DEBT MANAGEMENT DIRECTORATE

Introduction

The Debt Management Directorate (DMO) was established within the Treasury in December 2006 with responsibilities for the operational dimensions of debt and cash management for the central government and for providing specified funding requirements as authorised by Parliament.

The principal objective of the Directorate in its debt and cash management activities is to raise funds as well as carry out other financial transactions in such a way as to ensure that:

- The central government borrowing programme (short and long term) is financed prudently and cost effectively consistent with an acceptable level of risk;
- The annual debt servicing costs are met at the lowest possible cost;
- The development of the domestic financial markets is given the necessary support; and
- The liquidity of government funds is adequate to meet government's payment obligations as and when they fall due.

I. Organisation and resources

The DMO is organized along functional lines under three main areas: a Front, Middle and Back Office to ensure a clear division of responsibilities.

The **Front** office co-ordinates and handles all the needs of the Directorate and its clients with respect to issuance of Government Securities, the **Middle** office undertakes market research and analysis, whilst the **Back** office is responsible for, servicing, settlements and accounting of central government debt.

II. Legal framework for borrowing

The statutory basis for central government borrowing is set out under the following primary and subsidiary legislation:

- Malta Treasury Bills Act, Cap.133 *(relating to the issue of short-term borrowing up to 12 months maximum maturity*. The maximum amount of outstanding Treasury bills is established by Parliamentary Resolution. In 2002, the maximum amount was set at €698.80 million;
- Malta Treasury Bills (Dematerialisation) Regulations, 2007;
- Local Loans (Registered Stock and Securities) Ordinance, Cap.161 *(relating to terms and conditions applicable to loans authorised to be raised locally by the issue of stock in Malta);*
- Local Loans (Registered Stock) Regulations, S.L.161.01;
- Development Loan Act, Cap.229 *(in respect of bilateral loans raised outside Malta);*
- Government Borrowing and Granting of Loans to the Hellenic Republic Act, 2010 (Act III of 2010);
- An annual budget law that authorises the Minister of Finance to raise loans on behalf of the government for an established amount during the financial year by the issuing of securities and provides also the main purposes for which government can apply such borrowing.

Financing Instruments and Operations used in Debt and Cash management

Until now, the Government's policy to meet its financing needs has been that of relying almost exclusively on issuing euro-denominated financing instruments in the domestic market rather than raising funds on the international markets.

During 2012, as in previous years, the main financing instruments used to finance the central government funding requirements were Treasury bills (***T-bills***), being of maturity of 12 months or less, and Malta Government Stocks ***(MGSs***).

The Treasury carried out its **cash management operations** by conducting regular public auctions of Treasury bills on a weekly basis. While T-bills are primarily issued to cover the temporary revenue shortfalls incurred by the Government, at the same time, such issuances maintain liquidity in the domestic Treasury bills market. T-bills issued to investors through such auctions are listed and traded on the Malta Stock Exchange.

The **conventional Fixed Rate MGS** remained the Treasury's primary financial instrument by which it funded the long term borrowing programme for 2012. The Fixed Rate MGS issues were offered in the maturity structure between 5-year and 20-year buckets. Alongside the Fixed Rate MGSs, Treasury continued to offer Floating Rate MGS linked to the six month Euribor through the auction system. The MGSs are listed and traded on the Malta Stock Exchange.

In December the Treasury implemented successfully the second phase of the 3-Year ***Malta Government Stock Switch Auctions Programme*** launched in November 2011.

Malta Government Stock Financing Operations in 2012

During 2012 the Debt Management Office implemented successfully its funding programme announced at the beginning of the year amid high level of volatility which has characterised sovereign debt markets for most of the year.

In terms of '*The Budget Measures Implementation Act*' (Act No V of 2012) the total amount of MGS issuances for 2012 was set not to exceed €700 million.

The funding programme was mainly applied for the purpose of financing:

- the redemption of MGSs amounting to €350 million;
- the deficit estimated at €145 million;

- Malta's share in the ESM capitalisation - €23.4 million;
- capital injection of €20 million (1st Tranche) in the national airline in terms of its restructuring programme; and
- effecting changes in Central Government's debt portfolio in line with Government's debt management policies by reducing the outstanding amount of T-Bills by €104 million (Actual).

I. Issuance Strategy

Similar to last year, Treasury adopted a front loaded issuance programme whereby 65% of the MGS issuance programme for the year was covered by end of June. The programme consisted of four issuances of Malta Government Stocks held in February, June, August and November, raising a total sum of €650.8 million. Details can be found in Table 1.

In line with the Indicative Issuance Calendar issued on 5th January 2012, the issuance strategy focused mainly on the fixed-rate Euro denominated stocks with a maturity horizon biased towards the medium and long term. In this regard, the Treasury issued four new fixed-rate MGSs in the 5, 10 and over 15 year maturity bucket and re-opened another two MGSs in the 5 and 20 year maturity horizon. The selection of MGSs were intended to satisfy the investment needs of the banking sector, insurance, fund managers and the retail sector in the domestic market. The four new fixed rate MGSs issued during 2012 were:

- 3.75% MGS 2017
- 4.30% MGS 2022
- 4.80% MGS 2028
- 5.10% MGS 2029.

