APPENDICES

Appendix A – Table 1
FINANCIAL SOUNDNESS INDICATORS – BANKING SECTOR

	Core Domestic Banks					Non-Core Domestic Banks					International Banks					Total Banks				
	2022	2023	2024	2025	June 2026	2022	2023	2024	2025	June 2026	2022	2023	2024	2025	June 2026	2022	2023	2024	2025	June 2026
Capital[1]																				
Regulatory capital to RWAs	23.0	24.7	25.3	27.6	26.3	18.7	20.8	23.2	22.4	22.2	41.1	38.7	37.6	34.7	35.2	24.6	26.0	26.7	28.1	27.2
Regulatory Tier 1 capital to RWAs	19.6	21.0	21.1	21.5	20.7	17.6	19.7	22.1	20.2	19.9	40.7	38.5	36.3	32.3	32.8	21.9	23.0	23.2	23.0	22.4
Leverage ratio	7.2	7.9	8.2	8.0	8.0	8.9	9.5	10.6	10.9	11.6	32.3	28.8	28.9	24.1	24.1	8.9	9.5	9.8	9.6	9.6
Large exposures to total own funds	83.3	60.6	58.3	57.6	54.1	194.4	133.5	104.2	96.1	102.6	75.6	65.4	64.6	79.7	89.5	91.8	68.3	63.8	64.9	64.6
RWAs to total assets	38.0	38.8	39.8	38.8	40.1	51.7	49.5	52.9	58.9	60.9	70.8	67.3	71.9	76.0	75.6	41.6	42.1	43.5	43.5	44.6
Profitability																				
ROA[2]	0.4	1.0	1.1	0.8	0.8	-0.4	0.6	0.4	0.1	0.2	2.6	2.5	-0.3	0.9	2.0	0.9	1.3	0.7	0.8	1.0
ROE[1,2]	5.4	12.0	11.6	8.9	8.7	-3.4	5.7	4.2	0.9	1.7	6.0	11.3	8.7	8.6	9.7	4.5	11.2	10.3	8.1	8.2
Operational cost-to-income ratio	82.3	51.0	52.4	58.1	58.9	81.0	66.6	73.3	84.3	81.0	44.5	55.8	80.0	52.4	36.6	62.9	53.9	60.4	58.1	52.8
Interest margin to gross income	71.8	78.8	78.8	76.7	77.6	54.0	66.2	71.2	68.2	71.6	49.2	36.0	46.3	63.0	68.3	59.3	60.0	70.7	72.1	74.3
Non-interest expense to gross income	83.2	51.5	52.8	58.4	59.1	81.3	67.4	73.8	84.7	81.5	44.5	55.8	80.0	52.4	36.6	63.3	54.2	60.7	58.3	53.0
Personnel expenses to non-interest expenses	36.4	46.6	47.5	46.5	47.0	47.3	49.1	49.8	43.4	47.0	10.0	9.2	9.0	16.1	20.8	27.6	30.4	29.9	38.2	41.4
Non-interest income to gross income	28.2	21.3	21.2	23.3	22.4	46.0	33.8	28.8	31.8	28.4	50.8	64.0	53.7	37.1	31.7	40.7	40.0	29.4	27.9	25.7
Net impairment charges to gross income	-11.5	0.4	-4.8	-1.3	-0.4	35.2	5.8	6.6	1.7	0.0	14.5	5.5	29.1	23.4	19.5	4.2	2.9	3.9	6.1	6.1
Asset Quality																				
NPLs to total own funds[1]	21.5	17.9	14.2	10.4	9.8	30.0	8.0	6.8	7.0	6.8	11.5	11.8	15.2	13.5	12.1	20.3	15.8	13.7	10.7	10.0
NPLs to total gross loans	2.7	2.5	2.3	1.8	1.6	4.3	1.2	1.1	1.3	1.3	1.3	1.5	1.7	1.5	1.3	2.5	2.2	2.0	1.7	1.5
Overall NPL Ratio excluding CBM placements	3.7	3.3	2.7	2.1	1.9	6.4	2.0	2.0	2.1	2.2	1.6	1.9	2.7	2.4	1.9	3.4	2.9	2.7	2.2	1.9
Non-performing exposures to total gross exposures	2.0	1.8	1.5	1.2	1.1	3.1	0.9	0.9	1.0	1.0	0.9	0.9	0.9	1.3	1.2	1.8	1.5	1.3	1.2	1.1
Total coverage ratio	46.5	43.5	39.5	46.3	46.8	72.7	60.1	71.2	81.6	76.1	189.6	125.3	107.4	101.2	110.2	66.1	55.7	54.8	61.0	62.5
Unsecured loans to total lending	18.7	18.0	17.4	17.1	23.7	55.3	47.5	49.6	51.7	45.6	23.6	27.9	33.1	39.0	38.5	22.4	22.1	22.5	23.5	27.8
Share of Stage 3 provisions to total provisions	69.6	67.3	70.8	72.2	68.0	88.4	56.6	54.8	66.8	64.4	26.5	45.3	55.1	49.6	47.0	58.5	59.9	63.6	63.1	59.5
Forborne loans to gross loans	3.5	2.5	2.3	2.0	1.8	0.6	1.1	1.4	1.9	2.2	7.4	1.3	1.4	2.3	2.1	4.1	2.2	2.0	2.1	1.9
Liquidity																				
LCR[1]	380.0	366.4	362.0	374.9	369.0	316.0	405.2	438.3	399.4	402.4	383.7	566.9	422.6	296.3	324.9	373.8	379.4	371.9	371.3	368.5
Liquid assets to total assets[1,3]	36.3	35.0	36.7	39.1	38.9	31.1	36.1	41.3	37.3	36.1	26.9	30.5	30.6	24.1	23.5	35.1	34.7	36.6	37.7	37.4
Customer loans to customer deposits	56.0	58.9	59.1	60.2	62.1	54.4	49.5	49.0	51.5	50.2	230.6	184.6	179.3	173.4	179.3	67.2	67.0	66.9	68.3	70.4
CBC on net cash outflows	251.0	287.2	331.0	337.4	326.8	240.7	272.0	315.7	310.7	313.2	58.6	189.1	131.0	138.4	190.7	239.8	281.2	318.0	321.8	317.7
NSFR[1]	187.1	175.8	183.9	188.3	186.8	172.9	191.3	180.9	172.4	169.4	118.4	137.7	144.5	129.7	132.4	180.3	173.8	180.3	181.0	180.0
Balance Sheet																				
Assets-to-GDP	157.8	140.4	133.2	134.4	134.3	19.0	17.2	14.6	12.9	12.1	56.0	47.5	56.3	46.2	49.4	232.8	205.1	204.0	193.5	195.7
Domestic debt securities to total assets	9.4	8.9	10.3	10.5	10.0	7.9	6.0	5.2	4.9	5.3	0.2	0.0	0.0	0.0	0.0	7.1	6.6	7.1	7.6	7.2
Foreign debt securities to total assets	16.5	19.2	22.4	22.7	22.9	18.0	17.0	13.6	14.5	15.3	29.8	35.9	39.5	27.5	32.1	19.8	22.9	26.5	23.3	24.7
Customer loans to total assets	47.2	48.8	49.6	50.2	51.3	38.2	36.9	37.9	39.9	38.0	41.7	38.4	30.4	38.3	36.9	45.1	45.4	43.5	46.7	46.8
Interbank exposures to total assets	4.9	3.9	3.9	3.8	2.9	7.2	6.4	5.9	5.5	6.5	10.0	7.7	4.7	8.3	6.9	6.3	5.0	4.3	5.0	4.2

