

**BOV**

Bank of Valletta

**FACT SHEET**

**€100 MILLION 5.00% BANK OF VALLETTA PLC  
UNSECURED SUBORDINATED BONDS 2029-2034**

(1<sup>st</sup> Tranche of a €250 million Unsecured Euro Medium Term Bond Programme)

**KEY DETAILS**

<b>Issuer:</b>	Bank Of Valletta plc	<b>Listing:</b>	Official List, Malta Stock Exchange
<b>Amount:</b>	Up to €100 million	<b>Coupon:</b>	5.00%
<b>Maturity Date:</b>	28 November 2034	<b>Early Redemption<sup>†</sup>:</b>	Any date between 28 November 2029 and 27 November 2034
<b>Status:</b>	Unsecured Subordinated	<b>Complex:</b>	Yes
<b>Offer Price:</b>	100% (par value of €100)	<b>Interest Payment Date:</b>	Annually on 28 November (with the first interest payment date being 28 November 2025)
<b>Minimum Subscription Amount (Retail Investors):</b>	€10,000 (and in multiples of €100 thereafter)	<b>Minimum Subscription Amount (Professional Clients and Eligible Counterparties):</b>	€100,000 (and in multiples of €100 thereafter)
<b>Offer Period:</b>	22 October 2024 to 19 November 2024 at noon (or earlier at the discretion of the Issuer)	<b>Expected Listing Date:</b>	5 December 2024

<sup>†</sup> Subject to MFSA approval and also subject to the Bank giving not less than 30 days' notice in writing. The Bank may in an exceptional event also redeem the bonds during the first five years of the bond as detailed in the Base Prospects and Final Terms.

**Rizzo, Farrugia & Co. (Stockbrokers) Ltd is acting as Joint Sponsor to Bank of Valletta plc.**

**NOTICE**

These bonds are **COMPLEX** financial instruments in view of their subordinated nature, their callability feature, and since they are also subject to the EU Bank Recovery and Resolution Directive (BRRD). Accordingly, these bonds are subject to a Suitability Assessment and are only appropriate and/or suitable for investors who have the knowledge and experience to understand the risks that are specifically related to this type of financial instrument.

**ABOUT BANK OF VALLETTA PLC**

Bank Of Valletta plc ('BOV' or 'the Group') is Malta's largest bank, classified by the Central Bank of Malta and the Malta Financial Services Authority as an 'Other Systemically Important Institution' ("O-SII"), thus requiring the Bank to hold additional capital buffers due to its systemic importance to Malta's financial stability and economy. As at 30 June 2024, BOV had total assets of €14.4 billion and total equity of €1.3 billion while the Common Equity Tier 1 (CET 1) and Total Capital ratios stood at 22.3% and 25.4% respectively.

The Bank offers a wide range of personal and corporate banking, transaction, and credit facilities as well as investment solutions, provided through a network of branches and investment centres located across the Maltese Islands as well as the Bank's digital channels. BOV also owns a wholly owned asset management company (BOV Asset Management Limited) and a fund services company (BOV Fund Services Limited). Furthermore, the Group owns a 31% equity stake in Mapfre Middlesea plc and a 50% stake in Mapfre MSV Life plc. Since Mapfre Middlesea plc owns the other 50% of Mapfre MSV Life plc, BOV's overall indirect interest in Mapfre MSV Life amounts to 65.5%. Nonetheless, BOV does not exercise control over the financial and operating decisions of Mapfre MSV Life plc.

**USE OF PROCEEDS**

The net proceeds from the Bond issue, a maximum of €100 million, will make up a fundamental part of the Bank's capital plan and will qualify as Tier 2 Capital. The proceeds can also be used to further strengthen the Minimum Requirements for own funds and Eligible Liabilities (MREL). These will allow the Issuer to increase its lending book and expand the investment horizon of its proprietary investments, and for the general financing purposes of the Group.

**RISK FACTORS**

**The Issuer is subject to a number of risks pertaining to the nature of its businesses. Prospective investors are urged to read the 'Risk Factors' found in the Base Prospectus and Final Terms, both dated 11 October 2024.**

**RANKING OF THE BONDS**

The bonds qualify as Tier 2 Instruments and will constitute unsecured and subordinated obligations of the Issuer. In the event of the dissolution and winding up of the Issuer, provided that the Tier 2 Bonds qualify (in whole or in part) as Tier 2 Instruments, all claims in respect of such Tier 2 Bonds will rank at least pari passu with all other present and future Tier 2 Claims and junior to all Preferred Claims, Ordinary Unsecured Claims, Secondary Unsecured Claims and Senior Subordinated Claims. If, in the event of the dissolution and winding up of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay in full the claims of more senior-ranking creditors, Bondholders will lose their entire investment in the Bonds. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Bonds and all other claims that rank pari passu with the Bonds, Bondholders will lose some (which may be substantially all) of their investment in the Bonds. Accordingly, holders of Tier 2 Bonds would lose their entire investment before losses are imposed on holders of Senior Non-Preferred Bonds and Senior Preferred Bonds.