Moreover, the Directorate continued to support the development of the domestic debt market by promoting diversification of securities offered on the domestic market. In this regard, two new floating-rate stocks (FRNs) linked to the 6-month Euribor primarily intended for institutional investors were issued in the month of August. The ratio of floating rate stock to the total portfolio of MGS continued its increasing trend over the previous year rising from 3.5% in 2011 to 4.5% in 2012.

Table 1 – MGS Issuances in 2012

	Issuance Strategy *(€ million)*					
Issuance month	Short-Term	Medium-Term	Long-Term	FRN	**TOTAL**	**Bid-to-Cover**
February	39.8	158.5	76.4		274.7	1.83
June	48.1	52.5	79.1		179.7	1.60
August				56.4	56.4	1.19
November	3.8	29.2	107		140.0	2.53
TOTAL	**91.7**	**240.2**	**262.5**	**56.4**	**650.8**	

Source: Debt Management Directorate (DMO) internal records

Demand for the government paper by institutional investors and members of the public was strong for each of the four MGS issues held. Altogether, the average bid-to-cover ratio for 2012 was 1.87 compared to a ratio of 2.44 in 2011.

In line with Government's allocation policy, subscriptions by members of the public (offered at a pre-offer price) were given preference over bids tendered at the auction by institutional investors. In all but one occasion this policy has crowded out allocation for institutional investors with the result that the demand for MGS by institutional investors could not be met in full.

In addition to the above issuances, an MGS amounting to €1.3 million was issued in September 2012 in partial settlement of transfer of ex-Church property under the Holy See and Malta Government Agreement of 1991.

Table 2 illustrates the ratio allotted by auction to total applications accepted and the ratio of bids accepted against bids received.

Table 2 – Demand vs. Allotment of Bids by institutional investors					
Issuance	Security Issued	Total Allotment € millions	Allotted by Auction € millions	% of Total Allotment	% of bids accepted/all bids received
Feb	4.25% MGS 2017	39.8	33.5	84%	100%
	4.3% MGS 2022	158.5	87.2	55%	100%
	5.2% MGS 2031	76.4	30.8	40%	100%
	Total	274.7	151.5	55%	100%
June	3.75% MGS 2017	48.1	43.5	91%	100%
	4.3% MGS 2022	52.5	17.5	33%	100%
	5.1% MGS 2029	79.1	21.3	27%	64%
	Total	179.7	82.3	46%	94%
August	FRN MGS 2017	25.0	25.0	100%	100%
	FRN MGS 2018	31.4	31.4	100%	75%
	Total	56.4	56.4	100%	84%
November	3.75% MGS 2017	3.8	1.4	37%	3%
	4.3% MGS 2022	29.2	7.8	27%	17%
	4.8% MGS 2028	107.0	10.0	9%	23%
	Total	140.0	19.2	14%	15%

Source: DMO internal records

II. Bond Switch Operation

In November 2011, the Treasury introduced a MGS Switch Auction Programme – on a voluntary basis – to be conducted on a three (3) year period (2012 – 2014) as part of its issuance strategy with a view to lengthen and smoothen the interest and redemption profile of the existing MGSs debt portfolio and, also to some extent, to provide an opportunity for institutional investors to diversify the maturity of their bond portfolios. Prior to the launch of this programme, consultations were held with the main market players and stakeholders.

After the successful conclusion of the first MGS switch market operation launched in late 2011, the second stage of the programme was conducted in December 2012. Through this market operation the level of MGS maturing in 2013 was reduced from €516.8 million to €370.3 million. The nominal amount of €146.5 million of the 3.6% MGS 2013 (IV) (source stock) was exchanged for a nominal value of €141.6 million, distributed in two MGS (destination stocks) with €20.1 million in the 3.75% MGS 2017 (IV) and €121.5 million in a new 3.85% MGS 2018. The voluntary participation in this market operation was conducted by auction on a bid price basis.

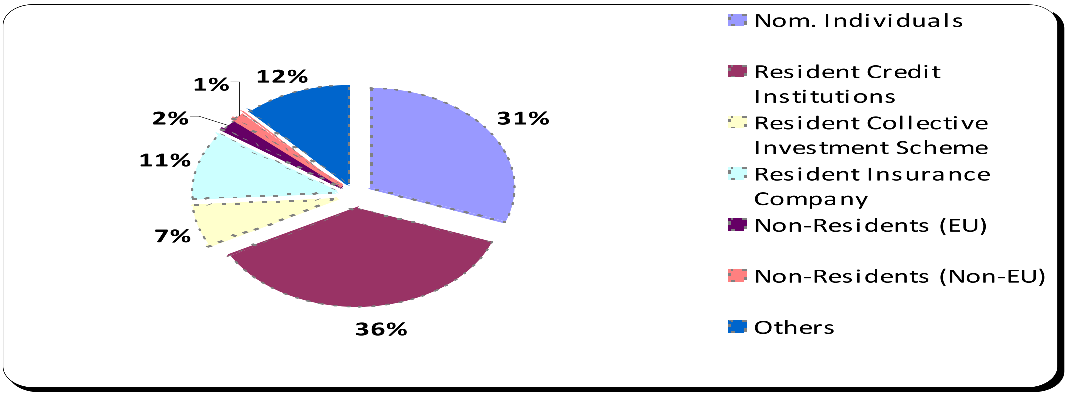
Such market operation had a neutral to positive effect on the Debt /GDP ratio and also avoided any negative effect on the budget deficit.

