

PRESS RELEASE

Financing Programme for the Republic of Portugal for 2013

The Ministry of Finance approved the proposal for the 2013 Financing Programme submitted by the Portuguese Government Treasury and Debt Agency (IGCP). This proposal was prepared following the approval by the Parliament of the Government's Budget for 2013. 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 2013 are expected to be around **EUR 11,5 billion**.

2. Financing strategy

The Financing Strategy for 2013 will continue to combine funding under the Financial Assistance Programme with market sources.

Opportunities to perform bond exchange transactions, such as the recently executed Sept13/Oct15 transaction, will be further explored.

If market conditions allow and demand for Portuguese Bonds in the secondary market continues to reveal positive developments, possible primary issuance of existing PGB lines will be explored.

In the Financing Strategy for 2013 IGCP also expects a positive contribution from an increased offer of Retail Products.

3. Issuance of Treasury bills (BT)

In 2013, the net financing resulting from the issuance of BT should be **positive EUR 5 billion**. **The strategy of issuing along the full curve will be maintained combining a short-term Bill – 3 or 6 month – with a longer tenor – 9, 12 or 18 month.**

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. In the case of two BT lines auctioned simultaneously, allocation between the two 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 EUR million
BT19APR2013	Reopening (3 months)	16-Jan-13	2250-2500
BT17JAN2014	Launch (12 months)		
BT18JUL2014	Launch (18 months)		
BT17MAY2013	Reopening (3 months)	20-Feb-13	2000-2250
BT21FEB2014	Launch (12 months)		
BT21JUN2013	Reopening (3 months)	20-Mar-13	2000-2250
BT19SEP2014	Launch (18 months)		

4. Other financing

The Republic of Portugal may use other short term financing instruments, such as repos, credit facilities and commercial paper, aimed at increasing the flexibility of the financing programme.

Issuance can also occur under the Euro Medium Term Notes programme, depending on market opportunities that suit the overall financing strategy.

5. 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, 11 January 2013