



# LOMBARD

## COMPANY ANNOUNCEMENT

Lombard Bank Malta p.l.c. is required to publish the following Interim Directors' Statement covering the period 1<sup>st</sup> January 2009 to 15<sup>th</sup> May 2009 (the date of the statement) under the Listing Rules of the Malta Stock Exchange.

### QUOTE

Lombard Bank Malta p.l.c.  
Interim Directors' Statement

Downward pressure on lending interest rates on the one side and a conscious decision to increase retail deposits by offering keen rates continued throughout the period under review thus contributing to a tighter net interest margin.

One-off revenues registered last year and which had contributed significantly to the income for that year, were not repeated this year and to-date, therefore, it is not realistic to expect the same level of record profits realised last year. When managing its treasury book the Bank continues to place great emphasis on the quality of the institutions that it deals with rather than seek to benefit from higher interest rates. This policy obviously translates to lower earnings.

The Directors are pleased to report that the financial position of the Bank is indeed robust, with all relevant financial ratios – including Capital Adequacy (Basle II), Liquidity as well as Loans to Deposits – being maintained well above the minimum requirements.

Prudence continues to be the hallmark of the Bank's philosophy as shown by the absence of any significant markdowns in the treasury book or any extraordinary movement in impairment allowances on its Loans and Advances book. Furthermore, the funding of the balance sheet remains retail-based with no reliance placed on the interbank or wholesale markets.

In the circumstances the Directors remain cautiously optimistic with regard to the Bank's performance in the coming months despite the continued slow-down of economic activity world-wide and the uncertainty which still afflicts the global financial system. In stormy weather such as that prevailing in the international markets emphasis continues to be placed on ensuring that assets are protected. This Bank is therefore pleased to note that its Balance Sheet remains at strongest levels.

### UNQUOTE

G A Fairclough  
Company Secretary

15<sup>th</sup> May 2009

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