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APPENDIX 1 – GENERAL STATISTICAL REPORTING REQUIREMENTS

1. Reporting agents are defined as legal entities licensed by the competent authority to carry on the business of banking in or from Malta as defined in article 2 (1) of the Banking Act 1994.

2. The competent authority requires licence holders to submit the statutory returns shown in Appendix 12 of this directive, on an unconsolidated basis. However, in certain instances, the authority may also request licence holders to submit both consolidated and unconsolidated statutory returns depending on the nature of the institution's operational activities.

3. These statutory returns are to be utilised for the calculation of the reserve deposit requirement in line with the Central Bank of Malta Directive No. 1.

4. Credit institutions are required to file the following statutory returns on a monthly, quarterly, semi-annual and annual basis as detailed hereunder:

Code	Title	Frequency	Submission Date*
L	Core Balance Sheet Liabilities	Monthly	12th
LD1	Analysis of General Government Deposits and Loans (Liabilities) by Residence	Monthly	12th
LD2	Analysis of MFI and Remaining Sectors' Deposits and Loans (Liabilities) by Residence and Major Currencies	Monthly	12th
LD3	Analysis of Deposits and Loans (Liabilities) by Currency	Monthly	12th
LD4	Analysis of Deposits and Loans (Liabilities) by Country of Residence	Monthly	12th
LD5	Analysis of Deposits by Ownership and by Term to Maturity	Monthly	12th
LD6	Analysis of Deposits (non-MFI's) by Type and Interest Rates	Monthly	12th
LS1	Debt Securities Issued by Instrument and Currency	Monthly	12th
LS2	Debt Securities issued by Sector and Residence	Monthly	12th
LC	Analysis of Capital and Reserves	Monthly	12th
LH	Analysis of Shareholders by Sector and Residence (including both Preference and Ordinary Shares)	Quarterly	15th

Code	Title	Frequency	Submission Date*
LR	Analysis of Unallocated Liabilities	Monthly	12th
LL	Reporting of external long-term loans	Quarterly	15th
PR	Provisions	Monthly	12th
RDR	Analysis of Reserve Base in Terms of Central Bank of Malta Directive No.1	Monthly	12th
A	Core Balance Sheet Assets	Monthly	12th
AL1	Analysis of Loans (including Deposits) by Sector and Maturity	Monthly	12th
AL2	Analysis of Loans (including Deposits) by Country of Residence	Monthly	12th
AL3	Analysis of Loans (including Deposits) by Currency	Monthly	12th
AL4	Analysis of Loans by Economic Activity (NACE Rev.1) and by Currency	Monthly	12th
AL5	Analysis of Loans by Economic activity (NACE Rev.1) and Residence	Monthly	12th
AL6	Analysis of Loans by Economic Activity (NACE Rev.1) and Interest Rates	Monthly	12th
AL7	Analysis of Loans by Term to Maturity and Residence	Monthly	12th
AL8	Analysis of Loans Limits, Balances, Excesses and Prepayments	Quarterly	12th
AL9	Analysis of Loans by Economic Activity (NACE Rev.1)	Monthly	12th
AS1	Analysis of Securities Other Than Shares by Sector and Maturity	Monthly	12th
AS2	Analysis of Securities Other Than Shares by Country of Residence	Monthly	12th
AS3	Analysis of Securities Other Than Shares by Currency	Monthly	12th
AS4	Analysis of Securities Other Than Shares by Main Sector and Term to Maturity – Trading	Monthly	12th
AS5	Analysis of Securities Other Than Shares by Main Sector and Term to Maturity – Held to Maturity	Monthly	12th

Code	Title	Frequency	Submission Date*
AS6	Analysis of Securities Other Than Shares by Main Sector and Term to Maturity – Available for Sale	Monthly	12^{th}
AR	Analysis of Other Unallocated Assets	Monthly	12^{th}
AE1	Analysis of Shares and other Equity by Residence and Type	Monthly	12^{th}
AE2	Analysis of Other Equity held in Banks, Companies or Group of Connected Persons	Monthly	12^{th}
AE3	Analysis of Shares and Other Equity by Sector	Monthly	12^{th}
AD	Analysis of Loans to Directors and Staff Members	Quarterly	15^{th}
AP	Analysis of Pledged Assets	Quarterly	15^{th}
AQ	Analysis of Assets Acquired in Satisfaction of Debt	Quarterly	15^{th}
AT	Analysis of Tangible Fixed Assets	Quarterly	15^{th}
APD	Analysis of Past Due and Doubtful Debts – Classification of Loans	Quarterly	15^{th}
APD1	Analysis of Substandard, Doubtful and Loss Facilities by Economic Sector and Residence	Quarterly	15^{th}
DF	Doubtful Facilities over Lm10,000	Quarterly	15^{th}
RF	Rescheduled Facilities over Lm10,000	Quarterly	15^{th}
IBE	Analysis of Interbank Exposure by Ultimate Country Risk	Quarterly	15^{th}
PL	Income Statement	Quarterly	15^{th}
IL	Interest and Fee Income on Loans	Quarterly	15^{th}
WO	Write-offs	Quarterly	15^{th}
RW	Recoveries and Write-offs	Quarterly	15^{th}
RP	Related Party Transactions	Quarterly	15^{th}
CE	Statement of Changes in Equity	Semi-annually	15^{th}
CL	Contingent Liabilities	Quarterly	15^{th}
Flows 1	Reclassifications	Monthly	12^{th}

Code	Title	Frequency	Submission Date*
Flows 2	Price Revaluation	Monthly	12th
Flows 3	Exchange Rate Adjustment	Monthly	12th
Flows 4	True Transactions	Monthly	12th
Flows 5	Loans	Monthly	12th
NFA	Analysis of Net External Assets/Liabilities	Quarterly	12th

* *Submission date refers to the 12th or the 15th calendar day following the end-of-month reporting period.*

5. If the submission date of the 12th or the 15th falls on a weekend or a public holiday the returns must be submitted on the following working day. It is important that the information contained in the statutory returns which are to be submitted to the competent authority by the 15th of the reporting month, should be reconciled with the financial information contained in the returns previously submitted on the 12th calendar day.

6. The statutory returns should be accompanied by the declaration form duly filled in, in accordance with the relevant instructions and signed either by the reporting credit institution's head of finance, or the financial controller or a person in a higher grade. The declaration should also be signed by the person responsible for the compilation of the reported data. In addition, all statutory returns should be signed and stamped by the officials referred to above. Moreover, any subsequent amendments are also required to be countersigned by the persons mentioned above. The returns are to be submitted to the Central Bank of Malta by due date and addressed to:

The Manager
Statistics Office
Economics Division
Central Bank of Malta
St James Counterguard
Valletta CMR 01

7. Reporting agents are expected to utilise the provided lists of Monetary Financial Institutions and other economic sectors when reporting transactions with counterparties, to ensure accurate classification of entities in the respective categories. The lists of entities resident in Malta will be updated periodically by the Statistics Office of the Central Bank of Malta, while lists of entities resident in other EU countries can be downloaded from the website of the European Central Bank

8. It is the duty of the authorised official who compiles the statutory returns to be able to provide supplementary information on the interpretation of the data

submitted and any breaks in the data in comparison with the previous reporting period figures. Any revisions in the data relating to previous periods are to be accompanied by explanatory notes.

9. The end-of-month balance sheet data reported to the authorities is to refer to the last calendar day of the month.

10. The statutory returns are constructed in such a way that, whenever possible, totals are automatically generated by means of formulae. These cells are write-protected in order to maintain the original and harmonised format for all reporting agents. Shaded cells in all returns should not be filled in.

Verification

11. All additions and subtractions should be double checked before reports are submitted. Totals and subtotals in supporting schedules should be cross-checked to corresponding items in other spreadsheets in order to determine that these tally.

12. Before reports are submitted, all amounts should be compared with the corresponding amounts in previous reports. If there are any exceptional items from previous reports, a brief explanation should be attached to the submitted reports.

13. The schedules are constructed in such a way that, whenever possible, in-built validation checks are carried out to the data. These validation checks, which are write-protected, should not be altered. The competent authorities would not accept any of the statutory returns unless all validation checks are correct. A hard copy of the sheet containing the validation checks is to be endorsed by the reporting official and submitted to the competent authority together with the schedules on a monthly basis.

Retention of Records

14. Credit institution must retain working papers and other records used in the preparation of these reports for at least two years from reporting date.

APPENDIX 2 – ESTABLISHING "RESIDENCE"

15. The distinction between the residents of Malta and residents of other Monetary Union Member States (MUMs) or the Rest of the World (ROW) should be based on the residence definition as provided below. Thus, residence should not be based on any other definition or legally based definitions such as that for tax or exchange control purposes.

16. The resident units (e.g. households, companies) of a country are those which have a centre of economic interest in the economic territory of Malta. These resident units may or may not have the nationality of that country, may or may not be legal entities, and may or may not be present on the economic territory of the country at the time they carry out a transaction.

17. The term economic territory includes the geographic territory administered by the government, within which persons, goods, services and capital move freely. This comprises any free zones, including bonded warehouses and factories under customs control; the national air-space, territorial waters and the continental shelf lying in international waters, over which the country enjoys exclusive rights; and the territorial enclaves, i.e. geographic territories situated in the rest of the world and used, under international treaties or agreements between states, by general government agencies of the country e.g. embassies, consulates, military bases, scientific bases, etc. The economic territory does not include extraterritorial enclaves i.e. the parts of the country's own geographic territory used by general government agencies of other countries, by the institutions of the European Union or by international organisations under international treaties or agreements between states.

18. The term "*centre of economic interest*" indicates the fact that there exists some location within the economic territory on, or from, which a unit engages, and intends to continue to engage, in economic activities and transactions on a significant scale, either indefinitely or over a finite but long period of time (a year or more).

19. Households that have a centre of economic interest in the country are deemed to be *resident* units, even if they go abroad for short periods (less than a year). They include, in particular, the following:

    i. border workers, i.e. people who cross the frontier frequently to work in a neighbouring country;

    ii. seasonal workers, i.e. people who leave the country for several months, but less than a year, to work in another country in sectors in which additional manpower is needed periodically;

    iii. tourists, patients, students, visiting officials, businessmen, salesmen, artists and crew members who travel abroad;

iv. locally recruited staff working in the extraterritorial enclaves of foreign governments;

v. the staff of the institutions of the European Union and of civilian or military international organisations which have their headquarters in extraterritorial enclaves; and

vi. the official, civilian or military representatives of the government of the country (including their households) established in territorial enclaves.

APPENDIX 3 – INSTITUTIONAL SECTORS OF THE ECONOMY

20. An institutional unit is an economic entity capable, in its own right, of owning assets, incurring liabilities, and engaging in economic activities and in transactions with other entities. Individual institutional units must be combined into groups called institutional sectors, some of which are divided into sub-sectors. The units are grouped into sectors on the basis of the type of producer they are and depending on their principal activity and function, which are considered to be indicative of their economic activity. The institutional sectors in an economy are to be grouped as indicated below. Reporting agents are to abide with the list of entities within selected institutional sectors which will be provided periodically by the statistics office of the Central Bank of Malta.

The sector "Monetary Financial Institutions" (MFIs) consists of:

i. Central Banks, which in most countries are separately identifiable institutions. The central bank is the national financial institution that exercises control over key aspects of the financial system and whose principal function is to issue currency, to maintain the internal and external value of the currency and to hold all or part of the international reserves of the country.

ii. Credit Institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than Monetary Financial Institutions (MFIs), and, for their own account (at least in economic terms), to grant credits and/or make investments in securities. A list of credit institutions resident in the MUMs and the EU can be accessed from the ECB's internet website. For countries outside the EU, credit institutions only should be treated as MFIs since the concept of MFIs may not apply in these countries. Credit Institutions licensed in Malta comprise banks licensed by the Competent Authority under the Banking Act (Cap. 371). In accordance with the Banking Co-ordination Directives of December 1977 and December 1989 (77/780/EEC and 89/646/EEC), a credit institution is "an undertaking whose business is to receive deposits or other repayable funds from the public – including the proceeds arising from the sales of bank bonds to the public - and to grant credit for its own account". A list of credit institutions resident in Malta is attached as Appendix 2. Reporting agents are to consult the MFSA's website for an updated list of such institutions. A list of credit institutions resident in the EU/EMU area can be accessed from the ECB's internet website.

iii. Money Market Funds (MMFs) fulfil the conditions of liquidity mentioned in the above definitions and are thus to be included as part of the MFI sector. MMFs are defined as those collective investment undertakings of which the units are, in terms of liquidity, close substitutes for deposits and which primarily invest in money market instruments and/or in other transferable debt instruments with a residual maturity up to and including one year, and/or in bank deposits, and/or which pursue a rate of return that approaches the interest rates of money market instruments. The criteria identifying MMFs may be derived from the public prospectus, fund rules, instruments of incorporation, established statutes or by-laws, subscription documents or investment contracts or marketing documents. A list of MMFs resident in Malta is attached as Appendix 2. An updated list of such companies will be periodically updated by the Central Bank. A list of MMFs resident in the EU and the EMU area can be accessed from the ECB's internet website.

iv. There may be other MFIs that are neither credit institutions nor money market funds. These comprise those resident financial institutions, which fulfil the MFI definition, irrespective of the nature of their business. The degree of substitutability between the instruments issued by the latter and the deposits placed with credit institutions determines their classification, provided that they meet the MFI definition in other respects. At present, no such units are resident in Malta.

General Government

21. The sector General Government includes all institutional units which are principally engaged in the production of non-market goods and services intended for individual and collective consumption and/or in the redistribution of national income and wealth. The widest definition of the general government sector comprises (a) central government, (b) state government, (c) local government/councils and (d) social security funds.

22. For statistical reporting purposes, there are two levels of government in Malta, namely the (a) central government sector and the (c) local councils. Furthermore, the central government sector in Malta comprises the (i) administrative departments and ministries of the State and (ii) the Public Non-Market Units. The institutions within the general government sector in the European Union can be accessed from the ECB's internet website in a document entitled Money and Banking Statistics Sector Manual - Guidance for the Classification of Customers.

Also included in this category are the international organisations listed in Appendix 9. For money and banking statistics purposes, the international organisations are to be classified within "Other General government", "Rest of the World". Further details of the general government sector will be as follows:

i. Central government

This sector includes (i) all administrative departments of the State and other central agencies whose competence extends over the whole economic territory. It thus includes departments, ministries, and offices of government located in the country and embassies, consulates, military establishments and other institutions of government located outside the country.

Included in this sector are also (ii) the Public Non-Market Units. These comprise those institutional units under public control that are principally engaged in the production of goods and services not usually sold on a market and/or they are involved in the redistribution of national income and wealth. These include also units/entities that do not charge "economically significant" prices and/or units/entities that over the last years their sales did not cover 50% of their production costs.

ii. State government

This sector includes institutional units exercising some of the functions of government at a level below that of central government. This level of government is not applicable for Malta.

iii. Local government/councils

This sector includes those types of administrative departments, agencies, etc., the competence of which covers only a restricted part of the economic territory of a country. In the case of Malta, report transactions with the local councils.

iv. Social Security Funds

This sector includes those schemes managed by central, state/regional or local government, the principal objective of which is to provide social benefits to the population of the country. This level of government is not applicable for Malta.

Other Sectors

23. These comprise all institutional units other than MFIs and entities belonging to the General government sector. These are sectors sub-divided into the following:

Insurance Companies and Pension Funds

24. Comprising non-monetary financial corporations principally engaged in financial intermediation as the consequence of the pooling of risks. Insurance companies consist of incorporated mutual and other entities whose principal function is to provide life, accident, health, fire or other forms of insurance to individual institutional units or group of units.

25. Pension funds included in this sector are those that are constituted as separate from the units that have created them. They are established for the purposes of providing retirement benefits for specific group of employees. They have their own assets and liabilities, and they engage in financial transactions on

their own account. These funds are organised, and directed, by individual private or government employers, or jointly by individual employers and their employees, and towards which the employees and/or employers make regular contributions.

Other financial intermediaries and financial auxiliaries (OFIs) except insurance companies and pension funds

26. This subsector consists of all financial companies which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than MFIs, or insurance technical reserves. The principal activity of these institutions may include one or more of the following activities: Long-term financing (in most cases, this predominant maturity forms the basis of distinction from the MFI sector); financial leasing; hire purchase; personal or commercial finance; factoring; security and derivative dealing; venture and developing capital; export/import finance; issuing and administering means of repayment (e.g. credit cards, travellers' cheques and bankers' drafts); guarantees and commitments; trading for own account or for account of customer in: (a) money-market instruments (cheques, bills, CDs, etc.), (b) foreign exchange, (c) financial futures and options, (d) exchange-rate and interest-rate instruments, and (e) transferable securities; participation in share issues and the provision of services related to such issues; giving advice to undertakings on capital structure, industrial strategy and related questions, advice and services relating to mergers and the purchase of undertakings; moneybroking; portfolio management and advice; safekeeping and administration of securities; credit reference services; and safe custody services; (f) financial vehicle companies; (g) financial intermediaries which receive deposits and/or close substitutes for deposits from MFIs only; and (h) holding companies which only control and direct a group of subsidiaries engaged in financial intermediation and/or in auxiliary financial activities, (i) companies engaged in granting mortgages (excluding those already included as MFIs) and (j) mutual funds (including investment trusts, unit trusts and other collective investment schemes, e.g. undertakings for collective investment in transferable securities-UCITS) but excluding those already included as money market funds.

27. Financial auxiliaries consist of companies, which are principally engaged in auxiliary financial activities, i.e. activities closely related to financial intermediation but which are not financial intermediaries themselves. The following are examples of financial companies that are classified in this sector: companies such as insurance brokers, salvage and average administrators, insurance and pension consultants, etc.; loan brokers, securities brokers, investment advisers, etc.; flotation companies that manage the issue of securities; companies whose principal function is to guarantee, by endorsement, bills and similar instruments; companies which arrange derivative and hedging instruments, such as swaps, options and futures (without issuing them); companies providing infrastructure for financial markets; central supervisory authorities of financial intermediaries and financial markets when they are separate institutional units; managers of

pension funds, mutual funds, etc.; companies providing stock exchange and insurance exchange.

In the case of resident OFIs, reporting is to be split further into:

i. Collective investment schemes

These are collective investment undertakings the object of which is the collective investment of capital raised from the public, and the units of which are, at the request of the holders, repurchased or redeemed directly or indirectly out of the undertakings' assets. Reporting agents are to consult the MFSA's website for an updated list of such institutions.

ii. Financial institutions under the Financial Institutions Act 1994

These comprise all companies, which are registered under the Act. Reporting agents are to consult the MFSA's website for an updated list of such institutions.

iii. Other OFIs

These comprise other financial intermediaries not included in (i) and (ii) above.

Non-financial companies

28. This sector comprises companies not engaged in any form of financial intermediation but principally in the production of market goods and non-financial services. Included in this sector are market-producing co-operatives, partnerships and sole proprietorships which are recognised as independent legal entities. This sector includes:

i. Public non-financial companies: comprises companies that are subject to control by government units. Control over a company is defined as the ability to determine general corporate policy by choosing appropriate directors, by owning more than half of the voting shares or otherwise controlling more than half of the shareholders' voting power. In addition, government secures control over a company or corporation, as a result of special decree or regulation, which empowers the government to determine corporate policy or to appoint the directors. These state-owned non-financial companies are to be distinguished from the public non-market units mentioned in the general government sector, since the former are considered to be producing goods or services to the market, and/or charging economically-significant prices, and/or more than 50% of their production costs are covered by their sales.

ii. Private non-financial companies: comprises companies that are controlled by non-government resident or non-resident units.

Households and Non-profit institutions

29. Individuals or groups of individuals as consumers and producers of goods and non-financial services exclusively intended for their own final consumption. Included in this sector are the non-profit institutions, which are principally engaged in the production of non-market goods and services, intended for particular sections of households. Included in this section are market-producing co-operatives, partnerships and sole proprietorships which are not recognised as independent legal entities.

30. Credit institutions are expected to prepare the statutory returns in compliance with the Companies Act and with the prevailing International Accounting Standards, as issued from time to time by the International Accounting Standards Board. However, in certain instances, due to statistical/prudential requirements, credit institutions are required to submit the returns in accordance with specific requirements as detailed below. Furthermore the statutory schedules are to be prepared on the accrual basis of accounting. In this case, the effects of transactions and other events are recognised when they occur rather than when cash is received or paid. Thus, such transactions are recorded in the accounting records and reported in the returns of the periods to which they relate. Accrued interest on deposits, loans and securities other than shares issued/held refers to interest that is payable or receivable on the balance sheet reporting date, but which is not due to be paid or received until a future date. Accrued interest on loans, deposits and securities should be reported gross but should be kept separate from the instrument to which it relates, until the interest due date.

Financial Instruments

31. Defined as any contract that gives rise to both a *financial asset* of one enterprise and a *financial liability* or equity instrument of another enterprise.

