



FINCO TREASURY MANAGEMENT LIMITED

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A Limited Liability Company registered in Malta on 9th November 1994, Registration No. C17017

Stqarrija għall-Istampa

La Valette Multi Manager Property Fund

Il-Bank of Valletta plc immultat għal ksur ta' regolamenti fir-rigward ta' misselling

Il-Finco Treasury Management Ltd ("FINCO") tinnota b'sodisfazzjon li l-investigazzjoni tal-Awtorita' għas-Servizzi Finanzjarji ta' Malta ("MFSA") dwar *misselling* issa ntemmet u l-Awtorita' kkonfermat li dak li ilha ssostni FINCO matul dawn l-aħħar sentejn fir-rigward ta' numru kbir ta' klijenti li ntalbet tagħmel ilment f'isimhom.

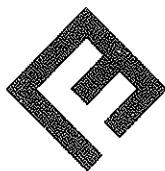
L-MFSA sabet li l-Bank of Valletta ("BOV") kiser numru ta' *Investment Services Guidelines / Rules* fir-rigward ta' *misselling* meta l-Bank biegh lil membri *retail* tal-pubbliku fond li kien intiz biss għal investituri ta' esperjenza. L-elenku shih ta' ksur tar-Regoli da parti tal-Bank of Valletta jirrizulta mis-sit ufficjali tal-MFSA u ser ikun riprodott fir-Rapport li l-Awtorita' ser tibghat lil investituri kollha fil-Property Fund skond l-Artiklu 19 tal-Att dwar l-Awtorita' għas-Servizzi Finanzjarji.

L-MFSA mmultat lil Bank is-somma ta' €203,150 li hija s-somma massima li l-MFSA setgħet timmulta lil Bank of Valletta skond il-legislazzjoni vigenti.

L-Awtorita' habbret li tat Direttiva taht l-Att dwar l-Investimenti lil Bank of Valletta biex jikkopera ma eżercizzju li fih jigu riveduti il-*files* tal-investituri KOLLHA fil-Property Fund minn ditta professjonali indipendenti a spejjez tal-Bank of Valletta. L-ghan ta' dan l-eżercizzju huwa li, fin-nuqqas ta' validita' tal-*Experienced Investor Declaration*, il-Bank jagħti kumpens lil klijenti. Dan l-eżercizzju għandu jkun lest sal-aħħar tal-2012.

Jidher minn Stqarrija tal-MFSA li l-Bank, rizzultat tad-Direttiva skond l-Att dwar l-Investimenti, ser ikun obligat iħallas dan il-kumpens fejn l-eżercizzju jstabilixxi li l-investituri ma setghux jigu kkunsidrati *Experienced Investors*. Il-kumpens ser ikun ta' €1 nieqes il-kumpens ta' €0.75 li investitur li accetta l-Offerta tas-sena l-oħra thallas diga' għal kull sehem. Dan huwa meljorament ta' 33% fuq il-valur li kien offra l-Bank of Valletta fl-Offerta ta' Mejju 2011.

Il-Bank of Valletta għadu ma habbarx il-pozizzjoni tiegħu u għadu ma kkonfermax li mhux ser jappella mid-decizjonijiet u s-sanzjonijiet tal-Awtorita'. Il-Finco tawgura li l-bon sens jipprevali u li l-Bank of Valletta taccetta d-decizjonijiet tar-Regolatur. Il-Finco tinnota li għall-ewwel darba f'din is-saga, l-Bank of Valletta fl-istqarrija tiegħu tal-lum qed juri sens ta' rispett u nuqqas ta' arroganza versu l-investituri meta jammetti li għandu lezzjonijiet x'jitgħalliem minn din l-esperjenza qarsa tal-Property Fund, u li għalhekk ikkummissjona *review* komplet tal-proceduri tiegħu fir-rigward ta' *Investment Management Services* u bejgh ta' Prodotti ta' Investment.

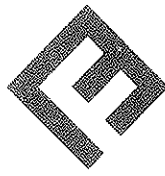


B'mod komplessiv, il-Finco Treasury Management Ltd hija sodisfatta b'dan ir-rizultat u tawgura li din l-esperjenza taghti bidu gdid ta' rispettt genwin u reciproku bejn il-Bank of Valletta u l-konsumatur finanzjarju.

