



Methodological note for the publication of aggregated Supervisory Banking Statistics

This document presents the main features of the publication *Supervisory Banking Statistics* with respect to the scope and content of the data published, the methodology underlying data aggregation and the approach to applying confidentiality requirements.

The note is structured as follows: Section 1 focuses on the content and scope of the publication and sets out the sample of banks considered, the data presented and the breakdowns applied. Section 2 describes the different classifications which are employed to provide complementary views of the sample of banks. Section 3 illustrates the methodology followed with respect to selected aspects of the derivation of the aggregated data. Section 4 defines confidentiality and explains the approach used for this publication.

1 Content of the data

1.1 Sample of banks

The list of banks used for *Supervisory Banking Statistics* comprises banks designated as significant institutions (SIs) and thus directly supervised by the European Central Bank (ECB).¹ SIs, pursuant to their obligations under the Capital Requirements Directive and the associated Capital Requirements Regulation, are required to submit detailed information on their capital adequacy and financial positions (based on the accounting framework used to prepare statutory accounts) according to harmonised reporting frameworks, known as FINREP and COREP.² Such frameworks cover both consolidated and individual (solo) reporting. However, for the purpose of this publication the level of reporting corresponds to the highest level of consolidation³ in the SSM, thereby avoiding double counting issues.

SIs are required to submit COREP. Initially, those SIs that prepared their accounts under international standards, i.e. IFRS/IAS, were required to submit FINREP at the consolidated level; however, from end-2015, FINREP reporting obligations⁴ have

¹ [The full list of significant institutions](#) is available in the ECB Banking Supervision website.

² [The Capital Requirements Regulation \(CRR\)](#) specifies the reporting obligations under COREP and FINREP for credit institutions. These reporting obligations are further detailed in [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 and amendments thereof.

³ In the case of stand-alone entities (i.e. entities that do not have subsidiaries that are banks), the highest level of consolidation refers to individual reporting.

⁴ See [Regulation \(EU\) 2015/534 of the European Central Bank](#).

been extended to SIs that prepare their accounts under national accounting standards (nGAAP) for both the consolidated and solo level and to those SIs that report only at the solo level.

With the objective of providing as complete as possible and harmonised information to the general public, the group of SIs in the sample for each reference period includes only those banks reporting FINREP together with COREP at that point in time. Accordingly, the list of banks used for the various reference periods may differ as the list of significant institutions changes and as banks start to report under FINREP obligations. Moreover, bank branches are not required to submit COREP, and SI-designated branches of credit institutions established in EU Member States not participating in European banking supervision are excluded from the sample. Banks that have recently been designated as an SI and do not yet report FINREP – because of the time lapse between the designation decision and the start of corresponding reporting obligations – are also excluded from the sample until they begin reporting FINREP.

In view of the above-mentioned change in FINREP reporting obligations, the number of SIs submitting FINREP information is considerably higher from the fourth quarter of 2015 onwards. The table below shows the number of entities per reference period.

| Reference period | Number of SIs in <i>Supervisory Banking Statistics</i> |
|------------------|--|
| Q4 2014 | 103 |
| Q1 2015 | 104 |
| Q2 2015 | 102 |
| Q3 2015 | 102 |
| Q4 2015 | 117 |
| Q1 2016 | 123 |
| Q2 2016 | 124 |

The number of entities per reference period is expected to stabilise in future, with any changes resulting from amendments to the list of SIs following assessments by ECB Banking Supervision.

1.2 Tables reported

Although the scope of *Supervisory Banking Statistics* is limited to a specific subset of SIs, this document uses the terms “SIs”, “institutions”, “banks” and “entities” interchangeably.

Supervisory Banking Statistics is split into thematic sections that incorporate five areas of relevance for banking supervision:

1. general statistics;
2. balance sheet composition and profitability;
3. capital adequacy and asset quality;

4. funding;
5. data quality.

Most of the aggregate data are presented successively along three different axes. First, to allow the identification of time trends (where possible), they are provided for five consecutive reference periods. Then the data for the latest quarter are split on the basis of two types of breakdown: i) by country (i.e. the country where the bank is supervised)⁵ and ii) by classification.

