



Report on the CNMV's review of the annual financial reports and main enforcement priorities for the following financial year

2018



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2018

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Introduction

The purpose of this report is to analyse the most relevant aspects of the supervisory activities carried out by the CNMV on the audited annual accounts for 2018 of listed entities¹ (hereinafter, issuers or entities), of securitisation funds and of bank asset funds, as well as the non-financial statement for 2018, which is part of the management report of the listed entities. Likewise, some aspects that could be improved are highlighted, which have been identified in the review process, and that issuers must take into account to improve the quality of the financial information they supply to the market.

The annual accounts,² together with the management report and the audit report, are deemed regulated periodic information. The CNMV must verify that this information, particularly the annual accounts and the management report, has been prepared in accordance with the applicable regulations and, if not, request compliance therewith, in accordance with the powers assigned to it by law. The aim of the above is to strengthen confidence in the reliability of the financial information published by listed entities.

As in previous years and with the aim of enhancing the transparency of the CNMV's work, this report establishes the critical areas of the review of the financial statements and includes some issues with regard to which the CNMV will intensify, over 2020, its reviews of the financial statements for 2019 and for the first half of 2020.

In this regard, it should be noted that since 2012 European oversight agencies set out annually, in coordination with the European Securities and Markets Authority (ESMA), common enforcement priorities for annual financial statements, with a view to promoting the consistent application of the International Financial Reporting Standards (IFRS) throughout the European Union (EU). The CNMV has also incorporated other critical review areas into its work plan which supplement the priorities set out by ESMA and draw attention to certain issues that may have a significant impact on the financial statements for 2019 and subsequent years.

Finally, statistical data are included regarding the firms that audit issuers, securitisation funds and bank asset funds (FABs), as well as the period within which the annual accounts are received.

1 For the purposes of this report, listed entities shall mean the issuers of securities admitted to trading on an official secondary market or other regulated market domiciled in the European Union where Spain is the home Member State.

2 Article 118 of the recast text of the Securities Market Act 24/1988, of 28 July, approved by Spanish Royal Legislative Decree 4/2015 of 23 October, requires the annual accounts of issuers of securities admitted to trading on an official secondary market or other regulated market domiciled in the European Union to be submitted to an audit. The audit report will be published together with the annual accounts.

I Audited annual accounts

Number of annual accounts received

The annual accounts and management report of the listed entities, along with the corresponding audit report, are published on the CNMV website and added to the official register, pursuant to Article 238 of the Recast Text of the Securities Market Act, approved by Spanish Royal Legislative Decree 4/2015, of 23 October.

A total of 152 securities issuers submitted individual and, where appropriate, consolidated, audited annual reports³ (155 in 2017).

The number of issuers fell by 2% on the previous year, mainly due to the delisting of several companies, in some cases because they were subject to a delisting takeover bid or because they were absorbed by or merged with other entities. The reduction in issuers for these reasons was partially offset by newly listed non-financial companies, as well as fixed income issuers that become reporting entities.

Audit reports filed with the CNMV

TABLE 1

	2016	2017	2018 ¹
Individual audit reports	165	155	152
Consolidated audit reports	144	142	140
Total audit reports filed	309	297	292
Special reports Art. 14 R.D. 1362/2007	7	5	4

Source: CNMV.

1 Audit reports and annual accounts and special reports filed with the CNMV up to 17/12/2019.

In addition to those indicated in Table 1, two individual and two consolidated audit reports were received, corresponding to: i) an entity⁴ that restated its 2018 annual accounts to correct the effects of a qualification due to non-compliance with accounting regulations and ii) an issuer⁵ that amended the closing date of its fiscal year, having issued in 2018 the accounts for two fiscal years, one of these for three months.

3 Audit reports on asset securitisation funds or FABs are not included.

4 Urbar Ingenieros, S.A.

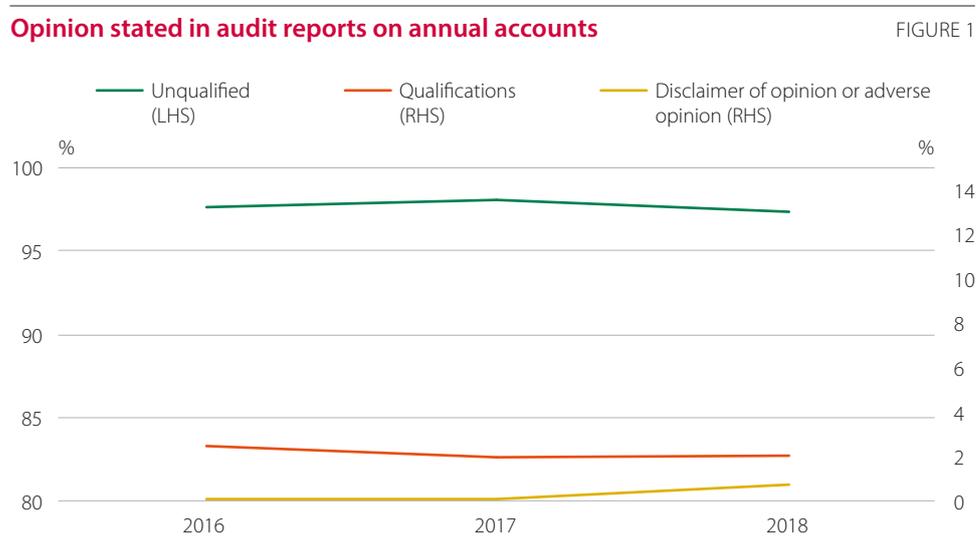
5 Parques Reunidos Servicios Centrales, S.A.

2018

The special audit reports filed in 2019, which are available to the public on the CNMV website, belong to two issuers⁶ that presented qualifications for scope limitations in their financial statements. These special reports update, at the closing of the first half of 2019, the circumstances giving rise to the auditor's qualifications in its opinion regarding the 2018 annual accounts.

In the case of one issuer,⁷ the auditor stated in its special report that the qualifications included in the audit report had been fully corrected in the financial statements for the first half of 2019; in the case of the second issuer,⁸ the special report noted that the circumstances that had led to the qualifications remained in place. A third entity,⁹ which had initially presented qualifications for non-compliance with accounting principles and criteria in its individual and consolidated audit reports, restated its annual accounts and obtained a favourable opinion from the auditor.

Figure 1 shows the changes over the past three years in the percentage of issuers filing unqualified or qualified audit reports.



Source: CNMV.

The percentage of issuers with unqualified audit reports¹⁰ remained in line with the figure recorded in 2017 and 2016.

In 2018, the audit report of one entity¹¹ contained a disclaimer of opinion, given the importance of the scope limitation contained in said report. This is a company whose shares were suspended from trading in November 2018, when it voluntarily filed for bankruptcy, and was finally delisted in September 2019. In the two previous years, no entity filed a disclaimer of opinion.

