

PUTTING THE CUSTOMER FIRST  
**FINANCIAL AND REGULATORY FACT SHEET**



## Sparkasse Bank Malta plc Financial and Regulatory Fact Sheet

This document provides details on the Sparkasse Bank Malta plc (“the Bank” or “SBM”) and on all our financial services licences, as well as the Malta Financial Services Authority, being the local regulator for financial services activities in Malta. We list our responsibilities under the Depositor and Investor Compensation Schemes, whilst also providing you with links for further information and Due Diligence on the Bank.

### Regulation

Sparkasse Bank Malta plc is licensed as a credit institution in terms of Article 5(1) of the Banking Act, 1994 and as a Category 2 and 4a Investment Services Licence Holder in terms of Article 6 of the Investment Services Act, 1994.

Being a bank licensed in Malta, it is subject to all the statutory and regulatory obligations emanating from both the Investment Services Act, 1994 and the Banking Act, 1994, all the related Banking and Investment Services Rules, the Bank’s licence/s conditions and any conditions established by the Malta Financial Services Authority (“MFSA”) and/or the European Central Bank from time to time.<sup>1</sup> The Bank is also required to ensure compliance with statutory and regulatory obligations that are not specific to banks, e.g. data protection, prevention of money laundering and funding of terrorism and market abuse legislation.

More information on the MFSA may be obtained by visiting their website - <http://www.mfsa.com.mt/>

### Licences

The Bank holds the following licenses:

- Credit Institution in terms of the Banking Act (Chapter 371 of the Laws of Malta) licensed to accept deposits of money from the public withdrawable or repayable on demand or after a fixed period or after notice or to borrow or raise money from the public (including the borrowing or raising of money by the issue of debentures or debenture stock or other instruments creating or acknowledging indebtedness), in either case for the purpose of employing such money in whole or in part by lending to others or otherwise investing for the account and at the risk of the licensee accepting such money;
- Category 2 License in terms of the Investment Services Act (Chapter 370 of the Laws of Malta) Licence Holders authorised to provide any Investment Service and to hold or control Clients’ Money or Customers’ Assets, but not to operate a multilateral trading facility or deal for their own account or underwrite or place instruments on a firm commitment basis; and
- Category 4a License in terms of the Investment Services Act (Chapter 370 of the Laws of Malta). License Holders authorised to act as custodian of all types of collective investment schemes.

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<sup>1</sup> Following the establishment of the Single Supervisory Mechanism in November 2014, less significant banks are being supervised by their national supervisors in close co-operation with the European Central Bank (“ECB”) whilst significant banks are being directly supervised by the ECB.

- Sparkasse Bank Malta plc Ireland Branch is a branch of Sparkasse Bank Malta plc, and registered in Ireland with registration number 908881. Sparkasse Bank Malta plc, Ireland Branch (the “Branch”) is authorised by the Irish regulator, the Central Bank of Ireland (“CBI”), to act as Depositary to Irish authorised investment funds. The Branch has its office at 3 d Floor, Fleming Court, Fleming Place, Dublin 4, Ireland.

Please visit the Financial Services Register on the MFSA site by clicking [here](#) for further information and search for “Sparkasse Bank Malta”.

## Registered Address

Sparkasse Bank Malta plc  
101, Townsquare,  
Ix-Xatt Ta’ Qui-si-Sana,  
Sliema,  
SLM 3112  
Malta

## Annual Reports

SBM’s most recent Annual Report may be downloaded from the Bank’s website by clicking [here](#).

Previous Annual Reports are available upon request.

## Certificate of Incorporate, Memorandum and Articles of Association

The Bank was registered by the Registrar of Companies as a Public Limited Liability Company on the 24<sup>th</sup> of October 2000 with Registration No. C 27152.

The Bank was established to carry out the business of banking in accordance with the Banking Act, 1994, a copy of which may be accessed by clicking [here](#).

The Memorandum and Articles of Association allow the Bank to provide investment services of any kind and nature, and as a result a licence was obtained under the Investment Services Act, 1994, a copy of which may be obtained by clicking [here](#).

