

PRESS RELEASE

Financing Programme for the Republic of Portugal for 2020

The Ministry of Finance approved the proposal for the 2020 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 2020 are expected to be around **EUR 9.5 billion**.

2. **Financing strategy**

The Financing Strategy for 2020 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.

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

The Funding needs for 2020 will be as follows:

	(EUR million)		
	Gross Issuance	Redemptions	Net
EURO Debt	46,036	36,608	9,427
BT -Treasury Bills	13,252	11,983	1,270
PGB - Treasury Bonds	16,717	8,019	8,698
Other Non-Marketable Debt (short term)	12,612	13,100	-487
Other Non-Marketable Debt (medium and long term)	3,454	3,507	-53
NON-EURO Debt	0	0	0
Other Flows (net)	0	-20	20
TOTAL	46,036	36,588	9,447

An amount of EUR 16.7 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 2nd or 4th 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 2020 issuance of BT should have a positive impact of EUR 1.3 billion 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. 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:

Instrument	Type	Indicative date	Indicative amount (million euros)
BT 17JUL2020	Reopening (6 months)	15-Jan-20	1500-1750
BT 15JAN2021	Launch (12 months)		
BT 22MAY2020	Reopening (3 months)	19-Feb-20	1000-1250
BT 15JAN2021	Reopening (11 months)		
BT 20SEP2020	Reopening (6 months)	18-Mar-20	1250-1500
BT 19MAR2021	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 6th, 2020