



BNP PARIBAS



CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

J.P.Morgan

Morgan Stanley

NOMURA

novobanco



PRESS RELEASE – 12 January 2022

Republic of Portugal

(Moody's Baa2 Stable, S&P BBB Stable, Fitch BBB Stable, DBRS BBBH Stable)

EUR 3 billion OT 1.15% due 11 April 2042

Summary Terms

Format:	Reg S Category 1, (144a eligible for QIBs), CAC
Size:	EUR 3 billion
Pricing Date:	12 th January 2022
Settlement:	19 th January 2022 (T+5)
Maturity:	11 th April 2042
Coupon:	1.15%, Fixed, Annual ACT/ACT, long first coupon to 11 th April 2023
Re-offer Spread:	Mid Swaps +60bps
Re-offer Yield:	1.185%
Re-offer Price:	99.372%
Listing:	MTS, BrokerTec, BGC brokers and Euronext Lisbon
Denominations:	EUR 0.01
Lead Managers:	BNP Paribas (B&D/DM), Credit Agricole CIB, J.P. Morgan, Morgan Stanley, Nomura and Novo Banco

Transaction Highlights

- On Wednesday 12th January, the Republic of Portugal rated Baa2 Stable by Moody's, BBB Stable by S&P, BBB Stable by Fitch and BBBH Stable by DBRS, successfully priced a EUR 3 billion 1.15% 20-year Government Bond (OT), due 11th April 2042, at Mid swaps +60bp. The joint-bookrunners managing the transaction were BNP Paribas (B&D/DM), Credit Agricole CIB, J.P. Morgan, Morgan Stanley, Nomura and Novo Banco.
- This is the Republic of Portugal's first outing of the year and the first syndicated transaction in the 20-year tenor in the EGB market for 2022. The transaction also marks the first ever OT benchmark launched in the 20-year maturity bucket, helping inject liquidity in the long end of the PGB curve and once again demonstrating the IGCP's continued commitment to liquid benchmarks.
- The transaction benefited from strong demand, with over 140 accounts participating, garnering orders of EUR 21.0 billion (incl. EUR 2.6 billion JLM). The strong demand allowed the Republic to print EUR 3.0 billion, a strategic transaction in the long-end of the PGB curve.



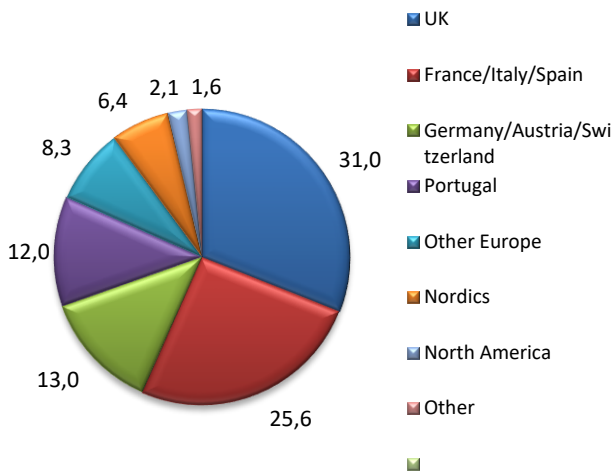
- The significant demand coupled with the granular and diverse orderbook enabled the Republic to land at a spread of Mid swaps +60bp starting from IPTs of Mid swaps +61bp area. With an issue yield of 1.185%, the trade represents the lowest yield achieved by the Sovereign compared to the outstanding bonds in the 15-25y part of the curve, a testament to Portugal's upward credit rating trajectory.

Execution Summary

- The mandate for the new OT syndicated 20-year euro benchmark was announced on Tuesday 11th January 2022 at 12:15 UKT in order to gather feedback from investors around their appetite.
- The new benchmark transaction received substantial interest from investors throughout the European afternoon and overnight before books officially opened on Wednesday 12th January 08.15am UKT. Spread guidance of MS+61bps area was released at the same time.
- Demand grew rapidly throughout the European morning and reached over EUR 14.5 billion (including EUR 2.0 billion from JLM trading interest) by 10:00 UKT at which point, in order to provide clarity to investors, the spread was set at Mid swaps +60bp.
- Despite the price revision at the first update, the orderbook continued to grow and formally closed at 10:45 UKT at EUR 21.0 billion (including EUR 2.6 billion of JLM trading interest). The impressive high quality and diversification contained in the orderbook allowed the IGCP to fix the deal size and launch a EUR 3 billion transaction shortly after at 11:45 UKT.
- Allocations for the new OT due 11 April 2042 were released at 14:30 UKT and the transaction subsequently priced at 15:30 UKT. The 20-year bond, which offers a coupon rate of 1.15% per annum, was priced at 99.372% to yield 1.185%.

Final Distributions

By Investor Country



By Investor Profile

