



Bank of Valletta

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BOV/202

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

European Banking Authority Stress Tests

The European Banking Authority (EBA) has just released the results of a stress test which it carried out on 90 leading European banks, in collaboration with the European Central Bank (ECB) and local authorities. Bank of Valletta p.l.c., as the largest local banking group, was for the second time, selected to participate in this test.

The results show that the Bank of Valletta Group enjoys strong capital buffers. When the Bank's consolidated balance sheet and income statement were stressed in accordance with the parameters set by the EBA and the ECB, its Core Tier 1 ratio, which is an international indicator of balance sheet strength, decreased by 0.1 percentage points, reaching 10.4%. This is more than double both the 5% "pass mark" set for this exercise and the statutory minimum ratio of 4%.

The Board noted that the outcome of the stress test was a good result for BOV, and represented the latest external confirmation and endorsement of the strength and resilience of BOV and its balance sheet, even under extreme conditions. BOV has passed this year's stress test with relative comfort, as it had done a year ago. The Bank's strength is the result of prudent capital management, a cautious risk appetite and the adoption some years ago of a responsible and sustainable dividend payout policy.

The Board also noted that stress tests on capital and liquidity buffers are a regular part of the Bank's internal risk management processes, and that capital buffers are monitored continuously by the Board and by executive management.

The results for Bank of Valletta p.l.c. can be accessed through the Bank's website (www.bov.com).

Further information on the EU wide stress-test exercise is available on the websites of the EBA and the ECB.

Unquote

Catherine Formosa

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

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