



Bank of Valletta

Bank of Valletta p.l.c.
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BOV/153

COMPANY ANNOUNCEMENT

The following is a company announcement issued by Bank of Valletta p.l.c. pursuant to Malta Financial Services Authority Listing Rule 8.7:

Quote

Moody's Credit Ratings

Bank of Valletta plc (BOV) refers to the Credit Opinion on the Bank issued by Moody's on 31st March 2008. Moody's has re-affirmed all BOV's ratings (as last awarded in May 2007) as follows:-

Bank Deposits	A3/Prime - 1
Bank Financial Strength	D+
Baseline Credit Assessment	Baa 3
Senior Unsecured Debt	A3
Outlook (for all Ratings)	Stable

In the section of the report dealing with recent results and developments, Moody's comment that they expect BOV's 2008 results will be affected by mark to market write downs on fixed income securities held by the Bank (in the light of broadening credit spreads), and by the loss of FX (foreign exchange) trading gains following Malta's adoption of the euro in January 2008.

In terms of BOV's core retail and corporate businesses, the Bank has continued to perform much in line with expectations, close to the high levels registered during the previous year. The loss of FX earnings on euro transactions following Malta's adoption of the euro has come as no surprise to the Bank, and this assumption has been built into its business plans. Financial markets have continued to be volatile, and as indicated in the Company Announcement issued on 25th January 2008, this volatility will be reflected in the half yearly results to end March 2008, which will be below those achieved in the first six months of financial year 2007. These results will be notified to the Malta Stock Exchange on 29th April 2008. As noted by Moody's, the Bank's securities portfolio is of high quality, and the Bank expects the impact of the mark downs arising from the current market turmoil to be clawed back over time, as the investments are held through to maturity.

The Bank of Valletta Board of Directors welcomed Moody's re-affirmation of its credit ratings, and its endorsement of the stable outlook for all of the Bank's ratings. The Board also welcomed Moody's acknowledgement of BOV's standing as the leading banking franchise in Malta, its adequate recurring earning power reflected in stable interest rate margins, financial fundamentals, ample liquidity and solid funding profile, as well as its acceptable capitalisation levels.

Unquote

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

2nd April 2008