



# LOMBARD

## Company Announcement

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

### *Quote*

The Board of Directors of Lombard Bank Malta p.l.c. approved the audited financial statements for the financial year ended 31 December 2015 and resolved that these statements be submitted for approval at the forthcoming Annual General Meeting to be held on 28 April 2016. The attached Preliminary Statement of annual results is being published in terms of the Listing Rules.

The Board of Directors further resolved to recommend that the Annual General Meeting:

1. Approves the payment of a final gross dividend of 4 cent (net dividend of 2.6 cent) per nominal €0.25 share. This will be paid on 6 May 2016 to shareholders appearing on the Bank's Register of Shareholders as at 29 March 2016 (the 'Record Date'), the last trading date being 23 March 2016.
2. Approves 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 €2.18 per nominal €0.25 share.

### *Unquote*

**Dr. Helena Said LL.D.**  
**Company Secretary**

10 March 2016



# LOMBARD

## **Preliminary Profit Statement**

*This report is published in terms of Malta Financial Services Authority Listing Rule 5.54 and Article 4(2)(b) of the Prevention of Financial Markets Abuse (Disclosure and Notification) Regulations, 2005.*

These financial statements have been extracted from the Annual Report of Lombard Bank Malta p.l.c. for the financial year ended 31 December 2015, audited by PricewaterhouseCoopers and approved by the Board of Directors on 10 March 2016. They were prepared in accordance with the provisions of the Banking Act, 1994 and the Companies Act, 1995, and International Financial Reporting Standards as adopted by the EU.

Hereunder is a review of the performance of the Lombard Bank Group (“the Group”), which consists of Lombard Bank Malta p.l.c. (“the Bank”), and Redbox Limited (via which company shares in MaltaPost p.l.c. (“MaltaPost”) are held).

### *Review of Financial Performance and Commentary*

- Profit Before Tax increased by 25.6% to €7.84 million compared to €6.24 million in 2014.
- Profit Attributable to Equity Holders grew by 30.3% to €4.38 million, an increase of €1.02 million.
- Total Capital Adequacy Ratio of the Bank was 17.4% at year-end compared to 16.8% in 2014.
- Common Equity Tier 1 Ratio of the Bank stood at 16.4% compared to 15.9% in 2014.
- Bank Cost Efficiency Ratio rose to 50.1% (Group: 74.0%) from 47.0% (Group: 72.9%) in 2014.
- Net Loans and Advances to Customers amounted to €305.89 million, down marginally from €318.74 million in 2014.
- Customer Deposits grew by 13.3% or €76.57 million to €650.52 million in 2015.
- Post Tax Return on Equity for 2015 was 5.1%, compared to 4.1% in 2014.



## LOMBARD

Group profit before adjusting for Net Impairment Losses was maintained at €10.92 million (2014: €10.86 million) even though 2015 was characterised by record low market interest rates. Performance was also partially influenced by subdued lending activity that was in turn affected by the new regulatory environment. The Group's postal services benefitted from increased business related to e-commerce though the decline in traditional letter volumes continued.

Net Interest Income at €13.14 million dipped by 8.2% or €1.17 million on account of lower lending rates as a result of increased competition, on the one hand, and reduced income from our Treasury activity due to lower interest rates driven by the ECB's highly accommodative monetary policy.

Transaction banking revenue remained on a positive trend, contributing positively to Net Fees and Commission Income. Postal Sales and Other Revenues increased by 8.4% to €24.56 million.

On the expenditure side, Employee Compensation and Benefits increased by 2.8% to €16.53 million while Other Operating Costs rose by 10.7% to €13.29 million, partly reflecting the higher cost of compliance and regulation. Further investment was undertaken to improve card services and enhance security in IT systems.

Notwithstanding increases in costs the Bank's Cost Efficiency Ratio was held at 50.1% (FY 2014: 47.0%), reflecting effective cost containment measures to offset fast-reducing interest income levels. Overall, the Group Cost Efficiency Ratio stood at 74.0% (FY 2014: 72.9%).

