

APPENDICES

Appendix A**LCR FRAMEWORK – DESCRIPTION OF SCENARIOS AND RESULTS**

Scenario	Description	Core domestic banks		Non-core domestic banks		International banks	
		Dec. 2024	June 2025	Dec. 2024	June 2025	Dec. 2024	June 2025
Baseline	Haircuts and outflow/inflow rates as prescribed by the (EU) 2015/61	359%	401%	437%	396%	423%	308%
Adverse:							
Scenario 1	Higher outflows compared to the (EU) 2015/61	201%	226%	295%	263%	287%	225%
Scenario 2	Scenario 1 with additional withdrawals from both resident and non-resident time deposits	184%	207%	220%	198%	240%	173%
Scenario 3	Baseline scenario with full withdrawal of committed facilities to NFCs and households	143%	154%	412%	350%	412%	301%

Source: Central Bank of Malta.

Appendix B**NSFR FRAMEWORK – DESCRIPTION OF SCENARIOS AND RESULTS**

Scenario	Description	Core domestic banks		Non-core domestic banks		International banks	
		Dec. 2024	June 2025	Dec. 2024	June 2025	Dec. 2024	June 2025
Baseline	ASF and RSF factors as prescribed by the Regulation (EU) 2019/876	186%	184%	200%	226%	149%	145%
Adverse:							
Scenario 1	A higher run-off for retail and wholesale deposits impacting the availability of stable funding	172%	170%	184%	200%	141%	137%
Scenario 2	Adverse scenario 1 with some loans become non-performing requiring more stable funding to support them impacting the RSF	150%	148%	155%	149%	124%	121%
Scenario 3	Adverse scenario 2 with pressure in the market reducing the value of bonds and equities, implying the need for further stable funding	148%	147%	151%	146%	124%	121%
Scenario 4	Baseline with full withdrawal of committed facilities to NFCs and households (like LCR adverse scenario 3).	130%	128%	155%	154%	143%	138%

Source: Central Bank of Malta.

Appendix C

IRRBB FRAMEWORK – RELATIVE IMPACT OF CHANGES IN INTEREST RATES ON THE TIER 1 CAPITAL RATIO

(per cent)

		Core domestic banks	Non-core domestic banks	International banks
	Initial Tier 1 capital ratio	21.06	20.23	34.54
Parallel up	<i>NII</i>	2.17	1.66	1.64
	<i>Revaluations</i>	-0.93	-1.34	0.00
	Post-shock Tier 1 capital ratio	22.30	20.54	36.18
Parallel down	<i>NII</i>	-1.73	-1.54	-1.52
	<i>Revaluations</i>	1.40	3.72	0.00
	Post-shock Tier 1 capital ratio	20.73	22.41	33.02
Flattener	<i>NII</i>	2.06	1.45	1.58
	<i>Revaluations</i>	-0.08	0.35	0.00
	Post-shock Tier 1 capital ratio	23.04	22.03	36.12
Steeper	<i>NII</i>	-1.31	-1.10	-1.19
	<i>Revaluations</i>	-0.04	-0.42	0.00
	Post-shock Tier 1 capital ratio	19.70	18.71	33.35
Short rate up	<i>NII</i>	2.58	1.83	1.99
	<i>Revaluations</i>	-0.40	-0.29	0.00
	Post-shock Tier 1 capital ratio	23.24	21.77	36.53
Short rate down	<i>NII</i>	-2.04	-1.71	-1.84
	<i>Revaluations</i>	0.42	0.30	0.00
	Post-shock Tier 1 capital ratio	19.44	18.82	32.70

Source: Central Bank of Malta calculations.