The third and last stage of this MGS switch programme will be conducted in 2013 with a view to reducing the roll-over level of MGS maturing during 2014. In accordance with established practices, Treasury will consult the main market players and stakeholders prior to its implementation.

III. Distribution by investor type

Chart 1 below illustrates the sectoral distribution of outstanding MGS as at end of December 2012. Out of the total, 36% were held by *resident credit institutions*, followed by 31% held by *domestic individuals* while *resident insurance companies* were the third largest holders at 11%. Holdings by *non-residents* accounted for 3% of outstanding MGS. The fact that the vast majority of Malta's debt is held domestically acts as a cushion against external market volatility.

Chart 1 – MGS Holder Distribution as at 31st December 2012



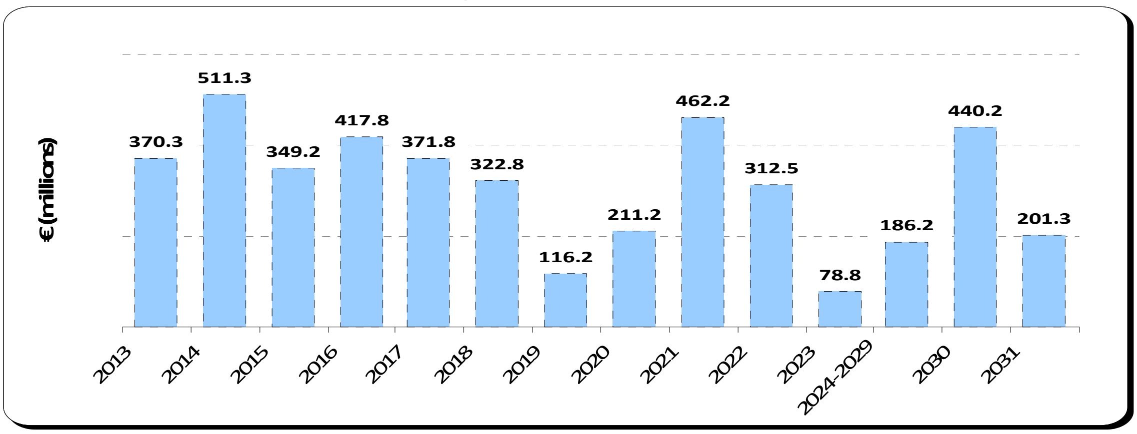
Source: DMO internal records

IV. Maturity Profile

The outstanding nominal value of MGS as at 31st December 2012 reached € 4,351.6 million. Chart 2 illustrates the distribution of MGSs by year of maturity.

As a result of the measures taken to achieve its strategic objectives, in particular through the implementation of the 3 year MGS Switch Auction Programme, both the skew of the maturity profile and the weighted average maturity **(WAM)** of MGSs continued to improve during 2012, to such an extent that (a) the skewness for the 4 year period 2013 to 2016 was lowered to 38% from 43% for the period 2012-2015, while (b) the WAM reached 7.28 years when compared to 6.80 years in 2011.

Chart 2 - Outstanding MGS Profile as at 31 December 2012

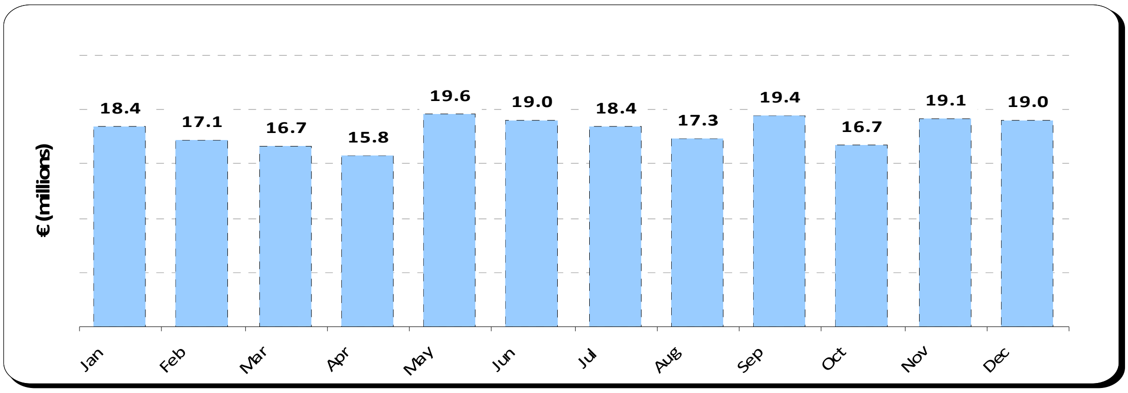


Source: DMO internal records

V. Cost of Borrowing

During 2012 the total interest payments on MGSs amounted to €216.65 million. Such payments of interest are evenly spread throughout the year - as illustrated in Chart 3 – with a view to manage efficiently cash outflows operations.

