

Securities Note

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published 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 prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Bank of Valletta p.l.c. An application has been made for the admission to listing and trading of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most recent Registration Document issued from time to time containing information about the Issuer.

Dated 3 June 2019

In respect of an issue of up to €50,000,000 3.75% Unsecured Subordinated Bonds 2026 - 2031 of a nominal value of €100 per Bond issued at par due 2031, subject to early redemption at the option of the Issuer on any of the Early Redemption Dates by:

BANK OF VALLETTA P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 2833

ISIN: MT0000021353

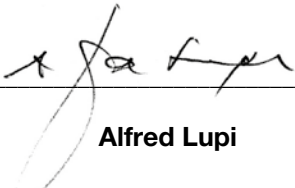
THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE BONDS AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED, OR BE CONSTRUED AS, A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE 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 THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE BONDS.

A PROSPECTIVE INVESTOR SHOULD: (A) BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN SECURITIES; AND (B) ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT AND MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

THE BONDS ARE COMPLEX FINANCIAL INSTRUMENTS AND MAY NOT BE SUITABLE FOR ALL TYPES OF RETAIL INVESTORS. A PROSPECTIVE INVESTOR SHOULD NOT INVEST IN THE BONDS UNLESS: (A) HE/SHE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT; (B) THE BONDS MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR; AND (C) THE PROSPECTIVE INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTING IN THE BONDS.

APPROVED BY THE BOARD OF DIRECTORS



Alfred Lupi

*Signing in his capacity as Director of the Issuer
and as a duly appointed agent of all the other Directors of the Issuer.*

Legal Counsel

Joint Sponsors

Manager & Registrar

CAMILLERI PREZIOSI
ADVOCATES

**CURMI &
PARTNERS**

**Jesmond
Mizzi**
FINANCIAL ADVISORS

BOV
Bank of Valletta

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IMPORTANT INFORMATION

THIS SECURITIES NOTE, FORMING PART OF THE PROSPECTUS, CONTAINS INFORMATION ON AN ISSUE BY THE ISSUER OF A MAXIMUM OF €50,000,000 UNSECURED SUBORDINATED BONDS 2026 - 2031 OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 3.75% PER ANNUM PAYABLE SEMI-ANNUALLY ON 15 JUNE AND 15 DECEMBER OF EACH YEAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION OR UNLESS OTHERWISE REDEEMED AT THE OPTION OF THE ISSUER ON ANY OF THE EARLY REDEMPTION DATES.

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, AND SHOULD BE READ IN CONJUNCTION WITH THE MOST RECENT REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

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 THE BONDS 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 ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE 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 THE PROSPECTUS.

THE 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 SECURITIES NOTE AND ANY PERSONS WISHING TO APPLY FOR THE BONDS TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR THE BONDS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRY OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING 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.

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 THE PROSPECTUS HAS BEEN SUBMITTED: (I) TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES; (II) TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS; (III) AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THE 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 THE 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 ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE BANK IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS INVESTORS IN RELATION TO THE PROSPECTUS. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF AND ANY INFORMATION CONTAINED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

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 SUBJECT TO THE RIGHT OF THE ISSUER TO REPURCHASE THE BONDS FOR CANCELLATION OR TO REDEEM THE BONDS ON ANY OF THE EARLY REDEMPTION DATES. 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 ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1. DEFINITIONS

Capitalised terms used in this Securities Note shall, except where otherwise defined herein, bear the same meaning as the meaning given to such capitalised terms in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions used in this Securities Note shall bear the following meaning whenever such words and expressions are used in their capitalised form:

Applicant/s	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 and delivering same to the Issuer or to any of the other Authorised Financial Intermediaries;
Application Form/s	the forms of application of subscription for Bonds, specimens of which are contained in Annex II of this Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note;
Bond/s	the €50,000,000 unsecured subordinated bonds of a nominal value of €100 per bond bearing interest at the rate of 3.75% per annum, and redeemable at their nominal value on the Redemption Date, or, at the option of the Issuer, on any of the Early Redemption Dates;
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;
CSD	Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Early Redemption Date/s	15 June 2026, 15 June 2027, 15 June 2028, 15 June 2029, or 15 June 2030, subject to the Issuer giving the Bondholders at least sixty (60) days' notice in writing;
Employee/s	employees appearing on the payroll of the Issuer and the Subsidiaries as at 30 May 2019, and include directors sitting on the board of the Issuer or any of the Subsidiaries as at the date of this Securities Note;

Income Tax Act	the Income Tax Act (Cap. 123 of the laws of Malta);
Interest Payment Date	means 15 December 2019 in respect of the first interest payment, and, thereafter, semi-annually on 15 June and 15 December of each year between and including each of the years 2020 and the year 2031 (or in the event of an early redemption at the option of the Issuer, 15 June and 15 December of each year between and including each of the years 2020 and the relevant Early Redemption Date), 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;
Intermediaries' Offer	the offer of Bonds to the Authorised Financial Intermediaries, either for their own account or for the account of underlying customers, consisting of a maximum aggregate amount equal to any balance of the Bonds, if any, not subscribed to by Preferred Applicants, pursuant to the terms of the plan of distribution contained in section of 7.2 this Securities Note;
Issue Date	expected on 12 July 2019, subject to the discretion of the Issuer to vary same in accordance with section 4.4 of this Securities Note (" <i>Expected Timetable of the Bond Issue</i> ");
Issuer	Bank of Valletta p.l.c., a company registered under the laws of Malta with company registration number C 2833 and having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
MSE Bye-Laws	the bye-laws issued by the MSE as may be amended and/or supplemented from time to time;
Offer Period	the period between 17 June 2019 and 28 June 2019 (or such earlier date as may be determined by the Issuer in case of over-subscription), during which the Bonds are available for subscription by Preferred Applicants;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Preferred Applicants	collectively the Senior Bondholders, Subordinated Bondholders, Employees and Shareholders;
Prospectus	collectively the Registration Document, the Summary Note and this Securities Note;
Redemption Date	15 June 2031, or in the event of an early redemption at the Issuer's sole discretion, any one of the relevant Early Redemption Dates;
Redemption Value	the nominal value of each Bond (€100 per Bond);

Register of Shareholders	the list of shareholders of the Issuer maintained and held by the CSD;
Registrar	Bank of Valletta p.l.c., a company registered under the laws of Malta with company registration number C 2833 and having its registered office at 58, Zachary Street, Valletta, VLT 1130, Malta;
Registration Document	the registration document issued by the Issuer dated 3 June 2019, 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, as amended from time to time;
Securities Note	this document in its entirety, forming part of the Prospectus;
Senior Bonds	the 4.25% notes 2019 issued by the Issuer pursuant to a prospectus dated 31 May 2011 (ISIN: MT0000021304) (as supplemented on 18 July 2011 and 12 March 2012), and the final terms dated 12 March 2012, which notes were redeemed on 17 May 2019;
Senior Bondholders	holders of Senior Bonds who held said bonds as at close of business on 2 May 2019;
Shareholders	the shareholders of the Issuer registered in the Register of Shareholders as at 30 May 2019 with last trading date being on the 28 May 2019;
Shares	shares held by Shareholders;
Sponsors	collectively: (i) Curmi & Partners Ltd., an authorised financial intermediary licensed by the MFSA and a member of the MSE; and (ii) Jesmond Mizzi Financial Advisors Limited, an authorised financial intermediary licensed by the MFSA and a member of the MSE;
Subordinated Bonds	the €50,000,000 5.35% subordinated unsecured bonds 2019 (ISIN: MT0000021262) redeemable on 15 June 2019, issued by the Issuer pursuant to a prospectus dated 20 May 2009;
Subordinated Bondholders	holders of Subordinated Bonds who held said bonds as at close of business on 30 May 2019;
Subsidiaries	collectively: (i) BOV Asset Management Limited (C 18603); and (ii) BOV Fund Services Limited (C 39623);
Summary Note	the summary note issued by the Issuer dated 3 June 2019 forming part of the Prospectus; and
Terms and Conditions	the terms and conditions of the Bond Issue contained in section 7 of this Securities Note.

