



Bank of Valletta

OFFICE OF THE COMPANY SECRETARY
58, Zachary Street, Valletta VLT 1130 - Malta
Telephone: (356) 2275 3032, 2275 3231 Fax: (356) 2275 3711

BOV/214

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

The following resolutions are being presented for consideration at the 38th Annual General Meeting of the Bank of Valletta p.l.c. (the Company) which is scheduled to be held on Friday 16 December 2011 at 4.30 p.m. at the Hilton Malta, St. Julians:

ORDINARY RESOLUTIONS

1. That the Profit and Loss Account and Balance Sheet for the year ended 30 September 2011, and the Directors' and Auditors' Reports thereon, be hereby received and approved.
2. That a gross final dividend of €0.08 per share, which represents a gross payment of €19,200,000 as recommended by the Directors, be hereby approved for payment on the 17 December 2011.
3. That the appointment of Deloitte Audit Limited jointly with Deloitte LLP (United Kingdom), as auditors, be hereby approved, and the Board of Directors be hereby authorised to fix their remuneration.
4. That pursuant to Article 60 of the Articles of Association, the Company received six valid nominations. Since there are as many nominations as there are vacancies, no election will take place and the nominees, namely Joseph Borg, George Portanier, Manuel Rizzo, Norman Rossignaud, Paul Testaferrata Moroni Viani and George Wells, will be automatically appointed Directors.

EXTRAORDINARY RESOLUTIONS – SPECIAL BUSINESS as explained in the attached Circular to Shareholders.

5. Changes to authorised and issued Share Capital.
6. Renewal of authorisation for Share Buy Back.

The Annual General Meeting documentation together with the Audited Financial Statements of Bank of Valletta p.l.c. for the financial year ended 30 September 2011 are available for viewing at the registered address of the Company at 58, Zachary Street, Valletta VLT 1130, Malta and on the Company's website at www.bov.com under the Investor Relations Section.

Unquote

Catherine Formosa

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

24 November 2011

Circular to Shareholders

Extraordinary Resolutions being put to the 38th BOV Annual General Meeting

The 38th Annual General Meeting (AGM) of Bank of Valletta p.l.c. (the Company) has been convened for Friday, 16 December 2011 at 4.30 p.m. at the Grand Master Suite, Conference Centre, Hilton Malta, St. Julians. Two Extraordinary Resolutions (Special Business) will be put before the shareholders at this AGM.

This Circular is being issued pursuant to Chapter 6 of the Listing Rules.

Notice to Shareholders

This Circular is important and requires your immediate attention. If you remain in doubt as to what voting action to take, you are advised to consult an appropriate independent advisor.

You are kindly requested to ensure that, if you sell or transfer any or all of the securities held, this Circular is to be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Proposed Extraordinary Resolutions (Special Business)

(A) Resolution 5:

Changes to authorised and issued Share Capital

The effects of the changes to the share capital of the Company are to further strengthen the paid up capital position in the Company's balance sheet as well as to increase the authorised share capital of the Company. The Board of Directors is proposing the following with effect from the 12 January 2012:

A bonus issue to shareholders of 1 share for every 8 shares held. This will result in the issue of an additional 30,000,000 shares (after fractions) and the capitalisation of retained earnings in the amount of €30,000,000 on the 12 January 2012.

Following the bonus share issue, the issued share capital of the Company will, on the 12 January 2012, increase from 240,000,000 to 270,000,000 shares of €1.00 each (fully paid), and therefore the paid up capital will increase from €240,000,000 to €270,000,000.

The last date on which transfers will be accepted for registration to participate in the bonus share issue is Monday, 9 January 2012. The Share Register as at close of business on Thursday, 12 January 2012 will include trades undertaken up to and including Monday, 9 January 2012. The bonus issue will rank *pari passu* with the existing listed share capital of the Company. An application will be made for the listing of the bonus issue on the Malta Stock Exchange. The shares issued in terms of the bonus issue are expected to be admitted to Listing on the 12 January 2012 and dealings therein are expected to commence on the 13 January 2012.

The current text of clause 4 of the Memorandum of Association reads:

“4. The authorised share capital of the Company is €300,000,000 divided into 300,000,000 shares of €1.00 each.

The issued and fully paid up capital is €240,000,000 divided into 240,000,000 ordinary shares of a nominal value of €1.00 each.”

(i) That, with effect from Thursday, 12 January 2012, the text of the current clause 4 of the Memorandum of Association is deleted and substituted by the following text:

“4. The authorised share capital of the Company is €350,000,000 divided into 350,000,000 shares of €1.00 each.

The issued and fully paid up capital is €270,000,000 divided into 270,000,000 ordinary shares of a nominal value of €1.00 each.”

(ii) (a) That, on Thursday 12 January 2012, the amount of €30,000,000 from the Company’s reserves is capitalised for the purpose of a bonus issue of 30,000,000 fully paid ordinary shares of a nominal value of €1.00 per share, representing 1 bonus share for every 8 shares held, to be allotted to the members appearing on the Register of Members on the Malta Stock Exchange as at the close of business on the 12 January 2012 (Eligible Members), thereby increasing the issued share capital from the current 240,000,000 shares to 270,000,000 shares of €1.00 each fully paid up, resulting in a paid up capital of €270,000,000.