**PLAN OF DISTRIBUTION**

- An amount of up to €60 million will be reserved for subscription by Preferred Applicants, which are holders of the 3.50% BOV subordinated bonds 2030 (Series 1 & 2), 3.75% BOV subordinated bonds 2026/31, and shareholders of BOV as at close of trading on 9 October 2024, together with employees of the Bank and any of its subsidiaries.
- An amount of up to €25 million will be reserved for subscription by Professional Clients and Eligible Counterparties.
- The remaining €15 million will be reserved for subscription by the general public.

Any portion not fully subscribed to by a particular pot will be made available for subscription to another pot.

**APPLICATION PROCEDURE**

Since the bonds are categorised as complex instruments, prospective investors wishing to participate will be subjected to a **Suitability Assessment**.

Preferred Applicants are kindly asked to complete the Application Form 'A' sent to them directly by BOV while other interested investors need to complete our Application Form. All applications must be returned to us by **19 November 2024** at noon at the latest, but prospective applicants should note that the offer period may close earlier at the discretion of the Issuer.

**Applications from Retail Investors must be for a minimum of €10,000 (nominal) and in multiples of €100 (nominal) thereafter. Applications from Professional Clients and Eligible Counterparties must be for a minimum of €100,000 (nominal) and in multiples of €100 (nominal) thereafter. All application forms must be accompanied by the appropriate payment, either by cheque in EUR payable to 'Rizzo, Farrugia & Co (Stockbrokers) Ltd – Clients a/c' or credited into either one of our EUR denominated Clients' Accounts as detailed below:**

	HSBC Bank Malta plc	Bank of Valletta plc
<b>EUR A/C No</b>	006 050041 004	400 135 62906
<b>IBAN</b>	MT46 MMEB 4406 0000 0000 0605 0041 004	MT18 VALL 2201 3000 0000 400 135 62906
<b>SWIFT CODE</b>	MMEB MTMT	VALL MTMT

**KEY FINANCIAL HIGHLIGHTS & METRICS**

Bank of Valletta plc <i>The Group</i>	FY 2021	FY 2022*	FY 2023	H1 2024
Net Interest Income [€000]	156,310	201,899	351,999	193,573
Non-Interest Income [€000]	86,598	91,458	89,003	39,652
Total Operating Income [€000]	242,908	293,357	441,002	233,225
Operating Costs, exc. exceptional items [€000]	(189,503)	(192,616)	(210,900)	(94,856)
Net Impairment Reversals/(Charges) [€000]	18,856	49,075	10,481	5,162
Share of the Insurance Associates' Results [€000]	14,498	2,217	11,030	4,624
Other exceptional items, inc. litigation [€000]	(6,100)	(102,958)	0	0
Profit before Tax [€000]	80,659	49,075	251,613	148,155
Tax Expense [€000]	(24,468)	(17,547)	(83,677)	(50,523)
Net Profit [€000]	56,191	31,528	167,936	97,632
Customer Loans [€000,000]	5,098	5,560	6,115	6,497
Financial Investments [€000,000]	3,708	4,713	5,467	6,178
Loans & Advances to Banks [€000,000]	452	395	196	169
Cash, T-Bills & Balances with the CBM [€000,000]	4,626	3,389	2,353	1,227
Total Assets [€000,000]	14,312	14,473	14,507	14,447
Customer Deposits [€000,000]	12,177	12,548	12,152	12,167
Senior non-preferred notes [€000,000]	0	350	350	368
Subordinated Liabilities [€000,000]	163	163	163	163
Total Equity [€000,000]	1,081	1,112	1,268	1,336

5.00% Bank of Valletta plc unsecured subordinated bonds 2029-2034  
Rizzo, Farrugia & Co (Stockbrokers) Ltd., Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta  
T. +356 2258 3000 E. info@rizzofarrugia.com W. [www.rizzofarrugia.com](http://www.rizzofarrugia.com)