Financial Asset

32. Any asset that is:

    i. cash;
    ii. a contractual right to receive cash or another financial asset from another;
    iii. enterprise;
    iv. a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable; and
    v. an equity instrument of another enterprise.

Classification of Financial Assets:

33. Classification of financial assets is made up of the following:

    i. Held for trading (including derivatives not used for hedging purposes)
    ii. Held to maturity
    iii. Available for sale

    Loans originated by an institution are also another type of financial asset.

Financial Assets held for Trading

34. A financial asset is held for trading if acquired or originated principally for the purpose of generating a profit from short-term fluctuations in price or dealers' margin including debt and equity securities and loans and advances and receivables acquired by the enterprise.

Financial Assets held-to-Maturity

35. Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity (e.g. Debt securities and mandatory redeemable preference shares) that an institution has the positive intent and ability to hold to maturity.

Equity instruments cannot be classified as held-to-maturity.

Available-for-Sale Financial Assets

36. Those financial assets that are not:

i. Loans originated by the enterprise;
ii. Held-to-maturity investments; or
iii. Financial assets held for trading.

The available-for-sale category will include all equity instruments except those classified as trading.

Loans originated by an institution

37. For the purposes of this directive loans originated by an institution should include all types of lending such as loans, overdrafts, bills discounted and any other facility whereby funds are lent. However, purchase/resale agreements are to be excluded from loans in returns AL4, AL5, AL6, AL7, AL8, and AL9 and reported separately as a memorandum item.

Financial Liability

38. Any liability that is a contractual obligation;

i. to deliver cash or another financial asset to another person; or
ii. to exchange financial instruments with another person, under conditions that are potentially unfavourable.

Classification of Financial Liabilities:

39. Classification of financial liabilities is made up of the following:

i. Trading liabilities (including derivatives)
ii. All other liabilities

Trading Liabilities

40. A financial liability is held for trading purposes if it was acquired or incurred principally for the purpose for generating a profit from short-term fluctuations in price or dealer's margin.

Uses of Fair Value

41. Fair Value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values must be used to estimate financial assets and liabilities in situations where market-price data are unavailable. Fair value approximates the value that would arise from a market transaction between unrelated parties.

The two methods used to establish fair values are:

i. Establish a fair value based on the market price of a market-traded financial instrument, similar in nature to a non-traded financial instrument. While it is not always easy to find similar securities one may be guided by the term to maturity and a comparable default risk. As a result, occasionally it may be appropriate to use the market price of a similar financial instrument, but adjust the fair value to account for differences in liquidity and risk level between the traded and non-traded instruments.

ii. Basing fair values on the present value of future cash flows. In this case the future cash flows must be known with certainty or can be estimated, and a discount rate must be available (using the IRR method).

Valuation of Financial Instruments

42. All financial assets and liabilities (including all derivatives) are recognised on the balance sheet when the institution becomes a party to the contract. Transaction costs are included in the cost incurred for all financial assets and liabilities.

43. All financial instruments are initially recorded at cost (fair value of consideration given or received to acquire assets or liabilities) and thereafter, at amortised cost less impairment; cost less impairment or at fair value.

- Loans – For the purposes of statutory reporting, loans are measured at book value and are subject to the provisions of Banking Directive (BD 09) – *Credit and Country Risk Provisioning.*

- Held-to-maturity assets – are measured at amortised cost, less reductions for impairment or uncollectibility.

- Held-for-trading assets – are measured at fair value, with changes in fair value reported in the profit and loss account for the period.

- Available-for-sale assets – are measured at fair value, any fair value changes being recognised directly in equity, through the statement of changes in equity, (except for impairment losses and foreign exchange gains/losses on available for sale financial instruments) until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in the income statement. However interest calculated using the effective interest method[1] as well as dividends, on available-for-sale financial assets are recognised in the income statements

Any changes in the fair value of a financial asset are:

- Not recognised for assets carried at cost or amortised cost.
- Recognised in the profit and loss account for assets classified as trading.
- Recognised in the profit and loss account or in equity for assets classified as available for sale.

The following table depicts the basis of measurement utilised for financial assets:-

Loans	Book value.
Held-to-maturity investments	Amortised cost, subject to impairment recognition.
Available-for-sale financial assets	Fair value, changes in fair value accounted for directly in equity through the statement of changes in equity.
Financial assets held-for-trading	Fair value, changes in fair value accounted for in the profit or loss account.

Financial liabilities are valued on the following basis:-

Derivatives	Fair value
Financial liabilities held-for-trading	Fair value
Deposit Liabilities	Book Value
Other financial liabilities	Amortised cost

[1] The effective interest method is a method of calculating amortization using the effective interest rate of a financial asset or financial liability. The effective interest rate is the rate that exactly discounts the expected stream of future cash payments through maturity or the next market-based re-pricing date to the current net carrying amount of the financial asset or financial liability. That computation should include all fees and points paid or received between parties to the contract. The effective interest rate is sometimes termed the level yield to maturity or to the next re-pricing date, and is the internal rate of return of the financial asset of financial liability for that period.

Foreign Currency Transactions

44. Foreign exchange transactions are to be classified into Euro and other currencies. For the conversion of the positions into Maltese Lira, the exchange rate prevailing on the reporting date is to be used. Currencies of EU member states that have not adopted the single currency are treated as non-euro currencies. These comprise the Danish Krone, Pound Sterling and Swedish Krone.

45. A transaction in a foreign currency is recorded in the reporting currency using the exchange rate at the date of the transaction. At the balance sheet date, foreign currency monetary balances are reported using the closing exchange rate. Non-monetary balances denominated in a foreign currency and carried at historical cost must be reported using the historical exchange rate at the date of the transaction. Non-monetary items denominated in a foreign currency and carried at fair value must be reported using the exchange rates when the fair values were determined.

46. Exchange differences are recognised as income or expense for the period except for those differences arising on a monetary item that forms part of an institution's net investment in a foreign entity (e.g. a long-term loan receivable), or on a foreign currency liability (e.g. a borrowing) accounted for as a hedge of an enterprise's net investment in a foreign entity. Such exchange differences are classified separately in equity until the disposal of the investment, at which time they are included in the income statement as part of the gain or loss on disposal.

47. In preparing consolidated financial statements, the financial statements of a foreign operation that is integral to the operations of the reporting enterprise should be translated in the same manner as for foreign currency transactions described above, as if the transactions of the foreign operation had been those of the reporting entity itself.

48. The assets and liabilities of a foreign entity (a foreign operation whose activities are not an integral part of the reporting institution) are translated at the closing rate and all income statement items are translated either at the transaction date exchange rates or at an average rate that approximates actual rates.

Time of Recording of Transactions

49. Transactions should be recorded at the time of change in ownership of a financial asset. In this context, change in ownership is accomplished when all rights, obligation and risks are discharged by one party and assumed by the other. It is important that the two parties record the transaction at the same time. Reporting for the purpose of these returns should be based on the settlement date method.

Maturity at Issue (Original Maturity)

50. The returns themselves, indicate clearly whether instruments are to be reported in accordance to their maturity at issue (original maturity), or by remaining term to maturity. Original maturity refers to the fixed period of life of a financial instrument before which it cannot be redeemed (e.g. some types of deposits). It should be noted that unless otherwise stated, instruments are to be classified in accordance to their original maturity. The remaining term to maturity corresponds to the time between the reporting date of the instrument and its redemption or maturity date.

Netting arrangements

51. Reporting of all financial assets and liabilities in the schedules should be on a gross basis. This principle of gross recording should be applied in particular to loans and deposits in the core balance sheet. The presentation of loans/deposits as net figures is permitted only if credit balances and the related debit balances recorded by the reporting agents have identical features in terms of the same counterparty, same currency and the same original maturity. Netting arrangements are not permitted in any other circumstances and if applied, the criteria adopted in the core balance sheet statistics must remain consistent over time.

52. In accordance with international statistical standards, there is only one area where reporting agents are required to report on a net basis for the purposes of money and banking statistics. This concerns the treatment of holdings of own instruments issued, i.e. where agents should treat on a net basis the holdings of own shares and debt securities issued.

Provisions and Loan Write-Offs/Write-Downs

53. Loans granted by credit institutions should be recorded at their book value and gross of all related provisions, both general and specific, until the loans are written off or written down by the reporting institution and are fully or partly removed from the balance sheet. It should be made clear that for the purposes of money and banking statistics, provisions covering loans, securities and other types of assets represent internal funds of the reporting institution and are distinguished from provisions on current or future liabilities against third parties, such as provisions on taxes and dividends. Nevertheless, all provisions should be classified under *other unallocated liabilities* in the core balance sheet and a categorisation of provisions will be made in a subsequent annex. Hence it should be noted that provisions are to be treated as liabilities and not as negative assets, since all assets are to be reported on a gross basis. In respect of write-offs and write-downs, credit institutions may fully or partly remove from the balance sheet any doubtful loans that are definitely recognised as being totally or partly unrecoverable. Interest in suspense should be similarly accounted for as in the case of provisions and therefore assets should be reported gross of any interest in suspense.

On-Balance Sheet recognition of Assets and Liabilities

54. In principle, reporting agents should record on-balance sheet any financial instruments that are recognised as assets or liabilities, and also non-financial assets. Financial assets and liabilities are those financial claims and responsibilities that have demonstrable value. Other financial instruments should not be recorded on the balance sheet, unless they represent unconditional arrangements between two institutions to make payments or provide other valuables. Consequently, since they are conditional on the occurrence of uncertain future events, contingencies should not be given on-balance sheet recognition. Guarantees, loan commitments and administered loans are examples of instruments that should be treated as off-balance sheet items.

Sale and Repurchase Transactions

55. (a) Sale and repurchase transactions shall mean transactions which involve the transfer by a credit institution or customer (the 'transferor') to another credit institution or customer (the 'transferee') of assets, for example, bills, debts or transferable securities, subject to an agreement that the same assets will subsequently be transferred back to the transferor at a specified price.

(b) If the transferee undertakes to return the assets on a date specified or to be specified by the transferor, the transaction in question shall be deemed to be a genuine sale and repurchase transaction.

(c) If, however, the transferee is merely entitled to return the assets at the purchase price or for a different amount agreed in advance on a date specified or to be specified, the transaction in question shall be deemed to be a sale with an option to repurchase.

(d) In the case of the sale and repurchase transactions referred to in paragraph (b), the assets transferred shall continue to appear in the transferor's balance sheet; the purchase price received by the transferor shall be shown as an amount owed to the transferee. The transferee shall not be entitled to show the assets transferred in his balance sheet; the purchase price paid by the transferee shall be shown as an amount owed by the transferor.

(e) In the case of the sale and repurchase transactions referred to in paragraph (c), the transferor shall not be entitled to show in his balance sheet the assets transferred; those items shall be shown as assets in the transferee's balance sheet. The transferor shall enter under Memorandum Item 2 – Commitments, an amount equal to the price agreed in the event of repurchase..

(f) No forward exchange transactions, options, transactions involving the issue of debt securities with a commitment to repurchase all or part of the issue before maturity of any similar transactions shall be regarded as sale and repurchase transactions.

APPENDIX 5 – NOTES ON FINANCIAL INSTRUMENTS

LIABILITIES

Loans

56. See definition below in para. 67.

Sale/Repurchase Agreement

57. See definition below in para. 68.

Other Loans

58. See definition below in para.70.

Standby Loan Facility

59. Report short-term borrowing from the Central Bank of Malta under the standby loan facility offered in terms of Article 15(1)e of the Central Bank of Malta Act (Cap 204).

Debt Securities Issued

60. See definition below in para. 71 and 72.

Deposits

61. Deposits are funds placed by entities with the reporting institutions other than those arising from the issuing of negotiable securities. A deposit consists of a sum of money paid-in, on terms under which it will be repaid, with or without interest or a premium and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it.

62. The distinction between 'deposits' and 'loans' shown on the liabilities side of the balance sheet may often be based on the basis of the party that takes the initiative for the transaction. In cases where the initiative to place funds is taken by the third party, the transaction is to be classified in the 'deposits' category. In cases where the initiative to acquire funds is taken by the reporting institution, the transaction is to be classified in the category 'loans'.

63. Maltese liri eligible for conversion into foreign currency (i.e. those previously referred to as External Maltese lira deposits) are to be treated as Maltese lira deposits.

64. No netting is permitted in respect of funds deposited by or borrowed from MFIs or credit institutions, i.e. they are to be reported on a gross basis. Deposits are classified under three main categories:

i. Current/Cheque Deposits

Current/cheque deposits consist of balances or funds placed by entities with the reporting institutions, which are immediately convertible into currency either on demand or by close of business on the day following that on which the deposit was made, or which are transferable by cheque, banker's order, debit entry, electronic equivalent or the like without any significant penalty or restriction. Credit balances outstanding on credit cards issued by the reporting institution and prepaid cards should be included in this category. These deposits should be reported gross of any adjustment in respect of debit items in transit which should be made by the reporting institution. A deposit at money-market rates of interest, which is on an overnight basis or at call, should also be included. Any debit balances on a current account are to be reported on the assets side as loans, under the respective sector depending on the client's identity.

ii. Savings Deposits

Savings deposits are classified into:

(a) Withdrawable on Demand

This category of savings deposits includes non-transferable savings deposits or funds that are withdrawable on demand, without incurring significant penalties i.e. that do not require an advance notice before their withdrawal. These deposits are placed without a fixed maturity.

(b) Redeemable at Notice

This category of savings deposits includes non-transferable savings deposits or funds redeemable at notice with the reporting institution. These deposits are placed without a fixed maturity and that can be withdrawn only subject to a pre-announcement. The period of notice corresponds to the time between the moment the holder gives notice of intention to redeem the instrument and the date the holder is allowed to convert it into cash without incurring a penalty. This category is further broken down into:

(i) Redeemable at notice up to 3 months

This includes balances placed without a fixed maturity that can be withdrawn only subject to a pre-announcement of up to and including three months; if redemption prior to that notice period (or even on demand) is possible, it normally involves payment of a penalty. Other balances include non-transferable sight savings deposits and other types of retail deposits which, although legally redeemable on demand, are subject to significant penalties and balances placed with a fixed term to maturity that are non-transferable but that have been subject to a notification of less than three months for an earlier redemption.

(ii) Redeemable at notice over 3 months

This includes balances placed without a fixed maturity that can be withdrawn only subject to a pre-announcement of more than three months; if redemption prior to that notice period (or even on demand) is possible it normally involves the payment of a penalty.

(iii) Time deposits/with agreed maturity

Time deposits are fixed-term deposits for which deposit receipts or certificates have been issued. These deposits are placed with a fixed term to maturity, they are non-transferable and cannot be converted into currency before that agreed fixed term. They can only be converted into currency before that agreed term provided that the account holder is charged some kind of penalty. Deposits with agreed maturity are to be reported at the "maturity at issue" (original maturity), unless otherwise indicated, which refers to the fixed period of life of a financial instrument before which it cannot be redeemed. Financial products with rollover provisions must be classified according to the earliest maturity.

65. Certificate of Deposits (CDs) issued that are non-transferable, as opposed to negotiable CDs, should also be reported under this category, according to the original maturity established in the contract.

66. Index-linked deposits, often referred to as equity-linked deposits, should be treated as deposits "with agreed maturity" provided that all of the amount or part of it cannot be withdrawn before the maturity period elapses, and provided also that on maturity, the client is guaranteed to get back the capital sum invested. Even though most of these instruments carry attractive gains, which are more attributable to securities rather than to deposits, it is recommended that they are treated as deposits since they are non-transferable and suffer from lack of liquidity.

67. There are three sub-categories of deposits with agreed maturity:

(a) Deposits with agreed maturity: Up to 1 year

These consist of deposits with an agreed maturity of up to and including one year.

(b) Deposits with agreed maturity: Over 1 and up to 2 years

These consist of deposits that have an agreed maturity of over 1 and up to and including two years.

(c) Deposits with agreed maturity: Over 2 years

These consist of deposits that have an agreed maturity of over 2 years. Report fiduciary deposits in this category. A fiduciary deposit refers to funds placed with a bank which are subject to a trust agreement between the bank and the client. Subsequently, the bank usually deposits the amount with another institution on the client's behalf. Fiduciary deposits should only be considered as on-balance if the second deposit is made in the bank's name. If it is made in the client's name, then the whole transaction should be treated as off-balance sheet as far as the bank is concerned.

Loans

68. Report borrowing in the form of loans taken by the reporting institution. Include loans by way of sale/repurchase agreements (repos) regardless of duration. No netting is permitted in respect of funds deposited by or borrowed from other institutions, i.e. loans are to be reported on a gross basis.

Sale/repurchase agreements

69. This comprises all borrowing in the form of sale/repurchase agreements, with other institutions. Funds received under sale/repurchase agreements are funds received in exchange for securities sold by the reporting institution at a given price under a commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. These transactions are known as 'repo' agreements. Both documented and undocumented 'repos', regardless of duration, should be recorded here.

Subordinated loan

70. Refer to instructions in the Own Funds Banking Directive (BD03) Appendix 1, Articles 2.1.5 and 4.1.1 For the purposes of money and banking statistics this item comprises only subordinated debt issued by the reporting institution in the form of loans, and which is deemed to be "not negotiable". Any subordinated debt issued by the reporting institution which is negotiable and/or traded on the secondary markets is to be classified as "debt securities issued".

Other loans

71. Report all other borrowings in the form of loans or overdrafts other than by way of purchase/resale agreements to other institutions. Report also loans advanced under Article 15(1)g of the Central Bank of Malta Act (Cap 204) under the respective category. Report syndicated loans in this category. A

syndicated loan is a large bank loan made by a group of banks to a single borrower.

Debt securities issued

72. This comprises "securities other than shares" issued by the reporting institution which are instruments generally negotiable and/or traded on secondary markets and which do not grant the holder any ownership rights. Therefore, all commercial paper, negotiable certificates of deposit, notes and bonds, debentures, subordinated debt issued in the form of securities and any money market instruments which are issued by the reporting institution, should be reported here.

73. Non-transferable debt instruments e.g. non-transferable certificate of deposit issued by the reporting institution should be classified as "deposit liabilities".

Financial derivatives

74. A financial derivatives contract is a financial instrument that is linked to a specific financial instrument, indicator, or commodity, and through which specific financial risks can be traded in their own right in financial markets. As a result, the value of a financial derivative is derived from the price of the underlying asset, even though transactions in financial derivatives are treated as separate transactions to which they are linked. Note that outstanding values of financial derivatives should be recorded in the balance sheet at their market prices, i.e. the value of a forward type contract should be derived from the difference between the agreed-upon contract price of an underlying item and the prevailing market price of that item. On the other hand, the price of an option depends on the difference between the strike price and the market price of an underlying item. During the life of a financial derivative, the gain or loss made must be recorded separately as a financial derivative asset or financial derivative liability, while the counter entry should feature in the Profit and Loss Account accordingly. When a financial derivative is settled, normally in cash, a transaction equal to the cash value of the settlement is recorded. Thus, no transaction in the underlying item is recorded. As a result of the settlement, the balance sheet will record a rise in the cash balances and a decrease in the financial derivative asset figure, if a cash payment is received. When on the other hand a payment in cash is made, there will be a drop in the cash figure and a compensating reduction in the financial derivative liability balance. It is important that where there is more than one financial derivative being settled at the same time, the transactions of each are recorded on a gross basis. When there is a contractual obligation on the issuer either to deliver or another financial asset to the holder or to exchange another financial instrument with the holder under conditions that are potentially unfavourable to the issuer, it is classified as a financial liability.

    Derivatives should be recognised *on-balance sheet* and categorised as *held for trading* unless they are designated as hedging instruments.

Remaining liabilities

Interest accrued and unpaid on deposits

75. Report accrued interest payable, which has not yet been credited to the relevant accounts. In accordance with the general principles of accruals accounting, interest paid on deposits should be subject to on-balance sheet recording as it accrues (i.e. on an accruals basis) rather when it is actually paid (i.e. on a cash basis). Accrued interest should be recorded on a gross basis. Accrued interest is to be excluded from the deposit category to which it relates. Convert foreign currency into Maltese lira at the middle exchange rate as at the date of the report.

Expenses accrued and unpaid

76. Report expenses that have been accrued but are still unpaid.

Secured indebtedness

77. Report the amount of hypothecs, liens, or other encumbrances on bank premises, fixed assets and other property owned for which the reporting institution is liable. Borrowings guaranteed by first class third parties are to be included here.

Items in transit

78. This comprises funds (usually belonging to customers) that are in the course of being transmitted between credit institutions. If transactions regarding the transmission of funds between credit institutions are incomplete as at balance sheet reporting date, amounts payable and receivable in respect of items in transit that are due for settlement on a future date will feature on the balance sheet.

Suspense items

79. Suspense items are balances held in the balance sheet which are not booked in the name of customers but which nevertheless relate to customers' funds (e.g. funds that are awaiting investment, transfer or settlement). In the case of a deferred payment under a letter of credit payable at a future date, this should be reported as a suspense item if it is treated as on balance sheet. However, payments related to a letter of credit are generally treated as contingent liabilities until they are due and thus reported as off-balance sheet items.

