



LOMBARD

COMPANY ANNOUNCEMENT

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

QUOTE

The Board of Directors of Lombard Bank Malta p.l.c. (the 'Bank') today approved the Annual Report and Audited Financial Statements for the financial year ended 31 December 2024. The Board resolved that these statements be submitted for approval at the forthcoming Annual General Meeting ('AGM') which has been scheduled for Wednesday 25 June 2025.

The Board of Directors further resolved to recommend that the AGM approves, subject to regulatory approval, the payment of a final gross dividend of 3.40 cent (net dividend of 2.21 cent) per nominal €0.125 share which will be paid on 10 July 2025 to shareholders appearing on the Bank's Register of Shareholders as at 26 May 2025 (the 'Record Date'), the last trading date being 22 May 2025.

Further information relating to the AGM will be announced at a later date and published on the Bank's website <https://www.lombardmalta.com> in the Investor Information section.

2024 Year End Results – Highlights & Financial Performance

For the financial year ended 31 December 2024, the Lombard Bank Group (the 'Group') registered a solid performance, with Profit before Tax reaching €19.4 million, up by 34% over the previous year. Profit before Tax of the Bank at €16.1 million was up from €13.9 million in 2023.

Summary of Financial Performance for 2024 Financial Year

	Group		Bank	
	Dec-24	Dec-23	Dec-24	Dec-23
€ 000				
Profit Before Taxation	19,415	14,527	16,101	13,850
Net Interest Income	27,260	25,861	27,164	25,795
Net Fee & Commission Income	6,373	5,183	5,341	4,187
Operating Income	74,295	70,393	35,598	32,876
Operating Costs	(50,960)	(51,560)	(18,220)	(16,491)
Net movement in 'ECL'	927	(1,261)	1,039	(1,316)
Operating Profit	19,457	14,842	16,101	13,850
Cost Efficiency Ratio (%)	73.5	77.7	54.5	53.9
ROAE (%)	5.6	5.6	5.3	5.5
€ 000				
Loans & Advances to Customers	872,682	758,304	872,690	758,304
Total Assets	1,388,422	1,265,134	1,355,047	1,236,321
Amounts Owed to Customers	1,120,006	1,019,075	1,121,816	1,021,254
Provisions for Liabilities & Other Charges	2,633	1,403	1,573	369
Equity Attributable to Equity Holders of the Bank	209,448	190,383	202,821	186,003
Loan-to-Deposit Ratio (%)	77.9	74.4	77.8	74.3

Lombard Bank Malta p.l.c.

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Lombard Bank Malta p.l.c. is listed on the Malta Stock Exchange and is licensed and regulated by the Malta Financial Services Authority as a credit institution and as an investment services provider

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



Income Statement

The key drivers of the increase in this year's Group financial performance were: higher Net Interest Income; increased non-interest revenues; enhanced operational efficiency; and a release in Expected Credit Losses. The Bank's subsidiary, MaltaPost p.l.c., also reported a notable improvement in Profit before Tax, reaching €4.7 million, a 102% growth compared to the previous year.

Gross Interest Revenues increased by 13% to reach €38.1 million (FY 2023: €33.7 million). This was driven by growth in customer lending. Treasury activities also contributed significantly to the rise in interest income, reflecting higher market interest rates.

Interest Expense increased by 39% to €10.9 million (FY 2023: €7.8 million), mainly due to improved interest rates paid on longer-term fixed deposits.

Net Interest Income at €27.3 million (FY 2023: €25.9 million) was 5% higher than the previous year.

Net Fee & Commission Income increased by 23% to reach €6.4 million (FY 2023: €5.2 million), driven by higher activity across most business lines.

Postal Sales & Other Revenues increased to €39.2 million (FY 2023: €38.7 million), mainly attributable to growth in inbound volumes as well as tariff revisions. Focus on furthering total last-mile parcel volume deliveries remained. Other revenues were generated from document management, bill collection, financial and insurance services.

Operating Income increased by 6% to €74.3 million from €70.4 million in 2023.

Employee Compensation & Benefits rose by 9% to €26.5 million (FY 2023: €24.4 million), amid a tight labour market and inflationary pressures. Cost increases were mainly attributable to a review in salaries and wages as well as rise in number of employees.

Other Operating Costs declined by 10% to €24.4 million compared to €27.2 million in the corresponding period of the previous year, reflecting effective cost management and enhanced operational efficiencies.

Cost Efficiency Ratio of the Bank was 54.5% (FY 2023: 53.9%), influenced by higher human resources costs and continued investment in IT systems, countering the positive impact of increased revenues. For the Group, the ratio was 73.5% (FY 2023: 77.7%), reflecting the nature of the postal services industry, which is characterised by high volume, low margins, and significant human resource requirements.

Expected Credit Losses (ECL) as defined and determined by International Financial Reporting Standard 9 (IFRS 9) resulted in a release of €0.9 million, compared to a charge of €1.3 million in the previous year. This release mainly resulted from lower charges taken on customer loans and advances classified in Stages 1 and 2 and was spread across the Bank's lending portfolio.

Financial Position and Capital

Loans & Advances to Customers increased by 15% to €873m from €758m in FYE 2023. The Bank continued to expand its business by addressing the needs of the local business community.

