

# APPENDIX

**Appendix**  
**FINANCIAL SOUNDNESS INDICATORS**

	Core Domestic Banks					Non-Core Domestic Banks					International Banks <sup>1</sup>					Total Banks <sup>1</sup>				
	2019	2020	2021	2022	June 2023	2019	2020	2021	2022	June 2023	2019	2020	2021	2022	June 2023	2019	2020	2021	2022	June 2023
<b>Capital<sup>2</sup></b>																				
Regulatory capital to RWAs	20.1	21.7	22.7	23.0	23.4	19.2	20.2	20.3	20.4	20.9	45.7	52.5	46.3	41.1	41.8	23.6	25.8	25.6	24.9	25.2
Regulatory Tier 1 capital to RWAs	17.6	18.6	19.5	19.6	20.0	18.9	19.9	20.0	19.3	19.6	45.6	52.4	46.3	40.7	41.5	21.7	23.4	23.1	22.1	22.4
Leverage ratio	7.8	7.6	7.3	7.2	7.4	11.0	9.5	10.0	9.5	9.4	36.4	42.4	34.2	32.3	28.0	10.6	10.5	9.6	9.0	9.0
Large exposures to total own funds	76.3	69.6	66.1	83.3	86.5	140.7	175.8	173.0	184.7	124.3	88.5	83.3	67.9	75.6	68.2	85.7	81.8	76.4	91.6	86.7
RWAs to total assets	46.2	42.9	39.1	38.0	38.3	61.1	49.0	50.9	50.5	49.2	84.5	82.8	74.9	70.8	60.3	50.9	46.6	43.0	41.5	41.1
<b>Profitability</b>																				
ROA <sup>3</sup>	0.6	0.0	0.4	0.4	0.9	1.3	-1.5	0.2	-0.4	-0.2	1.1	2.2	1.5	2.6	2.4	0.8	0.6	0.7	0.9	1.2
ROE <sup>2,3</sup>	6.7	-0.3	4.3	5.4	11.0	11.0	-12.7	2.4	-3.4	-1.7	5.8	6.2	11.6	6.2	10.7	6.8	0.4	6.0	4.6	9.5
Operational cost-to-income ratio	66.3	68.0	75.2	82.3	56.3	47.0	95.8	82.2	81.0	76.1	39.9	35.1	47.2	45.1	49.5	53.9	51.7	61.8	63.1	54.1
Interest margin to gross income	63.7	73.2	72.1	71.8	77.3	31.5	48.9	40.9	54.0	67.0	56.1	64.8	56.4	50.0	44.0	58.0	67.8	62.7	59.7	61.0
Non-interest expense to gross income	67.8	70.0	77.0	83.2	56.9	47.1	97.5	83.4	81.3	76.4	39.9	35.2	47.3	45.1	49.5	54.7	52.7	62.7	63.5	54.4
Personnel expenses to non-interest expenses	43.8	45.8	41.2	36.4	47.9	50.2	48.3	48.5	47.3	47.1	65.5	61.6	57.3	56.7	56.2	34.6	34.2	30.3	27.4	31.0
Non-interest income to gross income	36.3	26.8	27.9	28.2	22.7	68.6	51.1	59.1	46.0	33.0	43.9	35.2	43.6	50.0	56.0	42.0	32.3	37.3	40.3	39.1
Net impairment charges to gross income	0.1	29.2	-3.4	-11.5	-7.4	12.8	79.5	6.3	35.2	28.4	24.2	18.7	18.9	14.8	14.6	11.0	25.6	8.1	4.4	4.9
<b>Asset Quality</b>																				
NPLs to total own funds <sup>2</sup>	25.1	28.9	29.4	21.5	20.7	34.8	53.1	34.2	27.8	18.5	15.9	13.2	12.1	11.5	12.5	23.5	26.4	25.7	20.1	18.9
NPLs to total gross loans	3.2	3.7	3.5	2.7	2.6	5.4	7.1	5.1	4.3	2.8	1.8	1.9	1.4	1.3	1.3	3.0	3.5	3.1	2.5	2.3
Overall NPL Ratio excluding balances at central banks	4.2	5.1	5.3	3.7	3.6	8.1	12.6	8.5	6.4	4.3	2.0	2.2	1.9	1.6	1.9	3.7	4.7	4.6	3.4	3.3
Non-performing exposures to total gross exposures	2.5	2.8	2.7	2.0	1.9	4.6	5.6	3.8	3.0	2.0	1.3	1.3	1.0	0.9	0.8	2.2	2.6	2.4	1.8	1.7