Other unallocated liabilities

80. This comprises all other liabilities of the reporting institution not already included in the schedule. Report other foreign liabilities including deposits due to Head Office and other overseas branches from overseas branches operating in/from Malta. Inter-branch transactions should be netted. Report

the amount if the net balance is a credit balance. If the net balance is a debit balance, the amount should be reported in the remaining assets.

81. Report proposed dividends on shares remitted to shareholders, including dividends payable after the date of the report out of the year's profits.

82. Report interest accrued and unpaid other than on deposits, such as interest accrued and unpaid on debt securities issued.

83. Report overdrawn current account balances. If a deposit liability account is overdrawn (i.e. in debit) then the amount equivalent is transferred to the loan portfolio of the bank on the assets side. Thus, from the bank's perspective, the balance is to be treated as an asset rather than as a negative liability.

84. Report amounts payable not related to the main reporting institution's business (amounts due to suppliers, tax, wages, social contributions etc.)

Capital and reserves/shareholders' funds

Ordinary shares

85. Report paid-up ordinary share capital of the reporting institution, valued as the nominal amount of proceeds upon issue.

Share premium

86. Report balances on share premium account, which should include any amounts received in excess of nominal value of any shares issued.

Redeemable preference shares

87. Redeemable preference shares have their maturity set at issue, and upon maturity the holders of these shares are paid in full.

Perpetual preference shares

88. Perpetual preference shares are shares, which give their holders preference in terms of dividend payments and distributions in the case of bankruptcy. Perpetual signifies that the shares have no fixed maturity date. Consequently, the dividend, which often has a fixed rate, is paid indefinitely or 'in perpetuity'.

Revaluation reserve

89. Report the excess over the book value of tangible and financial assets arising from the periodic revaluation of those assets at current market value.

Capital reserves

90. Report any income or gains that, because of statutory or other provisions, are not available for distribution.

Capital contribution

91. A capital contribution represents a payment into the reserves of the reporting institution by its parent, for no consideration, which is not repayable except at the option of the reporting institution.

Retained earnings from previous years

92. This includes all undistributed profits accumulated from previous years.

Profit/loss for current financial year

93. Report any accumulated profits/losses related to the current financial year of the reporting institution.

Other reserves

94. Report all other reserves not included elsewhere.

ASSETS

Cash (all currencies)

95. Holdings of domestic and foreign bank notes and coins in circulation that are commonly used to make payments. Include all holdings of cash at branches and at the head office of the reporting institution. Cash in transit between branches and head office should be included. Cash held in ATMs should also be included.

Funds placed under reserve requirement

96. Funds placed by the reporting institution in its reserve requirement deposit account with the Central Bank of Malta (in terms of Article 37 of the Central Bank of Malta Act, Cap 204).

Purchase/resale agreements/term deposits

97. These are funds advanced under purchase/resale (reverse repo) agreements whereby the reporting institution advances cash in exchange for securities bought by the reporting institution at a given price under a commitment to resell the same (or similar) securities at a fixed price on a specified future date. Funds placed with the Central Bank of Malta as term deposits for excess liquidity purposes should be reported under this item.

98. In order to maintain consistency with the repo-type operations, securities bought under purchase/resale agreement should remain on the original owner's balance sheet and are not transferred to the balance sheet of the temporary acquirer, who has a commitment and not an option to reverse the operation.

Other deposits (with the central banks)

99. These are overnight and current/settlement account balances or other funds placed/agreed with Central Banks by the reporting institution other than those required in the 'reserve requirement' and the term deposits (used for reverse repo purposes).

Securities other than shares

100. Holdings of securities other than shares, which are usually negotiable and traded on secondary markets or can be offset on the market, and which do not grant the holder any ownership rights over the issuing institution. This item includes securities which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a stated fixed sum at a specific date (or dates) or starting from a date defined at the time of issue. Also included are negotiable loans that are restructured into a large number of identical documents and that are traded on organised (secondary) markets. Negotiable subordinated debt and negotiable certificates of deposit have to be classified under this item. Include also short-term notes and commercial bills, company paper and other negotiable paper.

Further classification by type of security is required in the form of:

i. Treasury bills

Securities, issued by Government, that give the holder the unconditional right to receive a stated fixed sum on a specified date, and are issued and traded at a discount, depending on the rate of interest and the time of maturity.

ii. Other Government securities

Securities, issued by Government, that give the holder the unconditional right to a fixed money income, and, except for perpetual bonds, an unconditional right to a stated fixed sum on a specified date or dates.

iii. Other securities

Securities, issued by entities other than Government, that gives the holder the unconditional right to a fixed money income, and, except for perpetual bonds, an unconditional right to a stated fixed sum on a specified date or dates.

Loans

101. Report loans, overdrafts and other loans i.e. financial assets that are created when creditors lend to debtors, either directly or indirectly through brokers, which are not evidenced by negotiable documents or are represented by a single document (even if it has become negotiable). In general, loans are characterised by the following features:

    i. the conditions governing a loan are either fixed by the MFI granting a loan;

    ii. the initiative concerning a loan normally lies with the borrower;

    iii. a loan is an unconditional debt to the creditor which has to be repaid at maturity and which is interest-bearing.

102. Include loans granted to households in the form of consumer credit (loans granted for the purpose of personal use in the consumption of goods and services), lending for house purchases (credit extended for the purpose of investing in housing, including building and home improvements) and other (loans granted for purposes such as business, debt consolidation, education, etc.)

103. Holdings of non-marketable securities, subordinated debt, and the outstanding amount of financial leasing are considered as part of this category.

104. Report also hire-purchase and instalment-credit agreements, comprising agreements with clients to finance the purchase of goods, where ownership remains with the institution until the customer has paid the required number of instalments and exercised his right to purchase the goods. Instalment-credit agreements comprise agreements with clients to finance the purchase of goods, whereby ownership of the goods passes to the customer from the supplier, with the reporting institution making its advance on the completion of the documentation. The amount borrowed is repayable with interest by equal instalments over an agreed period.

105. Include also funds placed with resident or non-resident institutional units other than monetary financial institutions/credit institutions.

106. Include any loans extended to customers against the production of bills discounted.

107. Accrued interest should be excluded from the loan to which it relates, which is to be valued at the nominal amount outstanding on the reporting date. Thus, accrued interest on loans should be classified on a gross basis under the item 'Remaining assets'. Also loans should be reported gross of interest in suspense and general and specific provisions for impairment loans.

Deposits

108. These are assets in the form of deposits and other balances which feature on the assets side of the balance sheet. The distinction between 'deposits' and 'loans' on the assets side of the balance sheet should be based on the basis of the party that takes the initiative for the transaction. In cases where the initiative to place funds is taken by the reporting institution, the transaction is to be classified in this 'deposits' category. In cases where the initiative to acquire funds is taken by a third party, the transaction is to be classified in the category 'loans'.

109. Note that funds placed by the reporting institution with resident or non-resident institutional units other than monetary financial institutions/credit institutions should be treated as loans (see para. 57).

110. Further classification into the type of deposit may also be required in the form of current/cheque, savings and time/with agreed maturity. This classification conforms to the definitions as explained on the liability side.

Units issued by Money Market Funds

111. This item includes holdings of units issued by MMFs. Such units, in terms of liquidity, are close substitutes for deposits and which primarily invest in money market instruments and/or in MMF shares/units and/or in other transferable debt instruments with a residual maturity of up to and including one year, and/or in bank deposits, and/or pursue a rate of return that approaches the interest rates of money market instruments. Close substitutability for deposits in terms of liquidity shall mean the ability of units of collective investment schemes, under normal market circumstances, to be repurchased, redeemed or transferred, at the request of the holder, where the liquidity of the units is comparable to the liquidity of deposits.

Shares and other equity

112. Report holdings of shares and other equity, which represent property rights in other companies. These instruments generally entitle the holders to a share in the profits of the companies and to a share in their own funds in the event of liquidation. Any other direct investments by the reporting institution should also be recorded here. Include also holdings of units in collective investment schemes. In fact, this category is subdivided into:

i. Collective Investment schemes units

These are Collective Investment Scheme units, which are collected by issuing shares (other than equity shares) and invested, in financial and/or real assets. This category includes shares issued by collective investment schemes, mutual finds, unit trusts, and investment trusts, whether they are open-ended or closed-ended funds. These shares may be quoted or unquoted. When they are unquoted, they are usually repayable on request, at a value corresponding to their share in the own funds of the financial corporation. These funds are revalued regularly on the basis of the market prices of their various components.

ii. Other Shares

This comprises holdings of companies' shares and other equity, other than collective investment scheme units, which request property rights in other companies.

Tangible Fixed Assets

113. Report non-financial tangible fixed assets that are intended to be used repeatedly for more than 1 year by the reporting institution. They include land and buildings occupied by the reporting institution, as well as equipment, software and other infrastructures.

Financial derivatives

114. Report financial derivatives transactions. A financial derivatives contract is a financial instrument that is linked to a specific financial instrument, indicator, or commodity, and through which specific financial risks can be traded in their own right in financial markets. As a result, the value of a financial derivative is derived from the price of the underlying asset, even though transactions in financial derivatives are treated as separate transactions to which they are linked. Note that outstanding values of financial derivatives should be recorded in the balance sheet at their market prices, i.e. that the value of a forward type contract should be derived from the difference between the agreed-upon contract price of an underlying item and the prevailing market price of that item. On the other hand, the price of an option depends on the difference between the strike price and the market price of an underlying item. During the life of a financial derivative, the gain or loss made must be recorded separately as a financial derivative asset or financial derivative liability, while the counter entry should feature in the Profit and Loss Account accordingly. When a financial derivative is settled, normally in cash, a transaction equal to the cash value of the settlement is recorded. Thus, no transaction in the underlying item is recorded. As a result of the settlement, the balance sheet will record a rise in the cash balances and a decrease in the financial derivative asset figure, if a cash payment is received. When on the other hand a payment in cash is made, there will be a drop in the cash figure and a compensating reduction in the financial derivative liability balance. It is important that where there are more than one financial derivative being settled at the same time, the transactions of each are recorded on a gross basis.

Derivatives should be recognised *on-balance sheet* and categorised as *held for trading* unless they are designated as hedging instruments.

Remaining Assets

115. Report all other assets of the reporting institution not previously included elsewhere in the schedule. This item may include:

Intangible Assets

116. These are non-financial assets for which no corresponding liabilities are recorded. These kinds of assets derive economic benefits by holding them, or using them over a period of time. This is subdivided into goodwill and other intangible assets:

i. Goodwill

Goodwill is any excess of the cost of an acquisition over the fair values of the net identifiable assets and liabilities acquired or assumed.

Purchased goodwill is exercised when an enterprise is sold at a value that exceeds its net worth. This excess of purchase price over net worth is an asset designated as purchased goodwill. Note that Goodwill that is not evidenced by a sale/purchase is not considered an economic asset.

ii. Other intangible assets

These are other forms of intangible non-financial assets, such as patents and leases.

Assets acquired in satisfaction of debt

117. Assets acquired directly by the credit institution in satisfaction of debt. Include also assets acquired by subsidiaries, associates, or connected companies of the reporting credit institution in satisfaction of debt unless reported by such entities.

Items in transit

118. Funds (usually belonging to customers) in the course of being transmitted between MFIs. Items include cheques and other forms of payment that have been sent for collection to other MFIs. If transactions, regarding the transmission of funds between MFIs, are incomplete as at balance sheet reporting date, amounts payable and receivable in respect of items in transit that are due for settlement on a future date will feature on the balance sheet.

Suspense items

119. Asset balances held in the balance sheet which are not booked in the name of customers but which nevertheless relate to customers' funds (e.g. funds that are awaiting investment, transfer or settlement).

Other unallocated assets

120. All other unallocated assets of the reporting institution not already included elsewhere in the schedule. This item includes interest due and unreceived on loans/deposits/securities other than shares/other that the bank has earned but not yet been collected.

APPENDIX 6 – CLASSIFICATION BY ECONOMIC ACTIVITY NACE REV 1[(2)]

General Instructions

121. NACE Rev.1 is an industrial classification that groups entities according to their main type of industrial or service activity. An activity is said to take place when resources such as equipment, labour, manufacturing techniques, information networks or products are combined, leading to the creation of specific goods and services. An activity is characterised by an input of products (goods and services), a production process and an output of products. In practice, entities may carry on activities of a mixed character. The identification of a "principal activity" is necessary to allocate an entity to a particular NACE Rev. 1 heading. The principal activity is that activity that contributes most to the total value added of the entity under consideration. The principal activity so identified does not necessarily account for 50% or more of the entity's total value added. Thus, loans granted by banks should be classified according to the economic sector to which the borrowing entity belongs. For instance, any loan to 'Airmalta' should be classified as 'Transport, storage and communication'- Section IX, both if the loan is taken to build a new runway and if the loan is an overdraft used for daily business of Airmalta. However in the case of companies involved in more than one activity, whenever it is known that the loan is to be directed entirely towards a particular activity, then the loan should be classified according to the industrial classification of that activity. Thus if, for example, the loan taken by 'Airmalta' is for the purchase of a hotel, the latter being a secondary activity of the company, then this should be classified under 'Hotels and Restaurants' – purchase of hotels – Section 8.1.1. In the case of the construction of a new runway, then this loan should be classified under Section IX [(3)]. However, if the loan is taken out by a construction company, then it should be allocated under Section VI.

The classification of unincorporated businesses

122. Unincorporated businesses (for example, sole traders and partnerships) should be classified according to the main activity of the business, unless the proprietor or a partner has borrowed on personal account, in which case the loan should be treated as lending to 'Households and individuals' - Section XVI. For example, if a sole trader borrowed funds to buy a commercial vehicle for carrying the furniture that he produces, then that loan should be classified in the appropriate manufacturing sub-classification. If on the other hand, the loan is requested for the purchase of a luxury car to be used outside business hours, then it should be treated as a loan to 'Households and individuals' – Section XVI as indicated above. Merchants, non-financial

(2) *Nomenclature Generale des Activites Economiques dans les Communautes Europeenes Rev.1*, which is Eurostat's system for classifying economic activity.

(3) Activities carried out by a construction unit on contract for a customer. Thus, the classification of each depends on the main activity of the borrower. In fact, a loan taken out by a hotelier to finance the building of a new hotel and another loan by a construction company to build the same hotel should be classified by the reporting bank under items 8.1.2 and 6.1, respectively.

brokers, importers and exporters should be included under the appropriate distributive trade item 'Wholesale and retail trade' – Section VII.

The classification of loans to a group of companies

123. It is important to identify the full name of the loan account in the case of a loan to a company group. A loan should be classified according to the particular company that holds it. Although the group as a whole may have a wide range of activities, the individual companies within it may have specific activities that are easily classified. The main problems arise in the case of a loan to a holding company within a company group [para. 123], or of a single company engaged in a wide range of activities [para. 128].

The classification of loans to holding companies

124. "Holding companies" come in a variety of forms. In some cases the holding company may be no more than a "shell" company which wholly owns all the other companies in a company group, but plays no other role in the group. In other cases the holding company may play an active part in one of the activities of the group, either by being involved itself in the main activity of part of the group, or by actively acquiring companies, managing them, perhaps restructuring them and possibly selling them thereafter. Some holding companies may manage the group's liquidity and borrow in order to on-lend to the other companies in their group, and may in effect be the financing arm of the group.

125. Bank holding companies should be classified within Section X, 10.4 - Other financial intermediaries and financial auxiliaries. Financial holding companies, (companies where the predominant activity of the group of companies they control is financial), should be classified within Section X, 10.4 - Other financial intermediaries and financial auxiliaries.

126. If it is known that the holding company is borrowing specifically in order to on-lend to a particular group company, the loan should be classified according to the economic activity of the particular group company. If not, the loan should be classified according to the predominant activity of the group that the holding company controls. If the predominant activity cannot be identified, then the loan should be classified under Section X, 10.4 - Other financial intermediaries and financial auxiliaries.

127. Other holding companies, i.e. those that are neither bank holding companies nor financial holding companies. If it is known that the holding company is borrowing specifically in order to on-lend to a particular group company, the loan should be classified to the category of that group company. If not, then the loan should be classified according to the predominant activity of the group that the holding company controls. If the predominant activity of the group cannot be identified, the loan should be classified under Section XI 11.4 - embracing business consultancy and other business activities. This item is the correct classification for a company engaged actively in acquiring, managing, restructuring and selling other companies; its business is a

"business service", in the sense that it makes its profits by providing this "service" to the other companies in the group.

The classification of loans to "in-house" financing companies of an industrial group

128. Many groups of industrial companies establish a separately incorporated financial subsidiary to manage the group's liquidity, and to raise finance and channel the proceeds to other companies within the group. In some groups, the holding company may play this role; guidance on classifying holding companies is given from para. 124 to para. 127. The main feature that distinguishes "in-house" companies from financial institutions is that the main activity of the latter is investing in securities and/or the granting of credit to unrelated customers. In the case of a subsidiary whose prime function is to raise finance on behalf of other group companies, the treatment will depend on the residency of the parent company. Any subsidiary of a parent group incorporated in Malta should be classified according to the main activity of the parent. The only exception is when the subsidiary company servicing the other companies in the group can be considered as a financial intermediary, where this must be classified under Section X, 10.4 - Other financial intermediaries and financial auxiliaries. If the financing subsidiary is the sole subsidiary in Malta of a non-resident group, it should be classified under Section X, 10.4 - Other financial intermediaries and financial auxiliaries. A financing subsidiary of a non-resident parent group, but with affiliates in Malta, should be classified to the main activity of those affiliated Maltese companies.

The classification of loans to companies involved in more than one activity

129. It is important to distinguish between a single company from a group company (see para. 123 for the latter). For a single company that conducts business in two distinct areas, it may be necessary to classify its borrowing in more than one category especially if the separate activities are equally large and important. If it is known that the loan is for a particular business purpose, then the loan should be classified accordingly. If not, then one should determine the predominant activity of the company, and classify its loans accordingly. If no one activity can be said to "predominate", then choose the largest activity in terms of its contribution to company turnover.

The classification of loans to Nominee Companies

130. Reporting institutions should classify loans to nominee companies to the sector of the borrower where this can be determined with reasonable certainty. Where in fact the loan is made to the nominee, or where the circumstances are unclear, the loan should be classified within Section X, 10.4 - Other financial intermediaries and financial auxiliaries.

The classification of loans to central or local government or public non-financial companies

131. As stated earlier, loans should be classified according to the borrower's main activity, whether the borrower is state-controlled or private-controlled. For example, a loan granted to the Public Transport Authority should not be classified as Public Administration (Section XII), but according to its main activity, thus under 'Transport, storage and communication' (Section IX). Similarly, loans to an arm of a Government department that operates within a particular industry should be classified according to the main economic activity. There are several examples of such cases, amongst which, the government printing press, hospitals, schools etc. However, if a government department, ministry or any executive and legislative administration of central and local government borrows money, then this loan should be classified under public administration.

The classification of loan accounts for a company in liquidation

132. The loans to companies in liquidation should continue to be classified according to the industrial category to which they belonged before liquidation. Similarly, banks in liquidation or administration should continue to be classified as banks for as long as they continue to appear on the list of MFIs.

Institutions by main activity(4)

133. In the row classifications, report by economic activity as based on NACE Rev. 1 (Numbers in brackets denote the respective NACE groups or classes according to Regulation (EEC) No. 3037/90 as amended by Regulation (EEC) No. 761/93):

I. Agriculture

Growing of crops; market gardening; horticulture (01.1). Excludes agricultural, horticultural and gardening shops that can be identified separately (50)

(a) Farming of animals (01.2). Excludes veterinary activities (see 85.20)
(b) Growing of crops combined with farming of animals (mixed farming) (01.3)
(c) Agricultural and animal husbandry service activities (01.4)
(d) Purchase of agricultural machinery

II. Fishing

Fishing, operation of fish hatcheries and fish farms, and service activities relating to fishing (05). Excludes fishing as a sport or recreation, (see 92.72)

(4) The respective NACE groups and classes are shown in brackets.

III. Mining and quarrying

Quarrying of stone, limestone, gypsum, chalk, slate, sand and other natural minerals (14.1)

Mining of energy producing materials (CA).