In calculating Impairment Allowances for individually assessed exposures the Bank continued with its conservative approach, with particular attention given to the assessment of "Non-Performing Exposures", that is, exposures where repayments fall in arrears by 90 days or more. The Specific Impairment charge for 2015 amounted to €2.71 million, compared to €4.11 million in 2014. It is to be noted that most of the Specific Impairment Allowance relates to the accumulated interest element of such exposures. The Collective Impairment Allowance charge for the year at €0.37 million was €0.13 million lower when compared to the previous year.

Customer deposits increased by €76.57 million to €650.52 million, which reflects the high level of customer confidence that the Bank enjoys.

Loans and Advances to Customers at €305.89 million were marginally lower than the previous year.



## LOMBARD

Total assets as at 31 December 2015 continued to grow and stood at €777.54 million (2014: €691.53 million), while Equity Attributable to Equity Holders of the Bank increased by a further 8.0% to €89.40 million. Net Asset Value (NAV) per share stood at €2.04 (2014: €1.99). Group Earnings per Share (EPS) increased by 2.3 cents to 10.0 cents. Return on Assets (ROA) remained at 0.6% while Post tax Return on Equity (ROE) was 5.1% (2014: 4.1%).

The Bank's prudent stance resulted in a Common Equity Tier 1 (CET1) Ratio of 16.4% on a CRD IV basis, more than 3.6 times the minimum requirement of 4.5%, while Total Capital Ratio stood at 17.4%, more than double the minimum 8% requirement.

Banking Rule 09 (BR09) became effective on 31 December 2013. This Rule was intended to address the Country Specific Recommendations of the European Commission with respect to Malta, which called for increases in local banks' Coverage Ratios and provisioning. BR09 obliges the Bank to transfer part of its profits to a Reserve for General Banking Risks. This appropriation is calculated as a percentage of credit facilities termed "Non-Performing Exposures". Under the three-year transitory rules, the Bank set aside €1 million in 2013 and another €0.8 million in 2014. The third and final tranche amounting to €0.8 million was transferred to the Reserve in 2015. As a consequence, dividend distributions were adjusted accordingly.

Advances to Deposits Ratio stood at 47.0% reflecting the high levels of liquidity of the Bank. Eligible Liquid Assets as defined by Banking Rule 5 stood at 76.3% of Short-Term Liabilities and thus well over the statutory minimum of 30%.

During 2015, excess funds were placed on a short-term basis with quality counterparty banks and in Malta Government Treasury Bills. The Bank held no exposure to foreign sovereign or corporate bonds.

The Board is recommending for the approval of the Annual General Meeting a final gross dividend of 4 cent per share (2.6 cents net of tax). This will be paid on 6 May 2016 to shareholders who are on the Bank's Register of shareholders at 29 March 2016. The Board of Directors further resolved to recommend that the aforesaid Annual General Meeting 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 €2.18 per nominal €0.25 share.



## **LOMBARD**

These encouraging results show that the Group is well positioned to continue satisfying the needs of the community while sustaining a strong balance sheet and meeting regulatory requirements. While the current deflationary environment is expected to continue in the foreseeable future, the local economy remains resilient with better growth prospects than the majority of other EU countries. Notwithstanding the challenges ahead, the Group is prepared to implement its growth strategy based on a prudent risk appetite.