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- a) words importing the singular shall include the plural and *vice-versa*;
- b) words importing the masculine gender shall include the feminine gender and *vice-versa*;
- c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

2. RISK FACTORS

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 ON THE REDEMPTION DATE UNLESS THE BONDS ARE PREVIOUSLY REPURCHASED AND CANCELLED, OR UNLESS THE BONDS ARE OTHERWISE PREVIOUSLY REDEEMED AT THE OPTION OF THE ISSUER ON ANY OF THE EARLY REDEMPTION DATES AT THEIR NOMINAL VALUE AS THE ISSUER MAY DETERMINE BY GIVING NOT LESS THAN SIXTY (60) DAYS' NOTICE IN WRITING TO BONDHOLDERS.

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 ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE 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 SPONSORS 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 SECURITIES NOTE.

2.1 FORWARD-LOOKING STATEMENTS

The Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or the Directors concerning, amongst other things, the Issuer’s strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s actual results of operations, financial condition, liquidity, and the development of its business may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition and/or liquidity of the Issuer are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in global and local economic conditions, legislative and regulatory developments, changes in taxation regimes and the availability of suitable financing.

Potential investors are advised to read the Prospectus in its entirety and, in particular, all the risks set out in this section and in the section entitled “*Risk Factors*” in the Registration Document, for a review of the factors that could affect the Issuer’s performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligation to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

2.2 RISKS RELATING TO THE BONDS

An investment in the Bonds involves certain risks including, but not limited to, those described below:

Orderly and liquid market

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 Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions, 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 Bondholders will be able to sell the Bonds at or above the Bond Issue Price or at all.

Future public offers

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.

Subordinated status

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 obligations of the Issuer. 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.

Risks associated with the BRRD

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No. 1093/2010 and (EU) No. 648/2012, of the European Parliament and of the Council (known as the BRRD) entered into force on 2 July 2014. ACT No. XXI of 2015, amending (*inter alia*), the Malta Financial Services Authority Act (Cap. 345, laws of Malta), the ISA and the Banking Act, establishes the Resolution Authority and the Resolution Committee (the “Resolution Authorities”) in accordance with the requirements of the BRRD as well as provides for matters ancillary or incidental to the establishment thereof.

The BRRD is designed to provide the Resolution Authorities with a set of tools to intervene early and quickly in the affairs of an unsound or failing bank so as to ensure the continuity of the bank’s critical financial and economic functions, whilst minimising the impact of a bank’s failure on the economy and financial system.

Pursuant to the BRRD, the Resolution Authorities may intervene using one or more resolution tools in the event that all of the following conditions are met: (a) a bank is failing or likely to fail; (b) there is no reasonable prospect that alternative private sector measures would prevent the failure of a bank; and (c) a resolution action is in the public interest.

One of the resolution tools is the bail-in tool whereby Resolution Authorities are, amongst others, empowered to write down or convert into common equity certain liabilities of a failing bank (including Tier 2 Capital instruments, such as the Bonds). The bail-in tool ensures that not only shareholders but also creditors of the failing institution suffer appropriate losses and bear an appropriate part of the costs arising from the failure of the institution.

The Resolution Authorities will have to exercise their bail-in powers in a way that results in: (i) Common Equity Tier 1 capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses; (ii) thereafter, the principal amount of other capital instruments (additional Tier 1 capital instruments and Tier 2 Capital instruments such as the Bonds) being written down on a permanent basis or converted into Common Equity Tier 1 capital instruments in accordance with their order of priority; and (iii) thereafter, other eligible liabilities being written down on a permanent basis or converted into Common Equity Tier 1 capital instruments in accordance with a set order of priority.

The extent to which the Bonds may become subject to a bail-in will depend on a number of factors, and it will be difficult to predict when, if at all, a bail-in will occur particularly since, as at the date of this Prospectus, none of the conditions prescribed in (a)-(c) above subsist within the Issuer.

Prospective investors should, nonetheless, consider the risk that in the event that the Issuer becomes subject to a bail-in, the principal amount of the Bonds including any accrued but unpaid interest, may be: (i) partially or fully lost in the case of a write down to absorb the Issuer's losses; or (ii) if a conversion takes place, their investment in the Bonds may be partially or fully converted into Tier 1 capital to recapitalize the Issuer.

Limited recourse

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 Bonds, 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 Acceleration Event (as defined in section 5.9 of this Securities Note).

Additional indebtedness and security

The Issuer may, apart from any indebtedness incurred prior to the date of this Prospectus, incur further borrowings or indebtedness and may create or permit to subsist security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).

Capital requirements

The Bonds being offered pursuant to the Prospectus, form part of the Issuer's capital plan. In the event that the Issuer is not successful in raising this capital, its capital base and its ability to sustain further growth within the parameters of the applicable regulatory framework, may be significantly curtailed. This could have a significant impact on its overall business, as well as its operational and financial results.

Specific nature of the Bonds

The Bonds shall be issued at a fixed interest rate. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect their market value. Investors should also be aware that the price of fixed rate bonds should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising, their prices decline and conversely, if market interest rates are declining, the prices of fixed rate bonds rises. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

Early redemption

The Issuer has the option to redeem the Bonds, in whole, at a price of €100 per Bond, on any of the Early Redemption Dates, together with any unpaid interest until the time of redemption. This optional redemption feature may have a negative impact on the market value of the Bonds. Should the Issuer decide to redeem the Bonds on any of the Early Redemption Dates, the Bondholder may not be able to re-invest the proceeds from the redemption at yields that would have been received on the Bonds had they not been redeemed.

No prior market for the Bonds

There has been no prior market for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the price at which the Bonds are issued will correspond to the price at which the Bonds will trade in the market. The market price of the Bonds could be subject to significant fluctuations in response to numerous factors, including the Issuer's operating results and political and economic developments in or outside Malta.

Continuing compliance obligations

Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the market.

The Listing Authority may discontinue the listing of the Bonds on the MSE if, *inter alia*, it is satisfied that there are special circumstances that no longer permit normal dealings in the Bonds to take place. Any such trading suspensions or listing discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.

Suitability

The Bonds are complex financial instruments. An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- a) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- c) understands thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and
- d) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Bondholder's currency of reference

A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds and the Bondholder's currency of reference, if different.

Minimum Application and Holding

Applications for the Bonds are subject to a minimum initial application of €25,000 and subject to a minimum holding of €25,000 throughout the lifetime thereof. This could affect the ability of Bondholders to sell the Bonds on the secondary market.

Terms and Conditions

The Terms and Conditions are based on Maltese law in effect as at the date of the Prospectus. A change in Maltese law or administrative practice or a judicial decision may have an effect on the Terms and Conditions. No assurance can be given as to the impact thereof after the date of the Prospectus.

3 PERSONS RESPONSIBLE

This Securities Note includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer and the Bonds. The Issuer and the Directors, 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.