A copy of the Bank’s Certificate of Incorporation, Memorandum and Articles of Association will be provided upon request.

## Bank Identifier Numbers

**GIIN Number:** U2CW4K.00002.ME.470

**LEI Number:** 21380099RT73NFBYS559

**BIC / SWIFT Details:** SBMTMTMT

## Management

The management of the Bank consists of the Board of Directors. The Board of Directors delegates specific responsibilities to the Executive Committee. It meets regularly and focuses on substantive business decisions cutting across issues of company-wide significance in terms of parameters and resolutions of the Board of Directors.

More information on the Board of Directors may be found by clicking [here](#) and the Executive Committee by clicking [here](#).

## Anti-Money Laundering and Prevention of Financing of Terrorism

The law that regulates anti-money laundering and funding of terrorism in Malta is the Prevention of Money Laundering Act (PMLA - Chapter 373 of the Laws of Malta) a copy of which may be accessed by clicking [here](#).

SBM being a subject person in terms of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2008 (S.L. 373.01) is required to carry out customer due diligence on its clients. The Bank has adequate policies, and procedures in place which are in line with the Financial Intelligence Analysis Unit (FIAU) Implementing Procedures. Please follow the link to access the relative Implementing Procedures by clicking [here](#).

## Services and Products

Sparkasse Bank Malta plc does not lend to the general public, nor does it run a trading book. Services and products provided include:

- Provision of multiple currency Cash accounts (Current accounts, Fiduciary Deposits & Term Deposits up to 1 year);
- Provision of Credit Card and Pre- Paid Card Solutions;
- Payment services (direct participants in SWIFT, EBA SEPA & TARGET payments);
- Foreign Exchange;
- Online Banking Access and Services;
- Portfolio / Securities accounts (Safe keeping of Customer Assets);
- Receipt and Transmission / Execution of securities instructions (in terms of the Markets in Financial Instruments Directive II);
- Securities Settlement;
- Nominee Services;
- Precious Metals transactions and storage;
- Private Banking services;
- Custody and Depositary services for Collective Investment Schemes (UCITS, PIFS, AIFS and NAIFS).

Sparkasse Bank Malta plc is not a Credit Rated entity and has no publicly issued debt or equity securities in any market.

## Compensation Schemes

### The Depositor Compensation Scheme

The Depositor Compensation Scheme is a rescue fund for depositors of failed banks which are licensed by the Malta Financial Services Authority. The Scheme can only pay compensation if a bank is unable to meet its obligations towards depositors or has otherwise suspended payment. The Scheme is based on the EU Directive 2014/49/EU on deposit guarantee schemes.

More information on the Depositor Compensation Scheme may be obtained from the Compensation Scheme website by clicking [here](#). More information may also be obtained by clicking [here](#) and viewing the Depositor Compensation Scheme Information Sheet.

### The Investor Compensation Scheme

The Investor Compensation Scheme is a rescue fund for customers of failed investment firms which are licensed by the Malta Financial Services Authority. The Scheme can only pay compensation if a licensed investment firm is unable or likely to be unable to pay claims against it. In general this is when the licensed firm stops trading or becomes insolvent. The Scheme is based on the EU Directive 97/9 on investor compensation schemes.

More information on the Investor Compensation Scheme may be obtained from the Compensation Scheme website by clicking [here](#).

## The Control of Assets Regulations

The Investment Services Act (Control of Assets) Regulations (S.L. 370.05) and the Investment Services Act (Custodians of Collective Investment Schemes) Regulations (S.L. 370.32) posit the overarching principles governing the holding and control of clients' assets by investment services licence holders and custodians of collective investment schemes respectively. Custody accounts for securities are held as 'Clients' Accounts' and are segregated from the Bank's assets in accordance with the said Regulations.

The Investment Services Act (Control of Assets) Regulations (S.L. 370.05) may be viewed by clicking [here](#), whilst the Investment Services Act (Custodians of Collective Investment Schemes) Regulations (S.L. 370.32) may be viewed [here](#).

