



LOMBARD

Lombard Bank Malta p.l.c.

Income Statements for the period 1 January 2013 to 30 June 2013

	Group		Bank	
	30/06/13 €000	30/06/12 €000	30/06/13 €000	30/06/12 €000
Interest receivable and similar income				
- on loans and advances, balances with Central Bank of Malta and treasury bills	11,487	11,608	11,432	11,599
- on debt and other fixed income instruments	577	283	507	186
Interest expense	(4,378)	(5,114)	(4,378)	(5,034)
Net interest income	7,686	6,777	7,561	6,751
Fee and commission income	1,215	1,187	750	702
Fee and commission expense	(47)	(41)	(47)	(40)
Net fee and commission income	1,168	1,146	703	662
Postal sales and other revenues	10,797	10,526	8	15
Dividend income	101	88	1,405	1,395
Net trading income	126	178	129	199
Net gains on disposal of non-trading financial instruments	-	12	-	-
Other operating income	18	89	46	89
Operating income	19,896	18,816	9,852	9,111
Employee compensation and benefits	(7,833)	(7,535)	(2,449)	(2,346)
Other operating costs	(5,441)	(5,655)	(1,200)	(1,239)
Depreciation and amortisation	(737)	(786)	(224)	(205)
Provisions for liabilities and other charges	(175)	(84)	-	-
Net impairment losses	(1,550)	(456)	(1,550)	(456)
Profit before taxation	4,160	4,300	4,429	4,865
Income tax expense	(1,475)	(1,491)	(1,534)	(1,654)
Profit for the period	2,685	2,809	2,895	3,211
Attributable to:				
Equity holders of the Bank	2,482	2,647	2,895	3,211
Non-controlling interests	203	162	-	-
Profit for the period	2,685	2,809	2,895	3,211
Earnings per share	6.8c	7.3c		



LOMBARD

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Statements of Comprehensive Income for the period 1 January 2013 to 30 June 2013

	Group		Bank	
	30/06/13	30/06/12	30/06/13	30/06/12
	€000	€000	€000	€000
Profit for the period	2,685	2,809	2,895	3,211
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Fair valuation of available-for-sale financial assets:				
Net changes in fair value arising during the period, before tax	271	(521)	237	(494)
Income tax relating to components of other comprehensive income	(83)	173	(83)	173
Other comprehensive income for the period, net of income tax	188	(348)	154	(321)
Total comprehensive income for the period, net of income tax	2,873	2,461	3,049	2,890
Attributable to:				
Equity holders of the Bank	2,659	2,308		
Non-controlling interests	214	153		
Total comprehensive income for the period, net of income tax	2,873	2,461		



LOMBARD

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Statements of Financial Position at 30 June 2013

	Group		Bank	
	30/06/13 €000	31/12/12 €000	30/06/13 €000	31/12/12 €000
Assets				
Balances with Central Bank of Malta, treasury bills and cash	92,227	133,641	91,620	133,200
Cheques in course of collection	1,279	1,063	1,279	1,063
Investments	33,060	32,669	30,203	29,871
Loans and advances to banks	55,753	46,911	51,047	39,379
Loans and advances to customers	331,018	319,864	331,615	320,221
Investment in subsidiaries	-	-	9,352	9,352
Intangible assets	1,408	1,548	178	227
Property, plant and equipment	22,773	22,915	13,218	13,172
Investment property	745	745	745	745
Assets classified as held for sale	600	584	600	584
Current tax assets	313	1,454	-	654
Deferred tax assets	3,491	2,998	3,058	2,610
Inventories	862	810	286	175
Trade and other receivables	7,403	5,474	2,817	1,941
Accrued income and other assets	4,521	4,568	3,112	3,120
Total assets	555,453	575,244	539,130	556,314
Equity and Liabilities				
Equity				
Share capital	9,926	9,023	9,926	9,023
Share premium	17,746	17,746	17,746	17,746
Revaluation and other reserves	4,678	4,463	4,554	4,342
Retained earnings	44,845	46,307	43,854	44,735
Equity attributable to equity holders of the Bank	77,195	77,539	76,080	75,846
Non-controlling interests	4,957	5,027	-	-
Total equity	82,152	82,566	76,080	75,846
Liabilities				
Derivative financial instruments	-	-	21	-
Amounts owed to banks	53	3,256	53	3,256
Amounts owed to customers	449,601	462,116	450,323	463,276
Current tax liabilities	65	-	65	-
Provisions for liabilities and other charges	2,861	2,264	671	666
Other liabilities	11,368	14,800	7,112	8,307
Accruals and deferred income	9,353	10,242	4,805	4,963
Total liabilities	473,301	492,678	463,050	480,468
Total equity and liabilities	555,453	575,244	539,130	556,314
Memorandum items				
Contingent liabilities	4,158	4,916	4,158	4,916
Commitments	73,890	81,232	73,890	81,232

These condensed financial statements were approved by the Board on 22 August 2013 and signed on its behalf by:

Michael C. Bonello, *Chairman*

Joseph Said, *Chief Executive Officer*



LOMBARD

Lombard Bank Malta p.l.c.

