



# LOMBARD BANK

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## COMPANY ANNOUNCEMENT

### Quote

### **PRELIMINARY PROFIT STATEMENT FOR THE SIX MONTHS ENDED 31 MARCH, 2000**

Lombard Bank posted a pre-tax profit of Lm937,000 for the six months to 31 March 2000, an increase of 163% over the figure for the corresponding period last year. During the first six months of the current financial year net interest income increased by 22% over 1999. The net interest margin of 32% (1999:34%) is only marginally down but still relatively healthy. Dealing profits of Lm695,000 include gains on price movements in the Bank's portfolio of equity securities, a substantial portion of which remain unrealised. It is considered that this performance will not be repeated in the second half of the financial year. Administrative expenses increased by 1%, reflecting improved efficiencies in a number of expense areas.

Notwithstanding increased competition in the domestic market, the Bank has continued to perform strongly in its mainline banking business areas. This is reflected in the 25% increase in customer deposits over March 1999. Customer advances also increased by 25% over the same period. During March 2000 a 1 for 4 Rights Offer was taken up by the Bank's shareholders, resulting in an increase in shareholders' funds of over Lm3 million. Shareholders' funds now stand at Lm8.6 million (1999: Lm4.6 million). The Bank's own funds have almost doubled since March 1999 and the benefit of an enlarged capital base is expected to impact positively on the Bank's future prospects. Earnings per share have increased by 13 cents, an improvement of 171%. Net asset value per share has increased from Lm1.51 as at March 1999 to Lm2.72 as at the end of March 2000. The Board of Directors has not declared an interim dividend.

enc. *Profit and Loss Account for the 6 months ended 31 March, 2000*  
*Balance Sheet as at 31 March, 2000*

### Unquote

Associate  Group



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## PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 31 MARCH 2000

	March 2000 Lm '000	March 1999 Lm '000
Interest receivable and similar income		
- on loans and advances and balances with Central Bank of Malta	2,383	1,838
- on debt securities	859	720
Interest expense	(2,224)	(1,691)
<b>Net interest income</b>	<b>1,018</b>	<b>867</b>
Dividend income	10	18
Fees and commissions receivable	179	139
Fees and commissions payable	(5)	(8)
Dealing profits	308	301
Other operating income	(52)	10
<b>Operating income</b>	<b>1,904</b>	<b>1,327</b>
Administrative expenses	(787)	(780)
Depreciation	(128)	(117)
Provision for bad and doubtful debts	(52)	(74)
<b>Profit on ordinary activities before tax</b>	<b>937</b>	<b>356</b>
Tax on profit on ordinary activities	(680)	(125)
<b>Profit on ordinary activities after tax</b>	<b>257</b>	<b>231</b>
<b>Earnings per share</b>	<b>20c6</b>	<b>7c6</b>





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## BALANCE SHEET AS AT 31 MARCH 2000

	March 2000 Lm '000	March 1999 Lm '000
<b>Assets</b>		
Cash and balances with Central Bank of Malta	1,043	1,043
Reserve deposits with Central Bank of Malta	4,906	3,666
Malta Government treasury bills	9,756	-
Loans and advances to banks	23,334	22,361
Loans and advances to customers	28,747	31,058
Debt securities	22,227	20,148
Equity shares	764	599
Tangible fixed assets	1,825	1,944
Other assets	178	153
Prepayments and accrued income	1,222	1,252
<b>Total assets</b>	<b>106,554</b>	<b>82,244</b>
<b>Liabilities</b>		
Amounts owed to banks	44	-
Amounts owed to customers	94,522	75,414
Other liabilities	1,492	698
Accruals and deferred income	1,550	1,280
Provision for tax	307	234
	<b>97,915</b>	<b>77,626</b>
<b>Shareholders' Funds</b>		
Called up issued share capital	1,932	1,530
Share premium account	3,709	922
Other reserves	111	111
Revaluation reserves	102	102
Profit and loss account	2,785	1,953
	<b>8,639</b>	<b>4,618</b>
<b>Total liabilities</b>	<b>106,554</b>	<b>82,244</b>
<b>Memorandum Items</b>		
Contingent Liabilities	2,792	1,555

*[Handwritten signature]*  
5/5/2000