



# LOMBARD

## Lombard Bank Malta p.l.c.

### Income Statement

For the Period 1 January 2008 to 30 June 2008

	Group		Bank	
	01.01.08 to 30.06.08 € 000	01.01.07 to 30.06.07 € 000	01.01.08 to 30.06.08 € 000	01.01.07 to 30.06.07 € 000
Interest receivable and similar income				
- on loans and advances, balances with Central Bank of Malta and treasury bills	11,794	10,531	11,735	10,533
- on debt and other fixed income instruments	2,140	2,243	2,091	2,243
Interest expense	(7,179)	(6,620)	(7,234)	(6,622)
<b>Net interest income</b>	<b>6,755</b>	<b>6,154</b>	<b>6,592</b>	<b>6,154</b>
Fee and commission receivable	800	608	789	599
Fee and commission payable	(43)	(14)	(42)	(14)
<b>Net fee and commission income</b>	<b>757</b>	<b>594</b>	<b>747</b>	<b>585</b>
Postal sales and service revenues	10,413	-	-	-
Dividend income	44	42	44	42
Net trading income	143	345	179	345
Net gains on disposal of non-trading financial instruments	69	18	-	18
Other operating income	709	24	184	24
<b>Total operating income</b>	<b>18,890</b>	<b>7,177</b>	<b>7,746</b>	<b>7,168</b>
Employee compensation and benefits	(7,186)	(1,815)	(2,000)	(1,815)
Other operating costs	(4,020)	(990)	(1,030)	(963)
Depreciation and amortisation	(606)	(135)	(145)	(135)
Provision for liabilities and other charges	131	(9)	(9)	(9)
Net impairment reversals	551	410	551	410
<b>Operating profit</b>	<b>7,760</b>	<b>4,638</b>	<b>5,113</b>	<b>4,656</b>
Share of profit of equity accounted investee (net of tax)	-	228	-	-
<b>Profit before taxation</b>	<b>7,760</b>	<b>4,866</b>	<b>5,113</b>	<b>4,656</b>
Taxation	(2,722)	(1,661)	(1,808)	(1,661)
<b>Profit for the period</b>	<b>5,038</b>	<b>3,205</b>	<b>3,305</b>	<b>2,995</b>



# LOMBARD

Lombard Bank Malta p.l.c.

Income Statement

*For the Period 1 January 2008 to 30 June 2008*

---

	<b>Group</b>		<b>Bank</b>	
	<b>01.01.08 to 30.06.08 € 000</b>	01.01.07 to 30.06.07 € 000	<b>01.01.08 to 30.06.08 € 000</b>	01.01.07 to 30.06.07 € 000
<b>Attributable to:</b>				
Equity holders of the Bank	<b>4,351</b>	3,210	<b>3,305</b>	2,995
Minority interest	<b>687</b>	(5)	-	-
	<b>5,038</b>	3,205	<b>3,305</b>	2,995
<b>Earnings per share</b>	<b>12.6c</b>	9.4c	<b>9.5c</b>	8.8c

---

---



# LOMBARD

## Lombard Bank Malta p.l.c.

### Balance Sheet

At 30 June 2008

	Group		Bank	
	30.06.08 € 000	31.12.07 € 000	30.06.08 € 000	31.12.07 € 000
<b>Assets</b>				
Balances with Central Bank of Malta, treasury bills and cash	42,156	75,183	42,004	75,183
Cheques in course of collection	1,550	2,230	1,550	2,230
Investments	55,289	54,893	51,605	51,081
Loans and advances to banks	83,845	88,974	80,528	82,932
Loans and advances to customers	284,534	260,285	284,534	260,285
Investment in subsidiaries	-	-	5,883	5,883
Intangible assets	1,249	1,287	-	-
Property and equipment	10,638	10,463	8,035	7,730
Investment property	745	745	745	745
Deferred tax assets	2,109	2,055	1,912	1,856
Inventories	948	804	391	235
Trade receivables and other assets	3,972	3,937	131	7
Prepayments and accrued income	5,931	3,606	3,409	3,244
<b>Total assets</b>	<b>492,966</b>	504,462	<b>480,727</b>	491,411
<b>Liabilities</b>				
Amounts owed to banks	1,222	735	1,222	735
Amounts owed to customers	404,222	418,205	408,012	419,676
Current tax payable	3,648	1,641	2,306	1,194
Provisions for liabilities and other charges	2,104	2,262	509	527
Other liabilities	14,654	20,431	9,868	13,746
Accruals and deferred income	9,088	6,686	5,531	4,786
<b>Total liabilities</b>	<b>434,938</b>	449,960	<b>427,448</b>	440,664



