



LOMBARD

13th March 2008

COMPANY ANNOUNCEMENT

The following is a Company Announcement by Lombard Bank Malta p.l.c. pursuant to Malta Financial Services Authority Listing Rules 8.7.4, 8.7.21 and 9.35.2:

Quote:

The Board of Directors of Lombard Bank Malta p.l.c. has approved the attached Preliminary Statement of annual results for the financial year ended 31 December 2007 as certified by the Bank's auditors, KPMG.

The Board of Directors further resolved to recommend that the Annual General Meeting to be held on 24 April 2008 approves the payment of a final ordinary gross dividend of €0.40 (Lm0.1717) per nominal €0.582343 (Lm0.25) share. This will be paid on 6 May 2008 to shareholders who are on the company's register of shareholders as at 20 March 2008.

The Board of Directors further resolved to recommend that the aforesaid Annual General Meeting will also approve that shareholders be given the option of receiving the dividend either in cash or by the issue of new shares. The attribution price (at which the new shares to be issued will be determined) has been established at €12.60 per nominal €0.582343 (Lm0.25) share.

The Board also agreed to recommend that by way of Special Business the General Meeting approves the following Extraordinary Resolutions:-

- To transfer €3,603,849 from Retained Earnings to the Called Up Share Capital Account in order to increase the Nominal Value of shares in issue from €5,024,879 to €8,628,728, thereby increasing the Nominal Value of each share from €0.582343 to €1.00.
- That with effect from 02 May 2008 the text of the current Clause 5 of the Company's Memorandum of Association is deleted and substituted by the following text:

QUOTE

- (a) The Authorised Shared Capital of the Company is Euro twenty million (€20,000,000) made up of 80,000,000 Ordinary Shares of a nominal value of €0.25 each.
- (b) The Issued and Fully Paid-Up Share Capital of the Company is Euro eight million, six hundred and twenty eight thousand, seven hundred and twenty eight (€8,628,728) divided into thirty four million, five hundred and fourteen thousand, nine hundred and twelve (34,514,912) Ordinary Shares of a nominal value of €0.25 each, all of one class.

UNQUOTE

Unquote

G A Fairclough
Company Secretary

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



LOMBARD

Preliminary Profit Statement

This report is published in terms of Malta Financial Services Authority Listing Rule 9.35 and Article 4(2) (b) of the Prevention of Financial Markets Abuse (Disclosure and Notification) Regulations, 2005.

The financial statements have been extracted from the Annual Report of Lombard Bank Malta p.l.c. for the financial year ended 31 December 2007. These were prepared in accordance with the provisions of the Banking Act, 1994 and the Companies Act, 1995, audited by KPMG and approved by the Board of Directors on 13 March 2008. The following is a review of the performance of the Lombard Group which consists of Lombard Bank Malta p.l.c., Redbox Limited and Lombard Asset Managers Limited.

Review of Performance

In September 2007 Redbox Limited purchased further shares in MaltaPost p.l.c. which resulted in the Group becoming the majority shareholder in MaltaPost p.l.c. Consequently the financial statements of MaltaPost p.l.c. are accordingly consolidated with those of the Group.

A profit before tax of Lm4.57 million (€10.64 million) was registered for the year ended 31 December 2007, an improvement of 18.1% over Lm3.87 million (€9.01 million) of the previous year.

Net Interest Income rose by 26.7% driven by growth of 23.9% in credit activity as well as continued effective treasury management.

Net Fees and Commissions increased by 5.3% following the growth in general volumes of business during the year.

Total Operating Income rose by 34.1% and includes a share of postal sales and service since MaltaPost p.l.c. qualified as a subsidiary of the Group as of 6 September 2007.

Administrative Expenses at Lm2.89 million (€6.73 million) also include the relative share of expenses of MaltaPost p.l.c. and continue to emphasise the Group's efforts to contain costs. At Group level the Cost to Income ratio stood at 36.8% (2006: 35.1%) while that at Bank level was 32.8% (2006 : 34.9%).

The net increase in the charge for Impairment Allowances of Lm678,000 (€1.58 million) reflects the Bank's continued adoption of a prudent policy with regard to the management of its credit portfolio .