Note: All figures are expressed as percentages. Annual observations refer to end-December; Jun-26 refers to end-June 2026. All ratios are calculated on a solo basis. Profitability indicators, balance-sheet indicators and the customer loans-to-customer deposits ratio are calculated using BR06 statutory returns. All other indicators are based on FINREP/COREP returns.

[1] Data for international banks excludes the branches of foreign banks.

[2] Profitability ratios use a four-quarter moving sum of profits after tax.

[3] Liquid assets defined in line with the EBA Liquidity Coverage Ratio (LCR DA) Methodology.

Appendix A – Table 2
FINANCIAL SOUNDNESS INDICATORS – NON-BANK FINANCIAL INSTITUTIONS

Domestically relevant Insurance Companies	Life Insurance Firms					Non-life Insurance Firms					Overall Insurance Firms				
	2022	2023	2024	2025	June 2026	2022	2023	2024	2025	June 2026	2022	2023	2024	2025	June 2026
SCR coverage ratio	180.2	219.7	249.5	271.5	247.7	233.6	242.9	246.5	238.6	231.6	200.2	230.1	248.0	253.8	239.2
Excess of assets over liabilities as a share of total assets[1]	10.1	10.1	10.1	10.8	10.7	44.3	53.1	54.6	56.9	56.2	15.4	16.6	17.4	18.8	18.8
Technical provisions as a share of net written premia	788.5	983.2	954.6	907.8	852.1	124.7	86.2	79.6	75.9	78.0	541.4	573.7	547.6	514.9	494.2
Liquid assets ratio[2]	61.8	60.2	60.4	59.4	59.7	26.1	30.7	32.2	32.0	33.0	55.4	54.8	54.6	53.3	53.6
Modified duration	5.9	6.4	7.3	6.7	6.6	4.9	4.0	3.7	4.0	4.1	5.8	6.2	7.0	6.4	6.3
ROA[3]	1.0	0.8	0.9	0.9	0.7	2.5	10.0	10.5	11.8	12.1	1.3	2.2	2.5	2.7	2.7
Assets-to-GDP	17.2	15.0	14.0	13.3	13.3	3.1	2.7	2.7	2.8	2.9	20.3	17.7	16.7	16.2	16.2
Growth in premia[4]	-17.7	-16.9	7.2	6.8	9.5	15.2	16.6	13.8	17.8	2.8	-5.0	-1.3	10.8	13.0	5.5
Growth in claims[4]	-10.7	-8.5	-0.5	-8.8	5.8	38.9	-24.7	37.2	32.2	11.9	-0.8	-13.0	8.6	3.8	8.2
Bond holdings as a share of total assets	33.7	37.5	38.9	37.4	36.3	12.9	16.8	18.9	19.8	19.0	30.5	34.4	35.7	34.4	33.3
Equity holdings as a share of total assets	16.8	14.7	11.9	11.6	12.0	24.1	27.9	27.7	26.8	26.4	17.9	16.7	14.4	14.2	14.5
Investment fund units as a share of total assets	34.5	38.1	40.2	42.1	42.3	8.2	9.4	10.8	11.3	12.1	30.4	33.7	35.4	36.8	37.0

