

Prospectus

Dated 20 May 2009

Bank of Valletta p.l.c.

(a public limited liability company registered under the laws of Malta with registration number C2833)

Issue of €35,000,000 5.35% Subordinated Bonds 2019

(subject to an Over-Allotment Option not exceeding €15,000,000)

of a nominal value of €100 per Bond issued at par

Issue Period: from 08 June 2009 to 12 June 2009 (both days included)

(subject to the right of the Issuer to close the Issue early in the event of over-subscription)

ISIN:- MT0000021262

Sponsor

Rizzo, & Co.
(STOCKBROKERS) LTD

Manager & Registrar

BOV
Bank of Valletta



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Summary Note

Dated 20 May 2009

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Issue Period: from 08 June 2009 to 12 June 2009 (both days included)

(subject to the right of the Issuer to close the Issue early in the event of over-subscription)

ISIN:- MT0000021262

Sponsor

Rizzo, & Co.
(STOCKBROKERS) LTD

Manager & Registrar

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1. IMPORTANT INFORMATION

THIS SUMMARY NOTE, FORMING PART OF THE PROSPECTUS, CONTAINS INFORMATION ON AN ISSUE BY BANK OF VALLETTA P.L.C. (THE “ISSUER”) OF €35,000,000 SUBORDINATED BONDS 2019 OF A NOMINAL VALUE OF €100, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.35% PER ANNUM PAYABLE SEMI-ANNUALLY ON THE 15 JUNE AND ON THE 15 DECEMBER OF EACH YEAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 15 JUNE 2019. IN THE EVENT OF OVER-SUBSCRIPTION, THE ISSUER MAY, AT ITS SOLE DISCRETION, ISSUE ADDITIONAL BONDS NOT EXCEEDING €15,000,000 AT PAR.

THIS SUMMARY NOTE CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY AND THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) (THE “ACT”).

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFER OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

THE BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “U.S.”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE

LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING "ADVISORS TO THE ISSUER" IN SECTION 4.4 OF THIS SUMMARY NOTE HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTION PROPOSED IN THE PROSPECTUS.

DURING THE ISSUE PERIOD, APPLICATIONS FOR SUBSCRIPTION TO THE BONDS MAY BE MADE THROUGH ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES LISTED IN ANNEX I OF THIS PROSPECTUS.

2. WARNINGS

THIS SUMMARY NOTE HAS TO BE READ AS AN INTRODUCTION TO THE PROSPECTUS DATED 20 MAY 2009 WRITTEN IN ENGLISH (THE "**PROSPECTUS**") AND COMPOSED OF THE FOLLOWING PARTS:

- SUMMARY NOTE
- REGISTRATION DOCUMENT
- SECURITIES NOTE

ANY DECISION TO INVEST IN THE BONDS HAS TO BE BASED ON AN EXHAUSTIVE ANALYSIS BY THE INVESTOR OF THE PROSPECTUS AS A WHOLE.

THE DIRECTORS HAVE TABLED THIS SUMMARY NOTE AND APPLIED FOR ITS NOTIFICATION AND ASSUME RESPONSIBILITY FOR ITS CONTENT, BUT ONLY IF THE SUMMARY NOTE IS MISLEADING, INACCURATE OR INCONSISTENT WHEN READ TOGETHER WITH THE OTHER PARTS OF THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.



3. DEFINITIONS

Words and expressions used in this Summary Note shall, except where the context otherwise requires, bear the same meaning as defined in the Registration Document and the Securities Note forming part of the Prospectus.

4. DIRECTORS, EXECUTIVE COMMITTEE, ADVISORS AND AUDITORS

4.1 Directors

Roderick E. D. Chalmers	<i>Chairman & Non-executive Director</i>
Joseph Borg	<i>Non-executive Director</i>
Joseph Brincat	<i>Non-executive Director</i>
Roberto Cassata	<i>Non-executive Director</i>
Gordon Cordina	<i>Non-executive Director</i>
George Portanier	<i>Non-executive Director</i>
Norman Rossignaud	<i>Non-executive Director</i>
Paul Testaferrata Moroni Viani	<i>Non-executive Director</i>
George Wells	<i>Non-executive Director</i>

4.2 Company Secretary

Victor J. Cardona

4.3 Executive Committee

Tonio Depasquale	<i>Chief Executive Officer</i>
Charles Borg	<i>Chief Officer Financial Markets & Investments</i>
Michael Borg Costanzi	<i>Chief Officer Legal and Compliance</i>
Victor Denaro	<i>Chief Officer Information Technology</i>
Kenneth Farrugia	<i>Chief Officer Valletta Fund Services Limited</i>
Elvia George	<i>Chief Officer Finance</i>
Mario Mallia	<i>Chief Officer Risk Management</i>
Peter Perotti	<i>Chief Officer Valletta Fund Management Limited</i>
John Soler	<i>Chief Officer Credit</i>
Igino Xuereb	<i>Chief Officer Operations</i>

4.4 Advisors to the Issuer

Legal Advisors

Camilleri Preziosi
Level 3, Valletta Buildings
South Street
Valletta VLT 1103
Malta

Manager & Registrar

Bank of Valletta p.l.c.
58, Zachary Street
Valletta VLT 1130
Malta

Sponsor

Rizzo Farrugia & Co. (Stockbrokers) Limited
Airways House, Third Floor
High Street
Sliema SLM 1549
Malta

4.5 Statutory Auditors

The annual statutory financial statements of the Issuer for the financial years ended 30 September 2008, 30 September 2007 and 30 September 2006 have been audited by Deloitte & Touche, Certified Public Accountants of Deloitte Place, Mriehel Bypass, Mriehel BKR 3000, Malta. Deloitte & Touche is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta).

5. ISSUE STATISTICS AND EXPECTED TIMETABLE

5.1 Issue Statistics

Issuer:	Bank of Valletta p.l.c., a company registered in Malta with registration number C2833;
Amount:	€35,000,000 subject to the Over-Allotment Option described below;
Over-Allotment Option:	At the sole and absolute discretion of the Issuer, additional Bonds not exceeding €15,000,000 in nominal value may be issued at the Bond Issue Price in the event of over-subscription;
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination:	Euro (€);
Minimum amount per subscription:	Minimum of €2,500 and multiples of €100 thereafter;
Redemption Date:	15 June 2019;
Event of Default:	Winding up of the Issuer;
Bond Issue Price:	At par (€100 per Bond);
Status of the Bonds:	The Bonds constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other subordinated debt. Thus the Bonds rank after other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future;
Listing:	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Issue Period:	The period between 8 June 2009 to 12 June 2009 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which the Bonds are on offer;
Interest:	5.35% per annum;
Interest Payment Dates:	Semi-annually on the 15 June and 15 December;
First Interest Payment Date:	15 December 2009;
Redemption Value:	At par (€100 per Bond);
Preferred Applicant:	a) Individuals who are engaged either on an indefinite or definite contract with the Issuer or with any of its Subsidiaries; b) Individuals who hold the office of directorship on any board of the Issuer or any of its Subsidiaries; c) Persons, whether natural or legal, who appear on the register of members of the Issuer maintained by the CSD at the Malta Stock Exchange;
Manager & Registrar:	Bank of Valletta p.l.c.;
Sponsor:	Rizzo Farrugia & Co. (Stockbrokers) Limited;
Governing Law of Bonds:	The Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.



5.2 Expected Time-Table of Bond Issue

Application Forms available	Wednesday, 27 May 2009
Opening of subscription lists	Monday, 8 June 2009
Closing of subscription lists	Friday, 12 June 2009
Announcement of basis of acceptance and allocation policy	Friday, 19 June 2009
Commencement of interest on the Bonds	Friday, 19 June 2009
Expected dispatch of allotment advices and refunds of unallocated monies	Friday, 26 June 2009

The Issuer reserves the right to close the Issue before 12 June 2009 in the event of over-subscription, in which case, the remaining events set out above shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the above mentioned principal events.

6. REASONS FOR THE ISSUE AND USE OF PROCEEDS

The net proceeds from the issue of the Bonds will constitute Additional Own Funds (Tier II capital) of the Issuer in terms of the Banking Rule BR/03/2008 Own Funds of Credit Institutions Authorised under the Banking Act (Cap. 371 of the Laws of Malta) and will also be used by the Issuer to meet part of its general financing requirements.

7. RISK FACTORS

7.1 General

AN INVESTMENT IN THE ISSUER INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED IN THIS PROSPECTUS. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS, TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE BONDS.

THE RISKS AND UNCERTAINTIES DESCRIBED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF OR DO NOT DEEM MATERIAL, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER THAT COULD LEAD IN A DECLINE IN THE VALUE OF THE BONDS. ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

7.2 Forward-Looking Statements

This Summary Note contains "forward-looking statements" which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that the future results or expectations will be achieved.

7.3 Risks Relating to the Issuer

The Group is engaged in the business of banking and financial services. Exposure to credit risk, liquidity risk, interest rate risk, foreign currency risk and operational risk arises in the normal course of business.

- Credit risk is the current or prospective risk arising from an obligor's failure to meet a commitment that it has entered into and agreed with the Issuer. Credit risk arises primarily from the Issuer's lending activities, but also from guarantees and securities held by the Issuer. Credit risk includes but is not limited to default risk, counterparty risk, cross border (or transfer) risk and credit concentration risk. The purpose of credit risk management is to keep credit risk exposure to a permissible level relative to capital, to maintain the soundness of assets, and to ensure returns commensurate with risk. Credit risk is managed and controlled by the Issuer on the basis of established credit processes and within a framework of credit policy and delegated authorities based on responsibility, skills and experience. These include the application of:
 - high-level credit policies designed to ensure a balanced and managed approach to the identification and mitigation of credit risk;
 - lending guidelines defining the responsibilities of lending officers that seek to provide a disciplined and focused benchmark for credit decisions;
 - limits on investment, settlement and contingent liability exposures by country and counterparty;
 - independent reviews ("hindsight reviews") of credit exposures;
 - scoring systems which make use of quantitative modelling based on historical data to identify key predictive figures;
 - sector caps, encompassing both industry and specific product types, to communicate the Board's risk appetite for specific types of business;
 - large exposures and provisioning policies in accordance with regulatory reporting requirements;
 - communication and provision of general guidance on all credit-related risk issues, including regulatory changes to promote consistent and best practice throughout the Group.
- Liquidity risk is the risk that the Issuer will encounter difficulty in raising funds to meet financial commitments. Liquidity risk may result from an inability to realise a financial asset quickly at close to its fair value. The Issuer is exposed to daily calls on its available cash resources from overnight deposits, current and call deposits, maturing term deposits, loan drawdowns, guarantees and from margin calls. Liquidity risk is managed by the matching and controlled mismatching of the maturities of assets and liabilities.
- Interest rate risk arises from the mismatch between interest rate sensitive assets and liabilities. This risk is managed by the Issuer through the matching of repricing maturities of assets and liabilities, and by the use of interest rate swaps to reduce interest rate risk exposure on mismatches.
- Foreign currency risk arises on monetary assets and monetary liabilities of the Issuer that are not denominated in Euro. Exposure arises as a result of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in total, which are monitored daily.
- Operational risk covers the losses arising from inadequate or failed internal processes and systems, the inability to retain key personnel, employee misconduct and unforeseen external events. The Issuer also takes into consideration reputational risk. The Issuer ensures that all processes, especially those which have been identified as critical, are protected by business continuity plans in the event of a business disruption or failure.

Such operational risks include incurring direct or indirect loss due to inadequate or inoperative internal control processes, staff errors, and/or illegal actions, IT system failures or external factors.

- The Group's and the Associates' overall performance and results may also be adversely affected by external factors beyond the Issuer's control. These include changes in economic conditions, business cycles, volatility in financial markets and increased competitive pressure in the financial services sector. In particular, the current international financial turmoil has dramatically increased volatility in equity and bond prices and, together with further frequent fluctuations in interest rates and exchange rates, may reduce the demand for products promoted and distributed by the Group and its Associates.

Negative changes in overall local and international economic conditions, inflation, consumer and business spending, recession, unemployment, limited credit availability and such other factors which are beyond the Issuer's control, may also negatively affect the performance of the Group and its Associates, the value of the Issuer's investment portfolio and the market value of securities issued by the Issuer.



7.4 Risks Relating to the Bonds

- The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell the Bonds at or above the Bond Issue Price or at all.
- No prediction can be made about the effect which any future public offers of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.
- The Bonds are unsecured and subordinated to the claims of all holders of senior indebtedness. The Bonds constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other subordinated debt. Thus the Bonds rank after other present and future outstanding, unsubordinated and unsecured obligations of the Issuer. Subordination means that the rights and claims of Bondholders in respect of the payment of capital and interest on the Bonds will, in the event of dissolution and winding up of the Issuer, rank after the claims of all senior indebtedness and will not be repaid until all other senior indebtedness outstanding at the time has been settled.
- By purchasing the Bonds, the Bondholder agrees to waive his right of enforcement against the Issuer in the case of non-performance of the Issuer's obligations under the Bond, including the non-payment of interest and principal. The only remedy available to the Bondholder in the event of a default by the Issuer shall be the petitioning for the winding up of the Issuer, which shall constitute an Event of Default.

8. HISTORY AND DEVELOPMENT OF THE ISSUER

The Issuer was registered in Malta for an indefinite duration on the 21 March 1974 under the name Bank of Valletta Limited, a private limited company, with registration number C2833. The Issuer was incorporated on the 21 March 1974 under the Commercial Partnerships Ordinance (Cap. 168 of the Laws of Malta), the latter legislation being subsequently repealed and replaced by the Companies Act (Cap. 386 of the Laws of Malta). With effect from the 31 December 1997, Bank of Valletta Limited changed its status to a public limited liability company to comply with the provisions of the Act as a result of which the Issuer changed its name from Bank of Valletta Limited to Bank of Valletta p.l.c. The ordinary shares of the Issuer were listed on the Malta Stock Exchange on the 26 August 1992.

Additional information about the Issuer: -

Full Legal & Commercial Name of Company:	Bank of Valletta p.l.c.
Registered Address:	58, Zachary Street, Valletta VLT 1130
Place of Registration and Domicile:	Malta
Telephone Number:	(00356) 2131 2020
Fax:	(00356) 2275 3730
Email:	customer@bov.com
Website:	www.bov.com

The Issuer is currently rated by two international rating agencies, namely Fitch Ratings ("Fitch") and Moody's Investors Service ("Moody's"). The Issuer has been assigned the following investment grade ratings: an A- by Fitch and a Baa1 by Moody's.

Obligations within the 'A' rating category by Fitch are considered as being in the high credit quality category. Such ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

Obligations within the 'Baa' rating category by Moody's are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

8.1 Increase in Nominal Value of Share Capital and Bonus Issue

Following approval by the shareholders of the Issuer during the annual general meeting held on the 17 December 2008, with effect from 15 January 2009:

- (i) The Bank increased the nominal value of the authorised and issued shares from €0.75 per share to €1.00 per share. This increase was funded by a capitalisation of reserves which amounted to €33.33 million resulting in the value of the issued and paid-up capital to increase from €100 million to €133.33 million.
- (ii) A bonus issue of 1 share for every 5 shares held was made by the Bank. This bonus issue was funded by a capitalisation of reserves which amounted to €26.67 million.

