



Lombard Bank Malta p.l.c.

Income Statements for the period 1 January 2012 to 30 June 2012

	Group		Bank	
	30/06/12	30/06/11	30/06/12	30/06/11
	€000	€000	€000	€000
Interest receivable and similar income				
- on loans and advances, balances with Central Bank of Malta and treasury bills	11,608	11,579	11,599	11,567
- on debt and other fixed income instruments	283	1,014	186	912
Interest expense	(5,114)	(5,345)	(5,034)	(5,348)
Net interest income	6,777	7,248	6,751	7,131
Fee and commission income	1,187	1,092	702	619
Fee and commission expense	(41)	(39)	(40)	(37)
Net fee and commission income	1,146	1,053	662	582
Postal sales and other revenues	10,526	10,214	15	8
Dividend income	88	88	1,395	1,195
Net trading income	178	144	199	154
Net gains on disposal of non-trading financial instruments	12	1,174	-	877
Other operating income	89	19	89	19
Operating income	18,816	19,940	9,111	9,966
Employee compensation and benefits	(7,535)	(7,462)	(2,346)	(2,386)
Other operating costs	(5,655)	(4,626)	(1,239)	(985)
Depreciation and amortisation	(786)	(639)	(205)	(202)
Provisions for liabilities and other charges	(84)	(28)	-	(11)
Net impairment losses	(456)	(188)	(456)	(188)
Profit before taxation	4,300	6,997	4,865	6,194
Income tax expense	(1,491)	(2,463)	(1,654)	(2,175)
Profit for the period	2,809	4,534	3,211	4,019
Attributable to:				
Equity holders of the Bank	2,647	4,170	3,211	4,019
Non-controlling interests	162	364	-	-
Profit for the period	2,809	4,534	3,211	4,019
Earnings per share	7.3c	11.6c		



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Statements of Comprehensive Income for the period 1 January 2012 to 30 June 2012

	Group		Bank	
	30/06/12 €000	30/06/11 €000	30/06/12 €000	30/06/11 €000
Profit for the period	2,809	4,534	3,211	4,019
Other comprehensive income				
Fair valuation of available-for-sale financial assets:				
Net changes in fair value arising during the period, before tax	(521)	451	(494)	610
Income tax relating to components of other comprehensive income	173	(214)	173	(214)
Other comprehensive income for the period, net of income tax	(348)	237	(321)	396
Total comprehensive income for the period, net of income tax	2,461	4,771	2,890	4,415
Attributable to:				
Equity holders of the Bank	2,308	4,459		
Non-controlling interests	153	312		
Total comprehensive income for the period, net of income tax	2,461	4,771		



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Statements of Financial Position at 30 June 2012

	Group		Bank	
	30/06/12	31/12/11	30/06/12	31/12/11
	€000	€000	€000	€000
Assets				
Balances with Central Bank of Malta, treasury bills and cash	123,845	164,175	123,404	163,445
Cheques in course of collection	1,142	456	1,142	456
Derivative financial instruments	-	-	270	179
Investments	22,361	16,328	19,586	12,565
Loans and advances to banks	92,879	35,570	89,280	33,983
Loans and advances to customers	324,202	310,354	324,558	310,752
Investment in subsidiaries	-	-	8,502	8,502
Intangible assets	1,477	1,518	223	244
Property, plant and equipment	21,925	21,373	12,711	12,504
Investment property	745	745	745	745
Assets classified as held for sale	184	111	185	111
Current tax assets	442	760	-	220
Deferred tax assets	2,903	2,572	2,457	2,181
Inventories	958	784	331	246
Trade and other receivables	11,130	8,361	2,995	906
Accrued income and other assets	4,676	4,847	3,119	3,100
Total assets	<u>608,869</u>	<u>567,954</u>	<u>589,508</u>	<u>550,139</u>
Equity and Liabilities				
Equity				
Share capital	9,023	9,023	9,023	9,023
Share premium	17,746	17,746	17,746	17,746
Revaluation and other reserves	1,668	2,007	1,563	1,884
Retained earnings	45,954	46,109	45,115	44,604
Equity attributable to equity holders of the Bank	<u>74,391</u>	<u>74,885</u>	<u>73,447</u>	<u>73,257</u>
Non-controlling interests	4,753	4,774	-	-
Total equity	<u>79,144</u>	<u>79,659</u>	<u>73,447</u>	<u>73,257</u>
Liabilities				
Derivative financial instruments	1	9	1	9
Amounts owed to banks	6,774	6,942	4,082	2,985
Amounts owed to customers	477,445	462,322	478,604	463,761
Current tax liabilities	969	-	969	-
Provisions for liabilities and other charges	2,834	2,426	696	676
Other liabilities	30,308	6,245	26,955	4,149
Accruals and deferred income	11,394	10,351	4,754	5,302
Total liabilities	<u>529,725</u>	<u>488,295</u>	<u>516,061</u>	<u>476,882</u>
Total equity and liabilities	<u>608,869</u>	<u>567,954</u>	<u>589,508</u>	<u>550,139</u>
Memorandum items				
Contingent liabilities	<u>5,275</u>	<u>6,314</u>	<u>5,275</u>	<u>6,314</u>
Commitments	<u>72,749</u>	<u>79,470</u>	<u>72,749</u>	<u>79,470</u>

These condensed financial statements were approved by the Board on 23 August 2012 and signed on its behalf by:

Christian Lemmerich, *Chairman*

Joseph Said, *Chief Executive Officer*



Lombard Bank Malta p.l.c.

