



PRESS RELEASE – 1st July 2020

Republic of Portugal

(Baa3 Positive / BBB Stable / BBB Stable / BBBH Stable)

EUR 4 billion OT 0.90% due 12 October 2035

Summary Terms

Format:	Reg S Category 1, 144A Eligible, CAC
Size:	EUR 4 billion
Pricing Date:	1 st July 2020
Settlement:	8 th July 2020
Maturity:	12 th October 2035
Coupon:	0.90%, Annual ACT/ACT, long first
Re-offer Spread:	Mid Swaps + 88bp
Re-offer Yield:	0.928%
Re-offer Price:	99.602%
Listing:	MTS, BrokerTec, BGC Partners and Euronext Lisbon
Law:	Portuguese
Denominations:	EUR 0.01
Lead Managers:	CaixaBI, Credit Agricole CIB, Deutsche Bank, Goldman Sachs International Bank, JP Morgan and Nomura

Transaction Highlights

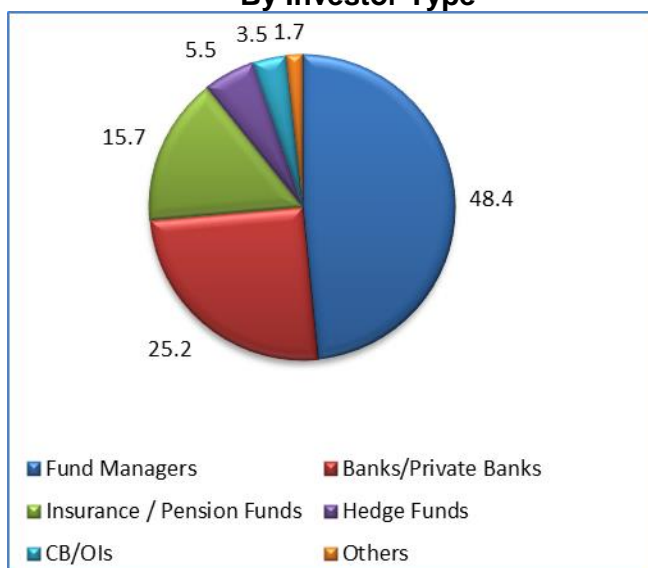
- On Tuesday 30th June 2020, the Republic of Portugal, rated Moody's Baa3 (Positive), Standard and Poor's BBB (Stable), Fitch Ratings BBB (Stable), DBRS BBBH (Stable), priced a EUR 4 billion 0.90% long 15-year Government Bond (OT), due 12th October 2035, at Mid Swaps+88bp. The joint-book-runners managing the transaction were CaixaBI, Credit Agricole CIB, Deutsche Bank, Goldman Sachs International Bank, JP Morgan and Nomura.
- This is the third syndicated transaction by the Republic of Portugal in 2020 and with this issuance the Republic has completed over 69.1% of the Republic's gross issuance target of EUR 29.3 billion to execute through auctions and syndications in 2020.
- The transaction benefited from strong investor demand as highlighted by the final orderbook north of EUR 41 billion (incl. EUR 2.35 billion JLM interest), which allowed Portugal to price the new bond at a spread of Mid Swaps+88bp starting from initial guidance of Mid Swaps+92bp area.

Execution Summary

- Following supportive market conditions, the Republic of Portugal announced its intention to launch a new OT long 15-year benchmark, maturing 12th October 2035 on Tuesday, June 30th at 1.00pm GMT. Books were subsequently opened on Wednesday, July 1st around 8.55am GMT with guidance of Mid Swaps+92bp area.
- Orders accumulated quickly and guidance was revised to MS+89bp area by 10.00am GMT, by which time books were already in excess of EUR 32 billion (including EUR 2.35 billion JLM interest). Books continued to grow rapidly and the spread was set a further 1bp tighter at Mid Swaps+88bp soon thereafter at 11:00am GMT.
- Books were closed at 11:30am GMT in excess of EUR 41 billion (including EUR 2.35 billion of JLM interest) with the deal size set at EUR 4 billion subsequently.
- The EUR 4 billion 0.9% OT due 12 October 2035 was priced at 3:22pm GMT at Mid Swaps+88bp, equivalent to a re-offer yield of 0.928%, spread to DBR 0% May-35 of 111.0bp, and a price of 99.602%.
- The transaction benefited from the participation of over 380 accounts, representing strong and diversified demand, mostly from Europe, especially from France, Italy, Spain and the UK. With respect to investor type, Fund Managers, Banks and Insurances/Pension Funds accounted for the largest share of the book.

Final Distribution

By Investor Type



By Investor Region