IV. Manufacturing

(a) Food, beverages and tobacco (Excluding industries involved solely in packaging and bottling activities)

i. Production, processing and preserving of meat and meat products (15.1)
ii. Processing and preserving of fish and fish products (15.2)
iii. Processing and preserving of fruit and vegetables (15.3)
iv. Manufacture of vegetable and animal oils and fats (15.4)
v. Manufacture of dairy products (15.5)
vi. Manufacture of grain mill products, starches and starch products (15.6)
vii. Manufacture of animal feeding stuffs (15.7)
viii. Manufacture of other food products (15.8)
ix. Manufacture of beverages (15.9)
x. Tobacco products (16.0)

(b) Textiles and Leather

i. Preparation and spinning ("texturing") (17.1)
ii. Weaving and finishing of textiles (17.2, 17.3)
iii. Manufacture of made-up textile articles and other textiles (17.4, 17.5)
iv. Manufacture of knitted and crocheted fabrics and articles (17.6, 17.7)
v. Manufacture of leather clothes (18.1)
vi. Manufacture of other wearing apparel and accessories (18.2)
vii. Manufacture of articles of fur; fur dressing and dyeing (18.3)
viii. Tanning and dressing of leather (19.1)
ix. Manufacture of saddlery and harness, luggage etc. (19.2)
x. Footwear (19.3)

(c) Wood and wood products, excluding furniture

i. Saw-milling and planning of wood; impregnation of wood (20.1)
ii. Manufacture of veneer sheets, plywood, fibreboard and other panels and boards (20.2)
iii. Manufacture of builders' carpentry and joinery (20.3)

iv. Manufacture of wooden containers (20.4)
v. Manufacture of other wood products; articles of cork, straw and plaiting materials (20.5)

(d) Pulp, paper and paper products; publishing and printing

i. Manufacture of pulp, paper and paperboard (21.1)
ii. Manufacture of articles of paper and paperboard (21.2)
iii. Publishing (22.1)
iv. Printing and related service activities (22.2)
v. Reproduction of recorded media (22.3)

(e) Chemicals and chemical products, rubber and plastics

i. Manufacture of basic chemicals (24.1)
ii. Manufacture of pesticides and other agro-chemical products (24.2)
iii. Manufacture of paints, varnishes, printing inks and mastics (24.3)
iv. Manufacture of pharmaceuticals, medicinal chemicals and botanical products (24.4)
v. Manufacture of soap and detergents, polishes, perfumes and toilet preparations (24.5)
vi. Manufacture of other chemical products (24.6)
vii. Manufacture of man-made fibres (24.7)
viii. Manufacture of rubber products (25.1)
ix. Manufacture of plastic products (25.2)

(f) Other non-metallic mineral products and fabricated metal products

i. Manufacture of glass and glass products (26.1)
ii. Manufacture of ceramic goods (26.2)
iii. Manufacture of ceramic tiles and paving (26.3)
iv. Manufacture of structural clay products (26.4)
v. Manufacture of cement, lime and plaster (26.5)
vi. Manufacture of articles of concrete, plaster and cement (26.6)
vii. Cutting, shaping and finishing of stone (26.7)
viii. Manufacture of other non-metallic mineral products (26.8)
ix. Manufacture of basic iron and steel etc. (27.1)
x. Manufacture of tubes (27.2)
xi. Manufacture of basic precious and non-ferrous metals (27.4)
xii. Casting of metals (27.5)
xiii. Manufacture of structural metal products (28.1)
xiv. Manufacture of tanks and other metal containers, central heating radiators and boilers (28.2)
xv. Manufacture of steam generators (28.3)

xvi. Forging, pressing, stamping and roll forming of metal, and powder metallurgy (28.4).
xvii. Treatment and coating of metals; general mechanical engineering n.e.s (28.5)
xviii. Manufacture of cutlery, tools, and general hardware (28.6)
xix. Manufacture of other fabricated metal products (28.7)

(g) Machinery and equipment not elsewhere classified

i. Manufacture of machinery for the production and use of mechanical power (29.1)
ii. Manufacture of other general purpose machinery (29.2)
iii. Manufacture of agricultural and forestry machinery (29.3)
iv. Manufacture of machine tools (29.4).
v. Manufacture of other special purpose machinery (29.5)
vi. Manufacture of domestic appliances not elsewhere classified (29.7)

(h) Electrical and optical equipment

i. Manufacture of office machinery and computers (30.0)
ii. Manufacture of electric motors, generators and transformers (31.1)
iii. Manufacture of electricity distribution and control apparatus (31.2)
iv. Manufacture of insulated wire and cable (31.3)
v. Manufacture of accumulators, primary cells and batteries (31.4)
vi. Manufacture of lighting equipment and electric lamps (31.5)
vii. Manufacture of electrical equipment not elsewhere classified (31.6)
viii. Manufacture of electronic valves, tubes and other electronic components (32.1)
ix. Manufacture of television and radio transmitters and telephony and telegraphy line apparatus (32.2)
x. Manufacture of television and radio receivers, sound/video recording or reproducing apparatus and associated goods (32.3)
xi. Manufacture of medical and surgical equipment and orthopaedic appliances (33.1)
xii. Manufacture of instruments and appliances for measuring, testing, navigating and other purposes (33.2)
xiii. Manufacture of industrial process control equipment (33.3)
xiv. Manufacture of optical instruments and photographic equipment (33.4)
xv. Manufacture of watches and clocks and components (33.5)

(i) Shipbuilding and Repairing

Building and repair of ships and boats (35.1) including oil platform fabrications and sections; inflatable boats, plastic buoys and rubber life-buoys; ship breaking

(j) Furniture

i. Manufacture of furniture (36.1) including chairs and seats, for motor vehicles cinemas, theatres and aircraft; other office and shop furniture; fitted kitchens; finishing of furniture such as spraying, polishing and upholstering; manufacture of mattresses
ii. Manufacturing n.e.c. (not elsewhere classified)
iii. Manufacture of jewellery and related articles (36.2)
iv. Manufacture of musical instruments (36.3)
v. Manufacture of sports goods (36.4)
vi. Manufacture of games and toys (36.5)
vii. Manufacture of miscellaneous not elsewhere classified (36.6)
viii. Recycling of metal waste and scrap (37.1)
ix. Recycling of non-metal waste and scrap (37.2)

V. Electricity, gas and water supply

(a) Production and distribution of electricity (40.1)

(b) Manufacture of gas; distribution of gaseous fuels through mains (40.2)

(c) Collection, purification and distribution of water (41.0)

VI. Construction

(a) Includes activity involved in new construction, extension, restoration and ordinary repair of hotels, tourist accommodation and restaurants. Activities comprise: site preparation; building of complete constructions and parts thereof and civil engineering works.

(b) This class includes building installation (45.3), e.g. electrical wiring, plumbing; building completion (45.4), e.g. plastering, painting, tiling, joinery installation, other building completion (45.45) such as installation of private swimming pools, sandblasting etc.; renting of construction and or demolition equipment relating to hotels, other tourist accommodation and restaurants.

(c) Speculative construction activities carried out by a construction unit on its own behalf, for subsequent sale or letting.

Construction activities carried out by a construction unit on contract for a customer.

(d) Construction not elsewhere classified, excluding 1, 2 and 3 above.

VII. Wholesale and retail trade; repairs

(a) Sale and repair of motor vehicles and retail sale of automotive fuel

i. Sale of motor vehicles (50.1)
ii. Maintenance and repair of motor vehicles (50.2)
iii. Sale of motor vehicle parts and accessories (50.3).
iv. Sale, maintenance and repair of motorcycles and related parts and accessories (50.4)
v. Retail sale of automotive fuel (50.5)

(b) Wholesale trade, excluding motor vehicles and motorcycles

i. Wholesale on a fee or contract basis (51.1)
ii. Wholesale (own account) distributors of agricultural produce and live animals (51.2), food, beverages and tobacco (51.3), household goods (51.4), non-agricultural intermediate products, waste and scrap (51.5), machinery, equipment and supplies (51.6) and other goods (51.7).

(c) Retail trade and repair, excluding motor vehicles and motorcycles

i. Retail trade in non-specialised stores (52.1).
ii. Specialist retailers of food, beverages and tobacco (52.2).
iii. Retailers of pharmaceuticals and medical goods, cosmetics and toilet articles (52.3).
iv. Specialist retailers of other goods (52.4).
v. Retailers of second-hand goods (52.5)
vi. Other retailing (52.6)
vii. Repair of personal and household goods (52.7).

VIII. Hotels and restaurants

(a) Hotels (55.1) excludes rental of long-stay accommodation, timeshare operations (see item 11A).

(b) Camping sites and other short-stay accommodation (55.2)

(c) Outright purchase of hotel.

(d) Includes activity involved in new construction, extension, restoration and ordinary repair of hotels, tourist accommodation.

Activities comprise: site preparation; building of complete constructions and parts thereof and civil engineering works.

(e) Include loans used and working capital (e.g. Overdrafts)

(f) Restaurants (55.3), bars (55.4) Canteens and contract catering (55.5)

IX. Transport, storage and communication

Land transport (60.2) comprising bus, motor coach services; road haulage; taxi and mini cab services and private hire cars with drivers; non-scheduled charter services and other (60.3)

Sea and coastal water transport (61.1) including transport via water, towing of barges, oil rigs etc.

Air transport, scheduled (62.1) and non-scheduled (62.2)

(a) Travel agencies, tour operators and other miscellaneous tourism services (63.3) including tourist offices and guides; travel couriers.

Other transport agency activities (63.4) comprising freight brokers and similar agents.

(b) Cargo handling and storage (63.1) including grain silos and storage tanks.

Other supporting transport activities (63.2) including; bus and freight terminals; vehicle parking lots and garages; berthing in harbours and piers; navigation and pilotage; lighthouses; air terminals and ground servicing of aircraft; air traffic control; flying schools for professional certification.

(c) Post and courier activities (64.1) provided by public and private sector entities; including mailbox rental.

Telecommunications (64.2) embracing telephone, telegraph and telex; including network maintenance and radio and television relay services;

X. Financial Intermediation

(a) Central Bank

(b) Credit Institutions

(c) Collective investment schemes

(d) Other financial intermediaries and financial auxiliaries involves provision of service involved in or closely related to financial intermediation, but not themselves involving financial intermediation (67), such as administration of financial markets (67.11), security broking and fund management (67.12), activities auxiliary to financial intermediation n.e.c. (67.13)

(e) Insurance and pension funding

XI. Real estate, renting and business activities

(a) Buying and selling, development and renting of real estate

i. Real estate activities (own property) (70.1) including project development; buying and selling of residential and commercial property and land; housing associations.
ii. Letting of own property (70.2) including exhibition halls and conference centres;
iii. timeshare operations;
iv. Real estate activities on a fee or contract basis (70.3) comprising estate agencies'
v. intermediation in buying and selling, and property management and rent collecting;
vi. Contract management by property companies; other renting agencies.
vii. Development of real estate projects including the bringing together of financial, technical
viii. and physical means to realise real estate projects for later sale, whether for residential
ix. Buildings or other.

***Excludes** real estate activities involving any construction activities; excludes purchase of property for personal use*

(b) Renting of machinery and equipment without operator and of personal and household goods

i. Renting of cars and light vans (71.1)
ii. Renting of other transport equipment (71.2)
iii. Renting of other machinery and equipment (71.3)
iv. Renting of personal and household goods not elsewhere classified (71.4)

(c) Computer and related activities (Excluding wholesale and retail activities of computers and peripheral equipment – see 51.64 and 52.4

i. Hardware consultancy (72.1) (excluding consultancy provided by computer
ii. manufacturers and retailers – see 30.02, 51.64, 52.48)

iii. Software consultancy and supply (72.2)
iv. Data processing (72.3)
v. Data base activities (72.4).
vi. Maintenance and repair of office, accounting, and computing machinery (72.5); other
vii. computer related activities (72.6)

(d) Legal, accountancy, business consultancy and other business activities (including research and development)

i. Research and development (73.1 and 73.2)
ii. Legal, accounting, book-keeping and auditing; tax, business and management consultancy and management activities of holding companies (74.1)
iii. Architectural and engineering activities (74.2)
iv. Technical testing and analysis (74.3)
v. Advertising (74.4).
vi. Labour recruitment and personnel placement (74.5)
vii. Investigation and security activities (74.6)
viii. Industrial cleaning (74.7)
ix. Miscellaneous business activities (74.8)

XII. Public administration

(a) Administration of the state and economic and social policy (75.1), including local councils

(b) Community services including foreign affairs, defence, judicial activities, public law and order, fire service and other (75.2), excluding public sector ending for items 13, 14 and 15.

XIII. Education

(a) This division includes public as well as private education at any level or for any profession, oral and written as well as by radio and television (80)

(b) Primary Education (80.1)

(c) Secondary education (80.2)

(d) Higher education (80.3)

(e) Adult and other education (80.4)

XIV. Health and social work

(a) Human health activities including hospitals and medical practice activities (85.1)

(b) Veterinary activities (85.2)

(c) Social work activities (85.3)

XV. Community, recreational and personal service activities

(a) Personal and community service activities

i. Sewage and refuse disposal, sanitation and similar activities (90.0) Excludes private sector and public sector bodies responsible for water supply and treatment and disposal of sewage (see item 5B).
ii. Activities of business, employers and professional organisations (91.1)
iii. Activities of trades unions (91.2)
iv. Other membership organisations, such as religious and political organisations and other not elsewhere classified (91.3)

(b) Recreational, cultural and sporting activities (for sport and recreation)

i. Motion picture and video activities (92.1)
ii. Radio and television activities (92.2)
iii. Other entertainment (92.3)
iv. News agencies (92.4)
v. Libraries, archives, museums etc. (92.5)
vi. Sporting activities (92.6)
vii. Other recreational activities (92.7)

(c) Other service activities (93.0)

i. Washing and dry-cleaning of textile and fur products (93.01)
ii. Hairdressing and other beauty treatment (93.02)
iii. Funeral and related activities (93.03)
iv. Physical well-being activities (93.04)
v. Other service activities n.e.c. (93.05)

XVI. Households and individuals

(a) Acquisition of land/dwellings for own use, includes lending to private individuals for the purchase of land or dwelling, secured by mortgage. Includes also short-term finance to private individuals to finance house purchase pending receipt of funds from another source.

(b) Construction, extension or completion of self-owned dwellings, includes lending for home improvements such as:

i. Home extensions and loft conversions;
ii. Recovering or reconstructing a roof;
iii. Replacement of electrical installations; installation of fire or burglar alarms;
iv. Reconstruction or conversion of a property, underpinning a house or rebuilding a facade;
v. Construction of driveways and paths and landscaping of gardens;
vi. Erection and cost of garages, garden sheds, greenhouses, patios and fences;
vi. Installation of double-glazing, replacement windows/doors, bathrooms, central heating, and kitchen and bedroom units which are affixed to and are part of the building.

***Excludes** all unsecured lending for repair and maintenance to properties, such as painting and decorating; (see item 18c).*

(c) Purchase of goods and services

Any personal lending to private individuals not already specified, including lending for the purchase of consumer items for personal use; other personal lending and overdrafts, including personal credit card borrowings.

(d) Other loans

Lending to individuals on a personal basis for investment in a trade, business or profession, including lending to purchase a trade or profession to acquire a share in a partnership or to finance investment in long-term risk in capital ventures; lending to active partners to invest in their partnership; lending to directors/employees to acquire shares in, or otherwise finance their company; lending to individuals for third level or other specific educational expenses.

***Excludes** lending to individuals for speculative purposes, or for education in leisure pursuits.*

XVII. Extra-Territorial organisations and bodies

Includes activities of international organisations such as the United Nations and its specialised agencies, regional policies, etc., European Communities, European Free Trade Association, Organisation for Economic Co-operation and Development, Customs Co-operation Council, Organisation of Oil Producing and Exporting Countries, International Monetary Fund, World Bank, etc…

Includes also activities of diplomatic and consular missions stationed abroad or at offices of international organisations, (see 75.21).

APPENDIX 7 – COMPILATION OF FLOW STATISTICS

134. Flows are defined as the difference between the stock position at end-month reporting dates, from which the effect of changes that arise due to influences other than true transactions is removed. These influences can take the form of reclassifications and other adjustments, exchange rates adjustments and price revaluation and loan write offs/write downs. Explanatory information on the reclassification adjustments is also required.

135. As mentioned above, the flow in a particular instrument is found by using the stock data for the same instrument as shown in the balance sheet submitted by the reporting agent. The process entails a simple arithmetic operation, which in symbol format for period 't' can be expressed as:

$$F_t = (S_t - S_{t-1}) - C_t - V_t - E_t$$

Where F_t = Flow
S_t = Stock end of period
S_{t-1} = Stock end of previous period
C_t = Reclassification adjustment
V_t = Revaluation adjustment
E_t = Exchange Rate adjustment

Methods of collecting revaluation adjustments

Schedule 1 - Reclassifications

136. The purpose of this schedule is to capture data on any extraordinary activity involving balance sheet items. This activity should include financial flows arising from any changes in assets and liabilities other than those arising from transactions and revaluations. These comprise catastrophic losses, uncompensated seizures, other volume changes in non-financial and financial assets, changes in sector classification of counterparties in the absence of revisions and changes in the composition of the statistical reporting population. Possible examples are changes following privatisation or a merger.

137. This schedule requires that reclassifications and other adjustments be reported according to the geographical location of the counterparty. In addition, counterparties located in Malta and in the participating Member States of the euro area are classified according to their institutional sector, with separate data for monetary financial institutions, general government and 'other resident (non-government) sector'. With regards to residents of the Rest of the World, only totals are to be reported.

138. Explanatory notes and other information on the reasons for any adjustment reported by the reporting agents are required, due to the extraordinary issues that often give rise to the adjustments.

Schedule 2 - Price Revaluation (including write offs/write downs)

139. The purpose of this reporting form is to collect data on revaluation adjustments in the price of financial assets and liabilities including loan write offs/write downs and price revaluation of securities. Hence, adjustments in respect of write offs/write downs of loans are to be reported together with price revaluation of securities.

Write offs/write downs of loans

140. Data on write offs/write downs are reported in order to remove from the flows the impact of changes in the value of loans caused by write offs/write downs of the same loans. The method used to calculate these types of adjustments depends on the valuation system applied to loans when reported in the stock-based schedules. Locally, where loans are recorded gross of all specific and general provisions, an adjustment to the loans figure should be reported only at the time a write-off or write-down takes place and not when a provision is recorded, because this provision has no impact on the item 'loans'. Therefore, reporting institutions should report a monthly adjustment each time loans are written-off. The adjustment should comprise both the write-offs directly applied and those that were previously provisioned.

141. The amounts written off/written down are reported according to the geographical location of the counterpart. In addition, counterparties located in Malta and in the participating Member States of the euro area are classified according to their institutional sector, while a further breakdown of the counterparties is illustrated in schedule 5, which is dedicated entirely to loans.

Price revaluations of securities

142. Adjustments in respect of price revaluation of securities refer to changes in the price at which securities are traded or recorded. In this sector, revaluation adjustments comprise valuation changes that are both realised, following transactions in securities and also unrealised (holding gains/losses), which are reflected in the value of end of period balance sheet stocks.

143. The price revaluations are reported according to the geographical location of the counterparty. In addition, counterparties located in Malta and in the participating Member States of the euro area are classified according to their institutional sector, with separate data for monetary financial institutions, general government and 'other resident (non-government) sector'. Total amounts are reported only in respect of securities other than shares and shares and other equity issued by residents of the rest of the world, without any additional breakdown.

144. Given the accounting rules commonly used to compile balance sheet (stock) data, it is assumed that the revaluation adjustment refers only to the asset categories securities other than shares and shares and other equity. Therefore, while there is a reporting requirement set out for the liability side of the

balance sheet, it is assumed that the cells referring to debt securities are normally, although not necessarily 'nil' and that the cells referring to capital and reserves and other liabilities are only for balancing purposes, i.e. since total assets and total liabilities must be equal, reporting institutions should include a balancing entry in capital and reserves and/or other liabilities, according to the institution's accounting practice. In the event of a reporting institution recording a revaluation of the liability item debt securities, a further breakdown of the data may be required on an ad-hoc basis.

145. Price revaluations may also impact on the item fixed assets. Consequently, any change in the value of fixed assets including depreciation should be reported here.

146. A number of examples for the reporting of both loans write-offs/write-downs and price revaluations are included in Annex 1, appended to these instructions.

Schedule 3 - Exchange Rate revaluation adjustments

147. This reporting schedule is meant to capture data on adjustments in the valuation of instruments denominated in foreign currency, caused by movements in the exchange rate of the reporting currency (Maltese Lira) with respect to foreign currencies during the reporting period. Exchange rate adjustments are requested in order to remove the impact of exchange rate changes on foreign currency denominated items featuring in the balance sheet. The method used for the calculation of the exchange rate revaluation adjustments includes the changes that occur over time in the value of end-period balance sheet stocks arising mainly from holding gains/losses. It may also contain valuation changes that arise from transactions in securities, referred to as realised gains/losses.

148. The exchange rate revaluation adjustments on the assets side are required according to the residency of the counterparty. In addition, counterparties located in Malta and in the participating Member States of the euro area are classified according to their institutional sector, with separate data for monetary financial institutions, general government and the 'other resident sector'. Total amounts are reported only in respect of counterparties being residents of the rest of the world, thus not requiring any additional breakdown. Exchange rate changes on foreign currency denominated loans are to be reported in more detail in Schedule Flowloans. On the liabilities' side, no residency classification is requested. An example for the reporting of exchange rate revaluations is included in Annex 1, appended to these instructions.