The advisers to the Issuer listed in section 4.2 of the Registration Document have advised and assisted the Issuer in the preparation of this Securities Note, but none make any representation or statement, unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

Neither the Issuer nor the Sponsors have authorised (nor do they authorise or consent the use of this Prospectus in connection with) the making of any public offer of the Bonds, except as provided in the Prospectus, by any person in any other circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Sponsors and both the Issuer and the Sponsors disclaim any responsibility or liability arising from the actions of any person making such offers. Neither the Issuer nor the Sponsors have any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should obtain legal advice.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: www.bov.com

4. ESSENTIAL INFORMATION

4.1 REASONS FOR THE BOND ISSUE AND USE OF PROCEEDS

The proceeds from the Bond Issue amounting to a maximum of €50,000,000 will constitute an integral part of the Issuer's capital plan (aimed at further strengthening the Issuer's Tier 2 Capital requirements as required by European banking regulations), and will be used by the Issuer to meet part of its general financing requirements.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for.

4.2 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €400,000 and will be borne by the Issuer. There is no particular order of priority with respect to such expenses.

4.3 ISSUE STATISTICS

Amount: €50,000,000;

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 (€);

ISIN:	MT0000021353;
Minimum amount on initial subscription:	Minimum of twenty-five thousand Euro (€25,000) and in multiples of one thousand Euro (€1,000) thereafter;
Transferability:	The Bonds are freely transferable and once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time, subject to the retention of a minimum holding of €25,000 by each individual Bondholder, which holding shall be maintained at all times throughout the Bondholder's investment in the Bonds. If Bonds are held by a financial intermediary on behalf of its underlying clients under one or more nominee accounts, the minimum holding of €25,000 shall apply to each underlying client;
Redemption Date:	15 June 2031;
Early Redemption Dates:	15 June 2026, 15 June 2027, 15 June 2028, 15 June 2029, and 15 June 2030, subject to the Issuer giving the Bondholders at least sixty (60) days' notice in writing;
Redemption Value:	At par (€100 per Bond);
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 MSE for the Bonds to be listed and traded on its Official List;
Application Forms available:	Application Forms will be mailed to Senior Bondholders, Subordinated Bondholders and Shareholders on 14 June 2019. Employees may obtain an Application Form from the Issuer's offices as from 08:30 hours on 17 June 2019;
Offer Period:	The period between 17 June 2019 and 28 June 2019 (or such earlier date as may be determined by the Issuer in case of over-subscription) during which Preferred Applicants may subscribe for the Bonds;
Intermediaries' Offer Date:	12:00 hours on 5 July 2019;
Interest:	3.75% per annum;
Interest Payment Dates:	Semi-annually on 15 June and 15 December, with the first interest payment date being 15 December 2019;
Governing Law:	The Bonds are governed by and shall be construed in accordance with Maltese law;
Submission to Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

4.4 EXPECTED TIMETABLE OF THE BOND ISSUE

		Scenario A: Intermediaries' Offer does not take place	Scenario B: Intermediaries' Offer takes place*
1	Application Forms available to Preferred Applicants	17 June 2019	N/A
2	Closing date for Applications to be received from Preferred Applicants	28 June 2019	N/A
3	Intermediaries' Offer*	N/A	5 July 2019
4	Announcement of basis of acceptance	5 July 2019	17 July 2019
5	Commencement of interest	5 July 2019	17 July 2019
6	Dispatch of allotment advices and refunds (if any)	12 July 2019	24 July 2019
7	Issue Date	12 July 2019	24 July 2019
8	Expected date of admission of the Bonds to listing	12 July 2019	24 July 2019
9	Expected date of commencement of trading in the Bonds	15 July 2019	25 July 2019

The Issuer reserves the right to close the period for Applications to be received from Preferred Applicants before 28 June 2019 in the event of over-subscription by Preferred Applicants, in which case the remaining events set out above in 'Scenario A' will be brought forward and will take place in the same chronological order set out above.

**Intermediaries' Offer will only take place in the event that the total value of Applications received from Preferred Applicants does not exceed €50,000,000.*

4.5 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE BOND ISSUE

The Issuer is an Authorised Financial Intermediary in respect of the Bond Issue. However, as the Issuer of the Bonds, it has an interest in the Bond Issue. In this respect, the Issuer will not be providing investment advice in relation to subscriptions for the Bonds, however, may entertain applications for subscriptions for the Bonds on a non-advisory basis. In this respect, investors are strongly encouraged to seek independent and professional advice prior to participating in the Bond Issue.

Save for the Sponsors' entitlement to fees payable in connection with the Bond Issue, and their involvement in the Bond Issue as Authorised Financial Intermediaries, so far as the Issuer is aware, no person involved in the Bond Issue has any other interest that is material to the Bond Issue.

5 INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING

Each Bond shall be issued on the Terms and Conditions, and by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the Terms and Conditions herein described and to accept and be bound by the said Terms and Conditions.

5.1 GENERAL

5.1.1 Each Bond forms part of a duly authorised issue of 3.75% unsecured subordinated Bonds 2026 - 2031 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €50,000,000.

5.1.2 The expected Issue Date of the Bonds is 12 July 2019, subject to the discretion of the Issuer to vary same in accordance with section 4.4 of this Securities Note ("*Expected Timetable of the Bond Issue*").

- 5.1.3 The currency of the Bonds is Euro (€).
- 5.1.4 The proceeds of this Bond Issue will constitute Tier 2 Capital of the Bank.
- 5.1.5 Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN: MT0000021353.
- 5.1.6 Unless previously repurchased and cancelled or redeemed at the option of the Issuer on any of the Early Redemption Dates, the Bonds shall be redeemed by the Issuer at par on the Redemption Date.
- 5.1.7 The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- 5.1.8 The Bond Issue is not underwritten.
- 5.1.9 In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for.
- 5.1.10 The Bonds are complex instruments and accordingly are only suitable for investors who have the knowledge and experience to understand the risks relating to this type of financial instrument.

5.2 RANKING OF THE BONDS

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.

5.3 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.

5.4 INTEREST

- 5.4.1 The Bonds shall bear interest from and including 5 July 2019 (or such other date determined by the Issuer in accordance with section 4.4 of this Securities Note "*Expected Timetable of the Bond Issue*") (the "**Interest Commencement Date**") at the rate of 3.75% per annum on the nominal value thereof, payable semi-annually in arrears on each Interest Payment Date. The first interest payment will be effected on 15 December 2019 on a pro rata basis, covering the period from the Interest Commencement Date to 14 December 2019, both days included. 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.
- 5.4.2 In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.
- 5.4.3 When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 365-day year, and in the case of an incomplete month, the number of days elapsed.

5.5 YIELD

The gross yield calculated on the basis of the interest, the Bond Issue Price and the Redemption Value of the Bonds at the Redemption Date is 3.75%. The table below illustrates the gross yield at the different Early Redemption Dates:

REDEMPTION	REDEMPTION DATES	ISSUE PRICE	REDEMPTION PRICE	YIELD TO CALL
At Early Redemption Dates	2026	€100 (at par)	€100 (at par)	3.75%
	2027	€100 (at par)	€100 (at par)	3.75%
	2028	€100 (at par)	€100 (at par)	3.75%
	2029	€100 (at par)	€100 (at par)	3.75%
	2030	€100 (at par)	€100 (at par)	3.75%
Upon Maturity	2031	€100 (at par)	€100 (at par)	3.75%

5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

- 5.6.1 Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of 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 by the CSD. There will be entered in such electronic register: (i) the names, addresses and identity card numbers (in the case of natural persons); and (ii) registration numbers and 'Legal Entity Identifiers' ("LEI") (in the case of companies). In addition, there will be entered in said register, MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively. Bondholders shall have access to the register of Bondholders held at the CSD at all reasonable times during business hours for the purpose of inspecting information held on their respective account.
- 5.6.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.
- 5.6.3 The Bonds will be issued in fully registered form, without interest coupon certificates, with a nominal value of €100 provided that on subscription the Bonds will be issued for a minimum of €25,000 per individual Bondholder. Authorised Financial Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €25,000 to each underlying client.
- 5.6.4 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 5.12 of this Securities Note.
- 5.6.5 Upon submission of an Application Form, Applicants who opt to subscribe for the online e-portfolio by ticking the appropriate box on the Application Form will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

5.7 PAYMENTS

- 5.7.1 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 or the Early Redemption Date (as the case may be), with interest accrued up to the Redemption Date or the Early Redemption Date (as the case may be), by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account 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 or any charges in connection therewith. Such payment shall be effected within seven (7) days of the Redemption Date, or the Early Redemption Date (as the case may be). 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.