Statements of Changes in Equity for the period 1 January 2013 to 30 June 2013

Group

	Attributable to equity holders of the Bank				Total €000	Non- controlling interests €000	Total equity €000
	Share capital €000	Share premium €000	Revaluation and other reserves €000	Retained earnings €000			
At 1 January 2012	9,023	17,746	4,563	43,553	74,885	4,774	79,659
Comprehensive income							
Profit for the period	-	-	-	2,647	2,647	162	2,809
Other comprehensive income							
Fair valuation of available-for-sale financial assets:							
Net changes in fair value arising during the period	-	-	(338)	-	(338)	(9)	(347)
Reclassification adjustments							
Net amounts reclassified to profit or loss	-	-	(1)	-	(1)	-	(1)
Transfers and other movements			164	(164)	-	-	-
Total other comprehensive income for the period	-	-	(175)	(164)	(339)	(9)	(348)
Total comprehensive income for the period	-	-	(175)	2,483	2,308	153	2,461
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners:							
Dividends to equity holders	-	-	-	(2,698)	(2,698)	(418)	(3,116)
Changes in ownership interests in subsidiaries that do not result in a loss of control							
Change in non-controlling interests in subsidiary	-	-	-	(104)	(104)	244	140
Total transactions with owners	-	-	-	(2,802)	(2,802)	(174)	(2,976)
At 30 June 2012	9,023	17,746	4,388	43,234	74,391	4,753	79,144
At 1 January 2013	9,023	17,746	4,463	46,307	77,539	5,027	82,566
Comprehensive Income							
Profit for the period	-	-	-	2,482	2,482	203	2,685
Other comprehensive income							
Fair valuation of available-for-sale financial assets:							
Net changes in fair value arising during the period	-	-	177	-	177	11	188
Reclassification adjustments							
Net amounts reclassified to profit or loss	-	-	-	-	-	-	-
Transfers and other movements	-	-	38	(38)	-	-	-
Total other comprehensive income for the period	-	-	215	(38)	177	11	188
Total comprehensive income for the period	-	-	215	2,444	2,659	214	2,873
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners:							
Capitalisation of reserves upon bonus issue of shares	903	-	-	(903)	-	-	-
Dividends to equity holders	-	-	-	(2,815)	(2,815)	(422)	(3,237)
Changes in ownership interests in subsidiaries that do not result in a loss of control							
Change in non-controlling interests in subsidiary	-	-	-	(188)	(188)	138	(50)
Total transactions with owners	903	-	-	(3,906)	(3,003)	(284)	(3,287)
At 30 June 2013	9,926	17,746	4,678	44,845	77,195	4,957	82,152



LOMBARD

Lombard Bank Malta p.l.c.

Statements of Changes in Equity for the period 1 January 2013 to 30 June 2013

Bank

	Share capital €000	Share premium €000	Revaluation and other reserves €000	Retained earnings €000	Total equity €000
At 1 January 2012	9,023	17,746	4,440	42,048	73,257
Comprehensive income					
Profit for the period	-	-	-	3,211	3,211
Other comprehensive income					
Fair valuation of available-for-sale financial assets:					
Net changes in fair value arising during the period	-	-	(321)	-	(321)
Transfers and other movements	-	-	164	(164)	-
Total other comprehensive income for the period	-	-	(157)	(164)	(321)
Total comprehensive income for the period	-	-	(157)	3,047	2,890
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners:					
Dividends to equity holders	-	-	-	(2,700)	(2,700)
Total transactions with owners	-	-	-	(2,700)	(2,700)
At 30 June 2012	9,023	17,746	4,283	42,395	73,447
At 1 January 2013	9,023	17,746	4,342	44,735	75,846
Comprehensive income					
Profit for the period	-	-	-	2,895	2,895
Other comprehensive income					
Fair valuation of available-for-sale financial assets:					
Net changes in fair value arising during the period	-	-	154	-	154
Transfers and other movements	-	-	58	(58)	-
Total other comprehensive income for the period	-	-	212	(58)	154
Total comprehensive income for the period	-	-	212	2,837	3,049
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners:					
Capitalisation of reserves upon bonus issue of shares	903	-	-	(903)	-
Dividends to equity holders	-	-	-	(2,815)	(2,815)
Total transactions with owners	903	-	-	(3,718)	(2,815)
At 30 June 2013	9,926	17,746	4,554	43,854	76,080



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Lombard Bank Malta p.l.c.

