



FINCO TREASURY MANAGEMENT LIMITED

The Bastions, Office No.2, Emvin Cremona Street, Floriana FRN1281, Malta
Tel: (+356) 21220002 Fax: (+356) 21243280

Website: www.fincotrust.com E-Mail: investments@fincotrust.com

A Limited Liability Company registered in Malta on 9th November 1994, Registration No. C17017

MALTA GOVERNMENT STOCK ISSUE

4.00% MGS – 5th December 2033 (IV) Pricing to be announced on 30th August 2023

4.30% MGS – 15th November 2038 (II) Pricing to be announced on 30th August 2023

Salient Details & Time Table

Issuer	Government of Malta
Country Rating	Moody's: Aa1 S&P: A- Fitch: A+
Amount	€ 260,000,000
Over-allotment option	€ 140,000,000
Currency	Euro
Minimum Application	Euro 100 nominal, with lots of Euro 100 thereafter
Maximum Application	€499,900 for single and/or joint applicants (in aggregate)
Interest Payment Dates	4.00% MGS 2033: half yearly in arrears on 5 th December and 5 th June 4.30% MGS 2038: half yearly in arrears on 15 th May and 15 th November
Offer Opens	Friday 1 st September 2023 – 8:30am
Offer Closes	Tuesday 5 th 2023 – 2:30 pm

Application Procedures

Any clients interested in applying for these stocks are kindly invited to contact us immediately. Offer closes on Tuesday 5th September 2023 at 2.30pm

Availability of Prospectus

The Prospectus issued by The Treasury Department is available at our offices for whoever is interested. In this respect, anyone interested may call at our offices to collect a copy.



Our Comments

The pricing of these new Government Bonds will be on 30th August 2023

As per updated CBM prices, the current 10-year Malta Government bond is yielding 3.73% so with a coupon of 4.00% this new Government bond may have room to appreciate in value if priced at par

The second issue is a 15-year bond at a coupon of 4.30%.

As per updated CBM prices, the current 15-year Malta Government bond is yielding 4.01% so with a coupon of 4.30% this new Government bond may also have some room to appreciate in value if priced at par.

As can be seen, these bond issues may have room to appreciate once trading in the market. This is assuming that there will not be marked changes in yields until the 30th August which is the pricing day.

A lot will however depend on the pricing which, if priced at higher levels above par, would represent a lower return on investment.

Also, one must be aware that should inflation not be contained in the immediate and medium- term future, interest rates may have to rise higher, which may result in Government bond prices to decline.

Finco recommendation is to invest in the shorter term, therefore the 10-year bond rather than the 15-year bond.

Applicants for these bonds should be those looking for a secure investment with a decent return and not necessarily looking to sell before maturity.

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