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METHODOLOGICAL NOTE ON THE FINANCIAL SOUNDNESS INDICATORS OF THE SDDS+

Financial Reporting and CCR

The financial soundness indicators (FSIs) forming part of the SDDS+ (Special Data Dissemination Standard Plus) are compiled in accordance with the methodology established by the International Monetary Fund (IMF) (*2019 Financial Soundness Indicators: Compilation Guide and Amendments*)¹ and, since 2017, in accordance with the guidance of the European Banking Authority (EBA) (Guidance Note - Compiling IMF FSIs).²

The EBA guidance note is based on Commission Implementing Regulation (EU) No 2021/451³, which establishes a uniform framework, compulsorily applicable in all European Union countries, with regard to supervisory reporting of institutions. This ensures that the indicators are compiled using the same concepts and definitions, coverage, periodicity and timeliness, thus facilitating analysis and comparison between various European Union (EU) countries.

Information sources

The main data source is the supervisory information received by the Banco de España from credit institutions. The Banco de España gathers and processes this information in accordance with the provisions of Banco de España circulars and within the regulatory framework of the European Union (Directive 2013/36/EU,⁴ Regulation (EU) No 575/2013⁵ on capital requirements and Implementing Regulation (EU) No 2021/451).

Scope of consolidation

The indicators are compiled using the consolidated data for those institutions that have to submit consolidated financial statements and individual data for the institutions that do not have to prepare them. The scope of consolidation is that specified for prudential purposes in Part One, Title II,

¹ FSIs data. The guide "2019 Financial Soundness Indicators Compilation Guide" is applicable as of second quarter of 2022.

² Guidance of EBA

³ Commission Implementing Regulation (EU) No 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014.

⁴ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

⁵ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

Chapter 2, Section 2 of Regulation (EU) No 575/2013. This means that insurance companies and non-financial corporations belonging to the group are not included in the scope of consolidation.

Reporting population

Regarding the institutions comprising the population for which FSIs are compiled:

- until December 2013, the data refer to all Spanish credit institutions (including specialised lending institutions) excluding the subsidiaries and branches in Spain of institutions established in other countries (use of the IMF method known as the “*Domestically controlled cross-border, cross sector consolidation basis – DCCBS*”).
- from January 2014, specialised lending institutions are excluded because they lost their credit institution status under Royal Decree-Law 13/2013.
- from January 2015, the data include the subsidiaries in Spain of credit institutions established in other countries (use of the IMF method known as “*Cross-border, cross-sector consolidation basis for all domestically incorporated entities, CBCSDI*”).

Revision policy

The last quarter information is always considered provisional.

Also, exceptionally, there may be additional revisions in indicators when institutions send changes due to errors detected by the institutions themselves or as a result of a supervisor’s and/or auditor’s requirements.

Periodicity

The Banco de España publishes the FSIs forming part of the SDDS+ quarterly, with a lag of one quarter.

Dissemination

The FSIs forming part of the SDDS+ and the related meta-information are also published on the International Monetary Fund’s website along with the other FSIs.⁶

Correspondence of the indicators with the templates of Implementing Regulation (EU) No2021/451

The correspondence shown below is based on the templates defined in Implementing Regulation (EU) No 2021/451. Working backwards, for individual data the time series are compiled homogeneously for these concepts, in accordance with the templates in force in each period.