- 5.7.2 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.
- 5.7.3 Payment of interest on the Bonds 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. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.
- 5.7.4 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.
- 5.7.5 No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

5.8 REDEMPTION OR EARLY REDEMPTION

- 5.8.1 Unless previously repurchased and cancelled, the Bonds will be redeemed at par (together with interest accrued to the date fixed for redemption) on 15 June 2031, provided that the Issuer reserves the right to redeem all the Bonds on any one of the Early Redemption Dates. The Issuer shall give at least sixty (60) days' notice in writing to all Bondholders of its intention to effect such early redemption. The Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law, and which is payable by Bondholders.
- 5.8.2 Subject to the provisions of this section 5.8, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.
- 5.8.3 All Bonds so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold.

5.9 ACCELERATION EVENT

In the event that an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer (an "**Acceleration Event**"), the Bonds shall immediately fall due and payable at the Redemption Value, together with interest accrued up to the date of repayment, if any. Upon the occurrence of such an Acceleration Event, all rights available to the Bondholders shall rank after all other unsubordinated and unsecured obligations of the Issuer.

In the event that the Issuer becomes subject to a bail-in (as further described in the risk factor found in section 2.2 of this Securities Note, entitled "*Risks associated with the BRRD*"), this shall not constitute an Acceleration Event.

5.10 LIMITED RECOURSE

Each 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 and Conditions. The only remedy available to the Bondholders shall be the petitioning for the winding-up of the Issuer.

5.11 FORM OF NOTICE

Any notice, including any notice declaring the Bonds due and payable, shall be made by means of a written declaration delivered by hand or registered mail to the registered office of the Issuer.

5.12 TRANSFERABILITY OF THE BONDS

- 5.12.1 The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time, subject to the retention of a minimum holding of €25,000 by each individual holder of the Bonds, which shall be maintained at all times throughout such Bondholder's investment in the Bonds. If the Bonds are held by financial intermediaries on behalf of their underlying clients under one or more nominee accounts, the minimum holding of €25,000 shall apply to each underlying client.
- 5.12.2 Any person becoming entitled to the Bonds 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 Bonds 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 Bonds, or procuring the transfer of the Bonds, in favour of that person.
- 5.12.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 5.12.4 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.
- 5.12.5 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.

5.13 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Bondholders, 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 or upon such other terms and conditions as the Issuer may determine at the time of their issue.

5.14 MEETINGS OF BONDHOLDERS

- 5.14.1 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.
- 5.14.2 In the event that the Issuer wishes to amend any of the Terms and Conditions, it shall call a meeting of Bondholders listed on the register of Bondholders at a date being not more than thirty (30) days preceding the date scheduled for the meeting, 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. Any person who in accordance with the Memorandum and Articles is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 5.14.3 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. Any person who in accordance with the Memorandum and Articles of Association is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 5.14.4 Once a quorum is declared present by the chairman of the meeting, 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 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.

- 5.14.5 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.
- 5.14.6 Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders shall apply *mutatis mutandis*.

5.15 AUTHORISATIONS AND APPROVALS

The Board of Directors authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 14 May 2019.

5.16 NOTICES

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 Bondholder at his registered address and posted.

6. TAXATION

6.1 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 is not, 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.

6.2 MALTA TAX ON INTEREST

Interest payable in respect of the Bond to a recipient, as defined in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta) is subject to a 15% final withholding tax (10% in the case of certain types of collective investment schemes), unless the recipient elects to be paid the investment income without deduction of the final withholding tax. 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 is not obliged to declare the interest so received in his income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

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 tax, interest will be paid gross and such person will be obliged to declare the interest so received in his Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case, the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. 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 satisfying the applicable conditions set out in the Income Tax Act, including but not limited to the condition that the Bondholder is not owned and controlled by, whether directly or indirectly, nor acts on behalf of an individual/s who are ordinarily resident and domiciled in Malta, 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.

6.3 MALTESE TAXATION ON 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”, to the extent that the Bonds are held as capital assets by the Bondholder, no tax on capital gains is chargeable in respect of a transfer of the Bonds.

6.4 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered to be treated as marketable securities for the purposes of the Duty and Documents and Transfers Act, 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, as is the MSE, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

6.5 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and/or its agents are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Relevant legislation includes, but is not limited to:

- (i) the Agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA – incorporated into Maltese law through Legal Notice 78 of 2014; and
- (ii) the implementation of Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) which provides for the implementation of the regime known as the Common Reporting Standard – incorporated into Maltese law through Legal Notice 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015.

Failure on the part of a Bondholder to provide the Issuer with the necessary information required for its compliance with applicable legislation, may have consequences on the Bondholder’s holding and/or may result in the Issuer having to report the Bondholder to the relevant tax authorities.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO: (1) THE ACQUISITION, HOLDING AND DISPOSAL OF THE BONDS; (2) THE INTEREST PAYMENTS MADE BY THE ISSUER; AND (3) THE REPORTING BY THE ISSUER TO THE COMMISSIONER FOR REVENUE OF INFORMATION ON THE BONDHOLDERS AND ON PAYMENTS MADE TO THE BONDHOLDERS AND THE EXCHANGE OF SUCH INFORMATION BETWEEN MALTA AND RELEVANT FOREIGN TAX AUTHORITIES. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE LEGAL OR TAX ADVICE AND REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

7. TERMS AND CONDITIONS

7.1 GENERAL TERMS AND CONDITIONS

- 7.1.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE, all Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.
- 7.1.2 The contract created by the Issuer's acceptance of an Application filed by a prospective Bondholder shall be subject to all the terms and conditions set out in this Securities Note.
- 7.1.3 If an 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 duly 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 representative 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 Issuer (acting in its capacity as Registrar), but it shall not be the duty or responsibility of the Issuer to ascertain that such representative is duly authorised to appear on the Application Form.
- 7.1.4 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. 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. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bonds so held.
- 7.1.5 In respect of Bonds held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register of Bondholders. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer, to be the holder of the Bonds so held and shall have the right to receive interest on the Bonds and to vote at meetings of the Bondholders but shall not, during the continuance of the Bonds, have the right to dispose of the Bonds so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bonds (which shall be due to the bare owner). In the case of Senior Bonds, Subordinated Bonds and/or Shares which were/are held subject to usufruct, the Application Forms will be sent to the bare owners of such Shares and to the previous bare owners of the Senior Bonds and/or Subordinated Bonds.
- 7.1.6 Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an MSE account. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, 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 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 18 years.
- 7.1.7 Applications in the name of a corporation or corporate entity or association of persons, need to include a valid LEI in the space provided on the Application, and must be signed by duly authorised representatives indicating the capacity in which they are signing. Failure to include a valid LEI, will result in the Application being cancelled by the Issuer (acting in its capacity as Registrar) and subscription monies will be returned to the Applicant in accordance with section 7.1.16 below.
- 7.1.8 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 requirements in the countries of their nationality, residence or domicile.
- 7.1.9 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.

