



Bank of Valletta

Office of the Company Secretary

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BOV/445

COMPANY ANNOUNCEMENT

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

Quote

Issue of €350 million Callable Senior Non-Preferred Notes

Bank of Valletta p.l.c. (the "Bank") refers to Company Announcement 441 issued on the 16 September 2022, whereby it informed the market that the Bank was granted approval by the Central Bank of Ireland in respect of a base prospectus dated 15 September 2022 relating to the establishment of a euro medium term note programme and providing for the issuance of notes up to a maximum aggregate principal amount of €500 million (the "Base Prospectus"). The Base Prospectus was subsequently supplemented on the 26 September 2022, 15 November 2022 and 28 November 2022.

Pursuant to the Base Prospectus, on the 29 November 2022, the Bank launched a callable senior non-preferred note (the "Notes") which was offered on both the local and international markets. Credit Suisse Bank (Europe), S.A. and UBS Europe SE acted as joint arrangers and dealers, whereas Bank of Valletta plc acted as co-manager. The transaction represented the Bank's debut in the international debt capital markets.

The Notes were issued on the 6 December 2022 (the "Issue Date") in registered form. Given their complexity, the Notes were not available to the retail market, but could only be subscribed for by professional investors and eligible counterparties for a minimum of €100,000. The final maturity date of the Notes is 6 December 2027. Subject to regulatory approval, the Bank, as issuer has the right to call the Notes in whole, but not in part, on 6 December 2026 at €100. The coupon was set at the fixed rate of 10% per annum, payable annually in arrears on 6 December in each year up to and including the maturity date and commencing on 6 December 2023. If not called, interest on the Notes will be reset at a margin of 731 basis points plus the one-year euro mid-swap rate on 6 December 2026. The Notes were rated by Fitch as BBB-.

The issue attracted an order book of high-quality real money accounts of around €460 million, with from the amounts evenly split between domestic and international investors. Investor participation was a diverse one, with official institutions accounting for around 32.1% of the Notes allocated, followed by public and private banks at 28%, asset managers at 24.5% and hedge funds at 13.1% (other 2.3%). In terms of geographical diversification, domestic accounts were allocated 53.7% of the final size and 46.3% were allocated to a portfolio of international investors with US offshore representing 10.8%, Germany and Austria 10.6%, UK 9.4%, Italy 7.8%, Iberia 3.3% and Switzerland 2.6% (other 1.8%) of the allocated Notes.

The net proceeds from the issue of Notes will be used to further strengthen the MREL requirements of the Bank and its consolidated subsidiaries (the "Group"), thereby allowing the Bank to increase its lending book and expand the investment horizon of its proprietary investments, and for the general financing purposes of the Group.

The Notes are expected to be admitted to listing on the official list and to trading on the regulated market of the Irish Stock Exchange, trading as Euronext Dublin, with effect from on or around the Issue Date.

Unquote

A handwritten signature in black ink, appearing to read 'R. Longhurst', written in a cursive style.

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

6 December 2022