Amounts Owed to Customers rose by 10% in 2024 to €1,120m from €1,019m in FYE 2023.

Bank Loan-to-Deposit Ratio at 77.8% (FYE 2023: 74.3%), provided a healthy liquidity buffer, as the Bank continued to rely on a diversified funding base, which over the years has proven to be stable. A strong liquidity position was maintained with a **Liquidity Coverage Ratio (LCR)** at 231.8% (FYE 2023: 301.8%).



Group Total Assets rose to €1,388m (FYE 2023: €1,265m).

Equity Attributable to Equity Holders of the Bank grew by 10% to €209m (FYE 2023: €190m).

Group Net Asset Value (NAV) per share stood at €1.36 (FYE 2023: €1.23).

Earnings per Share (EPS) stood at €0.07 (FY 2023: €0.09).

Group Return on Assets (ROA) increased to 0.9% (FY 2023: 0.8%) while **Group post tax Return on Average Equity (ROAE)** remained steady at 5.6% compared with FY 2023.

Bank Total Capital Ratio at 20.0% (FYE 2023: 21.0%) exceeded the minimum regulatory requirements.

Directors' Report

Following the successful November 2023 Rights Issue, the Bank entered the year with a stronger capital base, allowing it to expand operations and meet the demand for commercial and retail credit along with a broad range of other services. Growth remained consonant with the Bank's strategic priorities, anchored in prudence, sustainability and measured progress, ensuring alignment with its long-term vision and the evolving needs of customers.

Investment in human resources, technology and operational infrastructure remained a strategic priority. The successful conclusion of a new Collective Agreement introduced improved terms and benefits for staff, reinforcing the Bank's commitment to talent retention and development. Besides business needs and enhancement of operational efficiency, technology-related projects continued to be driven by regulatory requirements. The implementation of SEPA Incoming Instant Payments marked a significant step forward in transaction efficiency, while work progresses on the core banking system transformation project. Meanwhile, sustainability-related initiatives advanced in line with regulatory expectations. Further investments in other areas such as cybersecurity and infrastructure modernisation continued, reinforcing the Bank's long-term resilience and ability to navigate an evolving financial environment.

At MaltaPost p.l.c., its financial year ended 30th September 2024 was a successful one with planned objectives mostly achieved. In a rapidly evolving postal and logistics landscape, both locally and globally, MaltaPost continued to adapt by making strategic investments, with particular emphasis on enhancing the last-mile delivery network. Additionally, customer service remained a priority, alongside the continued growth of the insurance and document management business. MaltaPost remains an important contributor to the Group's financial performance. For the financial year ended September 2024, MaltaPost realised a pre-tax profit for the year of €4.7 million (FY 2023: €2.3 million).

In view of a robust 2024 financial performance, the Board is recommending, subject to regulatory approval, the payment of a gross dividend of 3.40 cent per nominal €0.125 share (net dividend 2.21 cent) for the twelve months ended 31 December 2024.

The Bank's strong performance in 2024, supported by a solid financial position, a loyal customer base and a dedicated team, provides a strong foundation for the future. This, combined with the Bank's strong brand and proven business model, built on the prudent custodianship of customer deposits and the protection of shareholder funds, continues to drive its success.



LOMBARD

The Group remains committed to delivering sustainable growth, maintaining a prudent approach to risk, and offering innovative solutions that meet the evolving needs of the Maltese community. It is well placed to deliver long-term value to its stakeholders, further strengthening its position as a trusted economic actor.

The Bank's Annual Report and Financial Statements for the financial year ended 31 December 2024 are available on the Bank's website at <https://www.lombardmalta.com/en/financial-results> and on the website of the Malta Stock Exchange (the Officially Appointed Mechanism) at <https://www.borzamalta.com.mt>.

Attached to this Company Announcement is the Directors' Declaration on the ESEF Annual Financial Reports for the year ended 31 December 2024.

UNQUOTE

Helena Said
Company Secretary
16 April 2025

[Ref. LOM 313]



LOMBARD

DIRECTORS' DECLARATION ON ESEF ANNUAL FINANCIAL REPORTS

We, Michael Bonello and Joseph Said in our capacity as Directors of Lombard Bank Malta p.l.c. (the 'Bank'), hereby certify:

- i. That the Annual Financial Report for the year ended 31 December 2024 has been approved by the Board of Directors of the Bank and is hereby being made available to the public.
- ii. That the Annual Financial Report has been prepared in terms of the applicable rules and regulations, including the Commission Delegated Regulation on the European Single Electronic Format ("ESEF")¹ and the Capital Markets Rules².
- iii. That the Audit Report on the ESEF Annual Financial Report is an exact copy of the original signed by the auditor and that no alterations have been made to the audited elements of the Annual Financial Report including the annual financial statements.
- iv. That the Annual Financial Report shall serve as the official document for the purposes of the Capital Markets Rules and the Companies Act (Chapter 386 of the Laws of Malta).



Michael C. Bonello
Chairman



Joseph Said
Director/Chief Executive Officer

16 April 2025

¹ Commission Delegated Regulation 2019/815 on the European Single Electronic Format, as may be further amended from time to time.

² Capital Markets Rules as issued by the Malta Financial Services Authority (MFSA)