

ANNUAL BORROWING PLAN FOR THE YEAR 2019

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 2019.

Securities and Debt Instruments with maturity of more than one year

Maximum amount of issuance

The Treasury announces that the issuance of Malta Government Securities and Debt Instruments with maturity of more than one year for the financial year 2019 has been set not to exceed € 450 million.

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 2019 including:

- The redemption of six (6) MGS issues amounting to € 435,859,853 which are due to mature as hereunder:

25 th March 2019	FRN MGS 2019 (IV)	€ 40,750,000
31 st July 2019	3.2% MGS 2019 (V)	€ 121,450,700
1 st September 2019	6.6% MGS 2019 (I)	€ 102,493,253
22 nd September 2019	3% MGS 2019 (III)	€ 122,495,900
27 th November 2019	FRN MGS 2019 (VI)	€ 35,000,000,

Ex-Church Property Stock redeemable between 1st January 2019 and 31st December 2019

7% MGS 2019 (II) € 13,670,000; 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 and Debt Instruments to be issued

The issuance programme will be covered by the issue of three different types of securities/debt instruments: –

- The conventional fixed rate MGS;
- The Floating Rate MGS linked to the six-month Euribor; and
- Malta Government Retail Savings Bond.

The conventional fixed rate Malta Government Stock shall remain Treasury's primary financial instrument by which to fund the central government borrowing requirements during the year 2019.

Alongside the conventional fixed rate MGS, the Treasury is expected to offer a limited amount of the Floating Rate MGS linked to the six-month Euribor if the Euribor Reform is completed. The FRN will be offered mainly for institutional investors via the auction system. The Treasury will also offer a limited amount of Malta Government Retail Savings Bond which will be similar to the savings bonds issued in 2017 and 2018.

Frequency of issuance

The Treasury intends to fund the financing requirements for 2019 over four (4) to five (5) 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 type of debt securities/debt instruments to be issued as well as the intervals of issuances.

Maturity and terms of issuance of Malta Government Stocks

The maturity structure of the 2019 MGS issues will be a mix of short and medium to long term MGS. The exact maturity and details on whether the offer will be for a new Stock or a re-opening of an existing MGS will be announced one (1) to two (2) weeks prior to the opening of each issuance. The relevant terms and conditions of MGS issue will be published via 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) which came into force on 1st September 2017, (2) the newly updated Malta Government Stocks Regulations and (3) the General Prospectus which were published on 30th November 2018.

Collective Action Clauses (CACs) in newly issued Malta Government Stocks

In accordance with paragraph 3 of Article 12 of the modified version of The Treaty establishing the European Stability Mechanism (ESM), all new MGSs issued on or after 1st January 2013 will incorporate the Model Collective Action Clauses (CACs).

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 showing the tenor, the auction date and the issue (settlement) date will be published in advance in the government gazette on a monthly basis for the next month;
- The Treasury Bills Prospectus may be viewed under the Treasury Bills section on the Treasury's website at www.treasury.gov.mt .

28th January 2019