**Appendix D – Table 1
FINANCIAL SOUNDNESS INDICATORS – BANKING SECTOR**

	Core Domestic Banks					Non-Core Domestic Banks					International Banks					Total Banks				
	2021	2022	2023	2024	June 2025	2021	2022	2023	2024	June 2025	2021	2022	2023	2024	June 2025	2021	2022	2023	2024	June 2025
Capital⁽¹⁾																				
Regulatory capital to RWAs	22.7	23.0	24.7	25.4	26.5	20.3	18.7	20.8	23.2	22.5	46.3	41.1	38.7	37.6	36.9	25.57	24.64	25.98	26.8	27.4
Regulatory Tier 1 capital to RWAs	19.5	19.6	21.0	21.2	21.1	20.0	17.6	19.7	22.1	20.2	46.3	40.7	38.5	36.3	34.5	23.1	21.9	23.0	23.2	22.8
Leverage ratio	7.3	7.2	7.9	8.2	7.9	10.0	8.9	9.5	10.6	10.5	34.2	32.3	28.8	28.9	25.3	9.6	8.9	9.5	9.8	9.4
Large exposures to total own funds	66.1	83.3	60.6	58.3	60.1	173.0	194.4	133.5	104.2	97.6	67.9	75.6	65.4	64.6	91.2	76.4	91.8	68.3	63.8	69.3
RWAs to total assets	39.1	38.0	38.8	39.7	38.9	50.9	51.7	49.5	52.8	56.5	74.9	70.8	67.3	71.9	67.4	43.0	41.6	42.1	43.4	36.2
Profitability																				
ROA ⁽²⁾	0.4	0.4	1.0	1.1	0.9	0.2	-0.4	0.6	0.4	0.5	1.5	2.6	2.5	-0.3	-0.7	0.7	0.9	1.3	0.7	0.5
ROE ^(1,2)	4.3	5.4	12.0	11.6	10.2	2.4	-3.4	5.7	4.2	4.0	11.6	6.0	11.3	8.7	6.4	6.0	4.5	11.2	10.3	8.8
Operational cost-to-income ratio	75.2	82.3	51.0	52.4	55.7	82.2	81.0	66.6	73.3	78.3	47.2	44.5	55.8	80.0	94.9	61.8	62.9	53.9	60.4	66.5
NII to gross income	72.1	71.8	78.8	78.8	76.8	40.9	54.0	66.2	71.2	65.7	56.4	49.2	36.0	46.3	50.8	62.7	59.3	60.0	70.7	69.9
Non-interest income to gross income	27.9	28.2	21.3	21.2	23.2	59.1	46.0	33.8	28.8	34.3	43.6	50.8	64.0	53.7	49.3	37.3	40.7	40.0	29.4	30.1
Non-interest expense to gross income	77.0	83.2	51.5	52.8	56.1	83.4	81.3	67.4	73.8	78.7	47.3	44.5	55.8	80.0	95.0	62.7	63.3	54.2	60.7	66.7
Personnel expenses to non-interest expenses	41.2	36.4	46.6	47.5	46.9	48.5	47.3	49.1	49.8	44.9	10.8	10.0	9.2	11.5	17.2	30.3	27.6	30.4	33.3	38.8
Net impairment charges to gross income	-3.4	-11.5	0.4	-4.8	-3.7	6.3	35.2	5.8	6.6	1.8	18.9	14.5	5.5	29.1	31.9	8.1	4.2	2.9	3.9	5.0
Asset Quality																				
NPLs to total own funds ⁽¹⁾	29.4	21.5	17.9	14.2	13.2	34.2	30.0	8.0	6.8	5.8	12.1	11.5	11.8	15.2	14.7	25.7	20.3	15.8	13.7	12.8
NPLs to total gross loans	3.5	2.7	2.5	2.3	2.2	5.1	4.3	1.2	1.1	1.0	1.4	1.3	1.5	1.7	1.6	3.1	2.5	2.2	2.0	1.9
Overall NPL Ratio excluding CBM placements	5.3	3.7	3.3	2.6	2.5	8.5	6.4	2.0	2.0	1.7	1.9	1.6	1.9	2.7	2.7	4.6	3.4	2.9	2.7	2.5
Non-performing exposures to total gross exposures	2.7	2.0	1.8	1.5	1.4	3.8	3.1	0.9	0.9	0.8	1.0	0.9	0.9	0.9	1.2	2.4	1.8	1.5	1.3	1.3
Total coverage ratio	44.3	46.5	43.5	39.5	39.5	59.8	72.7	60.1	71.2	74.2	147.5	189.6	125.3	107.4	108.8	57.9	66.1	55.7	54.8	55.1
Unsecured loans to total lending	20.1	18.7	18.0	17.4	17.0	71.9	55.3	47.5	49.6	48.6	21.5	23.6	27.9	33.1	39.4	23.8	22.4	22.1	22.5	23.2
Share of Stage 3 provisions to total provisions	70.2	69.6	67.3	70.8	69.5	90.2	88.4	56.6	54.8	49.2	27.9	26.5	45.3	55.1	53.5	60.5	58.5	59.9	63.6	61.9
Forborne loans to gross loans	4.5	3.5	2.5	2.3	2.0	0.8	0.6	1.1	1.4	1.9	7.4	7.4	1.3	1.4	2.5	4.9	4.1	2.2	2.0	2.1
Liquidity																				
LCR ⁽¹⁾	359.9	380.0	366.4	362.0	402.7	356.8	316.0	405.2	417.0	394.6	2,469.6	383.7	566.9	422.6	308.3	379.0	373.8	379.4	370.4	394.3
Liquid assets to total assets ^(1,3)	35.6	36.3	35.0	36.7	38.1	33.2	31.1	36.1	41.3	37.6	27.3	26.9	30.5	30.6	27.7	34.7	35.1	34.7	36.6	37.2
Customer loans to customer deposits	55.2	56.0	58.9	59.1	60.5	52.2	54.4	49.5	49.0	52.3	267.0	230.6	184.6	179.3	161.1	67.5	67.2	67.0	66.9	67.6
CBC on net cash outflows	189.3	251.0	287.2	331.0	362.1	300.8	240.7	272.0	300.3	326.8	601.9	58.6	189.1	131.0	87.2	204.0	239.8	281.2	316.7	336.7
NSFR ⁽¹⁾	174.0	187.1	175.8	183.9	182.7	178.4	172.9	191.3	180.9	182.4	155.3	118.4	137.7	144.5	137.1	172.8	180.3	173.8	180.3	178.3
Balance Sheet																				
Assets-to-GDP	166.4	158.2	140.5	133.2	134.5	20.3	19.0	17.2	14.6	13.5	68.5	56.2	47.5	56.3	42.6	255.2	233.4	205.1	204.1	190.6
Domestic debt securities to total assets	8.8	9.4	8.9	10.3	10.4	7.9	7.9	6.0	5.2	6.0	0.2	0.2	0.0	0.0	0.0	6.4	7.1	6.6	7.1	7.7
Foreign debt securities to total assets	12.4	16.5	19.2	22.4	22.8	15.9	18.0	17.0	13.6	11.9	24.0	29.8	35.9	39.5	23.0	15.8	19.8	22.9	26.5	22.1
Customer loans to total assets	45.4	47.2	48.8	49.6	49.9	34.5	38.2	36.9	37.9	40.7	36.9	41.7	38.4	30.4	38.4	42.3	45.1	45.4	43.5	46.7
Interbank exposures to total assets	4.9	4.9	3.9	3.9	4.1	9.4	7.2	6.4	5.9	6.3	17.8	10.0	7.7	4.7	9.9	8.7	6.3	5.0	4.3	5.5

