



**PRESS RELEASE – 4<sup>th</sup> January 2024**

**Republic of Portugal**

**Moody's A3 Stable, S&P BBB+ Positive, Fitch A- Stable, DBRS A Stable**

**EUR 4 billion OT 2.875% due 20 October 2034**

**Summary Terms**

Format	Reg S Category 1, (144a eligible for QIBs), CAC
Size	EUR 4.0 billion
Pricing Date	4 <sup>th</sup> January 2024
Settlement Date	11 <sup>th</sup> January 2024
Maturity Date	20 <sup>th</sup> October 2034
Coupon	2.875%
Re-offer Spread	Mid-swaps +40bps
Re-offer Yield	2.997% p.a.
Re-offer Price	98.898%
Listing	MTS, BrokerTec, BGC Brokers and Euronext Lisbon
Denominations	EUR 0.01
Lead Managers	Banco Santander / BNP Paribas (DM/B&D) / CaixaBI / Citi / CACIB / J.P. Morgan

**Transaction Highlights**

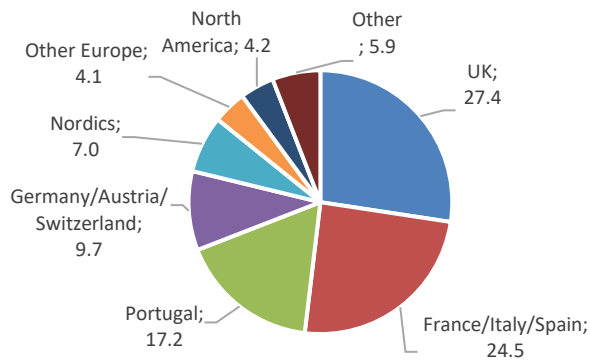
- On Thursday 4<sup>th</sup> January 2024, the Republic of Portugal rated A3 Stable by Moody's, BBB+ Positive by S&P, A- Stable by Fitch and A Stable by DBRS, priced a EUR 4.0 billion 2.875% Long 10-year Government Bond (OT), due 20<sup>th</sup> October 2034, at Mid swaps +40bp. The Joint Bookrunners managing the transaction were Banco Santander, BNP Paribas, CaixaBI, Citi, CACIB and J.P. Morgan.
- This is the first syndicated transaction executed by the Republic of Portugal in 2024 and represents Portugal's first 10-year syndicated issuance since 2022. The new OT October-2034 offers the IGCP an on-the-run benchmark to re-open via auctions during the year.
- The transaction was 4.9x oversubscribed with a final orderbook in excess of EUR 19.4 billion (incl. EUR 1.25 billion joint-bookrunner interest) with over 170 accounts participating.
- The transaction benefited of the upward rating trajectory of the Republic of Portugal over the course of 2023, when the Republic was upgraded by Moody's, by Fitch and by DBRS. The rating upgrades reflected Portugal's strong primary, the solid consolidation of public finances and the consequent downward path of public debt.
- With this transaction the IGCP has completed 28% of the €13.9 billion medium and long-term funding requirement for 2024.

## Execution Summary

- At 11am Lisbon time of Wednesday, 3rd January 2024, on the back of stable market conditions, the IGCP announced to the market the intention to issue a new 10-year OT benchmark, maturing 20<sup>th</sup> October 2034, to be launched in the near future, subject to market conditions.
- The following morning on Thursday 4th of January 2024 at 08:30 Lisbon, the IGCP and the Joint Bookrunners released initial guidance of Mid swaps +41bp area. Within less than 2 hours, the orderbook grew in excess of EUR 14.7 billion (including EUR 1.25 billion of Joint Bookrunner interest) and at 10:20 Lisbon time the spread was set at Mid swaps +40bps.
- Shortly thereafter, the orderbook closed at 11:15 Lisbon time in excess of EUR 19.4 billion. The quality of the orderbook allowed the IGCP and joint-bookrunners to launch the transaction at 12:12 Lisbon time with a size of EUR 4.0 billion.
- The new EUR 4.0 billion OT 10-year benchmark was priced at 15:08 Lisbon time with a coupon of 2.875% and a re-offer yield of 2.997%, equivalent to a spread of +86.3bp versus the DBR 2.6% Aug-33.
- The transaction was allocated to a broad array of high-quality accounts. The geographical distribution was diversified with large participation from investors based in the United Kingdom as well as France / Italy / Spain. By investor type, demand predominantly came from fund managers, as well as banks / private banks.

## *Final Distribution Statistics*

### *By Region*



### *By Type*

