



Bank of Valletta

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BOV/200

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Bank of Valletta p.l.c. pursuant to the Malta Financial Services Authority Listing Rules:

Quote

Bank of Valletta p.l.c. has been informed by the Malta Financial Services Authority (MFSA or the Authority) that it has concluded its investigations concerning the extent to which Bank of Valletta p.l.c. (BOV), as custodian, and Valletta Fund Management Limited (VFM), as manager, monitored compliance by the Property Fund with the investment restrictions in the Fund's Supplementary Prospectus.

MFSA's conclusions are based on the Authority having taken a different view from that taken by BOV, VFM and Insight Investment Management (Global) Limited, the sub-investment manager responsible for the discretionary investment management of the Fund, on the proper interpretation and application of the gearing restriction (Investment Restriction (v)) contained in the Fund's Supplementary Prospectus.

The MFSA has notified BOV and VFM that it has imposed fines totalling €347,816 in respect of the various alleged breaches.

Both BOV and VFM remain of the view that the conclusions of the MFSA are wrong in fact and at law, and, in particular, that neither BOV nor VFM failed to act with the required level of care and diligence. Accordingly, both BOV and VFM will be filing an appeal on the MFSA decisions pursuant to the provisions of section 19 of the Investment Services Act.

Unquote

Catherine Formosa

Dr. Catherine Formosa B.A., LL.D.
Company Secretary

16 June 2011