# LOMBARD

Lombard Bank Malta p.l.c.

Balance Sheet

At 30 June 2008

	Group		Bank	
	30.06.08 € 000	31.12.07 € 000	30.06.08 € 000	31.12.07 € 000
<b>Equity</b>				
Called up share capital	8,762	5,025	8,762	5,025
Share premium	15,137	13,590	15,137	13,590
Property revaluation reserve	2,288	2,288	2,288	2,288
Investment revaluation reserve	356	587	308	518
Retained earnings	27,955	29,551	26,784	29,326
<b>Equity attributable to equity holders of the Bank</b>	<b>54,498</b>	<b>51,041</b>	<b>53,279</b>	<b>50,747</b>
Minority interest	3,530	3,461	-	-
<b>Total equity</b>	<b>58,028</b>	<b>54,502</b>	<b>53,279</b>	<b>50,747</b>
<b>Total liabilities and equity</b>	<b>492,966</b>	<b>504,462</b>	<b>480,727</b>	<b>491,411</b>
<b>Memorandum items</b>				
Contingent liabilities	7,713	6,507	7,713	6,507
Commitments	70,765	60,593	70,765	60,593



# LOMBARD

## Lombard Bank Malta p.l.c.

### Statement of Changes in Equity

For the Period 1 January 2008 to 30 June 2008

**Group**  
**Attributable to equity holders of the Bank**

	<b>Called Up Issued Share Capital € 000</b>	<b>Share Premium € 000</b>	<b>Property Revaluation Reserve € 000</b>	<b>Investment Revaluation Reserve € 000</b>	<b>Retained Earnings € 000</b>	<b>Total € 000</b>	<b>Minority Interest € 000</b>	<b>Total Equity € 000</b>
At 1 January 2007	4,969	12,495	2,288	620	24,093	44,465	68	44,533
Net losses on available-for-sale assets	-	-	-	(54)	-	(54)	-	(54)
Release of net gains on disposal of available-for-sale assets	-	-	-	(5)	-	(5)	-	(5)
Deferred tax on revalued investment	-	-	-	19	-	19	-	19
Profit for the period	-	-	-	-	3,210	3,210	(5)	3,205
Dividends payable	-	-	-	-	(1,614)	(1,614)	-	(1,614)
Rights issue of ordinary shares	56	1,095	-	-	-	1,151	-	1,151
At 30 June 2007	5,025	13,590	2,288	580	25,689	47,172	63	47,235



# LOMBARD

Lombard Bank Malta p.l.c.

Statement of Changes in Equity

For the Period 1 January 2008 to 30 June 2008

	Group							
	Attributable to equity holders of the Bank							
	Called Up Issued Share Capital € 000	Share Premium € 000	Property Revaluation Reserve € 000	Investment Revaluation Reserve € 000	Retained Earnings € 000	Total € 000	Minority Interest € 000	Total Equity € 000
At 1 January 2008	5,025	13,590	2,288	587	29,551	51,041	3,461	4,502
Net losses on available-for-sale assets	-	-	-	(293)	-	(293)	21	(272)
Release of net gains on disposal of available-for-sale assets	-	-	-	(51)	-	(51)	(18)	(69)
Deferred tax on revalued investment	-	-	-	113	-	113	-	113
Profit for the period	-	-	-	-	4,351	4,351	687	5,038
Dividends payable	-	-	-	-	(2,243)	(2,243)	(559)	(2,802)
Increase in nominal value of paid-up share capital	3,604	-	-	-	(3,604)	-	-	-
Rights issue of ordinary shares	133	1,547	-	-	-	1,680	-	1,680
Change in minority interest from changes in shareholding in subsidiary	-	-	-	-	(100)	(100)	(62)	(162)
At 30 June 2008	8,762	15,137	2,288	356	27,955	54,498	3,530	58,028



# LOMBARD

Lombard Bank Malta p.l.c.

