

## PRESS RELEASE

### Financing Programme for the Republic of Portugal for 2015

The Ministry of Finance approved the proposal for the 2015 Financing Programme submitted by the Portuguese Government Treasury and Debt Agency (IGCP). This proposal was prepared following the approval by the Parliament of the Government's Budget for 2015. The Financing Programme includes the main policy guidelines regarding the management of the direct Government debt and of the State Treasury's cash balances.

#### 1. **Borrowing needs**

The net borrowing needs of the central Government for 2015 are expected to be around **EUR 11 billion**.

#### 2. **Financing strategy**

The Financing Strategy for 2015 will be focused on the Portuguese Government Bonds (PGB) curve with regular issuance of Government bonds (OT) through auctions to promote liquidity and the efficient functioning of the primary and secondary market.

Opportunities to perform bond exchanges and buybacks will be further explored.

In the Financing Strategy for 2015 IGCP also anticipates a positive contribution of EUR 2,5 billion from Retail Products.

#### 3. **Issuance of Government bonds (OT)**

An amount of EUR 12 to 14 billion is to be met through gross issuance of OT combining syndicated operations with auctions.

OT auctions will have the participation of the Primary Dealers (OEVT) and Other Auction Participants (OMP) and will be held on the 2<sup>nd</sup> and 4<sup>th</sup> Wednesday of the month. The auction indicative amount and the OTs to be tapped will be announced to the market up to T-3 business days.

#### 4. **Issuance of Treasury bills (BT)**

In 2015 issuance of BT should have no impact in net financing. The strategy of issuing along the full curve will be maintained combining a short-term Bill with a longer tenor.

IGCP will maintain the profile of holding a monthly auction on the 3<sup>rd</sup> Wednesday of each month but, if demand justifies, may decide also to use the 1<sup>st</sup> Wednesday.

Indicative amounts will continue to be announced within a range. In the case of two BT lines auctioned simultaneously, allocation between the two lines will be decided by IGCP depending on the bid's amount and price.

The indicative calendar and amounts of the BT auctions to be held in the first quarter are as follows:

Instrument	Type	Indicative date	Indicative amount EUR million
BT 17JUL2015	Reopening (6 months)	21-Jan-15	1000-1250
BT 22JAN2016	Launch (12 months)		
BT 22MAY2015	Reopening (3 months)	18-Feb-15	1000-1250
BT 22JAN2016	Reopening (11 months)		
BT 18SEP2015	Reopening (6 months)	18-Mar-15	1000-1250
BT 18MAR2016	Launch (12 months)		

#### **5. Other financing**

Issuance can also occur under the Euro Medium Term Notes programme, depending on market opportunities that suit the overall financing strategy.

#### **6. Risk management and Buyback Programme**

The management of the refinancing risk will take into account that financing operations should avoid the excessive concentration of redemptions over time and includes debt buyback transactions, to be announced to the market in due time.

As usual, IGCP will retain flexibility to introduce adjustments to this programme as required by market developments and by the Republic's financing needs throughout the year.

IGCP, 5 January 2015