

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular to Credit Institutions on Banking Rule BR/07

The Authority is hereby issuing a revised version of Banking Rule BR/07 on the Publication of Annual Report and Audited Financial Statements of Credit Institutions authorised under the Banking Act.

The revised Banking Rule BR/07 adopts the '[Guidelines on Disclosure of Encumbered and Unencumbered Assets](#)' [EBA/GL/2014/03] issued by the EBA on 27th June 2014 (hereinafter referred to as the 'EBA Guidelines'). The EBA Guidelines specify the disclosure of unencumbered assets in accordance with Article 443 of Regulation No. 575/2013 ([CRR](#)). Furthermore, taking into account the requirements of the Recommendation of the European Systemic Risk Board of 20 December 2012 on funding of credit institutions [ESRB/2012/2] and in particular Recommendation D thereof, the EBA Guidelines additionally specify the disclosure of encumbered assets.

Paragraphs 23A to 23G of BR/07 as well as Appendix 2, both adopting the requirements of the EBA Guidelines, shall come into force on 27th December 2014. The information which credit institutions are required to disclose is prescribed in Appendix 3.

Credit institutions having their financial year ending before 31st December 2014 and which on the date of coming into force of the aforementioned provisions would not have yet published their financial statements, will be required, on a one-off basis, for the first reporting period following the entry into force of paragraphs 23A to 23G and of Appendix 2, to disclose the information prescribed in Appendix 3 either together with the interim financial statements (which in the case of listed entities relates to the published interim statements) or through a public statement on their web-site. Furthermore, credit institutions shall be required to ensure compliance by not later than five months from the coming into force of the said provisions.

Furthermore, additional amendments have also been made in order to reflect the requirements laid down in Part Eight of the [CRR](#) [Articles 431 to 455]. Credit institutions will be required to publish disclosures under Part Eight of the [CRR](#) at least on an annual basis. Annual disclosures shall form part of the Annual Report. Where applicable, disclosures under Part Eight of the [CRR](#) shall also be published on the credit institutions' website.

Communications Unit

Malta Financial Services Authority

3rd November 2014