Total coverage ratio <sup>4</sup>	39.3	49.7	44.3	46.5	46.0	41.0	47.6	59.8	72.7	68.1	78.4	91.4	147.5	189.6	182.1	46.8	55.2	57.9	66.1	65.4
Unsecured loans to total lending	25.1	23.2	20.1	18.7	18.4	77.6	80.8	71.9	55.3	54.4	22.4	19.7	21.5	23.5	25.3	27.1	25.6	23.8	22.4	22.4
Share of Stage 3 provisions to total provisions	71.9	66.7	70.2	69.6	68.6	91.4	93.0	90.2	88.3	80.1	48.7	44.6	27.9	26.5	30.0	67.1	65.1	60.5	58.4	56.1
Forborne loans to gross loans	2.4	3.0	4.5	3.5	2.9	0.9	0.5	0.8	0.6	0.6	3.7	3.3	7.4	7.5	1.1	2.7	2.9	4.9	4.1	2.3
<b>Liquidity</b>																				
LCR <sup>2</sup>	343.7	328.2	359.9	380.0	394.8	374.7	325.4	356.8	316.0	344.6	303.0	686.6	2469.6	383.7	385.3	345.4	332.7	379.0	373.8	387.3
Liquid assets to total assets <sup>2,5</sup>	31.0	33.3	35.6	36.3	35.8	36.2	40.3	33.2	30.8	34.2	12.7	11.8	27.3	26.9	35.4	29.9	32.3	34.7	35.1	35.6
Customer loans to customer deposits	59.5	58.4	55.2	56.0	58.0	46.6	46.5	52.2	54.4	49.4	376.6	462.3	267.0	231.1	185.2	79.3	75.4	67.5	67.2	66.5
CBC on net cash outflows	139.0	169.9	189.3	251.0	263.2	245.4	238.1	300.8	240.7	256.1	116.1	326.3	601.9	58.6	63.7	149.5	180.2	204.0	239.8	246.8
NSFR <sup>2</sup>			174.0	187.1	182.2			178.4	174.2	202.9			155.3	118.4	132.9			172.8	180.4	179.8
<b>Balance Sheet</b>																				
Assets-to-GDP	172.9	192.8	181.6	165.2	158.4	20.6	22.8	22.1	19.9	19.5	121.4	86.7	74.7	58.7	62.0	309.1	302.3	278.5	243.8	240.0
Domestic debt securities to total assets	6.4	8.3	8.8	9.4	8.2	2.9	7.2	7.9	7.9	7.9	0.0	0.1	0.2	0.2	0.1	4.1	5.9	6.4	7.1	6.1
Foreign debt securities to total assets	15.4	13.8	12.4	16.5	17.2	10.7	12.2	15.9	18.0	16.5	26.4	25.2	24.0	29.8	32.3	18.7	16.9	15.8	19.8	21.0
Customer loans to total assets	48.0	48.2	45.4	47.2	48.4	33.1	33.2	34.5	38.2	36.6	43.4	43.9	36.9	41.6	34.3	45.4	45.8	42.3	45.1	43.8
Interbank exposures to total assets	6.2	5.3	4.9	4.9	4.4	14.7	9.7	9.4	7.2	6.5	13.5	12.3	17.8	10.0	14.9	9.2	7.6	8.7	6.3	7.3

<sup>1</sup> Satabank plc is excluded from 2018 figures onwards following the MFSA's decision to appoint a competent person in October 2018 in terms of Article 29(1)(c) and (d) of the Banking Act. Its licence was withdrawn on 30 June 2020.

<sup>2</sup> Data for international banks excludes the branches of foreign banks.

<sup>3</sup> Based on profits after tax.

<sup>4</sup> For the core domestic banks the ratio includes 'Reserve for General Banking Risks' as per the revised Banking Rule 09/2019.

<sup>5</sup> Liquid assets defined in line with the EBA Liquidity Coverage Ratio (LCR DA) Methodology.