## Statement of Changes in Equity

For the Period 1 January 2008 to 30 June 2008

---

	<b>Bank</b>					
	<b>Called Up Issued Share Capital € 000</b>	<b>Share Premium € 000</b>	<b>Property Revaluation Reserve € 000</b>	<b>Investment Revaluation Reserve € 000</b>	<b>Retained Earnings € 000</b>	<b>Total Equity € 000</b>
At 1 January 2007	4,969	12,495	2,288	547	24,249	44,548
Net losses on available-for-sale assets	-	-	-	(54)	-	(54)
Release of net gains on disposal of available-for-sale assets	-	-	-	(5)	-	(5)
Deferred tax on revalued investment	-	-	-	19	-	19
Profit for the period	-	-	-	-	2,995	2,995
Dividends payable	-	-	-	-	(1,614)	(1,614)
Rights issue of ordinary shares	56	1,095	-	-	-	1,151
At 30 June 2007	5,025	13,590	2,288	507	25,630	47,040

---

---



# LOMBARD

## Lombard Bank Malta p.l.c.

### Statement of Changes in Equity

For the Period 1 January 2008 to 30 June 2008

	Bank					
	Called Up Share Capital € 000	Share Premium € 000	Property Revaluation Reserve € 000	Investment Revaluation Reserve € 000	Retained Earnings € 000	Total Equity € 000
At 1 January 2008	5,025	13,590	2,288	518	29,326	50,747
Net losses on available-for-sale assets	-	-	-	(323)	-	(323)
Release of net gains on disposal of available-for-sale assets	-	-	-	-	-	-
Deferred tax on revalued investment	-	-	-	113	-	113
Profit for the period	-	-	-	-	3,305	3,305
Dividends payable	-	-	-	-	(2,243)	(2,243)
Increase in nominal value of paid-up share capital	3,604	-	-	-	(3,604)	-
Rights issue of ordinary shares	133	1,547	-	-	-	1,680
At 30 June 2008	8,762	15,137	2,288	308	26,784	53,279





# LOMBARD

## Lombard Bank Malta p.l.c.

### Cash Flow Statement

For the Period 1 January 2008 to 30 June 2008

	Group		Bank	
	01.01.08 to 30.06.08	01.01.07 to 30.06.07	01.01.08 to 30.06.08	01.01.07 to 30.06.07
	€ 000	€ 000	€ 000	€ 000
<b>Cash flows from operating activities</b>				
Interest and commission receipts	12,257	11,729	12,306	11,726
Cash receipts from customers	41,728	263	1,053	263
Interest and commission payments	(6,381)	(5,770)	(6,434)	(5,770)
Payments to employees and suppliers	(43,499)	(2,858)	(3,238)	(2,833)
Operating profit before changes in operating assets and liabilities	4,105	3,364	3,687	3,386
<i>(Increase)/decrease in operating assets:</i>				
Treasury bills	(10,424)	(2,280)	(10,424)	(2,280)
Deposits with Central Bank of Malta	12,713	3,235	12,713	3,235
Loans and advances to banks and customers	(21,423)	(24,538)	(21,959)	(24,538)
Other receivables	401	(391)	401	(391)
<i>Increase/(decrease) in operating liabilities:</i>				
Amounts owed to customers	(13,984)	(10,335)	(11,664)	(10,359)
Other payables	(3,878)	3,741	(3,878)	3,741
<b>Net cash used in operations</b>	<b>(32,490)</b>	<b>(27,204)</b>	<b>(31,124)</b>	<b>(27,206)</b>
Tax paid	(706)	(608)	(639)	(608)
<b>Net cash used in operating activities</b>	<b>(33,196)</b>	<b>(27,812)</b>	<b>(31,763)</b>	<b>(27,814)</b>



