No. 819

Republic of Malta
Ministry for Finance and Employment
Treasury Department

Issue of Malta Government Stocks
Combined Issuance

0.25% Malta Government Stock 2026 (III) Fungibility Issue (F.I.)
Retail Investors - **ISIN: MT0000013251**
Wholesale Investors (Auction) - **ISIN: MT0000013269**
ISIN following the merge of the Stock after the first interest payment: **MT0000013228**

and

1.80% Malta Government Stock 2051 (I)
Retail Investors - **ISIN: MT0000013277**
Wholesale Investors (Auction) - **ISIN: MT0000013285**
ISIN following the merge of the Stock after the first interest payment: **MT0000013293**

Combined Issuance of Euro 50,000,000 subject to an over-allotment option of Euro 30,000,000 in the event of oversubscription

Date of issue of the Offering Circular: 15th June, 2021

OFFERING CIRCULAR

1. Issuance of Malta Government Stocks

The Accountant General is offering an aggregate nominal amount of Euro 50,000,000 of Malta Government Stocks which are being offered and made available in any one or any combination of the following two Stocks:

(1) 0.25% Malta Government Stock 2026 (III) Fungibility Issue (F.I.); and

(2) 1.80% Malta Government Stock 2051 (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 on the Government Gazette of the 30th November 2018. 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 0.125% in respect of the 0.25% Malta Government Stock 2026 (III) F.I. 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 as follows:

(i) In the case of accepted applications submitted by members of the public under sub-article 5 (a) (non-competitive issue), the first interest payment will be made at the rate of 0.095109% and will include accrued interest for the period from 1st July 2021 (the issue date) up to and including the 17th November 2021 (both dates inclusive);

(ii) In the case of accepted bids submitted by wholesale investors under sub-articles 5 (b) (i) and 5 (b) (ii) (auction system) the first interest payment will be made at the rate of 0.094429% and will include accrued interest for the period from the settlement date of the auction, 2nd July 2021 (the issue date) up to and including the 17th November 2021 (both dates inclusive).

(b) Interest at the rate of 0.90% in respect of the 1.80% Malta Government Stock 2051 (I) shall be payable semi-annually in arrears on the 28th February and 28th August in every year for the duration of the Stock save for the first interest payment which will be paid on 28th August 2021 as follows:

(i) In the case of accepted applications submitted by members of the public under sub-article 5 (a) (non-competitive issue), the first interest payment will be made at the rate of 0.288398% and will include accrued interest for the period from 1st July 2021 (the issue date) up to and including the 27th August 2021 (both dates inclusive);

(ii) In the case of accepted bids submitted by wholesale investors under sub-articles 5 (b) (i) and 5 (b) (ii) (auction system) the first interest payment will be made at the rate of 0.283425% and will include accrued interest for the period from the settlement date of the auction, 2nd July 2021 (the issue date) up to and including the 27th 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; and

(b) The **1.80% Malta Government Stock 2051 (I)** will be repaid at par on the 28th August 2051.

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-articles 6.2 to sub-article 6.7 of the General Prospectus.

Non-competitive application forms must be made for a minimum of €100 up to a maximum amount of €100,000 nominal per person in multiples of €100 in any or in each of the two stocks at the fixed price to be established for each stock on Monday 21st June 2021 in accordance with Article 7 of the General Prospectus.

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. Applications can also be downloaded from Treasury's website at (www.treasury.gov.mt).

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 €100,000 in nominal value per person in any or in 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) Tier 1: Each application in any or in each of the two stocks shall be in the form of competitive bid for a minimum of €100,100 each in nominal value and for a nominal amount less than €500,000 in multiplies of €100 thereafter. Applicants under this category are precluded from applying also under articles 5 (a) and 5 (b) (ii).

(ii) Tier 2: Each application in any or in 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 articles 5 (a) and 5 (b) (i).

(iii) 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).

(iv) 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).

(a) The Accountant General reserves the right to reject any non-competitive application or any or part of any competitive bid.

(b) 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 **Wednesday, 23rd June 2021** and close at **2:30 p.m.** on **Friday, 25th June 2021.**

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 Monday, 28th June 2021** and close on **Wednesday, 30th June 2021 at noon**.

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 **Monday, 21st June 2021**, 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 50,000,000. 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 30,000,000 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 18th November 2021 after the payment of the first interest as indicated in sub-articles 3(a) (i) and 3(a) (ii) any amount allotted in the 0.25% MGS 2026 (III) F.I. shall be integrated with the existing issue of this Stock and thereafter shall be deemed to be one Stock under ISIN MT0000013228.

c) On the 28th August 2021 after the payment of the first interest as indicated in sub-articles 3(b) (i) and 3(b) (ii) any amount allotted in the 1.80% MGS 2051 (I) shall be integrated and thereafter shall be deemed to be one Stock under ISIN MT 0000013293.

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 **Friday, 2nd July 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.

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

15th June 2021