## Selected Key Financial Soundness Indicators

Indicator / Ratio	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	BRRD Thresholds	
						EWS	RI
<b>LEVERAGE</b>							
<b>ABSOLUTE (IN €Millions)</b>							
Total On Balance Sheet Exposures	519,997	545,689	572,157	716,246	719,056		
Total Off Balance Sheet Exposures	16,585	4,918	4,341	19,620	6,782		
<b>PERCENTAGES</b>							
Leverage Ratio	4.3%	4.1%	4.3%	3.3%	3.5%*	3.50%	3.00%
<b>PROFITABILITY</b>							
<b>PERCENTAGES</b>							
Return on Assets	0.6%	1.0%	0.65%	0.77%	0.50%	0.20%	0.00%
Return on Equity	11.5%	18.1%	15.8%	13.7%	13.1%	8.00%	5.00%
Cost to Income Ratio	46.5%	40.0%	41.4%	44.5%	50.1%	50.00%	60.00%
Revenue change from previous year	-4.2%	16.7%	13.2%	13.6%	19.7%	30.00%	50.00%
<b>ABSOLUTE (IN €)</b>							
Significant Operational Losses	-	-	-	-	-	> EUR 480,000	> EUR 1,107,750
<b>LIQUIDITY (ILAAP)</b>							
<b>PERCENTAGES</b>							
Liquid Assets to Short-Term Liabilities	80.9%	79.5%	83.3%	77.9%	74.2%		
Liquid Assets to Total Assets	75.7%	74.4%	78.1%	73.0%	69.5%	50%	40%
Liquidity Coverage Ratio	379.6%	188.0%	1396.6%	753.0%	597.6%	150%	100%
Net Stable Funding Ratio	239.5%	249.8%	270.7%	333.3%	461.8%	150%	100%
<b>PILLAR 1 / PILLAR 2 / OWN FUNDS (ICAAP)</b>							
<b>ABSOLUTE (IN €Millions)</b>							
Credit Risk	74,998	76,288	77,386	87,431	72,395		
Market Risk	1,397	891	587	519	1,126		
Operational Risk	14,862	15,565	15,565	15,565	17,401		
Total Pillar 1 Risk	91,257	92,743	93,537	103,515	90,923		
Pillar 2 Risk	-	-	-	-	-		
Total SREP Capital Requirements (TSCR)	7,301	7,419	7,483	8,281	7,274		
Capital Conservation Buffer	1,141	1,739	1,820	1,941	1,705		
Countercyclical Capital Buffer	0	2	2	1	2		
Overall Capital Requirements	8,442	9,160	9,305	10,224	8,980		
Own Funds	23,227	22,347	24,575	24,533	25,196	20,000	15,000
<b>PERCENTAGES</b>							
Risk Weighted Assets as a % of Total Assets	17.5%	17.0%	16.3%	14.5%	13%	40%	50%
Capital Adequacy Ratio	25.5%	24.1%	26.3%	23.7%	27.7%	14%	11%
<b>INTEREST RATE SHOCK ANALYSIS (ICAAP)</b>							
<b>ABSOLUTE (IN €Thousands)</b>							
Total Market Risk (Change in Value)	-3,375	-2,178	-3,432	-6,825	-5,758		
<b>PERCENTAGES</b>							
Duration of Equity	14.5%	9.7%	14.0%	27.8%	22.9%		
<b>RISK BEARING CAPACITY / STRESS TESTING</b>							
<b>ABSOLUTE (IN €Millions)</b>							
Reduction in Capital (due to Stress Test Result)	4,960	4,960	925	925	925		
Maximum Risk Limit	18,267	17,387	23,650	23,608	24,271		
<b>PERCENTAGES</b>							
Utilisation Risk Limit	46%	53%	39%	43%	37%		
Current Utilisation	36%	41%	38%	42%	36%		

\* Following the approval of the Financial Results, the Bank's shareholder will be injecting EUR 4 million in Share Capital. New Leverage Ratio would be 4.0% at a stable Own Funds figure of circa EUR 29 million after deduction of prudential filters and Intangible Assets.

PRIVATE & CORPORATE BANKING / WEALTH MANAGEMENT / TAILORED SOLUTIONS

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