

## **PRESS RELEASE BY THE MINISTRY FOR FINANCE**

### **ANNUAL BORROWING PLAN FOR THE YEAR 2025**

In accordance with 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 2025.

#### **Maximum amount of issuance**

The Treasury announces that the central government's borrowing requirements for the financial year 2025 has been set to not exceed €1.5 billion. This amount will be raised through the issuance of Malta Government Stocks with maturities of more than one year and a loan at preferential terms from the European Investment Bank.

#### **Purpose of issuance**

The funds raised will primarily be used to finance the Central Government's borrowing requirements for the year 2025, including:

- The redemption of two (2) Malta Government Stock (MGS) issues, the 62+ Malta Government Savings Bond – Issue 2020, the Sure loan and the Ex-Church Property Stock, amounting to a total of €539,222,562. These are due to mature as follows:

<b>Maturity Date</b>	<b>Security Type</b>	<b>Amount (€)</b>
17th July 2025	0.75% MGS 2025 (III)	€139,000,000
21st July 2025	62+ Malta Government Savings Bond - 2020	*€88,014,662
4th November 2025	0.00% Sure Loan 2025	€80,000,000
8th November 2025	0.5% MGS 2025 (II)	€230,200,000
Redeemable between 1st January 2025 and 31st December 2025	Ex-Church Property Stock	€2,007,900

*\* Estimated redemption amount after provision for early redemptions*

- The financing of the Central Government's deficit, estimated at €849.9 million.
- Adjustments to the Central Government's debt portfolio, as necessary, in accordance with the Government's debt management policies.

#### **Types of securities to be issued**

The Treasury plans to primarily use conventional fixed-rate Malta Government Stocks as the financial instrument to fund the central government's borrowing requirements in 2025.

## **Frequency of issuance**

The Treasury intends to meet its financing requirements for 2025 through three (3) to four (4) MGS issuances. As part of its issuance strategy, the Treasury will retain the flexibility to adapt quickly to changing market conditions and, where necessary, will review the intervals between issuances.

## **Maturity and terms of issuance of Malta Government Stocks**

The maturity structure of the 2025 MGS issues will include a mix of short- and medium-to-long-term MGSs. The exact maturities and other details of each offer will be announced one (1) to two (2) weeks prior to the opening of each issuance. The relevant terms and conditions for each MGS issue will be published via an Offering Circular in the Government Gazette before the issuance date.

## **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 introduction of single-limb Collective Action Clauses (CACs) come into force.

## **Treasury Bills**

- T-Bill auctions will continue to be held weekly, typically on Tuesdays, with settlement occurring on the following Thursday, adhering to a T+2 settlement basis;
- The maturity structure of the issues may include a mix of 28-day, 91-day, 182-day, 273-day and 364-day Treasury Bills;
- 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 and downloaded under the Treasury Bills section on the Treasury's website at <https://treasury.gov.mt/en/treasury-bills-general-information/>.

28<sup>th</sup> January 2025