(b) Since the allocation ratio of bonus shares to registered shares held by the Eligible Member is 1 bonus share for every 8 shares held, in the allocation process the Company shall, where the number of shares held by the Eligible Member is not exactly divisible by 8, round up the allocation to the nearest share whenever the mathematical result of the allocation formula contains a fractional entitlement which is of 0.5 of a share or more, and round down to the nearest share in the event that the mathematical result of the allocation formula contains a fractional entitlement which is of less than 0.5 of a share.

Bank of Valletta p.l.c. Proposed changes to Share Capital	Position at 30 September 2011	Bonus Issue of 1 for 8	Position following Bonus Issue and Increase in Authorised Share Capital
Number of Authorised Shares	300,000,000		350,000,000
Value per Share	€1.00	€1.00	€1.00
Value of Authorised Share Capital	€300,000,000		€350,000,000
Number of Issued and Paid Up Shares	240,000,000	30,000,000	270,000,000
Value of Issued and Paid Up Capital	€240,000,000	€30,000,000	€270,000,000
Amount of Capitalisation of Retained Profits		€30,000,000	

(B) Resolution 6:

Renewal of authorisation for Share Buy Back

The effect of this resolution is to renew the share buy back authorisation approved during the 37th AGM held on the 16 December 2010. The current authorisation, if unutilised, expires on the 19 June 2012.

Resolution 6 seeks to empower the Company to buy back up to 10% of its own shares, subject to the terms and conditions set out in the Resolution and to cancel these shares or to retain them for resale during a period not exceeding 36 months from the date of purchase. The authority being sought by the Resolution will lapse after a period of 18 months. The price range at which any share buy back can be effected is stipulated in the Resolution.

The Board would only seek to exercise the powers granted to it by this Resolution if it was of the opinion that such a measure would be in the best interests of the Company and the shareholders as a whole, could prudently be accommodated from within the resources of the Company, and after seeking the appropriate regulatory clearances. In the event of such a buy back, a decision on whether to cancel the shares or to hold them pending resale would be taken by reference to circumstances prevailing at the time. A cancellation of shares will result in a reduction of the shareholders' equity of the Company in the amount of the consideration paid for the buy back. Shares acquired by buy back and held pending resale are treated as "treasury shares", and the consideration paid therefor will be shown as a deduction from the total shareholders' equity of the Company. Any gain or loss made by the Company on any subsequent resale of the shares would be accounted for in the Income Statement of the Company. Based on the assumption that the authority being renewed will be used to the full (that is, a buy back of 10% of the Company's shares at a maximum price of €2.60), the total consideration involved would amount to €62,400,000 when calculated on the current issued share capital of 240,000,000 shares of €1.00 each.

Resolution 6 will propose:

- (i) That, on the expiry of the current share buy back authorisation occurring on the 19 June 2012, which authorisation was given to the Directors on the 16 December 2010 during the 37th Annual General Meeting, the Directors be and are hereby authorised for all intents and purposes of law, including but not limitedly to Article 106(1)(a) of the Companies Act (Cap.386 of the Laws of Malta), the Listing Rules, and subject to the required regulatory approvals in terms of the relevant financial services legislation being forthcoming, to repurchase and acquire from any shareholder/s up to ten per cent (10%) of the issued and paid up share capital of the Company being a maximum number of 24,000,000 shares at a price ranging from a minimum of €1.40 per share and to a maximum of €2.60 per share (duly and proportionately adjusted for any share split or bonus issue undertaken during the relevant 18 month period of this renewed authorisation). This authorisation is hereby granted for a period of 18 months from the date referred to above, namely the 19 June 2012, and will expire on the 19 December 2013.
- (ii) That authority is hereby also granted to the Directors to:
 - (a) hold for resale all or any number of the shares so acquired, at a price being not less than the price of acquisition of the shares. The authority to hold and resell the shares acquired pursuant to this Resolution is being granted for a period of 36 months from the date of the acquisition; and
 - (b) cancel all or any number of the shares so acquired at any time of their choosing, provided that any shares so held by the Company after the lapse of the said 36 month period referred to in (a) above shall be cancelled by the Company, and the share capital of the Company shall be reduced accordingly.

Declaration by Directors

All the Directors of the Bank, whose names appear below, accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Directors who have taken all reasonable care to ensure that such is the case, the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

List of the incumbent Board of Directors

Roderick E.D. Chalmers, Joseph Borg, Roberto Cassata, Gordon Cordina, George Portanier, Manuel Rizzo, Norman Rossignaud, Paul Testaferrata Moroni Viani and George Wells.

Documents available for inspection

The following documents or certified copies thereof will be available for inspection at the Company's registered office at 58, Zachary Street, Valletta VLT 1130, for at least fourteen (14) days from the date of publication of this Circular:

- (a) the Bank's Memorandum and Articles of Association;
- (b) the Bank's last Annual Financial Report; and
- (c) the Bank's last half-yearly Financial Report.

Directors' recommendation

The view of the Board of Directors is that the proposed resolutions are in the best interest of the Bank and of its shareholders and improves shareholders' value. Therefore the Board recommends that the shareholders vote in favour of these resolutions at the forthcoming Annual General Meeting.

24 November 2011

Approved and issued by Bank of Valletta p.l.c., with registered address at 58, Zachary Street, Valletta VLT 1130, Malta and Head Office at BOV Centre, Cannon Road, Sta. Venera SVR 9030, Malta.