6 Mobiliaria Monesa, S.A. and Compañía Levantina de Edificación y Obras Públicas, S.A. (CLEOP).

7 Mobiliaria Monesa, S.A.

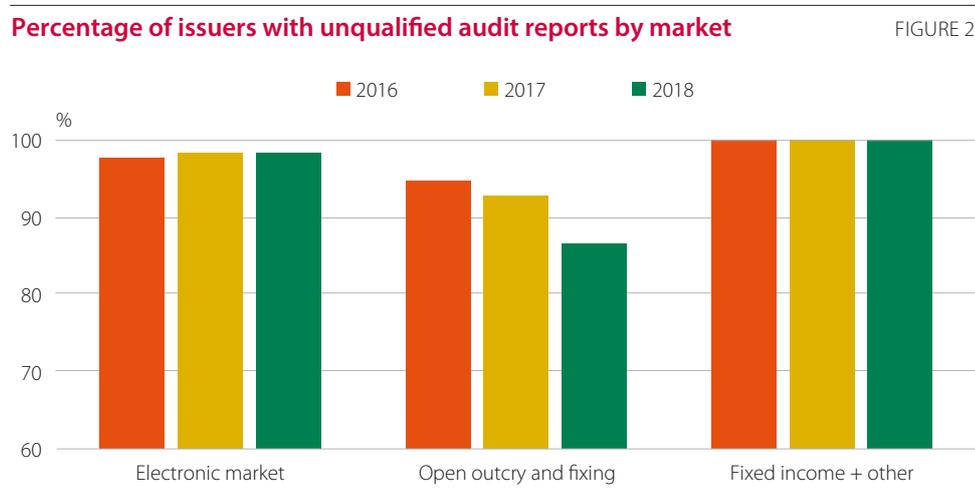
8 Compañía Levantina de Edificación y Obras Públicas, S.A. (CLEOP).

9 Urbar Ingenieros, S.A. restated its accounts for 2018 on 13 June 2019.

10 Urbar Ingenieros, S.A., which initially presented qualifications in its audit reports and later restated to correct the non-compliance, is included as a qualifying issuer.

11 Adveo Group International, S.A. (in liquidation).

Figure 2 classifies the issuers that filed unqualified audit reports, based on the markets in which their securities are traded.



Source: CNMV.

The year-on-year change depending on the trading market is analysed below:

- In companies on the Electronic Market, the percentage of issuers that filed unqualified audit opinions stood at 98.4% in 2018, in line with the 98.5% reported in 2017.

In 2018, one issuer¹² listed on the electronic market filed a report with a disclaimer of opinion (no issuers in 2017) and another issuer¹³ filed qualifying reports. In 2017, two issuers had qualifications.

For the eleventh consecutive year, all audit reports of Ibx 35 companies contained an unqualified opinion.

- The unqualified audit reports on the annual accounts of issuers of shares traded on the open outcry and fixing¹⁴ markets fell from 92.9% in 2017 to 86.7% in 2018. This decrease stems from the increase in issuers that include qualifications in these markets, which went from one in 2017 to two issuers¹⁵ in 2018.

It should be noted that one of the two issuers with qualifications in 2018 subsequently rectified them through the restatement of their individual and consolidated accounts.¹⁶

12 Adveo Group International, S.A. (in liquidation).

13 Compañía Levantina de Edificación y Obras Públicas, S.A.

14 Trading of securities with unique pricing for each auction period.

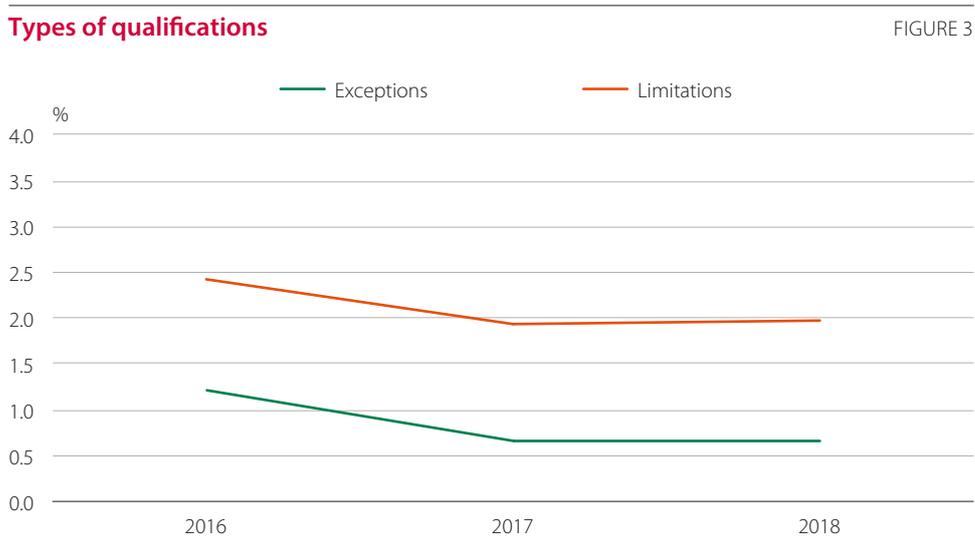
15 Mobiliaria Monesa, S.A. and Urbar Ingenieros, S.A.

16 Urbar Ingenieros, S.A.

- The percentage of unqualified audit reports of fixed-income issuers and others remains at 100%, the same as in previous years.

Types of qualifications

Figure 3 reflects the changes in the number of issuers with qualifications in their audit reports for the 2016-2018 period, broken down by type.



Source: CNMV.

The most relevant conclusions that can be drawn from analysing the data in Figure 3 are as follows:

- The number of issuers whose audit reports have scope limitations is maintained: three entities in 2017 and 2018.¹⁷

Scope limitations are significant qualifications since they denote that the auditor was unable to apply the procedures required by the Technical Auditing Standards as it did not have sufficient information to arrive at an opinion. A written request issued by the CNMV requires the scope limitations arising from the issuer itself to be immediately redressed.

As a result of the requests sent by the CNMV, and once the procedures set out in the Technical Auditing Standards had been applied, specific auditor statements were received through the special audit report removing the scope limitations of two of the issuers.¹⁸

In the case of the other issuer,¹⁹ the scope limitations were maintained. It should be noted that the auditor stated in a special audit report that the grounds giving rise to the limitation persisted and arose as a result of circumstances

¹⁷ Compañía Levantina De Edificación Y Obras Públicas, S.A., Mobiliaria Monesa, S.A. and Adveo Group International, S.A. (in liquidation).

¹⁸ Mobiliaria Monesa, S.A.

¹⁹ Compañía Levantina de Edificación y Obras Públicas, S.A. (CLEOP)

which were outside the company's control as they related to several ongoing legal proceedings.

The shares of the third issuer,²⁰ whose scope limitations were so relevant that they prevented the auditor from expressing an opinion, were delisted prior to the end of the submission period for the financial report for the first half of 2019, and therefore did not submit the corresponding special audit report.