7.1.10 SUBSCRIPTION FOR BONDS BY PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, OR WHO ARE DOMICILED IN, OR WHO HAVE A REGISTERED ADDRESS IN, A JURISDICTION OTHER THAN MALTA, MAY BE AFFECTED BY THE LAW OF THE RELEVANT JURISDICTION. THOSE PERSONS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS (INCLUDING TAX AND LEGAL ADVISERS) AS TO WHETHER THEY REQUIRE ANY GOVERNMENTAL OR OTHER CONSENTS, OR NEED TO OBSERVE ANY OTHER FORMALITIES, TO ENABLE THEM TO SUBSCRIBE FOR THE BONDS. IT IS THE RESPONSIBILITY OF ANY PERSON (INCLUDING, WITHOUT LIMITATION, NOMINEES, CUSTODIANS, DEPOSITARIES AND TRUSTEES) OUTSIDE MALTA WISHING TO PARTICIPATE IN THE BOND ISSUE, TO SATISFY HIMSELF/HERSELF/ITSELF AS TO FULL OBSERVANCE OF THE APPLICABLE LAWS OF ANY RELEVANT JURISDICTION, INCLUDING, BUT NOT LIMITED TO, OBTAINING ANY REQUISITE GOVERNMENTAL OR OTHER CONSENTS, OBSERVING ANY OTHER REQUISITE FORMALITIES AND PAYING ANY TRANSFER OR OTHER TAXES (OF ANY NATURE WHATSOEVER) DUE IN SUCH TERRITORIES. THE ISSUER SHALL NOT ACCEPT ANY RESPONSIBILITY FOR THE NON-COMPLIANCE BY ANY PERSON OF ANY APPLICABLE LAWS OR REGULATIONS OF FOREIGN JURISDICTIONS.

No person downloading a copy of the Prospectus and/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.

Having considered the circumstances, the Issuer has formed the view (due to the onerous requirements involved in the registration of this Prospectus in any territory other than Malta and/or compliance with the relevant legal or regulatory requirements) not to send Application Forms to Senior Bondholders, Subordinated Bondholders and Shareholders except where, *inter alia*, in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.

7.1.11 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, including multiple or suspected multiple applications, 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.

7.1.12 The Bonds will be issued in Euro (€). The aggregate principal amount of the Bond Issue is of a maximum of €50,000,000.

7.1.13 The nominal value of the Bonds is €100. The minimum amount of Bonds that can be subscribed for by Applicants is €25,000. An Applicant applying for Bonds in excess of €25,000 must apply for same in multiples of €1,000 thereafter.

7.1.14 Applications for subscriptions for Bonds shall be made by completing the appropriate section of the Application Form. Senior Bondholders and Subordinated Bondholders may subscribe for Bonds by submitting Application Form 'A'. Employees may subscribe for Bonds by submitting Application Form 'B'. Shareholders may subscribe for Bonds by submitting Application Form 'C'. Other Applicants subscribing for Bonds through the Intermediaries' Offer (in the eventuality that it takes place) need to complete Application Form 'D'. Preferred Applicants may submit their Application Forms to any Authorised Financial Intermediary by latest 16:00 hours on 28 June 2019 (or such earlier date as may be determined by the Issuer in case of over-subscription) whereas other investors subscribing for Bonds through the Intermediaries' Offer (in the eventuality that it takes place) need to submit Application Form 'D' by latest 12:00 hours on 5 July 2019. Payment by applicants of the full price of Bonds applied for shall be made in Euro and in cleared funds. Payment may be made either in cash or by cheque payable to the respective Authorised Financial Intermediary. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer reserves the right to invalidate the relative Application.

- 7.1.15 By submitting a signed Application Form, the Applicant is thereby confirming that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer (acting in its capacity as Registrar) reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, which acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation.
- 7.1.16 In the event that: (i) an Application is rejected owing to the provision, by the Applicant, of incomplete information and/or documentation; or (ii) an Applicant has not been allocated any Bonds; or (iii) an Applicant has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five (5) Business Days from the date of announcement of basis of acceptance. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such credit transfer.
- 7.1.17 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008, as subsequently amended), all 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 "Members' Code of Conduct" appended as Appendix 3.6 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 586 of the laws of Malta) and/or the GDPR, as amended from time to time (as applicable), for the purposes and within the terms of the MSE's data protection and privacy policy as published from time to time.
- 7.1.18 It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II) and Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 (MiFIR), as well as applicable MFSA Rules for investment services providers.
- 7.1.19 By completing and delivering an Application Form, the Applicant:
- a. agrees and acknowledges 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;
 - b. acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at www.bov.com. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act (Cap. 586 of the laws of Malta) and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;
 - c. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s in the space provided on the Application Form. Failure to include a valid MSE account number will result in the Application being cancelled by the Issuer (acting in its capacity as Registrar) and subscription monies will be returned to the Applicant in accordance with section 7.1.16 above. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
 - d. authorises the Issuer (or its service providers, including the CSD and/or the Sponsors) and/or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bonds applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the GDPR. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;

- e. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s 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. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her 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, and that such monies will not bear interest;
- g. agrees to provide the Issuer, the Sponsors and any of the Authorised Financial Intermediaries with any information which it/they may request in connection with the Application;
- h. warrants in connection with the Application, 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 his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her Application;
- i. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- j. represents that the Applicant is 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;
- k. acknowledges that the advisers to the Issuer in connection to the Bond Issue (listed in section 4.2 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;
- l. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant’s 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; and
- m. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

7.1.20 The Bonds, as to form and content, and all the rights and obligations of the Bondholders and the Issuer, shall be governed by Maltese law. The exclusive place of jurisdiction for all legal proceedings arising out of or in connection with the Bonds shall be Malta.

7.2. PLAN OF DISTRIBUTION AND ALLOTMENT

Applications for subscription to the Bonds may be made through any of the Authorised Financial Intermediaries. The Bonds are open for subscription by:

- i. Preferred Applicants up to the total amount of €50,000,000; and
- ii. Authorised Financial Intermediaries through the Intermediaries’ Offer in respect of any balance of the Bonds not subscribed to by Preferred Applicants.

It is expected that an allotment advice will be dispatched to Applicants within five (5) Business Days of the announcement of basis of acceptance. 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.

Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

7.3. PRICING

The Bonds are being issued at par, that is, at €100 per Bond.

7.4. ALLOCATION POLICY

The Issuer shall allocate the Bonds on the basis of the following allocation policy:

- i. A maximum aggregate amount of €50,000,000 in Bonds shall be available for subscription by Preferred Applicants in accordance with an allocation policy as determined by the Issuer (acting in its capacity as Registrar). The Issuer may, in determining the aforesaid allocation policy, give preference to Senior Bondholders and Subordinated Bondholders.

In the event that Applications from Preferred Applicants exceed the amount available for subscription, the Issuer (acting in its capacity as Registrar) shall scale down Applications (subject to a minimum allocation of €25,000 per Application) in accordance with its allocation policy and the subscription monies of any unsatisfied Applications, or part thereof, shall be returned by direct credit transfer to the account number indicated on the respective Application Form within five (5) Business Days from the announcement of basis of acceptance.

In view of the fact that Bondholders need to have a minimum holding of €25,000 in the Bonds, the Issuer may, in allocating the Bonds, resort to a ballot. Pursuant to such ballot, Applicants are not guaranteed that they will be allocated any Bonds.

- ii. Any balance of Bonds not subscribed for by Preferred Applicants shall be made available for subscription by Authorised Financial Intermediaries who would have submitted a subscription agreement as detailed in section 7.5 hereunder.