The breakdowns by classifications allow entities to be grouped along several dimensions of interest (such as size and sovereign exposures). This approach facilitates complementary views of the data and highlights certain aspects of banks' behaviour, showing whether banks belonging to different categories under a given classification have distinctive features.

The following tables are published:

| 1. General statistics | |
|--|---|
| Significant institutions by classification | T01.01 |
| Significant institutions by location of ultimate parent | T01.02 |
| Total assets by location of ultimate parent | T01.03 |
| Concentration of total assets | T01.04 |
| 2. Balance sheet composition and profitability | |
| Profit and loss figures | T02.01.1 (by reference period) T02.01.2 (by country) T02.01.3 (by classification) |
| Key performance indicators | T02.02.1 (by reference period) T02.02.2 (by country) T02.02.3 (by classification) |
| Composition of assets | T02.03.1 (by reference period) T02.03.2 (by country) T02.03.3 (by classification) |
| Composition of liabilities and equity | T02.04.1 (by reference period) T02.04.2 (by country) T02.04.3 (by classification) |
| 3. Capital adequacy and asset quality | |
| Total solvency ratio and its components | T03.01.1 (by reference period) T03.01.2 (by country) T03.01.3 (by classification) |
| Solvency ratio band | T03.02.1 (by reference period) T03.02.2 (by country) T03.02.3 (by classification) |
| Risk exposures composition | T03.03.1 (by reference period) T03.03.2 (by country) T03.03.3 (by classification) |
| Asset quality: performing and non-performing exposures by instrument and counterparty | T03.04 (by reference period) |
| Asset quality: non-performing loans and advances | T03.05.1 (by reference period) T03.05.2 (by country) T03.05.3 (by classification) |
| Asset quality: forbearance by instrument and counterparty | T03.06.1 (by reference period) |
| Asset quality: non-performing exposures and forbearance | T03.06.2 (by country) T03.06.3 (by classification) |
| 4. Funding | |
| Loan-to-deposit ratio | T04.01.1 (by reference period) T04.01.2 (by country) T04.01.3 (by classification) |

⁵ In a very small number of cases, this differs from the country where most of the bank's activities are conducted.

5. Data quality

| | |
|--|--------|
| Overview of data quality findings | T05.01 |
| Data quality: punctuality | T05.02 |
| Data quality: accuracy and consistency | T05.03 |
| Data quality: stability | T05.04 |
| Data quality: completeness | T05.05 |
| Data quality: plausibility | T05.06 |

1.3 Country-based breakdown

The geographical breakdown of institutions reported in *Supervisory Banking Statistics* is based on the 19 countries participating in European banking supervision, i.e. in the Single Supervisory Mechanism (SSM). However, tables T01.02 and T01.03 present an additional country breakdown based on the location of the ultimate parent of the bank. The following three cases are distinguished:

1. *Groups with ultimate parent in SSM*: refers to SIs at the highest level of consolidation, so these entities enter the sample as being already the ultimate parents of the groups.
2. *Groups with ultimate parent in EEA*⁶: SIs whose highest level of consolidation is outside the SSM countries but within the European Economic Area.
3. *Groups with ultimate parent outside EEA*: SIs whose highest level of consolidation is outside the EEA.

Specifically, table T01.02 reports the number of institutions which fall under the three categories outlined above for each of the SSM countries. The subsequent table, T01.03, presents the asset distribution among the three categories, showing the ultimate owners of the banking assets held by SIs.

2 Classifications of banks

In addition to the breakdown by country, data in *Supervisory Banking Statistics* are presented using breakdowns based on classifications of the entities. These classifications should not be interpreted as reflecting supervisory priorities; their purpose is to contribute to transparency regarding specific aspects of the data that are of potential interest to the general public.

The classifications are defined on the basis of the following objectives:

- to offer insights into the data, i.e. they are defined along dimensions which shed light on important aspects of banking activities (e.g. with respect to their risk or profitability);

⁶ European Economic Area. The members of the EEA are the EU Member States and Iceland, Liechtenstein and Norway.

- to facilitate the analysis of the data by distinguishing groups of institutions within the sample that may exhibit differing features (e.g. with respect to solvency, risk or profitability);
- to provide a simple, understandable and concisely expressed breakdown.