Fuq aspett differenti izda relatat, il-Finco Treasury Management Ltd tiehu l-okkazzjoni biex tappella lil BOV li jonora ir-rakkommandazzjonijiet kollha li qieghda tohrog regolarment l-Awtorita' ghas-Servizzi Finanzjarji fejn il-BOV instab li kiser Investment Services Guidelines / Regulations u qed titlob lil Bank biex ipoggi mill-gdid lil klijenti tieghu fil-pozizzjoni finanzjarja li kienu qabel fir-rigward tal-*preferred perpetual securities* bhal Lehman Bros u Royal Bank of Scotland. Il-BOV s'sissa ghadu jirrifjuta t-talba tal-Awtorita' bhala Regolatur.

Finco Treasury Management Ltd

4th June 2012, 15:15



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Press Release

La Valette Multi Manager Property Fund

MFSA issues administrative sanctions and fines against Bank of Valletta for misselling

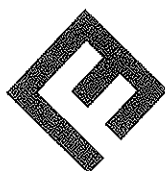
Finco Treasury Management Ltd ("FINCO") notes with satisfaction that the investigation of the Malta Financial Services Authority ("MFSA") in respect of misselling has now been concluded and that the MFSA has confirmed what FINCO has been claiming in the course of the last two years in relation to a large number of clients in respect of whom it has submitted complaints to Bank of Valletta and to MFSA.

The MFSA has found that Bank of Valletta ("BOV") has breached a long list of requirements in terms of the applicable regulatory framework, which breaches amounted to the practice of misselling when BOV sold the La Valette Property Fund, a Professional Investor Fund intended only for Experienced Investors. The entire list of breaches committed by BOV can be found in the official web site of the MFSA under "*Administrative Measures and Penalties*". These breaches will also be explained in the Report which will be submitted by the MFSA to all investors in the Property Fund in accordance with Article 19 of the MFSA Act.

The MFSA fined BOV the sum of €203,150 which, the MFSA stated, constitutes "*the maximum fine available under the applicable legislation*".

The MFSA announced in a Media Statement that it has issued a Directive in terms of the Investment Services Act whereby BOV is required to co-operate with a review by an independent professional services firm engaged by the Authority at the expense of the Bank. The files of ALL investors in the La Valette Property Fund will be reviewed to assess the validity or otherwise of the Experienced Investor Declarations so that where this does not stand up to scrutiny the Bank will have to pay further compensation. This exercise is expected to be completed by end 2012.

From the MFSA Media Release it appears that the Bank – as a result of the Directive issued by the MFSA – will be obliged to pay additional compensation where the review exercise establishes that the relative investor could not be considered an Experienced Investor. The compensation will be calculated at €1 per share less the compensation of €0.75 per share that investors may have received when they accepted the Conditional Offer of the 26th May 2011. This additional compensation is an improvement of about 33% of the value of the Conditional Offer of May 2011. It is also noteworthy that this additional compensation will be paid in spite of the waiver of investors' legal rights embodied in the Conditional Offer of May 2011's terms.



Bank of Valletta has not yet announced the acceptance or otherwise of the MFSA's decisions and they have not confirmed that they do not intend to appeal from same. FINCO augurs that good sense shall prevail and that BOV unconditionally accepts the Regulator's decisions. FINCO is pleased to note that for the first time during this 2-year saga of the La Valette Property Fund, Bank of Valletta's Press Release of today treats investors with a modicum of respect and the customary lack of arrogance when it *"readily acknowledges that there are lessons to be learned from the LVMMPF experience"* and that *"BOV has commissioned an independent major review of its policies, procedures and sales processes"*.

Overall, FINCO is satisfied with this result affecting inexperienced investors and it augurs that this saga gives rise to a new beginning of genuine and reciprocal respect between Bank of Valletta and consumers of financial products.

FINCO takes the occasion to refer to a different but related aspect, namely the misselling of preferred perpetual securities such as Lehman and Royal Bank of Scotland. FINCO appeals to BOV to respect, honour and implement forthwith the recommendations that the MFSA is regularly issuing to BOV to reintegrate clients in whose favour the MFSA has found to their previous financial position. BOV is to date refusing to abide by the Regulator's recommendations.

FINCO TREASURY MANAGEMENT LTD

4th July 2012, 15:15