In the event that the subscription agreements received exceed the amount available for subscription in terms of this point (ii), the Issuer (acting in its capacity as Registrar) shall scale down each subscription agreement in accordance with its allocation policy and the subscription monies of any unsatisfied subscription agreements, or part thereof, shall be returned by direct credit transfer to the respective Authorised Financial Intermediary to the account number indicated on the respective subscription agreement by latest 8 July 2019.

The Issuer shall announce the result of the Bond Issue through a company announcement by 5 July 2019, however this date may vary in accordance with the terms of section 4.4 of this Securities Note ("*Expected Timetable of the Bond Issue*").

7.5 INTERMEDIARIES' OFFER

- 7.5.1 The Issuer may enter into conditional subscription agreements with Authorised Financial Intermediaries for the subscription of the resultant balance of Bonds not subscribed to by Preferred Applicants pursuant to section 7.4 above.
- 7.5.2 In terms of each subscription agreement entered into with each of the Authorised Financial Intermediaries, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will bind itself to subscribe for, a number of Bonds subject to being admitted to trading on the Official List. The subscription agreements will become binding on each of the Issuer and the respective Authorised Financial Intermediaries upon delivery to the Issuer, provided that these intermediaries would have paid to the the Issuer (in its capacity as Registrar) all subscription proceeds in cleared funds on delivery of the subscription agreement.
- 7.5.3 Authorised Financial Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading. In any case, subscriptions made pursuant to a subscription agreement shall be subject to a minimum Application and allocation of €25,000 in Bonds to each underlying client.

7.6 ADMISSION TO TRADING

- 7.6.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 3 June 2019.
- 7.6.2 Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List.
- 7.6.3 The Bonds are expected to be admitted to the MSE with effect from 12 July 2019 and trading is expected to commence on 15 July 2019, however these dates may vary in accordance with the terms of section 4.4 of this Securities Note (*“Expected Timetable of the Bond Issue”*).

7.7 ADDITIONAL INFORMATION

The following documents are available for inspection at the registered office of the Issuer for the life of this Prospectus:

- i. the Memorandum and Articles; and
- ii. the annual reports, including the consolidated audited financial statements of the Issuer, for each of the financial years ended 31 December 2017 and 31 December 2018.

The Securities Note does not contain any statement or report attributed to any person as an expert.

7.8 CREDIT RATING

The Issuer is currently rated by Standard and Poor’s (**“S&P”**) & Fitch Ratings (**“Fitch”**). S&P and Fitch are two of the three big credit rating agencies and have been designated as nationally recognised statistical rating organisations (NRSRO) by the U.S. Securities & Exchange Commission.

The Issuer’s long-term issuer default rating assigned by S&P is ‘BBB’ while the short-term rating is ‘A-2’ with a negative outlook. The Issuer’s long-term issuer default rating as assigned by Fitch is ‘BBB’ whilst the short term rating is ‘F2’ with a stable outlook.

A ‘BBB’ long-term issuer credit rating indicates that the *“obligor rated ‘BBB’ has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor’s capacity to meet its financial commitments”*. On the other hand, an S&P A-2 short-term credit rating indicates that the *“obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor’s capacity to meet its financial commitments on the obligation is satisfactory.”* A short-term rating of F2 by Fitch indicates that the company has *“good intrinsic capacity for timely payment of financial commitments”*.¹

¹ Fitch Ratings Definitions: <www.fitchratings.com/site/definitions>

S&P Global Rating Definitions: <www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352>

ANNEX I – AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
APS Bank p.l.c.	APS Centre, Tower Road, Birkirkara BKR 4012	25603000
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688688
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
Financial Planning Services Ltd	4, Marina Court No. 1, G. Cali Street, Ta' Xbiex XBX 1421	21344244
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	21220002
Hogg Capital Investments Ltd	Nu Bis Centre, Mosta Road, Lija LJA 9012	21322872
Jesmond Mizzi Financial Advisors Ltd	67/3, South Street, Valletta VLT 1105	23265696
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	25581806
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	25574400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2550	21554492
MZ Investment Services Ltd	63, St Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	22583000

ANNEX II – SPECIMEN APPLICATION FORMS



Bank of Valletta

BANK OF VALLETTA P.L.C.
€50,000,000 3.75% UNSECURED SUBORDINATED BONDS 2026 - 2031
APPLICATION FORM 'A'
SENIOR BONDHOLDERS & SUBORDINATED BONDHOLDERS

This Application Form is not transferable and entitles you to subscribe for Bank of Valletta p.l.c. 3.75% Unsecured Subordinated Bonds 2026 - 2031 as either a Senior Bondholder or a Subordinated Bondholder as defined in the Prospectus dated 3 June 2019 (the "Prospectus"). Please read the notes overleaf before completing this Application Form. **Mark 'X' where applicable**

A APPLICANT <i>(see notes 2 to 7)</i>			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) <i>(if applicant is NOT an Individual)</i>		TEL. NO.	MOBILE NO.
<input type="checkbox"/> PLEASE REGISTER ME FOR E-PORTFOLIO <i>(mobile number is mandatory for e-portfolio registration)</i>			
B ADDITIONAL (JOINT) APPLICANTS <i>(see note 3)</i> <i>(please use Addendum to Application Form if space is not sufficient)</i>			
TITLE (Mr/Mrs/Ms)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER / MINOR'S PARENTS / LEGAL GUARDIAN(S) <i>(see notes 4 & 7)</i> <i>(to be completed ONLY if applicable)</i>			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE <i>(see note 8):</i>			
€	AMOUNT IN WORDS		
Bank of Valletta p.l.c. 3.75% Unsecured Subordinated Bonds 2026 - 2031 (the "Bonds") (minimum subscription of €25,000 and in multiples of €1,000 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 3 June 2019, payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.			
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION <i>(see notes 9 & 10)</i> <i>(to be completed ONLY if the Applicant is a resident of Malta)</i>			
<input type="checkbox"/> I/We elect to receive interest NET of FWT.		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT.)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES <i>(see notes 2 & 10)</i> <i>(to be completed ONLY if the Applicant is a non-resident)</i>			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE <i>(see notes 11 & 12)</i>			
BANK	IBAN		
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, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept. I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/We understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided. CONFLICTS OF INTEREST - Bank of Valletta p.l.c. acknowledges that, where it acts in its capacity of an Authorised Financial Intermediary, as issuer of the Bonds it has an interest in the offer being subscribed to by prospective investors.			
Signature/s of Applicant/s <i>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)</i> <i>(All parties are to sign in the case of a joint Application)</i> <i>(Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)</i>			Date
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	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 3 June 2019 regulating the Bond Issue

1. This Application is governed by the general Terms and Conditions of Application contained in Section 7 of the Securities Note dated 3 June 2019 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For Applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
3. The MSE account number pertaining to the Applicant has been preprinted in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 2 May 2019 with respect to the Senior Bondholders and 30 May 2019 with respect to the Subordinated Bondholders. If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B **but the person whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (wide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.**
Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.
4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an MSE account. 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 interest 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. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **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 THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in the space provided in Panel C of the Application Form.
8. Applications must be for a minimum subscription of €25,000 and thereafter in multiples of €1,000 and must be accompanied by the relevant subscription amount in Euro. TRADING IN THE BONDS SHALL TAKE PLACE ON THE MALTA STOCK EXCHANGE IN MULTIPLES OF €100 AND SHALL BE SUBJECT TO THE RETENTION TO A MINIMUM HOLDING OF €25,000. IT IS THE RESPONSIBILITY OF EACH AUTHORISED FINANCIAL INTERMEDIARY TO ENSURE THAT APPLICATIONS FOR SUBSCRIPTION OF BONDS MADE UNDER NOMINEE AS WELL AS WHEN THE BONDS ARE TRADED ON THE SECONDARY MARKET, THE MINIMUM HOLDING OF €25,000 SHALL APPLY TO EACH BENEFICIAL OWNER.
9. 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 will be obliged to declare interest so received in the tax return. The Issuer will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. 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.
In terms of Section 6.2 of the Securities Note, 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 final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
10. 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 Director General Inland Revenue, Malta, 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 Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
The contents of Notes 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisers in case of doubt.
11. Interest and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
12. The Offer Period will open at 08:30 hours on 17 June 2019 and will close at 16:00 hours on 28 June 2019 or earlier in the case of over-subscription. Completed Application Forms are to be delivered to any Authorised Financial Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
13. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the Laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. 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 request must be signed by yourself as the Applicant to whom the personal data relates.

