



## Bank of Valletta

Bank of Valletta p.l.c.  
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BOV/159

### 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

On 1<sup>st</sup> August 2008, Bank of Valletta plc issued Company Announcement BOV/158, in which it commented on the results for the third quarter of the current financial year. The announcement noted that after a period of relative calm between mid March and mid June, the international capital markets had witnessed a renewed bout of volatility that had been predominantly experienced in the equity sector, with the fixed income markets being affected to a much lesser extent, particularly when compared with conditions earlier in the year. It was also noted that any additional markdowns that had been required to the date of the announcement had been comparatively modest. The Directors observed that, subject to this state of affairs continuing, and the volatility not spreading to the fixed income sector, the Board expected that the results for the second half of the current financial year would show a significant improvement over those reported for the first half.

The collapse of Lehman Brothers announced yesterday has triggered a fresh round of disruption in the wider global credit markets, resulting in greater volatility and the widening of credit spreads. Coming so close to Bank of Valletta plc's financial year end (30<sup>th</sup> September), it is likely that these conditions will have a material adverse impact on the results for the last quarter of the current financial year.

The Bank's portfolio includes a holding of Senior (non-subordinated) Lehman paper. Although it is too early to determine what recoveries will be made therefrom, it is believed that any ultimate loss that may arise from this holding will be modest in the context of the results of the Bank for the current financial year to date.

The results for the Bank of Valletta Group for the year ending on 30<sup>th</sup> September 2008 will be notified to the Malta Stock Exchange on 31<sup>st</sup> October 2008.

**Unquote**

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

**15<sup>th</sup> September 2008**