

PRESS RELEASE

Financing Programme for the Republic of Portugal for 2016

The Ministry of Finance approved the proposal for the 2016 Financing Programme submitted by the Portuguese Government Treasury and Debt Agency (IGCP). 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 2016 are expected to be around **EUR 7,0 billion**.

2. **Financing strategy**

The Financing Strategy for 2016 will be focused on the Portuguese Government Bonds (PGB) curve with regular issuance of Government bonds (OT), 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 2016 IGCP also anticipates a positive contribution of EUR 1,7 billion from Retail Products.

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

An amount of EUR 18 to 20 billion is to be met through gross issuance of OT combining syndicated operations with auctions, which we aim to do at least one per quarter .

OT auctions will have the participation of the Primary Dealers (OEVT) and Other Auction Participants (OMP) and will be held on the 2nd, 4th or 5th Wednesday of each month. The auction indicative amount and the OT lines to be tapped will be announced to the market up to T-3 business days.

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

In 2016 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 3rd Wednesday of each month but, if demand justifies, may decide also to use the 1st 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 22JUL2016	Reopening (6 months)	20-Jan-16	1000-1250
BT 20JAN2017	Launch (12 months)		
BT 20MAY2016	Reopening (3 months)	17-Feb-16	1000-1250
BT 20JAN2017	Reopening (11 months)		
BT 23SEP2016	Reopening (6 months)	16-Mar-16	1000-1250
BT 17MAR2017	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, January 7th, 2016