- The number of issuers with qualifications resulting from a failure to comply with accounting standards remained at one²¹ in 2018, a circumstance that was resolved through the restatement of its individual and consolidated accounts, as previously mentioned.

Emphasis of matter paragraphs

In 2018, 18 issuers included some kind of emphasis of matter paragraphs (19 issuers in 2017), of which 12 issuers indicated one or more uncertainties (13 issuers in 2017).

- The number of issuers whose audit reports include emphasis of matter paragraphs in which the auditor expresses doubts regarding the going concern of business continue to fall, decreasing from 13 issuers in 2017 to 12 in 2018.²²
- In 2018, emphasis of matter paragraphs were included due to uncertainties about the recoverability of assets in an issuer,²³ while in 2017 no issuer included paragraphs of this type.
- The number of issuers with audit reports with emphasis of matter paragraphs affecting other types of matters – such as effects from tax contingencies, ongoing litigation, debt refinancing processes, etc. – remained the same as in 2017, at just one issuer.²⁴

Audit reports and limited reviews of interim reporting

A total of 56.2% of issuers (53.3% in the same period of the previous year) submitted their abridged financial statements for the first half of 2019²⁵ to some type of review by auditors. This percentage rises to 91.2% if we only consider Ibex 35 listed companies (94.1% in the same period of the previous year).

20 Adveo Group International, S.A. (in liquidation).

21 Urbar Ingenieros, S.A.

22 Individual and consolidated statements of the following issuers: Abengoa, S.A.; Corporación Empresarial de Materiales de Construcción, S.A.; Distribuidora Internacional de Alimentación, S.A.; Duro Felguera, S.A.; Mobiliaria Monesa, S.A.; Nueva Expresión Textil, S.A.; Nyesa Valores Corporación, S.A.; Obrascón Huarte Lain, S.A.; Tubos Reunidos, S.A.; Urbar Ingenieros, S.A.; Urbas Grupo Financiero, S.A., and only individual statements for Pescanova, S.A.

23 Obrascón Huarte Lain, S.A.

24 Pescanova, S.A.

25 In the case of companies in which the fiscal year does not correspond to the calendar year, the financial information of the first half of the year filed in 2019 has been considered.

When full audits are performed (9 companies), the auditor provides reasonable assurance regarding the reliability of the interim financial statements, while in limited reviews (73 companies) the assurance offered is moderate. It is noteworthy that none of the opinions issued by the auditors contained qualifications.

It should be noted that, if the half-yearly financial report is voluntarily audited, the audit report is published in full, including the qualifications that the auditor would have determined, as the case may be. Otherwise, the half-yearly financial report contains a statement from the issuer that it has not been audited or reviewed by the auditors.

Furthermore, in the event that entities decide to voluntarily submit their quarterly financial report to some type of revision by their auditor – whether complete or limited – this audit report should be sent to the CNMV, together with the aforesaid quarterly financial report.

Two entities modified some of their quarterly financial reports for 2019 after undergoing a balance sheet audit or limited review after initial submission. The auditor's opinion did not include qualifications, although in the case of one of the issuers²⁶ a material uncertainty related to the company's ability to continue operating was included.

II Review of annual accounts

Review of issuers' annual accounts

The Securities Market Act entrusts the CNMV with the duty of verifying that the regulated periodic information has been prepared in accordance with applicable regulations. To exercise this function, the CNMV is empowered to require listed entities to publish additional information, supplementing the disclosures provided by the issuer or including the identified corrections, generally accompanied by commitments to restate the accounts or, as the case may be, reissue the periodic financial information.

In this process, the CNMV addresses issuers requesting clarifications or data on specific matters in writing. Oral requests are also sometimes made whether by telephone or through meetings in order to collect additional information.

It is important to remember that these requests are tools to investigate possible breaches, but that not all requests are ultimately related to the failure to observe accounting rules, and consequently, some responses given by entities do not lead to any corrective action by the CNMV. The CNMV's supervisory work on annual financial reports involves two levels of review, namely: a formal and a substantive level. In accordance with the ESMA Guidelines on Enforcement,²⁷ the substantive reviews may, in turn, be full or partial, with the latter type only covering certain specific matters of the financial information.²⁸

All of the reports received are subjected to a formal review regarding compliance with legal requirements. This type of review also entails other issues deriving from specific changes in the applicable regulations.

Furthermore, a substantive review is carried out on a certain number of audited annual accounts. A mixed model of selection has been used to identify which entities should be subjected to this review. It is based on risk and random rotation, in accordance with the ESMA Guidelines on Enforcement.

The concept of risk used in the model combines two factors:

- The likelihood that the financial statements contain a material error.
- The potential impact of any material errors on market confidence and investor protection.

²⁷ ESMA Guidelines – *Guidelines on enforcement of financial information* (28/10/2014).

²⁸ In general, the priorities defined by ESMA and by the CNMV, as well as those transactions which have had a significant impact during the year.

The risk-based selection is complemented by random rotation criteria to ensure that the financial information from all the issuers is reviewed at least once in every rotation cycle.

In relation to the submission of the 2018 annual financial report, the CNMV served a request on three entities (one in the previous year) due to late submission.

Regarding the special audit report, it should be noted that no requests were served due to late submission (one entity in the previous year).

Formal review

The formal review on annual accounts and the management reports for 2018 entail, at the very least, verification that:

- i) The statement of responsibility for the content of the annual financial reports has been signed by all of the directors (Article 8 of Royal Decree 1362/2007 of 19 October). If a signature is missing and there is no reason appropriately justifying this, an express statement is requested from the board secretary on whether the disagreement of the director who has failed to sign is on record.
- ii) The Annual Corporate Governance Report is included as part of the management report and includes the description of the SCIIF (System of Internal Control for Financial Reporting).
- iii) There are no significant differences between the annual accounts and the financial information of the second half of the year sent beforehand and, in the event that there are differences, that such differences have been reported within the period of 10 business days following issuance of the accounts in accordance with Article 16.3 of Royal Decree 1362/2007.
- iv) The compulsory auditor rotation has taken place as appropriate (Article 40 of the Account Auditing Act 22/2015, of 20 July).
- v) The Non-Financial Information Statement (NFIS) is included as part of the management report by entities that meet certain requirements (Law 11/2018 of 28 December).
- vi) The content of the qualifications and the emphasis of matter paragraphs in the audit reports is adequate and the matters identified in the reviews of previous years were followed up.

In the 2018 annual accounts, a review was made of the information provided on the impact of qualifying the Argentine economy as hyperinflationary as of 1 July 2018, as well as the accounting treatment of translation differences and the adjustment for the effects of hyperinflation in the financial statements.

A total of 14 entities subject to formal review only – excluding asset securitisation funds and bank asset funds – received requests, for one or more of the following reasons: i) qualifications in their audit reports (two entities); ii) additional information on issues related to accounting recognition or valuation policies (two entities); iii) expansion of the breakdowns provided in the annual report (three entities); iv)

information related to the NFIS (eight entities), and v) significant differences between the annual accounts and the financial information for the second half of the year previously submitted (three entities).

