



## **PRESS RELEASE – 11<sup>th</sup> January 2017**

### **Republic of Portugal**

(Ba1 Stable / BB+ Stable / BB+ Stable)

EUR 3 billion OT 4.125% 14 April 2027

#### **Summary Terms**

Format:	RegS Cat1, 144a eligible and contain CAC
Size:	EUR 3 billion
Pricing Date:	11 <sup>th</sup> January 2017
Settlement:	18 <sup>th</sup> January 2017
Maturity:	14 <sup>th</sup> April 2027
Coupon:	4.125%, Annual ACT/ACT, Long first coupon
Re-offer Spread:	Mid Swaps + 352bp
Re-offer Yield:	4.227%
Re-offer Price:	99.143%
Listing:	MTS, BrokerTec, BGC Brokers and Euronext Lisbon
Denominations:	EUR 0.01
Lead Managers:	BBVA, HSBC, J.P. Morgan, Morgan Stanley, Novo Banco and Société Générale CIB

#### **Transaction Highlights**

- On Wednesday 11<sup>th</sup> of January 2017 the Republic of Portugal rated Moody's Ba1 (Stable), Standard and Poor's BB+ (Stable), Fitch Ratings BB+ (Stable), priced a EUR 3 billion 4.125% 10-year Government Bond (OT), due 14<sup>th</sup> April 2027, at MS +352bp. The joint-bookrunners managing the transaction were BBVA, HSBC, J.P. Morgan, Morgan Stanley, Novo Banco and Société Générale CIB.
- This is the Republic of Portugal's first syndication of 2017 and comes a day after the announcement of the 2017 funding programme. The Republic has a gross issuance target of EUR 14 billion to EUR 16 billion through both auctions and syndications.
- The transaction was priced at the lower end of revised price guidance, capitalizing on an orderbook in excess of EUR 8.5 billion.

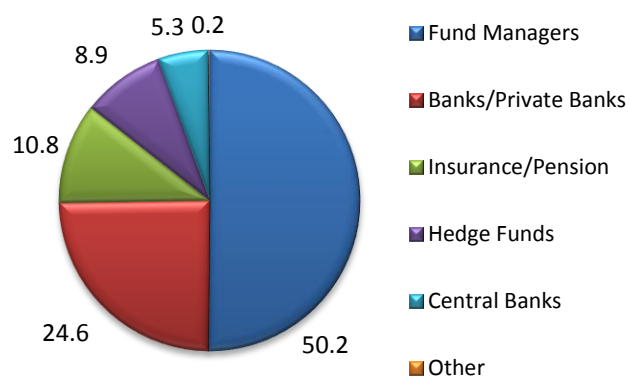
- The new OT EUR 10-year benchmark extends the Republic’s curve into 2027 and provides the market with a new liquid benchmark.

### Execution Summary

- Taking advantage of a strong reopening of the EUR primary market in 2017, the IGCP decided to go ahead with a new OT EUR 10-year benchmark maturing 14<sup>th</sup> April 2027. The official market announcement was made on Tuesday January 10<sup>th</sup> at 16:00 CET.
- On the back of the strong feedback received following the announcement, the IGCP and the Joint Lead Managers (JLM) released IPTs of Mid Swaps +360bp area on Wednesday 11<sup>th</sup> at 09:50 CET. Less than 90 minutes after the release of IPTs, investors’ indications of interest were in excess of EUR 5.3 billion. As such, the orderbook was officially open at 11:10 CET with a price guidance of Mid Swaps +355/360bp.
- With investors’ orders north of EUR 8.5 billion, guidance was revised to MS+352/355bp. The orderbook was finally closed at 12:30 CET and included more than 250 accounts.
- The size was set at EUR 3 billion and the new OT 10-year benchmark was finally priced at 16:15 CET with a coupon of 4.125% and a re-offer yield of 4.227%.
- The transaction benefited from the participation of a granular array of institutional investors. The geographical distribution was diversified with large participation from investors based in the France, Italy, Spain and the UK. By Investor type, most of the demand came from Fund Managers, Banks/Private Banks and Insurance/Pension Funds.

### Final Distribution

**By Investor Type**



**By Investor Country**