Statements of Cash Flows for the period 1 January 2013 to 30 June 2013

	Group		Bank	
	30/06/13 €000	30/06/12 €000	30/06/13 €000	30/06/12 €000
Cash flows from operating activities				
Interest and commission receipts	11,979	11,758	11,959	11,809
Receipts from customers relating to postal sales and other revenue	9,318	8,966	72	15
Interest and commission payments	(4,525)	(5,607)	(4,533)	(5,527)
Payments to employees and suppliers	(15,507)	(9,614)	(3,752)	(3,854)
Cash flows from operating profit before changes in operating assets and liabilities	1,265	5,503	3,746	2,443
<i>(Increase)/decrease in operating assets:</i>				
Treasury bills	(30,006)	(13,124)	(30,006)	(13,124)
Deposits with Central Bank of Malta	388	3,276	388	3,276
Loans and advances to banks and customers	(9,684)	(14,191)	(12,924)	(14,149)
Other receivables	(305)	(2,121)	(333)	(2,173)
<i>(Decrease)/increase in operating liabilities:</i>				
Amounts owed to banks and to customers	(12,642)	13,847	(13,078)	14,875
Other payables	(1,224)	22,797	(1,174)	22,797
Net cash (used in)/from operations	(52,208)	15,987	(53,381)	13,945
Income tax paid	(843)	(362)	(927)	(111)
Net cash flows (used in)/from operating activities	(53,051)	15,625	(54,308)	13,834
Cash flows from investing activities				
Dividends received	101	88	101	88
Interest received from investments	1,146	1,165	992	1,035
Proceeds on maturity/disposal of investments	412	1,039	-	69
Purchase of investments	(637)	(7,592)	(200)	(7,592)
Purchase of property, plant and equipment	(804)	(1,327)	(221)	(391)
Acquisition of non-controlling interests	(235)	-	-	-
Net cash flows (used in)/from investing activities	(17)	(6,627)	672	(6,791)
Cash flows from financing activities				
Dividends paid to equity holders of the Bank	(2,815)	(2,698)	(2,815)	(2,698)
Dividends paid to non-controlling interests	(234)	(275)	-	-
Net cash flows used in financing activities	(3,049)	(2,973)	(2,815)	(2,698)
Net (decrease)/increase in cash and cash equivalents	(56,117)	6,025	(56,451)	4,345
Cash and cash equivalents at beginning of period	123,432	122,529	118,453	120,168
Cash and cash equivalents at end of period	67,315	128,554	62,002	124,513



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Segmental analysis for the period 1 January 2013 to 30 June 2013

	Banking services		Postal services		Total	
	30/06/13 €000	30/06/12 €000	30/06/13 €000	30/06/12 €000	30/06/13 €000	30/06/12 €000
Net operating income	<u>8,495</u>	<u>7,726</u>	<u>11,401</u>	<u>11,090</u>	<u>19,896</u>	<u>18,816</u>
Segment result - Profit before taxation	<u>3,144</u>	<u>3,504</u>	<u>1,016</u>	<u>796</u>	<u>4,160</u>	<u>4,300</u>
	30/06/13 €000	31/12/12 €000	30/06/13 €000	31/12/12 €000	30/06/13 €000	31/12/12 €000
Segment total assets	<u>528,479</u>	<u>546,271</u>	<u>26,974</u>	<u>28,973</u>	<u>555,453</u>	<u>575,244</u>



LOMBARD

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

I confirm that to the best of my knowledge:

- the condensed interim financial information, prepared in accordance with IAS 34 gives a true and fair view of the financial position of the Group and the Bank as at 30 June 2013 and of their financial performance and cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting, IAS 34, '*Interim Financial Reporting*'; and
- the commentary includes a fair review of the information required in terms of Listing Rule 5.81 to 5.84.

Joseph Said
Chief Executive Officer

22 August 2013