Furthermore, 29 entities were contacted by telephone to rectify breaches in certain formal aspects or to provide additional clarifications on the aforementioned issues.

Finally, it should be noted that in 2019, three entities were sent letters – two of them under formal review – regarding significant differences between the figures included in the periodic financial information for the second half and the 2018 annual accounts, to prevent similar situations from arising in future years.

Substantive review

In 2019, requests were sent to 30 entities subject to substantive review for one or more of the following **reasons**: i) additional information to be provided on matters regarding recognition or measurement accounting policies (25 entities); ii) an extension of the disclosures of the information provided in the annual financial report (30 entities); iii) information related to the NFIS (6 entities), and iv) other formal issues (2 entities).

In 2019, no requests were sent to any entities subject to a substantive review as a result of submitting a qualified audit report.

In addition, six entities were contacted by telephone to rectify breaches in the formal aspects mentioned above.

Several **recommendations** were issued to be taken into consideration in future annual accounts. In the 30 requests for additional information, recommendations were added and in another case it was decided to send a letter only, containing recommendations relating specifically to the disclosures of the regulations that had recently entered into force, considerations for future NFISs and points for improvement in the application of the ESMA guidelines on alternative performance measures (APM).

Furthermore, emphasis was placed on **aspects considered to be priority** in the review of the 2018 annual accounts, such as the consequences and transition methods derived from the first time application of IFRS 15 (Revenue from contracts with customers) and IFRS 9 (Financial instruments), as well as the expected effect of the implementation of IFRS 16 (Leases), applicable from 1 January 2019.

Various telephone calls were also made in order to make recommendations.

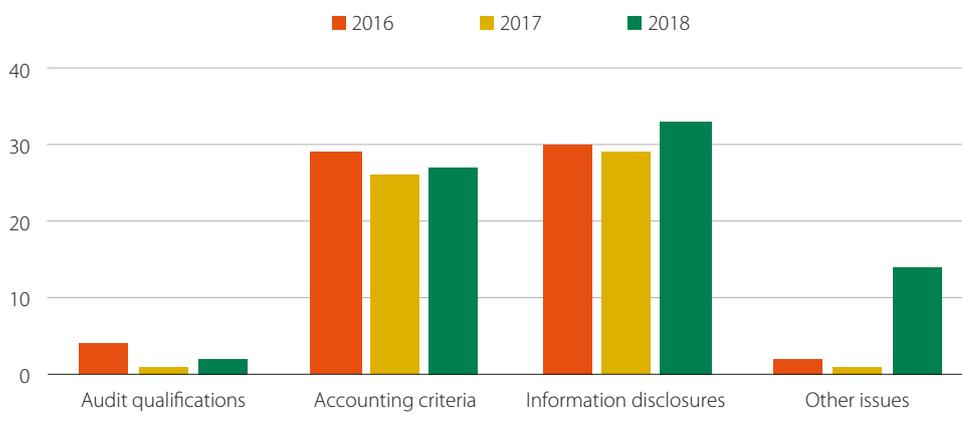
Most relevant actions in 2019

Below is an explanation of the main actions taken by the CNMV regarding the enforcement priority areas that were identified in last year's annual report with regard to the 2018 annual accounts, and regarding other areas that have brought about the issuance of more requests to entities.

Figure 4 shows the main reasons why requests were sent to the listed entities – excluding securitisation funds and FABs – during the period between 2016 and 2018.

Reasons for requests to issuers (excluding SFs and FABs)¹

FIGURE 4



Source: CNMV.

1 The requests include those sent to issuers subject to a formal and substantive review.

It should be noted that in 2018 “Other issues” includes requirements related to the NFIS, a priority area for review in the accounts of that year, which is described in greater detail in Chapter VI of this report.

In most cases, the issuer justifies the accounting policy adopted in its answer to the CNMV’s request. In others, the adjustment that would result from having applied a method in keeping with the effective standard, or the lack of a certain disclosure of information, would not have had a material effect on the fair presentation of the financial statements considered as a whole. However, in those situations in which the method used by the entity was not consistent with the standard and the adjustment was material, the CNMV requested the reissuance or restatement of their financial statements. Similarly, in the event of material inaccuracies regarding one or several specific matters included in the financial information published by the entities, a corrective note or a future correction commitment was issued.

The main results of the CNMV’s supervisory actions are highlighted below:

- One issuer **restated** its annual accounts²⁹ in order to correct the effects of a qualification due to non-compliance with accounting principles, in relation to the impairment test of an investee in the individual financial statements and the corresponding goodwill in the consolidated statements.
- In its response to the request, one issuer **restated**³⁰ the individual figures for 2018 to correct the reversal of the impairment of goodwill, which was actually an error from previous years and therefore should have been included in reserves and not in profit or loss.

29 Urbar Ingenieros, S.A.

30 Deoleo, S.A.

- In 12 cases, the review actions of the 2018 annual accounts gave rise to a **commitment to correct** the financial information in the future, with the main issues being as follows:
 - i) Qualifications in the nine NFIS verification reports, for not including certain disclosures of information required by Law 11/2018.
 - ii) Details on the information framework used to prepare the NFIS (1 issuer).
 - iii) Calculation of basic and diluted earnings per share in accordance with the provisions of international accounting standard (IAS) 33, taking into account the entity's own shares, ordinary shares issued as part of the consideration transferred in a business combination and the remuneration plans in force at the close of the financial year (1 issuer).
 - iv) Extension of the disclosures of information related to the sensitivity analysis for the key assumptions in the impairment tests for cash generating units (CGUs) with goodwill or intangible assets with indefinite useful lives, as required under paragraph 134, letter f) of IAS 36 (1 issuer).
 - v) Significant judgements and assumptions considered by the entity to establish that it exercises significant influence and not joint control, despite being the holder of 50% of the voting rights (1 issuer).

In all cases, in their response to the requests issuers undertook to amend the accounting treatment or extend the disclosures of information in their 2019 financial reports. They also disclosed the impact of the correction to their 2018 financial statements in cases unrelated to qualifications in the NFIS.

A total of six issuers included a **corrective note**³¹ in their response to the request, published on their website, related to:

- i) Disclosures related to the NFIS, in one case regarding the preparation framework and in another the qualifications in the NFIS verification report. In the latter case, the issuer³² provided supplementary information that allowed the verifier to issue a new report without exceptions (see chapter VI of this report).
- ii) Significant information on the impairment of non-financial assets, related to the adjustment of future forecasts based on reported figures.
- iii) Clarifications on the accounting impact of IFRS 16, highlighting the relationship between minimum payments for operating leases in accordance with the previous standard, IAS 17, and the expected effects of implementing the new standard.

