



EBA GUIDANCE NOTE

COMPILING THE IMF FINANCIAL SOUNDNESS INDICATORS FOR 'DEPOSIT-TAKERS' USING THE ITS ON SUPERVISORY REPORTING

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Abbreviations

EBA	European Banking Authority
EEA	European Economic Area
FINREP	Financial Reporting
FSI	IMF Financial Soundness Indicators
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
LCR	Liquidity coverage ratio
NPL	Non-performing loans
NSFR	Net stable funding ratio
SA	Standardised approach

I. Purpose of this note

The IMF Financial Soundness Indicators (FSIs) are aggregated statistical measures for monitoring the current financial health and soundness of a country's financial sector, and its corporate and household counterparts. They also intend to support economic and financial stability analysis.

FSIs are computed for most of the EEA countries, based on raw aggregated data reported in three standardised forms (FSI forms), capturing information on:

1. Income and expense statement;
2. Balance sheet information;
3. Memorandum series

However, EEA FSIs comparability has until now been hampered due to diverse source data that may follow different definitions, e.g. on NPLs, consolidation level, valuation methods and intra group adjustments, as well as differences in terms of coverage of their banking population, and periodicity and timeliness in their compilation.

This notes aims at providing guidance to the FSI compilers on how to compute FSIs for 'deposit-takers', using already available statistical inputs, derived from the EBA Implementing Technical Standards on supervisory reporting (hereafter, 'ITS')¹. Hence, it illustrates a comprehensive mapping between the three above-mentioned FSI forms to the EBA ITS templates.

Overall, the FSI forms can be mapped very adequately to the EBA ITS templates and, thus, allowing most of the FSI for 'deposit takers' to be computed based on ITS statistics. To that end, the general quality, comparability and ability to aggregate and disaggregate the currently compiled FSIs can be further enhanced, taking full advantage of the improvements the ITS brings, in terms harmonisation of concepts and definitions, coverage, periodicity and timeliness. In turn, this could enable FSI compilers to reduce reporting burden for their banks, using existing statistical inputs and provide transparency to FSI users on how they have been computed.

II. FSI forms mapping to the EBA ITS on supervisory reporting templates

The following mapping covers the three FSI forms namely, the *income and expense statement*, *balance sheet information* and *memorandum series*, required to be collected by all FSI compilers in order to compute the FSI indicators for 'deposit takers' and a couple of indicators (I039, I040) for real estate markets.

¹ Commission Implementing Regulation (EU) No 680/2014, laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and the Council and subsequent amendments.

Regarding financial information the proposed mapping refers only to IFRS reporters but can be extended to national GAAP reporters by compilers based on their national GAAP mapping to FINREP. For some items in the FSI forms (e.g. market risk items 48, 50 etc.) the mapping to the ITS templates is only available for those banks following the standardised approach.

The naming convention used in the mapping for the items coming from the ITS templates is as follows:

F 02.00_020_010

ITS template_ROW_COLUMN

Table 1 - FSI forms: Income and expense statement

Table 4.1: Deposit-Takers (B.1 IFRS)		
Income and expense statement		
Item	Label	EBA ITS on supervisory reporting templates
1	1. Interest income²	F 02.00_010_010
1.1	(i) Gross interest income	N/A
1.2	(ii) Less provisions for accrued interest on nonperforming assets	N/A
2	2. Interest expense	F 02.00_090_010 + F 02.00_150_010
3	3. Net interest income (= 1 minus 2)	[1]-[2]
4	4. Non-interest income	[4.1]+[4.2]+[4.3]
4.1	(i) Fees and commissions receivable ¹	F 02.00_200_010
4.2	(ii) Gains or losses on financial instruments	F 02.00_220_010 + F 02.00_280_010 + F 02.00_290_010 + F 02.00_300_010+ F 02.00_310_010
4.3	(iii) Other income ¹	F 02.00_160_010 + F 02.00_330_010 + F 02.00_340_010 + F 02.00_580_010 + F 02.00_590_010+ F 02.00_600_010 + F 02.00_640_010
5	5. Gross income (= 3 + 4)	[3]+[4]
6	6. Operating expenses	[6.1] + [6.2]
6.1	(i) Personnel costs	F 02.00_370_010
6.2	(ii) Other expenses	F 02.00_210_010 + F 02.00_350_010 + F 02.00_380_010 + F 02.00_390_010
7	7. Provisions (net)	F 02.00_430_010 + F 02.00_460_010 + F 02.00_510_010 + F 02.00_520_010
7.1	(i) Loan loss provisions	F 02.00_490_010
7.2	(ii) Other financial asset provisions	F 02.00_430_010 + F 02.00_510_010 + F 02.00_520_010 + F 02.00_470_010 + F 02.00_480_010 + F 02.00_500_010
8	8. Net income (Before extraordinary items and taxes) (= 5 minus (6 + 7))	ii) [5]-([6]+[7])
9	9. Extraordinary items	N/A
10	10. Income tax	F 02.00_620_010
11	11 Net income after tax (= 8 minus (9 +10))	i) [8]-([9]+[10]) , ii) check sum against F 02.00_670_010
12	12. Dividends payable	N/A
13	13. Retained earnings (= 11 minus 12)	[11]-[12]

² To understand the interconnections among deposit-takers, separate identification of income and claims on other deposit-takers in the reporting population is encouraged.

Table 2– FSI forms: Balance sheet items

Table 4.1: Deposit-Takers (B.1 IFRS)		
Balance sheet		
Item	Label	EBA ITS on supervisory reporting templates
14	14. Total assets (= 15+16 = 31)	i) [15]+[16] = [31] ii) check sum against F 01.01_380_010
15	15. Non-Financial Assets	F 01.01_270_010 + F 01.01_300_010 + F 01.01_360_010 + F 01.01_370_010
16	16. Financial Assets (=17 to 22)	[17]+[18]+[19]+[20]+[21]+[22]
17	17. Currency and deposits¹	F 01.01_020_010 ³
18	18. Loans (after specific provisions)	F 01.01_090_010 + F 01.01_130_010 + F 01.01_170_010 + F 01.01_200_010 + F 01.01_230_010 + F 01.01_030_010 + F 01.01_040_010
18.1	(i) Gross loans ¹	[18.2]+[18.5]
18.2	(i.i) Interbank loans ²	[18.3]+[18.4]
18.3	(i.i.i) Resident	If F 20.04 available then: F 20.04_170_010 (Z: home country); otherwise, F 04.01_150_010 - F 04.01_150_020 + F 04.02_150_010 - F 04.02_150_020 + F 04.03_150_030 - F 04.03_150_040 + F 04.04_100_010 + F 04.04_100_020 + F 04.04_240_010 + F 04.04_240_020
18.4	(i.i.ii) Non-resident	If F 20.04 available then: F 20.04_170_010 (Z: sum other than home countries); otherwise zero
18.5	(i.ii) Non-interbank loans	[18.6]+[18.7]+[18.8]+[18.9]+[18.10]+[18.11]
18.6	(i.ii.i) Central bank	If F 20.04 available then: F 20.04_150_010 (Z: home country); otherwise, F 04.01_130_010 - F 04.01_130_020 + F 04.02_130_010 - F 04.02_130_020 + F 04.03_130_030 - F 04.03_130_040 + F 04.04_080_010 + F 04.04_080_020 + F 04.04_220_010 + F 04.04_220_020 + F 01.01_030_010
18.7	(i.ii.ii) General government	If F 20.04 available then: F 20.04_160_010 (Z: home country); otherwise, F 04.01_140_010 - F 04.01_140_020 + F 04.02_140_010 - F 04.02_140_020 + F 04.03_140_030 - F 04.03_140_040 + F 04.04_090_010 + F 04.04_090_020 + F 04.04_230_010 + F 04.04_230_020
18.8	(i.ii.iii) Other financial corporations	If F 20.04 available then: F 20.04_180_010 (Z: home country); otherwise, F 04.01_160_010 - F 04.01_160_020 + F 04.02_160_010 - F 04.02_160_020 + F 04.03_160_030 - F 04.03_160_040 + F 04.04_110_010 + F 04.04_110_020 + F 04.04_250_010 + F 04.04_250_020
18.9	(i.ii.iv) Nonfinancial corporations	If F 20.04 available then: F 20.04_190_010 (Z: home country); otherwise, F 04.01_170_010 - F 04.01_170_020 + F 04.02_170_010 - F 04.02_170_020 + F 04.03_170_030 - F 04.03_170_040 + F 04.04_120_010 + F 04.04_120_020 + F 04.04_260_010 + F 04.04_260_020
18.10	(i.ii.v) Other domestic sectors	If F 20.04 available then: F 20.04_220_010 (Z: home country); otherwise, F 04.01_180_010 - F 04.01_180_020 + F 04.02_180_010 - F 04.02_180_020 + F 04.03_180_030 - F 04.03_180_040 + F 04.04_130_010 + F 04.04_130_020 + F 04.04_270_010 + F 04.04_270_020
18.11	(i.ii.vi) Non-residents	If F 20.04 available then: F 20.04_140_010 (Z: sum other than home countries) - (F 20.04_170_010 (Z: sum other than home countries))
18.12	(ii) Specific provisions ³	-1 * (F 04.01_120_020 + F 04.02_120_020 + F 04.03_120_040 + F 04.04_070_030 + F