⁽¹⁾ Data for international banks excludes the branches of foreign banks.

⁽²⁾ Based on profits after tax.

⁽³⁾ Liquid assets defined in line with the EBA LCR Delegated Act Methodology.

**Appendix D – Table 2
FINANCIAL SOUNDNESS INDICATORS – NON-BANK FINANCIAL INSTITUTIONS**

Domestically-relevant Insurance Companies	Life Insurance Firms					Non-life Insurance Firms					Overall Insurance Firms				
	2021	2022	2023	2024	June 2025	2021	2022	2023	2024	June 2025	2021	2022	2023	2024	June 2025
SCR coverage ratio	218.0	180.2	219.7	249.5	268.3	240.1	233.6	242.9	246.5	243.9	227.0	200.2	230.1	248.0	255.8
Excess of assets over liabilities as a share of total liabilities ⁽¹⁾	10.5	11.2	11.2	11.3	11.9	92.8	79.6	113.2	120.3	119.0	17.2	18.1	19.9	21.0	22.2
Technical provisions as a share of net written premia	754.8	788.5	983.2	954.6	919.7	131.4	124.7	86.2	81.6	74.2	573.9	541.4	573.7	539.5	481.6
Liquid assets ratio ⁽²⁾	63.1	62.2	60.1	59.8	59.6	24.7	26.7	30.2	31.3	29.4	57.1	55.8	54.6	54.0	53.1
Modified duration	6.7	4.7	5.7	6.1	6.0	4.7	3.8	3.1	3.5	3.5	6.6	4.6	5.5	5.9	5.8
ROA ⁽³⁾	0.3	1.0	0.8	0.9	1.0	6.3	2.5	9.8	10.8	10.3	1.1	1.3	2.2	2.5	2.6
Assets-to-GDP	21.2	17.2	15.0	14.0	13.7	3.3	3.1	2.7	2.7	2.8	24.5	20.4	17.7	16.7	16.5
Growth in premia ⁽⁴⁾	17.9	-17.7	-16.9	7.2	3.5	8.9	15.2	16.6	13.3	6.7	14.3	-5.0	-1.2	10.5	5.3
Growth in claims ⁽⁴⁾	25.8	-10.7	-8.5	-0.5	-5.8	-9.8	41.1	-26.0	37.7	4.0	16.7	-0.5	-13.4	8.6	-2.8
Bond holdings as a share of total assets	36.7	33.7	37.5	38.9	37.9	11.1	12.9	16.8	18.9	19.3	33.3	30.5	34.4	35.7	34.8
Equity holdings as a share of total assets	18.2	16.8	14.7	11.9	11.6	30.5	24.1	27.9	27.7	26.8	19.8	17.9	16.7	14.4	14.2
Investment fund units as a share of total assets	31.6	34.5	38.1	40.2	41.0	10.0	8.2	9.4	10.8	10.9	28.7	30.4	33.7	35.4	35.9

