



Bank of Valletta

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BOV/185

COMPANY ANNOUNCEMENT

The following is a company announcement issued by Bank of Valletta p.l.c. pursuant to Malta Financial Services Authority Listing Rules:

Quote

The Committee of European Banking Supervisors (CEBS) has just released the results of a stress test which it carried out on 91 leading European banks, in collaboration with the European Central Bank (ECB) and local authorities. Bank of Valletta plc, as the largest local banking group, was selected to participate in this test.

The results show that Bank of Valletta Group enjoys strong capital buffers. When the Bank's consolidated balance sheet and income statement were stressed in accordance with the parameters set by CEBS and the ECB, its Tier 1 ratio, which is an international indicator of balance sheet strength, decreased by 1.2 percentage points, reaching 9.3%. This is one-and-a-half times higher than the 6% "pass mark" set for this exercise and more than double the statutory minimum ratio of 4%.

BOV Chairman Roderick Chalmers stated that "these results confirm that BOV is a well-capitalised bank by all international standards, and that the capital buffers we hold are more than enough to see us through situations of stress. The strength of the Group's regulatory capital position is the direct result of the quality of our assets, and our prudent dividend policy, whereby over the years we have sought to balance capital conservation with an attractive dividend return for our shareholders."

Mr Chalmers explained that the Bank carries out internal stress tests on a regular basis as part of its risk management process, and that capital buffers are monitored continuously by the Board and by executive management. "Capital," said Mr Chalmers, "is the motor which drives the Bank's business, and the prudent and efficient management of capital is one of our top priorities."

The results for Bank of Valletta plc can be accessed through the Bank's website (www.bov.com).

Further information on the EU wide stress-test exercise is available on the websites of CEBS and ECB.

Unquote

Catherine Formosa

Dr. Catherine Formosa B.A., LL.D.
Company Secretary

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