



Bank of Valletta

Bank of Valletta p.l.c.

Office of the Company Secretary

BOV Centre, High Street, Sliema SLM 16 - Malta

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BOV/107

COMPANY ANNOUNCEMENT

The following is a company announcement issued by Bank of Valletta p.l.c. pursuant to Malta Financial Services Authority Listing Rule 8.6.12.

The Government of Malta has made public the attached exchange of correspondence between the incumbent chairman, Mr. Joseph F. X. Zahra and the Prime Minister.

**Victor J. Cardona ACIB, BA (Hons) Econ. CSA
Company Secretary**

8th November 2004

Internet Address: <http://www.bov.com> E-mail: customercare@bov.com

Registered Office: BOV Centre, High Street, Sliema SLM 16 - Malta Registration Number C 2833

Bank of Valletta p.l.c. is a public limited company licensed to conduct Investment Services business by the Malta Financial Services Authority.

Bank of Valletta p.l.c. is an insurance sub-agent of Middlesea Valletta Life Assurance Company Limited and regulated by the Malta Financial Services Authority.



Bank of Valletta

Bank of Valletta p.l.c.
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OFFICE OF THE CHAIRMAN

28th October 2004

The Hon. Dr. L. Gonzi K.U.O.M., LL.D., MP
Prime Minister
Office of the Prime Minister
Auberge de Castille
Valletta

Hon Prime Minister,

I am with this letter tendering my resignation from the position of Chairman of Bank of Valletta plc for personal reasons.

This decision has been taken with great pain but with consideration of its possible implications on the market. I have chaired the board of this financial institution for over six years, which could possibly be considered to be the most challenging time of its existence. A period during which competition had never been more intense, and when the new regulatory framework has imposed on the bank heavy conformance requirements and costs. Nonetheless, the bank made large steps forward, introducing a results oriented management culture, implementing a customer centric and sales focused approach throughout its retail outlets and introducing alternative distribution channels particularly internet banking. Moreover, it restructured and rationalized its operations while introducing a cost efficiency model. The Bank strengthened its brand promise and embarked on new financial activities such as investment banking and stock broking while opening representative offices in the southern Mediterranean. It will soon inaugurate a new, state-of-the-art operations center in Sta. Venera.

Cont./.




This has been done with the support of a highly professional management team, and dedicated, loyal and committed staff. Indeed our strategy of putting customers and people first, has assured that the shareholders gain maximum value out of their investment.

I augur the bank's board of directors, management and staff an even better future reflected in stronger performance and results.

I assure you that I shall continue to put all my thinking and energy in the direction of having the people of this country enjoy a better and an even more fulfilling life.

Yours sincerely,



Joseph F. X. Zahra
Chairman

1 November 2004

Dear Joseph,

I received your letter of resignation from the position of Chairman of Bank of Valletta plc dated 28 October 2004.

While I accept your resignation, I ask you to continue carrying the responsibilities of Chairman of Bank of Valletta plc until a new Chairman is identified and a smooth transition is ensured. We plan to have this process completed by Friday 12 November 2004.

You have given to the Bank of Valletta your very best and the success the Bank now enjoys, is evidence enough of your sheer dedication and the professionalism with which you have exercised your Chairmanship over the past six years. Under your leadership, you have transformed the Bank of Valletta into a modern financial institution a time when the banking sector in Malta has undergone major upheaval and change. You have brought about major changes in the management of the Bank and developed a highly professional and motivated management team that is second to none. Your Chairmanship is, by all standards, a success story, and definitely a public appointment that has set new standards of commitment and propriety.

I have no doubt that the banking sector in Malta and the Bank of Valletta in particular will continue reaping from the success of your tenure as Chairman for years to come.

On behalf of the Government of Malta and Maltese society, I convey sincere thanks for all your hard work.



Lawrence Gonzi

Mr Joseph F X Zahra
Chairman
Bank of Valletta plc