Shareholders' Funds increased by 14.8% based on a post-tax profit of Lm3.03 million (€7.07 million) for the year. Earnings per Share rose from 29.5 cents (€0.687) in 2006 to 35.3 cents (€0.822). Total Assets increased by 5.2% to Lm217 million (€505 million) from Lm206 million (€479 million) in the previous year.

The Board of Directors is proposing a final Gross Dividend of €0.40 (Lm0.1717) per nominal €0.582343 (Lm0.25) share for approval by the General Meeting. This represents a 37% increase over last year's dividend. The Board will also be recommending that shareholders be given the option of receiving their dividend either in cash or by the issue of new shares. The attribution price (at which the new shares to be issued will be determined) has been established at €12.60. Once approved by the Annual General Meeting, the dividend will be paid to all shareholders who are registered members on 20 March, 2008.

The Board of Directors is well satisfied with the consistent and robust performance of the Group. It looks to the future with enthusiasm, determination and confidence while thanking the staff, shareholders and customers for their continued support.

13th March 2008



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Lombard Bank Malta p.l.c.

Income Statement For the Year Ended 31 December 2007

	Group		Bank	
	2007 Lm 000	2006 Lm 000	2007 Lm 000	2006 Lm 000
Interest receivable and similar income				
- on loans and advances, balances with Central Bank of Malta and treasury bills	11,251	8,642	11,248	8,645
- on debt and other fixed income instruments	1,372	1,392	1,372	1,392
Interest expense	(5,955)	(4,770)	(5,957)	(4,770)
Net interest income	6,668	5,264	6,663	5,267
Fees and commissions receivable	515	487	506	480
Fees and commissions payable	(17)	(14)	(17)	(13)
Net fees and commission income	498	473	489	467
Postal sales and service revenues	521	-	-	-
Dividend income	40	34	40	34
Net trading income	305	326	305	326
Net gains on disposal of non-trading financial instruments	3	36	3	10
Other operating income	221	22	221	22
Total operating income	8,256	6,155	7,721	6,126
Employee compensation and benefits	(1,755)	(1,275)	(1,478)	(1,275)
Other operating costs	(1,134)	(778)	(933)	(752)
Depreciation and amortisation	(144)	(108)	(119)	(108)
Provision for liabilities and other charges	(14)	(10)	(9)	(10)
Net impairment losses	(800)	(122)	(800)	(122)
Operating profit	4,409	3,862	4,382	3,859
Share of profit of equity accounted investee (net of tax)	157	5	-	-
Profit before taxation	4,566	3,867	4,382	3,859
Taxation	(1,525)	(1,362)	(1,509)	(1,362)
Profit for the year	3,041	2,505	2,873	2,497
Attributable to:				
Equity holders of the Bank	3,033	2,504	2,873	2,497
Minority interest	8	1	-	-
	3,041	2,505	2,873	2,497
Earnings per share	35c3	29c5	33c4	29c4



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Lombard Bank Malta p.l.c.

Balance Sheet At 31 December 2007

	Group		Bank	
	2007 Lm 000	2006 Lm 000	2007 Lm 000	2006 Lm 000
Assets				
Balances with Central Bank of Malta, treasury bills and cash	32,276	44,199	32,276	44,199
Cheques in course of collection	957	592	957	592
Derivative financial instruments	-	2	-	2
Investments	23,566	23,473	21,929	23,375
Loans and advances to banks	38,197	41,206	35,603	41,206
Loans and advances to customers	111,740	90,214	111,740	90,214
Investment in equity accounted investee	-	1,143	-	-
Investment in subsidiaries	-	-	2,526	1,275
Intangible assets	553	-	-	-
Property and equipment	4,492	3,032	3,319	3,032
Investment property	320	151	320	151
Assets held for sale	-	106	-	106
Deferred tax assets	882	398	797	398
Inventories	345	46	101	46
Trade receivables and other assets	1,690	2	3	-
Prepayments and accrued income	1,548	1,256	1,392	1,256
Total assets	216,566	205,820	210,963	205,852
Liabilities				
Amounts owed to banks	316	218	316	218
Amounts owed to customers	179,536	180,598	180,167	180,633
Current tax payable	704	489	512	489
Provisions for liabilities and other charges	971	238	226	238
Other liabilities	8,771	3,434	5,902	3,424
Accruals and deferred income	2,871	1,726	2,055	1,726
Total liabilities	193,169	186,703	189,178	186,728
Equity				
Called up share capital	2,157	2,133	2,157	2,133
Share premium	5,834	5,364	5,834	5,364
Property revaluation reserve	982	982	982	982
Investment revaluation reserve	252	266	222	235
Retained earnings	12,686	10,343	12,590	10,410
Total equity attributable to equity holders of the Bank	21,911	19,088	21,785	19,124
Minority interests	1,486	29	-	-
Total equity	23,397	19,117	21,785	19,124
Total liabilities and equity	216,566	205,820	210,963	205,852
Memorandum items				
Contingent liabilities	2,794	3,229	2,794	3,229
Commitments	26,012	34,557	26,012	34,557

