No. 1182

Republic of Malta
Ministry for Finance and Employment
Treasury Department

Issue of
Malta Government Stocks
Combined Issuance

4.00% Malta Government Stock 2033 (IV)
Retail Investors - ISIN: MT0000013764
Wholesale Investors (Auction) - ISIN: MT0000013772
ISIN following the merge of the Stock after the first interest payment: MT0000013780

and

4.30% Malta Government Stock 2038 (II)
Retail Investors - ISIN: MT0000013798
Wholesale Investors (Auction) - ISIN: MT0000013806
ISIN following the merge of the Stock after the first interest payment: MT0000013814

Combined Issuance of Euro 260,000,000 subject to an over-allotment option up to a maximum of Euro 140,000,000 in the event of oversubscription

Date of issue of the Offering Circular: 25th August, 2023

OFFERING CIRCULAR

1. Issuance of Malta Government Stocks

The Accountant General is offering an aggregate nominal amount of Euro 260,000,000 of Malta Government Stocks which are being offered and made available in any one or any combination of the following two Stocks:

(1) **4.00% Malta Government Stock 2033 (IV);** and

(2) **4.30% Malta Government Stock 2038 (II)**.

2. General

This Offering Circular is issued in terms of article 25(1) of the Government Borrowing and Management of Public Debt Act (Cap. 575 of the Laws of Malta), Regulation 6(3) of the Malta Government Stocks Regulations and in terms of the arrangements described in the General Prospectus of the Malta Government Stocks related to the issuance of Malta Government Stocks published on the Government Gazette of the 30th November 2018 together with its subsequent amendments published by virtue of Government Notice No. 176 in the Government Gazette of Thursday the 9th of February 2023. The terms of the General Prospectus apply to the above Malta Government Stocks and to the combined issuance described in this Offering Circular except where expressly varied.

The Malta Stock Exchange plc, a public limited liability company duly registered and validly existing under the laws of Malta with company registration number C 42525 and with its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta, has been appointed as exclusive Registration Manager to The Treasury in relation to the **non-competitive part of this issuance intended for retail investors.**

3. Payment of Interest

Interest on each Stock is payable half yearly in arrears and is calculated in accordance with sub-articles 4.1(a) to 4.1(d) of the General Prospectus.

(a) Interest at the rate of 2.00% in respect of the 4.00% Malta Government Stock 2033 (IV) shall be payable semi-annually in arrears on the 5th of June and the 5th of December in every year for the duration of the Stock save for the first interest payment which will be on the 5th of December 2023 as follows:

(i) In the case of accepted applications submitted by members of the public under sub-article 5 (a) below (non-competitive issue), the first interest payment will be made at the rate of 0.928962% and will include accrued interest for the period from the 11th of September 2023 (the issue date) up to and including the 4th of December 2023 (both dates inclusive);

(ii) In the case of accepted bids submitted by wholesale investors under sub-article 5 (b) (auction system), the first interest payment will be made at the rate of 0.918033% and will include accrued interest for the period from the settlement date of the auction, the 12th of September 2023 (the issue date) up to and including the 4th of December 2023 (both dates inclusive).

(b) Interest at the rate of 2.15% in respect of the 4.30% Malta Government Stock 2038 (II) shall be payable semi-annually in arrears on the 15th of May and the 15th of November in every year for the duration of the Stock save for the first interest payment which will be paid on the 15th November of 2023 as follows:

(i) In the case of accepted applications submitted by members of the public under sub-article 5 (a) below (non-competitive), the first interest payment will be made at the rate of 0.759511% and will include accrued interest for the period from the 11th of September 2023 (the issue date) up to and including the 14th of November 2023 (both dates inclusive);

(ii) In the case of accepted bids submitted by wholesale investors under sub-article 5 (b) below (auction system), the first interest payment will be made at the rate of 0.747826% and will include accrued interest for the period from the settlement date of the auction, the 12th of September 2023 (the issue date) up to and including the 14th of November 2023 (both dates inclusive).

4. Maturity

The stocks on issue shall be redeemed as follows:

(a) The **4.00% Malta Government Stock 2033 (IV)** will be repaid at par on the **5th of December 2033**; and

(b) The **4.30% Malta Government Stock 2038 (II)** will be repaid at par on the **15th of November 2038**.

5. Issuance and Method of Application

The issuance of the Malta Government Stocks shall be done by way of combined issuance, composed of two elements, (1) a portion by non-competitive issuance typically for retail investors and simultaneously (2) a portion by competitive auction for wholesale investors.

a) Retail Investors:

Applications for the non-competitive part of the issuance can be made by retail investors in their own name for their own benefit or jointly with one or more eligible persons. The applications shall be made in accordance with sub-article 6.2 to sub-article 6.7 of the General Prospectus.

i) Non-competitive application forms must be made for a minimum of €100 up to a maximum amount of €499,900 nominal per person in multiples of €100 in any or each of the two stocks at the fixed price to be established for each stock on **Wednesday the 30th of August 2023** in accordance with Article 7 of the General Prospectus.

ii) All applications are to be made on the prescribed form. Application forms may be obtained from and lodged with any of the members of the Malta Stock Exchange and other Authorised Investment Service Providers by not later than the closing date and time indicated at Article 6 (a) below. The Applications can also be downloaded from Treasury's website at (www.treasury.gov.mt).

iii) Applications in the name of 'Nominee a/c' and/or 'Clients a/c' for and on behalf of clients will only be accepted if accompanied by a list showing the identity card number or in case of a body corporate, the relevant identification number of their respective clients. The amount applied for by any single person or jointly with one or more eligible person as joint applicants, listed under the 'Nominee a/c' and/or 'Clients a/c' must not exceed €499,900 in nominal value per person in any or each of the two stocks.

b) Wholesale investors (Auction):

The applications for the competitive part of the issuance shall be made on a competitive basis by auction in accordance with Article 8 of the General Prospectus.