**Income Statements**  
**For the year ended 31 December 2015**

	<b>Group</b>		<b>Bank</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>€ 000</b>	<b>€ 000</b>	<b>€ 000</b>	<b>€ 000</b>
Interest receivable and similar income				
- on loans and advances, balances with Central Bank of Malta and treasury bills	<b>18,919</b>	22,060	<b>18,890</b>	22,049
- on debt and other fixed income instruments	<b>1,823</b>	1,548	<b>1,686</b>	1,399
Interest expense	<b>(7,603)</b>	(9,302)	<b>(7,619)</b>	(9,334)
<b>Net interest income</b>	<b>13,139</b>	14,306	<b>12,957</b>	14,114
Fee and commission income	<b>3,439</b>	2,698	<b>2,415</b>	1,761
Fee and commission expense	<b>(232)</b>	(160)	<b>(232)</b>	(160)
<b>Net fee and commission income</b>	<b>3,207</b>	2,538	<b>2,183</b>	1,601
Postal sales and other revenues	<b>24,562</b>	22,662	<b>76</b>	124
Dividend income	<b>240</b>	159	<b>1,754</b>	1,560
Net trading income	<b>969</b>	845	<b>769</b>	760
Other operating income / (expenses)	<b>138</b>	(274)	<b>465</b>	(208)
<b>Operating income</b>	<b>42,255</b>	40,236	<b>18,204</b>	17,951
Employee compensation and benefits	<b>(16,526)</b>	(16,072)	<b>(5,272)</b>	(4,922)
Other operating costs	<b>(13,290)</b>	(12,010)	<b>(3,366)</b>	(2,994)
Depreciation and amortisation	<b>(1,450)</b>	(1,240)	<b>(488)</b>	(517)
Provisions for liabilities and other charges	<b>(71)</b>	(56)	<b>(22)</b>	-
Net impairment losses	<b>(3,081)</b>	(4,618)	<b>(3,083)</b>	(4,609)
<b>Profit before taxation</b>	<b>7,837</b>	6,240	<b>5,973</b>	4,909
Income tax expense	<b>(2,800)</b>	(2,333)	<b>(2,137)</b>	(1,850)
<b>Profit for the year</b>	<b>5,037</b>	3,907	<b>3,836</b>	3,059
<b>Attributable to:</b>				
Equity holders of the Bank	<b>4,382</b>	3,362	<b>3,836</b>	3,059
Non-controlling interests	<b>655</b>	545	<b>-</b>	-
<b>Profit for the year</b>	<b>5,037</b>	3,907	<b>3,836</b>	3,059
<b>Earnings per share</b>	<b>10c0</b>	7c7		



**Statements of Comprehensive Income  
For the year ended 31 December 2015**

<b>Group</b>	<b>2015</b>	2014
	<b>€ 000</b>	€ 000
<b>Profit for the year</b>	<b>5,037</b>	3,907
<b>Other comprehensive income</b>		
<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 year, before tax	<b>4,678</b>	2,294
Reclassification adjustments - net amounts reclassified to profit or loss, before tax	<b>(21)</b>	(56)
Income tax relating to components of other comprehensive income	<b>(1,561)</b>	(731)
<i>Items that will not be reclassified to profit or loss:</i>		
Surplus arising on revaluation of land and buildings	<b>1,433</b>	-
Deferred tax attributable to revaluation of land and buildings	<b>(956)</b>	(68)
Remeasurements of defined benefit obligations	<b>(115)</b>	(133)
<b>Other comprehensive income for the year, net of income tax</b>	<b>3,458</b>	1,306
<b>Total comprehensive income for the year, net of income tax</b>	<b>8,495</b>	5,213
<b>Attributable to:</b>		
Equity holders of the Bank	<b>7,781</b>	4,662
Non-controlling interests	<b>714</b>	551
<b>Total comprehensive income for the year, net of income tax</b>	<b>8,495</b>	5,213
<b>Bank</b>		
<b>Profit for the year</b>	<b>3,836</b>	3,059
<b>Other comprehensive income</b>		
<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 year, before tax	<b>4,482</b>	2,133
Reclassification adjustments - net amounts reclassified to profit or loss, before tax	<b>(23)</b>	(45)
Income tax relating to components of other comprehensive income	<b>(1,561)</b>	(731)
<i>Items that will not be reclassified to profit or loss:</i>		
Surplus arising on revaluation of land and buildings	<b>539</b>	-
Deferred tax attributable to revaluation of land and buildings	<b>(178)</b>	(68)
<b>Other comprehensive income for the year, net of income tax</b>	<b>3,259</b>	1,289
<b>Total comprehensive income for the year, net of income tax</b>	<b>7,095</b>	4,348