The financial statements were approved by the Board of Directors on 13 March 2008 and signed on its behalf by:

Christian Lemmerich
Chairman

Joseph Said
Executive Officer



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Lombard Bank Malta p.l.c.

Statement of Changes in Equity For the Year Ended 31 December 2007

Group
Attributable to equity holders of the Bank

	Called up Issued Share Capital Lm 000	Share Premium Lm 000	Property Revaluation Reserves Lm 000	Investment Revaluation Reserves Lm 000	Retained earnings Lm 000	Total Lm 000	Minority Interest Lm 000	Total Equity Lm 000
At 1 January 2007	2,133	5,364	982	266	10,343	19,088	29	19,117
Consolidation adjustment	-	-	-	(2)	3	1	-	1
Acquisition of subsidiary	-	-	-	-	-	-	1,450	1,450
Net losses on available-for-sale assets	-	-	-	(10)	-	(10)	(1)	(11)
Release of net gains on disposal of available-for-sale assets	-	-	-	(2)	-	(2)	-	(2)
Income and expenses recognised directly in equity	-	-	-	(14)	3	(11)	1,449	1,438
Profit for the year	-	-	-	-	3,033	3,033	8	3,041
Dividends payable	-	-	-	-	(693)	(693)	-	(693)
Rights issue of ordinary shares	24	470	-	-	-	494	-	494
At 31 December 2007	2,157	5,834	982	252	12,686	21,911	1,486	23,397



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Lombard Bank Malta p.l.c.

Statement of Changes in Equity For the Year Ended 31 December 2007

Group

Attributable to equity holders of the Bank

	Called up Issued Share Capital Lm 000	Share Premium Lm 000	Other Reserves Lm 000	Property Revaluation Reserves Lm 000	Investment Revaluation Reserves Lm 000	Retained earnings Lm 000	Total Lm 000	Minority Interest Lm 000	Total Equity Lm 000
At 1 January 2006	2,103	4,877	111	932	314	8,283	16,620	33	16,653
Net gains on available-for-sale assets	-	-	-	-	(21)	-	(21)	1	(20)
Release of net gains on disposal of available-for-sale assets	-	-	-	-	(27)	-	(27)	(6)	(33)
Deferred tax on revalued property	-	-	-	50	-	-	50	-	50
Income and expenses recognised directly in equity	-	-	-	50	(48)	-	2	(5)	(3)
Profit for the year	-	-	-	-	-	2,504	2,504	1	2,505
Transfer of other reserve to retained earnings	-	-	(111)	-	-	111	-	-	-
Dividends payable	-	-	-	-	-	(555)	(555)	-	(555)
Rights issue of ordinary shares	30	487	-	-	-	-	517	-	517
At 31 December 2006	2,133	5,364	-	982	266	10,343	19,088	29	19,117



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Lombard Bank Malta p.l.c.

Statement of Changes in Equity For the Year Ended 31 December 2007

Bank	Called Up Issued Share Capital Lm 000	Share Premium Lm 000	Property Revaluation Reserve Lm 000	Investment Revaluation Reserve Lm 000	Retained Earnings Lm 000	Total Lm 000
At 1 January 2007	2,133	5,364	982	235	10,410	19,124
Net losses on available-for-sale assets	-	-	-	(11)	-	(11)
Release of net gains on disposal of available-for-sale assets	-	-	-	(2)	-	(2)
Income and expenses recognised directly in equity	-	-	-	(13)	-	(13)
Profit for the year	-	-	-	-	2,873	2,873
Dividends payable	-	-	-	-	(693)	(693)
Rights issue of ordinary shares	24	470	-	-	-	494
At 31 December 2007	2,157	5,834	982	222	12,590	21,785



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Lombard Bank Malta p.l.c.