Collectively, these corporate actions increased the permanent paid-up capital of the Bank to €160 million and the number of issued shares to 160 million. The authorised share capital of the Bank is 200 million shares of a nominal value of €1.00 per share.

8.2 Share Buyback

Following the necessary shareholder approvals granted during the Issuer's annual general meeting held on the 19 December 2007 and the subsequent renewal of authorisation granted by shareholders during the Issuer's annual general meeting of the 17 December 2008, the Directors were authorised to re-purchase and acquire from any shareholder(s) up to 10% of the issued and paid up share capital of the Issuer being a maximum number of 16 million shares, at a price ranging from a minimum of €1.67 per share and a maximum of €4.00 per share. Following the renewal of the share buyback authorisation, such authority has been extended to 19 December 2010.

8.3 Business Overview

8.3.1 Principal Activities and Market

Pursuant to the various licences held, the Issuer provides a wide range of banking and other financial services. The objects of the Issuer essentially comprise the carrying on of the business of banking in all aspects including, without limitation, the transacting of all financial, monetary, investment and other business usually carried on by credit institutions.

The Issuer has a well-developed world-wide network of correspondent banks that provide it with the necessary backbone to service its customers in international banking and trade transactions. The Issuer has a number of representative offices in other countries, namely, Australia, Canada, Italy, Egypt, Tunisia and Libya. Although the Issuer has a presence in such other jurisdictions, the main market within which it competes is the Maltese market.

The Issuer is licensed by the MFSA:

- As a credit institution under the Banking Act (Cap. 371 of the Laws of Malta);
- To provide any investment service, to hold and control clients' money or customers' assets and to deal for their own account or underwrite and to act as trustees or custodians of collective investment schemes in terms of the Investment Services Act (Cap. 370 of the Laws of Malta).

The Issuer is also authorised to act as a trustee by the MFSA in terms of the Trusts and Trustees Act (Cap. 31 of the Laws of Malta) and is also a regulated tied insurance intermediary of Middlesea Valletta Life Assurance Company Limited and Middlesea Insurance p.l.c.

The Issuer is the parent of the Group which incorporates three Subsidiaries, namely, Valletta Fund Management Limited, BOV Investments Limited and Valletta Fund Services Limited. The Group also has two Associates, namely Middlesea Insurance p.l.c., and Middlesea Valletta Life Assurance Company Limited.

The Subsidiaries

Valletta Fund Management Limited ("VFM") is a joint venture between the Issuer and Insight Investment Management Limited, a member of the Lloyds Banking Group p.l.c., that provides management services for investment companies. VFM is licensed by the MFSA in terms of the Investment Services Act (Cap. 370 of the Laws of Malta), to provide any investment service, to hold or control clients' money or customers' assets but not to deal for own account or underwrite.



Valletta Fund Services Limited ("VFS") is a recognised fund administrator by the MFSA. VFS is a fully-owned subsidiary of the Issuer and was incorporated on the 27 September 2006 as a limited liability company.

BOV Investments Limited acts as an investment holding company.

The Associates

Middlesea Valletta Life Assurance Company Limited is a joint venture between Middlesea Insurance p.l.c. and the Issuer. It operates as a life assurance company and is licensed by the MFSA under the Insurance Business Act (Cap. 403 of the Laws of Malta).

Middlesea Insurance p.l.c. is licensed by the MFSA under the Insurance Business Act (Cap. 403 of the Laws of Malta) to carry on the business of insurance.

9. TREND INFORMATION AND FINANCIAL PERFORMANCE

9.1 Trend Information

The financial year of the Issuer which ended 30 September 2008 was a challenging year for the Issuer, particularly in the light of the extraordinary events that occurred in the international financial markets wherein the credit markets dried up, causing a liquidity squeeze, and credit spreads widened to unprecedented levels. The market turmoil continued throughout the six-month period through to 31 March 2009 (the interim reporting date of the Issuer) as global financial markets witnessed further ongoing nervousness and extreme volatility coupled with the onset of a prolonged global recession.

The massive de-leveraging that has taken place as a result of the market turmoil has, as expected, kept both bond and equity prices under pressure, as investors continued to re-assess risk and recalibrate return expectations. Across both Europe and the United States major banks that were hitherto pillars of the financial establishment have been either nationalised or obliged to seek very substantial financial assistance from governments by way of guarantees and/or additional capital.

In view of the above, during the first six months of this financial year, the Issuer's investment portfolio incurred a fair value charge which resulted from:

(i) hedge ineffectiveness on the Issuer's interest rate swaps. In this regard, the Issuer is confident that this ineffectiveness (much of which relates to holdings of Malta Government Stocks and other sovereign holdings) will reverse over the duration of the holding, and that the technical and unrealised fair value adjustment made under IAS 39 will be reversed, with the bond redeeming at par and the interest rate swap expiring at nil value,

and,

(ii) lower valuations due to the higher yields or spreads prevailing in the current market environment. In this regard, the Issuer's investment portfolio continues to be deployed across a wide spread of debt securities having moderate duration and issued by high quality, investment grade, sovereign, supranational, corporate and financial institutions. The Issuer expects that most, but not all, of the fair value markdowns of €84 million incurred in FY 2008 and the first half of FY 2009, will be clawed back over time, as the credit instruments involved are held through to redemption. The Issuer's strong liquidity position rules out the need to dispose of any assets before maturity. This view is reinforced by the experience since the beginning of the financial crisis to date. In addition, over this period, the vast majority of holdings have paid interest and have been redeemed at par on due date, with defaults experienced being limited to a very small number of holdings. Between July 2007 and March 2009, over €700 million of bonds (excluding Malta Government Stocks and Treasury Bills issued by the Government of Malta) have redeemed at par, whilst defaults on redemption or coupon payments have been limited to holdings with a nominal value of €23 million (including Lehman's).

In addition, co-ordinated measures taken by central banks have included radical reductions in interest rates, in an attempt to counter the sharp downturn in economic activity being experienced on a global basis. Between 1 October 2008 and 31 March 2009, the European Central Bank lowered its reference rate five times from 4.25% to 1.5%. Subsequently, between 2 April 2009 and 7 May 2009, the European Central Bank lowered its reference rate by a further 0.5% to a record low of 1%. This extraordinarily rapid rate of decline in interest rates had an adverse impact on the Issuer's profitability due to (i) the lag or delayed time effect on the re-pricing of term deposits, and (ii) a compression of the net interest rate margin. The Issuer expects a gradual improvement in the net interest margin as deposits re-price, and as the measures taken by the Issuer for the revision of certain select lending margins are implemented.

On the business and home loans sides, there has, to date, been no evidence of any significant deterioration in credit quality. The Issuer has, and will continue to ensure, that credit is available to both the corporate and personal sectors and, in effect, the Issuer witnessed very satisfactory increases in both sectors. The customer deposit base has also continued to grow at a satisfactory level.

For the period ended 31 March 2009, the Issuer absorbed its share of losses in relation to one of its associated companies, the Middlesea Group, which losses were caused, in the main, by unsatisfactory results arising from Progress Assicurazioni, the Middlesea Group's subsidiary company operating in Italy.

Overall, and as expected in the present international environment, the Issuer has experienced a particularly difficult start to FY 2009 characterised by extreme stress in the global financial markets. Whereas conditions have improved somewhat since early March, sentiment remains fragile, and any lasting recovery will inevitably be something of a gradual process, with setbacks occurring from time to time. A cautious expectation must be that the impact of the global recession will increasingly influence the local economy and this may be reflected in some deterioration in asset quality, something that the Issuer is monitoring with extreme vigilance.

Notwithstanding, the Issuer's conservative loan-to-deposit ratio and its liquidity and capital ratio policies, which are maintained at levels well in excess of prudential regulatory requirements, have enabled it to navigate through some of the toughest conditions experienced in the banking markets for many generations. At the same time the Issuer continues to provide credit and liquidity to the Maltese economy, and to its customers in the retail and business communities. The Issuer's conservative funding and liquidity policies effectively mean that the Issuer does not rely on the short-term interbank or commercial paper market for funding the loan book. Hence, the Issuer was and remains in a strong liquid position and at no time was it forced to dispose of any assets in its portfolio of holdings to meet its liabilities.

Inevitably, the adverse market conditions that financial markets are experiencing have had a subdued short-term impact on the profitability of the Issuer, but any stabilisation of conditions should be quickly reflected in improved results.

9.2 Financial Information for the Financial Years ended 30 September 2008, 30 September 2007 and 30 September 2006

The following information is extracted from the Group's Audited Financial Statements for the years ended 30 September 2008, 30 September 2007 and 30 September 2006.

SUMMARISED INCOME STATEMENTS

For the year ended 30 September

	2008 €000	2007 €000	2006 €000
Net interest income	126,127	129,541	114,389
Net fee and commission income	32,966	34,487	31,073
Dividend income	860	829	1,179
Trading (losses)/profits	(39,338)	4,798	16,154
Net (losses)/gain on investment securities and hedging instruments	(854)	(154)	184
Operating income	119,761	169,501	162,979
Staff costs	(47,288)	(45,027)	(43,420)
General administrative expenses	(24,128)	(21,915)	(22,327)
Depreciation and amortisation	(6,354)	(6,976)	(6,641)
Net impairment (losses)/gain	(3,093)	352	(10,741)
Operating profit	38,898	95,935	79,850
Share of profits of associate and jointly controlled entity	1,705	5,795	9,499
Profit before tax	40,603	101,730	89,349
Income tax expense	(13,821)	(33,195)	(28,337)
Profit for the year	26,782	68,535	61,012



SUMMARISED BALANCE SHEETS
As at 30 September

	2008 €000	2007 €000	2006 €000
Assets			
Investments & short-term funds	2,934,381	2,821,964	2,891,090
Loans and advances to customers	3,039,184	2,621,232	2,299,377
Other assets	257,603	243,977	227,770
Total Assets	6,231,168	5,687,173	5,418,237
Liabilities			
Debt securities in issue, subordinated liabilities & amounts owed to banks	1,071,375	832,316	1,015,193
Amounts owed to customers	4,625,384	4,303,736	3,898,694
Other liabilities	141,019	150,063	135,251
Total Liabilities	5,837,778	5,286,115	5,049,138
EQUITY			
Total Equity	393,390	401,058	369,099
Total Liabilities and Equity	6,231,168	5,687,173	5,418,237

9.3 Performance Review for the Financial Year ended 30 September 2008

- Profit before taxation amounted to €40.6 million, 60% below that registered the previous year due mainly to the severe credit turmoil that persisted throughout FY 2008;
- As a result of the turmoil, fair value markdowns of the Issuer's investment portfolio amounted to €41 million, of which €14 million arose in the last two weeks of the financial year with a further write-down of €12.7 million resulting from the failure of Lehman Brothers in mid-September 2008;
- The share of profit from associates and jointly controlled entities, at €1.7 million, was €4 million below that recognised for FY 2007 while lower commissions were earned from the asset management, bancassurance and stock-broking businesses. In addition, the adoption of the Euro in January 2008 resulted in a decrease in foreign exchange earnings estimated at €10 million;
- The Bank experienced a fall in net interest income arising mainly from greater competition both for deposits and for quality credits;
- Operating expenses increased by 5% over the prior year mainly due to a new collective agreement becoming effective as of 1 January 2008. In addition, the Euro adoption in January 2008 resulted in the Group incurring one-time changeover and transition costs of approximately €1 million;
- The loan book registered a continuing demand for home loans whilst selective increases to the business sector were made;
- Due to the sustained improvement in the quality of the loan book, impaired lending as a percentage of the total book decreased from 4.8% for FY 2007 to 4.0% for FY 2008;
- Customer deposits increased for FY 2008;
- Return on equity stood at 10.2%;
- Earnings per share amounted to €0.196;
- Capital adequacy ratio (statutory minimum 8%) stood at 11.5%;
- Liquidity ratio (statutory minimum 30%) stood at 56.3%;
- Loan-to-deposit ratio stood at 65.7%.

9.4 Financial Information for the Six Months ended 31 March 2009

On the 30 April 2009, the Group announced its unaudited interim financial results. The following information is extracted from the Group's Half Yearly Report for the six months ended 31 March 2009.

SUMMARISED INCOME STATEMENT

For the six months ended 31 March 2009

	€000
Net interest income	58,419
Dividend Income	313
Fees and commissions income	20,682
Fees and commissions expense	(2,732)
Profit on foreign exchange activities	6,617
Fair value movements on financial instruments	(31,812)
Net losses on investment securities and hedging instruments	(225)
Operating Income	51,262
Administrative Expenses	(35,766)
Depreciation and amortisation	(3,314)
Operating profit before impairment losses	12,182
Net impairment losses	(2,090)
Operating Profit	10,092
Share of results of associate and jointly controlled entity (after tax)	(3,765)
Profit before tax	6,327
Income tax expense	(3,668)
Profit for the period	2,659

SUMMARISED BALANCE SHEET

As at 31 March 2009

Assets

Investments & short-term funds	2,660,412
Loans and advances to customers	3,117,593
Other assets	235,620
Total Assets	6,013,625

Liabilities

Debt securities in issue, subordinated liabilities & amounts owed to banks	777,006
Amounts owed to customers	4,675,960
Other liabilities	167,541
Total Liabilities	5,620,507

EQUITY

Total Equity	393,118
Total Liabilities and Equity	6,013,625



10. DIRECTORS AND COMMITTEES

10.1 Board of Directors

The Board of Directors of the Issuer consists of a minimum of seven and a maximum of ten members. Such maximum number of members may be increased to eleven (11) solely in the circumstances indicated in Article 60.2.5 of the Articles of Association of the Issuer. The appointment of a director is contemplated by Articles 60.1.1 to 60.2.5 of the Articles of Association. The removal of directors is contemplated in Article 62.1 of the Articles of Association of the Issuer. In the case where a director is appointed pursuant to Article 60.2.5, the removal thereof may only be made by the Board of Directors of the Issuer.

The Board meets regularly to establish and review the policies and strategies of the Issuer and to monitor the implementation thereof and the overall performance of the Issuer.

As at the date of this Summary Note, the Board of Directors of the Issuer is composed of the following persons:

Roderick E.D. Chalmers - Chairman & Non-executive Director

Appointed Chairman of the Board in November 2004. Mr. Chalmers also currently chairs the Middlesea Valletta Life Assurance Company Limited, Valletta Fund Management Limited and Valletta Fund Services Limited boards, and is a member on the boards of Middlesea Insurance p.l.c., Gasan Group Limited, Alfred Gera & Sons Limited, Simonds Farsons Cisk p.l.c., and Global Sources Limited, a NASDAQ listed company. Between 1984 and 2000, Mr. Chalmers was a Partner and Managing Partner with Coopers & Lybrand, (later PricewaterhouseCoopers) Hong Kong; chairman of the firm's South East Asia Regional Executive and a member of the International Board of Directors. Upon the merger of Coopers & Lybrand and Price Waterhouse in 1998, he was appointed chairman, Asia-Pacific, for PricewaterhouseCoopers, until his retirement in 2000. He was also a member of the PwC Global Management Board. Mr. Chalmers served as non-executive director of the Hong Kong Securities and Futures Commission and was also a member of the Takeovers and Mergers Panel. He was appointed by the Financial Secretary of Hong Kong to sit on the Banking Advisory Committee.