**Statements of Financial Position  
As at 31 December 2015**

	<b>Group</b>		<b>Bank</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>€ 000</b>	€ 000	<b>€ 000</b>	€ 000
<b>Assets</b>				
Balances with Central Bank of Malta, treasury bills and cash	<b>115,884</b>	84,311	<b>115,377</b>	83,914
Cheques in course of collection	<b>475</b>	1,656	<b>475</b>	1,656
Investments	<b>76,246</b>	55,077	<b>72,465</b>	51,795
Loans and advances to banks	<b>229,788</b>	185,918	<b>225,546</b>	182,857
Loans and advances to customers	<b>305,891</b>	318,742	<b>306,572</b>	319,420
Investment in subsidiaries	-	-	<b>12,168</b>	11,184
Investment in associate	<b>1,645</b>	-	<b>1,645</b>	-
Intangible assets	<b>1,490</b>	1,422	<b>409</b>	202
Property, plant and equipment	<b>26,931</b>	24,574	<b>13,833</b>	13,141
Assets classified as held for sale	<b>1,023</b>	1,022	<b>1,023</b>	1,022
Current tax assets	<b>533</b>	1,665	<b>533</b>	1,289
Deferred tax assets	<b>3,318</b>	4,764	<b>3,784</b>	4,429
Inventories	<b>1,106</b>	996	<b>425</b>	343
Trade and other receivables	<b>8,170</b>	5,545	<b>2,104</b>	1,447
Accrued income and other assets	<b>5,043</b>	5,835	<b>2,790</b>	3,132
<b>Total assets</b>	<b>777,543</b>	691,527	<b>759,149</b>	675,831



**Statements of Financial Position (continued)**  
**As at 31 December 2015**

	<b>Group</b>		<b>Bank</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>€ 000</b>	<b>€ 000</b>	<b>€ 000</b>	<b>€ 000</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	<b>10,943</b>	10,422	<b>10,943</b>	10,422
Share premium	<b>17,746</b>	17,746	<b>17,746</b>	17,746
Revaluation and other reserves	<b>13,152</b>	8,329	<b>12,869</b>	8,187
Retained earnings	<b>47,556</b>	46,291	<b>45,551</b>	44,744
<b>Equity attributable to equity holders of the Bank</b>	<b>89,397</b>	82,788	<b>87,109</b>	81,099
<b>Non-controlling interests</b>	<b>6,101</b>	5,519	-	-
<b>Total equity</b>	<b>95,498</b>	88,307	<b>87,109</b>	81,099
<b>Liabilities</b>				
Amounts owed to banks	<b>1,059</b>	73	<b>1,059</b>	73
Amounts owed to customers	<b>650,516</b>	573,946	<b>654,316</b>	577,937
Provisions for liabilities and other charges	<b>2,378</b>	2,258	<b>639</b>	565
Current tax liabilities	<b>346</b>	-	-	-
Other liabilities	<b>18,404</b>	16,919	<b>11,670</b>	11,205
Accruals and deferred income	<b>9,342</b>	10,024	<b>4,356</b>	4,952
<b>Total liabilities</b>	<b>682,045</b>	603,220	<b>672,040</b>	594,732
<b>Total equity and liabilities</b>	<b>777,543</b>	691,527	<b>759,149</b>	675,831
<b>Memorandum items</b>				
Contingent liabilities	<b>7,479</b>	8,023	<b>7,479</b>	8,023
Commitments	<b>106,925</b>	72,115	<b>106,925</b>	72,115



**Statements of Changes in Equity  
For the year ended 31 December 2015**

Attributable to equity holders of the Bank

Group	Share capital € 000	Share premium € 000	Revaluation and other reserves € 000	Retained earnings € 000	Total € 000	Non- controlling interests € 000	Total equity € 000
At 1 January 2014	9,925	17,746	6,231	45,372	79,274	5,127	84,401
<b>Comprehensive income</b>							
Profit for the year	-	-	-	3,362	3,362	545	3,907
<b>Other comprehensive income</b>							
Fair valuation of available-for-sale financial assets:							
Net changes in fair value arising during the year	-	-	1,499	-	1,499	49	1,548
Reclassification adjustments - net amounts reclassified to profit or loss	-	-	(38)	-	(38)	(3)	(41)
Deferred tax relating to revaluation of property	-	-	(68)	-	(68)	-	(68)
Remeasurements of deferred benefit obligations	-	-	(106)	13	(93)	(40)	(133)
Transfers and other movements	-	-	811	(811)	-	-	-
Total other comprehensive income for the year	-	-	2,098	(798)	1,300	6	1,306
<b>Total comprehensive income for the year</b>	-	-	2,098	2,564	4,662	551	5,213
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Bonus shares issued	497	-	-	(497)	-	-	-
Dividends to equity holders	-	-	-	(1,032)	(1,032)	(422)	(1,454)
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>							
Change in non-controlling interests in subsidiary	-	-	-	(116)	(116)	263	147
<b>Total transactions with owners</b>	497	-	-	(1,645)	(1,148)	(159)	(1,307)
<b>At 31 December 2014</b>	10,422	17,746	8,329	46,291	82,788	5,519	88,307



