



Bank of Valletta

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BOV/235

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

La Valette Multi Manager Property Fund

Bank of Valletta (the Bank) has been informed by the Malta Financial Services Authority (MFSA) that the independent review exercise of all investor files by the independent professional services firm engaged by the MFSA, as provided in the directive of the MFSA dated 1 June 2012, has been completed and a final list of investors to whom the Bank would be prepared to make an additional *ex gratia* payment has also been compiled. Accordingly, notwithstanding the fact that irrevocable settlement agreements have already been reached with 99% of the investors in the Fund, and without prejudice to those agreements, the Bank is making (on an *ex gratia* and without prejudice basis) a payment of €1 per share (less any payments already made by the Bank) to those investors included in that list.

All investors will be informed in writing by the Bank of the outcome of the review carried out by the independent professional services firm.

Notwithstanding that it continues to be of the firm view that the directive of the MFSA purporting to order the Bank to pay compensation is *ultra vires* the powers of the MFSA, and against which the Bank has already filed an appeal, the Bank has fully co-operated with the independent professional services firm engaged by the MFSA. The independent professional services firm carried out a review of all investor files relating to the Fund (other than those execution only transactions in respect of which documentation is complete in all respects) in order to determine whether, in that firm's independent opinion, any investors in the Fund did not qualify as "*experienced investors*" (as that term is defined in the prospectus of the Fund).

The Bank reiterates its position that any act performed by it in co-operating with the independent professional services firm and the MFSA, including any payment that it shall be effecting to investors, has been and shall be made on the following conditions:

- (i) on an *ex gratia* basis, that is without any obligation at law so to do; and without admission of any liability or responsibility on the part of the Bank; and
- (ii) without prejudice to any of the Bank's rights, including those emanating from the contractual relationship existing between an investor and the Bank pursuant to the investor's acceptance of the terms and conditions of the offer made by the Bank to purchase and acquire all of the investor's shares in the Fund and all rights pertaining thereto.

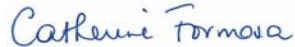
As a result of the foregoing, the Bank is satisfied that the objectives of the MFSA's directives have been attained.

Appropriate estimates were made by the Bank in the financial statements for the year ended September 2012 in respect of the potential payments resulting from the above-mentioned independent review. Accordingly, no material charge will affect the results for the current financial year.

The Bank also refers to its Company Announcement BOV/225 of the 28 June 2012.

The Bank is pleased that the Fund matter has now been closed.

Unquote



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

23 January 2013