



LOMBARD

PRESS RELEASE

Lombard Bank profit up by 26 per cent at mid-year

Lombard Bank Malta p.l.c. and its subsidiaries registered a pre-tax profit of Lm2.09 million (€4.87 million) for the six months ended 30 June 2007. This represents an increase of 26 per cent over the same period in 2006. Earnings per share also continued to rise during the first six months of 2007 to 16.1 cents (37.50 euro cents) from 12.7 cents (29.58 euro cents) in 2006.

- Profit after tax attributable to shareholders increased by 28.7 per cent to reach Lm1.38 million (€3.21 million) when compared to Lm1.07 million (€2.50 million) in the corresponding 2006 period.
- New business opportunities contributed to higher Net Interest Income of Lm2.64 million (€6.15 million), an increase of 8.8 per cent over same period last year.
- Operating Income increased by 8.3 per cent over prior year, reaching Lm3.08 million (€7.18 million).
- The Group's Cost-to-Income ratio stood at 40.96 per cent compared to last year's 38.40 per cent. Administrative expenses at Lm1.20 million (€2.81 million) increased by 16 per cent from last year's Lm1.04 million (€2.42 million). This mainly arose from an increase in compliance and staff costs.
- A net release of Lm176,000 (€410,000) from Impairment Allowances was also registered.
- Loans and Advances to customers at Lm102.24 million (€238.15 million) were up 13.3 per cent over 31 December 2006.
- As at 30 June 2007 customer deposits stood at Lm176.16 million (€410.35 million) while total assets were Lm204.79 million (€477.04 million), reflecting a policy to optimise Return on Assets under management.
- Equity attributable to shareholders rose by Lm1.16 million (€2.71 million) to Lm20.25 million (€47.17 million) during the six month period.

On 30 July 2007, the Bank issued a Company Announcement informing the public that its wholly-owned subsidiary Redbox Limited entered into an Agreement with the Government of Malta for the acquisition of a further 25% of the Issued and Paid-up share capital of Maltapost p.l.c., subject to Cabinet approval.

The Board of Directors is satisfied that the Bank remains on track to meet its full 2007 projections. It is confident that continued investment in infrastructure and staff will be rewarded by further growth. The Bank feels well positioned to meet all its compliance obligations, including those arising from SEPA; Basel II; MIFID, as well as adoption of the euro in January 2008.

The Bank will continue with its policy of commitment to the business needs of the Maltese public and commercial sector and looks to the second half of 2007 with confidence.

Euro exchange rate on 30 June 2007: €1 = Lm0.4293.

Lombard Bank Malta p.l.c.

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Licensed to conduct Investment Services Business by the Malta Financial Services Authority • Regulated by the Malta Financial Services Authority & listed on the Malta Stock Exchange

Registered Office: 67 Republic Street Valletta Malta • Company Registration Number: C 1607