MFSA MALTA FINANCIAL SERVICES AUTHORITY

Supervisory Banking Statistics
Methodological Guide

CONTENTS

REVISIONS LOG

VERSION	DATE ISSUED	DETAILS
1.00	16.09.2026	First Publication of the Methodological Note

1. Introduction

This Methodological Guide document outlines the main features of the publication of supervisory data on the Maltese banking sector, issued by the Malta Financial Services Authority (MFSA). It serves as a reference for users seeking to understand the structure, content and methodological principles underpinning the aggregation and dissemination of the data presented. The guide explains the scope, risk dimensions covered and underlying methods used for aggregating data.

It also clarifies the types of institutions included in the analysis, the level of consolidation used and the approach to handling flow and stock data. These supervisory statistics are essential for supporting macroprudential oversight, informing public discourse, and promoting transparency and accountability within the financial system.

The publication is composed of several elements — data tables, interactive dashboards, classification overviews, and a supporting annex, all ofwhich are intended to be read in conjunction to form a comprehensive view of the local banking sector's prudential status.

Through this guide, the MFSA aims to foster consistent interpretation, facilitate analytical use, and support comparability over time, while ensuring that methodological transparency remains a cornerstone of its supervisory data dissemination practices.

2. Background

Supervisory data is essential for monitoring banks’ compliance with regulatory requirements and identifying emerging risks and vulnerabilities. The aggregation and publication of supervisory banking statistics provide insights into sector-wide trends and potential systemic risks. These supervisory statistics also enable comparative analysis and inform economic research and policy formulation within the financial sector. The publication of supervisory banking statistics is also aimed at enhancing transparency, fostering accountability and encouraging market confidence in the local economy.

The published statistics are sourced from the entity-level data as reported by local credit institutions to the Malta Financial Services Authority under the EU harmonised prudential reporting framework for credit institutions, commonly referred to as the ITS on Supervisory Reporting (Regulation (EU) 2024/3117) and the ECB FINREP Regulation (Regulation (EU) 2015/534) specifying additional supervisory financial reporting requirements, as amended from time to time.

Both the afore-mentioned regulations are continuously revised to include newly applicable regulatory reporting requirements or to amend already-existing ones as a result of developments. Against this background, the publication of supervisory banking statistics and the underlying data will also be revised, if and when necessary, to align with any amendments in the supervisory reporting framework.

This document serves as a comprehensive resource, detailing the sources, scope, and methodologies employed in aggregating Supervisory Banking Statistics. Metrics, indicators and dashboards on the banking sector made available through other publications, being MFSA publications or otherwise, may differ from the data presented in the Supervisory Banking Statistics due to differences in the underlying definitions, data sources, methodologies, scope and/or other reasons. Given these potential disparities, users of Supervisory Banking Statistics should exercise caution when interpreting and comparing information across different publications.

In addition, the information provided in the publications of Supervisory Banking Statistics is intended for informational purposes only and should not be construed as formal advice regarding market conditions or similar matters.

3. Publication

The publication of the supervisory banking statistics includes the following:

- Maltese Banking population
  Table providing information on the number of credit institutions licensed in Malta, together with information on several classifications used in supervisory practices and assessments.
  Given the nature of the information, this table is only updated when any changes effected impact the data therein.

- Interactive dashboard
  Dashboard with a number of visuals showing aggregated supervisory banking statistics for the local banking sector. This dashboard is updated quarterly.

- Data tables
  Data tables with aggregated supervisory banking statistics, available for download in Excel format. Data tables are updated quarterly. The Authority reserves the right to suppress any of the content it deems appropriate and/or necessary for confidentiality reasons.

- Methodological guide

Document presenting the main features of the publication of supervisory data on the Maltese banking sector, in terms of scope, areas covered and underlying methods used for aggregating data.

- Annex to methodological guide
  Includes a list of data point definitions, referencing the supervisory reporting framework templates.

4. Scope and Application

a. In-Scope Institutions

The publication of the supervisory banking statistics in the Interactive dashboard and the Data tables covers data for all credit institutions licensed in Malta under the Banking Act 1994, presented on an aggregate basis and at the highest level of consolidation for which reporting has been submitted to the MFSA.

These statistics exclude data for credit institutions with freedom of right to establishment in Malta (referred to as EU branches) and credit institutions licensed to transact the business of banking in terms of article 5(1) of the Banking Act through the establishment of a branch in Malta and authorised to carry out the business of banking in/from Malta (referred to as third-country branches).

b. Data Aggregation

The data in the Interactive dashboard and the Data tables consists of data aggregated by summing the individual values reported by each in-scope institution.

For risk indicators in ratio form, numerators and denominators are summed separately across institutions, and the resulting values are then used to compute the sector-level ratio.

All monetary values are shown in Euro millions, rounded to two decimal places. All percentage values are rounded to two decimal places.

