



LOMBARD

7 August 2007

This report is published in terms of Chapters 8 and 9 of the Listing Rules of The Listing Authority, Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by Lombard Bank Malta p.l.c. in its last published annual accounts. The published figures have been extracted from the Bank's unaudited accounts for the six months ended 30 June 2007, as approved by the Board of Directors on 7 August 2007, and are in compliance with International Accounting Standard 34: 'Interim Financial Reporting', as well as relevant EU legislation.

Review of Performance & Commentary

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.



LOMBARD

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

Lombard Bank Malta p.l.c.

Income Statement

For the Period 1 January 2007 to 30 June 2007

	Group		Bank	
	01.01.07 to 30.06.07	01.01.06 to 30.06.06	01.01.07 to 30.06.07	01.01.06 to 30.06.06
	Lm 000	Lm 000	Lm 000	Lm 000
Interest receivable and similar income				
- on loans and advances, balances with Central Bank of Malta and treasury bills	4,521	3,657	4,522	3,659
- on debt and other fixed income instruments	963	1,019	963	1,019
Interest expense	(2,842)	(2,248)	(2,843)	(2,248)
Net interest income	2,642	2,428	2,642	2,430
Fees and commissions receivable	261	238	257	235
Fees and commissions payable	(6)	(5)	(6)	(5)
Net fees and commission income	255	233	251	230
Dividend income	18	18	18	18
Net trading income	148	156	148	156
Other operating income	18	9	18	7
Operating income	3,081	2,844	3,077	2,841
Administrative expenses	(1,204)	(1,038)	(1,192)	(1,028)
Depreciation	(58)	(54)	(58)	(54)
Provision for liabilities and other charges	(4)	2	(4)	2
Net impairment (losses)/reversals	176	(96)	176	(96)
Operating Profit	1,991	1,658	1,999	1,665
Share of profit in associate	98	-	-	-
Profit before taxation for the period	2,089	1,658	1,999	1,665
Taxation	(713)	(589)	(713)	(589)
Profit for the period	1,376	1,069	1,286	1,076
Attributable to:				
Equity holders of the Bank	1,378	1,071	1,286	1,076
Minority interest	(2)	(2)	-	-
	1,376	1,069	1,286	1,076
Earnings per share	16.1c	12.7c	15.0c	12.7c



LOMBARD

Lombard Bank Malta p.l.c.

Balance Sheet

At 30 June 2007

	Group		Bank	
	30.06.07	31.12.06	30.06.07	31.12.06
	Lm 000	Lm 000	Lm 000	Lm 000
Assets				
Balances with Central Bank of Malta,				
Treasury Bills and cash	32,342	44,223	32,343	44,223
Cheques in course of collection	833	592	833	592
Derivative financial instruments	-	2	-	2
Investments	22,905	23,473	22,806	23,375
Loans and advances to banks	40,155	41,206	40,155	41,206
Loans and advances to customers	102,239	90,214	102,239	90,214
Investment in associate	1,241	1,143	-	-
Shares in subsidiary companies	-	-	1,276	1,275
Property, plant and equipment	3,101	3,032	3,101	3,032
Investment property	151	151	151	151
Assets held for sale	-	106	-	106
Deferred tax asset	336	398	336	398
Other assets	64	24	58	22
Prepayments and accrued income	1,427	1,256	1,427	1,256
Total Assets	204,794	205,820	204,725	205,852
Liabilities				
Derivative financial instruments	3	-	3	-
Amounts owed to banks	55	218	55	218
Amounts owed to customers	176,161	180,598	176,186	180,633
Current taxation payable	870	489	870	489
Provision for liabilities and charges	238	238	238	238
Other liabilities	5,031	3,434	5,031	3,424
Accruals and deferred income	2,159	1,726	2,148	1,726
Total Liabilities	184,517	186,703	184,531	186,728



LOMBARD

Lombard Bank Malta p.l.c.

