No. 643

Republic of Malta
Ministry for Finance and Employment
Treasury Department

Issue of
Malta Government Stocks
by Auction

0.25% Malta Government Stock 2026 (III)
ISIN: **MT0000013228**

and

1.00% Malta Government Stock 2031 (II) Fungibility Issue (F.I.)
ISIN**: MT0000013236**

and

1.40% Malta Government Stock 2046 (I) Fungibility Issue (F.I.)
ISIN: **MT0000013244**

Auction of Euro 180,000,000 subject to an over-allotment option of Euro 120,000,000 in the event of oversubscription

Date of issue of the Offering Circular: 11th May, 2021

OFFERING CIRCULAR

1. Auction of the Malta Government Stocks

The Accountant General invites bids for an aggregate nominal amount of Euro 180,000,000 of Malta Government Stocks which are being offered and made available in any one or any combination of the following three Stocks:

(1) 0.25% Malta Government Stock 2026 (III);

(2) 1.00% Malta Government Stock 2031 (II) Fungibility Issue (F.I.); and

(3) 1.40% Malta Government Stock 2046 (I) Fungibility Issue (F.I.).

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 in the Government Gazette of the 30th November 2018. The terms of the General Prospectus apply to the above Malta Government Stocks and to the auction described in this Offering Circular except where expressly varied.

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 0.125% in respect of the 0.25% Malta Government Stock 2026 (III) shall be payable semi-annually in arrears on the 18th May and 18th November in every year for the duration of the Stock save for the first interest payment which will be on 18th November 2021 at the rate of 0.122962%. The first interest payment will include accrued interest from the settlement date of the auction, 21st May 2021 (the issue date) up to and including the 17th November 2021 (both dates inclusive);

(b) Interest at the rate of 0.50% in respect of the 1.00% Malta Government Stock 2031 (II) F.I. shall be payable semi-annually in arrears on the 23rd April and 23rd October in every year for the duration of the Stock save for the first interest payment which will be on 23rd October 2021 at the rate of 0.423497%. The first interest payment will include accrued interest from the settlement date of the auction, 21st May 2021 (the issue date) up to and including the 22nd October 2021 (both dates inclusive);

(c) Interest at the rate of 0.70% in respect of the 1.40% Malta Government Stock 2046 (I) F.I. shall be payable semi-annually in arrears on the 20th February and 20th August in every year for the duration of the Stock save for the first interest payment which will be on the 20th August 2021 at the rate of 0.351934%. The first interest payment will include accrued interest from the settlement date of the auction, 21st May 2021 (the issue date) up to and including the 19th August 2021 (both dates inclusive).

4. Maturity

The Stocks on issue shall be redeemed as follows:

(a) The **0.25% Malta Government Stock 2026 (III)** will be repaid at par on the 18th November 2026;

(b) The **1.00% Malta Government Stock 2031 (II)** will be repaid at par on the 23rd April 2031; and

(c) The **1.40% Malta Government Stock 2046 (I)** will be repaid at par on the 20th August 2046.

5. Issuance and Method of Application

The issuance of the Malta Government Stocks shall be done by way of tender. Bids shall be made on a competitive basis in accordance with Article 8 of the General Prospectus. Each application form must comprise one competitive bid and each bid must be for a minimum of Euro 500,000 and multiples of Euro 100,000 each.

(a) 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 below.

(b) 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) Applications in the name of 'Nominee a/c' and/or 'Clients a/c' may be made up of one or more underlying clients and there shall be one bid price for each application. Applications in the name of 'Nominee a/c' and/or 'Clients a/c' 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.

(d) The Accountant General reserves the right to reject any competitive bid or part thereof.

6. Opening and Latest Time for Submission of Bids

The applications open at **8.30 a.m. on Wednesday, 19th May 2021** and close on the same day **at noon.** All applications will be irrevocable after closing time.

7. Pricing Guidelines

The Accountant General will announce indicative pricing guidelines consisting of an indicative spread over the corresponding euro mid-swap rate, broadly reflecting the secondary market conditions with respect to the 0.25% Malta Government Stock 2026 (III), the 1.00% Malta Government Stock 2031 (II) and the 1.40% Malta Government Stock 2046 (I). The pricing guidelines will be published by a Press Release to be issued by the Department of Information of the Government of Malta on **Tuesday, 18th May 2021**, that is, at close of business of the secondary market of the Malta Stock Exchange on the business day preceding the auction date. The pricing guidelines will be published also on Treasury's website.

8. Allotment

Allotment will be made in accordance with sub-articles 10.2(a) to 10.2(e) of the Malta Government Stock General Prospectus.

9. Over-allotment Option

The sum of money to be raised in any one or any combination of the three Stocks shall in the aggregate be Euro 180,000,000. 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 120,000,000 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 Listing 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 23rd October 2021 after the payment of the first interest as indicated in Article 3 (b), any amount allotted under the 1.00% Malta Government Stock 2031 (II) F.I. shall be integrated with the existing issue of this Stock and thereafter both shall be deemed to be one stock under ISIN: MT0000013020.

c) On the 20th August 2021 after the payment of the first interest as indicated in Article 3 (c), any amount allotted under the 1.40% Malta Government Stock 2046 (I) F.I. shall be integrated with the existing issue of this Stock and thereafter both shall be deemed to be one stock under ISIN: MT0000013202.

12. Settlement of Successful Bids

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 **Friday, 21st May 2021 at 10:00 am 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 Government Borrowing and Management of Public Debt Act (Cap. 575 of the Laws of Malta), (b) The Budget Measures Implementation Act (ACT No. XVIII of 2021 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.

The Treasury
Debt Management Directorate
Floriana – Malta

11th May 2021