The classifications distinguish between banks on the basis of activities, scale of operations and risk and are provided taking into consideration the approach to confidentiality as outlined in Section 4.

Activities-based classifications

1. Income source: the main income sources
(interest, fees and commissions, trading income and foreign exchange gains and losses)

2. Geographical diversification: both the degree and focus of international exposures (versions 1 and 2)

Scale of operations

1. Size: the amount of total assets and the designation of the institution as being of systemic relevance

Risk profile

1. Overall risk and vulnerabilities based on the Supervisory Review and Evaluation Process (SREP) scores

2. Sovereign exposures: exposures to (and credit rating of) sovereigns of different geographical areas

The precise definitions of the variables employed for the classifications are given in Section 2.6. For the first release of *Supervisory Banking Statistics* in December 2016, all classifications are based on a data cut-off date of 15 October 2016. The cut-off date refers to the point in time at which the analysis of the data applies; resubmissions after this date are not taken into consideration.

2.1 Income source classification

SIs can be classified according to their main source of income: interest, fees and commission or trading. Income sources represent a proxy for the activities in which a bank is involved, which takes also into account the returns and costs of these activities. This is in contrast to a purely balance sheet-based classification where only the amounts are taken into account.

A differentiation is made between:⁷

1. *banks with net interest income accounting for more than 60% of operating income;*
2. *banks with non-interest income accounting for more than 40% of operating income and net fee and commission income greater than net trading income (including foreign exchange gains and losses);*

⁷ In the exceptional case that a bank has a negative operating income, its allocation to one of the three categories is based on the area of activity which is dominant for that bank. This is identified by taking the highest of the absolute values of net interest income, net fee and commission income and net trading income (including foreign exchange gains and losses) in the reference period considered. For example, a bank with net operating income of -€100 comprising -€75 net operating income, -50€ net trading income and +€25 net fee and commission income would be classified in category 1. There were only two cases of this between the second quarter of 2015 and the second quarter of 2016.

3. *banks with non-interest income accounting for more than 40% of operating income and net fee and commission income lower than net trading income (including foreign exchange gains and losses).*

2.2 Classifications based on geographical diversification

The degree and location of international activities represent a significant distinguishing factor for banks, with implications for their risk exposure, diversification and profitability. For this reason, two different classifications along the dimension of geographical diversification are provided. *Version 1* characterises banks on the basis of the regions in which their exposures exceed a percentage level of their amount of debt securities and loans and advances (set at 5%). *Version 2* is an alternative classification, which is more granular in the geographical dimension and defines its categories on the basis of the relative majority of exposures, i.e. each category is characterised by the region where the majority of non-domestic exposures are located.

2.2.1 Geography-based classification: version 1

Exposures in the form of debt securities and loans and advances to different geographical areas are used to classify banks. The following regions are considered:

- home country;
- other SSM countries (excluding home country);
- countries in the EEA but not the SSM (e.g. the United Kingdom, Sweden and Norway);
- rest of the world, i.e. all regions outside the EEA.

This breakdown is based on areas which could be significant in banks' portfolios and hence suitable to define categories. The input set for the classification consists of the amount of debt securities and loans and advances in each geographical area, based on the residency of the obligor, expressed as a percentage of the total amount of debt securities and loans and advances. A threshold of 5% is used to define an institution as having significant exposures in one of the aforementioned areas. In particular, a bank with international exposures of less than 5% of its total amount of debt securities and loans and advances is considered domestic.

Eight categories are consequently defined, in which both the levels and the dominant geographical area(s) of exposure are taken into account. They are described as follows.

1. *Banks with significant domestic exposures:* domestic exposures are more than 95% of the total amount of debt securities and loans and advances.

Banks with international exposures exceeding 5% of total amount of debt securities and loans and advances in **one geographical area only**:

2. *International banks with significant SSM exposures*: exposures to SSM countries (excluding domestic exposures) are more than 5% of the total amount of debt securities and loans and advances.
3. *International banks with significant non-SSM exposures*: exposures to EEA (excluding SSM) and non-EEA countries are more than 5% of the total amount of debt securities and loans and advances.

