

## Financing Programme for the Republic of Portugal for 2023

### 2nd Quarter Update

#### 1. Funding Program 2023: Update for 2<sup>nd</sup> quarter

On March 31<sup>st</sup> 2023, the Portuguese Government Treasury and Debt Agency (IGCP) announces an update, for the 2<sup>nd</sup> quarter of 2023, of the Financing Programme of the Republic of Portugal:

| [Executed financing up to end-February; EUR billion]                        | 2021        | 2022 P      | 2023 P      |
|---|-------------|-------------|-------------|
| <b>State borrowing requirements</b>   | <b>26.6</b> | <b>24.9</b> | <b>24.8</b> |
| <b>Net financing needs</b>  | <b>13.8</b> | <b>9.5</b>  | <b>12.4</b> |
| Overall deficit (a)   | 9.5         | 6.0         | 5.9         |
| Net acquisitions of financial assets (b)                                    | 4.3         | 3.5         | 6.4         |
| One-off operations (c)  |             |             |             |
| <b>MLT Redemptions</b>  | <b>12.8</b> | <b>15.4</b> | <b>12.5</b> |
| Tbonds (PGB + MTN) (d)  | 9.4         | 11.4        | 11.0        |
| FRN/OTRV/Other MLT instruments  | 3.5         | 3.5         |             |
| Official loans  |             | 0.5         | 1.5         |
| <b>State financing sources</b>  | <b>26.6</b> | <b>24.9</b> | <b>24.8</b> |
| <b>Use of deposits</b>  | <b>8.3</b>  | <b>2.5</b>  | <b>0.3</b>  |
| <b>Financing in the year</b>  | <b>18.3</b> | <b>22.5</b> | <b>24.5</b> |
| <b>Executed</b>   | <b>18.3</b> | <b>22.5</b> | <b>11.5</b> |
| EU  |             | 1.4         | 0.1         |
| Tbonds (PGB + MTN)  | 14.6        | 12.0        | 6.9*        |
| FRN/OTRV  |             |             |             |
| Retail debt (net)   | 0.5         | 4.6         | 4.3         |
| Tbills (net)  | -4.8        | 1.3         | 0.2         |
| Other flows (net) (e)   | 5.2         | 3.2         |             |
| <b>To be executed</b>   |             |             | <b>13.0</b> |
| EU  |             |             | 0.2         |
| Tbonds (PGB + MTN)  |             |             | 8.3         |
| FRN/OTRV  |             |             |             |
| Retail debt (net)   |             |             | 7.7         |
| Tbills (net)  |             |             | -0.2        |
| Other flows (net) (e)   |             |             | -3.1        |
| <b>State Treasury cash position at year-end (excluding cash-collateral)</b> | <b>8.8</b>  | <b>6.3</b>  | <b>6.0</b>  |

(a) State sub-sector cash deficit according to State budget for 2023.

(b) Includes refinancing of other public entities (namely SOEs) and credit lines to the Single Resolution Board and the National Resolution Fund.

(c) Includes other operations that impact net financing needs (e.g. privatization revenues).

(d) Includes net impact of exchange offers.

(e) Includes centralization of funds of other public entities in the Single Treasury Account.

\* Including the issuance of a private placement of Portuguese Government Bonds to Caixa Geral de Aposentações (CGA), subject to Decree-Law n° 14/2023 [link](#)

In 2023, while net financing needs remain unchanged, net issuance of retail debt certificates is projected to be EUR 12 billion (an increase of EUR 8.5 billion in relation to the initial estimate).

Portuguese Government Bonds (PGB) issuance, net of buybacks, is projected to be EUR 15.2 billion in 2023 (a decrease of EUR 4.6 billion compared to the initial estimate).

Net issuance of Treasury Bills will also decrease from an initial estimate of EUR 4.3 billion to a projected amount of EUR 0 in 2023.

Up to the end of February 2023, IGCP has issued a total of EUR 6.9 billion of PGB, which accounts for more than 45% of the current issuance target of PGB for the year.

## **2. Issuance of Portuguese Government Bonds (PGB)**

During the 2<sup>nd</sup> quarter of 2023, IGCP can hold PGB auctions on the 2<sup>nd</sup> or 4<sup>th</sup> Wednesday of each month that will have the participation of Primary Dealers (OEVT) and Other Auction Participants (OMP). Announcement of the indicative amount of an auction and the PGB lines to be tapped will be made up to three days before the respective auction date.

## **3. Issuance of Treasury Bills (TBills)**

The Treasury Bills' issuance calendar in the 2<sup>nd</sup> quarter of 2023 will be the following:

| <b>Instrument</b> | <b>Type</b>           | <b>Indicative date</b> | <b>Indicative amount<br/>(million euros)</b> |
|-------------------|-----------------------|------------------------|--|
| BT15MAR2024       | Reopening (11 months) | 19-apr-2023            | 500  |
| BT17MAY2024       | Launch (12 months)    | 17 -may-23             | 750  |

IGCP will continuously monitor market conditions, which may result in a change of the present quarter guidelines.