



PRESS RELEASE – 10th January 2018
Republic of Portugal
(Ba1 Positive / BBB- Stable / BBB Stable)
EUR 4 billion OT 2.125% due 17 October 2028

Summary Terms

Format:	RegS Cat1, 144a eligible and contain CAC
Size:	EUR 4 billion
Pricing Date:	10 th January 2018
Settlement:	17 th January 2018
Maturity:	17 th October 2028
Coupon:	2.125%, Annual ACT/ACT, Short first coupon
Re-offer Spread:	Mid Swaps + 114bp
Re-offer Yield:	2.137%
Re-offer Price:	99.890%
Listing:	MTS, BrokerTec, BGC Partners and Euronext Lisbon
Denominations:	EUR 0.01
Lead Managers:	Barclays, Citi, Credit Agricole CIB, Goldman Sachs International Bank, JP Morgan and Novo Banco

Transaction Highlights

- On Wednesday 10th January 2018, the Republic of Portugal, rated Moody's Ba1 (Positive), Standard and Poor's BBB- (Stable), Fitch Ratings BBB (Stable), priced a EUR 4 billion 2.125% 10-year Government Bond (OT), due 17th October 2028, at MS +114bp. The joint-book-runners managing the transaction were Barclays, Citi, Credit Agricole CIB, Goldman Sachs International, JP Morgan and Novo Banco.
- This is the Republic of Portugal's first syndicated transaction of the year after having announced on the 8th January net borrowing needs of EUR 10.9 billion of OT to be raised through both auctions and syndications.

The transaction followed the recent upgrades to investment grade by both Standard & Poor's and Fitch in September and December 2017, respectively, and is a testament to Portugal's improved standing in the Euro Government markets.

Execution Summary

- Taking advantage of the strong market backdrop in the EUR SSA primary market as well as leveraging the improved funding conditions available to Portugal following the mentioned upgrades, IGCP decided to go ahead with a new OT EUR 10-year benchmark maturing 17th October 2028. The official market announcement was made on Tuesday January 9th at 14:30 London Time.
- On the back of the strong feedback received after the announcement, the IGCP and the Joint Lead Managers (JLM) decided to release IPTs of Mid Swaps +120bps area on Wednesday January 10th at 8:30 London Time. Within an hour of bookbuilding, investors' indications of interest reached in excess of EUR 13 billion (including EUR 1.975 billion of JLM interest). As such, the orderbook was officially open shortly after 9:45 London Time with a price guidance of Mid Swaps +117bp area.
- With orders north of EUR 17.2 billion (including EUR 1.975 billion of JLM interest), the final spread was finally set at MS+114bps, 6bps inside initial pricing thoughts. The orderbook was finally closed at 11:30 London Time with final orderbooks in excess of EUR 18.85 billion (including EUR 2.375 billion JLM) and with more than 320 accounts involved.
- The size was set at EUR 4 billion and the new OT 10-year benchmark was finally priced at 16:10 London time with a coupon of 2.125% and a re-offer yield of 2.137%.
- 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 UK, Central Europe as well as North America and Scandinavia. By investor type, most of the demand came from Banks/Private Banks, Fund Managers and Insurance/Pension Funds.

Final Distribution