Banks with international exposures exceeding 5% of total amount of debt securities and loans and advances in **both SSM (excluding domestic) and non-SSM countries**:

4. *Internationally diversified banks with significant SSM exposures*: exposures to SSM countries are greater than those to non-SSM countries.
5. *Internationally diversified banks with significant EEA exposures*: exposures to SSM and non-SSM EEA countries are both greater than 5% of the total amount of debt securities and loans and advances.
6. *Internationally diversified banks with significant exposures to SSM and non-EEA countries*: exposures to SSM and rest of the world countries, outside the EEA, are both greater than 5% of the total amount of debt securities and loans and advances.
7. *Internationally diversified banks with significant exposures to SSM and non-SSM countries*: exposures to SSM countries, non-SSM EEA countries, and rest of the world countries are all greater than 5% of the total amount of debt securities and loans and advances.

Banks **not geographically focused**:

8. *Banks without geographically focused exposures*: domestic exposures are less than 95% and exposures to SSM and non-SSM countries are both less than 5% of the total amount of debt securities and loans and advances. In other words, although the bank's international exposures exceed the threshold for a definition as "international" rather than "domestically oriented", they are diversified and cannot be assigned to a particular region.

2.2.2 Geography-based classification: version 2

In the second version of the geography-based classification a substantially more granular geographical breakdown is achieved by grouping banks according to the regions where they have the relative majority of their international exposures. In other words, the requirements for characterising the geographical orientation of a bank are less strict than for the previous version.

Following the United Nations (Department of Economic and Social Affairs) classification⁸ we distinguish among:

1. *banks with significant domestic exposures*: domestic exposures are more than 95% of the total amount of debt securities and loans and advances;

For institutions with international exposures of more than 5% of the total amount of debt securities and loans and advances:

2. *banks with largest non-domestic exposures to SSM countries (northern Europe)*;
3. *banks with largest non-domestic exposures to SSM countries (central Europe)*;
4. *banks with largest non-domestic exposures to SSM countries (southern Europe)*;
5. *banks with largest non-domestic exposures to non-SSM EEA countries*;
6. *banks with largest non-domestic exposures to non-EEA Europe*;
7. *banks with largest non-domestic exposures to Africa*;
8. *banks with largest non-domestic exposures to Asia and Oceania*;
9. *banks with largest non-domestic exposures to North America*;
10. *banks with largest non-domestic exposures to Latin America and the Caribbean*.

2.3 Size-based classification

Banks' size (expressed in terms of total assets) is strongly linked to their systemic importance and risk-taking. Using this classification, data users can examine whether, for instance, large banks present distinctive differences with respect to their capital, profitability and risk variables. Classification thresholds are defined in such a way as to foster comparability with the existing SSM and European Banking Authority (EBA) practices.

We distinguish among global systemically important banks (G-SIBs; as listed by the Financial Stability Board (FSB)), large banks (two sub-categories), medium-sized banks (two sub-categories) and small banks. The EBA has defined an asset threshold of €200 billion for the identification of large institutions that are potentially systemically relevant.⁹ Large banks have more than €200 billion assets and are

⁸ See <http://unstats.un.org/unsd/methods/m49/m49regin.htm>. The classification is followed other than for Cyprus, which has been assigned to "southern Europe". Countries that according to the UN classification belong to "Western Europe" and "Eastern Europe" are grouped together under "central Europe".

⁹ <https://www.eba.europa.eu/regulation-and-policy/own-funds/global-systemically-important-institutions-g-sii->

further divided by a €300 billion threshold, while G-SIBs are classified separately. Moreover, since one criterion for identifying banks as “significant” under SSM regulations is that their total assets exceed €30 billion; this threshold has been used to distinguish “small banks” which enter the SI list via the other criteria¹⁰. Finally, medium-sized institutions include all those that fall between small and large and are clustered in two buckets separated by a €100 billion threshold.

In more detail, the six categories are as follows:

1. *banks with total assets of less than €30 billion;*
2. *banks with total assets between €30 billion and €100 billion;*
3. *banks with total assets between €100 billion and €200 billion;*
4. *banks with total assets between €200 billion and €300 billion;*
5. *banks with total assets of more than €300 billion that are not G-SIBs;*
6. *banks listed as G-SIBs by the FSB.*

2.4 Risk-based classification using SREP results

The Supervisory Review and Evaluation Process (SREP)¹¹ assessment provides an overview of banks’ risk profiles and vulnerabilities based on four elements, namely:

- element 1: business model;
- element 2: governance and risk management;
- element 3: risks to capital;
- element 4: risk to liquidity and funding.