31 In accordance with ESMA Guidelines on enforcement of financial information, a corrective note is the issuance by a supervisor or issuer, initiated or required by a supervisor, of a note publishing a substantial inaccuracy regarding one or several specific issues included in the financial information published previously and, unless infeasible, the amended information.

32 Amper, S.A.

- iv) Reconciliation of the company tax expense recorded and the theoretical tax rate calculated at the national rates paid by the group.
- v) Extension of the impairment valuation standard for financial assets to indicate that taking into account in each case their particular circumstances, individual analyses are carried out for certain borrowers classified as phase 1.
- vi) Extension of the information provided on APMs to comply with ESMA guidelines, highlighting the inclusion of reconciliation between alternative performance measures and the financial statements.
- vii) Breakdown of the book values and the adjustments for impairment for each of the equity stakes and loans to group companies existing at the year-end, in accordance with the provisions of the general accounting plan (Spanish GAAP) for individual financial statements.

Lastly, and as part of the supervision process, physical and in some cases telephone **meetings** were held with 41 entities (four of them as part of their possible IPO), with the Bank of Spain and with other national securities market supervisors (Germany and Brazil), as well as meetings with the four largest auditing firms, which prepared 95.1% of the audit reports of listed entities.

In relation to the scope of the **requests**, it should be remembered that the report on the oversight of the 2017 annual accounts included a breakdown of the areas on which the CNMV would focus its review of 2018 annual financial reports.

Table 2 includes the list of the main aspects with regard to which listed entities were served with requests the largest number of times, separately breaking down the requests regarding enforcement priority areas for review in 2018 from the rest of the aspects detected.

Nature of the requests	No. of entities served with requests			
	Standard	Accounting criteria	Information disclosures	Recommendations
1. Priority areas for review				
Application of the new standard on financial instruments	IFRS 9	11	15	8
Application of the new standard on revenue	IFRS 15	10	14	6
Breakdown of the expected impact of applying the new standard on leases	IFRS 16	5	11	4
Impact of considering the Argentine economy as hyperinflationary	IAS 29	–	2	1
Non-Financial Information Statement (NFIS)	–	–	14	25
Application of the Guidelines on Alternative Performance Measures (APMs)	–	3	10	12
Breakdown of the impact of Brexit	IAS 1	–	3	1
Calculation of earnings per share	IAS 33	8	5	7
2. Other requested issues				
Emphasis of matter paragraphs (continuity and others)	–	–	3	–
Impairment of non-financial assets	IAS 36	14	18	8
Consolidation package	IFRS 10, IFRS 11 and IFRS 12	7	8	8
Business combinations	IFRS 3	5	8	3
Segmented information	IFRS 8	6	9	5
Provisions and contingencies	IAS 37	4	13	2

Source: CNMV.

Follow-up of the enforcement priorities for 2018 annual accounts

For the purposes of reviewing the 2018 annual accounts, ESMA put forward the following common **enforcement priorities**:

- i) Specific issues related to the application of IFRS 15 (Revenue from contracts with customers).
- ii) Specific issues related to the application of IFRS 9 (Financial Instruments).
- iii) Disclosure of the expected impact of implementation of IFRS 16 (Leases).

Other relevant areas identified by ESMA were the consideration of the Argentine economy as hyperinflationary as of 1 July 2018, as well as the breakdowns related to the impact of the decision of the United Kingdom to leave the European Union (hereinafter, Brexit).

In relation to the information to be included in the management report, ESMA emphasised the monitoring of the application of the requirements established in the

Guidelines on Alternative Performance Measures as well as the disclosures on non-financial information.

The CNMV also decided to include within its plan for the review of the 2018 annual financial reports supervision of the calculation of earnings per share and a more detailed analysis of the information contained in the non-financial statement.

Specific issues related to the application of IFRS 9

Regarding the impact of IFRS 9 during its first year of application, requests were sent to 16 entities, four of which were credit institutions.

In particular, in relation to the initial impact from 1 January 2018 caused by the entry into force of the standard, disclosures, details and justifications of the reclassifications of financial assets and liabilities made on the date of first application, as well as a reconciliation between the adjustments for impairment at the end of the previous year – in accordance with IAS 39 – with the adjustments for losses at the beginning of 2018 – determined in accordance with IFRS 9.

Likewise, information was requested on the significant judgements and estimates used to assess, from 1 January 2018, whether there had been a substantial increase in credit risk with respect to the initial recognition for the portfolio of financial assets at 31 December 2017.

Among the main disclosures of information requested, the following should be highlighted:

- i) The significant judgements used to consider that the contractual flows of certain financial assets correspond only to payments of principal and interest.
- ii) The definitions of default used and, in the case of credit institutions, the extent to which they align with their definition for regulatory purposes.
- iii) The significant criteria and judgements applied to establish that there has been a substantial increase in the credit risk of the financial assets held in 2018 with respect to their initial recognition or an impairment in value due to credit risk.
- iv) The method of calculating the expected loss for each portfolio of financial assets, breaking down the variables, assumptions, judgements and estimates used to establish this, as well as the way in which forward-looking information is considered, including macroeconomic information.
- v) The justification of the reasons why certain exposures, considered significant individually, had not been individually assessed for the purpose of impairment due to credit risk.
- vi) The criteria used to consider whether certain financial instruments have low credit risk in accordance with IFRS 9, para. 5.5.10, and the methodology used to determine their credit impairment.

As a result of the supervisory actions, some issues have been included in Chapter V of this report that entities should take into account when preparing their annual accounts for future years.

Specific issues related to the application of IFRS 15

With regard to IFRS 15, requests were issued to 16 entities.

The main issues regarding the first time application of the standard for which additional information was requested were the following:

- i) The method used in the initial application of the standard, as well as the analysis and quantification of the concepts considered.
- ii) The nature, amount and timing of revenue from contracts with clients by category, differentiating those in which the performance obligations are satisfied at a specific moment from those in which they are satisfied over time and describing the application of the standard to different types of revenue.
- iii) The methods, data, and assumptions used to determine and assign the price of transactions, assess whether the estimates of variable considerations are subject to limitations, and assess the return, refund, and similar obligations.
- iv) The description, amounts and amortisation method related to incremental costs.
- v) The accounting treatment applied to discounts granted on future purchases and revenue from supplier penalties.
- vi) The existence of significant financing components.

Other disclosures were also requested in order to understand the recognition of revenue in 2018 and receivables existing at the close of this year. Some of the main issues were:

- i) The reasons why certain concepts met the definition and the measurement criteria for revenue.
- ii) The schedule for compliance with performance obligations, the types of guarantees and related obligations, as well as any considerations not included in the transaction price.
- iii) The relationship between the time when the performance obligations are met and the usual time of collection.
- iv) The breakdown of the opening and closing balances, as well as a qualitative and quantitative explanation of the significant changes that have occurred in the accounts receivable, assets and liabilities for contracts with customers, in order to understand their relationship with the revenue recognised during the year.