Chart 3 - Distribution of Monthly Interest Payments on MGS



Source: DMO internal records

In the 12 months ending 31 December 2012, interest payments increased by 6.3%, against an increase of the outstanding MGS portfolio of 7.3%. The weighted average coupon **(WAC)** - excluding interest payments on FRN - on the total MGS portfolio was 4.89%, compared to 5.11% in 2011. This decrease in the WAC is the result of: an increase in floating rate debt as a percentage of total debt in the portfolio; and, an overall lower rate of borrowing on newly issued fixed-rate debt.

Such downward change is again pronounced when the same WAC is calculated only on the fixed-rate portion of the MGS portfolio. In this case the WAC decreased from 5.29% in 2011 to 5.13% in 2012.

Treasury Bills

Over the past few years including the year under review, the debt management policy has been to change the composition of debt away from short term instruments in the form of Treasury Bills in favour of more medium to long term securities (MGSs). This led to a decrease in the outstanding nominal value of Treasury Bills as at end 2012 of €103.7 Million.

I. Issuance Strategy

Total offers of T-bills accepted and redeemed by the Treasury during 2012 in respect to each tenor are presented in Table 3.

The issuance strategy was mainly focused towards the issuance of the benchmark 91-day Treasury-Bill taking up 54% of total issuance, followed by the 28-day maturity (making up 24% of all T-Bill issues in 2012). This reflected a change in the pattern experienced in previous years where the 182-day paper was the second most offered instrument. This change led to a decrease in the weighted average maturity (**WAM**) of 30 days (102 days in 2012 against 132 days a year earlier).

Table 3 - T-Bills issued by tenor in 2012

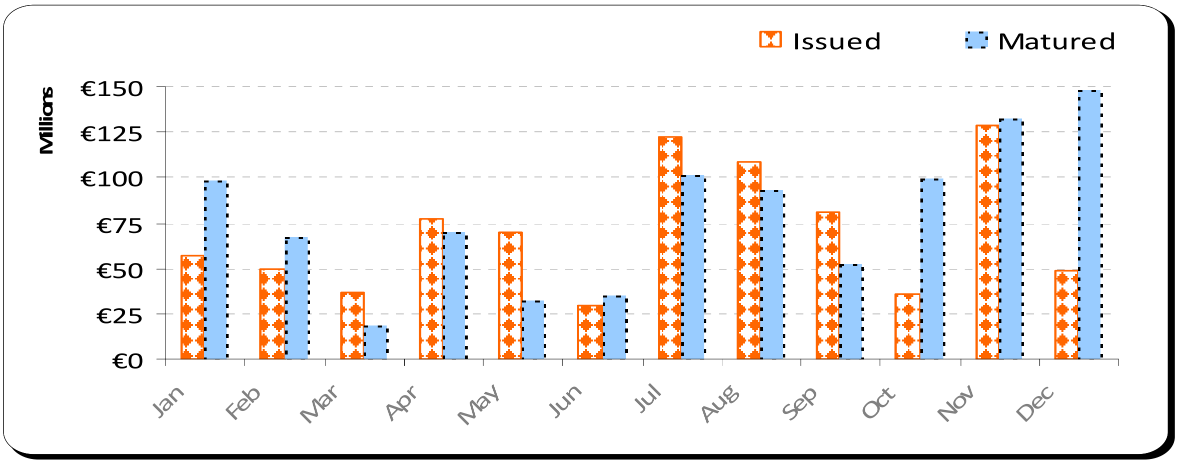
Tenor	Issued*(€ million)*	% of Total	Redeemed*(€ million)*
28	199.0	24%	199.0
91	457.7	54%	533.7
182	142.6	17%	109.5
273	36.4	4%	106.8
364	9.5	1%	0.0
Total Issuance	€845.20	100%	948.97

Source: DMO internal records

Chart 4 depicts the issuances and redemption of T-Bills on a monthly basis.

Throughout the year, both operations were spread somewhat evenly. The first and last quarters of the year saw reductions in the outstanding T-Bill portfolio whereas an increase in the balance was seen in the two mid-quarters. Auctions are regularly oversubscribed by the various participants.

Chart 4 - T-Bills issued and redeemed per month in 2012



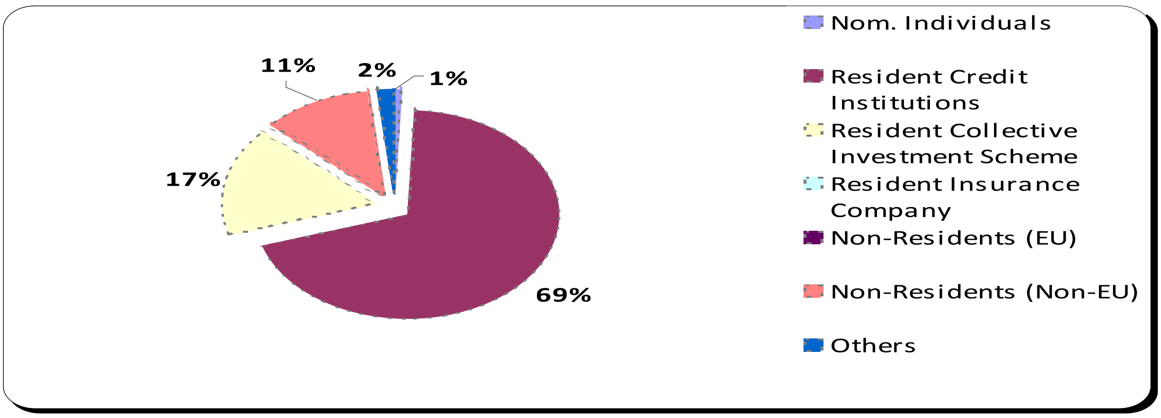
Source: DMO internal records

II. Distribution by investor type

Chart 5 illustrates the distribution of outstanding T-bills as at end of year 2012 categorised by investor type.

