



Bank of Valletta

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BOV/199

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

BOV Announces Proposal to La Valette Multi Manager Property Fund Investors

Bank of Valletta today announced that it will very shortly be communicating to all investors in the La Valette Multi Manager Property Fund, a conditional offer to acquire the eligible shares held by them in the Fund for a consideration of €0.75 per qualifying share. Full details of the offer are set out in the Offer document and the accompanying explanatory letter, which should reach each investor over the next few days. The Offer shall remain subject to acceptance for a period of 30 days.

This Offer is being made in an attempt by Bank of Valletta p.l.c. to reach a non-confrontational and expeditious closure of those issues which have in recent months become the subject of judicial protests and an ongoing investigation by the MFSA. This approach, however, is being pursued by Bank of Valletta p.l.c. without prejudice to its rights, remedies and defences at law in respect of the said issues, and without admission by itself or any of the members of the Bank of Valletta Group of liability, fault or inability to contest fully the unfounded allegations which have been levelled at it in recent months. Indeed, this constitutes a *bona fide* effort by Bank of Valletta plc to provide all eligible investors with an opportunity to settle matters that are in dispute in a fair, equitable and expeditious manner.

The gross cost of the Offer (that is before any recoveries from third parties) in the event that the Offer were to be accepted by all eligible investors is estimated at €14.5 million, and will be taken as a charge against profits before taxation in the second half of Financial Year 2011.

Unquote

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

26 May 2011