Chapter V of this report highlights certain aspects of IFRS 15 that the CNMV considers relevant and which entities should take into account when preparing their future annual accounts.

Disclosure of the expected impact of implementation of IFRS 16

Requests were sent to 13 entities in relation to the expected impact of IFRS 16, mandatory as of 1 January 2019, but with early application permitted.

The main issues requested were the following: i) judgements used in estimating the discount rate used; ii) lease terms considered; iii) explanation of the relationship between the minimum payments for operating leases as of 31 December 2018 and the consequences derived from the initial application of IFRS 16; iv) analysis performed to assess whether a contract is or contains a lease, as well as to conclude on the existence of short-term lease contracts, and v) facts and circumstances taken into account to consider that there is reasonable certainty regarding the exercise or not of expansion/early resolution options.

The main issues highlighted as a result of CNMV's supervisory work have been incorporated into the supervision priorities of the 2019 annual accounts, which are described in detail in Chapter IV of this report.

Hyperinflationary economies

The annual accounts of some Spanish companies are affected by the accounting standards of hyperinflationary economies, mainly due to investments in Venezuela and Argentina, where the latter is considered hyperinflationary as of 1 July 2018.

The main issues that were reviewed in the 2018 annual accounts related to the following issues: i) the accounting treatment of translation differences derived from the consolidation of a foreign subsidiary and ii) the adjustment for inflation recognised from the time the subsidiary's country was considered a hyperinflationary economy. Likewise, it was verified that the explanatory notes included information on the accumulated amount as of 31 December 2018 for each of these concepts.

As a result, two entities were requested to provide additional information on the impact that investments held in hyperinflationary economies would have on their financial statements.

Non-Financial Information Statement

The inclusion of the Non-Financial Information Statement (NFIS) in the management report was mandatory for the first time in 2017, pursuant to the provisions of Royal Decree-Law 18/2017 of 24 November, regarding non-financial information and diversity.

In relation to 2018, it is worth noting the effect of the first time application of Law 11/2018 of 28 December regarding non-financial information and diversity and that, in addition, that the review of this information was more detailed, in accordance

with the priorities established by ESMA and by the CNMV. Chapter VI of this report includes information on the review of the 2018 NFIS, showing the results obtained.

Application of the guidelines on alternative performance measures (APMs)

For the review of the 2018 annual financial information, ESMA once again urged issuers to comply with the principles of the APM guidelines included in the management report, an area also identified as significant by the CNMV.

As a result of the CNMV's aforementioned supervisory work, requests were sent to ten issuers and a further 12 companies were sent documents with recommendations for improvements for the following years.

The issues for which information was requested were primarily concerned with: i) APMs that were not identified as such by the issuer and are therefore governed by APM guidelines (for example, the use of earnings items not currently defined in accordance with IFRS); ii) the definitions of the APMs used, their components and calculation basis, which includes the detail and explanation of elements that have been excluded; iii) reconciliation with the most directly reconcilable item, subtotal or total, presented in the financial statements or, if it cannot be reconciled, an explanation of how it has been calculated – when the APM refers to estimates or projections, an explanation must be included of its consistency with the accounting policies applied -; iv) an explanation of its use for a better understanding of its relevance and reliability, and v) the justification of the changes with respect to previous APMs, a matter of special relevance in the application of the new IFRS 9, 15 and 16, when a recalculation is required because they are referenced to new components or also because new APMs replace the previous ones.

These issues were included in the recommendations and some issuers were also reminded that, in accordance with ESMA guidelines: i) APMs should not be inappropriately called *non-recurring* or similar; therefore, items that have affected past periods and that will affect future periods can rarely be considered as non-recurring, infrequent or unusual, and in the unusual circumstances in which these terms are used, a specific explanatory disclosure must be included, and ii) the APMs will not be presented with greater prominence than the measures derived directly from the financial statements.

At European level, in December 2019, ESMA published a report on the use of APMs and levels of compliance with the guidelines.³³ On this aspect, the most significant errors in regard to compliance with the guidelines were detected in the definitions, reconciliations and explanations of their use. This lower level of compliance could be explained by a failure to identify or understand what an APM is. In this regard, it should be noted that subtotals or earning items not defined in the IFRSs are considered to be APMs subject to the guidelines.

These conclusions of the ESMA report are consistent with the main issues included in the requests made by the Financial and Corporate Reports Department (DIFC).

33 https://www.esma.europa.eu/sites/default/files/library/esma32-334-150_report_on_the_thematic_study_on_application_of_apm_guidelines.pdf

Disclosures on the impact of Brexit

Requests were forwarded to three entities for issues related to the consequences of the UK's decision to leave the European Union.

An entity was required to provide additional information on the foreseeable repercussions of Brexit on its activities and on the risks it must face, as well as an explanation of its plan to manage them.

Likewise, explanations were requested from two entities to assess whether the impact of the uncertainty generated by Brexit had been taken into account in the impairment tests made for certain assets at the close of the year, taking into account that in 2019 one of them included goodwill impairment alleging this reason.

Calculation of earnings per share

The CNMV decided to include the supervision of the earnings per share calculation in the 2018 annual reports review plan, after having detected in the 2017 annual accounts review that several entities had not included instruments with potential dilutive effects in their calculations, mainly related to share-based payments.

Chapter III, Special analyses carried out in 2019, includes a paragraph dedicated to the review of the earnings per share calculation, where the results obtained from the reviews of the annual accounts for 2018 are shown.

Monitoring of other requests

Emphasis of matter paragraphs

The number of entities with audit reports containing emphasis of matter paragraphs regarding the going concern of the business has fallen over recent years.

Of the 12 entities (13 in 2017) that had an emphasis of matter paragraph in the audit report regarding the uncertainty about business as a going concern, three of them (two in 2017) were requested to furnish additional information.

In one case, information was requested concerning the relevant facts or circumstances that caused the uncertainty about the current and future situation of the entity or group, as well as the causal and mitigating factors related to the continuity of its activity.

In two other cases, the information on the causal and mitigating aspects of the doubts over continuity was, in general, adequately disclosed, and the information required referring to specific aspects related to: i) details of the viability plans and suspensive conditions to which the effectiveness of the refinancing was subject (capital increases, restructuring plans, divestments, etc.) and updated information on the degree of compliance and ii) the updating of the group's activity or a high dependence on the leasing of properties that were not let at the date of formulation of the accounts.

In the case of very significant debt restructuring processes, the entities concerned were recommended to provide information on the following aspects for the preparation of their 2019 annual accounts:

- i) A description of the refinancing terms and conditions with a significant accounting impact (conversion of tranches of debt and convertible bonds, indicating assumptions, terms and conversion prices, if the number of shares to be delivered in the conversion is fixed or variable, etc.).
- ii) The analysis carried out to determine whether it is a substantial change, indicating whether only a quantitative analysis has been carried out or, where appropriate, qualitative factors have been included.
- iii) If the analysis results in the extinction of the financial liability, information must be provided on how the new financial instruments will be recognised, how their fair value will be calculated, a quantification of the impact and their accounting treatment after initial recognition.