T-Bills in 2012 saw a greater distribution among participants compared to 2011. *Resident Credit Institutions* decreased their holdings from 86% to 69% whereas *Collective Investment Schemes* increased their holdings by 7% (17% in 2012 vs. 10% in 2011). *Non-Residents (non-EU)* held 11% share with the remaining 4% shared between N*on-Residents (EU)* and *Other* investors (such as res. nominees, res. non-profit entities, auxiliaries, etc.).

Chart 5 – Treasury Bills Holder Distribution as at 31st December 2012

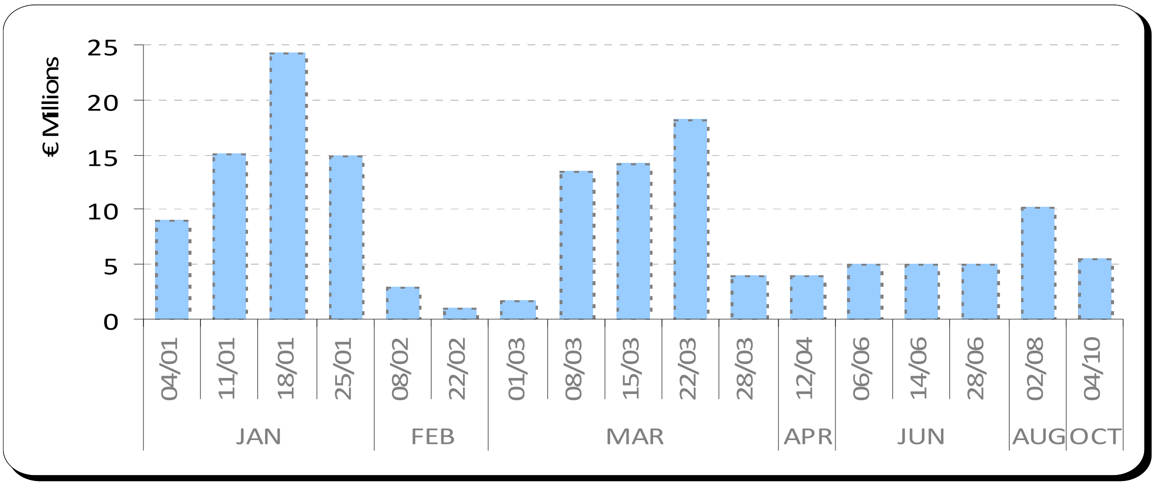


Source: DMO internal records

III. Redemption Profile

By the end of December 2012, the nominal value of outstanding T-bills stood at €154.13 million. Chart 6 shows how this balance will be redeemed throughout 2013.

Chart 6 - Outstanding Treasury Bills as at end 2012



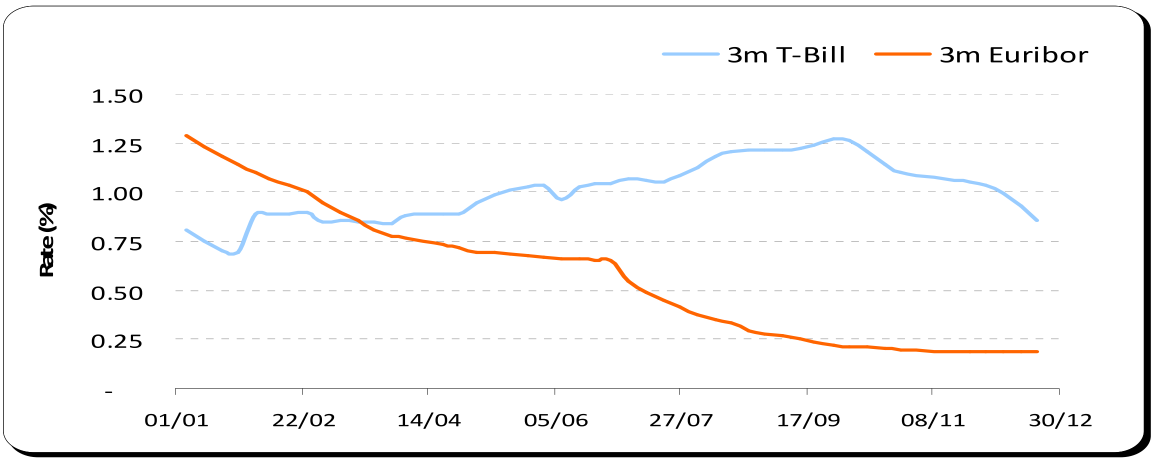
Source: DMO internal records

IV. Yields & cost of borrowing

In 2011, borrowing rates on the local money market were lower than the comparable Euribor rate throughout most of the year. This trend was however reversed towards the end of Q1 2012 such that by mid-March, the weighted average rates on accepted bids in the primary market exceeded the comparable Euribor rate. This happened mainly because the international money market rates saw a sharp, yet steady decrease whereas the local rates stayed relatively steady (or experienced a slight increase) throughout the year.

