



Bank of Valletta

Bank of Valletta p.l.c.
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BOV/151

COMPANY ANNOUNCEMENT

The following is a company announcement issued by Bank of Valletta p.l.c. pursuant to Malta Financial Services Authority Listing Rules 9.51 to 9.53:

Quote

Bank of Valletta plc hereby announces that during the financial period commencing on 1st October 2007 up to the date of this Announcement, no material events and/or transactions have taken place that would have an impact on the financial position of the Bank or the Group, such that they would require specific mention, disclosure or announcement pursuant to the applicable Listing Rule.

During the period under review, income from the retail and corporate business of the Bank has been much in line with expectations. Whereas BOV believes that Malta's adoption of the euro will bring with it substantial long term economic benefits, in the short term, as anticipated, material one-off costs have been incurred over the euro implementation period, and increased competition is bringing margins under pressure. Foreign exchange income earnings have also been adversely affected by euro adoption. The Group continued to maintain strong capital adequacy and liquidity positions, and the credit quality of our loan book registered further improvement. However, international credit market conditions remained extremely volatile, and this has led to further markdowns in the Group's investment portfolio which, nevertheless, remains of very high quality.

Due to the ongoing volatility in the international capital and credit markets, and assuming no material reversal of markdowns in the period to 31st March 2008, the Board of Directors expects that the profits that will be reported for the first half of the current financial year will be below that achieved during the first six months of financial year 2007.

BOV continues to implement its brand promise programme centred on providing a consistent and differentiated customer experience based on the principles of supportiveness and mutuality. It has further strengthened its position as the bank of first choice in Malta for customer deposits, offering a number of attractive products. As the official partner bank of the National Euro Changeover Committee, BOV also played a leading role in securing Malta's smooth and successful changeover to the euro.

Unquote

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

25th January 2008