Joseph Borg - Non-executive Director

Appointed to the Board in December 1998. Mr. Borg is currently the Managing Director of FXB Group of Companies, a position he has held since June 1986. He was formerly a director of the Malta Development Corporation; secretary and then chairman of the Gozo Committee of the Malta Federation of Industries. He has served on the council of the Malta Federation of Industries and was formerly a member of the council and secretary of the Gozo Business Chamber. He served as chairman of Gozo Channel Company Limited for three years up to July 2008. He is currently also a director of the Oasi Foundation (Foundation for Drug Rehabilitation) and has held this position since its inception.

Joseph Brincat - Non-executive Director

Appointed to the Board in December 2008. Mr. Brincat joined the Bank in 1974. He held a number of key senior executive positions, the most recent being that of Executive Head Business Lending. In 1999 he was elected as a member of the Malta Institute of Management and is presently one of the members of the Board of Trustees of the BOV Employees Foundation which position he has held since 2001. Between the years 2002 and 2003 he had already served as a director of the Bank.

Roberto Cassata - Non-executive Director

Appointed to the Board in September 2003. Mr. Cassata is an Auditor and Accountant by profession and also studied Economics at the Palermo State University. He is Chief Financial Officer at Banco di Sicilia, and is presently chairman of the Board of Auditors of SE.TE.SI. S.p.A. - Palermo. Throughout his career, Mr. Cassata worked extensively with PricewaterhouseCoopers where he was responsible for the Sicilian Operational Department and was also senior manager for the Banking Sector in Southern Italy.

Gordon Cordina - Non-executive Director

Appointed to the Board in December 2008. Dr. Cordina is an economist, who heads the Economics Department of the University of Malta. During the period from August 2006 to January 2007, Dr. Cordina was the Director General of the National Statistics Office. He is a director of E-Cubed Consultants Limited, a position he has held since March 2007.

George Portanier - Non-executive Director

Appointed to the Board in May 1992. Mr. Portanier was formerly a member on the board of directors of Portanier Brothers Limited and served as a committee member of the Local Manufacturers Committee of the Federation of Industries, as well as council member of the Federation of Industries. Business interests include real estate development.

Norman Rossignaud - Non-executive Director

Appointed to the Board in December 1990. Mr. Rossignaud is a retired Bank Executive. In 2006 Mr. Rossignaud was appointed as Malta's non-resident Ambassador to the Republic of Serbia. He served as a director of Bank of Valletta International Limited, a former subsidiary of the Issuer and was also a director of Telemalta Corporation and of Malta Export Credit Insurance Company Limited. He was a founder member and for fourteen years president of the Malta Union of Bank Employees. He was also a Vice President of the Confederation of Malta Trade Unions.

Paul Testaferrata Moroni Viani - Non-executive Director

Appointed to the Board in December 2007. Mr. Testaferrata Moroni Viani is a director of companies owned by Mercury p.l.c. namely Moroni Investments Limited, Circles Limited, Euro Appliance Company Limited, Macapps Limited, Spinola Hotels Limited, St. George's Park Company Limited, Reliant Limited, and Cambridge Place Limited. He is a land owner and is involved in tourism, investment services and responsible for market and sales research, contracting, administration, property construction and development, managing operations, strategic planning and new business development. He is currently also a director of GO p.l.c., and Vltava Fund SICAV p.l.c.

George Wells - Non-executive Director

Appointed to the Board in December 2005. Mr. Wells is a Chartered Management Accountant and currently a member of the Bank's Asset and Liability Management Committee (ALCO). Mr. Wells was a non-executive deputy chairman and a council member of the Malta Stock Exchange. Since 1974, he has been a director of Stainless Steel Products Limited, a subsidiary company of Jacuzzi Group of companies of the U.S.A. He was a director of U.K. company Pland Stainless Limited and SSP Holdings Limited, both formerly within the Spring Ram Group of Companies and a director of Stainless Steel Products (Ireland) Limited, a former subsidiary company of Lonrho p.l.c. (currently named Lonmin p.l.c.).

10.1.1 Board Committees

The Board of Directors has established the following Committees:-

Audit Committee

The Audit Committee's terms of reference are modelled on the Principles laid out in the Listing Rules, and is responsible primarily to monitor the financial reporting process, the effectiveness of the Bank's internal controls, internal audit and the audit of the annual and consolidated accounts. The Committee is also responsible for managing the Board's relationships with internal and external auditors.

Remuneration Committee

The Remuneration Committee is responsible for the development and implementation of the remuneration and related policies of the Group, and for ensuring compliance with the relevant provisions and regulations of good corporate governance on remuneration and related matters.

Risk Management and Compliance Committee

The Risk Management and Compliance Committee assists the Board in assessing the different types of risk to which the organisation is exposed. This Committee is responsible for the proper implementation and review of the Group's risk policies, related mainly, but not restricted to, credit, market and operational risks. It reports to the Board on the adequacy, or otherwise, of such policies. The Committee is also responsible to review delegated limits, to oversee the Group's monitoring and reporting systems, to ensure regular and appropriate monitoring and reporting on the Group's risk positions. The Committee also monitors and investigates the procedures, practices and activities of the Group and of any person employed with or acting for or on behalf of the Group for the purpose of ensuring that the compliance obligations of the Group are being discharged according to law and that the internal rules, procedures and guidelines are complied with.

10.1.2 Management Committees

The Board of Directors has established the following management committees: -



Executive Committee

The Executive Committee is responsible for the day-to-day management of the Bank's business, the development and implementation of approved strategy, policies, operational plans and budgets as well as the monitoring of operational and financial performance, assessment and control of risk, the prioritisation and allocation of resources and the monitoring of competitive forces in all areas of operation.

As at the date of this Summary Note the Executive Committee of the Issuer is composed of the following:

Tonio Depasquale	<i>Chief Executive Officer</i>
Charles Borg	<i>Chief Officer Financial Markets & Investments</i>
Michael Borg Costanzi	<i>Chief Officer Legal and Compliance</i>
Victor Denaro	<i>Chief Officer Information Technology</i>
Kenneth Farrugia	<i>Chief Officer Valletta Fund Services Limited</i>
Elvia George	<i>Chief Officer Finance</i>
Mario Mallia	<i>Chief Officer Risk Management</i>
Peter Perotti	<i>Chief Officer Valletta Fund Management Limited</i>
John Soler	<i>Chief Officer Credit</i>
Igino Xuereb	<i>Chief Officer Operations</i>

The Executive Committee of the Issuer also encompasses a Credit Committee and an Asset and Liability Management Committee, with specific and distinct responsibilities and reporting lines.

Credit Committee

The Credit Committee is composed of representatives from the risk and credit functions of the Issuer and it operates within a Board approved credit-sanctioning limit. Proposals falling outside this limit are referred, with the Committee's recommendations, to the Board for consideration and determination. To operate, the Committee needs to be fully constituted, therefore each member has an approved specific alternate.

Asset and Liability Management Committee

The Asset and Liability Management Committee ("ALCO") is responsible for managing the Group's Balance Sheet so as to achieve an optimal balance between risk and return. This Committee reviews balance sheet risks and ensures their prudent management. It takes an integrated view of asset and liability cash flows, their uncertainties, and the management of such integrated exposures at a consolidated level so as to enable it to give strategic direction to the business. Consideration is given, *inter alia*, to solvency, liquidity and interest rate risks. ALCO also monitors the credit profile of the Issuer's Balance Sheet, and sets strategic direction in respect of credit risk, hedging strategies and hedge effectiveness as well as asset mix, liabilities and balance sheet growth.

10.1.3 Conflicts of Interest

The Issuer is not aware of any potential conflicts of interest between any duties to the Bank of the Directors and the persons on the Executive Committee and their private interests and/or other duties.

11. MAJOR SHAREHOLDERS

The following persons hold 5% or more of the share capital of the Issuer as at the date of this Summary Note:

Government of Malta	25.23%
UniCredit S.p.A.	14.55%

12. FINANCIAL INFORMATION

12.1 Historical Financial Information

Full historical financial information for the three financial years ended 30 September 2008, 30 September 2007 and 30 September 2006 are set out in the financial statements of the Group as audited by Deloitte & Touche. The latest audited financial information available in respect of the Group relates to the financial year ended on 30 September 2008 and was approved for issuance by the Board of Directors on 31 October 2008.

The Unaudited Half-Yearly Report of the Group for the six months ended 31 March 2009 is also available for public inspection.

12.2 Significant Change in the Issuer's Financial or Trading Position

There has been no significant change in the financial or trading position of the Issuer or the Group which has occurred since 31 March 2009, being the date of the last published unaudited interim financial information.

13. DETAILS OF THE OFFER

13.1 Admission to Trading

Application has been made to the Listing Authority for the admission of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and to be traded on its Official List.

13.2 Distribution

During the Issue Period, Applications for subscription to the Bonds may be made through any branch of the Issuer, the Sponsor and any of the other Authorised Financial Intermediaries listed in Annex I of this Prospectus. The Bonds are open for subscription to all categories of investors.

14. PLACING ARRANGEMENTS AND PUBLIC OFFER

The Bonds shall be available for subscription in two tranches: -

- a) By Authorised Financial Intermediaries for the account of their clients and/or Preferred Applicants during the Pre-Placement Period pursuant to, *inter alia*, the provisions of Section 14.1 of this Summary Note;
- b) By the general public through Authorised Financial Intermediaries pursuant to, *inter alia*, the provisions of Section 14.2 of this Summary Note;

14.1 Pre-Placement Period

The Issuer intends to enter into conditional subscription agreements (the “**Subscription Agreements**”) with Authorised Financial Intermediaries prior to the commencement of the Issue Period up to an amount not exceeding sixty per cent (60%) of the maximum combined aggregate amount of Bonds being issued (including the Over-Allotment Option), that is, €30,000,000, the (“**Placed Portion**”) with respect to the subscription of Bonds by Preferred Applicants and other persons.

Upon completion and submission of the Subscription Agreements, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will bind itself to subscribe to, a number of Bonds, subject to the Bonds being admitted to the Official List of the Malta Stock Exchange. Each Subscription Agreement will become binding on both the Issuer and the Authorised Financial Intermediaries upon delivery, subject to the Issuer having received all subscription proceeds in cleared funds on delivery of the Subscription Agreement.

Authorised Financial Intermediaries may submit the completed Subscription Agreements together with subscription proceeds in cleared funds on Thursday, 04 June 2009 (the “**Pre-Placement Period**”).



The term “**Preferred Applicants**” refers to any of the following individuals/persons, as the case may be: -

- 14.1.1** Individuals who are engaged, as at the Cut-Off Date, either on an indefinite or definite contract with the Issuer or with any of its Subsidiaries, “**Employees**”;
- 14.1.2** Individuals who hold the office of directorship, as at the Cut-Off Date, on any of the boards of the Issuer or any of its Subsidiaries, “**Directors**”;
- 14.1.3** Persons, whether natural or legal, who appear on the register of members of the Issuer maintained by the CSD at the Malta Stock Exchange as at the Cut-Off Date, “**Shareholders**”.

The term “**Cut-Off Date**” shall mean close of business of the 13 May 2009.

The Placed Portion available to Authorised Financial Intermediaries for the benefit of Preferred Applicants and other investors shall be subject to the following limits: -

- (i) Preferred Applicants shall be entitled to subscribe up to a maximum combined aggregate amount of fifteen million euro (€15,000,000) in value of Bonds; and
- (ii) Other investors shall be entitled to a maximum combined aggregate amount of fifteen million euro (€15,000,000) in value of Bonds.

Provided that any amount not taken up by Preferred Applicants under (i) above shall be available for subscription by the Authorised Financial Intermediaries for the benefit of other investors under (ii) above.

In the event of an over-subscription of applications submitted by Authorised Financial Intermediaries for the benefit of Preferred Applicants under (i) above, the Issuer shall scale down the applications and such unsatisfied applications or part thereof shall automatically participate during the Issue Period *pari passu* with other Applicants.

In the event of an over-subscription of applications submitted by Authorised Financial Intermediaries for the benefit of other investors under (ii) above, the Issuer:

- (a) shall scale down such applications and the subscription monies of any unsatisfied applications or part thereof shall be refunded;
- (b) may, at its sole discretion, accept applications for a lesser amount than the applicable minimum investment amount.

The Preferred Applicants: -

- (a) described in 14.1.1 of this Summary Note must complete the Application Form and submit same directly with the Issuer;
 - (b) described in 14.1.2 of this Summary Note must complete the Application Form and submit same through the services of an Authorised Financial Intermediary;
 - (c) described in 14.1.3 of this Summary Note shall receive a pre-printed application form by mail from the Issuer and shall submit same through the services of an Authorised Financial Intermediary;
- during the Pre-Placement Period. Each application submitted by a Preferred Applicant shall be accompanied by the subscription proceeds in cleared funds on the day of submission of the relevant application.

The minimum investment amount relevant to Preferred Applicants during the Pre-Placement Period shall be €2,500 and an application for a lesser amount shall not be eligible for the Placed Portion and shall be disregarded.

The minimum investment amount relevant to other investors during the Pre-Placement Period shall be €10,000 and an application for a lesser amount shall not be eligible for the Placed Portion and shall be disregarded.

Preferred Applicants and other investors are also at liberty to apply for Bonds during the Issue Period, at which stage, no preference shall be provided to their application. Hence, multiple applications are allowed.

14.2 Public Offer

The Bonds shall be offered to the general public during the Issue Period.

15. MARKETS

Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List. The conditions contained in this Prospectus shall be read in conjunction with the Bye-Laws of the Malta Stock Exchange applicable from time to time.

16. ESTIMATED EXPENSES OF THE BOND ISSUE

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, a 0.75% selling commission, and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €550,000. Accordingly, the net amount of proceeds from the Bond Issue are estimated to be in the region of €34,450,000 and, in the case of the exercise of the Over-Allotment Option, to be in the region of €49,450,000.

The overall amount of the placing commission payable to Authorised Financial Intermediaries entering into conditional subscription agreements in terms of section 14.1 of this Summary Note will not exceed €225,000.

17. DOCUMENTS ON DISPLAY

The following documents (or copies thereof), may be inspected at the registered office of the Issuer at 58, Zachary Street, Valletta VLT 1130, Malta for the life of the Prospectus:

- The Memorandum and Articles of Association of the Issuer;
- The Audited Financial Statements of the Group for each of the financial years ended 30 September 2008, 30 September 2007 and 30 September 2006;
- The Audited Financial Statements of each of the Subsidiaries for each of the financial years ended 30 September 2008 and 30 September 2007;
- The Unaudited Half-Yearly Report of the Group for the six months ended 31 March 2009.

The Group's Audited Financial Statements and the Unaudited Half-Yearly Report may also be inspected on the Issuer's website: www.bov.com



REGISTRATION DOCUMENT

This document is a Registration Document issued in accordance with the provisions of Listing Rule 6.4.2 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements. This Registration Document contains information about **Bank of Valletta p.l.c.** This Registration Document should be read in conjunction with the most updated Securities Note issued from time to time containing information about the securities to which it relates.