A score is derived as part of the SREP process, which examines the aforementioned bank-specific elements plus the external environment (peer comparisons and the macroeconomic environment). As the SSM’s SREP methodology explains: “the overall SREP score reflects the supervisor’s overall assessment of the viability of the institution: higher scores reflect an increased risk to the viability of the institution stemming from one or several features of its risk profile, including its business model, its internal governance framework, and individual risks to its solvency or liquidity position”.

Institutions with SREP scores 1 and 2 are grouped together in the category “low risk” banks. Entities with scores 3 and 4 and non-rated banks are included in the category

¹⁰ Council Regulation (EU) No 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, Article 6(4)

¹¹ For more information on the SSM SREP methodology please refer to: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm_srep_methodology_booklet.en.pdf

“medium, high risk and non-rated”. Given that the SREP assessment generally takes place annually, each publication round uses the latest available SREP score.

2.5 Sovereign exposures-based classification

The sovereign exposures of institutions are a widely discussed issue, as the nexus of sovereigns and banks has determined the economic developments of the last few years to a large extent. This classification is aimed at increasing transparency on this aspect.

The dimension considered here is banks’ exposures to sovereigns, including both loans and debts to general governments¹² expressed as a percentage of the institution’s own funds and taking into account the counterparty countries’ credit ratings. The computations are based on FINREP templates F 04.01-F 04.04, F 04.06-F 04.10 and F 20.04.

More specifically, SIs are classified into seven categories. The first category filters out banks with insignificant sovereign exposures (less than 50% of own funds). The remaining categories differentiate among regions and credit ratings (investment and non-investment grade), as based on the following conversion table.

| S&P | Moody's | Fitch | DBRS | Rating description |
|------|---------|-------|------------|----------------------|
| AAA | Aaa | AAA | AAA | Investment grade |
| AA+ | Aa1 | AA+ | AA (high) | |
| AA | Aa2 | AA | AA | |
| AA- | Aa3 | AA- | AA (low) | |
| A+ | A1 | A+ | A (high) | |
| A | A2 | A | A | |
| A- | A3 | A- | A (low) | |
| BBB+ | Baa1 | BBB+ | BBB (high) | |
| BBB | Baa2 | BBB | BBB | |
| BBB- | Baa3 | BBB- | BBB (low) | |
| BB+ | Ba1 | BB+ | BB (high) | Non-investment grade |
| BB | Ba2 | BB | BB | |
| BB- | Ba3 | BB- | BB (low) | |
| B+ | B1 | B+ | B (high) | |
| B | B2 | B | B | |
| B- | B3 | B- | B (low) | |
| CCC+ | Caa1 | CCC+ | CCC (high) | |
| CCC | Caa2 | CCC | CCC | |
| CCC- | Caa3 | CCC- | CCC (low) | |
| CC | Ca | CC | CC | |
| C | C | C | C | |
| RD | | DDD | D | |
| SD | | DD | | |
| D | | D | | |
| NR | | NR | | |

¹² General governments include: central governments, state or regional governments, and local governments, including administrative bodies and non-commercial undertakings, but excluding public companies and private companies held by these administrations that have a commercial activity (reported under “non-financial corporations”); social security funds; and international organisations, such as the European Community, the International Monetary Fund and the Bank for International Settlements (extracted from Annex V of Commission Implementing Regulation (EU) No 680/2014 on supervisory reporting).