In the case of one entity, together with the emphasis of matter paragraph for business continuity, the auditor highlighted the credits granted by the entity and the group, past due and payable, whose credit risk analysis had been supported by the third party report, which concluded favourably on their recoverability. Given the materiality of the balances, additional information was requested on the independent expert's report and on the reasons why the group had not recognised a correction in value for the expected credit losses throughout the life of the asset.

Chapter V of this report highlights the importance of the disclosures provided by entities when there are significant uncertainties in the estimates made.

Impairment of non-financial assets

The impairment of non-financial assets remains an area that requires improvement. In 2019, requests were sent out to 20 issuers to provide additional information, among other issues, on: i) the judgements used to define their operating segments or cash-generating units (CGU); ii) the carrying amount of goodwill and intangible assets of indefinite useful life distributed to each CGU; iii) the indications of impairment considered; iv) the methodology used to determine the value in use; v) the reasons for using periods of more than five years to forecast cash flows; vi) the discount and growth rates used in the forecasts, and vii) the sensitivity analysis carried out and the approach used to set the value of the key assumptions.

In addition, justification was requested regarding the criteria and judgements used with respect to reversals of impairments in non-financial assets.

Segmented information

In relation to segmented information, 10 entities were requested to provide additional information, with the following highlights: i) justification for not reporting a greater number of operating segments or for presenting the information of several segments in aggregate form and ii), in the case of matching segments within CGUs, clarifications on the application of different criteria to assign indirect costs at CGU

level in the calculation of recoverable value and not allocate these costs at the segmented information level.

With regard to the most requested disclosures for information, of particular note are: i) the breakdown of ordinary revenue from external customers by product and service, or group of similar products and services, and by country and ii) information on the level of dependency on revenues from main clients.

Business combinations

Corporate transactions corresponding to business combinations are usually the subject of requests as they usually have a significant impact on the annual accounts of consolidated entities and groups.

The following disclosures are required on a recurring basis: i) provide clarifications on incomplete initial accounting at year-end; ii) describe the factors that justify the goodwill recognised, and iii) expand information on the methodology and key assumptions used to value assets, liabilities and non-controlling interests acquired in the transactions.

In addition to these recurring requests, it should be noted that in 2018 they also referred to transactions between companies that are under the common control of a larger group than the listed entity, as they are transactions that fall outside the scope of IFRS 3 (Business combinations). Therefore, as entities have the option to choose their accounting policy, they must disclose the accounting treatment applied in their annual accounts.

The objective of the requests for information sent out to entities that applied the pooling method was to ensure they adequately disclose: i) the accounting principles used and whether they came from audited financial statements and ii) the valuation methods used to establish the exchange ratio or the consideration transferred, depending on the type of transaction in question (acquisition, merger, non-monetary contribution, etc.).

Revision of the consolidation package

Regarding the rules related to the *consolidation package*,³⁴ requests were sent out to 12 issuers to send in more information on, among other issues, the judgements and assumptions used to determine the existence or loss of control over another entity, especially in cases of contractual agreements that grant one of the partners decision-making powers.

Clarifications were also requested regarding: i) the determination of the acquisition cost of non-controlling interests; ii) the recognition of the results derived from the loss of control; iii) measurement techniques, registration and conditions related to put options granted to minority interests, and iv) disclosures related to the financial

34 Comprising IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosures of Interests in Other Entities), and the amendments to IAS 27 (Separate Financial Statements) and IAS 28 (Investments in Associates and Joint Ventures).

information of subsidiaries that provide details of the equity stakes represented by non-controlling interests in the group's activities and cash flows.

Other actions in 2019

Claims and complaints relating to annual accounts

The claims and complaints filed by third parties have allowed the CNMV to carry out additional actions on certain occasions, with the purpose of clarifying the issues raised in the complaints filed.

The most relevant issues in the claims and complaints received relate to the following aspects of the financial statements: i) the allegedly irregular recognition of consultancy expenses and the manipulation of published financial information; ii) the validity of the method used to measure real estate investments under development and information provided in this regard in the report; iii) the provisions provided and guarantees established to deal with litigation; iv) the accounting of securitised loans, and v) the impairment of intangible assets.

In addition, several official letters were received from courts requesting, in general, information contained in the CNMV's registers.

Information related to application processes for the lifting of share listing suspensions

In 2019, no entity requested the lifting of share listing suspensions that required the intervention of the DIFC.

Information related to the insolvency proceedings of listed companies in 2019

In 2019, the CNMV proposed the appointment, in accordance with the provisions of Article 27 of the Insolvency Act, of the insolvency practitioner of a listed company,³⁵ after having received and analysed the candidacies submitted.

III Special analyses carried out in 2019

Review of the earnings per share calculation

The CNMV established the calculation of earnings per share among its supervisory priorities for the 2018 annual accounts. In 2019, the calculation of this figure for entities subject to a substantive review was reviewed in detail and the following conclusions were reached:

- 26% of the entities reviewed were requested to clarify the details of the calculation of basic or diluted earnings per share, with four entities having recognised errors in their calculation, although there were no significant inaccuracies in any cases.

Additionally, written recommendations were included for 23% of the entities reviewed on the basis that their disclosures could be improved or where non-material errors were detected in the calculation method for basic or diluted earnings per share.

- In general, the calculation of **basic earnings per share** applied by listed entities complies with that described in IAS 33. However, occasional non-significant errors or situations were identified in which the explanatory notes did not provide sufficient information on the amounts used as the numerator or the weighted average number of shares used in the calculation.

Additional information was requested from six entities for the following reasons:

- i) Considering the profit of the individual parent company in the numerator, instead of the consolidated profit attributable to the shareholders of the parent (one entity).
- ii) Adjustments made to profit or loss for the year to include the effect of preferred dividends and similar instruments (one entity).
- iii) The date from which the shares issued under a business combination (two entities) were incorporated.
- iv) The impact of employee share plans in which, at the close of 2018, all the requirements that conditioned the delivery of shares had already been met (two entities).
- v) Financial instruments that oblige the company to repurchase its own shares (one entity).

- vi) The breakdown of the calculation applied to determine basic earnings per share (one entity).

In addition, one entity was sent a written reminder that, in accordance with paragraph 64 of IAS 33, when there is an increase in the number of shares outstanding as a result of a free issue, the calculation of the basic and diluted earnings per share should be adjusted retroactively for all periods presented.

- Regarding the calculation of **diluted earnings per share**, the CNMV observes that quite often the notes to the financial statements do not properly explain the considerations that have been taken into account, limited in most cases to stating that the calculation does not present any differences compared to the basic earnings per share.