The Bonds are complex financial instruments and may not be suitable for all types of retail investors. A potential investor should not invest in the Bonds unless:

- i. He/She has the necessary knowledge and experience to understand the risks relating to this type of financial instruments;
- ii. The Bonds meet the investment objectives of the potential investor; and
- iii. Such potential investor is able to bear the investment and financial risks which result from investment in the Bonds.

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 an independent financial adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.



Bank of Valletta

€50,000,000 3.75% UNSECURED SUBORDINATED BONDS 2026 - 2031
APPLICATION FORM 'B'
EMPLOYEES

This Application Form is not transferable and entitles you to subscribe for Bank of Valletta p.l.c. 3.75% Unsecured Subordinated Bonds 2026 - 2031 being an Employee as defined in the Prospectus dated 3 June 2019 (the "Prospectus"). Please read the notes overleaf before completing this Application Form. **Mark 'X' where applicable**

A APPLICANT (see notes 2 to 5)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		
ADDRESS			
			POSTCODE
MSE A/C NO. (mandatory)	I.D. CARD / PASSPORT	DOCUMENT TYPE	COUNTRY OF ISSUE
NATIONALITY		DATE OF BIRTH	MOBILE NO.
<input type="checkbox"/> PLEASE REGISTER ME FOR E-PORTFOLIO (mobile number is mandatory for e-portfolio registration)			
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER (see note 5) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I / WE APPLY TO PURCHASE AND ACQUIRE (see note 6):			
AMOUNT IN FIGURES		AMOUNT IN WORDS	
€			
Bank of Valletta p.l.c. 3.75% Unsecured Subordinated Bonds 2026 - 2031 (the "Bonds") (minimum subscription of €25,000 and in multiples of €1,000 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 3 June 2019, payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.			
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 7 & 8) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT.		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT.)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 8) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 9 & 10) (completion of this panel is MANDATORY)			
BANK	IBAN		
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, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.			
I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MIFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/We understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.			
CONFLICTS OF INTEREST - Bank of Valletta p.l.c. acknowledges that, where it acts in its capacity of an Authorised Financial Intermediary, as issuer of the Bonds it has an interest in the offer being subscribed to by prospective investors.			
Signature/s of Applicant/s <small>(All parties are to sign in the case of a joint Application)</small>			Date
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	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 3 June 2019 regulating the Bond Issue

1. This Application is governed by the general Terms and Conditions of Application contained in Section 7 of the Securities Note dated 3 June 2019 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS and entitles you for subscription to the Bonds as a Preferred Applicant being an Employee as at 30 May 2019 as defined in the Prospectus. Applicants who are non-residents in Malta for tax purposes, must indicate their passport number in Panel A and complete Panel F.
3. Applicants are to insert full personal details in Panel A. In the case of an Application by more than one person (including husband and wife) full details of all individuals must be given in Panels A, but **the person whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 4 below). Applications by more than two persons are to use the Addendum to the Application Form.**
Upon submission of an Application Form, Applicants who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help/>.
4. **APPLICANTS ARE TO INSERT AN MSE ACCOUNT NUMBER IN THE SPACE PROVIDED IN PANEL A, AND FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
5. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
6. Applications must be for a minimum subscription of €25,000 and thereafter in multiples of €1,000 and must be accompanied by the relevant subscription amount in Euro. TRADING IN THE BONDS SHALL TAKE PLACE ON THE MALTA STOCK EXCHANGE IN MULTIPLES OF €100 AND SHALL BE SUBJECT TO THE RETENTION TO A MINIMUM HOLDING OF €25,000. IT IS THE RESPONSIBILITY OF EACH AUTHORISED FINANCIAL INTERMEDIARY TO ENSURE THAT APPLICATIONS FOR SUBSCRIPTION OF BONDS MADE UNDER NOMINEE AS WELL AS WHEN THE BONDS ARE TRADED ON THE SECONDARY MARKET, THE MINIMUM HOLDING OF €25,000 SHALL APPLY TO EACH BENEFICIAL OWNER.
7. Only Applicants who hold a valid official Maltese Identity Card 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 will be obliged to declare interest so received in the tax return. The Issuer will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross.
In terms of Section 6.2 of the Securities Note, 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 final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
8. 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 Director General Inland Revenue, Malta, 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 Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
The contents of Notes 7 and 8 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisers in case of doubt.
9. Interest and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
10. The Offer Period will open at 08:30 hours on 17 June 2019 and will close at 16:00 hours on 28 June 2019 or earlier in the case of over-subscription. Completed Application Forms are to be delivered to any Authorised Financial Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in Panel G.
11. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the Laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. 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 request must be signed by yourself as the Applicant to whom the personal data relates.

The Bonds are complex financial instruments and may not be suitable for all types of retail investors. A potential investor should not invest in the Bonds unless:

- i. He/She has the necessary knowledge and experience to understand the risks relating to this type of financial instruments;
- ii. The Bonds meet the investment objectives of the potential investor; and
- iii. Such potential investor is able to bear the investment and financial risks which result from investment in the Bonds.

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 an independent financial adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.



Bank of Valletta

BANK OF VALLETTA P.L.C.
€50,000,000 3.75% UNSECURED SUBORDINATED BONDS 2026 - 2031
APPLICATION FORM 'C'
SHAREHOLDERS

This Application Form is not transferable and entitles you to subscribe for Bank of Valletta p.l.c. 3.75% Unsecured Subordinated Bonds 2026 - 2031 as a shareholder of the Issuer registered in the Register of Shareholders as at 30 May 2019. Please read the notes overleaf before completing this Application Form. **Mark 'X' where applicable**

A APPLICANT (see notes 2 to 7)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (if applicant is NOT an Individual)		TEL. NO.	MOBILE NO.
<input type="checkbox"/> PLEASE REGISTER ME FOR E-PORTFOLIO (mobile number is mandatory for e-portfolio registration)			
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER / MINOR'S PARENTS / LEGAL GUARDIAN(S) (see notes 4 & 7) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I / WE APPLY TO PURCHASE AND ACQUIRE (see note 8):			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
Bank of Valletta p.l.c. 3.75% Unsecured Subordinated Bonds 2026 - 2031 (the "Bonds") (minimum subscription of €25,000 and in multiples of €1,000 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 3 June 2019, payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.			
E RESIDENT - FINAL WITHOLDING TAX ("FWT") DECLARATION (see notes 9 & 10) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT.		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT.)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 10) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 11 & 12) (completion of this panel is MANDATORY)			
BANK		IBAN	
<p>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, and subject to its Terms and Conditions of the Bonds as contained therein which I/We fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/We understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p> <p>CONFLICTS OF INTEREST - Bank of Valletta p.l.c. acknowledges that, where it acts in its capacity of an Authorised Financial Intermediary, as issuer of the Bonds it has an interest in the offer being subscribed to by prospective investors.</p>			
Signature/s of Applicant/s <small>(Parent/s 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) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)</small>		Date	
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	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 3 June 2019 regulating the Bond Issue

