



LOMBARD

CIRCULAR TO SHAREHOLDERS
Ordinary Resolution – Special Business being put to the
Lombard Bank Malta p.l.c. (the 'Bank') Annual General Meeting

The 2015 Annual General Meeting of the Bank will be held on Wednesday 22 April 2015 at 5.30pm at the Chamber of Commerce, Republic Street, Valletta, Malta.

In addition to five Ordinary Resolutions, one Ordinary Resolution – Special Business will be put before the shareholders at this Annual General Meeting.

This Circular is being issued pursuant to Chapter 6 of the Malta Financial Services Authority Listing Rules.

NOTICE TO SHAREHOLDERS

This Circular is important and requires your immediate attention. Please do not hesitate to consult an appropriate independent advisor should you remain in doubt as to what voting action to take.

If you sell or transfer any or all of the shares held, please ensure that you pass on this Circular to the person through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

PROPOSED ORDINARY RESOLUTION – SPECIAL BUSINESS

Resolution 6

The Board of Directors is proposing a bonus share issue of one (1) share for every twenty (20) shares held to the members appearing on the Register of Members as at close of trading on the Malta Stock Exchange on Wednesday 27 May 2015.

This will be achieved by the transfer of €521,090 from the Bank's Retained Earnings Account for the purpose of issuing 2,084,359 fully paid ordinary shares of a nominal value of €0.25 per share.

Following upon this bonus share issue, the issued share capital of the Bank will, on the 28 May 2015, increase from the current 41,687,174 ordinary shares of a nominal value of €0.25 each to 43,771,533 shares of €0.25 each fully paid up resulting in a paid up capital of €10,942,883.

The last date on which transfers will be accepted for registration to participate in this bonus share issue is Monday 25 May 2015. The Share Register as at close of trading on Wednesday 27 May 2015 will include trading undertaken up to and including Monday 25 May 2015.

An application will be made for the listing of the bonus issue on the Malta Stock Exchange and the bonus issue will rank *pari passu* with the existing listed share capital of the Bank. The shares issued in terms of this bonus issue are expected to be admitted to listing on Thursday 28 May 2015 and dealings therein are expected to commence on Friday 29 May 2015.

Therefore Resolution 6 will propose:



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- 6.(a) To capitalise €521,090 from the Bank's Retained Earnings Account for the purpose of issuing 2,084,359 fully paid ordinary shares of a nominal value of €0.25 per share representing 1 bonus share for every 20 shares held as approved by the Directors to be allotted to the eligible members appearing on the Register of Members as at close of trading on the Malta Stock Exchange on Wednesday 27 May 2015, thereby increasing the issued share capital from the current 41,687,174 shares to 43,771,533 shares of €0.25 each fully paid up resulting in a paid up capital of €10,942,883.
- (b) Since the allocation ratio of bonus shares to registered shares held by the eligible member is 1 bonus share for every 20 shares held, the Bank shall, where the number of shares held by the eligible member is not exactly divisible by 20, 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.

PROPOSED CHANGES TO SHARE CAPITAL	POSITION AS AT 31 DEC 2014	BONUS ISSUE OF 1 FOR 20	POSITION AFTER BONUS ISSUE
NUMBER OF AUTHORISED SHARES	80,000,000		80,000,000
VALUE PER SHARE	€0.25	€0.25	€0.25
VALUE OF AUTHORISED SHARE CAPITAL	€20,000,000		€20,000,000
NUMBER OF ISSUED AND PAID UP SHARES	41,687,174	2,084,359	43,771,533
VALUE OF ISSUED AND PAID UP CAPITAL	€10,421,793	€521,090	€10,942,883
AMOUNT OF CAPITALISATION FROM RETAINED EARNINGS ACCOUNT		€521,090	

DECLARATION BY DIRECTORS

Michael C. Bonello, Joseph Said, Graham A. Fairclough, Michael Zammit, Kimon Palamidis and Christos Stylianides, being Directors of the Bank, accept responsibility for the information contained in this Circular. To the best of 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 which is likely to affect the import of such information.



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LIST OF INCUMBENT DIRECTORS

The Directors of the Bank as at the date of this Circular are the following:-

Michael C. Bonello, Joseph Said, Graham A. Fairclough, Michael Zammit, Kimon Palamidis and Christos Stylianides.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or certified copies thereof, will be available for inspection at the Bank's registered office at 67, Republic Street, Valletta, Malta 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

DIRECTORS' RECOMMENDATION

The Directors declare that the above proposed resolution is in the best interest of the Bank and of its shareholders. Therefore, the Board recommends that the shareholders vote in favour of the resolution at the forthcoming Annual General Meeting.

27 March 2015

Approved and issued by Lombard Bank Malta p.l.c., 67, Republic Street, Valletta, Malta