Finally, a majority rule is applied and banks are classified according to their dominant area of business/credit rating exposure:

1. *non-significant sovereign exposures*: exposures to general governments are less than 50% of own funds;
2. *mostly domestic (investment-grade) sovereign exposures*: exposures to general governments are more than 50% of own funds and are mostly to the home sovereign, which is investment grade;
3. *mostly domestic (non-investment grade) sovereign exposures*: exposures to general governments are more than 50% of own funds and mostly to the home sovereign, which is non-investment grade;
4. *sovereign exposures mostly to other SSM countries (investment grade)*: exposures to general governments are more than 50% of own funds and are mostly to non-home, investment grade SSM countries;
5. *sovereign exposures mostly to other SSM countries (non-investment grade)*: exposures to general governments are more than 50% of own funds and are mostly to non-home, non-investment grade SSM countries;
6. *sovereign exposures mostly to investment-grade, non-SSM countries*: exposures to general governments are more than 50% of own funds and are mostly to investment grade, non-SSM countries;
7. *sovereign exposures mostly to non-investment grade, non-SSM countries*: exposures to general governments are more than 50% of own funds and are mostly to non-investment grade, non-SSM countries.

2.6

List of data points used in the classifications

| Variable ¹³ | Definition | Template(s) |
|--|---|---|
| Income source | | |
| Net interest income | F0200_r010_c010 - F0200_r090_c010 | F 02.00 |
| Net fee and commission income | F0200_r200_c010 - F0200_r210_c010 | F 02.00 |
| Net trading income | F0200_r280_c010 + F0200_r285_c010 | F 02.00 |
| Foreign exchange gains and losses | F0200_r310_c010 | F 02.00 |
| Operating income | F0200_r355_c010 | F 02.00 |
| Geographical diversifications | | |
| Debt securities | F0401_r060_c010 + F0402_r060_c010 + F0403_r060_c030 + F0404_r010_c060 + F0404_r150_c060 + F0406_r060_c010 + F0407_r060_c010 + F0408_r060_c010 + F0409_r010_c050 + F0410_r060_c010 | F 04.01, F 04.02 F 04.03, F 04.04 F 04.06, F 04.07 F 04.08, F 04.09 F 04.10 |
| Loans and advances | F0401_r120_c010 + F0402_r120_c010 + F0403_r120_c030 + F0404_r070_c060 + F0404_r210_c060 + F0406_r120_c010 + F0407_r120_c010 + F0408_r120_c010 + F0409_r070_c050 + F0410_r120_c010 | F 04.01, F 04.02 F 04.03, F 04.04 F 04.06, F 04.07 F 04.08, F 04.09 F 04.10 |
| Debt securities (residence of counterparty) | F2004_r080_c010 | F 20.04 |
| Loans and advances (residence of counterparty) | F2004_r140_c010 | F 20.04 |
| Size | | |
| Total assets | F0101_r380_c010 | F 01.01 |
| Sovereign exposures | | |
| Debt securities - general governments | F0401_r080_c010 + F0402_r080_c010 + F0403_r080_c030 + F0404_r030_c060 + F0404_r170_c060 + F0406_r080_c010 + F0407_r080_c010 + F0408_r080_c010 + F0409_r030_c050 + F0410_r080_c010 | F 04.01, F 04.02 F 04.03, F 04.04 F 04.06, F 04.07 F 04.08, F 04.09 F 04.10 |
| Loans and advances - general governments | F0401_r140_c010 + F0402_r140_c010 + F0403_r140_c030 + F0404_r090_c060 + F0404_r230_c060 + F0406_r140_c010 + F0407_r140_c010 + F0408_r140_c010 + F0409_r090_c050 + F0410_r140_c010 | F 04.01, F 04.02 F 04.03, F 04.04 F 04.06, F 04.07 F 04.08, F 04.09 F 04.10 |
| Debt securities - general governments (residence of counterparty) | F2004_r100_c010 | F 20.04 |
| Loans and advances - general governments (residence of counterparty) | F2004_r160_c010 | F 20.04 |
| Own funds | C0100_r010_c010 | C 01.00 |

3

Calculation

3.1

Aggregation

Supervisory Banking Statistics tables contain both amounts and ratios of the variables reported. The ratios are calculated by aggregating separately the numerator and the denominator for the sample of banks, and then dividing them. The final figure therefore characterises the aggregate banking system as if it were consolidated as one institution.

¹³ Names of variables in the table follow those used in Sub-sections 2.1-2.6 to describe each classification.

