

PRESS RELEASE BY THE MINISTRY FOR FINANCE AND EMPLOYMENT: ANNUAL BORROWING PLAN FOR THE YEAR 2023

In terms of Article 18 of the Government Borrowing and Management of Public Debt Act [GBMPDA] (Cap. 575 of the Laws of Malta) the Treasury is hereby publishing the Annual Borrowing Plan for the year 2023.

Maximum amount of issuance

The Treasury announces that the central government borrowing requirements for the financial year 2023 has been set to not exceed €1.6 billion. This amount will be raised through the issuance of Malta Government Stocks with maturity of more than one year.

Purpose of issuance

It is planned that the funds raised from the borrowing programme shall be applied mainly to finance the Central Government borrowing requirements for 2023 including:

- The redemption of four (4) Malta Government Stocks (MGS) issues and the 62+ Malta Government Savings Bond – Issue 2018 amounting in total to € 445,395,777 which are due to mature as follows:

5 th May 2023	0.5% MGS 2023 (IV)	€130,700,000
19 th June 2023	62+ Malta Gov. Savings Bond 2018	€87,203,594*
6 th July 2023	5.50% MGS 2023 (I)	€78,811,283
11 th November 2023	1.4% MGS 2023 (III)	€146,276,500

* Estimated redemption amount after provision for early redemptions

Ex-Church Property Stock redeemable between 1st January 2023 and 31st December 2023

7% MGS 2023 (II) €2,404,400;

- financing of Central Government deficit estimated at €979.92 million; and
- effecting changes in the Central Government debt portfolio, as and when required, in line with the Government's debt management policies.

Types of Securities to be issued

It is planned that the conventional fixed rate Malta Government Stock shall be the Treasury's primary financial instrument by which to fund the central government borrowing requirements during the year 2023.

Frequency of issuance

The Treasury intends to fund the financing requirements for 2023 over five (5) to seven (7) MGS issues. As part of its issuance strategy, the Treasury shall retain the flexibility and capability to adapt quickly to changing market and other conditions and, where necessary will review the intervals of issuances.

Maturity and terms of issuance of Malta Government Stocks

The maturity structure of the 2023 MGS issues will be a mix of short and medium to long term MGS. The exact maturity and other details of the offer will be announced from one (1) to two (2) weeks prior to the opening of each issuance. The relevant terms and conditions of an MGS issue will be published by means of an Offering Circular published in the Government Gazette prior to the actual date of each issue.

Malta Government Stocks shall be issued under the GBMPDA

The issuance of Malta Government Stocks shall be issued under (1) the Government Borrowing and Management of Public Debt Act (Cap. 575 of the Laws of Malta), (2) the Malta Government Stocks Regulations and (3) the General Prospectus. A new General Prospectus which shall replace the one currently in force shall be published in the Government Gazette once the new Collective Action Clauses come into force.

Treasury Bills

- T-Bill auctions will continue to be held on a weekly basis, typically on Tuesday of the auction week and settled on the following Thursday on T+2 basis;
- The maturity structure of issues will include a mix of 28-day, 91-day, 182-day, 273-day and 364-day Treasury bills;
- The issuance is expected to focus on the 91-day and 182-day tenor;
- An issuance calendar of Treasury Bills will be published in advance every month in the government gazette announcing the tenor, the auction and the issue (settlement) date for the following month;
- The Treasury Bills Prospectus may be viewed under the Treasury Bills section on the Treasury's website at www.treasury.gov.mt .

16th January 2023