Balance Sheet

At 30 June 2007

	Group		Bank	
	30.06.07	31.12.06	30.06.07	31.12.06
	Lm 000	Lm 000	Lm 000	Lm 000
Equity				
Called up issued share capital	2,157	2,133	2,157	2,133
Share premium	5,834	5,364	5,834	5,364
Property revaluation reserve	982	982	982	982
Investment revaluation reserve	249	266	218	235
Retained earnings	11,028	10,343	11,003	10,410
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Equity attributable to shareholders of the Bank	20,250	19,088	20,194	19,124
Minority interests	27	29	-	-
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Total Equity	20,277	19,117	20,194	19,124
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	-----	-----	-----	-----
Total Liabilities and Equity	204,794	205,820	204,725	205,852
	=====	=====	=====	=====
Memorandum Items				
Contingent liabilities	3,008	3,229	3,008	3,229
	=====	=====	=====	=====
Commitments	24,447	34,557	24,447	34,557
	=====	=====	=====	=====



LOMBARD

Lombard Bank Malta p.l.c.

Statement of Changes in Equity
For the Period 1 January 2007 to 30 June 2007

Group	Attributable to equity holders of the parent								
	Called up Issued Share Capital Lm 000	Share Premium Lm 000	Other Reserve Lm 000	Property Revaluation Reserve Lm 000	Investment Revaluation Reserve Lm 000	Retained Earnings Lm 000	Total Lm 000	Minority Interest Lm 000	Total Equity Lm 000
At 1 January 2006	2,103	4,877	111	932	314	8,283	16,620	33	16,653
Net gains on available-for-sale assets	-	-	-	-	26	-	26	1	27
Profit for the period	-	-	-	-	-	1,071	1,071	(2)	1,069
Dividends payable	-	-	-	-	-	(555)	(555)	-	(555)
Rights issue of ordinary shares	31	487	-	-	-	-	518	-	518
At 30 June 2006	2,134	5,364	111	932	340	8,799	17,680	32	17,712
At 1 January 2007	2,133	5,364	-	982	266	10,343	19,088	29	19,117
Net losses on available-for-sale assets	-	-	-	-	(23)	-	(23)	-	(23)
Release of net gains on disposal of available-for-sale investments	-	-	-	-	(2)	-	(2)	-	(2)
Deferred tax on revalued investment	-	-	-	-	8	-	8	-	8
Profit for the period	-	-	-	-	-	1,378	1,378	(2)	1,376
Dividends payable	-	-	-	-	-	(693)	(693)	-	(693)
Rights issue of ordinary shares	24	470	-	-	-	-	494	-	494
At 30 June 2007	2,157	5,834	-	982	249	11,028	20,250	27	20,277



LOMBARD

Lombard Bank Malta p.l.c.

Statement of Changes in Equity

For the Period 1 January 2007 to 30 June 2007

Bank	Called Up Issued Share Capital Lm 000	Share Premium Lm 000	Other Reserve Lm 000	Property Revaluation Reserve Lm 000	Investment Revaluation Reserve Lm 000	Retained Earnings Lm 000	Total Lm 000
At 1 January 2006	2,103	4,877	111	932	268	8,357	16,648
Net gains on available-for-sale assets	-	-	-	-	21	-	21
Profit for the period	-	-	-	-	-	1,076	1,076
Dividends payable	-	-	-	-	-	(555)	(555)
Rights issue of ordinary shares	31	487	-	-	-	-	518
At 30 June 2006	2,134	5,364	111	932	289	8,878	17,708
At 1 January 2007	2,133	5,364	-	982	235	10,410	19,124
Net losses on available-for-sale assets	-	-	-	-	(23)	-	(23)
Release of net gains on disposal of available-for-sale assets	-	-	-	-	(2)	-	(2)
Deferred tax on revalued investment	-	-	-	-	8	-	8
Profit for the period	-	-	-	-	-	1,286	1,286
Dividends payable	-	-	-	-	-	(693)	(693)
Rights issue of ordinary shares	24	470	-	-	-	-	494
At 30 June 2007	2,157	5,834	-	982	218	11,003	20,194



LOMBARD

Lombard Bank Malta p.l.c.