Dated 20 May 2009

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1. DEFINITIONS

Act	the Companies Act (Cap. 386 of the Laws of Malta);
Advisors	the advisors to the Issuer whose names and addresses are set out under the heading “Advisors to the Issuer” in Section 5 of this Registration Document;
Associate and jointly controlled entity or Associates	each of Middlesea Insurance p.l.c. and Middlesea Valletta Life Assurance Company Limited;
CSD	the Central Securities Depository of the Malta Stock Exchange;
Directors or Board	the directors of the Issuer whose names and addresses are set out under the heading “Board of Directors and Company Secretary” in section 10.1 of this Registration Document;
Euro or €	the lawful currency of the Republic of Malta;
Group	the Issuer and its Subsidiaries;
Issuer or Bank	Bank of Valletta p.l.c., a public limited liability company registered in Malta with company number C2833 having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta);
Listing Rules	the listing rules of the Listing Authority;
Malta Stock Exchange or MSE	the Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C42525;
Manager and Registrar	Bank of Valletta p.l.c.;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
MFSA	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
Prospectus	collectively, the Registration Document, the Securities Note and the Summary Note;
Registration Document	this registration document issued by the Issuer and dated 20 May 2009, forming part of the Prospectus;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements;
Securities Note	the securities note issued by the Issuer dated 20 May 2009, forming part of the Prospectus;
Subsidiaries	each of Valletta Fund Management Limited (C18603), BOV Investments Limited (C38876), Valletta Fund Services Limited (C39623);
Summary Note	the summary note issued by the Issuer dated 20 May 2009, forming part of the Prospectus.

2. RISK FACTORS

2.1 General

AN INVESTMENT IN THE ISSUER INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS, TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME.

THE RISKS AND UNCERTAINTIES DESCRIBED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF OR DO NOT DEEM MATERIAL, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER. ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

2.2 Forward-Looking Statements

This Registration Document contains “forward-looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that the future results or expectations will be achieved.

2.3 Risks Relating to the Issuer

The Group is engaged in the business of banking and financial services. Exposure to credit risk, liquidity risk, interest rate risk, foreign currency risk and operational risk arises in the normal course of business.

- Credit risk is the current or prospective risk arising from an obligor's failure to meet a commitment that it has entered into and agreed with the Issuer. Credit risk arises primarily from the Issuer's lending activities, but also from guarantees and securities held by the Issuer. Credit risk includes but is not limited to default risk, counterparty risk, cross border (or transfer) risk and credit concentration risk. The purpose of credit risk management is to keep credit risk exposure to a permissible level relative to capital, to maintain the soundness of assets, and to ensure returns commensurate with risk. Credit risk is managed and controlled by the Issuer on the basis of established credit processes and within a framework of credit policy and delegated authorities based on responsibility, skills and experience. These include the application of:
 - high-level credit policies designed to ensure a balanced and managed approach to the identification and mitigation of credit risk;
 - lending guidelines defining the responsibilities of lending officers that seek to provide a disciplined and focused benchmark for credit decisions;
 - limits on investment, settlement and contingent liability exposures by country and counterparty;
 - independent reviews (“hindsight reviews”) of credit exposures;
 - scoring systems which make use of quantitative modelling based on historical data to identify key predictive figures;
 - sector caps, encompassing both industry and specific product types, to communicate the Board's risk appetite for specific types of business;



- large exposures and provisioning policies in accordance with regulatory reporting requirements;
 - communication and provision of general guidance on all credit-related risk issues, including regulatory changes to promote consistent and best practice throughout the Group.
- Liquidity risk is the risk that the Issuer will encounter difficulty in raising funds to meet financial commitments. Liquidity risk may result from an inability to realise a financial asset quickly at close to its fair value. The Issuer is exposed to daily calls on its available cash resources from overnight deposits, current and call deposits, maturing term deposits, loan drawdowns, guarantees and from margin calls. Liquidity risk is managed by the matching and controlled mismatching of the maturities of assets and liabilities.
 - Interest rate risk arises from the mismatch between interest rate sensitive assets and liabilities. This risk is managed by the Issuer through the matching of repricing maturities of assets and liabilities, and by the use of interest rate swaps to reduce interest rate risk exposure on mismatches.
 - Foreign currency risk arises on monetary assets and monetary liabilities of the Issuer that are not denominated in Euro. Exposure arises as a result of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in total, which are monitored daily.
 - Operational risk covers the losses arising from inadequate or failed internal processes and systems, the inability to retain key personnel, employee misconduct and unforeseen external events. The Issuer also takes into consideration reputational risk. The Issuer ensures that all processes, especially those which have been identified as critical, are protected by business continuity plans in the event of a business disruption or failure.

Such operational risks include incurring direct or indirect loss due to inadequate or inoperative internal control processes, staff errors, and/or illegal actions, IT system failures or external factors.

- The Group's and the Associates' overall performance and results may also be adversely affected by external factors beyond the Issuer's control. These include changes in economic conditions, business cycles, volatility in financial markets and increased competitive pressure in the financial services sector. In particular, the current international financial turmoil has dramatically increased volatility in equity and bond prices and, together with further frequent fluctuations in interest rates and exchange rates, may reduce the demand for products promoted and distributed by the Group and its Associates.

Negative changes in overall local and international economic conditions, inflation, consumer and business spending, recession, unemployment, limited credit availability and such other factors which are beyond the Issuer's control, may also negatively affect the performance of the Group and its Associates, the value of the Issuer's investment portfolio and the market value of securities issued by the Issuer.

3. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION ON BANK OF VALLETTA P.L.C. (THE "**ISSUER**") IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFER OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

THE SECURITIES DESCRIBED IN THE SECURITIES NOTE HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION "S" OF THE SAID ACT). FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY SECURITIES ISSUED BY THE ISSUER.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING "ADVISORS TO THE ISSUER" UNDER SECTION 5 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURITIES DESCRIBED IN THE SECURITIES NOTE.



4. PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer. All of the Directors, whose names appear under the heading 'Board of Directors and Company Secretary' in Section 10.1 of this Registration Document, accept responsibility for the information contained herein.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

5. ADVISORS TO THE ISSUER

Legal Advisors

Camilleri Preziosi
Level 3, Valletta Buildings
South Street
Valletta VLT 1103
Malta

Manager & Registrar

Bank of Valletta p.l.c.
58, Zachary Street
Valletta VLT 1130
Malta

Sponsor

Rizzo Farrugia & Co. (Stockbrokers) Limited
Airways House, Third Floor
High Street
Sliema SLM 1549
Malta

6. STATUTORY AUDITORS

The annual statutory financial statements of the Issuer for the financial years ended 30 September 2008, 30 September 2007 and 30 September 2006 have been audited by Deloitte & Touche, Certified Public Accountants of Deloitte Place, Mriehel Bypass, Mriehel BKR 3000, Malta. Deloitte & Touche is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta).

7. HISTORY AND DEVELOPMENT OF THE ISSUER

The Issuer was registered in Malta for an indefinite duration on the 21 March 1974 under the name Bank of Valletta Limited, a private limited company, with registration number C2833. The Issuer was incorporated on the 21 March 1974 under the Commercial Partnerships Ordinance (Cap.168 of the Laws of Malta), the latter legislation being subsequently repealed and replaced by the Companies Act (Cap. 386 of the Laws of Malta). With effect from the 31 December 1997, Bank of Valletta Limited changed its status to a public limited liability company to comply with the provisions of the Act as result of which the Issuer changed its name from Bank of Valletta Limited to Bank of Valletta p.l.c. The ordinary shares of the Issuer were listed on the Malta Stock Exchange on the 26 August 1992.

Additional information about the Issuer:

Full Legal & Commercial Name of Issuer:	Bank of Valletta p.l.c.
Registered Address:	58, Zachary Street, Valletta VLT 1130
Place of Registration and Domicile:	Malta
Telephone Number:	(00356) 2131 2020
Fax:	(00356) 2275 3730
Email:	customercare@bov.com
Website:	www.bov.com

The Issuer is currently rated by two international rating agencies, namely Fitch Ratings ("Fitch") and Moody's Investors Service ("Moody's"). The Issuer has been assigned the following investment grade ratings: an 'A-' by Fitch and a 'Baa1' by Moody's.

Obligations within the 'A' rating category by Fitch are considered as being in the high credit quality category. Such ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

Obligations within the 'Baa' rating category by Moody's are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

7.1 Increase in Nominal Value of Share Capital and Bonus Issue

Following approval by the shareholders of the Issuer during the annual general meeting held on the 17 December 2008, with effect from 15 January 2009:

- (i) The Bank increased the nominal value of the authorised and issued shares from €0.75 per share to €1.00 per share. This increase was funded by a capitalisation of reserves which amounted to €33.33 million resulting in the value of the issued and paid-up capital to increase from €100 million to €133.33 million.
- (ii) A bonus issue of 1 share for every 5 shares held was made by the Bank. This bonus issue was funded by a capitalisation of reserves which amounted to €26.67 million.

Collectively, these corporate actions increased the permanent paid-up capital of the Bank to €160 million and the number of issued shares to 160 million. The authorised share capital of the Bank is 200 million ordinary shares of a nominal value of €1.00 each.

7.2 Share Buyback

Following the necessary shareholder approvals granted during the Issuer's annual general meeting held on the 19 December 2007 and the subsequent renewal of authorisation granted by shareholders during the Issuer's annual general meeting of the 17 December 2008, the Directors were authorised to re-purchase and acquire from any shareholder(s) up to 10% of the issued and paid-up share capital of the Issuer being a maximum number of 16 million shares, at a price ranging from a minimum of €1.67 per share and a maximum of €4.00 per share. Following the renewal of the share buyback authorisation, such authority has been extended to 19 December 2010.

8. Business Overview

8.1 Principal Activities and Market

Pursuant to various licences held, the Issuer provides a wide range of banking and other financial services. The objects of the Issuer essentially comprise the carrying on of the business of banking in all aspects including, without limitation, the transacting of all financial, monetary, investment and other business usually carried on by credit institutions.

The Principal Activities of the Issuer comprise the following:

- The receipt and acceptance of customers' monies for deposit in current, savings and term accounts which may be denominated in euro and other major currencies;
- The provision of advances by way of (i) short-term and longer-term loans, and, (ii) overdrafts to a wide array of customers, ranging from the private individual, businesses and industries.

The Issuer also provides a number of other services amongst which are:

- Trade finance services to exporters, importers and traders including the provision of loans and overdrafts, documentary collections and negotiation of bills of exchange, bank guarantees, foreign exchange related services, local and cross-border payments;
- Stockbroking, advisory and discretionary portfolio management services;
- Bancassurance and wealth management services;
- Investment banking, including underwriting, manager and registrar services for capital market transactions in the domestic market;



- Trustee and custody services;
- Other services, including 24 hour internet banking service, issue of major credit cards, night safe facilities, automated teller machines, foreign exchange transactions, outward and inward payment transfers.

The Issuer has a well-developed worldwide network of correspondent banks that provide it with the necessary backbone to service its customers in international banking and trade transactions. The Issuer has a number of representative offices in other countries, namely, Australia, Canada, Italy, Egypt, Tunisia and Libya. Although the Issuer has a presence in such other jurisdictions, the main market within which it competes is the Maltese market.

The Issuer is licensed by the MFSA:

- As a credit institution under the Banking Act (Cap. 371 of the Laws of Malta);
- To provide any investment service, to hold and control clients' money or customer assets and to deal for their own account or underwrite and to act as trustees or custodians of collective investment schemes in terms of the Investment Services Act (Cap. 370 of the Laws of Malta);

The Issuer is also authorised to act as a trustee by the MFSA in terms of the Trusts and Trustees Act (Cap. 331 of the Laws of Malta) and is also a regulated tied insurance intermediary of Middlesea Valletta Life Assurance Company Limited and Middlesea Insurance p.l.c.

The Issuer is the parent of the Group and incorporates three Subsidiaries, namely, Valletta Fund Management Limited, BOV Investments Limited and Valletta Fund Services Limited. The Group also has two Associates, namely Middlesea Insurance p.l.c., and Middlesea Valletta Life Assurance Company Limited.

The Subsidiaries

Valletta Fund Management Limited ("VFM") is a joint venture between the Issuer and Insight Investment Management Limited, a member of the Lloyds Banking Group p.l.c., that provides management services for investment companies. VFM is licensed to provide any investment service, to hold or control clients' money or customers' assets (but not to deal for own account or underwrite) in terms of the Investment Services Act (Cap. 370 of the Laws of Malta).

Valletta Fund Services Limited ("VFS") is a recognised fund administrator by the MFSA. VFS is a fully-owned subsidiary of the Issuer and was incorporated on the 27 September 2006 as a limited liability company.

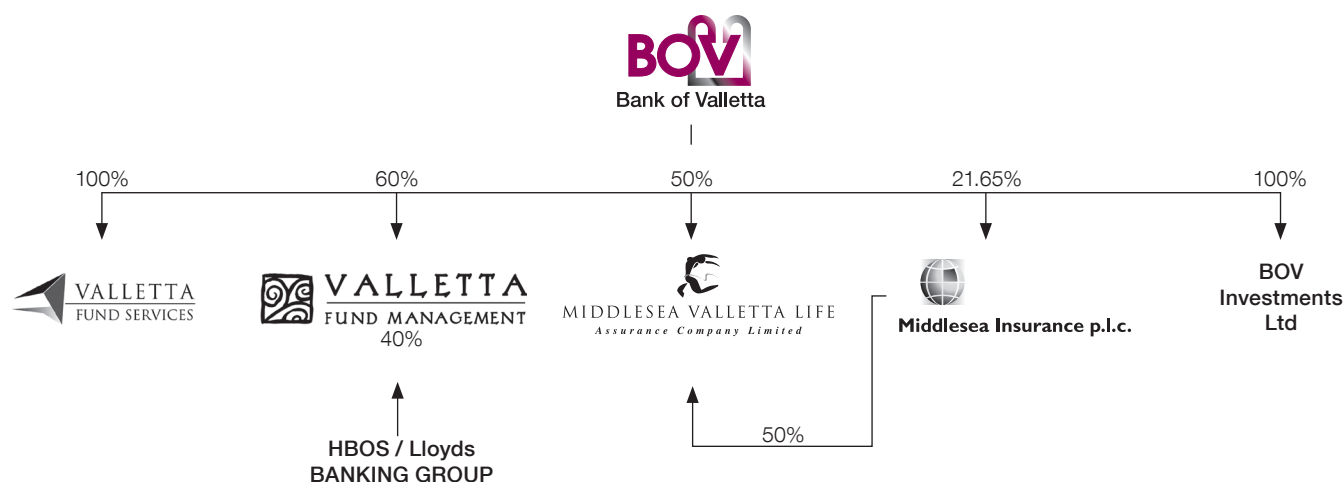
BOV Investments Limited acts as an investment holding company.

The Associates

Middlesea Valletta Life Assurance Company Limited is a joint venture between Middlesea Insurance p.l.c. and the Issuer. It operates as a life assurance company and is licensed by the MFSA under the Insurance Business Act (Cap. 403 of the Laws of Malta).

Middlesea Insurance p.l.c. is licensed by the MFSA under the Insurance Business Act (Cap. 403 of the Laws of Malta) to carry on the business of insurance.

The following is an organisational chart of the Issuer, the Subsidiaries and the Associates and includes the percentage of the Issuer's shareholding in each of such Subsidiaries and Associates.