Statement of Changes in Equity For the Year Ended 31 December 2007

Bank	Called Up Issued Share Capital Lm 000	Share Premium Lm 000	Other Reserve Lm 000	Property Revaluation Reserve Lm 000	Investment Revaluation Reserve Lm 000	Retained Earnings Lm 000	Total Lm 000
At 1 January 2006	2,103	4,877	111	932	268	8,357	16,648
Net gains on available-for-sale assets	-	-	-	-	(23)	-	(23)
Release of net gains on disposal of available-for-sale assets	-	-	-	-	(10)	-	(10)
Deferred tax on revalued property	-	-	-	50	-	-	50
Income and expenses recognised directly in equity	-	-	-	50	(33)	-	17
Profit for the year	-	-	-	-	-	2,497	2,497
Transfer of other reserve to retained earnings	-	-	(111)	-	-	111	-
Dividends payable	-	-	-	-	-	(555)	(555)
Rights issue of ordinary shares	30	487	-	-	-	-	517
At 31 December 2006	2,133	5,364	-	982	235	10,410	19,124



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Lombard Bank Malta p.l.c.

Cash Flow Statement For the Year Ended 31 December 2007

	Group		Bank	
	2007 Lm 000	2006 Lm 000	2007 Lm 000	2006 Lm 000
Cash flows from operating activities				
Interest and commission receipts	10,853	10,975	10,853	10,971
Interest and commission payments	(5,761)	(4,722)	(5,761)	(4,722)
Payments to employees and suppliers	(2,329)	(2,074)	(2,309)	(2,047)
Operating profit before changes in operating assets and liabilities	2,763	4,179	2,783	4,202
(Increase)/decrease in operating assets:				
Treasury bills	(977)	7,826	(977)	7,826
Deposits with Central Bank of Malta	(1,904)	(3,591)	(1,904)	(3,591)
Loans and advances to Banks and customers	(19,736)	(13,747)	(19,736)	(13,700)
Other receivables	(317)	(164)	(317)	(164)
Increase/(decrease) in operating liabilities:				
Amounts owed to customers	(462)	14,846	(466)	14,881
Other payables	2,477	(6)	2,477	(6)
Net cash (used in)/from operations	(18,156)	9,343	(18,140)	9,448
Tax paid	(1,878)	(1,097)	(1,878)	(1,097)
Net cash (used in)/from operating activities	(20,034)	8,246	(20,018)	8,351
Cash flows from investing activities				
Dividends received	40	22	40	22
Interest received from investments	1,915	2,067	1,916	2,067
Proceeds on maturity/disposal of investments	1,990	1,827	1,990	1,734
Purchase of investments	(635)	(1,800)	(635)	(1,800)
Investment in equity accounted investee	-	(1,138)	-	-
Investment in subsidiary	-	-	(1,250)	(1,150)
Purchase of property and equipment	(405)	(84)	(405)	(84)
Acquisition of interest in subsidiary (net of cash acquired)	1,130	-	-	-
Net cash flows from investing activities	4,035	894	1,656	789
Cash flows from financing activities				
Dividends paid	(199)	(38)	(199)	(38)
Cash used in financing activities	(199)	(38)	(199)	(38)
Net (decrease)/ increase in cash and cash equivalents	(16,198)	9,102	(18,561)	9,102
Cash and cash equivalents at beginning of year	74,608	65,506	74,608	65,506
Cash and cash equivalents at end of year	58,410	74,608	56,047	74,608



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Lombard Bank Malta p.l.c.

Key financials in euro

	Group		Bank	
	2007	2006	2007	2006
	€000	€000	€000	€000
Total assets	504,463	479,432	491,412	479,506
Total equity	54,500	44,531	50,745	44,547
Profit before tax	10,636	9,008	10,207	8,989
Profit attributable to shareholders of the Bank	7,065	5,833	6,692	5,816
Earnings per share (euro cents)	82.2c	68.7c	77.8c	68.5c