**Statements of Changes in Equity (continued)**  
**For the year ended 31 December 2015**

Attributable to equity holders of the Bank

Group	Share capital € 000	Share premium € 000	Revaluation and other reserves € 000	Retained earnings € 000	Total € 000	Non- controlling interests € 000	Total equity € 000
<b>At 1 January 2015</b>	10,422	17,746	8,329	46,291	82,788	5,519	88,307
<b>Comprehensive income</b>							
Profit for the year	-	-	-	4,382	4,382	655	5,037
<b>Other comprehensive income</b>							
Surplus arising on revaluation of land and buildings	-	-	1,165	-	1,165	268	1,433
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	-	-	(723)	-	(723)	(233)	(956)
Fair valuation of available-for-sale financial assets:							
Net changes in fair value arising during the year	-	-	3,050	-	3,050	59	3,109
Reclassification adjustments - net amounts reclassified to profit or loss	-	-	(13)	-	(13)	-	(13)
Remeasurements of deferred benefit obligations	-	-	(80)	-	(80)	(35)	(115)
Transfers and other movements	-	-	1,424	(1,424)	-	-	-
Total other comprehensive income for the year	-	-	4,823	(1,424)	3,399	59	3,458
<b>Total comprehensive income for the year</b>	-	-	4,823	2,958	7,781	714	8,495
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Bonus shares issued	521	-	-	(521)	-	-	-
Dividends to equity holders	-	-	-	(1,084)	(1,084)	(427)	(1,511)
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>							
Change in non-controlling interests in subsidiary	-	-	-	(88)	(88)	295	207
<b>Total transactions with owners</b>	521	-	-	(1,693)	(1,172)	(132)	(1,304)
<b>At 31 December 2015</b>	10,943	17,746	13,152	47,556	89,397	6,101	95,498



**Statements of Changes in Equity (continued)**  
**For the year ended 31 December 2015**

<b>Bank</b>	<b>Share capital € 000</b>	<b>Share premium € 000</b>	<b>Revaluation and other reserves € 000</b>	<b>Retained earnings € 000</b>	<b>Total € 000</b>
At 1 January 2014	9,925	17,746	6,087	44,025	77,783
<b>Comprehensive income</b>					
Profit for the year	-	-	-	3,059	3,059
<b>Other comprehensive income</b>					
Fair valuation of available-for-sale financial assets:					
Net changes in fair value arising during the year	-	-	1,386	-	1,386
Reclassification adjustments - net amounts reclassified to profit or loss	-	-	(29)	-	(29)
Deferred tax relating to revaluation of property	-	-	(68)	-	(68)
Transfers and other movements	-	-	811	(811)	-
Total other comprehensive income for the year	-	-	2,100	(811)	1,289
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,100</b>	<b>2,248</b>	<b>4,348</b>
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Bonus shares issued	497	-	-	(497)	-
Dividends to equity holders	-	-	-	(1,032)	(1,032)
<b>Total transaction with owners</b>	<b>497</b>	<b>-</b>	<b>-</b>	<b>(1,529)</b>	<b>(1,032)</b>
<b>At 31 December 2014</b>	<b>10,422</b>	<b>17,746</b>	<b>8,187</b>	<b>44,744</b>	<b>81,099</b>