9. Trend Information and Financial Performance

9.1 Trend Information

The financial year of the Issuer which ended 30 September 2008 was a challenging year for the Issuer, particularly in the light of the extraordinary events that occurred in the international financial markets wherein the credit markets dried up, causing a liquidity squeeze, and credit spreads widened to unprecedented levels. The market turmoil continued throughout the six-month period through to 31 March 2009 (the interim reporting date of the Issuer) as global financial markets witnessed further ongoing nervousness and extreme volatility coupled with the onset of a prolonged global recession.

The massive de-leveraging that has taken place as a result of the market turmoil has, as expected, kept both bond and equity prices under pressure, as investors continued to re-assess risk and recalibrate return expectations. Across both Europe and the United States major banks that were hitherto pillars of the financial establishment have been either nationalised or obliged to seek very substantial financial assistance from governments by way of guarantees and/or additional capital.

In view of the above, during the first six months of this financial year, the Issuer's investment portfolio incurred a fair value charge which resulted from:

(i) hedge ineffectiveness on the Issuer's interest rate swaps. In this regard, the Issuer is confident that this ineffectiveness (much of which relates to holdings of Malta Government Stocks and other sovereign holdings) will reverse over the duration of the holding, and that the technical and unrealised fair value adjustment made under IAS 39 will be reversed, with the bond redeeming at par and the interest rate swap expiring at nil value,

and,

(ii) lower valuations due to the higher yields or spreads prevailing in the current market environment. In this regard, the Issuer's investment portfolio continues to be deployed across a wide spread of debt securities having moderate duration and issued by high quality, investment grade, sovereign, supranational, corporate and financial institutions. The Issuer expects that most, but not all, of the fair value markdowns of €84 million incurred in FY 2008 and the first half of FY 2009, will be clawed back over time, as the credit instruments involved are held through to redemption. The Issuer's strong liquidity position rules out the need to dispose of any assets before maturity. This view is reinforced by the experience since the beginning of the financial crisis to date. In addition, over this period, the vast majority of holdings have paid interest and have been redeemed at par on due date, with defaults experienced being limited to a very small number of holdings. Between July 2007 and March 2009, over €700 million of bonds (excluding Malta Government Stocks and Treasury Bills issued by the Government of Malta) have redeemed at par, whilst defaults on redemption or coupon payments have been limited to holdings with a nominal value of €23 million (including Lehmans).

In addition, co-ordinated measures taken by central banks have included radical reductions in interest rates, in an attempt to counter the sharp downturn in economic activity being experienced on a global basis. Between 1 October 2008 and 31 March 2009, the European Central Bank lowered its reference rate five times from 4.25% to 1.5%. Subsequently, between 2 April 2009 and 7 May 2009, the European Central Bank lowered its reference rate by a further 0.5% to a record low of 1%. This extraordinary rapid rate of decline in interest rates had an adverse impact on the Issuer's profitability due to (i) the lag or delayed time effect on the re-pricing of term deposits, and, (ii) a compression of the net interest rate margin. The Issuer expects a gradual improvement in the net interest margin as deposits re-price, and as the measures taken by the Issuer for the revision of certain select lending margins are implemented.

On the business and home loans sides, there has, to date, been no evidence of any significant deterioration in credit quality. The Issuer has, and will continue to ensure, that credit is available to both the corporate and personal sectors and, in effect, the Issuer witnessed very satisfactory increases in both sectors. The customer deposit base has continued to grow at a satisfactory level.

For the period ended 31 March 2009, the Issuer absorbed its share of losses in relation to one of its associated companies, the Middlesea Group, which losses were caused, in the main, by unsatisfactory results arising from Progress Assicurazioni, the Middlesea Group's subsidiary company operating in Italy.

Overall, and as expected in the present international environment, the Issuer has experienced a particularly difficult start to FY 2009 characterised by extreme stress in the global financial markets. Whereas conditions have improved



somewhat since early March, sentiment remains fragile, and any lasting recovery will inevitably be something of a gradual process, with setbacks occurring from time to time. A cautious expectation must be that the impact of the global recession will increasingly influence the local economy and this may be reflected in some deterioration in asset quality, something that the Issuer is monitoring with extreme vigilance.

Notwithstanding, the Issuer's conservative loan-to-deposit ratio and its liquidity and capital ratio policies, which are maintained at levels well in excess of prudential regulatory requirements, have enabled it to navigate through some of the toughest conditions experienced in the banking markets for many generations. At the same time, the Issuer continues to provide credit and liquidity to the Maltese economy, and to its customers in the retail and business communities. The Issuer's conservative funding and liquidity policies effectively mean that the Issuer does not rely on the short-term interbank or commercial paper market for funding the loan book. Hence, the Issuer was and remains in a strong liquid position and at no time was it forced to dispose of any assets in its portfolio of holdings to meet its liabilities.

Inevitably, the adverse market conditions that financial markets are experiencing have had a subdued short-term impact on the profitability of the Issuer, but any stabilisation of conditions should be quickly reflected in improved results.

9.2 Financial Information for the Financial Years ended 30 September 2008, 30 September 2007 and 30 September 2006

The following information is extracted from the Group's Audited Financial Statements for the years ended 30 September 2008, 30 September 2007 and 30 September 2006.

SUMMARISED INCOME STATEMENTS

For the year ended 30 September

	2008 €000	2007 €000	2006 €000
Net interest income	126,127	129,541	114,389
Net fee and commission income	32,966	34,487	31,073
Dividend Income	860	829	1,179
Trading (losses)/profits	(39,338)	4,798	16,154
Net (losses)/gain on investment securities and hedging instruments	(854)	(154)	184
Operating Income	119,761	169,501	162,979
Staff costs	(47,288)	(45,027)	(43,420)
General administrative expenses	(24,128)	(21,915)	(22,327)
Depreciation and amortisation	(6,354)	(6,976)	(6,641)
Net impairment (losses)/gain	(3,093)	352	(10,741)
Operating Profit	38,898	95,935	79,850
Share of profits of associate and jointly controlled entity	1,705	5,795	9,499
Profit before tax	40,603	101,730	89,349
Income tax expense	(13,821)	(33,195)	(28,337)
Profit for the year	26,782	68,535	61,012

SUMMARISED BALANCE SHEETS

As at 30 September

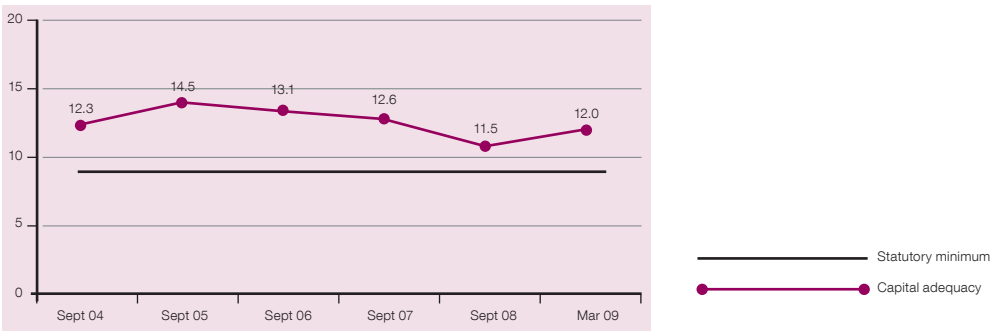
	2008 €000	2007 €000	2006 €000
Assets			
Investments & short-term funds	2,934,381	2,821,964	2,891,090
Loans and advances to customers	3,039,184	2,621,232	2,299,377
Other assets	257,603	243,977	227,770
Total Assets	6,231,168	5,687,173	5,418,237
Liabilities			
Debt securities in issue, subordinated liabilities & amounts owed to banks	1,071,375	832,316	1,015,193
Amounts owed to customers	4,625,384	4,303,736	3,898,694
Other liabilities	141,019	150,063	135,251
Total Liabilities	5,837,778	5,286,115	5,049,138
EQUITY			
Total Equity	393,390	401,058	369,099
Total Liabilities and Equity	6,231,168	5,687,173	5,418,237



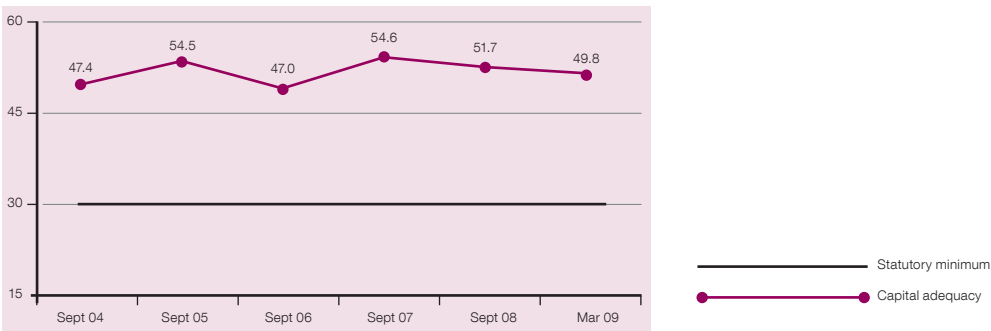
9.3 Capital Adequacy and Liquidity Ratios

The following are graphic representations of the Issuer's capital adequacy ratio, liquidity ratio and net advances to deposits-ratio as at the end of FYs 2004 to 2008 and as at 31 March 2009.

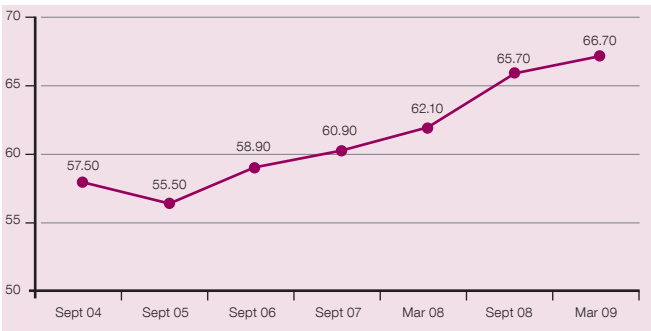
Capital Adequacy Ratio (%)
(prior years restated for Basel II)



Liquidity Ratio (%)



Net Advances to Deposits (%)



9.4 Performance Review for the Financial Year ended 30 September 2008

9.4.1 Profitability

During the year ended 30 September 2008, the Group generated a profit before taxation of €40.6 million, 60% below the record results registered the previous year. Return on equity for the year was of 10.2% while earnings per share amounted to €0.196.

The severe credit turmoil that persisted throughout the financial year of 2008 was the largest single item that impacted performance. The Group's solid capital base, a conservative loan-to-deposit ratio, a strong liquidity position and a well-diversified, highly-rated investment portfolio, amongst others, helped mitigate the impact of the turmoil.

9.4.2 Net Interest Income

The fall in interest margins was mainly due to greater competition both for deposits and for quality credits. This was, to some extent, mitigated by increased volumes. Net interest margins were also negatively impacted as a result of the time lag inherent in the re-pricing of liabilities in a falling interest rate environment, and also due to lower recoveries of suspended interest on impaired loans.

9.4.3 Other Operating Income

Net fee and commission income was only slightly lower than the previous year, despite the challenging market environment. The card business was strong as the Bank moved to implement improved technology and security systems in this area. The fund management business performed well, although there was a shift in customer preferences towards less profitable money market funds. The fund administration business also continued to develop, and a number of substantial new third party mandates were secured during the year.

Due to the turmoil in financial markets fair value markdowns on the Fair Value Through Profit and Loss portfolio amounted to €41 million, of which €14 million arose in the last two weeks of the financial year. Credit spreads at 30 September 2008 remained extremely elevated, and this had an impact on quoted bond prices in an almost frozen market. These markdowns were booked to the FY 2008 earnings, as a result of the mark-to-market accounting policy under International Accounting Standard 39. Apart from these unrealised markdowns, the Group also recognised a further write-down of €12.7 million on its exposure to Lehman Brothers, following the latter's failure in mid-September 2008.

The impact of the financial crisis also affected related areas of the business. The Group's share of profit from the associate and jointly controlled entity for the year, at €1.7 million, was €4 million below that recognised for FY 2007, and lower commissions were earned from the asset management, bancassurance and stock-broking businesses of the Group. Furthermore, the adoption of the Euro in January 2008 resulted in a decrease in foreign exchange earnings estimated at €10 million.

9.4.4 Operating Expenses

Operating expenses increased by 5% over prior year, largely due to a new collective agreement entered into by the Bank which became effective on 1 January 2008. Additionally, the adoption of the Euro in January 2008 resulted in the Group incurring one-time changeover and transition costs of approximately €1 million.

9.4.5 Assets and Liabilities

9.4.5.1 Loans and advances to customers

Growth in the loan book came from carefully selective increases to the business sector, and a continuing demand for home loans. Growth in lending volumes was accompanied by sustained improvement in the quality of the book. In fact, impaired lending as a percentage of the total book decreased from 4.8% for FY 2007 to 4.0% for FY 2008 and the Bank is targeting further improvements. The impairment charge for the year was modest in relation to the total book, but was higher than that for FY 2007 since higher recoveries from impaired accounts were concluded last year.

As a result of the above, the Group's loans-to-deposits ratio rose significantly from 60.9% in 2007 to 65.7% in 2008. This ratio is nonetheless very conservative when compared to that reported by other financial institutions. Given this, the Bank places no reliance on the short-term inter-bank or commercial paper market for funding its lending business. Interbank lines are used by the Bank for treasury and portfolio management purposes, and are backed by readily realisable securities.



9.4.5.2 Customer deposits

Notwithstanding more intense competition, customer deposits increased for FY 2008. The regular issue of attractive deposit products over the course of the year as well as Malta's ongoing development as an international financial centre resulting in strong money inflows, were major contributors to the Bank's growth in this sector.

9.4.5.3 Investments and short-term funds

The Bank's investment portfolio is spread over a wide range of holdings in high quality, rated sovereign, supranational, corporate and financial sector debt securities, with a relatively short weighted-average maturity.

9.5 Financial Information for the Six Months ended 31 March 2009

On the 30 April 2009 the Group announced its unaudited interim financial results. The following information is extracted from the Group's Half Yearly Report for the six months ended 31 March 2009.

SUMMARISED INCOME STATEMENT

For the six months ended 31 March 2009

	€000
Net interest income	58,419
Dividend Income	313
Fees and commissions income	20,682
Fees and commissions expense	(2,732)
Profit on foreign exchange activities	6,617
Fair value movements on financial instruments	(31,812)
Net losses on investment securities and hedging instruments	(225)
Operating Income	51,262
Administrative Expenses	(35,766)
Depreciation and amortisation	(3,314)
Operating profit before impairment losses	12,182
Net impairment losses	(2,090)
Operating Profit	10,092
Share of results of associate and jointly controlled entity (after tax)	(3,765)
Profit before tax	6,327
Income tax expense	(3,668)
Profit for the period	2,659

SUMMARISED BALANCE SHEET

As at 31 March 2009

Assets	
Investments & short-term funds	2,660,412
Loans and advances to customers	3,117,593
Other assets	235,620
Total Assets	6,013,625
Liabilities	
Debt securities in issue, subordinated liabilities & amounts owed to banks	777,006
Amounts owed to customers	4,675,960
Other liabilities	167,541
Total Liabilities	5,620,507
EQUITY	
Total Equity	393,118
Total Liabilities and Equity	6,013,625

10. BOARD OF DIRECTORS AND COMMITTEES

10.1 Board of Directors and Company Secretary

The Board of Directors of the Issuer consists of a minimum of seven and a maximum of ten members. Such maximum number of members may be increased to eleven (11) solely in the circumstances indicated in Article 60.2.5 of the Articles of Association of the Issuer. The appointment of a director is contemplated by Articles 60.1.1 to 60.2.5 of the Articles of Association. The removal of directors is contemplated in Article 62.1 of the Articles of Association of the Issuer. In the case where a director is appointed pursuant to Article 60.2.5, the removal thereof may only be made by the Board of Directors of the Issuer.

