

Supplement to the Base Prospectus dated 31 May 2011

Bank of Valletta p.l.c.

(a public limited liability company registered under the laws of Malta with company registration number C2833 and with registered office situated at 58, Zachary Street, Valletta VLT 1130)

€125,000,000 Debt Issuance Programme

This supplement dated 12 March 2012 (“**Supplement**”) constitutes a supplement within the meaning of Listing Rule 4.26.

This Supplement is supplemental to, and should be read in conjunction with the base prospectus dated 31 May 2011, as supplemented from time to time, (“**Base Prospectus**”) prepared by the Issuer in connection with the €125,000,000 Debt Issuance Programme (the “**Programme**”). Defined words and phrases used in the Base Prospectus shall have the same meanings when used in this Supplement.

The Listing Authority approved the Base Prospectus and authorised the admissibility to listing of the Programme on the Official List of the Malta Stock Exchange on the 30 May 2011. Application has been made to list the second series/first tranche of Notes to be issued under the Programme on the Official List of the Malta Stock Exchange.

This Supplement contains information given in compliance with the Listing Rules of the Listing Authority for the purpose of giving information. The persons listed in Section 7.12.1 of the Base Prospectus accept responsibility for the information contained in this Supplement. To the best of their knowledge (having taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. A copy of this Supplement has been delivered to the Listing Authority.

1. Incorporation by reference

By virtue of this Supplement,

- a) the audited consolidated financial statements for the financial year ended 30 September 2011 published by the Issuer on the 28 October 2011;
- b) the audited financial statements of Valletta Fund Management Limited for the financial year ended 30 September 2011; and,
- c) the audited financial statements of Valletta Fund Services Limited for the financial year ended 30 September 2011,

which have each been previously published and filed with the Malta Financial Services Authority and the Registry of Companies shall be deemed to be incorporated in, and form part of the Base Prospectus. The above-mentioned documents are available for inspection at the registered office of the Issuer. The Issuer’s consolidated audited annual financial statements may also be inspected on the Issuer’s website: www.bov.com

2. Regulatory Related Matters

- a) On the 28 December 2011, an administrative penalty of €175,174 was imposed by the MFSA on the Issuer in connection with a breach of certain provisions of the Investment Services Guidelines and Rules relating to certain perpetual and preferred securities sold to investors as follows:
 - i) failure to act with the level of care and diligence required of licence holders in order to ensure that the investment advice or portfolio management service provided is appropriate and suitable given the customer’s particular circumstances;
 - ii) failure to take all reasonable steps to ensure that a client or potential client has sufficient information which he is able to understand to enable him to take informed investment decisions;
 - iii) failure to obtain and record the personal and financial information necessary to make appropriate recommendations or investment decisions; and





- iv) failure to maintain sufficient records.

The Issuer has submitted an appeal before the Financial Services Tribunal against the MFSA's decision.

- b) The MFSA issued a directive to the Issuer to ensure that any acceptance of the BOV Offer (as defined in the supplement dated 18 July 2011) to investors is without prejudice to any right which such investors who have either filed a complaint or were otherwise ineligible to acquire units in the Fund because they did not satisfy the legal criteria of "experienced investors" may have to compensation or to being reinstated in the financial position obtaining prior to their investment in the La Valette Multi Manager Property Fund.

The Issuer filed an appeal before the Financial Services Tribunal against the said directive on the basis that

- (i) in issuing the directive the MFSA has abused its discretion;
- (ii) the directive is manifestly unfair; and
- (iii) in any event, the MFSA has wrongly applied the provisions of section 15 of the Investment Services Act, Cap 370 of the laws of Malta.

The matter is currently *sub iudice*.

- c) The MFSA is currently conducting an investigation in respect of certain sales practices adopted by the Issuer with respect to units in the La Valette Multi Manager Property Fund. As at the date of this Supplement no final report on the said matter has been issued by the MFSA.

3. Changes to the authorised and issued Share Capital

Following the approval by the shareholders of the Issuer at the Annual General Meeting held on the 16 December 2011, with effect from the 12 January 2012, the amount of €30,000,000 from the Issuer's reserves were capitalised for the purpose of a bonus issue of 30,000,000 fully paid ordinary shares of a nominal value of €1.00 per share, representing 1 bonus share for every 8 shares held. These bonus shares were allotted to the shareholders appearing on the register of shareholders of the Issuer on the Malta Stock Exchange as at the close of business on the 12 January 2012. As a result, the issued share capital of the Issuer increased from 240,000,000 shares to 270,000,000 shares of €1.00 each fully paid up, resulting in a paid up capital of €270,000,000.

At the same Annual General Meeting, the shareholders of the Issuer approved an increase in the authorised share capital of the Issuer from €300,000,000 divided into 300,000,000 Ordinary shares of €1.00 each fully paid up to €350,000,000 divided into 350,000,000 Ordinary shares of €1.00 each fully paid up.

4. Changes in Senior Management and to the Issuer's Organisational Structure

As announced by the Issuer in Company Announcement no. 213 on the 4 November 2011, Charles Borg was appointed Chief Executive Officer of the Issuer (in succession to Tonio Depasquale who retired on the 16 December 2011) and Romeo Cutajar was appointed Chief Officer Financial Markets & Investments. Both appointments were with effect from the 19 December 2011. In addition, as announced by the Issuer in Company Announcement no. 218 on the 3 February 2012, Peter Perotti, who previously held the office of Chief Officer Valletta Fund Management Limited, will be, subject to regulatory approval, assuming responsibilities as Chief Officer of a newly formed Personal Banking Division, which will include the Issuer's branch network and wealth management divisions. As a result of this appointment, Kenneth Farrugia, who previously held the office of Chief Officer Valletta Fund Services, was appointed, subject to regulatory approval, Chief Officer Fund Services, and in this role will be responsible for the oversight and delivery of the Group's fund management and administration services.

5. General

Save as disclosed in this Supplement and in the previous supplement published by the Issuer, as at the date of this Supplement, no significant change and no significant matter has arisen since the 31 May 2011, being the date of the Base Prospectus.

Roderick E. D. Chalmers
Chairman

Joseph Borg
Director

Roberto Cassata
Director

Gordon Cordina
Director

George Portanier
Director

Norman Rossignaud
Director

Manuel Rizzo
Director

Paul Testaferrata Moroni Viani
Director

George Wells
Director