Domestically-relevant Investment Funds	Bond Funds					Equity Funds					Mixed Funds					Other Asset Allocation Funds					Overall Funds				
	2021	2022	2023	2024	June 2025	2021	2022	2023	2024	June 2025	2021	2022	2023	2024	June 2025	2021	2022	2023	2024	June 2025	2021	2022	2023	2024	June 2025
Leverage ratio	100.7	100.3	100.2	100.5	101.6	100.3	100.2	100.2	100.5	100.6	100.4	100.4	100.3	100.7	100.5	100.2	100.2	100.7	100.6	101.1	100.6	100.3	100.3	100.6	101.3
Liquid assets ratio ⁽²⁾	71.2	68.2	66.0	63.4	61.5	51.6	52.5	51.2	51.4	49.7	60.5	59.2	59.2	57.3	54.8	57.3	55.7	55.6	56.3	56.4	66.8	64.1	61.9	59.9	58.2
RCR ⁽⁵⁾	3.5	3.4	3.3	3.2	3.1	2.7	2.8	2.8	2.6	2.7	2.6	2.6	2.5	2.5	2.4	2.0	2.4	2.6	2.7	2.8	3.2	3.1	3.0	3.0	2.9
Modified duration	6.9	5.3	5.3	5.4	5.3	3.1	2.1	2.8	3.4	3.2	8.4	6.2	6.5	6.3	5.9	7.4	5.9	6.2	5.8	5.4	7.0	5.4	5.4	5.4	5.3
Net profit margin ⁽⁶⁾	16.4	6.6	21.9	39.9	37.4	18.4	1.1	17.2	33.5	22.9	49.6	48.0	50.6	63.9	62.0	15.6	2.9	22.8	24.7	19.6	17.3	5.9	22.0	36.3	31.3
Assets-to-GDP	7.8	5.7	4.8	4.4	4.3	1.1	1.0	1.1	1.3	1.2	0.7	0.6	0.6	0.5	0.5	1.3	1.1	1.0	1.0	1.0	11.0	8.3	7.5	7.1	7.0
Growth in NAV ⁽⁴⁾	-0.8	-20.8	-1.9	0.8	-1.1	23.6	-3.2	26.8	23.7	1.8	5.1	-14.2	15.0	-1.9	-3.1	10.3	-14.3	8.2	10.1	4.7	3.0	-17.7	4.1	5.3	0.05
Share of NAV by resident households	59.9	56.7	56.0	58.8	58.4	33.6	32.1	31.3	32.3	32.7	72.5	71.7	72.6	69.1	68.0	61.6	61.6	61.0	59.4	57.9	58.2	55.3	54.2	54.9	54.3
Share of NAV by other resident sectors	35.3	38.1	38.8	36.7	35.7	63.7	64.0	65.4	64.2	63.6	26.0	24.7	24.6	26.4	26.9	37.7	37.1	36.4	37.0	37.2	38.0	40.2	41.4	40.9	40.4
Bond holdings as a share of total assets	86.3	88.2	90.3	88.8	89.1	0.3	0.9	7.2	6.2	6.3	51.7	52.3	47.9	45.9	46.4	28.1	27.6	26.9	30.6	32.4	68.1	67.4	66.3	63.3	63.4
Equity holdings as a share of total assets	2.4	2.5	2.4	2.1	2.0	59.2	60.2	63.2	63.2	65.2	38.3	38.1	44.4	44.0	43.4	15.0	17.8	19.6	17.9	18.4	12.1	13.9	16.9	18.0	18.3
Investment fund units as a share of total assets	3.6	4.2	4.5	5.8	5.3	36.5	33.0	27.1	27.7	28.4	4.4	4.8	5.1	5.9	5.7	45.5	46.2	48.1	46.9	43.3	12.1	13.1	13.7	15.3	14.9

⁽¹⁾ The excess of assets over liabilities is the difference between total assets and liabilities, representing the solvency margin under Solvency II.

⁽²⁾ For info on the methodology refer to <https://www.centralbankmalta.org/site/Reports-Articles/2024/FSR-2023-Box-4.pdf>.

⁽³⁾ Based on profit before tax. Figures from 2023 onwards are based on IFRS 17. Earlier data reflect IFRS 4 and are not directly comparable.

⁽⁴⁾ Figures for June 2025 reflect the difference relative to December 2024.

⁽⁵⁾ The RCR compares the stock of HQLA to the largest quarterly outflow recorded since the inception of the time series in December 2016.

⁽⁶⁾ Defined as the funds' net profit as a share of total revenue.