The Board meets regularly to establish and review the policies and strategies of the Issuer and to monitor the implementation thereof and the overall performance of the Issuer.

As at the date of this Registration Document the Board of Directors of the Issuer is composed of the following persons.

Roderick E.D. Chalmers - Chairman & Non-executive Director

Appointed Chairman of the Board in November 2004. Mr. Chalmers also currently chairs the Middlesea Valletta Life Assurance Company Limited, Valletta Fund Management Limited and Valletta Fund Services Limited boards, and is a member on the boards of Middlesea Insurance p.l.c., Gasan Group Limited, Alfred Gera & Sons Limited, Simonds Farsons Cisk p.l.c., and Global Sources Limited, a NASDAQ listed company. Between 1984 and 2000, Mr. Chalmers was a Partner and Managing Partner with Coopers & Lybrand, (later PricewaterhouseCoopers) Hong Kong; chairman of the firm's South East Asia Regional Executive and a member of the International Board of Directors. Upon the merger of Coopers & Lybrand and Price Waterhouse in 1998, he was appointed chairman, Asia-Pacific, for PricewaterhouseCoopers, until his retirement in 2000. He was also a member of the PwC Global Management Board. Mr. Chalmers served as non-executive director of the Hong Kong Securities and Futures Commission and was also a member of the Takeovers and Mergers Panel. He was appointed by the Financial Secretary of Hong Kong to sit on the Banking Advisory Committee.

Joseph Borg - Non-executive Director

Appointed to the Board in December 1998. Mr. Borg is currently the Managing Director of FXB Group of Companies, a position he has held since June 1986. He was formerly a director of the Malta Development Corporation; secretary and then chairman of the Gozo Committee of the Malta Federation of Industries. He has served on the council of the Malta Federation of Industries and was formerly a member of the council and secretary of the Gozo Business Chamber. He served as chairman of Gozo Channel Company Limited for three years up to July 2008. He is currently also a director of the Oasi Foundation (Foundation for Drug Rehabilitation) and has held this position since its inception.

Joseph Brincat - Non-executive Director

Appointed to the Board in December 2008. Mr. Brincat joined the Bank in 1974. He held a number of key senior executive positions, the most recent being that of Executive Head Business Lending. In 1999 he was elected as a member of the Malta Institute of Management and is presently one of the members of the Board of Trustees of the BOV Employees Foundation which position he has held since 2001. Between the years 2002 and 2003 he had already served as a director of the Bank.

Roberto Cassata - Non-executive Director

Appointed to the Board in September 2003. Mr. Cassata is an Auditor and Accountant by profession and also studied Economics at the Palermo State University. He is Chief Financial Officer at Banco di Sicilia, and is presently chairman of the Board of Auditors of SE.TE.SI. S.p.A. - Palermo. Throughout his career, Mr. Cassata worked extensively with PricewaterhouseCoopers where he was responsible for the Sicilian Operational Department and was also senior manager for the Banking Sector in Southern Italy.

Gordon Cordina - Non-executive Director

Appointed to the Board in December 2008. Dr. Cordina is an economist, who heads the Economics Department of the University of Malta. During the period from August 2006 to January 2007, Dr. Cordina was the Director General of the National Statistics Office. He is a director of E-Cubed Consultants Limited, a position he has held since March 2007.



George Portanier - Non-executive Director

Appointed to the Board in May 1992. Mr. Portanier was formerly a member on the board of directors of Portanier Brothers Limited and served as a committee member of the Local Manufacturers Committee of the Federation of Industries, as well as council member of the Federation of Industries. Business interests include real estate development.

Norman Rossignaud - Non-executive Director

Appointed to the Board in December 1990. Mr. Rossignaud is a retired Bank Executive. In 2006 Mr. Rossignaud was appointed as Malta's non-resident Ambassador to the Republic of Serbia. He served as a director of Bank of Valletta International Limited, a former subsidiary of the Issuer and was also a director of Telemalta Corporation and of Malta Export Credit Insurance Company Limited. He was a founder member and for fourteen years president of the Malta Union of Bank Employees. He was also a Vice President of the Confederation of Malta Trade Unions.

Paul Testaferrata Moroni Viani - Non-executive Director

Appointed to the Board in December 2007. Mr. Testaferrata Moroni Viani is a director of companies owned by Mercury p.l.c. namely Moroni Investments Limited, Circles Limited, Euro Appliance Company Limited, Macapps Limited, Spinola Hotels Limited, St. George's Park Company Limited, Reliant Limited, and Cambridge Place Limited. He is a land owner and is involved in tourism, investment services and responsible for market and sales research, contracting, administration, property construction and development, managing operations, strategic planning and new business development. He is currently also a director of GO p.l.c., and Vltava Fund SICAV p.l.c.

George Wells - Non-executive Director

Appointed to the Board in December 2005. Mr. Wells is a Chartered Management Accountant and currently a member of the Bank's Asset Liability Management Committee (ALCO). Mr. Wells was a non-executive deputy chairman and a council member of the Malta Stock Exchange. Since 1974, he has been a director of Stainless Steel Products Limited, a subsidiary company of Jacuzzi Group of companies of the U.S.A. He was a director of U.K. company Pland Stainless Limited and SSP Holdings Limited, both formerly within the Spring Ram Group of Companies and a director of Stainless Steel Products (Ireland) Limited, a former subsidiary company of Lonrho p.l.c. (currently named Lonmin p.l.c.).

The business address of each Director is that of the Issuer.

Victor J. Cardona - Group Company Secretary

Appointed Group Company Secretary in January 1988. Mr. Cardona is also the company secretary of Middlesea Valletta Life Assurance Company Limited and is the secretary to the Bank's board committees. Previously, Mr. Cardona performed managerial duties at three of the Bank's branches and headed various departments in the Bank's then International Division.

10.1.1 Conflicts of Interest

The Issuer is not aware of any potential conflicts of interest between any duties to the Bank of the Directors and the persons on the Executive Committee and their private interests and/or other duties.

10.2 Committees**10.2.1 Board Committees**

The Board of Directors has established the following Committees:-

Audit Committee

The Audit Committee's terms of reference are modelled on the Principles laid out in the Listing Rules, and is responsible primarily to monitor the financial reporting process, the effectiveness of the Bank's internal controls internal audit and the audit of the annual and consolidated accounts. The Committee is also responsible for managing the Board's relationships with internal and external auditors.

Remuneration Committee

The Remuneration Committee is responsible for the development and implementation of the remuneration and related policies of the Group, and for ensuring compliance with the relevant provisions and regulations of good corporate governance on remuneration and related matters.

Risk Management and Compliance Committee

The Risk Management and Compliance Committee assists the Board in assessing the different types of risk to which

the organisation is exposed. This Committee is responsible for the proper implementation and review of the Group's risk policies, related mainly, but not restricted to, credit, market and operational risks. It reports to the Board on the adequacy, or otherwise, of such policies. The Risk Committee is also responsible to review delegated limits, to oversee the Group's monitoring and reporting systems and to ensure regular and appropriate monitoring and reporting on the Group's risk positions. The Committee also monitors and investigates the procedures, practices and activities of the Group and of any person employed with or acting for or on behalf of the Group for the purpose of ensuring that the compliance obligations of the Group are being discharged according to law and that the internal rules, procedures and guidelines are complied with.

10.2.2 Management Committees

The Board of Directors has established the following management committees: -

Executive Committee

The Executive Committee is responsible for the day-to-day management of the Bank's business, the development and implementation of approved strategy, policies, operational plans and budgets as well as the monitoring of operational and financial performance, assessment and control of risk, the prioritisation and allocation of resources and the monitoring of competitive forces in all areas of operation.

As at the date of this Registration Document the Executive Committee of the Issuer is composed of the following:

Tonio Depasquale	<i>Chief Executive Officer</i>
Charles Borg	<i>Chief Officer Financial Markets & Investments</i>
Michael Borg Costanzi	<i>Chief Officer Legal and Compliance</i>
Victor Denaro	<i>Chief Officer Information Technology</i>
Kenneth Farrugia	<i>Chief Officer Valletta Fund Services Limited</i>
Elvia George	<i>Chief Officer Finance</i>
Mario Mallia	<i>Chief Officer Risk Management</i>
Peter Perotti	<i>Chief Officer Valletta Fund Management Limited</i>
John Soler	<i>Chief Officer Credit</i>
Igino Xuereb	<i>Chief Officer Operations</i>

Credit Committee

The Credit Committee is composed of representatives from the risk and credit functions of the Issuer and it operates within a Board approved credit-sanctioning limit. Proposals falling outside this limit are referred, with the Committee's recommendations, to the Board for consideration and determination. To operate, the Committee needs to be fully constituted, therefore each member has an approved specific alternate.

Asset and Liability Management Committee

The Asset and Liability Management Committee ("ALCO") is responsible for managing the Group's Balance Sheet so as to achieve an optimal balance between risk and return. This Committee reviews balance sheet risks and ensures their prudent management. It takes an integrated view of asset and liability cash flows, their uncertainties, and the management of such integrated exposures at a consolidated level so as to enable it to give strategic direction to the business. Consideration is given, *inter alia*, to solvency, liquidity and interest rate risks. ALCO also monitors the credit profile of the Issuer's balance sheet, and sets strategic direction in respect of credit risk, hedging strategies and hedge effectiveness, as well as asset mix, liabilities and balance sheet growth.



11. MAJOR SHAREHOLDERS

The following persons hold more than 5% of the share capital of the Issuer as at the date of this Registration Document:

Government of Malta	25.23%
UniCredit S.p.A.	14.55%

12. FINANCIAL INFORMATION

12.1 Historical Financial Information

Full historical financial information for the three financial years ended 30 September 2008, 30 September 2007 and 30 September 2006 are set out in the financial statements of the Group as audited by Deloitte & Touche. The latest audited financial information available in respect of the Group relates to the financial year ended on 30 September 2008 and was approved for issuance by the Board of Directors on 31 October 2008.

The Unaudited Half-Yearly Report of the Group for the six months ended 31 March 2009 is also available for public inspection.

12.2 Legal and Arbitration Proceedings

As at the date of this Registration Document, the Issuer has no litigation of material importance pending or threatened against it.

12.3 Significant Change in the Issuer's Financial or Trading Position

There has been no significant change in the financial or trading position of the Issuer or the Group which has occurred since 31 March 2009, being the date of the last published unaudited interim financial information.

13. MATERIAL CONTRACTS

There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the securities issued pursuant to the Securities Note.

14. DOCUMENTS ON DISPLAY

The following documents (or copies thereof), may be inspected at the registered office of the Issuer at 58, Zachary Street, Valletta VLT 1130, Malta for the life of the Prospectus:

- The Memorandum and Articles of Association of the Issuer;
- The Audited Financial Statements of the Group for each of the financial years ended 30 September 2008, 30 September 2007 and 30 September 2006;
- The Audited Financial Statements of each of the Subsidiaries for each of the financial years ended 30 September 2008 and 30 September 2007;
- The Unaudited Half-Yearly Report of the Group for the six months ended 31 March 2009.

The Group's Audited Financial Statements and the Unaudited Half-Yearly Report may also be inspected on the Issuer's website: www.bov.com

SECURITIES NOTE

This document is a Securities Note issued in accordance with the provisions of Chapter 6 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements. This Securities Note is issued pursuant to the requirements of Listing Rule 6.4.3 of the Listing Rules and contains information about the Bonds being issued by **Bank of Valletta p.l.c.** Application has been made for the admission to listing and trading of the Bonds on the Malta Stock Exchange (ISIN MT0000021262). This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

Dated 20 May 2009

The Bonds constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other subordinated debt. Thus the Bonds rank after other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future.



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1. DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document issued by the Issuer on the 20 May 2009.

Applicant	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Issuer or to any of the other Authorised Financial Intermediaries;
Application Form	the form of application of subscription for Bonds, a specimen of which is contained in Annex 2 of this Prospectus;
Authorised Financial Intermediaries	the persons referred to in Annex 1 of this Prospectus;
Bond(s)	the €35,000,000 bonds of a face value of €100 per bond redeemable on the Redemption Date, bearing interest at the rate of 5.35% per annum and redeemable at their nominal value; or in the case of over-subscription by investors and the exercise by the Issuer of the Over-Allotment Option, such higher value of bonds as in aggregate would not exceed €15,000,000 in value of Bonds issued pursuant to this Prospectus;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Interest Payment Date	15 June and 15 December of each year between and including each of the years 2009 and the year 2019, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Issue Date	8 June 2009;
Issue Period	the period between 8 June 2009 to 12 June 2009 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which time the Bonds are in issue;
Official List	The list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Over-Allotment Option	At the sole and absolute discretion of the Issuer to increase the Bond Issue by a maximum of an additional €15,000,000 5.35% Bonds in the event of over-subscription;
Redemption Date	15 June 2019;
Redemption Value	the nominal value of each Bond;
Registration Document	the registration document issued by the Issuer dated 20 May 2009, forming part of the Prospectus;
Summary Note	the summary note issued by the Issuer dated 20 May 2009, forming part of the Prospectus.



2. RISK FACTORS

2.1 General

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS.

ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.2 Forward-Looking Statements

This Securities Note contains “forward-looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

2.3 Risks Relating to the Bonds

- The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer’s Bonds at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell the Bonds at or above the Bond Issue Price or at all.
- No prediction can be made about the effect which any future public offerings of the Issuer’s securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.
- The Bonds are unsecured and subordinated to the claims of all holders of senior indebtedness. The Bonds constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other subordinated debt. Thus the Bonds rank after other present and future outstanding, unsubordinated and unsecured obligations of the Issuer. Subordination means that the rights and claims of Bondholders in respect of the payment of capital and interest on the Bonds will, in the event of dissolution and winding up of the Issuer, rank after the claims of all senior indebtedness and will not be repaid until all other senior indebtedness outstanding at the time has been settled.
- By purchasing the Bonds, the Bondholder agrees to waive his right of enforcement against the Issuer in the case of non-performance of the Issuer’s obligations under the Bond, including the non-payment of interest and principal. The only remedy available to the Bondholder in the event of a default by the Issuer shall be the petitioning for the winding up of the Issuer, which shall constitute an Event of Default.

