

PRESS RELEASE

Financing Programme of the Republic of Portugal for 2024

On December 20th 2023, the Financing Programme of the Republic of Portugal for 2024 was approved. The Financing Programme includes the main policy guidelines regarding the management of the direct Government debt and of the State Treasury's cash balance to be conducted by the Portuguese Treasury and Debt Management Agency (IGCP).

Based on the estimates underlying the State Budget for 2024, the funding needs for 2024 are as follows:

	2021	2022	2023 P	2024 P
State borrowing requirements	26.6	24.7	17.8	20.6
Net financing needs	13.8	9.3	3.7	11.9
Overall deficit (a)	9.5	5.8	0.8	5.2
Net acquisitions of financial assets (b)	4.3	3.5	2.8	6.6
One-off operations				
MLT Redemptions	12.8	15.4	14.2	8.8
Tbonds (PGB + MTN) (c)	9.4	11.4	12.7	8.8
FRN/OTRV/Other MLT instruments	3.5	3.5		
Official loans		0.5	1.5	
State financing sources	26.6	24.7	17.8	20.6
Use of deposits	8.3	2.5	0.3	-1.5
Financing in the year	18.3	22.2	17.5	22.1
Executed	18.3	22.2	15.4	
EU	2.8	1.4	0.1	
Tbonds (PGB + MTN)	14.6	12.0	9.4	
FRN/OTRV				
Retail debt (net)	0.5	4.6	10.4	
Tbills (net)	-4.8	1.3	-4.5	
Other flows (net) (d)	5.2	3.0		
To be executed			2.1	22.1
EU				2.2
Tbonds (PGB + MTN)				13.9
FRN/OTRV				
Retail debt (net)			-0.4	0.0
Tbills (net)				6.1
Other flows (net) (d)			2.5	-0.1
State Treasury cash position at year-end^(e)	8.8	6.3	6.0	7.5

(a) State sub-sector cash deficit (2023 refers to estimates from the Ministry of Finance and 2024 is in accordance with the State Budget).

(b) Includes refinancing of other public entities (namely SOEs).

(c) Includes net impact of exchange offers.

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

(e) Excludes cash-collateral.

1. Borrowing needs

The net borrowing needs of the Central Government for 2024 are expected to be around EUR 11.9 billion.

2. Financing strategy

The Financing Strategy for 2024 will be centred around Portuguese Government Bonds (PGB or OT), with regular issuance of OT to promote liquidity and the efficient functioning of the primary and secondary markets.

Opportunities to perform bond exchanges and buybacks will be explored.

3. Issuance of Government Bonds (OT)

An amount of EUR 13.9 billion is to be met with gross issuance of OT, combining syndicated transactions and auctions with monthly issuance.

OT auctions will have the participation of the Primary Dealers (OEVT) and Other Auction Participants (OMP) and will be held on the second and fourth 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 2024, issuance of BT should have a positive impact of EUR 6.1 billion in net financing. The strategy of issuing along the full short-term curve will be maintained, combining a shorter-term BT with a longer one.

IGCP will maintain the profile of holding a monthly auction on the third Wednesday of each month but, if justified, it may decide to also use the first Wednesday of the month.

Indicative amounts will continue to be announced within a range. Allocation between lines will be decided by IGCP depending on effective demand 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)
BT19JUL2024	Reopening (6 months)	17-Jan-24	1500-1750
BT17JAN2025	Launch (12 months)		
BT20SEP2024	Launch (7 months)	21-Feb-24	1250-1500
BT17JAN2025	Reopening (11 months)		
BT20SEP2024	Reopening (6 months)	20-Mar-24	1250-1500
BT21MAR2025	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 refinancing risk foresees both that financing transactions avoid an excessive concentration of debt redemptions and the possibility to execute 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, December 21st, 2023