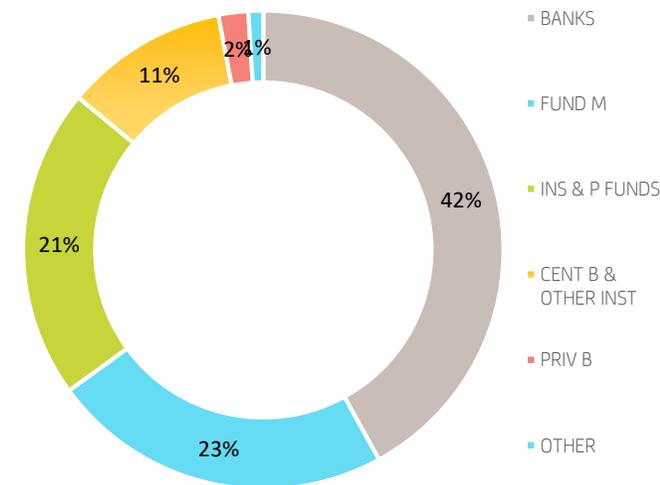


ISSUER	The Autonomous Community of Balearic Islands
SIZE	€400 MM
FORMAT	RegS, Dematerialised
RANKING	Senior, Unsecured
ISSUER RATINGS	BBB+ Positive by S&P
MATURITY	21 November 2028 (Short-10 yrs)
SETTLEMENT DATE	19 February 2019 (T+5)
IPT	SPGB + low 30s
REOFFER YIELD	SPGB + 27  (Interp. SPGB 1.4% 07/28 & SPGB 1.45% 04/29)
REOFFER PRICE	100.002%
COUPON	1.549% Fixed, Annual, Act/Act – Short first
DENOMINATIONS	€100,000 + €100,000
LISTING	AIAF
GOVERNING LAW	Spanish
DOCUMENTATION	Exempt from prospectus requirements in Spain. Spanish public debt tax regime. No events of default. No tax gross up.
JOINT BOOKRUNNERS	Bankia, BBVA, CaixaBank, HSBC.
TARGET MARKET	Professionals and eligible counterparties (all channels for distribution), each as defined in MIFID II.
ISIN	ES0001348244

### EXECUTION HIGHLIGHTS

- On Monday February 11th, the Autonomous Community of Balearic Islands has successfully returned to the Fixed Income Market, announcing a €400 short-10 yrs, the first public issue of the Autonomous Community since 2011.
- The issuer and the bookrunners were monitoring the market and seized this window of opportunity to launch the transaction. The deal was publicly announced on the screens at 11.45 (CET) with a maturity date of 21<sup>st</sup> November 2028.
- The following day, minutes after 09:00 (CET) the minimum size was set at €300MM and IOIs were taken with an IPT of SPGB+ low 30s.
- The first official update was sent to the market at 10:15 (CET) opening books with a guidance of SPGB+30 bps área and books above €700MM (pre-rec)
- A second update was sent at 11.35 (CET) when the demand was at €1bn. With this comfortable excess of demand the issuer and the leads were able to review the spread down to SPGB+27 bps setting a size range of €300-400MM.
- Steady and strong orders allowed a solid and quick book building with high quality investors that allowed the deal to be finally sized at €400MM.
- Book was of good quality with granularity and geographical diversification, finally downsized to €1.1bn and 75 accounts. Orders mainly came from Spain (44%) followed by Germany and Austria (21%), Nordics (10%), France (9%), Italy (8%), Benelux (3%), Switzerland (2%) and Others.
- In terms of Investor type, the deal was mainly driven by orders from Banks (42%) followed by Fund Managers (23%), Insurance & Pension Funds (21%), Central Banks and Official Institutions (11%) and Private Banking (2%).
- This brilliant outcome is a clear demonstration of Balearic Islands' strong attractiveness and credit name recognition among the investor community.

### DISTRIBUTION BY INVESTOR TYPE



### GEOGRAPHICAL DISTRIBUTION