Schedule 4 - True Transactions

149. The purpose of this schedule is to capture the true transactions in the instruments that feature in the balance sheet during the specific reporting period. True transactions are financial flows that arise out of the creation, liquidation or change in ownership of financial assets or liabilities between institutional units. The reported transactions must strictly reflect the amounts

that flow of funds carried out by the reporting credit institution. Consequently, there is a genuine likelihood that the true transaction would include some effects of price or exchange rate revaluations in the actual figure.

150. The structure of the 1schedule is similar to the other flows' schedules. Thus, emphasis is made on the classifications of residency on the assets' side of the schedule. Naturally, transactions occur in all the instruments that feature in the schedule, but requirements in terms of detail vary from one item to the other. Reporting requirements for liabilities is minimal, where only totals are needed. However, any decrease in Provisions, reported under Remaining Liabilities must be highlighted and explained in a separate note, especially where the transaction is part of the whole transaction of a loan write-off. A number of examples for the reporting of true transactions are included in Annex 1, appended to these instructions.

Schedule 5 – Loans

151. The aim of this schedule is to obtain particular data on a single instrument, i.e. loans, without requesting the same level of detail for the whole balance sheet. In the other flows schedules, loans granted to residents of Malta and of the participating Member States of the euro area were classified according to their institutional sector, being either monetary financial institutions, general government or other residents. In this schedule, the latter will be split further and a breakdown for all loans by sub-sector must be reported. The sub-sectors are 'other financial intermediaries and financial auxiliaries', 'insurance companies and pension funds', 'non-financial companies', and 'households and non-profit institutions serving households'. The household sector is reported with a breakdown according to the purpose of the loan, i.e., consumer credit, lending for house purchase and other (residual).

152. The schedule is designed to cater for all possible movements in loans and to split them according to the reason of the movement, being due to valuation changes or a proper transaction.

<u>Annex 1</u>

Example 1

Consider three existing loans in a MFI balance sheet at the end of January. Two of them are already partially provisioned (A and B) and it is thought that they could still be partially recovered at a later stage, while another loan (C), will be completely written-off without any provision being effected. During the month, apart from an increase in the amount provided on one of the loans, a new loan is granted (D) and interest accrued on loans is added back to the value of each loan and deducted from remaining assets.

	31 January	28 February
Loans Outstanding		
Loan A	100	105
Loan B	100	110
Loan C	100	0
Loan D	0	101
	31 January	**28 February**
Provisions		
Loan A	40	40
Loan B	20	30
Loan C	0	0
Loan D	0	0

Interest Accrued added to loans at the end of February

Loan A	5
Loan B	10
Loan C	0
Loan D	1

The following table indicates loan-by-loan outstanding amounts, true transactions and price revaluations.

	Stock end-January	True Transactions	Price Revaluation	Reclassifications	Stock end-February
Loan A	100	0	0	5	105
Loan B	100	0	0	10	110
Loan C	100	0	-100	0	-
Loan D	-	100	0	1	101

Note that since reporting is done on a gross basis, the loan figures reported should not be affected by changes in the provisions on loans. Hence, in the flows schedules sent to the Central Bank, the increase of 10 in the provisions on Loan B does not affect the *Loans* figure but must be recorded as an increase in the remaining liabilities figure and a drop in the Profit and Loss Account reflected in Capital and Reserves. As a result, when a write-off is applied, an adjustment should be reported on the total amount of the loan and not merely on the portion of the loan that is still not provisioned. Accrued interest, which is generally transferred from other assets to loans semi-annually, should feature under reclassifications.

For accounting purposes loans write-downs/write-offs may be recorded quarterly or semi-annually, depending on a management decision or due to the credit institutions' internal policy. Write-downs/write-offs should be reported only when they occur and zeros should be reported for every period in which no loan write-downs/write-offs are recorded.

Example 2

Consider three different securities in a reporting agent's portfolio. Security A is classified as held to maturity was bought on the primary market and upon maturity it will be redeemed at the same price that it was purchased. Security B and Security C are held for trading. The table below shows the developments in the portfolio relating to each security during the period under scrutiny.

	30 September	2 October	20 October	30 October
Market price B	100	99	102	103
Operations	-	Bought 10 bonds	Sold 5 bonds	

	30 September	2 October	10 October	30 October
Market price C	102	100	98	100
Operations	-	Bought 5 bonds	Bought 5 bonds	

The table below shows all the necessary adjustments following the transactions shown above, segregated security by security. The adjustments that need to be reported as securities are represented by the total. It is assumed that, at the outset, the portfolio contains one hundred bonds per type of security.

Note that there are two ways how the reporting agents can make a revaluation of the portfolio.

Values (in Maltese Lira)	Opening Stock	True Transactions	Price Revaluation	Closing Stock
Security A	10000	0	0	10000
Security B-1st transaction	10000	990	40	-
Security B-2nd transaction	-	-510	10	-
Security B-holding gain/loss	-	0	285	10815
Security C-1st transaction	10200	500	0	-
Security C-2nd transaction	-	490	10	-
Security C-holding gain/loss	-	0	-200	11000
Total	30200	1470	145	31815

Example 3

Consider one type of foreign currency denominated security in a reporting agent's portfolio. In this example the securities, which are denominated in US dollar are influenced by a change in price, and another change in the exchange rate during the same month. It is assumed that no sales or purchases are effected during the period. The scenario of what occurred, along with how the adjustments should be reported and all the workings are illustrated below.

	Opening	Closing	Change
Price (of one bond) in $	10	20	+10
Exchange Rate (USD/Lm)	2.0	2.5	-0.5
Volume of securities	100	100	-
Value of securities (Lm)	500	800	**+300**

Reporting flows

True Transactions	-
Price Revaluation	+500
Exchange Rate Revaluation	-200
Reclassifications	-
Total	**+300**

Workings

Price Revaluation = (Volume * Change in Price)/Opening Exchange Rate
= (100*10)/2.0 = +500

Exchange Rate Revaluation = ((100*20)/2.5) - ((100*20)/2.0) = -200
= (Volume * Clos. Price)/Clos. Exch. Rate) –
((Volume * Clos. Price)/Open. Exch. Rate)

ASSETS SCHEDULES

Core Assets

153. Report all assets at their market value in thousands of Maltese Lira held by the reporting institution as at the end of the reference month. Vertically, balances are classified according to the claim on the major institutional units and by the instrument. Horizontally, balances are classified by the residency of the counterparty, in the form of residents of Malta, residents of the Monetary Union Member States and residents of the rest of the world and by currency denomination of the asset, in the form of Maltese Lira, Euro and other. The "Other" comprises all other currencies excluding Maltese Lira and Euro.

154. Another column entitled "Not allocated" is added in the core balance sheet. The purpose of this column is solely for specific items where no data is being requested by residency of the counterparty for such items. Do not report in shaded cells.

155. All transactions with residents of Malta should be classified in Column C, while transactions with non-residents should be classified in Column I.

Assets AL1 - Analysis of loans (incl. deposits) by sector and maturity

156. Report all loans advanced and deposits placed by the reporting institution classified by institutional units of the economy as explained in Article 3 of the instructions. Distinction should be made between loans and deposits (both on the assets side of the balance sheet) in accordance with Article 5 of the Instructions.

157. For the purposes of this schedule, loans and deposits are to be classified by original maturity and recorded gross of all the related provisions and interest in suspense until they are written off by the reporting institution. Do not report in the shaded cells, as these sectors are not applicable for Malta.

158. In item 1.4.4.1 and 2.4.4.1 "Consumer credit" report loans granted for the purpose of personal use in the consumption of goods and services.

159. In item 1.4.4.2 and 2.4.4.2 "Lending for house purchase", report loans granted for the purpose of investing in housing, including building and home improvements. Include also loans secured on residential property that are used for the purpose of house purchase and, where identifiable, other loans for house purchases made on a personal basis or secured against other forms of assets.

160. In item 1.4.4.3 and 2.4.4.3 "Other (loans)" report other loans to Households and the non-profit Institutions, i.e. loans granted for the purpose such as business, debt consolidation, education etc.

Assets AL2 - Analysis of loans (incl. deposits) by country of residence

161. Report all loans advanced and deposits placed by the reporting institution classified by country of residence, and distinguished between MFIs and 'other'. The 'other' sector includes all the institutional units excluding MFIs as explained in Appendix 3 of the instructions. Distinction should be made between loans and deposits (both on the assets side of the balance sheet) in accordance with Appendix 5 of the Instructions.

162. For the purposes of this schedule, loans are to be recorded gross of all the related provisions and interest in suspense until they are written off by the reporting institution.

163. Funds placed with institutions other than MFIs should be treated as loans, even though a distinction between loans and deposits is not requested for the category "Others" in this schedule.

Assets AL3 - Analysis of loans (incl. deposits) by currency

164. Report all loans granted and deposits placed by the reporting institution classified by currency denomination of the instrument and by residency (i.e. residents of Malta, MUMs and ROW countries) and by main economic sector. Distinction should be made between loans and deposits (both on the assets side of the balance sheet) in accordance with Appendix 5 of the Instructions.

165. For the purposes of this schedule, loans are to be classified by original maturity and recorded gross of all the related provisions and interest in suspense until they are written off by the reporting institution.

166. Funds placed with institutions other than MFIs should be treated as loans, even though a distinction between loans and deposits is not requested for the category "Others" in this schedule. Note that the concept of MFIs does not apply for the 'Rest of the World' category.

167. For the purposes of schedules AL4, AL5, AL6, AL7, AL8 and AL9, loans must be recorded gross of all the related provisions and interest in suspense until they are written off by the reporting institution. Moreover purchase/resale agreements are to be excluded from the loan figures in the industry classification. However they are reported separately as an additional item.

Assets AL4 - Analysis of loans by economic activity (NACE Rev.1) and by currency

168. Report loans granted by the reporting institution to all institutional units classified by economic activity in accordance with NACE Rev. 1 and classified by indicated currency denomination of the loan.

169. Detailed notes of the economic activity NACE Rev. 1 can be found in Appendix 6 of the Instructions.

170. For the purposes of this schedule, loans must be recorded gross of all the related provisions and interest in suspense until they are written off by the reporting institution.

Assets AL5 - Analysis of loans by economic activity (NACE Rev. 1) and residence

171. Report loans granted by the reporting institution to all institutional units classified by economic activity in accordance with NACE Rev. 1 and classified by residency into residents of Malta, MUM and ROW countries. Moreover, under the residency category data is sub-classified into Government and Public Non-Financial Companies and Other.

172. Detailed notes of the economic activity NACE Rev. 1 can be found in Appendix 6 of the Instructions.

173. For the purposes of this schedule, loans must be recorded gross of all the related provisions and interest in suspense until they are written off by the reporting institution. Do not report in the shaded cells since they are not applicable. Report Interest in Suspense as a memorandum item.

Assets AL6 - Analysis of loans by economic activity (NACE Rev. 1) and interest rates

174. Report loans granted by the reporting institution to all institutional units classified by section of the economic activity in accordance with NACE Rev. 1.

175. Detailed notes of the economic activity NACE Rev. 1 can be found in Appendix 6 of the Instructions.

176. In the column classification report separately loans denominated in Maltese Lira and loans denominated in foreign currency. For each category, report also the number of loans, the utilised balance (outstanding amount), the weighted average interest rate, and the minimum and maximum interest rates applicable on loans to each economic sector.

177. The weighted average interest rate is the annualised rate calculated by multiplying the amount of each loan in each economic sector by the interest rate applied thereto and dividing by the respective total amount in each sector. This procedure is also to be used to arrive at the total weighted average interest rate.

178. For the purposes of this schedule, loans must be recorded gross of all the related provisions and interest in suspense until they are written-off by the reporting institution. In item 3.1 report loans to non-financial companies resident in Malta. This comprises loans granted to companies registered in malta excluding the financial intermediation sector. Report also as a

memorandum item, loans granted by the reporting institution to all institutional units by size of the loan according to the category provided. In the column classification report separately the number of accounts and the total utilised balance (outstanding amount) in each category. In memorandum item number 2 report the interest rate on loans to non-financial companies, with maturity of up to one year and over one year.

Assets AL7 - Analysis of loans by term to maturity and residence

179. (1) Maturity of Loans

Report loans by the ultimate maturity in accordance with the breakdown of the Schedule.

(2) Loans and advances collateralised by

The security is that security which the bank or credit institution regards as extendible. The total extendible security is to be shown in full under the separate headings and the percentages are to be calculated on the total extended value of all securities and on total lending.

<u>Prime bank guarantees</u>

Report the balances outstanding and percentage of loans and advances secured by prime bank guarantees.

<u>Cash or quasi cash</u>

Report the balances outstanding and percentage of loans and advances secures by a pledge on cash deposits, marketable securities or insurance policies with a surrender value limited to the current surrender value.

<u>Guarantees issued by the Malta Government, the Central bank of Malta or Public Agencies</u>

Report the balances outstanding and percentage of loans and advances secured by guarantees issued by the Malta Government, the Central Bank of Public Agencies.

It is the responsibility of the lending bank or credit institution to ensure that any such institution must legally have in its statute a clause to the effect that any such guarantees are issued with the backing of the Malta Government and should furthermore obtain a copy of such government authorisation for each guarantee.

<u>Letters of comfort</u>

Report the balances outstanding and percentage of loans and advances secured by letter of comfort issued either by the Malta Government or the Central Bank of Malta. Banks and credit institutions are to ensure that every effort is made to avoid sanctioning facilities against such security.

Guarantees by prime institutions

Report the balances outstanding and percentage of loans and advances secured by guarantees by prime institutions such as export credit insurance agencies.

Immovable property

Report the balances outstanding and percentage of loans and advances secured by immovable property.

Bills as security

Report the balances outstanding and percentage of loans and advances secured by Bills of Exchange.

Personal guarantees

Report the balances outstanding and percentage of loans and advances secured by personal guarantees.

Other

Report the balances outstanding and percentage of loans and advances secured by other security including general hypothecs etc.

Assets AL8 – Analysis of loan limits, balances, excesses and prepayments

180. Report loans and advances before adjustments for specific and general provisions for bad and doubtful debts and interest in suspense.

Report encroachments i.e. unauthorised overdrawn current accounts.

Report all other facilities such as bills discounted, credit cards and commercial paper, other than loans and overdrafts.

Limits Report the actual amount sanctioned under the facilities (Loans) provided less repayments due, whether paid or unpaid, i.e. balances due are deducted from the limits irrespective of whether the payment has been effected or not. Limits are reduced by time.

In the case of overdrafts report the actual amount sanctioned under the facilities provided.

In the case of other facilities (other than loans and overdrafts) report the actual amount sanctioned under the facilities provided less repayments. Limits are reduced by time.

Utilised Balances

Report the debt owed by the customer.

Report loans which have expired or have not been reviewed on time because of delays for which the reporting credit institution or customer is not at fault and which, for all intents and purposes, the reporting credit institution would most probably renew.

Loans which have expired and the reporting credit institution has no intention of renewing are to be reported as Excesses.

Report overdrafts which have expired or have not been reviewed on time because of delays for which the reporting credit institution or customer is not at fault and which, for all intents and purposes, the reporting credit institution would most probably renew.

Overdrafts which have expired and the reporting credit institution has no intention of renewing are to be reported as Excesses.

Report facilities which have expired or have not reviewed on time because of delays for which the reporting credit institution or customer is not at fault and which, for all intents and purposes, the reporting institution would most probably renew.

Facilities which have expired and the reporting credit institution has no intention of renewing are to be reported as Excesses.

Unutilised Balances

Report the amount of facilities within the limits not utilised. Amounts should not be offset but individual accounts should be reported separately.

Unauthorised Excesses

Report any portion of balances over the limit or amount in excess of the facilities provided.

Report loans overdrafts and other facilities which have expired and which the reporting credit institution has no intention of renewing.

Report any unauthorised excess over the sanctioned limit where balance exceeded limit without prior arrangement.

Do not report any authorised excess where:

(a) authorised temporary excess has been granted;

(b) prior arrangement for temporary excess with Manager has been reached.

Prepayments Report payments made in anticipation of what is due or in addition to those due.

The reporting credit institution should keep track of such loans which are included under "Excesses".

A detailed list showing actual excess and/or expired limits would be required from time to time by the Competent Authority.

Assets AL9 – Analysis of loans by economic activity (NACE Rev.1)

181. Report loans granted by the reporting institution to all institutional units classified by economic activity in accordance with NACE Rev. 1 and classified by sector and residency.

Assets AS1 - Analysis of securities other than shares by sector and maturity

182. Report securities other than shares held by the reporting institution as at the end of the reference month.

183. Report in the row classifications holdings of securities other than shares issued by institutional units classified as residents of Malta, the Monetary Union Member States and the Rest of the World, and sub-classified in accordance with the indicated institutional unit. Report in the column classification securities other than shares by the indicated original maturity and by the indicated currency denomination of the security.

Assets AS2 - Analysis of securities other than shares by country of residence

184. Report securities other than shares held by the reporting institution by country of issuer. In the column classification report separately securities other than shares issued by MFIs and by others, which comprise all the remaining institutional units, excluding MFIs. In the former category report also the original maturity of the security other than share in the classification provided.

185. In the Rest of the World category (item 6) report the amounts, and the names, of the three countries where the largest volume of securities other than shares were held at the reference month.

Assets AS3 – Analysis of securities other than shares by currency

186. Report securities other than shares held by the reporting institution by currency denomination in the classification provided.

187. In the column classifications report holdings of securities other than shares issued by residents of Malta, MUMs and the ROW. In each category distinguish between securities other than shares issued by MFI (or Banks for the ROW) and Others. Note that the concept of MFIs does not apply for the 'Rest of the World' category.

Assets AS4 - Analysis of securities other than shares by main sector and term to maturity - Trading

188. Please refer to instructions in *Appendix 4 – Valuation Guidelines*

Assets AS5 – Analysis of securities other than shares by main sector and term to maturity – Held to maturity

189. Please refer to instructions in *Appendix 4 – Valuation Guidelines*

Assets AS6 – Analysis of securities other than shares by main sector and term to maturity – Available for sale

190. Please refer to instructions in *Appendix 4 – Valuation Guidelines*

Assets AR - Analysis of Other unallocated assets

191. Report, interest due and unreceived on loans, deposits (assets), securities other than shares and other. It is interest, which the bank has earned but not yet been collected. Report also all other unallocated assets of the reporting institution not already included elsewhere. In addition, report and specify any item that exceeds 10 percent of the other not elsewhere specified under the memorandum items section.

Assets AE1 – Analysis of shares and other equity by country of residence and type

192. Report shares and other equity held by the reporting institution classified by country of issuer in the country list provided. In the column classifications report holdings of money market funds' shares/units, collective investment schemes' shares/units and other shares/ equity in columns A to C, respectively.

Assets AE2- Analysis of shares and other equity by sector

193. This schedule is required under Articles 15(1)(d) and (e) of the Banking Act 1994.

Report all acquisitions, subscriptions, or holdings of any part of the share capital of, or direct interest in, any one bank, or other company or group of connected persons.

Name of bank, Company, or Group of Companies	Report name of the bank, company or group of connected persons.
Percent Owned	Report the percentage owned by the reporting credit institution in that other bank, company, or group of connected persons. If bank, company or group of connected persons is jointly owned by other parties, indicate only the percentage owned by the reporting credit institution.
Code	Report the appropriate code for each bank/company (etc.) as detailed in the code explanation on the schedule.
B - Banks	Banks or credit institutions as defined by article 2 (1) of the Banking Act 1994.
C – Companies or group of connected persons	Companies and group of connected persons as defined by the Banking Act 1994.
O - Other	Any other entity not falling under the above two definitions.
Date acquired	Report the date the investment was first acquired or held by the reporting bank.
Market/Fair Value	Report the market or Fair valuation in Maltese Liri as at the date of the report.
Original Cost	Report the original cost of the holdings.
% Own Funds	Report the percentage of the original cost to own funds. Article 15(d) and (e) sets out the maximum holdings in banks, companies or group of connected persons.
Indirect Holdings	Report acquisitions, subscriptions, or holdings of any part of the share capital of any one bank, or other company or group of connected persons which are held by any subsidiary of the reporting bank.

Assets AE3 – Analysis of shares and other equity by sector

194. Report shares and other equity held by the reporting institution as at the end of the reference month.

195. Report in the row classifications holdings of shares and other equity issued by institutional units classified as residents of Malta, the Monetary Union Member States and the Rest of the World, and sub-classified in accordance with the indicated institutional unit.

Assets AD – analysis of loans to directors and staff members

196. Report loans and other credit facilities to directors, whether such loans and advances are obtained by the directors or their spouses whether jointly or severally as well as with third parties.

Report loans and other credit facilities to any person in whom or in which the bank or any one or more of its directors is interested as a director, partner, manager, agent or member (other than as a shareholder in a company listed on the Malta Stock Exchange), or to any person of whom or of which any one or more of the bank's directors is a guarantor.

Report loans and other credit facilities to any body of persons in which the bank or any one or more of its directors jointly or severally maintains control, not being itself a bank or the parent undertaking of the bank, a subsidiary of this parent undertaking or a subsidiary of the bank.