For the indicators expressed as a percentage, due to rounding, percentages may not always add up to 100%.

c. Flow Data in Risk Indicators

The use of flow data in risk indicators creates an added complexity when aggregating data. Flow data is data which is expressed over a period of time. In supervisory reporting this is most commonly used to express data points in an entity's profit/loss statements, such that data is expressed cumulatively starting from the beginning of any financial year.

To ensure comparability across institutions with different financial year-ends, flow data are aggregated using a four-quarter moving sum, beginning from the reference quarter. This captures 12 months of activity for all banks.
When a risk indicator includes both flow and stock (point-in-time) data points in the numerator and denominator separately, the stock data is then aggregated by calculating the moving average over a period of four consecutive quarters, starting from the quarter for which data is being published. This method is applied to ensure consistency across the numerator and the denominator of a risk indicator in terms of the time period taken into consideration.

The Authority reserves the right to periodically review and amend this methodology as it deems adequate for the accurate presentation of these indicators.

d. Cut-Off Date

The publication of the Interactive dashboard and the Data tables includes a cut-off date for publication, which indicates the date in which the data has been extracted. Resubmissions made by institutions after this date, if any, are not accounted for in the publication. Due to revisions, all of the data points may be subject to change in the subsequent releases of the publication.

5. Metrics and Indicators by Risk

The Annex to the methodological guide includes a list of all metrics and indicators by risk type as shown in the Interactive dashboard and the Data tables. For each metric and indicator, the Annex also includes the data point reference from the ITS on Supervisory Reporting, in {template, column, row} form.

a. Balance Sheet

Metrics and indicators related to the balance sheet provide insight into the size, structure and funding composition of the local banking sector. These metrics reveal the predominant instruments on institutions' balance sheet and the main funding sources of banks. A breakdown of some of the instruments by counterparty reveal the economy sectors banks are mostly exposed to.

b. Solvency

Solvency indicators measure banks' ability to and absorb losses through its own funds, more commonly referred to as regulatory capital. Solvency indicators play a major role in identifying a bank's financial health. Against this background, some solvency indicators have a minimum regulatory capital requirement which banks need to comply to on an ongoing basis.

Some of the ratios in the supervisory banking statistics, namely the CET1 capital ratio, the Total capital ratio and the Leverage ratio, are presented under both transitional and fully-loaded (fully phased-in) scenarios. Whilst the former method shows the actual ratio position considering the transitional arrangements allowed by applicable regulation, the fully-loaded ratios consider a more prudent approach in terms of identifying any potential shortfalls once the regulatory transitional period is over.

c. Credit Risk and Asset Quality

Credit risk is one of the most prominent areas for supervision. It reflects the likelihood that a borrower or counterparty does not or cannot meet its agreed obligations towards a bank. Metrics and indicators in this section are aimed at identifying the quantity and quality of debt instruments held in the banking sector's books, showing existing or potential credit risks faced by local institutions. More specifically, some metrics and indicators focus on loans and advances as one type of instrument, this usually representing the biggest part of assets composition in the local scenario.

To address distortions from cash balances at central banks and other demand deposits with credit institutions (in short referred to as "CBDD" throughout the publication), the non-performing exposures (NPE) ratio and the non-performing loans and advances (NPL) ratio are shown both including and excluding these specific instruments to better reflect asset quality dynamics.

d. Liquidity

Liquidity indicators illustrate an institution's level of short-term and long-term availability of liquid assets. As such, liquidity indicators depict the ability of an institution to liquidate assets quickly and meet its debt obligations, whether this need emanates from ordinary circumstances or arising stress scenarios.

Common liquidity ratios featured in the publication include the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), which illustrate the bank's ability to withstand short-term and longer-term liquidity stress.

e. Profitability

Profitability indicators are considered an essential measure of institution's resilience. Generating profits supports an institution's solvency position, as it shows the bank's ability to earn more than it pays in expenses. The indicators in the supervisory banking statistics, more specifically the Return on assets (RoA) and the Return on equity (RoE), are two of the most prominent indicators used in this risk area as these reflect earnings relative to total assets and shareholders' equity, respectively.

6. Conclusion

The publication of supervisory banking statistics represents a key element in the MFSA’s ongoing commitment to enhance the transparency, accessibility and usability of regulatory data. By providing a structured view of the Maltese banking sector’s performance and risk profile, the Authority enables stakeholders — including policymakers, researchers, market participants and the general public — to make more informed assessments and decisions.

This methodological guide is a living document and may be updated periodically to reflect regulatory changes, evolving data requirements, or methodological enhancements. Users are encouraged to consult the latest version and accompanying annex to ensure accurate understanding and interpretation of the statistics published.

Malta Financial Services Authority
Triq L-Imdina, Zone 1
Central Business District, Birkirkara, CBD 1010, Malta
communications@mfsa.mt
www.mfsa.mt