



LOMBARD

PRESS RELEASE

Lombard Bank Malta p.l.c – Financial Results 2012

The Board of Directors of Lombard Bank held a meeting on Thursday 14 March 2013 to approve the preliminary financial results of the Lombard Bank Group, reporting a profit before tax of €9.4 million for the year ended 31 December 2012 - a decrease of almost 15% on the previous year. The drop was mainly due to the effect of non-recurring transactions in 2011 (disposal of securities) as well as adverse movements in international postal tariffs.

The Board considered the result to be a positive one when bearing in mind the negative economic sentiment prevailing in the global markets. The Bank remained mindful of its strategy, which is that of cultivating long-term and robust relationships with a broad network of customers. It also continues to pursue a strategy of maintaining a strong capital base and high level of liquidity.

Deposits remained stable (at €462 million), with competitive yet realistic rates of interest being offered. The Bank also continued to develop international banking business relationships with a positive effect on fee income.

Loans and advances to customers increased by 3% to €320 million. Property project finance remained a principal element of the Bank's portfolio while careful management of risk remained crucial to ensuring the long-term viability of business propositions. The increase in Impairment Allowances of €985,000 was considered to be adequate.

The Bank's Capital Adequacy Ratio of 18.5% stood above the required level of 8% and, together with a Loan to Deposit ratio of 69%, confirmed some of the key strengths of the Balance Sheet. The Bank again confirmed that it held no exposure to non-Maltese sovereign or corporate debt.

During the meeting, the Board of Directors proposed that the forthcoming Annual General Meeting approves a gross dividend of €0.12 per share, to be paid to shareholders on the company's register as at 25 March 2013 as well as a Bonus Share Issue of one share for every ten held as at 27 May 2013. It was proposed that this issue of shares would be funded by a capitalisation of reserves amounting to €902,318.

In a comment Joseph Said, Director and Chief Executive Officer of the Bank said: *“Reflecting on the past year, the Group has remained on the path of stable and reliable growth, providing a good return to stakeholders and this notwithstanding difficult economic times. We remain cautiously optimistic that our resilience serves us in good stead to capitalise upon emerging opportunities in 2013 and beyond.”*

Lombard Bank will continue to place emphasis on customer needs and preferences and fulfil them in a cost effective manner.”