

Lombard steady on course

The Board of Directors of Lombard Bank met earlier this week to consider the Group's performance for the six months ended 30 June 2009. In a Company Announcement Lombard reported a pre-tax profit of €5.41 million for the Bank (up by 5.7% over 2008) and of €6.44 million (down by 17% on 2008) for the Group. The Board explained that one-time transactions at MaltaPost p.l.c. in 2008 which were not repeated in 2009, impacted Group results. Total Assets increased by 8.8% to €570.44 million and Total Equity increased by 4.7% to €63.93 million.

The Bank reported an increase of 11.6% in Profit after Tax from €3.31 million in 2008 to €3.69 million in 2009, with Net Interest Income reaching €6.73 million, representing an increase of 2.0% over 2008. Total Operating Income increased by 9.0% to €8.45 million. The Bank also recorded higher income streams which, together with effective cost containment, brought down the Cost-to-Income ratio to a notable 37.1%. Balance sheet fundamentals continued to strengthen with a 9.0% increase in Customer Deposits that reached €483.46 million.

The Directors noted that, notwithstanding subdued business sentiment amid a global recession, Loans and Advances remained stable while Customer Deposits grew satisfactorily and this despite record low interest rates.

The Bank continues to adopt a philosophy of developing stable business relationships while remaining sensitive to the specific characteristics and requirements of the Maltese market.

As a significant contributor to Group performance MaltaPost, the major postal operator in Malta, continues to perform well, even though profits were lower than the record levels reached in 2008. Since becoming a subsidiary in September 2007, synergies within the Group have been identified and the Directors believe that there continues to be considerable potential for these synergies to be maximised.

The Board of Directors considers the Group to be well positioned to continue to provide stakeholders with added value despite the present challenging times. Customer loyalty, shareholder confidence and staff commitment encourage the Board to look to the future with continued cautious optimism.

28th August 2009