



LOMBARD

Company Announcement

The following is a Company Announcement issued by Lombard Bank Malta p.l.c pursuant to the Listing Rules of the Listing Authority – Malta Financial Services Authority.

Quote:

In a meeting of the Board of Directors of Lombard Bank Malta p.l.c. held on 26 August 2008, the attached Group and Bank unaudited Condensed Interim Financial Statements for the six-month period ended 30 June 2008 were approved.

The Interim Financial Statements for the period ended 30 June 2008 are available for viewing and download on the Bank's website at **www.lombardmalta.com**.

Unquote

Graham Fairclough
Company Secretary

26 August 2008

Lombard Bank Malta p.l.c.

Office of the Company Secretary: 67 Republic Street Valletta Malta • PO Box 584 Valletta CMR 01 Malta
Tel: +356 25581117 • Fax: +356 25581151 • e-mail: mail@lombardmalta.com • www.lombardmalta.com • SWIFT Code: LBMAMTMT
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



LOMBARD

26 August 2008

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 group accounts for the six months ended 30 June 2008, as approved by the Board of Directors on 26 August 2008, and are in compliance with International Accounting Standard 34: 'Interim Financial Reporting', as well as relevant EU legislation.

Figures are presented in euro, the functional currency of Lombard Bank Malta p.l.c. and its subsidiaries from 1 January 2008. Comparative amounts are also presented in euro.

Review of Performance & Commentary

Lombard Bank Malta p.l.c. and its subsidiaries registered a pre-tax profit of €7.76 million for the six months ended 30 June 2008. This represents an increase of 60 per cent over the same period in 2007.

MaltaPost p.l.c. became a subsidiary of the Bank in September 2007. Therefore, these Group results also include for the first time the full impact of the financial performance of this subsidiary for the period and the comments below should be read in this context.

- Profit After Tax attributable to shareholders increased by 35.6% to reach €4.35 million when compared to €3.21 million in the corresponding period for 2007.
- Net Interest Income of €6.76 million increased by 9.8% compared to same period last year mainly from growth in credit activity and effective Treasury management.
- Total Operating Income reached €18.89 million which includes €10.41 million from postal sales and service revenues.
- The Bank's Cost-to-Income ratio at 40.99% remained at the same level of the corresponding previous period.
- A net release of €551,000 in Impairment Allowances was also registered.
- Loans and Advances to Customers at €284.53 million were up 9.3% over 31 December 2007.
- As at 30 June 2008 Customer Deposits stood at €404.22 million while Total Assets were €492.97 million, continuing to adopt a prudent policy of asset management.



LOMBARD

- Equity Attributable to Shareholders rose by €3.46 million to €54.50 million during the six month period, an increase of 6.8%.
- Earnings per Share also continued to rise during H1 2008 to €0.126 from €0.094 in H1 2007.

Lombard reported satisfactory growth for the first six months resulting in a healthy profit level. During the period it comfortably met new requirements and challenges including SEPA, Basel II and the adoption of the euro. More importantly the Bank weathered the turmoil that has hit global financial markets and remains well above the required regulatory level in terms of capital requirements. Prudent Treasury management remains a top priority of the Bank.

MaltaPost p.l.c. has provided the Group with new horizons and further resilience while the introduction of the single-largest shareholder, Marfin Popular Bank, stands to benefit Lombard Bank by way of new business opportunities as well as growth potential.

The Board of Directors is prudently confident that the Lombard Group remains on track to achieve its full 2008 projections and believes that the Group will continue to register further growth during 2008.



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)
Net interest income	6,755	6,154	6,592	6,154
Fee and commission receivable	800	608	789	599
Fee and commission payable	(43)	(14)	(42)	(14)
Net fee and commission income	757	594	747	585
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
Total operating income	18,890	7,177	7,746	7,168
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
Operating profit	7,760	4,638	5,113	4,656
Share of profit of equity accounted investee (net of tax)	-	228	-	-
Profit before taxation	7,760	4,866	5,113	4,656
Taxation	(2,722)	(1,661)	(1,808)	(1,661)
Profit for the period	5,038	3,205	3,305	2,995



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
Attributable to:				
Equity holders of the Bank	4,351	3,210	3,305	2,995
Minority interest	687	(5)	-	-
	5,038	3,205	3,305	2,995
Earnings per share	12.6c	9.4c	9.5c	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
Assets				
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
Total assets	492,966	504,462	480,727	491,411
Liabilities				
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
Total liabilities	434,938	449,960	427,448	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
Equity				
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
Equity attributable to equity holders of the Bank	54,498	51,041	53,279	50,747
Minority interest	3,530	3,461	-	-
Total equity	58,028	54,502	53,279	50,747
Total liabilities and equity	492,966	504,462	480,727	491,411
Memorandum items				
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

	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 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

	Bank					
	Called Up Issued Share Capital € 000	Share Premium € 000	Property Revaluation Reserve € 000	Investment Revaluation Reserve € 000	Retained Earnings € 000	Total Equity € 000
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
Cash flows from operating activities				
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
Net cash used in operations	(32,490)	(27,204)	(31,124)	(27,206)
Tax paid	(706)	(608)	(639)	(608)
Net cash used in operating activities	(33,196)	(27,812)	(31,763)	(27,814)



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
Cash flows from investing activities				
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)	-	-	-
Net cash flows from investing activities	633	3,072	676	3,072
Cash flows from financing activities				
Dividend and capital return by subsidiaries to minority holders	(559)	-	-	-
Dividends paid	(564)	(464)	(564)	(464)
Cash used in financing activities	(1,123)	(464)	(564)	(464)
Net decrease in cash and cash equivalents	(33,686)	(25,204)	(31,651)	(25,206)
Cash and cash equivalents at beginning of period	136,058	173,846	130,554	173,846
Cash and cash equivalents at end of period	102,372	148,642	98,903	148,640



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	01.01.07	01.01.08	01.01.07	01.01.08	01.01.07
	to	to	to	to	to	to
	30.06.08	30.06.07	30.06.08	30.06.07	30.06.08	30.06.07
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 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

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