



Bank of Valletta

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BOV/197

COMPANY ANNOUNCEMENT

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

Quote

The Board of Directors of Bank of Valletta p.l.c. (the "BOV Board") has been informed that agreement has been reached between Mapfre Internacional (Mapfre) and Munich Re that, subject to certain regulatory approvals, Mapfre will be acquiring Munich Re's current 19.9% shareholding in Middlesea Insurance p.l.c. (MSI). Following completion of this acquisition, Mapfre will increase its aggregate shareholding in MSI to 50.98% of the issued share capital, and will thereby acquire a controlling interest in MSI.

Pursuant to the requirements of Chapter 11 of the Listing Rules, upon acquisition of a controlling interest in MSI, Mapfre will be required to make a Mandatory Bid for the remaining shares in MSI, whereby the other shareholders in MSI will become entitled (but not obliged) to sell their shareholding in MSI to Mapfre at the Mandatory Bid price.

BOV, which currently holds 31.08% of the issued share capital of MSI, has conditionally agreed with Mapfre that it will not tender its shares under the Mandatory Bid. Appropriate disclosure of the conditional agreement will be made in the Mandatory Bid documentation in due course, should regulatory approval be forthcoming.

Mapfre and BOV have communicated to the Directors of MSI their desire to maintain the listed company status of MSI, and to work with the Listing Authority and the other shareholders in this regard.

Mapfre is one of Europe's biggest corporations, and a highly respected and reputable company with high levels of expertise in the field of insurance. Bank of Valletta looks forward to working with Mapfre to further strengthen the operations of both MSI and MSV Life p.l.c.

The matters contained in this Company Announcement are all subject to regulatory approval.

Unquote

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

29 April 2011