Bank of Valletta
Office of the Company Secretary
House of the Four Winds,
Triq l-Imtiehen, Il-Belt Valletta VLT 1350 - Malta
T: (356) 2131 2020
E: iro@bov.com bov.com

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COMPANY ANNOUNCEMENT – Base Rates Announcement for Q4 2026
Bank of Valletta Keeps its Base Rates Unchanged

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

Quote

Bank of Valletta continues to issue quarterly Company Announcements to keep the market informed of its decisions regarding the setting of its base rates.

The Bank determines three key base rates, namely for Business lending, Home lending and Personal lending. These represent internally defined benchmarks used to price specific lending segments, ensuring a consistent and disciplined approach to cost recovery and capital allocation. In setting these rates, the Bank takes into consideration the cost of funds, capital and liquidity requirements, and operational cost structures. Broader system-wide implications are also assessed, including impacts on the economy, financial sustainability, and the financial strength of its customer base.

The base rates form a core component of the Bank's enterprise-wide pricing framework, operating alongside product-specific parameters such as risk-based add-ons, customer-level adjustments, and contractual terms. This integrated approach supports pricing outcomes that are fair, transparent, and aligned with the principles outlined in the Bank's internal pricing governance. By anchoring lending rates to an internally governed benchmark, the Bank ensures alignment between individual credit decisions and broader balance sheet objectives, including profitability, capital efficiency, and portfolio risk appetite. These benchmark rates are subject to a structured governance and quarterly review process.

This Company Announcement provides an update to the market on the outcome of ALCO's review of these benchmarks for Q4 2026 and forms part of the Bank's ongoing programme of quarterly disclosures. This continued practice reflects the Bank's strengthened technical and governance frameworks underpinning base rate determination and reinforces its commitment to transparent communication with financial markets, while meeting and exceeding regulatory expectations.

Decision – Base Rates remain unchanged

The Bank's Asset & Liability Management Committee ("ALCO") has completed its periodic review of the Credit Portfolio Bank Base Rate Benchmarks (the "Bank Base Rates" or "BBRs").

Following its assessment of interest rate trends and prevailing market conditions, it has been determined that the Base Rates applicable to the Credit Portfolio will remain unchanged for the forthcoming three-month period up to end December 2026, as set out below:

Business Bank Base Rate: 2.15% per annum
Home Loans Bank Base Rate: 2.15% per annum
Personal Loans Bank Base Rate: 2.45% per annum

The Bank's decision to continue to maintain stable base rates is underpinned by internal financial projections which continue to indicate consistency with its strategic, budget and risk appetite, Key Performance Indicators and Key Risk Indicators. The capital and liquidity positions of the Bank remain strong without any indications of stresses. The outlook for the economy, the Bank's competitiveness in the market, and the safeguarding of the interests of our clients also vouch for the need for continued stability in interest rates in Malta and in the Bank's base rates in particular.

The Bank will continue to monitor these developments closely, including in light of recent increases in ECB policy rates and evolving market expectations regarding the future interest rate path, alongside ongoing geopolitical stresses.

Effective period
These rates will remain in effect, at least, until the next review scheduled for December 2026.

Unquote

Dr Ruth Spiteri Longhurst B.A., LL.D.
Company Secretary

25 September 2026