

27 August 2012

## **Response to EBA Consultation Paper on Draft Implementing Technical Standards on Supervisory reporting requirements for liquidity coverage and stable funding**

**(EBA/CP/2012/05)**

Mediterranean Bank plc welcomes the opportunity to comment on the EBA consultation paper on Draft Implementing Technical Standards (ITS) on Supervisory reporting requirements for liquidity coverage and stable funding.

Mediterranean Bank plc is a specialist Maltese bank focusing on wealth management, savings and investments.

We would like to provide the following comments:

- We support the position of the European Banking Federation (EBF) set out in their response, dated 27 August 2012, to the EBA, in particular with regard to:
  - The first remittance dates (i.e. end of January 2013 and end of March 2013) / remittance period (i.e. 15 days after reporting dates) for the reporting requirements for the liquidity coverage and stable funding;
  - Recommended additions to assets of high and extremely high liquidity and credit quality to both the LCR and NSFR, in particular: Central Bank eligible securities, covered bonds rated A- to A+, RMBS rated AAA, asset-backed securities of the highest credit quality and liquidity, government guaranteed bonds issued by credit institutions;
- A run off rate of 25% assigned to determine outflows from liabilities resulting from secured lending and capital market driven transactions where the lender is a Central Bank (article 410(3) of the CRR) is considered to be excessive. Provided a credit institution has Central Bank eligible assets, Central Bank funding will always be obtained; therefore a 0% run off rate would be more appropriate.



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- A clear definition for the determination of the threshold for deposits placed by natural persons, where the aggregate liability to such clients or group of connected clients does not exceed €1 million is needed. In particular, the mechanism as to the application of such a threshold to deposits made by joint individual account holders who can in addition have individual deposits placed with the same credit institution, need to be clearly formulated.
- More detail needs to be provided in respect of determining the amount of 'insured' deposits, covered by Depositor Guarantee Scheme, where deposits are made jointly by individual holders with one deposit account opened and where such individual holders may have other deposit accounts (both individual and joint) in both eligible and non-eligible currencies.

We hope you will find our comments helpful.

Yours faithfully

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