



LOMBARD

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Lombard Bank Malta plc pursuant to the Malta Financial Services Authority Listing Rules.

QUOTE

Interim Directors' Statement

Lombard Bank Malta plc announces that during the Financial Period commencing 1 July 2011 up to the date of this Announcement, no material events and/or transactions have taken place that would have an impact on the financial position of the Bank or the Group, such that would require special mention, disclosure or announcement pursuant to the applicable Listing Rules.

The period under review was largely characterised by turmoil and uncertainty in international financial markets mainly due to the euro zone debt crisis, the effects of possible contagion, as well as the need for the re-capitalisation of some of the European banks, especially in the light of the "haircut" in respect of Greek debt. A comprehensive rescue package that was meant to rein-in the crisis of confidence prevailing over the last couple of years was agreed by the euro zone leaders. However, this was soon followed by political instability in Greece which created even greater turbulence and uncertainty in financial markets. It remains to be seen exactly how events will unfold even in the near future.

Given these challenging and persisting uncertain conditions Lombard Bank has maintained its prudent and cautious stance by focusing attention on maintaining the Bank's strong financial fundamentals. The Bank's sound capital base, its prudent Loan to Deposit Ratio and the absence of credit exposure to countries affected by the sovereign debt problem in the euro zone are considered by the Board of Directors and Management to be the best safeguards for the Bank so as to see the present crisis through and thus remain on a sound footing.

On the operational front, demand for credit has remained somewhat subdued reflecting market sentiment generally, with the deposit base also staying at the same levels as at 2010 year-end. Although undoubtedly profit margins are under pressure profitability levels are so far similar to those registered for the corresponding period last year.

UNQUOTE

G A Fairclough
Company Secretary

9 November 2011

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