Chart 7 shows the weighted average 3-month rate on accepted bids against the 3-month Euribor throughout the year. The 3 month T-bill rate fluctuated around the 1% whereas the 3 month Euribor continued its downward trend along the whole year.

Chart 7 - 3 month Euribor vs. 3 month T-bill rates



Source: DMO internal records; European Banking Federation (www.euribor-ebf.eu)

The servicing cost on new T-bills issued in 2012, including those still to be redeemed during 2013, reached €2.66 million compared to €4.32 million for 2011. On a cash outflow basis, the servicing cost incurred on maturing T-bills during 2012 reached €3.54 million compared to €4.63 million for 2011.

A lower servicing cost in 2012 was attained because of a lower total volume issued and an increased skewness towards shorter maturities (more 28-day maturities in 2012 versus more 182-day maturities in 2011). The weighted average yield on accepted bids at all maturities throughout the year was 1.108% or 0.227% lower than the weighted average yield of 2011 (equal to 1.335%).

Table 4 below shows the maximum and minimum points together with the weighted average rate for each tenor.

Table 4 - T-Bills borrowing rates

Tenor	Max. (%)	Date	Min. (%)	Date	WAY (%)
1 month	1.159	14-Sep-2012	0.877	13-Jul-2012	1.044
3 months	1.268	28-Sep-2012	0.692	27-Jan-2012	1.017
6 months	1.355	28-Sep-2012	1.000	06-Jan-2012	1.136

Source: DMO internal records

Developments in the MGS Primary & Secondary Market during 2012

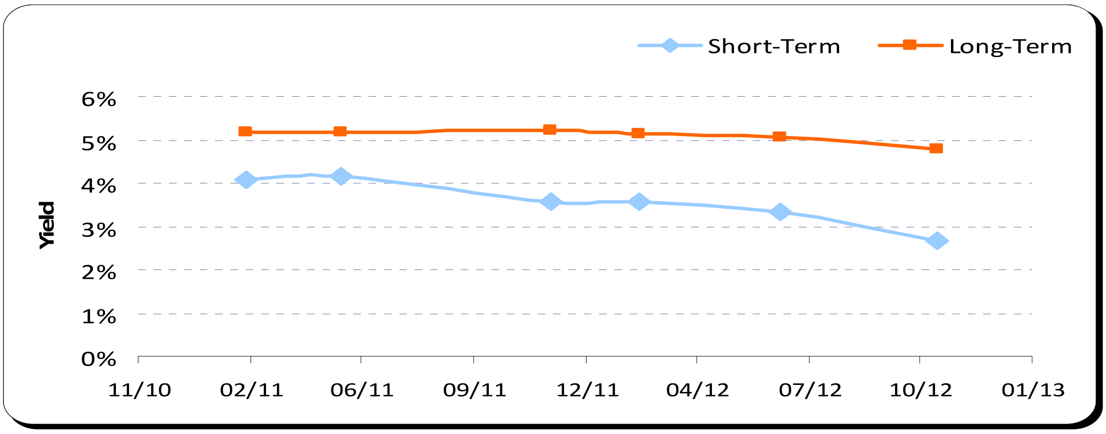
The volatility present in many sovereign debt markets at the end of 2011 persisted throughout most of 2012 especially for the most vulnerable Member states in the peripheral area of the EU. This was mainly due to: speculation of a Greek exit from the EU; risks of contagion to other states; persistent unemployment; and, insufficient growth in the core EU states. Signs of stabilisation in the Sovereign debt markets appeared in the second half of the year after the ECB committed itself to outright monetary transactions (OTM); the European Stability Mechanism (ESM) was operational; and euro-zone leaders committed themselves to further integration. Throughout the year, as yields in most peripheral EU states increased, the borrowing cost for Malta Government Stocks was stable both in the 6-year (medium) and the 20-year (long) maturity buckets.

I. Primary Market

Chart 8 illustrates the short-term and long-term ISMA yields set for the retail segment for all primary market issuances offered during the past two years ending December 2012.

The long-term yield remained fairly stable with a slight dip in the last issuance (November 2012). Short-term yields declined by almost 150 basis points (bps) throughout the period reflecting the market's demand for relatively safe fixed-income instruments and an improved confidence in international financial markets towards the second half of 2012.

Chart 8 - Medium & Long Term Yields on the Primary Market 2011-2012



Source: DMO internal records

Table 5 shows that the spreads of short and long-term MGSs over the Bund have almost doubled in two years, except for the issuances conducted in the month of November. However, an examination of

Chart 8 demonstrates that the yields in the domestic market remained stable or at times even decreased. Thus, the increase in spreads experienced between 2011 and 2012 is mostly attributed to the increased downward pressure on the Bund yields which registered a negative yield in the short-term on many occasions throughout 2012.

