



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 2012 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, such that would require special mention, disclosure or announcement pursuant to the applicable Listing Rules.

During this period, a measure of calm returned to the financial markets following the ECB announcement in September stating that it would intervene in the sovereign bond markets by purchasing short term paper provided the issuers concerned met certain criteria. This announcement has resulted in lower long-term government bond yields of a number of countries and has helped to improve the situation within the euro zone.

It remains to be seen how permanent this relative calm will last. Another interesting development that took place very recently was the agreement to establish a single eurozone-wide banking supervisor under the auspices of the European Central Bank. The implications arising therefrom as regard the local banking system also remain to be seen.

The Bank's Loans and Advances portfolio registered satisfactory increase, as did the Amounts Owed to Customers. While Net Interest Income has remained at the same levels as that for the corresponding period last year, Non-Interest Income is marginally lower on account of last year's gain on the disposal of securities, which was not repeated this year.

Profit on ordinary activities before tax was lower than last year's, but ahead of predictions. Whereas no material changes are expected over the period up to Financial Year end profits continue to be negatively impacted by the exceedingly low interest rates at which we can employ our excess liquidity as the Bank insists on adhering to its policy of investing only in instruments of the highest possible quality.

Lombard Bank continues to pursue its long-established strategy of maintaining a highly prudential approach to Risk Management, thus assuring retention of the robust financial fundamentals in particular the Bank's Capital Adequacy, Liquidity as well as Loan to Deposit ratios.

UNQUOTE

G A Fairclough
Company Secretary

14 November 2012

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