Statements of Changes in Equity for the period 1 January 2012 to 30 June 2012

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 2011	9,023	17,746	2,609	42,329	71,707	4,336	76,043
Comprehensive income							
Profit for the period	-	-	-	4,170	4,170	364	4,534
Other comprehensive income							
Fair valuation of available-for-sale financial assets:							
Net changes in fair value arising during the period	-	-	289	-	289	(52)	237
Total other comprehensive income for the period	-	-	289	-	289	(52)	237
Total comprehensive income for the period	-	-	289	4,170	4,459	312	4,771
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners:							
Dividends to equity holders	-	-	-	(2,697)	(2,697)	(404)	(3,101)
Changes in ownership interests in subsidiaries that do not result in a loss of control							
Change in non-controlling interests in subsidiary	-	-	-	(102)	(102)	259	157
Total transactions with owners	-	-	-	(2,799)	(2,799)	(145)	(2,944)
At 30 June 2011	9,023	17,746	2,898	43,700	73,367	4,503	77,870
At 1 January 2012	9,023	17,746	2,007	46,109	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	-	-	(339)	-	(339)	(9)	(348)
Total other comprehensive income for the period	-	-	(339)	-	(339)	(9)	(348)
Total comprehensive income for the period	-	-	(339)	2,647	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	1,668	45,954	74,391	4,753	79,144



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Statements of Changes in Equity for the period 1 January 2012 to 30 June 2012

Bank

	Share capital €000	Share premium €000	Revaluation and other reserves €000	Retained earnings €000	Total equity €000
At 1 January 2011	9,023	17,746	2,403	41,288	70,460
Comprehensive income					
Profit for the period	-	-	-	4,019	4,019
Other comprehensive income					
Fair valuation of available-for-sale financial assets:					
Net changes in fair value arising during the period	-	-	396	-	396
Total other comprehensive income for the period	-	-	396	-	396
Total comprehensive income for the period	-	-	396	4,019	4,415
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners:					
Dividends to equity holders	-	-	-	(2,698)	(2,698)
Total transactions with owners	-	-	-	(2,698)	(2,698)
At 30 June 2011	9,023	17,746	2,799	42,609	72,177
At 1 January 2012	9,023	17,746	1,884	44,604	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)
Total other comprehensive income for the period	-	-	(321)	-	(321)
Total comprehensive income for the period	-	-	(321)	3,211	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	1,563	45,115	73,447



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Lombard Bank Malta p.l.c.

Statements of Cash Flows for the period 1 January 2012 to 30 June 2012

	Group		Bank	
	30/06/12 €000	30/06/11 €000	30/06/12 €000	30/06/11 €000
Cash flows from operating activities				
Interest and commission receipts	11,758	12,163	11,809	12,167
Receipts from customers relating to postal sales and other revenue	51,546	55,439	15	9
Interest and commission payments	(5,607)	(5,304)	(5,527)	(5,308)
Payments to employees and suppliers	(52,194)	(57,803)	(3,854)	(3,786)
Cash flows from operating profit before changes in operating assets and liabilities	5,503	4,495	2,443	3,082
<i>Decrease/(increase) in operating assets:</i>				
Treasury bills	(13,124)	20,478	(13,124)	20,478
Deposits with Central Bank of Malta	3,276	677	3,276	677
Loans and advances to banks and customers	(14,191)	33,366	(14,149)	33,323
Other receivables	(2,121)	(387)	(2,173)	(387)
<i>Increase/(decrease) in operating liabilities:</i>				
Amounts owed to banks and to customers	13,847	(19,921)	14,875	(19,179)
Other payables	22,797	56	22,797	56
Net cash from operations	15,987	38,764	13,945	38,050
Income tax (paid)/refunded	(362)	50	(111)	361
Net cash from operating activities	15,625	38,814	13,834	38,411
Cash flows from investing activities				
Dividends received	88	88	88	88
Interest received from investments	1,165	1,779	1,035	1,564
Purchase of investments	(7,592)	-	(7,592)	-
Proceeds on maturity/disposal of investments	1,039	20,141	69	18,781
Purchase of property, plant and equipment	(1,327)	(1,515)	(391)	(601)
Acquisition of non-controlling interests	-	(42)	-	-
Proceeds from liquidation of subsidiary	-	-	-	117
Net cash (used in)/from investing activities	(6,627)	20,451	(6,791)	19,949
Cash flows from financing activities				
Dividends paid to equity holders of the Bank	(2,698)	(2,698)	(2,698)	(2,698)
Dividends paid to non-controlling interests	(275)	(201)	-	-
Cash used in financing activities	(2,973)	(2,899)	(2,698)	(2,698)
Net increase in cash and cash equivalents	6,025	56,366	4,345	55,662
Cash and cash equivalents at beginning of period	122,529	95,515	120,168	93,477
Cash and cash equivalents at end of period	128,554	151,881	124,513	149,139



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Segmental analysis for the period 1 January 2012 to 30 June 2012

	Banking services		Postal Services		Total	
	30/06/12 €000	30/06/11 €000	30/06/12 €000	30/06/11 €000	30/06/12 €000	30/06/11 €000
Net operating income	7,726	9,071	11,090	10,869	18,816	19,940
Segment result - Profit before taxation	3,504	5,311	796	1,686	4,300	6,997
	30/06/12 €000	31/12/11 €000	30/06/12 €000	31/12/11 €000	30/06/12 €000	31/12/11 €000
Segment total assets	579,225	540,478	29,644	27,476	608,869	567,954



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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 2012 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

23 August 2012