³ In the context of the ITS, 'deposits' are considered as loans and therefore, are mapped under FSI item 18

		04.04_070_040 + F 04.04_070_050 + F 04.04_210_030 + F 04.04_210_040 + F 04.04_210_050)
19	19. Debt securities¹	F 01.01_080_010+F 01.01_120_010+F 01.01_160_010 + F 01.01_190_010 + F 01.01_220_010
20	20. Shares and other equity	F 01.01_070_010 + F 01.01_110_010 + F 01.01_150_010 + F 01.01_260_010
21	21. Financial derivatives¹	F 01.01_060_010 + F 01.01_240_010
22	22. Other assets¹	F 01.01_250_010 + F 01.01_330_010
23	23. Liabilities (= 28 +29)	i) [28]+[29] , ii) check sum against F 01.02_300_010
24	24. Currency and deposits	F 01.02_040_010 + F 01.02_080_010 + F 01.02_120_010
24.1	(i) Customer deposits	F 08.00_110_010+F 08.00_260_010+F 08.00_310_010+F 08.00_110_020+F 08.00_260_020+ F 01.02_270_010+F 08.00_310_020+F 08.00_110_030+F 08.00_260_030+F 08.00_310_030
24.2	(ii) Interbank deposits ²	F 08.00_160_010 + F 08.00_160_020 + F 08.00_160_030
24.3	(ii.i) Resident	If F 20.06 available then: F 20.06_100_010 (Z: home country); Otherwise, F 08.00_160_010 + F 08.00_160_020 + F 08.00_160_030
24.4	(ii.ii) Non-resident	F 20.06_100_010 (Z: sum other than home countries); otherwise, zero
24.5	(iii) Other currency and deposits	F 08.00_060_010 + F 08.00_210_010+F 08.00_060_020 + F 08.00_210_020+F 08.00_060_030 + F 08.00_210_030
25	25. Loans	N/A
26	26. Debt securities	F 01.02_050_010 + F 01.02_090_010 + F 01.02_130_010
27	27. Other liabilities	F 01.02_030_010 + F 01.02_160_010 + F 01.02_170_010 + F 01.02_240_010 + F 01.02_280_010 + 01.02_290_010 + F 01.02_060_010 + F 01.02_100_010 + F 01.02_140_010
28	28. Debt (= 24+25+26+27)	[24]+[25]+[26]+[27]
29	29. Financial derivatives	F 01.02_020_010 + F 01.02_150_010
30	30. Capital and reserves	F 01.03_300_010
30.1	(i) o/w narrow capital and reserves ⁴	N/A
31	31. Balance sheet total (=23+30 = 14)	i) [23]+[30] = [14] ii) check sum against F 01.03_310_010

