



Bank of Valletta

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COMPANY ANNOUNCEMENT

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

Quote

Bank of Valletta (the "Bank") refers to recent articles in the press in which it was reported that the Bank made an out-of-court settlement offer to the Deiuemar bondholders in Italy.

A company announcement was not made about the offer because, as is customary and proper in settlement negotiations, it was made on a confidential basis. Had the offer been accepted, an announcement would then have been made. The rejection of the offer made any announcement redundant, but for the fact that the offer was improperly leaked in Torre Annunziata.

It is therefore necessary for the Bank to explain why the offer was made. The Bank has consistently been advised by its lawyers that the Deiuemar case is completely without merit. The advice of the Bank's lawyers has recently been independently confirmed by Italy's leading legal authority in this area, and that advice has been brought to the attention of the court. This notwithstanding, the Bank faces a most unusual fair hearing risk in this litigation. It is seeking to eliminate that risk through proceedings filed before the European Court of Human Rights, and other measures.

But the risk at first instance remains. In view of this risk, and because of the consequential costs it may have to incur, it made commercial sense to offer a settlement to the curators in order to close this matter. In other words, the offer was not a result of any change in the Bank's conviction that the claim is entirely unmeritorious; it was simply an attempt at finding a pragmatic, commercial solution.

The Bank will continue updating the market with any relevant developments on this case.

Unquote

Dr. Ruth Spiteri Longhurst B.A., LL.D.
Company Secretary

7 August 2020