Assets AP – Analysis of pledged assets

197. Report pledged assets by the reporting credit institutions under the following items:

1. Precious metals

Report pledged gold or silver coin, or gold, silver, or other precious metals in bullion form.

2. Government securities

Report pledged government treasury bills and publicly issued securities.

3. Other securities

Report other securities pledged.

4. Other eligible assets

4.1 <u>Bills of exchange</u>

Report pledged bills of exchange.

4.2 Promissory notes

Report pledged promissory notes.

5. Documents of title to goods in Malta

Report the total of pledged documents of title to goods in Malta.

6. Other

Report other pledged assets.

Assets AQ – analysis of assets acquired in satisfaction of debt

198. (a) Acquired Directly

Report assets acquired directly by the reporting credit institution in satisfaction of debt.

Name	Report name of debtor.
Code	Report the appropriate code for each asset acquired in satisfaction of debt as detailed in the code explanation on the schedule.
Date Acquired	Report date of acquisition of the asset by the credit institution.
Book Value	Report the book value as at the date of the report.
Percent Owned	If the asset is jointly owned by any other parties, indicate the percentage owned by the credit institution. If the asset is wholly owned by the credit institution, enter 100%.

(b) Acquired Indirectly

Report assets acquired by subsidiaries, associate, or connected companies of the reporting credit institution in satisfaction of debt unless reported under this directive by such entities.

Name	Report name of debtor.
Code	Report the appropriate code for each asset acquired in satisfaction of debt as detailed in the code explanation on the schedule.
Date Acquired	Report date of acquisition of the asset by the subsidiary, associate or connected company.

Book Value Report the book value as at the date of the report.

Percent Owned If the asset is jointly owned by any other parties, indicate the percentage owned by the subsidiary, associate or connected company. If the asset is wholly owned, enter 100%.

Assets AT – Analysis of tangible fixed assets

199. (a) Immovable Property

Report the value of land and buildings, any payments on account and assets in course of construction, etc.

1. **Net book-value of land and buildings occupied for own activities under article 15(1)(f) of the Banking Act 1994.**

   Report the net book value of any land and buildings occupied for reporting bank's own activities.

2. **Original cost of Other Property held under article 15 (f)(iii) of the Banking Act 1994**

   Report that part of immovable property held under article 15(f)(iii) of the Banking Act 1994, that is not for use for the purpose of conducting business, or for securing a debt.

   Any such immovable property acquired needs prior approval of the Competent Authority and the original cost of which cannot in aggregate exceed five (5) per cent of the bank's own funds.

(b) Movable Property

Report the value of plant and machinery, fixtures and fittings, tools and equipment, etc.

<u>Opening book-value</u>

Report the book-value as at the beginning of the financial year.
<u>Additions</u>

Report any additions to tangible fixed assets during the year.

<u>Surplus on revaluation</u>

Report any surplus on the revaluation of tangible fixed assets.

<u>Disposals</u>

Report all disposals of tangible fixed assets during the year.

Opening depreciation

Report the balance of depreciation as at the beginning of the financial year end.

Charge for the year

Report the amount charges for the year to the profit and loss statement.

Disposals

Report the amount of depreciation relating to tangible fixed assets disposed of during the year.

Assets APD – Analysis of past due and doubtful loans and advances – Classification of Loans

200. Report the data in line with Article 21 of the Banking Directive BD/09. Report the various items of the memorandum item strictly in line with the stated Article of Banking Directive BD/09.

Assets APD1 – Analysis of Substandard, Doubtful and Loss facilities by economic sector and residency

201. Report the data in line with Article 21 of Banking Directive BD/09.

Assets DF – Doubtful/Loss Facilities over Lm10,000

202. Report the self explanatory data in accordance with the breakdown in the relative schedule.

Assets RF – Rescheduled Facilities over Lm10,000

203. Report loans and advances over Lm10,000 whose terms have been modified, because of a deterioration in the financial position of the borrower, to provide for revised payments of either interest or principal. Once a loan or advance has been rescheduled because of credit problems, it continues to be considered rescheduled until paid in full or until such time as the terms become normal.

Report hive-offs on hard-core elements on overdrafts when the customer defaults on the original repayment programme and a revised programme is entered into.

Report called-in overdrafts if the original repayment programme is defaulted and a revised programme is entered into.

Do not report any loan or advance which is eventually classified and is reported in Schedule B-P – Doubtful Loans and Advances.

Annex IBE - Analysis of InterBank Exposure by Ultimate Country Risk

204. The aim of the IBE return is to assess the interbank exposure that each credit institution has on the *asset side* of the balance sheet. The items included in the first column of the return are loans, deposits and repurchase agreements held with other credit institutions, excluding exposure with head office or other branches of the reporting bank. The total of this column of data should be equal to the total of core assets items 3.1.1, 3.1.3, 3.2.1, 3.2.3 and 3.3. The other exposures to be included are foreign currency exposures (spot transactions with other credit institutions) and derivative positions (including forward contracts) with credit institutions. In the last column of the return each institution is requested to itemise those exposures with a particular institution in a particular country, that exceed 10 per cent of own funds.

205. A fundamental difference between the IBE return and the core assets, is that whereas the balance sheet is compiled by residency, the IBE return classifies exposures by ultimate country. Ultimate Country Risk is considered to be the country where the claim ultimately resides, or where the head office of a legally dependent bank branch is located. For example, a claim on a UK subsidiary of a US bank is reported under UK. A claim on a Maltese branch of a Turkish bank is reported as a Turkish exposure.

IL – Interest and Fee Income on Loans

206. Report interest and fee income on Loans and Advances in accordance with the breakdown in the relative schedule.

WO – Write-Offs

207. Report the self-explanatory data in accordance with the breakdown in the schedule.

RW – Recoveries and Write-Offs

208. Report the self-explanatory data in accordance with the breakdown in the relative schedule.

CE – Statement of Changes in Equity

209. Statement of Changes in Equity

Ordinary share capital

Report fully paid equity instruments that are subordinate to all other classes of equity instruments.

Share Premium

Report the difference between the par value of a share and its issue price, where the latter is the higher amount.

Preference share capital

Report capital raised by an entity through the sale of preferred shares, and which rank ahead of ordinary shares for the purposes of claiming dividend payments, or any assets of the company should it be wound up.

Revaluation reserves

Report the increase in the carrying amount of an asset as a result of a revaluation under International Accounting Standard 16 which should be credited directly to equity, unless it reverses a revaluation decrease previously recognised as an expense. Revaluation increases and decreases should only be offset where they relate to the same asset. A revaluation decrease should be charged directly against any related revaluation surplus, with any excess being recognised as an expense. Each year an entity may transfer from revaluation reserve to retained earnings the difference between the depreciation based on the revalued carrying amount and the depreciation based on the asset's original cost. This annual transfer from revaluation surplus to retained earnings is not made through the income statement.

Capital reserve

Report the amount set aside in a fund for specific purposes, which thereby cannot be distributed for other uses.

Hedging reserve

In accordance with International Accounting Standard 39, this item comprises of fair value hedges, cash flow hedges and hedges of net investment in a foreign entity. Any changes in their fair values are passed through the hedging reserve.

Exchange rate revaluation reserve

Report an increase/decrease in the foreign exchange value of a currency that is pegged to other currencies or gold.

Currency revaluation/devaluation reserve

Report any deliberate upward or downward adjustment in the official exchange rate established by government against a specified standard, such as a basket of currencies.

Dividend reserve

Report any dividend proposed up till year end but not yet paid as at that date should be transferred from the profit and loss reserve to dividend reserve.

Other reserves

This item shall comprise the cumulative net change in fair values of available-for-sale financial assets held by the bank, together with all other reserves which are not being shown separately on the face of the balance sheet.

Others

Report any other item of equity and reserves not included elsewhere.

Retained earnings

Report any retained realised profits/losses from current and previous years, which are available for distribution to shareholders.

Revaluation on property

Report any increase in the carrying amount of any property, (in accordance with its open market value) as a result of revaluation under International Accounting Standard 16.

Fair value movements on available-for-sale instruments

This item shall comprise the cumulative net gains or losses in fair values of available-for-sale financial assets held by the bank .

Issue of share capital

Report any fresh issue or any other form of increase in ordinary and preference share capital, both through a rights issue bonus issue or otherwise.

Recycle of fair value profits not realised

Any profits registered on marking to market held-for-trading or available-for–sale financial instruments which are recognised in the income statement but which have not been realised (disposal not yet carried out) should be recycled out of the profit and loss account reserve into the unrealised fair value reserve.

Changes in accounting policies

Report the effects attributable to the introduction or amendments in accounting policies, due to a change in or an introduction of an International Accounting Standard, a change in legislation or directive or otherwise.

Liabilities CL – Contingent Liabilities

210. Contingent Liabilities

1. Commitments to make loans and advances or extend credit

Report commitments to make loans and advances

2. Commitments to purchase loans and advances

Report commitments to purchase loans and advances.

3. Guarantees as security against loans and advances

Report the balance on guarantees held as security against loans and advances.

4. Other guarantees and obligations

4.1 <u>On behalf of governments and their agencies</u>

Report other guarantees and obligations on behalf of governments and their agencies.

4.2 <u>On behalf of other customers</u>

Report other guarantees and obligations on behalf of other customers.

5. Standby letter of credit

Report outstanding and unused standby letter of credit and legally binding commitments to issue standby letters of credit.

6. Acceptances and endorsements

Report acceptances and endorsements on account of customers, unmatured drafts, and bills of exchange accepted by the credit institution or by some other bank or credit institution as its agent.

By acceptance of an item, a credit institution undertakes the liability of the drawee, and it hereby ensures that the bill or draft will be paid at maturity by the drawee, or in case of dishonour, by the accepting bank or credit institution.

7. Confirmed and/or irrevocable documentary credits

Report confirmed and/or irrevocable documentary credits opened on behalf of customers.

8. **Other contingent liabilities**

Itemise other contingent liabilities in the spaces provided.

Memorandum

1. **Guarantees issued**

Sum of items 3 and 4

Annex RDR - Analysis of Reserve Base in terms of CBM Directive No 1

211. These instructions should be read in conjunction with Central Bank of Malta Directive No.1 'Directive on Minimum Reserve Requirement'

i. Items 1, 2, 4, 7, 8, 10, 11 and 13 are automatically linked to other returns.

ii. Items 5 and 6 should NOT be filled as the data are incorporated within items 1, 2 and 4.

iii. Item 3 should be filled when the institution has other liabilities which are subject to reserve deposit requirements but are not captured under items 1, 2 and 4-9.

iv. Item 9 should be filled when the institution has net interbranch transaction balances which normally arise when the institution's I.T. system is not able to match transactions between the various branches.

v. An institution should fill item 12 ONLY when its reserve deposit requirement is in foreign currency. Input this data in the form of Lm/Foreign Currency (e.g. Lm/USD 2.4975). The box adjacent to item 13 should denote the foreign currency code.

vi. Memorandum items: Memorandum items 1-5 are to be inputted. Institutions are not liable to reserve deposit requirements on Liabilities due to other credit institutions in Malta which are already subject to reserve deposit requirement.

vii. Memorandum item 1 should denote deposits placed by other credit institutions in Malta subject to reserve deposit requirement.

viii. Memorandum item 2 captures other loans (liabilities) from credit institutions in Malta subject to reserve deposit requirement.

ix. Memorandum item 3 should include subordinated loan issued by the reporting institution and which are held by credit institutions in Malta subject to reserve deposit requirement.

x. Memorandum item 4 should include only those balances held by non-resident correspondent banks which are placed with the reporting bank as working balances, i.e. to meet day-to-day payments on their behalf or on behalf of their customers.

xi. Memorandum item 5 should include those debt securities that are issued by the reporting institution and held by credit institutions in Malta already subject to reserve deposit requirement.

LIABILITIES SCHEDULES

Core Balance Sheet – Liabilities

212. Report all the liabilities outstanding as at the end of the reference month.

213. Vertically, balances are classified according to the claim on the major institutional units and by the instrument. Horizontally, balances are classified by the residency of the counterparty, in the form of residents of Malta, residents of the Monetary Union Member States and residents of the rest of the world and by currency denomination of the asset, in the form of Maltese Lira, Euro and other. The "Other" comprises all other currencies excluding Maltese Lira and Euro.

214. Another column entitled "Not allocated" is added in the core balance sheet. The purpose of this column is solely for specific items where no data is being requested by residency of the counterparty for such items. Do not report in shaded cells.

215. All transactions with residents of Malta should be classified in Column C, while transactions with non-residents should be classified in Column I.

Liabilities LC – Analysis of Capital and Reserves

216. **Item 1 Capital**

Item 1.1 Ordinary shares

Report fully paid equity instruments that are subordinate to all other classes of equity instruments.

Item 1.2 Share Premium

Report the difference between the par value of a share and its issue price, where the latter is the higher amount.

Item 1.3 Perpetual preference shares

Report non-redeemable shares with no maturity date, which rank ahead of ordinary shares for the purposes of claiming dividend payments, or any assets of the company should it be wound up.

Item 2 Reserves

Item 2.1 Revaluation reserves

Report the increase in the carrying amount of an asset as a result of a revaluation under International Accounting Standard 16 which should be credited directly to equity, unless it reverses a revaluation decrease previously recognised as an expense. Revaluation increases and decreases should only be offset where they relate to the same asset. A revaluation decrease should be charged directly against any related revaluation surplus, with any excess being recognised as an expense. Each year an entity may transfer from revaluation reserve to retained earnings the difference between the depreciation based on the revalued carrying amount and the depreciation based on the asset's original cost. This annual transfer from revaluation surplus to retained earnings is not made through the income statement.

Item 2.2 Capital reserve

Report the amount set aside in a fund for specific purposes, which thereby cannot be distributed for other uses.

Item 2.3 Hedging reserve

In accordance with International Accounting Standard 39, this item comprises of fair value hedges, cash flow hedges and hedges of net investment in a foreign entity. Any changes in their fair values are passed through the hedging reserve.

Item 2.4 Unrealised fair value reserve

Any profits registered on marking to market held-for-trading financial instruments which are recognised in the income statement but which have not been realised (disposal not yet carried out) should be recycled out of the profit and loss account reserve into the unrealised fair value reserve.

Item 2.5 Exchange rate revaluation reserve

Report an increase/decrease in the foreign exchange value of a currency that is pegged to other currencies or gold.

Item 2.6 Currency revaluation/devaluation reserve

Report any deliberate upward or downward adjustment in the official exchange rate established by government against a specified standard, such as a basket of currencies.

Item 2.7 Dividend reserve

Report any dividend proposed up till year end but not yet paid as at that date should be transferred from the profit and loss reserve to dividend reserve.

Item 2.8 Other reserves

This item shall comprise the cumulative net change in fair values of available-for-sale financial assets held by the bank, together with all other reserves which are not being shown separately on the face of the balance sheet.

Item 2.9 Retained earnings from previous years

Report any retained realised profits/losses from previous years, which are available for distribution to shareholders.

Item 2.10 Profit/loss for current financial year

Report any realised profits/losses of the current financial year, which are available for distribution to shareholders.

Item 3 Capital Contributions

Report any cash or property acquired from a shareholder without the receipt of additional stock.

Liabilities LD1 – Analysis of General Government deposits and loans (liabilities) by residence

217. Report in the row classification General Government deposits (by the indicated original maturity) classified by sub-sector classification and by type of deposit. The categories State Government and Social Security Funds are not applicable for Malta. In the case of the rest of the world only the total for Central Government and Other General Government is needed. The term public non-market units, is applicable only for Malta. In the column classifications report the residency of the depositor. Distinction should be made between deposits and loans (both on the liability side of the Balance sheet) in accordance with Article 5 of the instructions.

Liabilities LD2 – Analysis of Monetary Financial Institutions' and remaining sectors' deposits and loans (liabilities) by residence and major currencies

218. Report in the row classification deposits classified by sector and type of deposit. In the column classifications report the residency of the depositor and the currency denomination of the deposit account, that is in Maltese Lira, Euro or any other currency. In memorandum item 1 the sector "other financial intermediaries and financial auxiliaries" is further broken down into collective investment schemes, financial institutions licensed under the Financial Institutions act and other OFIs respectively. Reporting is only required for transactions with residents of Malta. In memorandum item 2.1 report Maltese Lira deposits of households not involved in commercial activities. This includes mainly households deposits held for personal purposes only. In item 2.2 report non profit institutions' deposits denominated in Maltese Lira. Both categories are classified into (1) up to an equivalent of €20,000 and (2) over

the equivalent of €20,000. The end of month market exchange rate should be used to convert the 20,000 euros limit into Maltese Lira equivalent.

219. Maltese liri eligible for conversion into foreign currency (i.e. those previously referred to as external Maltese lira deposits) are to be treated as Maltese lira deposits.

Liabilities LD3 – Analysis of deposits and loans (liabilities) by currency

220. Report in the ROW classification deposits classified by the indicated currency denomination. In the column classifications report deposits classified by residence and by main sector, i.e. deposits of MFIs (or Banks for ROW purposes) and deposits from the "Other" sectors. Distinction should be made between deposits and loans (both on the liability side of the balance sheet) in accordance with Appendix 5 of the Instructions.

221. Maltese liri eligible for conversion into foreign currency (i.e. those previously referred to as external Maltese lira deposits) are to be treated as Maltese lira deposits.

Liabilities LD4 – Analysis of deposits and loans (liabilities) by country of residence

222. In the ROW classification report deposits classified by the depositors' country of residence. The column classification should distinguish between deposits and loans derived from Monetary Financial Institutions and deposits from the Other sectors. Distinction should be made between deposits and loans (both on the liability side of the balance sheet) in accordance with Appendix 5 of the Instructions.

Liabilities LD5 – Analysis of deposits by sector and by term to maturity (MFSA)

223. Report in the ROW classification deposits by sector and type of deposit. For the purposes of this schedule, deposits are to be classified by term to maturity. In the column classifications report the number of accounts and amount of deposits classified by main residence.

The distinction between Private sector non-financial companies and Public sector non-financial companies is not required. Therefore any non-financial company, whether private or public, which is resident in Monetary Union Member states or Rest of the World should be included under Private sector non-financial companies resident in Monetary Union Member states or Rest of the World.

Liabilities LD6 – Analysis of deposits (non-MFI) by type and interest rates

224. Report in the ROW classification deposits classified by type of deposit. In the column classifications report deposits, according to currency denomination of deposit, that is, either in Maltese Lira or foreign currency. In both currency categories report the number of accounts, the residency of the depositor and

the applicable interest rates. In the latter category report the weighted average rate, the minimum rate and maximum rate on each type of deposit. The weighted average interest rate is the annualised rate calculated by multiplying the amount of each deposit in each type of deposit account by the interest rate applied thereto and dividing by the respective total amount in each type of deposit. This procedure is also to be used to arrive at the total weighted average interest rate.

Liabilities LS1 – Analysis of debt securities issued by residence, instrument and currency

225. Report in the ROW classifications debt securities issued by the reporting institution classified by residence of holder, type of instrument and original maturity. Report in the column classifications debt securities issued by currency of issue.

Liabilities LS2 – Analysis of debt securities issued by sector and maturity

226. Report debt securities issued held by the reporting institution as at the end of the reference month.

227. Report in the row classifications debt securities issued, held by institutional units classified as residents of Malta, the Monetary Union Member States and the Rest of the World, and sub-classified in accordance with the indicated institutional unit. Report in the column classification debt securities issued by the indicated original maturity.

Liabilities LR – Analysis of Remaining Liabilities by currency

228. Report in the ROW classification other unallocated liabilities by type of instrument. In the column classification report total other unallocated liabilities.

Liabilities LH – Analysis of Shareholders by sector and residence

229. Report in the ROW classification the participation of shareholders by sub-sector classification. In the column classification report the residence of the participating shareholders. In the actual number of shares section report the names of the shareholders holding five percent or more of share capital.

Liabilities PR – Provisions

230. Report provisions in accordance with the breakdown in the relative schedule.

PL – Income Statement

Item 1. Interest Receivable and Similar Income:

Item 1.1 Claims on the Central Bank of Malta

Item 1.1.1 Funds placed under reserve requirements

Report interest receivable from funds placed with the Central Bank of Malta as reserve requirement in accordance with Article 37 of the Central Bank of Malta Act

Item 1.1.2 Purchase / resale agreements / term deposits

Report interest receivable from purchase / resale agreements / term deposits held with the Central Bank of Malta

Item 1.1.3 Securities other than shares

Report interest receivable from securities issued by the Central Bank of Malta in terms of Article 15 (1) (f) of the Central Bank Act.

Item 1.1.4 Other deposits

Report interest receivable on deposits held with the Central Bank of Malta.