Table 3– FSI forms: Memorandum items

Table 4.1: Deposit-Takers (B.1 IFRS)		
Memorandum series:		
Supervisory series		
Item	Label	EBA ITS on supervisory reporting templates
32	32. Tier 1 Capital	C 01.00_015_010
33	33. Tier 2 Capital	C 01.00_750_010
34	34. Tier 3 Capital	N/A
35	35. Supervisory deductions	N/A
36	36. Total net capital resources (item 32 to item 34 minus item 35)	[32]+[33]+[34]-[35]
37	37. Risk-weighted assets	C 02.00_010_010
38	38. Number of large exposures ⁴	C 28.00 sum(999) if c040 is above 10% of eligible capital (capital for LE purposes) then report aggregated amount of c330 of those exposures
Series that provide a further analysis of the balance sheet		
39	39. Liquid assets (core)	Mapping is not provided yet (LCR and NSFR can be used in the future)
40	40. Liquid assets (broad measure)	Mapping is not provided yet (LCR and NSFR can be used in the future)
41	41. Short-term liabilities	C 61.00_(040 to 260)_(010 to 040)
42	42. Nonperforming loans	F 18.00.a_070_060 + F 18.00.a_250_060
43	43. Residential real estate loans	F 18.00.a_160_010
44	44. Commercial real estate loans	F 18.00.a_140_010
45	45. Geographic distribution of loans ⁵	F 20.04_140_010 (Z: by individual countries)
46	46. Foreign currency loans	N/A
47	47. Foreign currency liabilities	N/A
48	48. Net open position in equities	C 21.00_050_050 (Z: Total) (SA banks only)
49	49 Net open position in foreign currency for on-balance sheet items	N/A
Balance sheet-related series		
50	50. Total net open position in foreign currency	C 22.00_010_060 + C 22.00_010_070 (SA banks only)
51	51. Exposures of largest deposit-takers to largest entities in the economy	N/A
52	52. Exposures to affiliated entities	F 31.01_010_010 + F 31.01_010_020 + F 31.01_010_030 + F 31.01_010_040 + F 31.01_010_050 + F 31.01_090_010 + F 31.01_090_020 + F 31.01_090_030 + F 31.01_090_040 + F 31.01_090_050
53	53. Duration of assets	N/A
54	54. Duration of liabilities	N/A
55	55 Shares and other equity investments in deposit-takers in the reporting population	F 01.01_260_010 + F 04.01_030_010 + F 04.02_030_010 + F 04.03_030_010
55.1	(i) Associates	N/A
55.2	(ii) Other deposit-takers	F 04.01_030_010 + F 04.02_030_010 + F 04.03_030_010
56	56. Other nonperforming assets	F 18.00.a_010_060 + F 18.00.a_190_060

⁴ This is typo in the FSI forms. Item 38, actually refers to the outstanding amounts of large exposures.

57	57. Net liabilities of branches of foreign deposit-takers to their parents⁶	N/A
58	58. Assets transferred to special purpose entities	F 15.00_190_100
59	59. Guarantees	F 09.01_090_010
59.1	Resident	If F 20.05 is reported then F20.05_020_010 (Z: home country). Otherwise, F 09.01_090_010
59.2	Non-resident	If F 20.05 is reported then F 20.05_020_010 (Z: sum other than home countries) Otherwise, zero.
60	60. Credit commitments	F 09.01_010_010 + F 09.01_170_010
60.1	Resident	F20.05_010_010 + F 20.05_030_010 (Z: home country)
60.2	Non-resident	F 20.05_010_010 + F 20.05_030_010 (Z: sum other than home countries)
61	61. Gross loans to public sector	F 04.01_140_010 + F 04.02_140_010 + F 04.03_140_030 - F 04.03_140_040 + F 04.04_090_010 + F 04.04_090_020 + F 04.04_230_010 + F 04.04_230_020
62	62. Loan loss reserves	F 04.03_120_040 + F 04.04_070_030 + F 04.04_070_040 + F 04.04_070_050 + F 04.04_210_030 + F 04.04_210_040 + F 04.04_210_050
63	63. Arrears	N/A



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