



LOMBARD

Company Announcement

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

QUOTE

Interim Directors' Statement

Lombard Bank Malta p.l.c. announces that during the Financial Period commencing 1 July 2013 up to the date of this Announcement, no material events and/or transactions have taken place, other than mentioned in this Announcement, 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 European Central Bank reported that financial market conditions still remained fragile and that the weak macroeconomic environment remained a main source of decline in bank profitability.

The Central Bank of Malta confirmed that the local banks remain robust, with healthy liquidity and capital ratios. However, banks were encouraged to further augment their provisions in the light of possible vulnerabilities stemming from their exposure to specific sectors of the economy, particularly the construction and real estate sector. In line with this, as well as anticipated changes in euro area-wide regulation, local banks are expected to face further provisioning rules and guidelines, the adoption of which is bound to impact overall performance.

The Bank did not experience any material change in neither its loan book nor its deposits. Also, credit quality remained within the Bank's set parameters. Interest margins were healthy resulting in a positive Operating Income trend. As was announced separately, the results of the Bank's subsidiary MaltaPost p.l.c. would not vary significantly except for the non-recurrence of the previous year's one-off gains.

Group results are expected to be affected by higher credit impairment allowances following ongoing reviews of specific sectoral exposures in the context of anticipated changes in local and European regulation.

The Bank continues to maintain strong balance sheet fundamentals with high Liquidity and Capital Adequacy ratios that comfortably exceed regulatory and prudential requirements. The Loan to Deposit Ratio also remains very satisfactory. Business continues to be predominantly based in Malta with no exposure to foreign sovereign debt. The directors are confident that the Group's main income streams will continue to sustain stable operational profitability.

UNQUOTE

Dr. Helena Said LL.D
Company Secretary

15 November 2013

Lombard Bank Malta p.l.c.