

PRESS RELEASE

Financing Programme of the Republic of Portugal for 2025

On December 12th 2024, the Financing Programme of the Republic of Portugal for 2025 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 2025, the funding needs for 2025 are as follows (EUR billions):

	2022	2023	2024 P	2025 P
State borrowing requirements	24.7	19.7	17.2	34.2
Net financing needs	9.3	3.5	8.5	18.0
Overall deficit (a)	5.8	0.2	5.3	6.8
Net acquisitions of financial assets (b)	3.5	3.3	3.2	11.2
One-off operations				
MLT Redemptions	15.4	16.2	8.6	16.2
Tbonds (PGB) (c)	10.7	13.6	6.2	13.6
MTN	0.7	1.1	2.4	
OTRV	3.5			1.0
Official loans	0.5	1.5		1.5
State financing sources	24.7	19.8	17.2	34.2
Use of deposits	2.5	0.6	-0.8	0.0
Financing in the year	22.2	19.1	18.0	34.2
Executed	22.2	19.1	19.0	
EU	1.4	0.7		
Tbonds (PGB)	12.0	9.4	14.0	
MTN				
OTRV				
Retail debt (net)	4.6	10.2	-1.0	
Tbills (net)	1.3	-4.6	6.0	
Other flows (net) (d)	3.0	3.4		
To be executed			-1.0	34.2
EU			1.2	1.2
Tbonds (PGB)			1.3	20.5
MTN				2.0
OTRV				1.5
Retail debt (net)			-0.2	2.5
Tbills (net)			-0.5	4.6
Other flows (net) (d)			-2.9	2.0
State Treasury cash position at year-end (e)	6.3	5.7	6.5	6.5

Executed financing up to end-October 2024; EUR billion.

- (a) State sub-sector cash deficit (2025 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 State for 2025 are expected to be around EUR 18.0 billion.

2. Financing strategy

The Financing Strategy for 2025 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.

The establishment of the new Euro-Commercial Paper (ECP) Programme, in December of 2024, as well as the new Euro Medium Term Notes (EMTN) Programme, in 2025, will enable IGCP to explore the issuance of short and medium-long term instruments in euros and in other currencies.

Opportunities to execute bond exchanges and buybacks will be explored.

3. Issuance of Government Bonds (OT)

An amount of EUR 20.5 billion is to be met with gross issuance of OT, combining syndicated transactions and auctions with monthly issuance. IGCP intends to issue OT, throughout 2025, in a combination of 3 syndications and 8 auctions. The net issuance of OT will be reduced from EUR 9.1 billion in 2024 to EUR 6.9 billion in 2025 (a decrease of EUR 2.2 billion).

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 2025, issuance of BT should have a positive impact of EUR 4.6 billion in net financing. The strategy of issuing along the full short-term curve will be maintained.

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)
BT16JAN2026	Launch (12 months)	15-Jan-25	1000-1250
BT16JAN2026	Reopening (11 months)	19-Feb-25	750-1000
BT20MAR2026	Launch (12 months)	19-Mar-25	1000-1250

5. Other financing

To complement the programme of OT and BT, in 2025, IGCP will issue notes under the new established ECP and EMTN Programmes subject to market conditions and interests that suit the overall financing strategy.

Additionally, issuance of bonds targeted to the domestic retail market will be explored (in the form of Floating Rate Bonds - OTRV - and/or in other formats).

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 13th, 2024