	Bond Funds					Equity Funds					Mixed Funds					Overall Funds				
	2022	2023	2024	2025	June 2026	2022	2023	2024	2025	June 2026	2022	2023	2024	2025	June 2026	2022	2023	2024	2025	June 2026
Leverage ratio	100.3	100.2	100.6	100.4	100.8	100.2	100.2	100.5	100.1	100.1	100.2	100.4	100.6	100.2	100.6	100.3	100.3	100.6	100.3	100.6
Liquid assets ratio[2]	69.2	66.8	64.2	61.0	56.2	55.3	52.5	52.6	53.1	53.5	55.3	54.9	54.8	53.6	53.1	64.1	61.9	60.1	57.7	54.8
RCR[5]	14.4	12.6	7.4	7.9	7.2	4.0	3.8	3.8	3.8	4.0	41.7	36.5	35.3	35.2	33.3	7.0	6.8	6.4	6.1	5.6
Modified duration	5.8	5.8	5.7	5.4	5.1	5.4	2.6	2.7	2.0	1.5	7.3	6.9	7.5	6.9	6.5	6.1	6.0	6.0	5.7	5.3
Operating profit margin[6]	65.9	68.2	68.8	68.2	69.6	2.6	21.5	25.8	18.1	9.9	56.2	65.7	73.3	79.7	74.8	63.4	65.8	68.7	71.2	69.2
Assets-to-GDP	5.3	4.5	4.3	3.9	3.6	0.5	0.5	0.6	0.6	0.7	2.6	2.5	2.4	2.5	2.5	8.3	7.5	7.3	7.0	6.8
Growth in NAV	-21.9	0.2	4.9	-3.4	-4.6	-3.1	25.8	32.2	15.9	14.1	-10.4	11.3	6.5	9.2	3.7	-18.0	5.1	7.5	2.0	1.2
Share of NAV by resident households	56.8	56.2	56.2	50.6	57.0	39.4	41.5	44.5	43.1	46.0	55.3	53.5	51.5	44.6	48.2	55.4	54.3	53.7	47.8	52.7
Share of NAV by other resident sectors	37.6	38.2	34.6	38.1	34.8	54.4	53.0	49.7	51.2	47.9	42.9	44.4	45.6	51.8	47.6	40.2	41.3	39.4	44.0	40.8
Bond holdings as a share of total assets	89.3	91.5	90.4	92.8	93.3	1.9	5.4	4.2	2.9	2.3	34.6	33.6	32.4	30.9	28.9	67.4	66.7	64.3	62.9	60.4
Equity holdings as a share of total assets	0.4	0.4	0.4	0.4	0.5	49.2	60.8	59.3	59.2	57.4	34.5	37.4	37.5	39.7	40.2	13.7	16.6	17.3	19.6	20.8
Investment fund units as a share of total assets	4.5	4.6	5.8	4.1	3.8	37.6	29.4	31.8	32.1	33.6	26.3	26.7	27.3	27.0	28.3	13.1	13.5	15.0	14.7	15.8

[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 FSR 2023 Box 4 (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 2026 reflect the difference relative to December 2025.
[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.

Appendix B
FINANCIAL STABILITY HEATMAP



Note: For the financial sector, the framework evaluates key indicators for core domestic banks, domestically relevant insurance companies, and domestically relevant investment funds (see Table 1a in Box 1: Monitoring Financial Stability Risks: A Heatmap Approach for the list of indicators). As each category comprises multiple indicators, variables are first standardised using z-scores to ensure comparability and then aggregated within each category using equal weights. The resulting category-level measures are subsequently weighted by the relative size of the respective financial institutions. Where necessary, indicators are transformed so that higher values consistently correspond to higher levels of risk, ensuring a coherent interpretation across indicators and categories. Indicators are assessed relative to their historical distributions. Values in the lowest quintile of the historical distribution are shown in dark green, indicating levels that are significantly below their historical range, while values in the highest quintile are shown in red, indicating relatively elevated levels within the historical distribution.