

PRESS RELEASE – 30th May 2019
Republic of Portugal
(rated AAA by China Lianhe)
RMB 2 billion PORTUG 4.09% due 3 June 2022

Summary Terms

Issuer:	The Republic of Portugal
International Ratings:	Baa3 Stab (Moody's) / BBB Stab (S&P) / BBB Pos (Fitch)
Local Issuer Rating:	AAA by China Lianhe Credit Rating Co.
Status:	Senior, unsecured
Size:	RMB 2 billion
Pricing Date:	30th May 2019
Settlement Date:	3rd June 2019 (T+2)
Tenor:	3-year
Maturity:	3rd June 2022
Coupon:	4.09%, Annual ACT/ACT
Re-offer Yield:	4.09%
Re-offer Price:	100.00%
Denominations:	CNY10m x10m
Details:	China Interbank Bond Market ("CIBM") Trading; Bond Connect Eligible; PRC Law; Shanghai Clearing House, Hong Kong Selling Restrictions
Joint Lead Underwriters:	Bank of China, HSBC
Offering Method:	Public offering through a centralized bookbuilding. During the bookbuilding the bonds were only offered to the Joint Lead Underwriters and members of the underwriting Syndicate

Transaction Highlights

- On Thursday, May 30th 2019 the Republic of Portugal, acting through the Portuguese Debt Management Agency ("IGCP"), priced its inaugural Panda Bond issue in the form of a RMB 2 billion 3-year offering due 3rd June 2022 at 4.09%. The Joint Lead Underwriters on the transaction were Bank of China and HSBC. CaixaBI acted as Financial Adviser.
- This marks the first ever Panda issuance by a Eurozone sovereign and just the third European sovereign to access the onshore market in China.
- With this successful transaction, Portugal has accessed the third largest bond market in the world to further diversify its investor base.

Execution Summary

- As is standard, the documentation for the Panda bond was prepared in Chinese (simplified) under Chinese Governing Law.
- In order to introduce its story, Portugal embarked on a comprehensive non-deal roadshow in Beijing, Shanghai and Singapore, during the documentation stage.



- Following the documentation process, regulatory approval was granted by the People's Bank of China (“PBOC”) and registration was secured from the National Association of Financial Market Institutional Investors (“NAFMII”) on May 20th 2019 for Portugal to register RMB 5 billion issuance quota, allowing access to the onshore interbank bond market thereafter.
- Terms of the transaction including the size and the maturity of the bond were disclosed to the market on Monday 27th May at 11:50 CST and in light of a constructive market backdrop, initial price guidance of 3.90 – 4.50% was announced on Tuesday 28th slightly after 12:00 CST. Book-building and pricing took place on Thursday 30th from 09:00 to 18:00 CST.
- Strong demand from investors was reflected in the sizable orders placed in the auction by the selling group. The order books were 3.165x oversubscribed enabling to revise the marginal rate tighter three times from 4.35% to 4.09% and allowed the issuer to price close to the lower range of the initial price guidance and 74bps over the equivalent China Development Bank (“CDB”) curve.