**Statements of Changes in Equity (continued)**  
**For the year ended 31 December 2015**

Bank	Share capital € 000	Share premium € 000	Revaluation and other reserves € 000	Retained earnings € 000	Total € 000
<b>At 1 January 2015</b>	10,422	17,746	8,187	44,744	81,099
<b>Comprehensive income</b>					
Profit for the year	-	-	-	3,836	3,836
<b>Other comprehensive income</b>					
Surplus arising on revaluation of land and buildings	-	-	539	-	539
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	-	-	(179)	-	(179)
Fair valuation of available-for-sale financial assets:					
Net changes in fair value arising during the year	-	-	2,913	-	2,913
Reclassification adjustments - net amounts reclassified to profit or loss	-	-	(15)	-	(15)
Transfers and other movements	-	-	1,424	(1,424)	-
Total other comprehensive income for the year	-	-	4,682	(1,424)	3,258
<b>Total comprehensive income for the year</b>	-	-	4,682	2,412	7,094
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Bonus shares issued	521	-	-	(521)	-
Dividends to equity holders	-	-	-	(1,084)	(1,084)
<b>Total transaction with owners</b>	521	-	-	(1,605)	(1,084)
<b>At 31 December 2015</b>	10,943	17,746	12,869	45,551	87,109



**Statements of Cash Flows**  
**For the year ended 31 December 2015**

	Group		Bank	
	2015 € 000	2014 € 000	2015 € 000	2014 € 000
<b>Cash flows from operating activities</b>				
Interest and commission receipts	22,651	23,834	23,670	23,866
Receipts from customers relating to postal sales and other revenue	25,645	22,316	76	123
Interest and commission payments	(8,472)	(9,855)	(8,487)	(9,887)
Payments to employees and suppliers	(29,934)	(29,977)	(8,583)	(7,693)
<b>Cash flows from operating profit before changes in operating assets and liabilities</b>	<b>9,890</b>	<b>6,318</b>	<b>6,676</b>	<b>6,409</b>
<i>Decrease/(increase) in operating assets:</i>				
Treasury bills	(28)	21,835	(28)	21,835
Deposits with Central Bank of Malta	(686)	(1,073)	(686)	(1,073)
Loans and advances to banks and customers	8,205	(8,682)	8,108	(8,582)
Other receivables	368	(271)	440	(261)
<i>(Decrease)/increase in operating liabilities:</i>				
Amounts owed to banks and to customers	76,570	80,045	76,379	79,213
Other payables	537	1,562	465	1,552
<b>Net cash from operations</b>	<b>94,856</b>	<b>99,734</b>	<b>91,354</b>	<b>99,093</b>
Income tax paid	(2,392)	(3,637)	(1,944)	(2,894)
<b>Net cash flows from operating activities</b>	<b>92,464</b>	<b>96,097</b>	<b>89,410</b>	<b>96,199</b>
<b>Cash flows from investing activities</b>				
Dividends received	240	159	240	159
Interest received from investments	2,274	2,359	2,097	2,147
Purchase of investments	(19,353)	(11,982)	(19,050)	(11,344)
Proceeds from maturity/disposal of investments	2,687	2,414	2,687	1,836
Purchase of property, plant and equipment	(3,174)	(2,210)	(849)	(344)
Proceeds from disposal of property, plant and equipment	-	4	-	4
Acquisition of non-controlling interests	-	(44)	-	-
<b>Net cash flows used in investing activities</b>	<b>(17,326)</b>	<b>(9,300)</b>	<b>(14,875)</b>	<b>(7,542)</b>



**Statements of Cash Flows (continued)**  
**For the year ended 31 December 2015**

	Group		Bank	
	2015 € 000	2014 €000	2015 € 000	2014 € 000
<b>Cash flows from financing activities</b>				
Dividends paid to equity holders of the Bank	(1,084)	(1,032)	(1,084)	(1,032)
Dividends paid to non-controlling interests	(218)	(217)	-	-
<b>Net cash flows used in financing activities</b>	<b>(1,302)</b>	<b>(1,249)</b>	<b>(1,084)</b>	<b>(1,032)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>73,836</b>	<b>85,548</b>	<b>73,451</b>	<b>87,625</b>
Cash and cash equivalents at beginning of year	233,894	148,346	230,580	142,955
<b>Cash and cash equivalents at end of year</b>	<b>307,730</b>	<b>233,894</b>	<b>304,031</b>	<b>230,580</b>