Table 5 – Spread Over Bund in Primary Market					
Year	Issuance	Medium term		Long term	
		Retail	Auction	Retail	Auction
2011	Feb	+119bps	+96bps	+134bps	+126bps
	May	+118bps	+119bps	+140bps	+143bps
	Nov	+249bps	+211bps	+269bps	+229bps
2012	Feb	246bps	+242bps	+252bps	+256bps
	Jun	+285bps	+280bps	+296bps	+290bps
	Nov	+248bps	+256bps	+269bps	+276bps

Source: DMO internal records; Deutsche Bundesbank (www.bundesbank.de)

II. Secondary Market

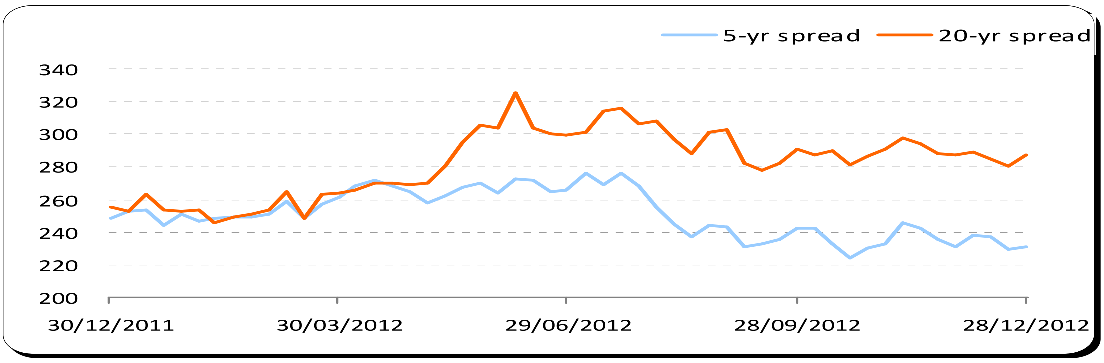
Table 6 illustrates how the benchmark MGS yields moved throughout 2012 on the secondary market. Figures refer to yields sampled at regular intervals throughout the year representing closing bid prices at which the Central Bank of Malta Stockbroker actually traded or would have been prepared to buy on the dealing date.

Table 6 - MGS yields in domestic secondary market during 2012			
Term	Highest	Lowest	Average
	%	%	%
2-year	2.40	1.31	1.93
5-year	3.40	2.63	3.01
10-year	4.34	3.86	4.11
20-year	5.20	4.90	5.05

Source: Central Bank of Malta (www.centralbankmalta.org)

Chart 9 displays the evolution of comparable MGS and German Bund spreads for the 5- and 20-year duration during 2012. The spreads were in line throughout Q1 and part of Q2 2012, but reached a peak in June. Thereafter, they remained relatively high throughout most of Q3 during which the German Bund yields reached record lows against a backdrop of soaring Italian and Spanish spreads. Q4 saw spreads narrowing by approximately 40bps and remaining relatively linear till the end of the year.

Chart 9 – Spreads MGS vs. Bund (5yr & 20yr)



Source: DMO internal records; Financial Times; Bloomberg

Foreign Loans

Bilateral loans with foreign entities are specifically undertaken to finance large capital projects. A total of €12.59 million was repaid in 2012 according to the repayment schedule, resulting in an end-of year balance of €61.97 million.

Interest costs incurred to service these loans amounted to €3.35 million. The majority of Government's bilateral agreements are denominated in Euros as shown in Table 7, hence making any exchange rate risk insignificant.

Table 7 - Foreign debt and distribution by currency (in € equivalent)

	Euro	GBP	JPY	USD	CAD	Total
Amount (€ equivalent)	€61,115,605	€19,159	€74,343	€541,946	€218,848	€61,969,900
%	98.62%	0.03%	0.12%	0.87%	0.35%	100.00%

Exchange rates as at 31/12/2012

Source: DMO internal records; Central Bank of Malta (www.centralbankmalta.org)

The Introduction of Collective Action Clauses in newly issued MGS

As from 1st January 2013, in accordance with Paragraph 3 of Article 12 of The Treaty establishing the European Stability Mechanism **(ESM)** – endorsed on 2nd February 2012 by all 17 euro area Member States – it has become mandatory on such Member States to incorporate the Model Collective Action Clauses **(CACs)** in all *new* Euro Area government securities with maturity above one year.

The objective of CACs is to facilitate agreement between the sovereign and its private-sector creditors to the possible modification of euro area government debt securities that contain a standardised CAC, such that they allow a majority of bondholders to re-contract sovereign debt without a minority of stockholders obstructing the process. The standardized European model CACs can be found on the EFC's website.

CACs Implementation – Malta Government Stocks

The harmonised model CACs will be introduced on all *new* Malta Government Stocks (maturity of more than one year) with effect from 1st January 2013. The CACs will be contractually included in the terms and conditions of the MGS Offering document/ Prospectus. The full text of the Model CACs can be accessed on the Treasury website www.treasury.gov.mt under the section reserved for the Debt Management Directorate.

The introduction of the Model CACs will not affect any Malta Government stocks (MGS) issued prior to 1st January 2013.

The EU Emissions Trading System (EU ETS)

The EU Emission Trading System is a major pillar in the European Union's objective to reduce emissions of anthropogenic greenhouse gasses which are considered as a major cause of climate change. The scheme operates in the 27 EU member states and will include Croatia when this country becomes a full member of the EU. Three non-EU member countries, Iceland, Liechtenstein and Norway participate also in the scheme.