Item 1.2 Claims on the Eurosystem and other central banks

Report interest receivable on funds placed with the Eurosystem and other central banks, including:

- Interest receivable on funds placed under reserve requirement
- Interest receivable on sale / repurchase agreements / term deposits
- Interest receivable on securities other than shares
- Amortisation of premium/discount
- Interest receivable on other deposits

Item 1.3 Claims on MFI's

Item 1.3.1 Overseas branches, subsidiaries, parent and other related credit institutions

The above definition includes interest receivable from:

- Overseas branches of the reporting institution and/or related to the reporting institution
- Subsidiary credit institutions of the reporting institution
- Parent credit institution of the reporting subsidiary, branch or associate reporting institution
- Other related credit institutions, including any inter-group transactions (i.e. relating solely to credit institutions within the group or includes also other group companies) not mentioned above

Item 1.3.1.1 Loans

Report interest receivable on loans to third parties.

Item 1.3.1.2 Deposits

Report interest receivable on deposits which the reporting institution placed with third parties (nostro accounts)

Definitions of the sub-classifications of the type of deposits which include current/cheque, savings and time with agreed maturity may be found in Appendix 5 Item 9 of the instructions.

Item 1.3.1.3 Purchase / resale agreements / term deposits

Report income receivable from the purchase / resale agreements / term deposits with third parties.

Item 1.3.1.4 Securities other than shares

Report interest receivable from debt securities or other fixed income securities.

Item 1.3.2 Other credit institutions

Report interest receivable from credit institutions other than those already reported above.

Item 1.3.2.1 Loans

Refer to item 1.3.1.1 above.

Item 1.3.2.2 Deposits

Refer to item 1.3.1.2 above.

Item 1.3.2.3 Purchase/resale agreements/term deposits

Refer to item 1.3.1.3 above.

Item 1.3.2.4 Securities other than shares

Refer to item 1.3.1.4 above.

Item 1.3.3 Money market funds (including instruments)

Report interest receivable from money market funds as defined under paragraph 1 (iii) of *appendix 3 – Institutional sectors of the economy* of these instructions

Item 1.3.3.1 Loans

Refer to item 1.3.1.1 above

Items 1.3.3.2 Others

Report interest receivable from money market not already reported in Item 1.3.3.1 above.

Item 1.4 Claims on general government

A detailed definition can be found in Appendix 3 para. 22 and 23.

Item 1.4.1 Treasury bills

Report income receivable from treasury bills, being the difference between the discounted price at which the treasury bills were purchased and its current fair value.

Item 1.4.2 Government securities

Report interest receivable on government securities, being the difference between the discounted price at which the government securities were purchased and its current fair value.

Item 1.4.3 Loans

Report interest receivable on loans to local and foreign general governments i.e. includes regional governments

Item 1.4.4 Others

Report interest receivable not already reported under Item 1.4.3 above

Item 1.5 Claims on other remaining sectors

Refer to Appendix 3.

Item 1.5.1 Securities other than shares

Refer to item 1.3.1.4 above

Item 1.5.2 Loans

Report interest receivable on loans.

Item 1.5.3 Others

Report interest receivable not already reported under Item 1.5.2 above.

Item 2. **Interest Expense Payable:**

Item 2.1 **Borrowings from Central Bank of Malta**

Item 2.1.1 **Loans**

Report interest expense on loans sanctioned by the Central Bank of Malta

Item 2.1.1.1 **Sale/repurchase agreements**

Report interest payable on sale/repurchase agreements with the Central Bank of Malta

Item2.1.1.2 **Other Loans**

Report interest payable on borrowings from the Central Bank of Malta in terms of Article 15 (i) g of the Central Bank of Malta Act.

Item 2.1.2 **Standby loan facility**

Report interest payable on short-term borrowings from the Central Bank of Malta in terms of Article 15 (i) e of the Central Bank of Malta Act.

Item 2.2 **Borrowings from the Eurosystem and other central banks**

Report interest payable on funds received from the Eurosystem and other central banks, including:

- Interest payable on sale/repurchase agreements
- Interest payable on loans
- Interest payable on standby loan facilities

Item 2.3 **Liabilities with MFI's**

Item 2.3.1 **Overseas branches, subsidiary or parent and other related credit institutions**

The above definition includes interest payable on:

- Overseas branches of the reporting institution and/or related to the reporting institution
- Subsidiary credit institutions of the reporting institution
- Parent credit institution of the reporting subsidiary, branch or associate reporting institution
- Other related credit institutions, including any inter-group transactions (i.e. relating solely to credit institutions within the

group or includes also other group companies) not mentioned above

Item 2.3.1.1 In Maltese Lira

Report any interest payable on the following liabilities denominated in Maltese Lira.

Item 2.3.1.1.1 Deposits

Report interest payable on deposits.

Definitions of the sub-classifications of the type of deposits which include current/cheque, savings and time with agreed maturity can be found in Appendix 5 of the instructions.

Item 2.3.1.1.2 Loans

Report interest payable on borrowings.

Item 2.3.1.1.3 Debt securities issued

Report interest payable on debt securities issued by the reporting institution, including interest payable on subordinated loan capital. Interest payable on preference shares and on other perpetual securities should be reported here.

Item 2.3.1.2 Foreign currency

Report interest payable on the following liabilities denominated in foreign currency.

Item 2.3.1.2.1 Deposits

Refer to item 2.3.1.1.1 above.

Item 2.3.1.2.2 Loans

Refer to item 2.3.1.1.2 above.

Item 2.3.1.2.3 Debt securities issued

Refer to item 2.3.1.1.3 above

Item 2.3.2 Other credit institutions

Report interest payable to credit institution other than those reported in Item 2.3.1 above.

Item 2.3.2.1 In Maltese Lira

Refer to item 2.3.1.1 above.

Item 2.3.2.1.1 Deposits

Refer to item 2.3.1.1.1 above

Item 2.3.2.1.2 Loans

Refer to item 2.3.1.1.2 above.

Item 2.3.2.1.3 Debt securities issued

Refer to item 2.3.1.1.3 above

Item 2.3.2.2 Foreign currency

Refer to item 2.3.1.2 above.

Item 2.3.2.2.1 Deposits

Refer to item 2.3.1.2.1 above.

Item 2.3.2.2.2 Loans

Refer to item 2.3.1.2.2 above.

Item 2.3.2.2.3 Debt securities issued

Refer to item 2.3.1.2.3 above

Item 2.3.3 Money market funds

Report interest payable to money market funds as defined under paragraph 1(iii) of Appendix 3.

Item 2.3.3.1 In Maltese Lira

Refer to item 2.3.1.1 above

Item 2.3.3.2 In Foreign currency

Refer to item 2.3.1.2 above

Item 2.4 Liabilities with general government

Refer to item 1.4 above.

Item 2.4.1 In Maltese Lira

Refer to item 2.3.1.1 above.

Item 2.4.1.1 Deposits

Refer to item 2.3.1.1.1 above

Item 2.4.1.2 Loans

Refer to item 2.3.1.1.2 above.

Item 2.4.1.3 Debt securities issued (issued by the reporting institution and held by the General Government)

Refer to item 2.3.1.1.3 above

Item 2.4.2 Foreign Currency

Refer to item 2.3.1.2 above.

Item 2.4.2.1 Deposits

Refer to item 2.3.1.2.1 above.

Item 2.4.2.2 Loans

Refer to item 2.3.1.2.2 above.

Item 2.4.2.3 Debt securities issued

Refer to item 2.3.1.2.3 above

Item 2.5 Liabilities with other remaining sectors

Refer to item 1.5 above.

Item 2.5.1 In Maltese Lira

Refer to item 2.3.1.1 above.

Item 2.5.1.1 Deposits

Refer to item 2.3.1.1.1 above

Item 2.5.1.2 Loans

Refer to item 2.3.1.1.2 above.

Item 2.5.1.3 Debt securities issued

Refer to item 2.3.1.1.3 above

Item 2.5.2 Foreign currency

Refer to item 2.3.1.2 above.

Item 2.5.2.1 Deposits

Refer to item 2.3.1.1.1 above.

Item 2.5.2.2 Loans

Refer to item 2.3.1.2.2 above.

Item 2.5.2.3 Debt securities issued

Refer to item 2.3.1.2.3 above

Item 3 Net Interest Income

The difference between **Interest Receivable and Similar Income** (Item 1) and **Interest Expense Payable** (Item 2).

Item 4 Other Non-Interest Income

Item 4.1 Dividend income receivable

Report dividend income receivable.

Item 4.1.1 Dividend from subsidiary companies

Report dividend receivable from the reporting institution's subsidiary companies.

Item 4.1.2 Dividend from associated companies

Report dividend receivable from the reporting institution's associate companies.

Item 4.1.3 Dividend from trading equity investments

Report dividends from equity instruments held for trading

Item 4.1.4 Dividend from available-for-sale equity instruments

Report dividends from available-for-sale equity instruments.

Item 4.1.5 Dividend from held-to-maturity investments

Report dividends from held-to-maturity investments.

Item 4.2 Trading Profits

Report profits derived from held-for-trading financial assets other than dividends already reported in Item 4.1.3.

Item 4.2.1 Gain/(loss) on disposal of trading financial instruments

Report gains/(losses) derived from the disposal of financial instruments which were held for trading

Item 4.2.2 Fair value movements in trading financial instruments

Report gains/(losses) derived from the change in fair value of trading financial instruments. These shall include any movements in the fair value of derivative financial assets, unless these are designated as effective hedging instruments.

Item 4.3 Non-trading profits

Report gains/(losses) on non-trading investments and on disposal of tangible fixed assets.

Item 4.3.1 Gain/(loss) on disposal of held-to-maturity investments

Report gains/(losses) derived from the disposal of held-to-maturity financial instruments.

Item 4.3.2 Fair value movements in available-for-sale investments

This item has superseded following the amendments to IAS 39 issued in December 2003

Item 4.3.3 Revaluation gain/(loss) on disposal of available-for-sale instruments transferred from equity

Report the transfer from equity of any revaluation gain/(loss) on available-for-sale financial instruments upon their disposal.

Item 4.3.4 Gain/(loss) on disposal of available-for-sale investments

Report gain/(loss) on the disposal of available-for-sale instruments.

Item 4.3.5 Gain/(loss) on disposal of shares in subsidiary companies

Report gain/(loss) on the disposal of shares in subsidiary companies.

Item 4.3.6 Gain/(loss) on disposal of shares in associate companies

Report gain/(loss) on the disposal of shares in associate companies.

Item 4.3.7 Gain/(loss) on disposal of tangible fixed assets

Report gain/(loss) on the disposal of tangible fixed assets.

Item 4.4 Other non-interest income

Item 4.4.1 Fees, commissions and charges on services provided

Report fees, commissions and charges receivable from services provided by the reporting credit to third parties, other than those already reported elsewhere.

Item 4.4.2 Trading gain/(loss) on foreign exchange dealings

Report gain/(loss) on foreign exchange dealings.

Item 4.4.3 Fees on foreign exchange dealings

Report fees on foreign exchange dealings other than those reported elsewhere.

Item 4.4.4 Gain/(Loss) on other foreign exchange dealings

Report other foreign exchange gain/(loss) other than those reported elsewhere.

Item 4.4.5 Other income

Report other non-interest income which has not been reported elsewhere.

Item 5 Other Non-Interest Expenses

Item 5.1 Staff expenses

Item 5.1.1 Directors' remuneration

Report gross wages, salaries, overtime, bonuses, incentive schemes, extra compensation, fringe benefits, national insurance contributions etc. of all directors excluding any payments earned during the full-time employment with the entity.

Item 5.1.2 Wages, salaries and allowances

Report gross wages, salaries, overtime, bonuses, incentive schemes, extra compensation, fringe benefits, national insurance contributions etc. of all officers and employees of the credit institution, together with wages, salaries and allowances paid to all personnel employed at overseas representative offices.

Item 5.1.3 Other staff expenses

Report training, hospitality expenses, retirement benefits and other staff costs not reported under Items 5.1.1 and 5.1.2 above.

Item 5.2 Other operating expenses

Item 5.2.1 Rents

Report operating lease, rental payments and other related charges paid by the reporting credit institution, including those paid by overseas representative offices.

Item 5.2.2 Fees and commissions payable

Report fees and commissions payable other than those reported elsewhere.

Item 5.2.3 Other administrative expenses

Administrative expenses relate to all the costs that are made for collecting deposits, management of funds, granting of loans etc. It concerns the costs directly related with the core activities of the reporting credit institution and which are not included in the fees and commissions payable (item 5.2.2 above).

Item 5.2.4 Other operating expenses

Other operating expenses relate to other costs made by the reporting institution which cannot directly be attributed to financial activities of the reporting institution, for example, consultancy fees, recruitment costs, insurance premiums etc…

Item 5.3 Other Expenses

Item 5.3.1 Depreciation

Report the systematic and rational allocation of the depreciable amount of an asset over its economic life, including normal and recurring depreciation charges including those of by overseas representative offices.

Item 5.3.2 Provisions for contingent liabilities, commitments and other charges

Report charges for provision against contingent liabilities and commitments.

Item 5.3.3 Other expenses

Report other expenses other than those reported elsewhere.

Item 5.4 Amortisation

This category refers to the initial costs/proceeds plus accrued finance income/cost less all capital and interest paid or received, which is to be transferred to the income statement over the life of the instrument. Positive and negative balances in this category are to be netted.

Item 5.4.1 Treasury bills

Refer to item 5.4 above.

Item 5.4.2 Held-to-maturity investments

Refer to item 5.4 above

Item 5.4.3 Available-for-sale investments

Refer to item 5.4 above

Item 5.4.4 Amortisation on intangible assets

Report any write-down of the book-value of an intangible asset over time or the systematic repayment of a debt.

Intangible assets include resources of a business which have no easily measurable monetary value but which are nonetheless valuable, such as patents, copyrights, trademarks, goodwill etc.

Item 6 Net Impairment Losses

In the case of an impairment, the credit institution should estimate the recoverable amount of the asset and if necessary recognise an impairment loss for the excess of the carrying amount over the recoverable amount.

Item 6.1 Write-downs

Write-downs include:

- Provisions for bad and doubtful debts and other increases in the provisions for doubtful debts

- Provision for bad and doubtful debts comprise charges for amounts written off and for provisions made in respect of loans and advances

Item 6.1.1 Loans to Credit Institutions

Item 6.1.1.1 Specific provisions

Report the specific provision charge for the year, set aside to provide for specific doubtful/loss facilities which are not covered by collateral.

Item 6.1.1.2 General provisions

Report the general provision charge for the year on the lending portfolio, which may carry potential losses, but have not yet been unidentified as such.

Item 6.1.1.3 Bad debts written off

Report amounts written off as a loss.

Item 6.1.2 Loans to Customers

Item 6.1.2.1 Specific provisions

Refer to item 6.1.1.1 above

Item 6.1.2.2 General provisions

Refer to item 6.1.1.2 above

Item 6.1.2.3 Bad debts written off

Refer to item 6.1.1.3 above

Item 6.1.3 Investments

Provisions for impairment of financial assets includes reduction in the recorded value of the investment to take into account a fall in market prices of treasury bills, available-for-sale and held-to-maturity financial assets, including shares in associated undertakings and shares in group undertakings. Where a financial asset re-measured to fair value directly through equity is impaired, and a write-down of the asset has been recognised directly to equity, the write-down is transferred to the income statement and recognised as part of the impairment loss. Where an increase in fair value of an asset was previously recognised to equity, the increase is reversed to the extent the asset is impaired. Any additional impairment loss is recognised in the income statement.

Item 6.1.3.1 Treasury bills

Report write-down in treasury bill holdings.

Item 6.1.3.2 Held-to-maturity debt security instruments

Report the provision on held-to-maturity debt security instruments.

Item 6.1.3.3 Available-for-sale debt security instruments

Report the provision on available-for-sale debt security instruments.

Item 6.1.3.4 Available-for-sale equity instruments

Report the provision on available-for sale equity investments. Such impairment loss must be charged to income when certain indicators are present, even if the chosen policy for fair value gains and losses is to charge such changes to equity.

Item 6.1.3.5 Subsidiary companies

Report the provision on investments held in subsidiary companies.

Item 6.1.3.6 Associate companies

Report the provision on investments held in associate companies.

Item 6.2 Recoveries and reversals

Recoveries concern upturns in the financial position of an institution's lending portfolio or investment holdings, thus representing actual cash receipts that were previously written-off.

Item 6.2.1 Loans to credit institutions

Report adjustments to provision for bad and doubtful debts including credits from the recovery of loans that have been written off, from other advances written back following earlier write-offs, and from the reduction of provisions previously made with respect to loans and advances.

Item 6.2.1.1 Specific provisions

Report any write-back on specific provisions carried out on loans which were previously classified as doubtful/loss, which have now been restructured.

Item 6.2.1.2 General provisions

Report any write back of provisions, which following a review and assessment of the bank's lending portfolio would result as being over-provided for.

Item 6.2.1.3 Bad debts written off

Report any recoveries of debts which were previously written off.

Item 6.2.2 Loans to customers

Refer to item 6.2.1 above.

Item 6.2.2.1 Specific provisions

Refer to item 6.2.1.1 above.

Item 6.2.2.2 General provisions

Refer to item 6.2.1.2 above.

Item 6.2.2.3 Bad debts written off

Refer to item 6.2.1.3 above.

Item 6.2.3 Investments

If in a particular period the amount of impairment loss of an investment decreases and the decrease can be linked objectively to an event occurring after write-down, the write-down is reversed through the income statement.

Item 6.2.3.1 Treasury bills

Report recoveries or reversals of treasury bills.

Item 6.2.3.2 Held-to-maturity debt security instruments

Report recoveries or reversals of shortfalls in expected receipts of both interest and capital of held-to-maturity debt security instruments.

Item 6.2.3.3 Available for sale debt security instruments

Report recoveries or reversals of shortfalls in expected receipts of both interest and capital of available-for-sale debt security instruments..

Item 6.2.3.4 Available for sale equity instruments

Report recoveries or reversals of past write-downs on available-for sale equity investments.

Item 6.2.3.5 Subsidiary companies

Report recoveries or reversals of past write-downs on investments in subsidiary companies.

Item 6.2.3.6 Associate companies

Report recoveries or reversals of past write-downs on investments in associate companies.

Item 7 Exceptional Items

Exceptional items comprise gains or losses included in a company's financial statements, which are infrequent and unusual in nature.

Item 7.1 Exceptional income

Refer to item 7.

Item 7.2 Exceptional expenses

Refer to item 7.

Item 8 Profit (Loss) before Tax for the Period

This amount should represent the surplus funds, generated by an institution in the course of one accounting period, after all expenses have been met and before charging the tax charge for the period.

Item 9 Tax on Profits

Report the tax charge for the period, net of any deferred tax movements.

Item 10 Profit (Loss) after Tax for the Period

This amount should represent the surplus funds, generated by an institution in the course of one accounting period after all expenses including the tax charge for the period, have been met.

Other statistical information

a. Number of directors

Executive directors

Report the number of executive directors of the reporting credit institution.

Non-executive directors

Report the number of non-executive directors of the reporting credit institution.

Number of employees

b. Number of top level management

Top level managers are at the top of the hierarchy and are responsible for the entire organisation. They have such titles as president, chairperson, executive director, chief executive officer, but this depends on the organisational structure of the institution. Top level managers are responsible for setting organisational goals, defining strategies for achieving them, monitoring and interpreting the external environment and making decisions that effect the entire organisation.

c. Number of middle level management

Middle level managers work at middle levels of the organisation and are responsible for business units and major departments. Examples of middle managers are department heads, division heads etc. However this depends on the institution's organisational structure. They are responsible for implementing the overall strategies and policies defined by top level managers, and they typically have two or more management levels beneath them.

d. Number of first line managers

First line managers are directly responsible for the procurement of the service. They are the first or second level of management and have such titles as supervisor, line manager, section chief, and office manager, but again dependent on the organisational structure of the institution. First line managers are responsible for groups of non-management employees and their primary concern is the application of rules and procedures to provide efficient service, technical assistance and motivate subordinates.

e. Number of clericals

Report the number of persons carrying out clerical duties, including persons employed on a reduced hour basis but excluding contracted part-time workers carrying out clerical duties.

f. Number of non-clericals

Report the number of persons carrying out non-clerical duties, including maintenance workers, cleaners, drivers, messengers etc.

g. Number of part-timers

Report the number of persons contracted with the institution on a part-time basis, but excluding full-time employees working on a reduced hour basis.

Total number of employees

Sum of items b to g above.

Number of branches

Report the total number of branches, whether owned, leased and rented.

Number of subsidiaries in Malta

Report the total number of subsidiaries owned by the reporting institution.

Number of ATMs

Report the number of Automated Teller Machines (ATMs) which are currently in operation, including ATM's situated in automated offices.

Number of representative offices

Report the number of overseas representative offices.

MEMORANDUM ITEMS:

Item 1 Other non-interest income

(i) Gains on disposal of trading financial instruments

Refer to item 4.2.1.

(ii) Losses on disposal of trading financial instruments

Refer to item 4.2.1.

Item 2 Taxation for the period

(i) Tax on ordinary activities

Report the tax expense on profits for the year, applying the prevailing statutory rate in accordance with current legislation.

