



PRESS RELEASE – 11th of April 2018

Republic of Portugal

(Moody's Ba1 Positive, S&P BBB- Stable, Fitch BBB Stable)

EUR 3 billion OT 2.250% due 18 April 2034

Summary Terms

Format:	Reg S Category 1, (144a eligible for QIBs), CAC
Size:	EUR 3 billion
Pricing Date:	11 th April 2018
Settlement:	18 th April 2018
Maturity:	18 th April 2034
Coupon:	2.250%, Fixed, Annual ACT/ACT
Re-offer Spread:	Mid Swaps +102bp
Re-offer Yield:	2.325%
Re-offer Price:	99.007%
Listing:	MTS, BrokerTec, BGC brokers and Euronext Lisbon
Denominations:	EUR 0.01
Lead Managers:	Barclays, CaixaBI, Deutsche Bank, HSBC, Morgan Stanley and Société Générale CIB

Transaction Highlights

- On Wednesday 11th of April the Republic of Portugal rated Ba1 Positive by Moody's, BBB- Stable by S&P and BBB Stable by Fitch, priced a EUR 3 billion 2.250% long 15-year Government Bond (OT), due 18th of April 2034, at MS +102bp. The joint-bookrunners managing the transaction were Barclays, CaixaBI, Deutsche Bank, HSBC, Morgan Stanley and Société Générale CIB.
- This is the second syndicated transaction issued by the Republic of Portugal in 2018, following the successful launch of the EUR 4 billion OT 2.125% 10-year benchmark (due 17th of October 2028) issued in early January.
- The transaction benefited from strong investor demand as highlighted by the final orderbook north of EUR 16 billion, which allowed Portugal to price the new bond at a spread of Mid swaps +102bp starting from IPTs of Mid Swap +105bp area. Portugal also chose to upsize the transaction to EUR 3 billion from an original target size of EUR 2.5 billion to satisfy the

tremendous appetite for this deal, while still retaining capacity to provide liquidity to its curve via auctions for the rest of the year.

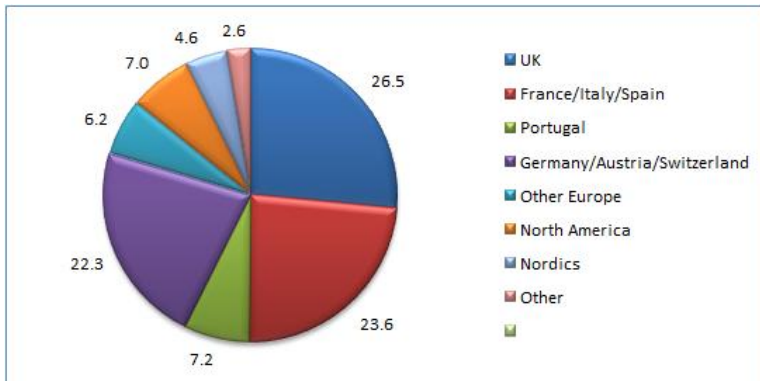
- This new OT long 15-year benchmark provides the market with a new reference point in Portugal's curve, filling the gap between the outstanding OT 3.875% 15-Feb-2030 and 4.100% 15-Apr-2037. This is the first OT benchmark launched in this maturity bucket since 2014.
- With this transaction, Portugal has completed around 2/3 of its anticipated funding plan of EUR 15 billion in OTs for 2018.

Execution Summary

- Capitalizing on supportive market conditions in the EUR SSA primary market, the IGCP decided to announce to the market its intention to launch a new OT long 15-year benchmark, maturing 18th of April 2034, on Tuesday 10th of April in the afternoon.
- On the back of the encouraging investor feedback received after the initial market announcement, the IGCP and the joint-bookrunners decided to release IPTs of Mid Swaps +105bp area on Wednesday 11th of April at 09:10 CET. With Indications of Interest (IOIs) above EUR 10 billion (including EUR 1.52 billion of Joint-bookrunners interest), the book was officially open at 10:30 CET with a price guidance of Mid Swaps +103bp area.
- With the orderbook reaching a level well above EUR 15 billion (including EUR 1.52 billion of Joint-bookrunners interest), at 10:50 CET, the final spread was set at Mid Swaps +102bp and the transaction size at EUR 3 billion. The orderbook was finally closed at 12:15 CET with a final size of EUR 16.2 billion and more than 300 accounts participating in the trade.
- The new EUR 3 billion OT long 15-year benchmark was finally priced at 17:00 CET with a coupon of 2.250% and a re-offer yield of 2.325%
- 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, France, Italy, Spain and Germany. By Investor type, most of the demand came from Fund Managers, Banks/Private Banks and Insurance/Pension Funds.

Final Distribution

By Investor Country



By Investor Profile

