MALTA FINANCIAL SERVICES AUTHORITY

BANKING SUPERVISION UNIT

Tel: (+356) 2144 1155 Fax: (+356) 2144 9234

Amendments to Banking Rule BR/08 'Capital Adequacy of Credit Institutions Authorized under the Banking Act 1994'

PUBLISHED DECEMBER 2011

Directive 2010/76/EU (CRD III) Amendments (applicable from 31 December 2011)

Main body of Rule para 18(i): extended the calculation of capital requirements for settlement risk to the non-trading book business.

Appendix B 'Definitions': insertion of definitions for securitisation position and re-securitisation position.

Appendix C 'The Trading Book and Hedging Exposures' para 1.3 'Prudent Valuation Methods' 'Trading Book Requirements' eighth paragraph: replaced

Appendix C 'The Trading Book and Hedging Exposures' para 1.3 'Prudent Valuation Methods' 'Trading Book Requirements' tenth paragraph: replaced

Appendix C 'The Trading Book and Hedging Exposures' para 1.3 'Prudent Valuation Methods' 'Trading Book Requirements' sub-paragraph (a) of the eleventh paragraph: replaced

Appendix C 'The Trading Book and Hedging Exposures' para 1.3 'Prudent Valuation Methods' 'Valuation Adjustments' and 'General Standards': replaced

Appendix C 'The Trading Book and Hedging Exposures' para 1.3 'Prudent Valuation Methods' 'Standards for Less Liquid items' paras 2, 3 and 4: replaced

Annex II 'Calculating Capital Requirements for Settlement and Counterparty Credit Risk': second paragraph of para 10 replaced.

Annex III 'Calculating Capital Requirements for Position Risk' para 8 first paragraph introductory part: replaced

Annex III 'Calculating Capital Requirements for Position Risk' para 8(v) third paragraph: replaced

Annex III ‘Calculating Capital Requirements for Position Risk’ para 17: replaced

Annex III ‘Calculating Capital Requirements for Position Risk’: insertion of paras 17a, 17b and 17c

Annex III ‘Calculating Capital Requirements for Position Risk’: insertion of para 19a

Annex III ‘Calculating Capital Requirements for Position Risk’ para 31: replaced

Annex III ‘Calculating Capital Requirements for Position Risk’ para 32: deleted

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 1: replaced

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 4 second paragraph: replaced

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 5: replaced

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’: insertion of paras 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k and 5l

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 6: replaced

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 7: replaced

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 8 first paragraph: replaced

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 9: deleted

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 10(c): replaced

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 10(e): replaced

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’: insertion of paras 10a, 10b and 10c

Annex VII ‘Use of Internal Models to Calculate Capital Requirements’ para 12 first paragraph: replaced

Directive 2010/78/EU (OMNIBUS DIRECTIVE) Amendments (applicable from 31 December 2011)

Annex VI ‘Calculating Capital Requirements for Large Exposures’ para 14: last sentence replaced to indicate that the Authority shall also notify the EBA.

PUBLISHED OCTOBER 2010

Directive 2009/111/EC (CRD II) Amendments (applicable from 31 December 2010)

Annex VI – minor amendments to paragraph 4 and paragraph 11.

Banking Supervision Unit - MFSA