3. IMPORTANT INFORMATION

THIS SECURITIES NOTE, FORMING PART OF THE PROSPECTUS, CONTAINS INFORMATION ON AN ISSUE BY BANK OF VALLETTA P.L.C. (THE “ISSUER”) OF €35,000,000 SUBORDINATED BONDS 2019 OF A NOMINAL VALUE OF €100, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.35% PER ANNUM PAYABLE SEMI-ANNUALLY ON THE 15 JUNE AND ON THE 15 DECEMBER OF EACH YEAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 15 JUNE 2019. IN THE EVENT OF OVER-SUBSCRIPTION, THE ISSUER MAY, AT ITS SOLE DISCRETION, ISSUE ADDITIONAL BONDS NOT EXCEEDING €15,000,000 AT PAR.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT, AND THE REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

THE BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “U.S.”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS



AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING "ADVISORS TO THE ISSUER" UNDER SECTION 5 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS BOND ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

4. PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer and the Bonds. All of the Directors, whose names appear under the heading 'Board of Directors and Committees in Section 10.1 of the Registration Document, accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

5. KEY INFORMATION

5.1 Interest of Natural and Legal Persons involved in the Issue

Bank of Valletta p.l.c. shall act as Authorised Financial Intermediary and may, on an 'execution-only' basis, accept Applications for the account of its customers. Bank of Valletta p.l.c. will not be providing any advice to or exercise any discretion it may have with its customers in relation to the Bonds.

In addition, to the extent that this constitutes an interest in the Issue, Bank of Valletta p.l.c. also acts as the Manager and Registrar of the Issue.

5.2 Reasons for the Issue and Use of Proceeds

The net proceeds from the issue of the Bonds will constitute Additional Own Funds (Tier II capital) of the Issuer in terms of the Banking Rule BR/03/2008 Own Funds of Credit Institutions Authorised under the Banking Act (Cap. 371 of the Laws of Malta) and will also be used by the Issuer to meet part of its general financing requirements.

5.3 Expenses

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, a 0.75% selling commission, and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €550,000. Accordingly, the net amount of proceeds from the Bond Issue are estimated to be in the region of €34,450,000 and, in the case of the exercise of the Over-Allotment Option, to be in the region of €49,450,000.

The overall amount of the placing commission payable to Authorised Financial Intermediaries entering into conditional subscription agreements in terms of section 8.1 of this Securities Note will not exceed €225,000.

5.4 Issue Statistics

Issuer:	Bank of Valletta p.l.c., a company registered in Malta with registration number C2833;
Amount:	€35,000,000 subject to the Over-Allotment Option described below;
Over-allotment Option:	At the sole and absolute discretion of the Issuer, additional Bonds not exceeding €15,000,000 in value may be issued at the Bond Issue Price in the event of over-subscription;
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination:	Euro (€);
Minimum amount per subscription:	Minimum of €2,500 and multiples of €100 thereafter;
Redemption Date:	15 June 2019;
Event of Default:	Winding up of the Issuer;
Bond Issue Price:	At par (€100 per Bond);
Status of the Bonds:	The Bonds constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other subordinated debt. Thus the Bonds rank after other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future;
Listing:	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Issue Period:	The period between 8 June 2009 to 12 June 2009 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which the Bonds are on offer;
Interest:	5.35% per annum;
Interest Payment Dates:	Semi-annually on the 15 June and 15 December;
First Interest Payment Date:	15 December 2009;
Redemption Value:	At par (€100 per Bond);



Preferred Applicant:	a) Individuals who are engaged either on an indefinite or definite contract with the Issuer or with any of its Subsidiaries; b) Individuals who hold the office of directorship on any of the board of the Issuer or any of its Subsidiaries; c) Persons, whether natural or legal, who appear on the register of members of the Issuer maintained by the CSD at the Malta Stock Exchange;
Manager & Registrar:	Bank of Valletta p.l.c.;
Sponsor:	Rizzo Farrugia & Co. (Stockbrokers) Limited;
Governing Law of Bonds:	The Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

5.5 Expected Time-Table of Bond Issue

Application Forms available	Wednesday, 27 May 2009
Opening of subscription lists	Monday, 8 June 2009
Closing of subscription lists	Friday, 12 June 2009
Announcement of basis of acceptance and allocation policy	Friday, 19 June 2009
Commencement of interest on the Bonds	Friday, 19 June 2009
Expected dispatch of allotment advices and refunds of unallocated monies	Friday, 26 June 2009

The Issuer reserves the right to close the Bond Issue before 12 June 2009 in the event of over-subscription, in which case, the remaining events set out above shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the said events.

6. INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING

6.1 General

- 6.1.1** Each Bond forms part of a duly authorised issue of 5.35% Subordinated Bonds of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €35,000,000 (except as otherwise provided under clause 6.15 "Further Issues") subject to the exercise by the Issuer of the Over-Allotment Option described hereunder.
- 6.1.2** The Issuer may issue Bonds pursuant to the Over-Allotment Option up to an amount of €15,000,000 in value of Bonds so that in no event shall the aggregate nominal value of the Bonds outstanding at any time exceed €50,000,000.
- 6.1.3** The issue and allotment of the bonds shall be subject to the listing thereof on the Official List of the MSE.
- 6.1.4** Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned the following ISIN: MT0000021262.

6.2 Legislation under which the Bonds are Created

The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.

6.3 Registration, Form, Denomination and Title

- 6.3.1** Certificates will not be delivered to Bondholders in respect of the Bonds pursuant to the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively and a copy of such register will, at all reasonable times during business hours, be open to the inspection of the Bondholders at the registered office of the Issuer.
- 6.3.2** The CSD will issue, upon a request by the Bondholder, a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.
- 6.3.3** The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided the minimum subscription amount of Bonds that can be subscribed for during the Issue Period is €2,500.
- 6.3.4** Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading 'Transferability of the Bonds' in section 6.13 of this Securities Note.

6.4 Currency of the Bonds

The currency of the Bonds is Euro (€).

6.5 Status of the Bonds (Ranking & Subordination)

The Bonds are unsecured and subordinated to the claims of all holders of senior indebtedness. The Bonds constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other subordinated debt. Thus the Bonds rank after other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future.

Subordination means that the rights and claims of Bondholders in respect of the payment of capital and interest on the Bonds will, in the event of dissolution and winding up of the Issuer, rank after the claims of all senior indebtedness and will not be repaid until all other senior indebtedness outstanding at the time has been settled. Subordination only comes into effect in the event of a dissolution and winding up of the Issuer where the assets of the Issuer are not sufficient to meet the claims of all the creditors of the Issuer and a ranking of the creditors' claims becomes necessary.

6.6 Rights attached to the Bonds

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest and in accordance with the ranking as provided in this Securities Note.

6.7 Interest

- 6.7.1** The Bonds shall bear interest from and including 19 June 2009 (or such earlier date as more fully explained in section 5.5 of this Securities Note) at the rate of 5.35% per annum on the nominal value thereof, payable semi-annually in arrears on each "Interest Payment Date". The first interest payment will be paid, pro-rata, as at 15 December 2009. Provided that any Interest Payment Date which falls on a day other than a Business Day, will be carried over to the next following day that is a Business Day.
- 6.7.2** When interest is required to be calculated for any period of less than a year such interest shall be calculated on the basis of the actual number of days in such period divided by the actual number of days (365 or 366) in the respective year.



6.8 Payments

- 6.8.1** Payment of the principal amount of the Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered as at the close of business on the Redemption Date, with interest accrued up to the Redemption Date, by direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value, the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD. Provided that where the Bondholder's bank account number is not known, the principal amount is retained by the Issuer for collection by the Bondholder for remittance when the bank account number of the said Bondholder is made known to the Issuer. Such principal amount will be held in a non-interest bearing bank account with the Issuer.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

- 6.8.2** Payment of any instalment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. The Issuer shall not be responsible for any loss or delay in transmission. Provided that where the Bondholder's bank account number is not known, the interest is retained by the Issuer for collection by the Bondholder entitled to such interest for remittance when the bank account number of the said Bondholder is made known to the Issuer. Such interest will be held in a non-interest bearing bank account with the Issuer.
- 6.8.3** All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.
- 6.8.4** No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.
- 6.8.5** Unless previously purchased and cancelled as provided below, the Issuer will redeem the Bonds (together with payment of interest accrued thereon) at their nominal value on Redemption Date.
- 6.8.6** Subject to the provisions of section 6.8.7 the Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price. If purchases are made by tender, tenders shall be made available to all Bondholders alike.
- 6.8.7** All Bonds purchased by the Issuer on its own account will be cancelled forthwith and may not be re-issued or resold. The re-purchase in terms of section 6.8.6 may be undertaken during the last five years before the Redemption Date in terms of Article 2.1.5 of Appendix I of the Banking Rule BR/03/2008. The cancellation of such Bonds shall be subject to the prior consent of the Malta Financial Services Authority who, in the event that such consent is forthcoming, will determine that such cancellation does not prejudice the Issuer's solvency.

6.9 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5.35% per annum.

6.10 Meetings of Bondholders

- 6.10.1** The Terms and Conditions contained herein may be amended with the approval of Bondholders at a meeting called for that purpose in accordance with the terms hereunder.
- 6.10.2** In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders by giving such Bondholders not less than fourteen (14) days notice, in writing setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat.
- 6.10.3** A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose a quorum shall be considered present if there are Bondholders present, in person or by proxy, accounting for at least fifty per cent (50%) in nominal value of the Bonds then outstanding.
- 6.10.4** Once a quorum is declared present by the Chairman of the meeting (who shall be the person who in accordance with the regulations of the Issuer would chair a general meeting of the Issuer's shareholders), the meeting may then proceed to business and the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that the Terms and Conditions of Issue of the Bonds ought to be amended as proposed by the Issuer. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present.
- 6.10.5** The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the Auditors of the Issuer.
- 6.10.6** The proposal placed before a meeting of Bondholders shall only be considered approved if at least seventy-five per cent (75%) in nominal value of the Bondholders present at the meeting shall have voted in favour of the proposal.
- 6.10.7** Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders shall apply.

6.11 Authorisations and approvals

- 6.11.1** The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors resolution passed on the 6 May 2009.
- 6.11.2** The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 May 2009.
- 6.11.3** Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.
- 6.11.4** The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 30 June 2009 (or thereabouts) and trading is expected to commence on 1 July 2009 (or thereabouts).

6.12 Issue Date

The Issue Date of the Bonds is 8 June 2009.

6.13 Transferability of the Bonds

- 6.13.1** The Bonds are freely transferable and once admitted to the Official List of the MSE, shall be transferable in accordance with the rules and regulations of the MSE applicable from time to time.
- 6.13.2** Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder



may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD, a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

- 6.13.3** All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 6.13.4** The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.
- 6.13.5** The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

6.14 Taxation

6.14.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

6.14.2 Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta). Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. However, tax withheld shall in no case be available to any person for a credit against that person's tax liability or for a refund as the case may be.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final withholding tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients

unless the beneficiary is a non-resident of Malta. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta and satisfy the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

6.14.3 European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Inland Revenue who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

6.14.4 Capital gains on transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, no tax on capital gains is chargeable in respect of transfer of the Bonds.

6.14.5 Duty on documents and transfers

In terms of article 50 of the Financial Markets Act (Cap. 345 of the Laws of Malta) as the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese duty.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

6.15 Further Issues

The Issuer may, from time to time, without the consent of the Bondholder, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue.

6.16 Events of Default

The only circumstance under which the Bonds will become immediately due and repayable at their principal amount together with accrued interest before the Redemption Date shall be in the event of the winding up of the Issuer (“**Event of Default**”). Upon the occurrence of an Event of Default, all rights available to the Bondholders shall rank after all other unsubordinated and unsecured obligations of the Issuer.

6.17 Limited Recourse

The Bondholder agrees to waive his rights of enforcement against the Issuer in the case of non-payment of interest or other breach of the terms of the Bond. The only remedy available to the Bondholder shall be the petitioning for the winding up of the Issuer, which shall constitute an Event of Default.

7. TERMS AND CONDITIONS OF THE ISSUE

7.1 Conditions

7.1.1 The contract created by the acceptance of an Application shall be subject to the terms and conditions set



out in this Securities Note and the Memorandum and Articles of the Issuer.

It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

If the Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have bound his principal, or the relative corporation, corporate entity, or association of persons and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such person may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar.

In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each Applicant, and liability therefor is joint and several. In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner.

The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.

It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholders at their registered addresses and posted. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in the Application Form and in any other document issued pursuant to the Prospectus.

- 7.1.2** The amount of the Bond Issue is €35,000,000 subject to the Over-Allotment Option in virtue of which, in the event of oversubscription, the Issuer may, at its sole and absolute discretion, issue additional Bonds not exceeding €15,000,000 in value, issued at par.
- 7.1.3** The subscription lists during the Issue Period will open at 08.30 hours on 8 June 2009 and will close as soon thereafter as may be determined by the Issuer but not later than 12.00 hours on 12 June 2009. Any person, whether natural or legal, shall be eligible to submit more than one Application. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact so authorised.

Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant

to such an Application shall be registered in the name of the minor as Bondholders, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. In the case of joint Applications, the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

- 7.1.4** Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted. Multiple applications may be accepted by the Issuer provided that in any case each such application is accompanied by cleared funds. Any such multiple Applications shall be deemed by the Issuer to constitute one Application irrespective of whether such applications are submitted at pre-placement period or during the Issue Period.

If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, the Application monies or the balance of the amount paid on Application will be returned by the Issuer without interest by direct credit into the Bondholder's bank account as indicated by the Bondholder on the Application Form. The Issuer shall not be responsible for any loss or delay in transmission.

- 7.1.5** The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be applied for during the Issue Period is €2,500.
- 7.1.6** Application Forms must be completed and lodged with the Issuer or any of the Authorised Financial Intermediaries except that Shareholders must apply on the pre-printed application form mailed to them by the Issuer.
- 7.1.7** All Application Forms must be accompanied by the full price of the Bonds applied for in euro and in cleared funds. Payment may be made either in cash or by cheque payable to "The Registrar – BOV Bond Issue". In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
- 7.1.8** Within five (5) Business Days from the closing of the subscription lists, the Issuer shall determine and announce the basis of acceptance of applications and allocation policy to be adopted through a press release in at least one local newspaper.
- 7.1.9** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2003 as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the Malta Stock Exchange" appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are Malta Stock Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.
- 7.1.10** By completing and delivering an Application Form/s, you, as the Applicant/s:
- Shall agree to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - Shall warrant that the information submitted by you in the Application Form/s is true and correct in all



respects and in the case where an MSE account number is indicated in the Application Form/s, such MSE account number is your correct account number. In the event of a discrepancy between the personal details (including name and surname and the Applicant/s address) appearing on the Application Form/s and those held by the MSE in relation to the MSE account number indicated on the Application Form/s, the details held by the MSE shall be deemed to be the correct details of the Applicant;

- c) Accept that the Issuer and the MSE may process the personal data that you provide in the Application Form/s, for all purposes necessary and subsequent to the Bond Issue applied for in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
- d) Acknowledge your right to request access to and rectification of the personal data relating to you as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The request must further be signed by the Applicant to whom the personal data relates;
- e) Confirm that in making such Application/s no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than those contained in this Prospectus and accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- f) Agree to provide the Registrar and/or the Issuer, as the case may be, with any information which they may request in connection with the Application/s;
- g) Warrant, in connection with the Application/s, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application/s in any territory and that you have not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or your Application/s;
- h) Warrant that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- i) Represent that you are not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- j) Agree that Rizzo, Farrugia & Co. (Stockbrokers) Limited in its capacity of Sponsor will not treat you as its customer by virtue of your Application/s to subscribe for the Bonds being accepted and that Rizzo, Farrugia & Co. (Stockbrokers) Limited do not owe duties or responsibilities towards you concerning the price of the Bonds or their suitability for you;
- k) Agree that all documents in connection with the issue of the Bonds will be sent at the your own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form;
- l) Renounce to any rights applicant(s) may have to set off any amounts applicant(s) may at any time owe the Issuer against any amount due under the terms of these Bonds;
- m) Acknowledge that in terms of Appendix 1 of Banking Rule BR/03/2008 Own Funds of Credit Institutions Authorised under the Banking Act, the Bonds shall become repayable before the Redemption Date only in the event of the winding up of the Issuer.