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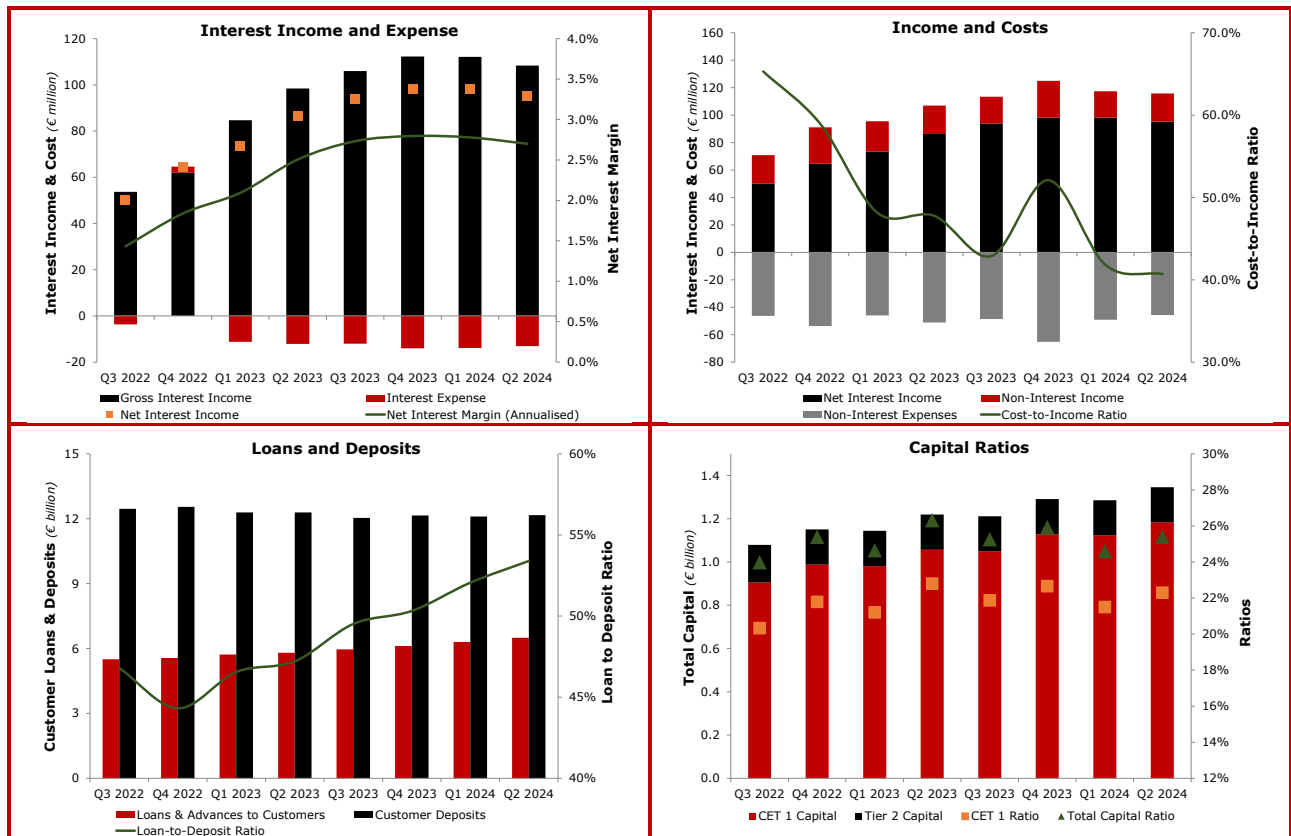
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Bank of Valletta plc The Group		FY 2021	FY 2022*	FY 2023	H1 2024
Net Interest Margin [%]	(Net Interest Income / Average Interest-Earning Assets)	1.19	1.45	2.50	2.74
Cost-to-Income Ratio [%]	(Operating Costs / Total Operating Income)	80.5	65.7	47.8	40.7
Return on Equity [%]	(Net Profit / Average Equity)	5.21	2.88	14.1	15.5
Return on Assets [%]	(Net Profit / Average Assets)	0.41	0.22	1.16	1.35
Loan-to-Deposit Ratio [%]	(Customer Loans / Customer Deposits)	41.9	44.3	50.3	53.4
Non-Performing Loan Ratio [%]	(Exposures in Default / Gross Customer Loans)	4.1	3.5	3.1	3.0
Common Equity Tier 1 Ratio [%]	(CET 1 Capital / Risk-Weighted Assets)	21.9	21.8	22.7	22.3
Capital Adequacy Ratio [%]	(Total Own Funds / Risk-Weighted Assets)	25.5	25.4	25.9	25.4

Sources: Company Announcements issued in terms of the Capital Market Rules by Bank of Valletta plc and Rizzo Farrugia calculations.

\*The introduction of new International Financial Reporting Standards (IFRS) related to insurance resulted in the restatement of the 2022 financial statements, with a decline of around €45 million on BOV's net asset value. It is pertinent to note that this is purely a financial reporting change emanating from the de-recognition of Mapfre MSV Life's value of in-force business.



### Disclaimer

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Additional information can be made available upon request from Rizzo, Farrugia & Co. (Stockbrokers) Ltd., Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta. Telephone: +356 2258 3000; Email: info@rizzofarrugia.com; Website: [www.rizzofarrugia.com](http://www.rizzofarrugia.com)