In terms of Legal Notice 402/2012, the Debt Management Directorate within the Treasury has been appointed by Government to auction aviation allowances under the EU Emissions Trading System on its behalf. The relevant legal provisions in respect of general allowances (stationary installations) will be provided for in a separate legislation to be published soon.

Most governments including Malta use a common 'platform' for their auctions. In November 2012, the Debt Management Directorate has been admitted for participation as auctioneer for Primary Auctions of EU Emission Allowances at the European Commodity Clearing **(ECC)** platform. Trading is conducted on the European Energy Exchange **(EEX)** and trades are cleared and settled through the exchange's clearing house, the ECC.

Early auctions on the transitional common auction platform started towards the end of 2012 (13th November 2012). Up to the end of 2012 Malta auctioned off 41,000 allowances for which it received a total amount of €272,290 in auction proceeds. It is estimated that the total volume of allowances in respect of stationary installations to be auctioned during 2013 shall be 1,009,500.

Relations with other institutions

I. International Monetary Fund

The Directorate gave its input towards the Article IV consultation process carried out by the International Monetary Fund's **(IMF)** mission which visited Malta in January 2012. Jointly with officials from Central Bank of Malta, officials from the Directorate participated in one of the meetings during which issues related to Debt Management and Central Government Debt were discussed.

II. DG ECFIN and Credit Rating Agencies

Jointly with officials from the Budget Office and the Economic Planning Division, the Directorate participated in two meetings held in April and October with officials from DG ECFIN in connection with the preparation of the Spring and Autumn forecasts publications. During these meetings reviews and outlooks related to Central Government Debt and Debt Management were discussed.

The Directorate presented reports related to Central Government Debt to the Credit Rating Agencies during their official visits in Malta.

III. EFC sub-committee on EU Sovereign Debt Markets (ESDM)

The DMO continued to participate in the meetings of the Economic and Financial Committee (EFC) Sub-committee on EU *Sovereign Debt Markets* (ESDM) in Brussels. The main objectives of the sub-committee include discussions on issues related to the efficient functioning of the EU's primary and secondary government debt markets as well as contribute to the preparation of EFC common positions on issues which significantly impact the sovereign debt markets.

During 2012, officials from the Debt Management Directorate and the Central Bank participated in three meetings. The key areas of work focused on discussions on the market functioning, the development of the euro area model of Collective Action Clauses as well as formulating plans for monitoring their implementation with effect from 1st January 2013. Moreover, the sub-committee also discussed potential impact on sovereign debt markets emanating from on-going regulatory measures and policy decisions, in particular draft proposals to amend the Markets in Financial Instruments Directive, 2004/39/EC (known as **MiFID**).

IV. Central Bank of Malta

The Directorate regularly held meetings with members of the Central Bank of Malta (CBM) to discuss matters pertinent to Government securities and market functioning. CBM assisted the Directorate in researching bond prices and yields in the secondary market, as well as in offering guidelines in the pricing process of MGS issuances in the primary market. .

During 2012 the Directorate participated in two meetings of the Financial Markets Committee **(FMC),** a forum for all credit institutions operating in Malta organised by CBM, delivering presentations related to primary market issuances of government securities.

V. Other Institutions

During the course of the year, the Directorate together with officials from Central Bank of Malta participated in a meeting with foreign banking institutions who had shown interest in the domestic market of Malta Government Stocks.

Staff Training and Development

The Directorate is committed to invest in the training of its human resources, both through in-house programmes and through external courses organised by local and foreign institutions. During 2012 opportunities were offered to its staff to attend training courses, seminars and annual conferences organised by local institutions, including:

- An introductory approach to Data Analysis, organised by CDRT in collaboration with Malta Business School; and
- Training to Middle Management on Psychosocial and Disability Issues at Work.

Support Services

As in previous years, the Directorate continued to offer guidance and provide the necessary service to the heirs of deceased stockholders so that the heirs can have any inherited stocks transferred in their name by a procedure initiated through the heirs' own legal adviser.

The Directorate received 378 new claims from the heirs' legal advisers requesting the transmission of MGS from deceased stockholders to their clients, an increase of 25% over the previous year. The number of settled claims reached 339, out of which 253 were in respect of claims lodged during 2012 and 86 related to claims which were pending from previous years.

Online Services

During the year 2012 the Debt Management Directorate continued to make use of the Treasury's website to increase the data available to stakeholders and market participants such that it better meets the needs of the clients in a faster and more efficient manner. The information uploaded on the website includes:

- The publication of Treasury bills weekly auction results;
- Weekly bid analysis of Treasury bills;
- Tender forms for Treasury bills;

- Malta Government Stocks auction results;
- Monthly issuance calendar for Treasury bills;
- The yearly indicative issuance calendar of Government Securities.
- Various reports, both of a technical and an informative nature;
- Investors base of Malta Government Securities;
- The outstanding MGS portfolio;
- The latest credit ratings of sovereign debt;
- Concise guidelines intended for the heirs of deceased stockholders in respect of '*causa mortis'* claims was launched in 2011.

31/1/2013