



PRESS RELEASE – 1st of April 2020

Republic of Portugal (Moody's Baa3 Positive, S&P BBB Positive, Fitch BBB Positive, DBRS BBBH Stable) EUR 5.0 billion OT 0.7% due 15 October 2027

Summary Terms

Format:	Reg S Category 1, (144a eligible for QIBs), CAC
Size:	EUR 5.0 billion
Pricing Date:	1 st April 2020
Settlement:	8 th April 2020 (T+5)
Maturity:	15 th October 2027
Coupon:	0.7%, Fixed, Annual ACT/ACT, short first coupon to 15 th October
Re-offer Spread:	Mid Swaps +86bp
Re-offer Yield:	0.726%
Re-offer Price:	99.811%
Listing:	MTS, BrokerTec, BGC brokers and Euronext Lisbon
Denominations:	EUR 0.01
Lead Managers:	Barclays, BBVA, CaixaBI, Credit Agricole CIB (B&D & DM), J.P. Morgan, and Morgan Stanley

Transaction Highlights

- On Wednesday 1st of April, the Republic of Portugal rated Baa3 Positive by Moody's, BBB Positive by S&P, BBB Positive by Fitch and BBBH Stable by DBRS, priced a EUR 5.0 billion 0.7% long 7-year Government Bond (OT), due 15th of October 2027, at Mid swaps +86bp. The joint-bookrunners managing the transaction were Barclays, BBVA, CaixaBI, Credit Agricole CIB, J.P. Morgan and Morgan Stanley.
- This is the second syndicated transaction issued by the Republic of Portugal in 2020, following the successful launch of the EUR 4.0 billion OT 0.475% 10-year benchmark (due 18th of October 2030) in January. With a size of EUR 5.0 billion, the transaction represents the largest-ever syndicated single OT tranche issued. It is also the first OT benchmark line launched in the 7-year maturity bucket since 2015.

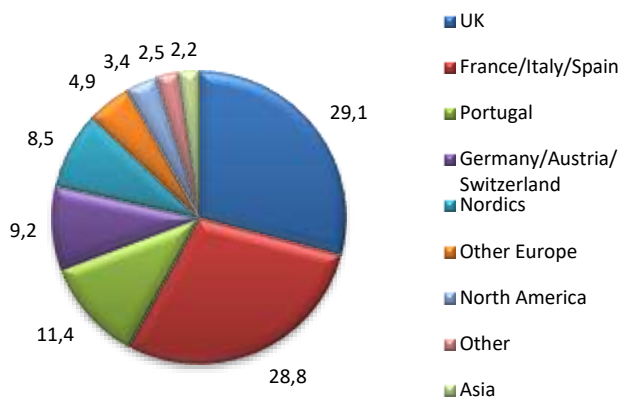
- In spite of high levels of market volatility, the transaction attracted a record orderbook for the Republic of Portugal with orders in excess EUR 30.0 billion, the largest-ever orderbook for an OT syndication, which allowed the price of the new bond to be tightened to a spread of Mid swaps +86bp starting from IPTs of Mid swap +90bp area.
- The transaction followed the release of the Q2 funding guidelines by the IGCP, make public an anticipated increase in funding needs due to the Republic's response to Covid-19 and the acceleration of the IGCP's execution of its medium and long-term issuance programme.

Execution Summary

- The afternoon of 31st of March 2020, the IGCP proceeded to announce to the market a new long 7-year OT benchmark, maturing 15th of October 2027, to be launched in the near future, subject to market conditions.
- On the back of the encouraging investor feedback received after the initial market announcement, the IGCP and the joint-bookrunners decided to release initial guidance of Mid swaps +90bp area on Wednesday 1st of April 2020 at 08:20 LDN. With orders above EUR 20.0 billion (including EUR 2.55 billion of joint-bookrunner interest) just over an hour later, guidance was revised at 9:42 LDN to Mid swaps +88bp area.
- With the orderbook reaching above EUR 24.0 billion (including EUR 2.8 billion of joint-bookrunner interest), at 10:50 LDN, the final spread was set at Mid swaps +86bp. The orderbook was finally closed shortly thereafter at 11:30 LDN with a final size of EUR 30.0 billion and more than 382 accounts participating in the trade.
- The quality of the final orderbook allowed the IGCP and joint-bookrunners to launch the transaction at 13:20 LDN with a size of EUR 5.0 billion.
- The new EUR 5.0 billion OT long 7-year benchmark was finally priced at 16:46 LDN with a coupon of 0.7% and a re-offer yield of 0.726%.

Final Distributions

By Investor Country



By Investor Profile