(i) Each application in any or each of the two Stocks must be in the form of a competitive bid for a minimum nominal value of €500,000 and in multiples of €500,000 each thereafter. Applicants under this category are precluded from applying also under sub-article 5 (a).

(ii) Bids on the prescribed application forms are to be transmitted by e-mail at the e-mail addresses indicated on the application form or by fax on 2596 7210 or lodged by hand at the Treasury Tender Box at the Treasury's premises in Floriana and are to be received by not later than the closing date and time indicated at Article 6 (b) below.

(iii) Application forms may be obtained from all members of the Malta Stock Exchange, other authorised Investment Service Providers or downloaded from Treasury's website at (www.treasury.gov.mt).

c) The Accountant General reserves the right to reject any application or part thereof submitted either in the (i) non-competitive part or (ii) competitive part of the issuance.

d) All applications will be irrevocable after the closing time.

6. Opening and Latest Time for Submission of Retail Applications and Auction Bids

The applications open and close on the time and dates as indicated in paragraphs 6(a) and 6(b) below, or earlier at the discretion of the Accountant General:

a) Retail Investors

Applications for retail investors open at **8.30 a.m. on Friday, the 1st of September 2023** and close at **2.30 p.m. on Tuesday, the 5th of September 2023**.

b) Wholesale Investors (Auction)

After the closure of the application window reserved for retail investors, there shall be a bidding window for wholesale investors. Applications (bids) for participation in the competitive auction open at **8.30 a.m. on Thursday, the 7th of September 2023** and close on the same day at noon (CET).

7. Publication of the Fixed Price linked to the Non-Competitive part of the Issue (Retail)

The Accountant General will announce the fixed price of each stock offered under the Non-competitive element of the combined issuance (Retail) on **Wednesday, the 30th of August 2023**, after the close of business of the secondary market of the Malta Stock Exchange. The fixed price will be published by a Press Release to be issued by the Department of Information of the Government of Malta as well as on Treasury's website.

8. Allotment

Allotment will be made in accordance with sub-articles 10.1(a) to 10.1(e) of the Malta Government Stock General Prospectus. Retail investors who applied at the pre-announced fixed price under the non-competitive element of the issuance will be allocated first.

9. Over-allotment Option

The sum of money to be raised in any one or any combination of the two Stocks shall in the aggregate be Euro 260,000,000. The Accountant General reserves the right to increase the sum of money to be raised by an additional amount of up to a maximum of Euro 140,000,000 in the event of oversubscription.

10. Fungibility

The Accountant General reserves the right to issue, in future, additional amounts of each of the mentioned Stocks in further tranches. In the event of such further issues of these Stocks, they will carry the same rights as the existing Stocks and will be subject to the terms and conditions applicable to these Stocks. Further issues of these Stocks will be integrated with the respective existing Stock and will be deemed to be one Stock.

11. Trading on the Malta Stock Exchange

a) Pursuant to the Financial Markets Act (Cap. 345 of the Laws of Malta), an application has been made to the Malta Financial Services Authority for the Stocks to be admitted to the Official List of the Malta Stock Exchange (MSE) and to be admitted for trading on the MSE's regulated market.

b) On the 5th of December 2023 after the payment of the first interest as indicated in sub-articles 3(a) (i) and 3(a) (ii) any amount allotted in the 4.00% Malta Government Stock 2033 (IV) shall be integrated and thereafter shall be deemed to be one Stock under ISIN MT0000013780.

c) On the 15th of November 2023 after the payment of the first interest as indicated in sub-articles 3(b) (i) and 3(b) (ii) any amount allotted in the 4.30% Malta Government Stock 2038 (II) shall be integrated and thereafter shall be deemed to be one Stock under ISIN MT0000013814.

12. Settlement of Payment for Sale of Stock

(a) Retail Investors:

The amount due by retail investors in respect of applications submitted under non-competitive applications shall be settled with the applications in accordance with sub-article 13.1 (a) of the General Prospectus.

(b) Wholesale Investors (Auction):

Successful bidders at the auction shall settle the amount due in accordance with sub-articles 13.1(b) to 13.1(e) of the General Prospectus. For this purpose, the latest time and date for settlement of successful bids shall take place on **Tuesday, the 12th of September 2023 at 10.00 a.m. (CET) on a T+2 basis**.

13. Governing Law and Jurisdiction

The relevant legislation under which Malta Government Stocks are being issued are (a) The Budget Measures Implementation Act (Cap. 634 of the Laws of Malta), (b) The Government Borrowing and Management of Public Debt Act (Cap. 575 of the Laws of Malta), (c) the Malta Government Stocks Regulations and (d) the Malta Government Stock General Prospectus.

Any legal proceedings arising under these prospectuses governing the issuance of Malta Government Stocks will be governed by and construed in accordance with the laws of Malta. The Courts of Malta will have exclusive jurisdiction in relation to any dispute that may arise out or in connection with Malta Government Stocks issued under these prospectuses.

14. Collective Action Clauses

These Stocks are subject to the Collective Action Clauses, a summarised version of which can be found in the Malta Government Stock General Prospectus. The full terms of the CACs can be found on Treasury's website under the section reserved for the Debt Management Directorate. Pursuant to the decision of the European Council of 24th-25th March 2011, and in accordance with Paragraph 3 of Article 12 of the European Stability Mechanism (ESM) Treaty, the model Collective Action Clauses (CACs) became mandatory in all new euro area government securities with maturity above one year issued on or after 1st January 2013.

Note: The value of the investment may go up and/or down during the tenor of the stock.

The Treasury
Debt Management Directorate
Floriana – Malta

25th August 2023