

## PRESS RELEASE

### Financing Programme for the Republic of Portugal for 2018

The Ministry of Finance approved the proposal for the 2018 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 2018 are expected to be around **EUR 10.9 billion**.

#### 2. Financing strategy

The Financing Strategy for 2018 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 2018 IGCP also anticipates a positive contribution of EUR 1.8 billion from Retail Products.

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

An amount of EUR 15 billion is to be met through gross issuance of OT combining syndicated operations with auctions, through monthly issuance.

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>, 4<sup>th</sup> or 5<sup>th</sup> 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 2018 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. Allocation between 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:

<b>Instrument</b>	<b>Type</b>	<b>Indicative date</b>	<b>Indicative amount EUR million</b>
BT 20JUL2018	Reopening (6 months)	17-Jan-18	1500-1750
BT 18JAN2019	Launch (12 months)		
BT 18MAY2018	Reopening (3 months)	21-Feb-18	1000-1250
BT 18JAN2019	Reopening (11 months)		
BT 21SEP2018	Reopening (6 months)	21-Mar-18	1250-1500
BT 22MAR2019	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 8<sup>th</sup>, 2018