⁶ Data and Metadata tables of FSIs

	Numerator	Denominator
Regulatory tier 1 capital to risk-weighted assets, ratio	C_01.00, r(015), c(010)	C_02.00, r(010), c(010)
	Article 25 of Regulation (UE) No 575/2013	Articles 92(3), 95, 96 and 98 of Regulation (UE) No 575/2013
Regulatory tier 1 capital to assets, ratio	C_01.00, r(015), c(010)	If exist C_47.00, r(0300), c(0010), otherwise F_01.01, r(0380), c(010)
	Article 25 of Regulation (UE) N° 575/2013	Part seven of Regulation (UE) N° 575/2013, otherwise IAS 1.9.a)
Non-performing loans net of (total) provisions to capital, ratio	F_18.00, r(070), c(060) + r(191), c(060) + r(221), c(060) + F_18.00, r(0005), c(0130) + F_18.00, r(070), c(130) + r(191), c(130) + r(221), c(130)	C_01.00, r(0010), c(0010)
	Annex V, part 2.2, 3, part 1.32, 44.a) and part 2. 238	IAS 1.9.c)
Non-performing loans to total gross loans, ratio	F_18.00, r(070), c(060) + r(191), c(060) + r(221), c(060)	F_18.00, r(070), c(010) + r(191), c(010) + r(221), c(010)+ F_04.01, r(120), c(010)
	Annex V, part 1.32, 44.a), Art. 47 a.3); and part 2. 213-216, 223-239	Annex V, part 1.32, 44.a), part 1.34 and part 2.118, 221
Return on assets, ratio	(F_02.00, r(0010), c(0010) - r(0090), c(0010) - r(0150), c(0010) + r(0200), c(0010) + r(0280), c(0010) + r(0310), c(0010) + r(0220), c(0010) + r(0290), c(0010) + r(0300), c(0010) + r(0320), c(0010) + r(0287), c(0010) + r(0425), c(0010) + r(0590), c(0010) + r(0160), c(0010) + r(0340), c(0010) + r(0330), c(0010) + r(0580), c(0010) + r(0600), c(0010) + r(0650), c(0010) - r(0370), c(0010) - r(0380), c(0010) - r(0390), c(0010) - r(0210), c(0010) - r(0385), c(0010) - r(0350), c(0010) - r(0491), c(0010) - r(0481), c(0010) - r(0430), c(0010) - r(0510), c(0010) - r(0520), c(0010)) Annualised	(F_01.01, r(380), c(010)) Average
	IAS 1.97; Annex V, part 2.31, IFRIC 2.11, IFRS 7.20.c), IFRS 7.20.a).i); IFRS 9.5.7.1; Annex V, part 2.43, 46, IAS 21.28, 52.a, Annex V, part 2.45, IFRS 7.20.a).i); IFRS 9.5.7.1; Annex V, part 2.44, Annex V, part 2.47, Annex V, part 2.56, IFRS 7.20.a).i); IFRS 9.5.7.1; Annex V, part 2.46, IFRS 9.5.4.3; IFRS 9, appendix A; Annex V, part 2.49, Annex V, part 2.54, Annex V, part 2.40, Annex V, part 2.314-316, IAS 1.34; Annex V, part 2.48, IFRS 3, appendix B64.n).i), IFRS 5.37; Annex V, part 2.55, IFRS 5.33.b).i), IAS 19.7; IAS 1.102, IG 6, IAS 1.102, 104, IFRS 7.20.c), Annex V, part 2.48i, IFRS 9.5.4.4, 9.5.5.1, 9.5.5.2, 9.5.5.8, IAS 37.59, 84; IAS 1.98.b), f), g), IAS 28.40-4, IAS 36.126.a) y b)	IAS 1.9.a)
Liquid assets to short-term liabilities, ratio	C_72.00, r(010), c(010)	C_81.00, r (0070), c(0010) and c(0020) + r (0130), c(0010) and c(0020) + r (0220), c(0010) and c(0020) + r (0230), c(0010) and c(0020) + r (0310), c(0010) and c(0020) + r (0330), c(0010) and c(0020)

	Numerator	Denominator
		+ r (0390), c(0010) and c(0020)
		C_83.00, r(0030), c(0010) + r(0060), c(010) + r(0070), c(0010) + r(0080), c(0010) + r(0090), c(0010) + r(0100), c(0010) + r(0110), c(0010) + r(0120), c(0010)
	Article 416 of Regulation (EU) 575/2013	Article 427.1 and article 427.2 a)-d) of Regulation (EU) 575/2013

Example of notation:

C_01.00, r(0010), c(0010), information corresponding to:

- template C_01.00 Capital adequacy – Definition of own funds;
- row r(0010) own funds;
- column c(010) amount.