7.2 Distribution

During the Issue Period, Applications for subscription to the Bonds may be made through any branch of the Issuer, the Sponsor and any of the other Authorised Financial Intermediaries listed in Annex I of this Prospectus. The Bonds are open for subscription to all categories of investors.

8. PLACING ARRANGEMENTS AND PUBLIC OFFER

The Bonds shall be available for subscription in two tranches: -

- a) By Authorised Financial Intermediaries for the account of their clients and/or Preferred Applicants during the Pre-Placement Period pursuant to, *inter alia*, the provisions of Section 8.1 of this Securities Note;
- b) By the general public through Authorised Financial Intermediaries pursuant to, *inter alia*, the provisions of Section 8.2 of this Securities Note.

8.1 Pre-Placement Period

The Issuer intends to enter into conditional subscription agreements (the “**Subscription Agreements**”) with Authorised Financial Intermediaries prior to the commencement of the Issue Period up to an amount not exceeding sixty per cent (60%) of the maximum combined aggregate amount of Bonds being issued (including the Over-Allotment Option), that is, €30,000,000, (the “**Placed Portion**”) with respect to the subscription of Bonds by Preferred Applicants and other persons.

Upon completion and submission of the Subscription Agreements, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will bind itself to subscribe to, a number of Bonds, subject to the Bonds being admitted to the Official List of the Malta Stock Exchange. Each Subscription Agreement will become binding on both the Issuer and the Authorised Financial Intermediaries upon delivery, subject to the Issuer having received all subscription proceeds in cleared funds on delivery of the Subscription Agreement.

Authorised Financial Intermediaries may submit the completed Subscription Agreements together with subscription proceeds in cleared funds on Thursday, 04 June 2009 (the “**Pre-Placement Period**”).

The term “**Preferred Applicants**” refers to any of the following individuals/persons, as the case may be: -

- 8.1.1** Individuals who are engaged, as at the Cut-Off Date, either on an indefinite or definite contract with the Issuer or with any of its Subsidiaries, “**Employees**”;
- 8.1.2** Individuals who hold the office of directorship, as at the Cut-Off Date, on any of the boards of the Issuer or any of its Subsidiaries, “**Directors**”;
- 8.1.3** Persons, whether natural or legal, who appear on the register of members of the Issuer maintained by the CSD at the Malta Stock Exchange as at the Cut-Off Date, “**Shareholders**”.

The term “**Cut-Off Date**” shall mean close of business on the 13 May 2009.

The Placed Portion available to Authorised Financial Intermediaries for the benefit of Preferred Applicants and other investors shall be subject to the following limits: -

- (i) Preferred Applicants shall be entitled to subscribe up to a maximum combined aggregate amount of fifteen million euro (€15,000,000) in value of Bonds, and
- (ii) Other investors shall be entitled to a maximum combined aggregate amount of fifteen million euro (€15,000,000) in value of Bonds.

Provided that any amount not taken up by Preferred Applicants under (i) above shall be available for subscription by the Authorised Financial Intermediaries for the benefit of other investors under (ii) above.

In the event of an over-subscription of applications submitted by Authorised Financial Intermediaries for the benefit of Preferred Applicants under (i) above, the Issuer shall scale down the Applications and such unsatisfied applications or part thereof shall automatically participate during the Issue Period *pari passu* with other Applicants.

In the event of an over-subscription of applications submitted by Authorised Financial Intermediaries for the benefit of other investors under (ii) above, the Issuer:

- (a) shall scale down such applications and the subscription monies of any unsatisfied applications or part thereof shall be refunded;
- (b) may, at its sole discretion, accept applications for a lesser amount than the applicable minimum investment amount.

The Preferred Applicants: -

- a) described in 8.1.1 of this Securities Note must complete the Application Form and submit same directly with the Issuer;
- b) described in 8.1.2 of this Securities Note must complete the Application Form and submit same through the services of an Authorised Financial Intermediary;
- c) described in 8.1.3 of this Securities Note shall receive a pre-printed application form by mail from the Issuer and shall submit same through the services of an Authorised Financial Intermediary;

during the Pre-Placement Period. Each application submitted by a Preferred Applicant shall be accompanied by the subscription proceeds in cleared funds on the day of submission of the relevant application.



The minimum investment amount relevant to Preferred Applicants during the Pre-Placement Period shall be €2,500 and an application for a lesser amount shall not be eligible for the Placed Portion and shall be disregarded.

The minimum investment amount relevant to other investors during the Pre-Placement Period shall be €10,000 and an application for a lesser amount shall not be eligible for the Placed Portion and shall be disregarded.

Preferred Applicants and other investors are also at liberty to apply for Bonds during the Issue Period, at which stage, no preference shall be provided to their application. Hence, multiple applications are allowed.

8.2 Public Offer

The Bonds shall be offered to the general public during the Issue Period.

8.3 Allotment Results

It is expected that an allotment advice to Applicants will be dispatched within 5 Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

9. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List. The Conditions contained herein shall be read in conjunction with the Bye-Laws of the MSE applicable from time to time.

10. CREDIT RATING

The Issuer is currently rated by two international rating agencies, namely Fitch Ratings ("Fitch") and Moody's Investors Service ("Moody's"). The Issuer has been assigned the following investment grade ratings: an "A-" by Fitch and a "Baa1" by Moody's.

Obligations within the 'A' rating category by Fitch are considered as being in the high credit quality category. Such ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

Obligations within the 'Baa' rating category by Moody's are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

11. DOCUMENTS ON DISPLAY

The following documents (or copies thereof), may be inspected at the registered office of the Issuer at 58, Zachary Street, Valletta VLT 1130, Malta:

- The Memorandum and Articles of Association of the Group;
- The Audited Financial Statements of the Group for each of the financial years ended 30 September 2008, 30 September 2007 and 30 September 2006;
- The Audited Financial Statements of each of the Subsidiaries for each of the financial years ended 30 September 2008 and 30 September 2007;
- The Unaudited Half-Yearly Report of the Group for the six months ended 31 March 2009.

The Group's Audited Financial Statements as well as the Unaudited Half-Yearly Report may also be inspected on the Issuer's website: www.bov.com

ANNEX 1 – AUTHORISED FINANCIAL INTERMEDIARIES

Members of the Malta Stock Exchange

Atlas Investment Services Ltd

Abate Rigord Street, Ta Xbiex XBX 1121

Tel: 2132 2590 Fax: 2326 5691

www.atlas.com.mt

Bank of Valletta p.l.c.

Financial Markets & Investments Division,
BOV Centre, Cannon Road, Santa Venera SVR 9030

Tel: 2131 2020 Fax: 2275 1733

www.bov.com

Calamatta Cuschieri & Co. Ltd

5th Floor, Valletta Buildings,
South Street, Valletta VLT 1103

Tel: 2568 8688 Fax: 2568 8256

www.cc.com.mt

Charts Investment Management Services Ltd

Valletta Waterfront, Vault 17, Pinto Wharf
Floriana FRN 1913

Tel: 2122 4106 Fax: 2124 1101

www.charts.com.mt

Curmi & Partners Ltd

Finance House, Princess Elizabeth Street,
Ta Xbiex XBX 1102

Tel: 2134 7331 Fax: 2134 7333

www.curmiandpartners.com

Financial Planning Services Ltd

4, Marina Court, No 1, G Cali Street, Ta Xbiex XBX 1421

Tel: 2134 4255 Fax: 2134 1202

FINCO Treasury Management Ltd

Level 5, The Mall Complex, The Mall,
Floriana FRN 1470

Tel: 2122 0002 Fax: 2124 3280

www.fincotrust.com

GlobalCapital Financial Management Ltd

120. The Strand,
Gzira GZR 1027

Tel: 2134 2342 Fax: 2133 3100

www.globalcapital.com.mt

Hogg Capital Investments Ltd

Regent House, Level 3, Suite 33,
Bisazza Street, Sliema SLM 1641

Tel: 2132 2872 Fax: 2134 2760

www.hoggcapital.com

HSBC Stockbrokers (Malta) Ltd

233, Republic Street Valletta VLT 1116

Tel: 2597 2241 Fax: 2597 2494

www.hsbcmalta.com

Rizzo, Farrugia & Co. (Stockbrokers) Ltd

3, Airways House, Third Floor,
High Street, Sliema SLM 1549

Tel: 2258 3000 Fax: 2258 3001

www.rfstockbrokers.com



Investment Services Providers

APS Bank Ltd

17, Republic Street, Valletta VLT 1111

Tel: 2559 3400 Fax: 2567 1164/5

www.apsbank.com.mt

Crystal Finance Investments Ltd

6, Freedom Square, Valletta VLT 1011

Tel: 2122 6190 Fax: 2122 6188

www.crystal.com.mt

D.B.R. Investments Ltd

Deber, Nigret Road, Zurrieq

Tel: 2164 7763 Fax: 2164 7765

Epic Financial Services Ltd

Burmarrad Road, Burmarrad SPB 9064

Tel: 2157 2010 Fax: 21571998

www.epicdirect.com

Growth Investments Ltd

Middlesea House, Floriana FRN 1442

Tel: 2123 4582 Fax: 2124 9811

www.growthinvestmentsonline.com

HSBC Bank Malta p.l.c.

233, Republic Street, Valletta VLT 1116

Tel: 2597 2209 Fax: 2597 2475

www.hsbcmalta.com

Island Financial Services Ltd

Insurance House, Salvu Psaila Street,
Birkirkara, BKR 9078

Tel: 2385 5555 Fax: 2385 5238

www.islandins.com

Jesmond Mizzi Financial Services Ltd

67, Flat 3, South Street, Valletta VLT 1105

Tel: 2122 4410 Fax: 2122 3810

www.jmfs.net

Joseph Scicluna Investment Services Ltd

Level 3, Bellavista Court,
Gorg Borg Olivier Street, Gozo VCT 2517

Tel: 2156 5707 Fax: 2156 5706

Lombard Bank Malta p.l.c.

67, Republic Street, Valletta VLT 1117

Tel: 2124 8411 Fax: 2558 1150

www.lombardmalta.com

MFSP Financial Management Ltd

220 Immaculate Conception Str., Msida MSD 1838

Tel: 21322426 Fax: 21332190

www.mfsp.com.mt

Michael Grech Financial Investment Services Ltd

No 1 Mican Court,
J.F. Kennedy Square, Victoria VCT 2580, Gozo

Tel: 2155 4492 Fax: 2155 9199

www.michaelgrechfinancial.com

MZ Investment Services Ltd

P.O. Box 24/55, MZ House, St Rita Street,
Rabat RBT 1523

Tel: 2145 3739 Fax: 2145 3407

www.mzinvestments.com

Mercieca Financial Investment Services Ltd

'Mercieca', John F. Kennedy Square,
Victoria Gozo VCT 2580

Tel: 2155 3892 Fax: 2155 3892

ANNEX 2 - SPECIMEN APPLICATION FORM



BANK OF VALLETTA p.l.c.
Issue of 5.35%
Subordinated BONDS 2019

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable.

APPLICANT (see notes 2 to 7)			
A	☐ Non-Resident	☐ Employee/ Directors	☐ Minor (under 18)
	☐ Body Corporate/ Body of Persons	☐ CIS-Prescribed Fund	
B	TITLE (Mr/Mrs/Ms/)		
	FULL NAME & SURNAME / REGISTERED NAME		
	ADDRESS		
			POSTCODE
	MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG. NO.	TEL. NO.
			MOBILE NO.
C ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use additional Application Forms if space is not sufficient)			
	TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
	TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
D MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 4) (to be completed ONLY if the Applicant is a minor)			
I	TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
II	TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
E	I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 and 9):		
	AMOUNT IN FIGURES €	AMOUNT IN WORDS	
	Bank of Valletta p.l.c. 5.35% Subordinated Bonds 2019 (minimum €2,500 and in multiples of €100 thereafter) or any smaller amount of Bonds for which this Application may be accepted at the Bond Issue Price, as defined in the Prospectus dated 20th May 2009 (the "Prospectus"), payable in full upon application under the terms and conditions as defined in the said Prospectus.		
F RESIDENT - WITHHOLDING TAX DECLARATION (see note 10) (to be completed ONLY if the Applicant is a Resident of Malta)			
	☐ I/We elect to have Final Withholding Tax deducted from my/our interest.		
	☐ I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).		
G NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 11) (to be completed ONLY if the Applicant is a Non-Resident)			
	TAX COUNTRY	TOWN OF BIRTH	
	T.I.N (Tax Identification Number)	COUNTRY OF BIRTH	
	PASSPORT/NATIONAL I.D. CARD	COUNTRY OF ISSUE	NUMBER
	ISSUE DATE		
	☐ I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.		
	☐ I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.		
H INTEREST MANDATE (see note 10)			
	BANK	BRANCH	ACCOUNT NUMBER
I	I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, dated 20th May 2009 and subject to the terms and conditions as contained therein which I/we fully accept.		
	Signature/s of Applicant/s (Both parents or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application)		Date
	AUTHORISED INTERMEDIARY'S STAMP 		Application Number



Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 20th May 2009

1. This Application is governed by the terms and conditions contained in the Prospectus dated 20th May 2009. Capitalised terms not defined herein, shall unless the context otherwise requires have the meanings ascribed to them in the Prospectus dated 20th May 2009.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds. Interest and redemption proceeds will be issued in the name of such Bondholder (see note 7).
4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interests and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
5. Applicants who are non-resident in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G; the relative box in Panel A must also be marked appropriately.
6. In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. **APPLICANTS WHO HOLD SECURITIES ON THE MALTA STOCK EXCHANGE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
8. Applications must be for a minimum of €2,500 and thereafter in multiples of €100.
9. Payment in Euro may be made by cheque payable to 'The Registrar – Bank of Valletta p.l.c. Bond Issue'.
10. Only Applicants who hold a valid official Maltese Identity Card or Companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund will have Final Withholding Tax, currently 10%, deducted from interest payments. Applicants will receive their interest directly in a bank account held locally in Euro and such choice is to be indicated in Panel H. If any Application is not accepted, or is accepted for fewer Bonds after the closure of the Subscriptions Lists, than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the Applicant's bank account as indicated in Panel H.
11. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.
12. Subscription Lists will open at 0830 hours on 8th June 2009 and will close as soon thereafter as may be determined by the Issuer, but not later than close of business on 12th June 2009. The Issuer reserves the right, however, to close the Bond Issue before the 12th June 2009 in the event of over-subscription. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus. Any Applications received by the Registrar after the Subscription Lists close will be rejected. Completed Application Forms are to be delivered at any of the Authorised Financial Intermediaries listed in the Prospectus, during the normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing of the Subscription Lists.
13. By completing and delivering an Application Form you (as the Applicant(s)):
 - a. acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act 2001;
 - b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the issue of the Bonds applied for; and
 - c. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The requests must further be signed by yourself, as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult a licensed stockbroker or an investment adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.