

23 October 2026

Circular to Credit Institutions and EU Branches on the Supervisory Reporting Approach during the Interim Period of IFRS 18 Implementation

The Authority hereby draws the attention of credit institutions and EU branches established in Malta to the [Opinion of the European Banking Authority \(EBA\) on the profit and loss reporting for the period between the date of application of the IFRS 18 and the amended Commission Implementing Regulation \(EU\) 2024/3117 \(ITS on supervisory reporting\)](#), published on 8 July 2026.

The Authority also notes the supervisory stance communicated by the European Central Bank (ECB) through its [Press Release, Regulatory reporting on profit and loss: institutions will have option to report under IAS 1 or IFRS 18](#), of 15 October 2026, addressed to Significant Institutions (SIs) under its direct supervision.

Having considered both communications, the Authority hereby expresses the supervisory approach to be applied by the Less Significant Institutions (LSIs) and EU branches established in Malta.

Background

[IFRS 18, Presentation and Disclosure in Financial Statements](#), will replace IAS 1 and will introduce revised presentation requirements for information reported in the statement of profit or loss, applicable as of **1 January 2027**.

The Authority acknowledges the reporting implications arising from the implementation of IFRS 18 as detailed in the EBA Opinion, with **30 September 2027** indicated as the expected first reference date in which the corresponding amendments to the supervisory reporting framework will become applicable through the FINREP module.

SIs, LSIs and EU branches should note that, whilst the duration of the interim period is expected to impact two reporting quarters, the first application of the revised FINREP remains subject to the effective finalisation of the relevant reporting framework amendments by the EBA and the ECB, as well as the adoption of the revised regulations by the European Commission.

Supervisory Reporting Approach

For the duration of the interim period, starting in March 2027 until the first applicable reference date of the revised FINREP, credit institutions and EU branches may adopt one of the following reporting alternatives, in respect of the affected FINREP profit or loss-related templates:

Option 1 - Existing FINREP Reporting Approach

Institutions may continue reporting the affected FINREP templates in accordance with the existing supervisory reporting framework. In practice, institutions choosing this option will need to keep reporting the current FINREP framework for the duration of the interim period.

Option 2 - IFRS 18 Reporting Approach

Institutions may report the affected FINREP profit or loss information using the dedicated IFRS 18 reporting templates as set out in Annex 2 to the EBA Opinion and as published by the EBA in the [technical package for v4.4 Phase 1](#). In practice, institutions using this option will be required to submit the IFRS 18 reporting module separately and omit the impacted profit and loss templates from their FINREP submission.

The reporting approaches described above apply only to the supervisory reporting templates affected by the implementation of IFRS 18 during the interim period. For credit institutions, the affected templates correspond to those identified in the EBA Opinion. For EU branches reporting under the national abridged FINREP framework, the reporting impact is limited to template F 02.00 (Statement of profit or loss). All other supervisory reporting templates shall continue to be reported in accordance with the applicable reporting framework.

Notification Requirement

To facilitate supervisory monitoring and preparation, as well as the Authority's reporting obligations towards the relevant European authorities, **all credit institutions and EU branches are requested to notify the Authority of the reporting approach they intend to adopt during the interim period**. For credit institutions, such notification shall include the approach adopted for each level of consolidation the bank is currently required to submit supervisory reporting to the Authority.

Institutions shall communicate their selected approach by email to BankingData@mfsa.mt by no later than **Monday 30 November 2026**.

The Authority acknowledges the flexibility provided under the EBA Opinion and will allow credit institutions to determine the reporting approach most appropriate to their circumstances. To ensure consistency and comparability of supervisory reporting throughout the interim period, institutions are expected to maintain the approach communicated to the Authority for the duration of that period.

Further practical details, such as naming conventions, will be provided by the Authority in due course.

Any queries relating to this Circular may be addressed to BankingData@mfsa.mt.