3.2 Adjustment of the income statement for banks with a different financial year-end

The vast majority of the entities in the sample have a financial year-end in December. For those which have a different financial year, a correction is needed for the income statement report (FINREP F 02.00), as it contains year-to-date data. In order to make the figures for such banks consistent and comparable with those for the other entities, whenever the financial year does not end on 31 December, a linear projection of the profit and loss figures is carried out.

For example, for an entity with its financial year-end in September 2015, the profit and loss figures reported in December 2015 represent only one quarter, so they are multiplied by 4 to be representative of the income of a complete financial year.

This approach can be expressed as follows:

$$\begin{aligned} & \text{data used for this quarter} \\ &= \text{data reported by the bank in this quarter} \\ & * \frac{M_R}{M_R - M_F + 12 * \text{Ind}(M_F \geq M_R)} \end{aligned}$$

where M_R is the month of the data reported and M_F the month of the financial year-end of the entity. For example, in the case of the figures for the fourth quarter of 2015 of an entity with a financial year-end in September, M_R is 12, M_F is 9 and hence the multiplier coefficient is 4. Note that when the financial year-end is December, this coefficient is always 1, i.e. no adjustment is made.

3.3 Annualisation of key performance indicators

An annualisation is performed on two of the key performance indicators published (tables T02.02.1, T02.02.2 and T02.02.3), return on assets (RoA) and return on equity (RoE), for the first, second and third quarters since the return reported in these periods does not correspond to a full year of activity.

The values presented in the profit and loss tables (T02.01.1, T02.01.2 and T02.01.3) are year-to-date.

3.4 Data quality framework at the ECB

The data quality assessment at the ECB is performed using a framework containing a defined set of dimensions.¹⁴ The metrics set out below are used to assess the quality of supervisory data given the reporting requirements for each institution under scope.

¹⁴ Consistent with the [Statistics Quality Framework](#).

1. *Punctuality*: refers to the time lag between the submission date and the actual submission of the data by the NCA to the ECB.
2. *Accuracy and consistency*: accuracy is considered to be the absence of mistakes and exact correspondence of the reported values with the underlying concept for each data point. It is quantified using the number of failing validation rules and completeness checks affecting one template. Consistency is defined as the satisfaction of logical relationships between different subsets of the data (i.e. across templates).
3. *Stability*: is investigated by examining changes between periods in the total number of data points reported per report.
4. *Completeness*: is defined as the availability of the required information. This is based on a set of expected data points, defined as significant, to be reported by all institutions, irrespective of their business model, size or country of origin.
5. *Plausibility*: the checks aim to detect outliers in the reported data. Outlying values are flagged and analysed further from a supervisory perspective.

4 Applicable confidentiality regime

4.1 Identification of confidential figures

The data published in *Supervisory Banking Statistics* does not disclose confidential data, as required under the professional secrecy obligation established under Article 27(1) Council Regulation (EU) No 1024/2013, Article 37 of the Statute of the ESCB and of the ECB, and Article 53(1) of Directive 2013/36/EU of the European Parliament and of the Council.

The measures taken to avoid the identification of individual entities are described in ECB Guideline ECB/2016/1 concerning the extension of common rules and minimum standards to protect the confidentiality of the statistical information collected by the European Central Bank assisted by the national central banks to national competent authorities of participating Member States and to the European Central Bank in its supervisory functions: *“All appropriate measures shall be taken to ensure that confidential statistical information is arranged in such a way that any published data covers at least three economic agents. Where one or two economic agents make up a sufficiently large proportion of any observation to make them indirectly identifiable, published data shall be arranged in such a way as to prevent their indirect identification. These rules shall not apply if the reporting agents or the other legal persons, natural persons, entities or branches that can be identified have explicitly given their consent to disclosure”*.

Two main aspects of confidentiality are referred to in the above Guideline. The first refers to the number of institutions used to calculate each published data value, which should not be less than three. In addition, and irrespective of the number of

institutions per data value, no institution should represent a very high percentage, i.e. more than 85%, of the aggregate value.

4.2 Treatment of confidential figures

For the tables published in Supervisory Banking Statistics, the content of any cell containing figures that are confidential as defined above is suppressed. In addition, to avoid indirect derivation from the totals or sub-totals, the content of a third cell, arbitrarily selected, is also suppressed. All cells containing "C" indicate that the cell is suppressed under the confidentiality regime.