



Press Release

PR 0010

05.01.2012

MALTA GOVERNMENT SECURITIES – 2012 INDICATIVE CALENDAR

Malta Government Stocks

Maximum amount of issuance

The Treasury announces that the amount of issuance of Malta Government Stock (MGS) for the financial year 2012 has been set not to exceed € 700 million.

Purpose of issuance

It is planned that the issuance programme of MGS for 2012 shall be applied for the purpose of:

- Redeeming three (3) MGS issues totalling € 349,715,458 which are due to mature as hereunder:

24 th May 2012	€ 80,364,319	7.80% MGS 2012
30 th September, 2012	€ 268,940,703	5.70% MGS2012 (III)
30 th December, 2012	€ 410,436	7% MGS 2012(II)

- Financing the Central Government borrowing requirements for 2012 (including an estimated Central Government Deficit of 145m), and
- Effecting changes in the Central Government debt portfolio as and when required in line with the Government's debt management policies.

Types of MGS issuance

The issuance programme will be covered by the issue of two different types of securities –

- the conventional fixed rate MGS, and
- the Floating Rate MGS (FR Bond) linked to the six month Euribor.

The conventional fixed rate Malta Government Stock is expected to be the Treasury's primary financial instrument by which to fund the central government borrowing requirements during 2012.

Alongside the conventional MGS, the Treasury will extend the issuance programme of the Floating Rate MGS linked to the six-month Euribor via the auction system for institutional investors.

Attachments: None

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Frequency of issuance

The Treasury intends to fund the financing requirements for 2012 over 4 issues with a more front-loaded programme across the first quarter. The first MGS offer is intended to be issued in early February while the second offer is expected for late March 2012.

In view of the prevailing volatility in the financial markets, the Treasury will adopt a degree of flexibility to adapt quickly to changing market and other conditions and, where necessary, review and re-arrange the amount that will be allocated for each issue as well as the intervals of issuances.

Maturity of issuance

The maturity structure of the 2012 MGS issues will be a mix of the 3 – 9 year and over 10 - year maturity areas.

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 1 to 2 weeks prior to each offer.

Terms and conditions will be published in the Government Gazette prior to the actual date of each issue.

MGS Switch auctions

In November 2011 the Treasury introduced a Malta Government Stock Switch Auctions Programme - to be conducted over a three (3) year period - as part of its issuance strategy for lengthening and smoothening 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 implementation of the second stage of the MGS Switch Auctions Programme in 2012, the Treasury would consult the main market players and stakeholders.

Treasury Bills

- Auctions will continue to be held on a weekly basis, normally on Tuesday of the auction week.
- 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.
- A calendar showing the tenor of the individual weekly issues planned for each month will be published in the Government Gazette in advance on a monthly basis.
- The Treasury Bills Prospectus may be viewed on Treasury's website at www.treasury.gov.mt under News & Press Releases section.