1. This Application is governed by the general Terms and Conditions of Application contained in Section 7 of the Securities Note dated 3 June 2019 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For Applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
3. The MSE account number pertaining to the Applicant has been preprinted in Panel A and reflects the MSE account number on the Issuer's Shareholder register at the CSD as at 30 May 2019 (trading session of the 28 May 2019). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but **the person whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.**
Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.
4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an MSE account. 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 interest 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. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **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 THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in the space provided in Panel C of the Application Form.
8. Applications must be for a minimum subscription of €25,000 and thereafter in multiples of €1,000 and must be accompanied by the relevant subscription amount in Euro. TRADING IN THE BONDS SHALL TAKE PLACE ON THE MALTA STOCK EXCHANGE IN MULTIPLES OF €100 AND SHALL BE SUBJECT TO THE RETENTION TO A MINIMUM HOLDING OF €25,000. IT IS THE RESPONSIBILITY OF EACH AUTHORISED FINANCIAL INTERMEDIARY TO ENSURE THAT APPLICATIONS FOR SUBSCRIPTION OF BONDS MADE UNDER NOMINEE AS WELL AS WHEN THE BONDS ARE TRADED ON THE SECONDARY MARKET, THE MINIMUM HOLDING OF €25,000 SHALL APPLY TO EACH BENEFICIAL OWNER.
9. 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 will be obliged to declare interest so received in the tax return. The Issuer will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. 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.
In terms of Section 6.2 of the Securities Note, 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 final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
10. 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 Director General Inland Revenue, Malta, 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 Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
The contents of Notes 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisers in case of doubt.
11. Interest and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
12. The Offer Period will open at 08:30 hours on 17 June 2019 and will close at 16:00 hours on 28 June 2019 or earlier in the case of over-subscription. Completed Application Forms are to be delivered to any Authorised Financial Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
13. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the Laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. 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 request must be signed by yourself as the Applicant to whom the personal data relates.

The Bonds are complex financial instruments and may not be suitable for all types of retail investors. A potential investor should not invest in the Bonds unless:

- i. He/She has the necessary knowledge and experience to understand the risks relating to this type of financial instruments;
- ii. The Bonds meet the investment objectives of the potential investor; and
- iii. Such potential investor is able to bear the investment and financial risks which result from investment in the Bonds.

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 an independent financial adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.



Bank of Valletta

€50,000,000 3.75% UNSECURED SUBORDINATED BONDS 2026 - 2031 APPLICATION FORM 'D' INTERMEDIARIES' OFFER

BANK OF VALLETTA P.L.C.

APPLICATION FORM 'D' INTERMEDIARIES' OFFER

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

A APPLICANT (see notes 2 to 7)

<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Body Corporate/ Body of Persons	<input type="checkbox"/> CIS-Prescribed Fund
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B

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME		
ADDRESS			
			POSTCODE
MSE A/C NO. (mandatory)	I.D. CARD / PASSPORT / COMPANY REG. NO.	DOCUMENT TYPE	COUNTRY OF ISSUE
LEI (Legal Entity Identifier) (if applicant is NOT an Individual)	DATE OF BIRTH	NATIONALITY	MOBILE NO.
<input type="checkbox"/> PLEASE REGISTER ME FOR E-PORTFOLIO (mobile number is mandatory for e-portfolio registration)			

C ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.	
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

D DECISION MAKER / MINOR'S PARENTS / LEGAL GUARDIANS (see notes 4 & 7) (to be completed ONLY if Applicable)

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.	
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.	
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

E I / WE APPLY TO PURCHASE AND ACQUIRE (see note 8):

AMOUNT IN FIGURES €	AMOUNT IN WORDS
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Bank of Valletta p.l.c. 3.75% Unsecured Subordinated Bonds 2026 - 2031 (the "Bonds") (minimum subscription of €25,000 and in multiples of €1,000 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 3 June 2019 (the 'Prospectus'), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.

F RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 9 & 10) (to be completed ONLY if the Applicant is a resident of Malta)

<input type="checkbox"/> I/We elect to receive interest NET of FWT.	<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT.)
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G NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 10) (to be completed ONLY if the Applicant is a non-resident)

TAX COUNTRY	CITY OF BIRTH
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH
<input type="checkbox"/> NOT resident in Malta but resident in the European Union	<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union

H INTEREST AND REDEMPTION MANDATE (see note 11) Completion of this panel is MANDATORY

BANK	IBAN
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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, and subject to its Terms and Conditions of the Bonds as contained therein which I/We fully accept.

I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MIFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/We understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.

CONFLICTS OF INTEREST - Bank of Valletta p.l.c. acknowledges that, where it acts in its capacity of an Authorised Financial Intermediary, as issuer of the Bonds it has an interest in the offer being subscribed to by prospective investors.

Signature/s of Applicant/s
(Parent/s 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 FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER
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Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 3 June 2019 regulating the Bond Issue

1. This Application is governed by the general Terms and Conditions of Application contained in Section 7 of the Securities Note dated 3 June 2019 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. Applicants who are non-residents 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.
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 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 (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.**

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel B), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an MSE account. 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 interest 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. Panel D must be inserted with full details of the parents/legal guardians.
5. 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. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel B. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **APPLICANTS ARE TO INSERT AN MSE ACCOUNT NUMBER IN THE SPACE PROVIDED IN PANEL B, AND FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in the space provided in Panel D of the Application Form.
8. Applications must be for a minimum subscription of €25,000 and thereafter in multiples of €1,000 and must be accompanied by the relevant subscription amount in Euro. TRADING IN THE BONDS SHALL TAKE PLACE ON THE MALTA STOCK EXCHANGE IN MULTIPLES OF €100 AND SHALL BE SUBJECT TO THE RETENTION TO A MINIMUM HOLDING OF €25,000. IT IS THE RESPONSIBILITY OF EACH AUTHORISED FINANCIAL INTERMEDIARY TO ENSURE THAT APPLICATIONS FOR SUBSCRIPTION OF BONDS MADE UNDER NOMINEE AS WELL AS WHEN THE BONDS ARE TRADED ON THE SECONDARY MARKET, THE MINIMUM HOLDING OF €25,000 SHALL APPLY TO EACH BENEFICIAL OWNER.
9. 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 will be obliged to declare interest so received in the tax 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 (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments.
In terms of Section 6.2 of the Securities Note, 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 final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
10. 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 Director General Inland Revenue, Malta, 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 Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of Notes 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisers in case of doubt.

11. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
12. Authorised Financial Intermediaries are to submit completed Application Forms representing the total amount allotted in terms of the Subscription Agreement as mentioned in Section 7.5 of the Securities Note by latest 12:00 hours on 10 July 2019. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus.
13. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the Laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. 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 request must be signed by yourself as the Applicant to whom the personal data relates.

The Bonds are complex financial instruments and may not be suitable for all types of retail investors. A potential investor should not invest in the Bonds unless:

- i. He/She has the necessary knowledge and experience to understand the risks relating to this type of financial instruments;
- ii. The Bonds meet the investment objectives of the potential investor; and
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DETAILS OF ORIGINAL APPLICATION FORM
Name of Applicant
I.D. Card / Passport No.
Application No.

ADDITIONAL (JOINT) APPLICANTS <i>(see note 3)</i>			
FULL NAME & SURNAME			I.D. CARD / PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
FULL NAME & SURNAME			I.D. CARD / PASSPORT NO.
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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, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.

I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.

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Signature/s

Date