# LOMBARD

## Lombard Bank Malta p.l.c.

### Cash Flow Statement

For the Period 1 January 2008 to 30 June 2008

	Group		Bank	
	01.01.08 to 30.06.08	01.01.07 to 30.06.07	01.01.08 to 30.06.08	01.01.07 to 30.06.07
	€ 000	€ 000	€ 000	€ 000
<b>Cash flows from investing activities</b>				
Dividends received	44	42	44	42
Interest received from investments	2,186	2,115	2,016	2,115
Proceeds on maturity/disposal of investments	351	1,721	116	1,721
Purchase of investments	(1,053)	(512)	(1,050)	(512)
Purchase of property and equipment	(732)	(294)	(450)	(294)
Acquisition of minority interest	(163)	-	-	-
<b>Net cash flows from investing activities</b>	<b>633</b>	<b>3,072</b>	<b>676</b>	<b>3,072</b>
<b>Cash flows from financing activities</b>				
Dividend and capital return by subsidiaries to minority holders	(559)	-	-	-
Dividends paid	(564)	(464)	(564)	(464)
<b>Cash used in financing activities</b>	<b>(1,123)</b>	<b>(464)</b>	<b>(564)</b>	<b>(464)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(33,686)</b>	<b>(25,204)</b>	<b>(31,651)</b>	<b>(25,206)</b>
Cash and cash equivalents at beginning of period	136,058	173,846	130,554	173,846
<b>Cash and cash equivalents at end of period</b>	<b>102,372</b>	<b>148,642</b>	<b>98,903</b>	<b>148,640</b>



# LOMBARD

Lombard Bank Malta p.l.c.

Segment Information

For the Period 1 January 2008 to 30 June 2008

	Banking Services		Postal Services		Total	
	01.01.08 to 30.06.08 € 000	01.01.07 to 30.06.07 € 000	01.01.08 to 30.06.08 € 000	01.01.07 to 30.06.07 € 000	01.01.08 to 30.06.08 € 000	01.01.07 to 30.06.07 € 000
Segment operating income	7,826	7,177	11,064	-	18,890	7,177
Depreciation and amortisation	(146)	(135)	(460)	-	(606)	(135)
Impairment allowances	551	410	-	-	551	410
Other segment costs	(3,043)	(2,814)	(8,032)	-	(11,075)	(2,814)
Segment result	5,188	4,638	2,572	-	7,760	4,638
Share of profit of regulatory accounted investment					-	228
Profit before taxation	5,188	4,638	2,572	-	7,760	4,866



# LOMBARD

Lombard Bank Malta p.l.c.

Segment Information

*For the Period 1 January 2008 to 30 June 2008*

---

	<b>Banking Services</b>		<b>Postal Services</b>		<b>Total</b>	
	<b>30.06.08</b>	31.12.07	<b>30.06.08</b>	31.12.07	<b>30.06.08</b>	31.12.07
	<b>€ 000</b>	€ 000	<b>€ 000</b>	€ 000	<b>€ 000</b>	€ 000
Segment total assets	<b>474,860</b>	484,314	<b>18,106</b>	20,149	<b>492,966</b>	504,463
Segment total liabilities	<b>427,252</b>	433,627	<b>7,686</b>	16,336	<b>434,938</b>	449,963
Segment total equity	<b>53,199</b>	50,687	<b>4,829</b>	3,813	<b>58,028</b>	54,500

The activities of the Group are generally performed in Malta and are subject to risks and returns mainly pertaining to the domestic economic and social environment.



**Statement pursuant to Listing Rule 9.44k.3 issued by the Listing Authority**

I confirm that to the best of my knowledge:

- the condensed Interim Financial Statements, prepared in accordance with IAS 34 give a true and fair view of the financial position as at 30 June 2008, financial performance and cash flows for the period then ended, and conform with the requirements of the accounting standards adopted for use in the EU for interim financial statements, including adopted IAS 34: *Interim Financial Reporting* for the Group; and,
- the commentary includes a fair review of the information required in terms of Listing Rule 9.44k.2.

**Joseph Said**  
*Chief Executive Officer*