



LOMBARD

PRESS RELEASE

RECORD MID-YEAR PROFIT AT LOMBARD BANK

Lombard Bank Malta p.l.c. and its subsidiary registered a record pre-tax profit of Lm1.66 million for the six months ended 30 June 2006, an improvement of 6 % on the Lm1.56 million recorded for the same period in 2005. These results emerge from the unaudited accounts of the Bank for the six months ended 30 June 2006 as approved by the Board of Directors on the 8 August 2006.

- Profit after tax attributable to shareholders reached Lm1.07 million, an increase of 6% over Lm1.01 million earned during the corresponding 2005 period.
- Net interest income grew by 16 % over same period last year and contributed Lm2.43 million to total operating income.
- Operating income increased by 15 % over prior year, to reach Lm2.84 million.
- The Cost:Income ratio improved to 38.4 % from last year's 42.7 %. Administrative expenses were up by 3 % to Lm1.04 million from last year's Lm1.01 million.
- Credit risk continued to be assessed consistent with a prudent policy resulting in a net increase of Lm96,000 to the impairment provisions.
- Treasury Operations rationalised assets under management seeking to optimise Return on Assets Employed. Customer deposits were at Lm161.04 million in June 2006 from Lm165.75 million in December 2005, while total assets stood at Lm185.37 million in June 2006 from Lm188.03 million in December 2005.
- Loans and advances to customers at Lm86.09 million were up 9 % over 31 December 2005.
- Shareholders' Funds rose by Lm1.06 million to Lm17.68 million during the period.
- Earnings Per Share rose from 12.2 cents in 2005 to 12.7 cents – when accounting for the two-for-one share split held in April 2006.

The record profit achieved during the first six months of the year is in line with expectations and underlines improved operating profits and efficient Cost to Income ratios. The selective business approach adopted by the Bank increased shareholder value and provided opportunities for further business expansion.

The Board of Directors thanks all its customers, shareholders and staff for their continued support and considers that Lombard Bank can look forward to the future with optimism.

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