(ii) Tax on exceptional items

Report the tax expense on the current year's exceptional items, applying the prevailing statutory rate in accordance with current legislation.

(iii) Deferred tax

Deferred tax should be provided in full for all temporary differences using the liability method. Deferred tax is calculated on all temporary differences, which are differences between the tax and accounting bases of assets and liabilities.

(iv) Deferred tax on exceptional items

Refer to memorandum Item 2 (iii).

Item 3 Report the following items relating to resident credit institutions

(i) Non-interest income of which:

Fees and commissions receivable

The amount of fees and commissions receivable from resident credit institutions

Valuation gains/losses on holdings of shares and other equity

This item includes unrealised gains or losses.

Gains/losses on disposal of shares and other equity

The item includes realised gains or losses

Dividend income receivable

The amount of dividend that is receivable from resident credit institutions.

Prorated share of an associate's earnings

The value of earnings receivable from an associate that is a resident credit institution.

Other receivable income

Other income receivable includes all non-interest income receivable from resident credit institutions, other than those items already identified above.

(ii) Operating expenses of which:

Fees and commissions payable

The amount of fees and commissions that are payable to resident credit institutions.

Other operating expenses payable

Other expenses payable includes all operating expenses payable to resident credit institutions, other than those items already identified.

(iii) Specific provisions on loans

Specific provisions on loans to other resident credit institutions.

(iv) Dividends payable

The amount of dividend that is payable to resident credit institutions.

Item 4 **Report the non-resident part of the items requested.**

Item 5 **Administrative fees**

Report the administrative fees on loans not exceeding Lm40,000 for the acquisition of dwellings/land for own use or on loans for the construction, extension or completion of self owned dwellings. Do not report the average rate but the rate that is charged most frequently (mode).

Schedule LL - Reporting of external long-term loans

Column 1: ***Drawn and still outstanding, beginning of quarter***

Include all long term external loans due/outstanding on the last day of the previous reporting period. Do not include undisbursed commitments or future interest payments. However, principal payments in arrears, if any, should be included.

Column 2: ***Drawings***

The amount of long-term external loans drawn during the quarter.

Column 3: ***Principal repayments***

The gross amount of principal repaid during the reporting period. Report actual repayments only; do not include adjustments, cancellations etc.

Column 4: ***Interest paid***

All interest actually paid during the year. Do not include interest accrued but not paid; this should be reported in (column 9).

Column 5: ***Principal Rescheduled***

Report the amount of principal that has been included in a rescheduling agreement during the year. This amount might consist of principal due in the current year or cumulative principal in arrears. This amount should be netted out from the amount outstanding at the end of the reporting period.

Column 6: ***Interest Rescheduled***

Report the amount of interest and other charges that were included in a rescheduling agreement whether due in the current year or past due and in arrears.

Column 7: ***Drawn and outstanding end of quarter***

Report the amount of outstanding long-term external loans due on the last day of the reporting period. Note that principal in arrears should be included in (column 7) whereas interest arrears in (column 9) however principal rescheduled (column 5) should not.

Column 8: ***Principal in arrears***

Report the cumulative amount of principal that should have been paid up to the reporting period – but was not paid and not rescheduled.

Column 9: ***Interest in arrears***

Report the cumulative amount of interest that should have been paid up to the reporting period – but was not paid and not rescheduled

Future Principal Payments/Future Interest Payments

Report scheduled future principal and interest payments on the debt outstanding at the end of the quarter for the current year up to year end, and annually for each of the succeeding 8 years. The remaining principal and interest due thereafter should be indicated in a lump sum in the last columns. Total repayments of principal for all years should sum to the total debt outstanding at the end of the reporting year.

FLOWS SCHEDULES

231. In the following flows schedules, with regards to particular instruments where a maturity breakdown of data is required, original maturity should be used. A detailed explanation of the concept of flows and of the flows schedules may be found in Appendix 7.

APPENDIX 9 – CODE LIST OF COUNTRIES AND INTERNATIONAL ORGANISATIONS

1A	International organisations ORG
1B	United Nations organisations ORG
1C	IMF (International Monetary Fund) ORG
1D	WTO (World Trade Organisation) ORG
1E	IBRD (International Bank for Reconstruction and Development) ORG
1F	IDA (International Development Association) ORG
1G	Other UN Organisations ORG
1H	UNESCO (United Nations Educational, Scientific and Cultural Organisation) ORG
1J	FAO (Food and Agriculture Organisation) ORG
1K	WHO (World Health Organisation) ORG
1L	IFAD (International Fund for Agricultural Development) ORG
1M	IFC (International Finance Corporation) ORG
1N	MIGA (Multilateral Investment Guarantee Agency) ORG
1O	UNICEF (United Nations Children's Fund) ORG
1P	UNHCR (United Nations High Commissioner for Refugees) ORG
1Q	UNRWA (United Nations Relief and Works Agency for Palestine) ORG
1R	IAEA (International Atomic Energy Agency) ORG
1S	ILO (International Labour Organisation) ORG
1T	ITU (International Telecommunication Union) ORG
4A	European Union Institutions, Organs and Organisms (excluding ECB) ORG
4B	EMS (European Monetary System) ORG
4C	EIB (European Investment Bank) ORG
4D	EC (European Commission) ORG
4E	EDF (European Development Fund) ORG
4F	European Central Bank ORG
4G	EIF (European Investment Fund) ORG
4H	ECSC (European Community of Steel and Coal) ORG
4J	Other EU Institutions, Organs and Organisms covered by the General budget ORG
4K	European Parliament ORG
4L	European Council ORG
4M	Court of Justice ORG
4N	Court of Auditors ORG
4P	Economic and Social Committee ORG
4Q	Committee of Regions ORG
4Z	Other European Union Institutions, Organs and Organisms (excluding ECB) ORG
5A	OECD (Organisation for Economic Co-operation and Development) ORG
5B	BIS (Bank for International Settlements) ORG
5C	IADB (Inter-American Development Bank) ORG
5D	AfDB (African Development Bank) ORG
5E	AsDB (Asian Development Bank) ORG
5F	EBRD (European Bank for Reconstruction and Development) ORG
5G	IIC (Inter-American Investment Corporation) ORG
5H	NIB (Nordic Investment Bank) ORG
5J	IBEC (International Bank for Economic Co-operation) ORG

5K	IIB (International Investment Bank) ORG
5L	CDB (Caribbean Development Bank) ORG
5M	AMF (Arab Monetary Fund) ORG
5N	BADEA (Banque arabe pour le développement économique en Afrique) ORG
5P	CASDB (Central African States' Development Bank) ORG
5Q	African Development Fund ORG
5R	Asian Development Fund ORG
5S	Fonds spécial unifié de développement ORG
5T	CABEI (Central American Bank for Economic Integration) ORG
5U	ADC (Andean Development Corporation) ORG
6A	Other International Organisations ORG
6B	NATO (North Atlantic Treaty Organisation) ORG
6C	Council of Europe ORG
6D	ICRC (International Committee of the Red Cross) ORG
6E	ESA (European Space Agency) ORG
6F	EPO (European Patent Office) ORG
6G	EUROCONTROL (European Organisation for the Safety of Air Navigation) ORG
6H	EUTELSAT (European Telecommunications Satellite Organisation) ORG
6J	INTELSAT (International Telecommunications Satellite Organisation) ORG
6K	EBU/UER (European Broadcasting Union/Union européenne de radio-télévision) ORG
6L	EUMETSAT (European Organisation for the Exploitation of Meteorological Satellites) ORG
6M	ESO (European Southern Observatory) ORG
6N	ECMWF (European Centre for Medium-Range Weather Forecasts) ORG
6O	EMBL (European Molecular Biology Laboratory) ORG
6P	CERN (European Organisation for Nuclear Research) ORG
6Q	IOM (International Organisation for Migration) ORG
6Y	Other International Organisations (financial institutions) ORG
6Z	Other International Organisations (non-financial institutions) ORG
7Z	International Organisations excluding European Union Institutions (for Eurostat needs) ORG
A0	Other EEA countries (all countries excluding the reference area) ECO
A1	World (all entities) ECO
A2	EU-12 (Intra-EU-12) ECO
A3	Belgo-Luxembourg Economic Union (BLEU) ECO
A4	Extra-EU-12 ECO
A5	EFTA (European Free Trade Association) ECO
A6	EEA (European Economic Area) ECO
A7	Extra-EEA ECO
A8	OECD countries ECO
A9	Countries from Central and Eastern Europe ECO
AD	Andorra COU
AE	United Arab Emirates COU
AF	Afghanistan COU
AG	Antigua and Barbuda COU
AI	Anguilla COU
AL	Albania COU
AM	Armenia COU

AN Netherlands Antilles COU
AO Angola COU
AQ Antarctica COU
AR Argentina COU
AS American Samoa COU
AT Austria COU
AU Australia COU
AW Aruba COU
AZ zerbaijan COU
B1 AFTA (North American Free Trade Association) ECO
B2 Latin America ECO
B3 ASEAN (Countries for the Association of South-East Asian Nations) ECO
B4 OPEC (Organisation of Petroleum Exporting Countries) ECO
B5 ACP (African, Caribbean and Pacific countries signatories of the Lomé convention) ECO
B6 African ACP countries ECO
B7 Caribbean ACP countries ECO
B8 Pacific ACP countries ECO
B9 NICs1 (the Core Newly Industrialising Countries) ECO
BA Bosnia and Herzegovina COU
BB Barbados COU
BD Bangladesh COU
BE Belgium COU
BF Burkina Faso COU
BG Bulgaria COU
BH Bahrain COU
BI Burundi COU
BJ Benin COU
BM Bermuda COU
BN Brunei Darussalam COU
BO Bolivia COU
BR Brazil COU
BS Bahamas COU
BT Bhutan COU
BV Bouvet Island COU
BW Botswana COU
BY Belarus COU
BZ Belize COU
C1 NICs2A (Asian NICs of the second wave of industrialisation) ECO
C2 NICs2LA (Latin American NICs of the second wave of industrialisation) ECO
C3 Mediterranean Basin ECO
C4 Offshore financial centres ECO
C5 French Franc zone ECO
C6 Commonwealth of Independent States (CIS) ECO
C7 Countries from Maghreb ECO
C8 Countries from Mashrek ECO
C9 Countries of the South Cone Common Market (MERCOSUR) ECO
CA Canada COU
CC Cocos (Keeling) Islands COU
CD Congo, the Democratic Republic of the COU

CF	Central African Republic COU
CG	Congo COU
CH	Switzerland COU
CI	Côte d'Ivoire COU
CK	Cook Islands COU
CL	Chile COU
CM	Cameroon COU
CN	China COU
CO	Colombia COU
CR	Costa Rica COU
CU	Cuba COU
CV	Cape Verde COU
CX	Christmas Island COU
CY	Cyprus COU
CZ	Czech Republic COU
D1	Asia-Pacific Economic Co-operation (APEC) ECO
D2	EU-15 (Intra-EU-15) ECO
D4	Extra-EU-15 ECO
D6	Candidate Countries (CCs) ECO
D7	Mediterranean countries in the Euro-Mediterranean Partnership ECO
DE	Germany COU
DJ	Djibouti COU
DK	Denmark COU
DM	Dominica COU
DO	Dominican Republic COU
DZ	Algeria COU
E1	Europe GEO
E2	Other European countries (not EU nor EFTA) GEO
E3	Baltic countries GEO
E4	Africa GEO
E5	North Africa GEO
E6	Other African countries GEO
E7	America GEO
E8	North American countries GEO
E9	Central American countries GEO
EC	Ecuador COU
EE	Estonia COU
EG	Egypt COU
EH	Western Sahara COU
ER	Eritrea COU
ES	Spain COU
ET	Ethiopia COU
F1	South American countries GEO
F2	Asia GEO
F3	Near and Middle East countries GEO
F4	Gulf Arabian countries GEO
F5	Other Near and Middle East countries GEO
F6	Other Asian countries GEO
F7	Oceania and Polar regions GEO
F8	Australian Oceania GEO

F9	American Oceania GEO
FI	Finland COU
FJ	Fiji COU
FK	Falkland Islands (Malvinas) COU
FM	Micronesia, Federated States of COU
FO	Faroe Islands COU
FR	France COU
G1	New Zealand Oceania GEO
G2	Polar regions GEO
GA	Gabon COU
GB	United Kingdom COU
GD	Grenada COU
GE	Georgia COU
GF	French Guiana COU
GG	Guernsey (No official ISO 3166-1 country code, exceptionally reserved code elements) COU
GH	Ghana COU
GI	Gibraltar COU
GL	Greenland COU
GM	Gambia COU
GN	Guinea COU
GP	Guadeloupe COU
GQ	Equatorial Guinea COU
GR	Greece COU
GS	South Georgia and the South Sandwich Islands COU
GT	Guatemala COU
GU	Guam COU
GW	Guinea-Bissau COU
GY	Guyana COU
HK	Hong Kong COU
HM	Heard Island and McDonald Islands COU
HN	Honduras COU
HR	Croatia COU
HT	Haiti COU
HU	Hungary COU
I1	Euro 11 ECO
I2	Euro 12 ECO
ID	Indonesia COU
IE	Ireland COU
IL	Israel COU
IM	Isle of Man (No official ISO 3166-1 country code, exceptionally reserved code elements) COU
IN	India COU
IO	British Indian Ocean Territory COU
IQ	Iraq COU
IR	Iran, Islamic Republic of COU
IS	Iceland COU
IT	Italy COU
J1	Extra-Euro 11 ECO
J2	Extra-Euro 12 ECO

JE	Jersey (No official ISO 3166-1 country code, exceptionally reserved code elements) COU
JM	Jamaica COU
JO	Jordan COU
JP	Japan COU
K1	EU Member States not belonging to Euro 11 ECO
K2	EU Member States not belonging to Euro 12 ECO
KE	Kenya COU
KG	Kyrgyzstan COU
KH	Cambodia (Kampuchea) COU
KI	Kiribati COU
KM	Comoros COU
KN	St Kitts and Nevis COU
KP	Korea, Democratic People's Republic of (North Korea) COU
KR	Korea, Republic of (South Korea) COU
KW	Kuwait COU
KY	Cayman Islands COU
KZ	Kazakstan COU
L0	Other EU member states (all countries except the reference area) ECO
L1	Other Euro 11 member states (all countries except the reference area) ECO
L2	Other Euro 12 member states (all countries except the reference area) ECO
LA	Lao People's Democratic Republic COU
LB	Lebanon COU
LC	Saint Lucia COU
LI	Liechtenstein COU
LK	Sri Lanka COU
LR	Liberia COU
LS	Lesotho COU
LT	Lithuania COU
LU	Luxembourg COU
LV	Latvia COU
LY	Libyan Arab Jamahiriya COU
M1	All areas other than Euro 11 and ref./home area ECO
M2	All areas other than Euro 12 and ref./home area ECO
MA	Morocco COU
MC	Monaco COU
MD	Moldova, Republic of COU
MG	Madagascar COU
MH	Marshall Islands COU
MK	Macedonia, the Former Yugoslav Republic of COU
ML	Mali COU
MM	Myanmar COU
MN	Mongolia COU
MO	Macau COU
MP	Northern Mariana Islands COU
MQ	Martinique COU
MR	Mauritania COU
MS	Montserrat COU
MT	Malta COU
MU	Mauritius COU

MV	Maldives COU
MW	Malawi COU
MX	Mexico COU
MY	Malaysia COU
MZ	Mozambique COU
N1	Intra-Euro 11 not allocated ECO
N2	Intra-Euro 12 not allocated ECO
NA	Namibia COU
NC	New Caledonia COU
NE	Niger COU
NF	Norfolk Island COU
NG	Nigeria COU
NI	Nicaragua COU
NL	Netherlands COU
NO	Norway COU
NP	Nepal COU
NR	Nauru COU
NU	Niue COU
NZ	New Zealand COU
O1	Extra-Euro 11 not allocated ECO
O2	Extra-Euro 12 not allocated ECO
OM	Oman COU
P1	World not allocated (Euro 11) ECO
P2	World not allocated (Euro 12) ECO
PA	Panama COU
PE	Peru COU
PF	French Polynesia COU
PG	Papua New Guinea COU
PH	Philippines COU
PK	Pakistan COU
PL	Poland COU
PM	Saint Pierre and Miquelon COU
PN	Pitcairn COU
PR	Puerto Rico COU
PS	Palestinian Territory, Occupied COU
PT	Portugal COU
PW	Palau COU
PY	Paraguay COU
QA	Qatar COU
R1	West Germany COU
R2	East Germany COU
RE	Réunion COU
RO	Romania COU
RU	Russian Federation COU
RW	Rwanda COU
S1	EU excluding Luxembourg (for ECB needs) ECO
S2	EU12 including West Germany ECO
SA	Saudi Arabia COU
SB	Solomon Islands COU
SC	Seychelles COU

SD	Sudan COU
SE	Sweden COU
SG	Singapore COU
SH	St Helena COU
SI	Slovenia COU
SJ	Svalbard and Jan Mayen COU
SK	Slovakia COU
SL	Sierra Leone COU
SM	San Marino COU
SN	Senegal COU
SO	Somalia COU
SR	Suriname COU
ST	Sao Tome and Principe COU
SV	El Salvador COU
SY	Syrian Arab Republic COU
SZ	Swaziland COU
T1	Euro 11 excluding Luxembourg ECO
TC	Turks and Caicos Islands COU
TD	Chad COU
TF	French Southern Territories COU
TG	Togo COU
TH	Thailand COU
TJ	Tajikistan COU
TK	Tokelau COU
TM	Turkmenistan COU
TN	Tunisia COU
TO	Tonga COU
TP	East Timor COU
TR	Turkey COU
TT	Trinidad and Tobago COU
TV	Tuvalu COU
TW	Taiwan, Province of China COU
TZ	Tanzania, United Republic of COU
U1	EUR-11 source ECB (for Eurostat needs) ECO
U2	Euro-zone ECO
U3	EU Member States not belonging to euro-zone ECO
U4	Extra-euro-zone ECO
U5	Other euro-zone member states (all countries except the reference area) ECO
U6	Domestic (home or reference area) ECO
U7	MU and the reference area ECO
U8	All areas other than euro-zone and ref./home area ECO
UA	Ukraine COU
UG	Uganda COU
UM	United States Minor Outlying Islands COU
US	United States COU
UY	Uruguay COU
UZ	Uzbekistan COU
VA	Holy See (Vatican City State) COU
VC	St Vincent and the Grenadines COU
VE	Venezuela COU

VG	Virgin Islands, British COU
VI	Virgin Islands, U.S. COU
VN	Viet Nam COU
VU	Vanuatu COU
W1	Gaza and Jericho COU
W2	Intra-euro-zone not allocated ECO
W4	Extra-euro-zone not allocated ECO
WF	Wallis and Futuna COU
WS	Samoa COU
YE	Yemen COU
YT	Mayotte COU
YU	Yugoslavia COU
Z0	World not allocated (EU-12) ECO
Z1	World not allocated (EU-15) ECO
Z2	Intra-EU-12 not allocated ECO
Z3	World not allocated (euro-zone) ECO
Z4	Extra-EU-12 not allocated ECO
Z5	World not allocated geographically GEO
Z6	Intra-EU-15 not allocated ECO
Z8	Extra-EU-15 not allocated ECO
Z9	Rest of the World (World - Country or Entity) - (for Eurostat needs) ECO
ZA	South Africa COU
ZM	Zambia COU
ZW	Zimbabwe COU

APPENDIX 10 – LIST OF MFIS IN MALTA

Central Bank:	Central Bank of Malta
Credit Institutions:	Akbank T.A.S APS Bank Ltd Bank of Valletta plc BAWAG Malta Bank Ltd Disbank Malta Ltd Erste Bank (Malta) Ltd First International Merchant Bank plc HSBC Bank Malta plc HSBC Home Loans (Malta) Ltd Investkredit International Bank plc Izola Bank Ltd Lombard Bank Malta plc Raiffeisen Malta Bank plc Sparkasse Bank Malta plc Turkiye Garanti Bankasi A.S. Volksbank Malta Ltd
Money Market Funds (MMFs):	La Vallette Euro Money Fund La Vallette Maltese Lira Fund La Vallette Sterling Money Fund La Vallette United States Dollar Money Fund

APPENDIX 11 – LIST OF ABBREVIATIONS

ATM	Automated teller machine
BAD	Bank Accounts Directive
Cap.	Chapter
CBM	Central Bank of Malta
CIU/S	Collective investment undertaking/scheme
EC	European Community
EUR	Euro
ECB	European Central Bank
EMU	European Monetary Union
ESA 95	European System of Accounts 1995
ESCB	European System of Central Banks
EU	European Union
Lm	Maltese lira
MBS	Money and banking statistics
MFI	Monetary Financial Institution
MMF	Money Market Fund
MU	Monetary Union
MUMs	Monetary Union Member states
n.e.s.	not elsewhere specified
para.	paragraph
repo	repurchase agreement
ROW	Rest of the World

APPENDIX 12 – SPECIMEN COPY OF STATUTORY RETURNS