

**SUPPLEMENT DATED 26 JUNE 2019 TO
THE PROSPECTUS DATED 3 JUNE 2019**

BANK OF VALLETTA P.L.C.

A public limited liability company registered under the laws of Malta with company registration number C 2833 and with registered office situated at 58, Zachary Street, Valletta VLT 1130, Malta, as Issuer 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**

This supplement dated 26 June 2019 (the “**Supplement**”) constitutes a supplement within the meaning of Listing Rule 4.26 and Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the “**Prospectus Directive**”).

This Supplement is supplemental to, and should be read in conjunction with, the prospectus dated 3 June 2019 (the “**Prospectus**”) prepared by the Issuer in connection with the 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 (the “**Bonds**”). The purpose of the Supplement is to update the risk factors and trend information contained in the registration document dated 3 June 2019 (the “**Registration Document**”) forming part of the Prospectus, and to make changes to certain parts of the Summary Note dated 3 June 2019 (the “**Summary Note**”) forming part of the Prospectus, where necessary as a consequence of the inclusion of the said information.

Defined words and phrases used in the Prospectus shall have the same meanings when used in this Supplement.

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES

Joint Sponsors

**CURMI &
PARTNERS**

**Jesmond
Mizzi**
FINANCIAL ADVISORS

Manager & Registrar

BOV
Bank of Valletta

The Listing Authority approved the Prospectus and authorised admissibility to listing of the Bonds on the Official List on 3 June 2019. 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 Supplement contains information given in compliance with the Listing Rules of the Listing Authority for the purpose of giving information. The Board of Directors of the Issuer accepts responsibility for the information contained in the Supplement. To the best of the Directors’ knowledge (having taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. A copy of this Supplement has been delivered to the Listing Authority. Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Investors should be aware of their rights under the Prospectus Directive (Directive 2003/71/EC, as amended) and Listing Rule 4.29 of the Listing Rules. An investor who has agreed, prior to the date of publication of this Supplement, to purchase or subscribe for Bonds issued in terms of the Prospectus may withdraw his/her/its acceptance. Investors wishing to withdraw their acceptances should do so by giving notice in writing to the Issuer or the Authorised Financial Intermediary from whom they agreed to purchase or subscribe for such Bonds by no later than 1 July 2019, which is the final date for the exercise of such right to withdraw.

The Prospectus shall be supplemented by the following information:

1. Summary Note

(i) SECTION B

Element B.4b of Section B of the Summary Note shall be amended with the addition of a new sub-section entitled 'Correspondent banking relationship' to be inserted immediately after the sub-section headed 'Improving cyber resilience' and before the sub-section headed 'Regulatory framework', which shall read as follows:

"Correspondent banking relationship

As the Bank announced on 17 June 2019, by way of company announcement, the Bank has been advised by its USD correspondent bank that the latter will terminate its correspondence relationship with Bank of Valletta p.l.c. with effect from 14 December 2019. In the meantime Bank of Valletta p.l.c. has intensified its endeavours to engage alternative correspondents to minimise any possible operational disruption to its business and its clients."

(ii) SECTION D

Point (v) of element D.2 of Section D of the Summary Note entitled 'Operational Risk' shall be deleted and replaced with the following:

"v. Operational Risk: This refers to the risk of loss due to errors, infringements, interruptions and damages caused by failures or inadequacies in internal processes, personnel, systems, or due to external events. Furthermore, any adverse change in the terms of, or termination of, any existing correspondent banking arrangements which the Issuer has with several international banks in different parts of the world may have an adverse effect on the Bank's operations, profitability and/or future growth potential."

2. Registration Document

(i) Risk Factors

Section 5.2.8 of the Registration Document entitled 'Operational Risk' shall be deleted and replaced with the following:

"5.2.8 Operational Risk

General

Operational risk is the risk of loss due to errors, infringements, interruptions and damages caused by failures or inadequacies in internal processes, personnel, systems, or due to external events.

The Bank's exposure to such operational risk and consequent losses can result from a wide range of factors, including, amongst others, fraud, errors by employees, inadequate employment practices and workplace safety measures, client claims, failure of the Issuer's systems or internal controls, failure to document transactions properly, failure to obtain proper internal authorisations, failure to comply with increasingly complex regulatory requirements and conduct of business rules, systems and equipment failures, failure to protect the Bank's operations from increasingly sophisticated cyber-crime, loss or corruption of customer data or other sensitive information, damage to the Bank's physical assets, natural disasters or the failure of external systems (for example, those of the Issuer's counterparties or vendors).

Any losses arising from the above failures could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects and could materially adversely affect its reputation.

Correspondent banking risk

The Bank has correspondent banking arrangements with several international banks in different parts of the world, which provide the Bank with the necessary backbone to service its clients in international banking and trade transactions, by enabling it to offer, amongst others, cross-border payment services. The retention

and maintenance of correspondent banking relationships is an important element of the bank's business model, and, accordingly, any adverse change in the terms of, or termination of, any existing correspondent banking arrangements may have an adverse effect on the Bank's operations, profitability and/or future growth potential."

(ii) Trend Information – Markets, Business and Regulations

Section 8 of the Registration Document entitled '*Trend Information – Markets, Business and Regulations*' shall be amended as follows:

The first and second paragraphs of section 8 of the Registration Document shall be deleted and replaced with the following:

"There has been no material adverse change in the prospects of the Issuer since 31 December 2018 (date of the Issuer's last published audited financial statements).

At the date of publication of the Prospectus, and with the exception of: (i) macroeconomic conditions and market conditions generally; (ii) the impact of legislation and regulations applicable to the Issuer and to other financial institutions within the Eurozone; and (iii) the termination of one of the Issuer's correspondent banking relationships (see section headed 'Correspondent banking relationship' below for further details), the Issuer does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the Issuer's business for at least up to the end of the current financial year."

Section 8 of the Registration Document shall also be amended with the addition of a new sub-section entitled '*Correspondent banking relationship*' to be inserted immediately after the sub-section headed '*Improving cyber resilience*' and before the sub-section headed '*Regulatory framework*', which shall read as follows:

"Correspondent banking relationship

As the Bank announced on 17 June 2019, by way of company announcement, the Bank has been advised by its USD correspondent bank that the latter will terminate its correspondence relationship with Bank of Valletta p.l.c. with effect from 14 December 2019. In the meantime Bank of Valletta p.l.c. has intensified its endeavours to engage alternative correspondents to minimise any possible operational disruption to its business and its clients."

This Supplement and its contents were approved by the Board of Directors of Bank of Valletta p.l.c. and signed on its behalf by:



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)*

