



Public Finances

In 2012 the Spanish Treasury will reduce its net debt issuance by € 12 Billion with respect to issuance in 2011.

- Net debt issuance in 2011 was €48.2 billion, in line with the amount estimated at the beginning of the year.
- Expected net issuance for 2012 reaches €36 billion.

January 11th, 2012. Net debt issuance in 2011 by the Spanish Treasury was around €1 billion more than originally planned at the beginning of the year.

- Gross issuance of medium- and long-term instruments (Bonos and Obligaciones del Estado, foreign currency issuance and others) amounted in 2011 to €95.6 billion.
- Net medium- and long-term funding was €48.6 billion. The Treasury has issued five new references with maturities of 3, 5, 10 and 15 years.
- Net issuance in Letras del Tesoro was negative – gross issuance was around €370 million lower than the amount maturing that year – in line with the Spanish Treasury's commitment to reduce refinancing risk.

As a result, Central Government debt outstanding at the end of 2011 reached € 592.084 billion in nominal terms.

PUBLIC DEBT ISSUANCE IN 2012

The Budget for the year 2011 will be extended until a new Budget for 2012 is approved. Such an extension is contemplated in article 134.4 of the Spanish Constitution as well as in the recently approved Royal



Decree-Law 20/2011 of December 30th which puts in place urgent measures in budgetary, taxation and financial areas in order to correct the deficit.

In line with fiscal consolidation targets for 2012, net issuance is expected to amount to €36 billion.

- Gross issuance of medium- and long-term instruments in 2012 is forecast to reach €86 billion, while net issuance will be €36 billion.
- As regards to Letras del Tesoro, issuance in 2012 will cancel out redemptions. As a result, there will be no net funding arising from Letras del Tesoro.

In 2012 the announcements of Bonos and Obligaciones to be auctioned will be published by the Treasury, on a weekly basis, on the Friday preceding each auction, in order to adapt issuance plans to market conditions. The auction dates, both for Letras del Tesoro and Bonos and Obligaciones del Estado will not change.