Cash Flow Statement

For the Period 1 January 2007 to 30 June 2007

	Group		Bank	
	01.01.07	01.01.06	01.01.07	01.01.06
	to	to	to	to
	30.06.07	30.06.06	30.06.07	30.06.06
	Lm 000	Lm 000	Lm 000	Lm 000
Cash flows from operating activities				
Interest and commission receipts	5,148	3,324	5,147	3,321
Interest and commission payments	(2,477)	(2,086)	(2,477)	(2,086)
Payments to employees and suppliers	(1,227)	(1,144)	(1,216)	(1,133)
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Operating profit before changes in operating assets and liabilities	1,444	94	1,454	102
<i>(Increase)/decrease in operating assets:</i>				
Treasury Bills	(979)	7,827	(979)	7,827
Deposits with Central Bank of Malta	1,389	(2,504)	1,389	(2,504)
Loans and advances to banks and customers	(10,534)	(7,747)	(10,534)	(7,741)
Other receivables	(168)	(233)	(168)	(231)
<i>Increase/(decrease) in operating liabilities:</i>				
Amounts owed to customers	(4,437)	(4,715)	(4,447)	(4,715)
Other payables	1,606	28	1,606	29
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Net cash used in operations	(11,679)	(7,250)	(11,679)	(7,233)
Tax paid	(261)	(184)	(261)	(184)
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Net cash used in operating activities	(11,940)	(7,434)	(11,940)	(7,417)
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Cash flows from investing activities				
Dividends received	18	18	18	18
Interest received from investments	908	996	908	996
Proceeds on disposal/maturity of investments	739	17	739	-
Purchase of investments	(220)	(50)	(220)	(50)
Purchase of property, plant and equipment	(126)	(20)	(126)	(20)
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Net cash flows from investing activities	1,319	961	1,319	944
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LOMBARD

Lombard Bank Malta p.l.c.

Cash Flow Statement

For the Period 1 January 2007 to 30 June 2007

	Group		Bank	
	01.01.07	01.01.06	01.01.07	01.01.06
	to	to	to	to
	30.06.07	30.06.06	30.06.07	30.06.06
	Lm 000	Lm 000	Lm 000	Lm 000
Cash flows from financing activities				
Dividends paid	(199)	(37)	(199)	(37)
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Cash used in financing activities	(199)	(37)	(199)	(37)
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Net decrease in cash and cash equivalents	(10,820)	(6,510)	(10,820)	(6,510)
Cash and cash equivalents at beginning of period	74,632	65,516	74,632	65,516
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Cash and cash equivalents at end of period	63,812	59,006	63,812	59,006
	=====	=====	=====	=====



LOMBARD

Lombard Bank Malta p.l.c.

Key Financials in euros

	Group		Bank	
	01.01.07	01.01.06	01.01.07	01.01.06
	to	to	to	to
	30.06.07	30.06.06	30.06.07	30.06.06
	€ 000	€ 000	€ 000	€ 000
Profit before tax	4,866	3,862	4,656	3,878
Profit attributable to shareholders of the Bank	3,210	2,495	2,996	2,506
Earnings per Share	37.5c	29.6c	34.9c	29.6c

	Group		Bank	
	01.01.07	01.01.06	01.01.07	01.01.06
	to	to	to	to
	30.06.07	30.06.06	30.06.07	30.06.06
	€ 000	€ 000	€ 000	€ 000
Total assets	477,042	479,432	476,881	479,506
Total equity	47,233	44,531	47,039	44,547



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Statement pursuant to Listing Rule 9.44.3 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 2007, 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 interim Directors' report includes a fair review of the information required in terms of Listing Rule 9.44.2.

Joseph Said
Chief Executive Officer