



PRESS RELEASE – 3 February 2021

Republic of Portugal

(Moody's Baa3 Positive, S&P BBB Stable, Fitch BBB Positive, DBRS BBBH Stable)

EUR 3.0 billion OT 1.00% due 12 April 2052

Summary Terms

| | |
|------------------|---|
| Format: | Reg S Category 1, (144a eligible for QIBs), CAC |
| Size: | EUR 3.0 billion |
| Pricing Date: | 3 rd February 2021 |
| Settlement: | 10 th February 2021 (T+5) |
| Maturity: | 12 th April 2052 |
| Coupon: | 1.00%, Fixed, Annual ACT/ACT, long first coupon to 12 th April 2022 |
| Re-offer Spread: | Mid Swaps +85bp |
| Re-offer Yield: | 1.022% |
| Re-offer Price: | 99.414% |
| Listing: | MTS, BrokerTec, BGC brokers and Euronext Lisbon |
| Denominations: | EUR 0.01 |
| Lead Managers: | Credit Agricole CIB, Deutsche Bank, J.P. Morgan, Morgan Stanley, Nomura (B&D/DM) and Novo Banco |

Transaction Highlights

- On Wednesday 3rd February, 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 3.0 billion 1.00% long 30-year Government Bond (OT), due 12th April 2052, at Mid swaps +85bp. The joint-bookrunners managing the transaction were Credit Agricole CIB, Deutsche Bank, J.P. Morgan, Morgan Stanley, Nomura (B&D/DM) and Novo Banco.
- This is the first syndicated transaction issued by the Republic of Portugal in 2021. The transaction marks the first OT benchmark line launched in the 30-year maturity since 2015 and it extends the PGB curve a further 7 years.
- Capitalising on a benign backdrop for rates and following on the recent long end supply by other EGB sovereigns, the transaction attracted a record orderbook for the Republic of Portugal with orders in excess EUR 40 billion (incl. EUR 3.25 billion JLM), just shy of the largest ever book achieved on the 15-year benchmark last year.

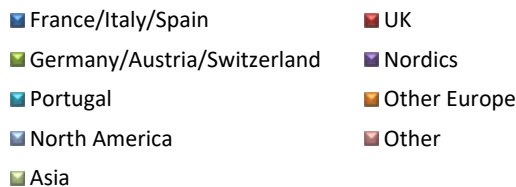
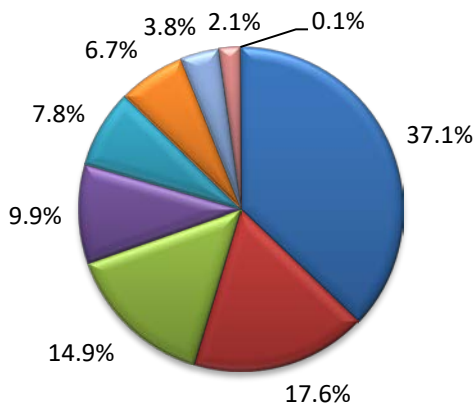
- Given the strong demand for the syndication, the issuer was able to land at a spread of Mid swaps +85bp starting from IPTs of Mid swaps +88bp area, representing a small new issue premium over theoretical fair value for the transaction.

Execution Summary

- Shortly after 13:00 LDN on Tuesday 2nd February, the IGCP announced to the market a new 30-year OT benchmark, maturing in April 2052, 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 +88bp area on Wednesday February 3rd at 08:00 LDN. With orders above EUR 32.0 billion (including EUR 2.9 billion of Joint-bookrunners interest) by 9:30 LDN, guidance was revised to Mid swaps +86bp area (+/-1bp) to give clarity to investors that the transaction will price within the indicated range.
- With the orderbook reaching above EUR 34.0 billion (including EUR 3.25 billion of Joint-bookrunners interest) by 10:12 LDN, the final spread was set at Mid swaps +85bp. The orderbook was finally closed shortly thereafter at 10:30 LDN with a final size of EUR 40.0 billion (including EUR 3.25 of Joint-bookrunners interest) with more than 400 accounts participating in the trade.
- The quality and size of the final orderbook allowed the IGCP and joint-bookrunners to comfortably launch the transaction shortly after 11:00 LDN with a size of EUR 3.0 billion.
- The new EUR 3.0 billion OT 30-year benchmark was priced at 15:06 LDN with a coupon of 1.00% and a re-offer yield of 1.022%.

Final Distributions

By Investor Country



By Investor Profile