In 2019, requests were sent out to six entities to obtain additional information on the following issues:

- i) Impact of share plans granted to employees on diluted earnings per share (five entities).
- ii) Consideration of the shares issued as part of the consideration transferred in a business combination (one entity).
- iii) Derivatives contracted on the entity's own shares (two entities).
- iv) Issuances of potential ordinary shares made by subsidiaries, joint ventures or associates (two entities).
- v) Breakdown of the figures used in the calculation (one entity).

Recommendations were also sent to five entities, most of which referred to the consideration used in the calculation of employee share plans.

- Finally, with regard to **disclosures**, the CNMV wishes to remind entities that they must disclose the weighted average number of ordinary shares used in the denominator to calculate basic and diluted earnings per share, *providing a reconciliation between the denominators*, detailing the individual effect of each class of instruments that affects the calculation.

IV Main areas for enforcement in 2019 annual accounts

In October 2019, ESMA published the common enforcement priorities, in order to promote consistent application of IFRS in the European Union.³⁶

ESMA, together with European Union national enforcers, identified a series of topics which listed companies and their auditors should particularly consider when preparing and auditing their 2019 financial statements, focusing enforcement on the following priority areas:

- i) Specific issues related to the application of IFRS 16 (Leases).
- ii) Follow-up of specific issues related to the application of IFRS 9 (Recognition and measurement of financial instruments) and IFRS 15 (Revenue from contracts with clients).
- iii) Specific issues related to the application of IAS 12 (Income taxes), including the application of IFRIC 23 (Uncertainty over income tax treatments).

Similarly, the statement highlights other areas on which issuers should focus when preparing the 2019 annual financial reports, and to which national enforcers will pay particular attention, which are as follows:

- i) Disclosures of the non-financial statement. Chapter VI of this report focuses on this area.
- ii) Specific aspects of the application of the ESMA guidelines on alternative performance measures, specifically with regard to APMs that are amended by the entry into force of new accounting standards.
- iii) Consequences of Brexit.

Additionally, the CNMV has decided to include, within the review plan of the annual financial reports for 2019, a more detailed analysis of the NFISs, of the effects derived from the entry into force of IFRS 16 and the impairment of assets in the energy and oil and gas extraction sectors.

Finally, in accordance with ESMA Guidelines on enforcement of financial information,³⁷ national authorities shall inform ESMA about the actions performed over

36 https://www.esma.europa.eu/sites/default/files/library/esma32-63-791_esma_european_common_enforcement_priorities_2019.pdf

37 ESMA Guidelines – *Guidelines on enforcement of financial information* (28/10/2014).

2020 and measures adopted where infringements are discovered. ESMA will publish a summary of the supervisory actions it carries out and those performed by the European accounting supervisors.

Those aspects in the ESMA document that have been deemed most relevant are highlighted below together with details on the additional issues on which the CNMV will focus its attention. However, it is recommended that the ESMA statement should be read in full.

Specific issues related to the application of IFRS 16 (Leases)

During the first year of mandatory application of IFRS 16, ESMA and the CNMV will place greater emphasis on the following aspects:

Lease term

The determination of the lease term is one of the aspects that requires most judgement, especially when the contract does not contain specific clauses related to the termination, early cancellation or renewal of the lease.

In this regard, ESMA draws attention to the decision reached by the IFRS Interpretation Committee (IFRS IC) regarding the consideration of any economic penalty or incentive not to terminate a lease, by establishing the period in which a lease is considered enforceable, without limiting itself to contractual penalties. Likewise, there must be a certain correlation between the lease term and the amortisation period for the improvements made to leased assets that cannot be transferred.

The CNMV wants to highlight that the explanatory notes should include information regarding the judgements applied to establish that there is *reasonable certainty* that an option will or will not be exercised. In this sense, entities will have to explain how they have applied their past experience in estimating the lease term.

Issuers must provide sufficient disclosure of the judgements applied to determine the term of the lease agreements and comply with the information requirements of IFRS 16 and IAS 1, p. 122-125.

Discount rate to be used by the lessee

In the event that the implicit interest rate of the lease cannot be determined, the incremental rate of the lessee's indebtedness must be used, which may require adjustments to consider conditions similar to those of the lease, as regards: term, guarantees, amount and economic environment.

ESMA also draws attention to the recent discussion held by IFRS IC on this matter.

Presentation and disclosures

Entities should include in their 2019 annual accounts quantitative and qualitative information on the impact of adopting this standard, including the treatment applied

to sale and lease-back contracts, as well as the judgements applied to determine whether a contract falls under the scope of IFRS 16 when it is not clear.

The CNMV will pay special attention to contracts that were within the scope of IAS 17 and have been excluded or are eligible for certain exemptions under IFRS 16 on the date of first application. In this regard:

- i) It should be remembered that to determine whether an asset is of low value, the value of the asset in its new state must be taken into account, regardless of the age of the leased asset.
- ii) Properly identify leased assets that are in *shared use* with the lessor.

The CNMV recommends that entities carry out a detailed analysis of its identifiability and the right to direct its use and receive the economic benefits it generates before considering that an asset is excluded from the scope of IFRS 16. In this sense, it should be noted that a part of a larger asset may constitute an asset identified for the purposes of IFRS 16 if it is physically differentiable from the rest. If it is concluded that the lease agreement gives the lessee the right to control the use of the aforementioned identified asset (part of the larger asset) and to obtain its economic benefits, IFRS 16 should apply.

The CNMV also draws attention to the decision taken by the IFRS IC in June 2019 regarding the application of IFRS 16 on subsoil use rights.

ESMA stipulates that the entry into force of IFRS 16 requires certain changes in presentation:

- In the statement of financial position, the right-of-use assets will be presented separately from other assets or will be included in the same item in which they would be presented if the underlying asset were owned and, in that case, it will be broken down in the notes under which items these right-of-use assets have been included. Lease liabilities must be shown separately from other assets and liabilities or their amount must be broken down in the notes.
- The financial cost of the lease liabilities must be presented separately from the amortisation expenses derived from the right-of-use assets in the profit and loss account.
- Regarding the statement of cash flows, the payments of the principal of lease liabilities should form part of financing activities, while cash outflows for short-term or low-value leases, for which IFRS 16 is not being applied, must be presented within the flows from operating activities.

Entities must disclose the section that includes the cash flows corresponding to interest on lease liabilities in their accounting policies.

With regard to disclosures, ESMA recommends that information on those relating to short-term or low-value leases, as well as information by type of underlying assets (IFRS 16, p. 53) must be provided.

The CNMV would also like to draw attention to the following disclosures:

- An analysis of maturities of the lease liabilities, prepared in accordance with paragraphs 39 and B11 of IFRS 7, must be presented separately from the rest of financial liabilities (IFRS 16, p. 58).
- The future cash outflows to which the lessee is potentially exposed and that are not reflected in the valuation of lease liabilities (IFRS 16, p. 59) will be broken down, including: i) variable lease payments, ii) cash flows derived from extension and termination options, iii) residual value guarantees and iv) leases that have not yet started and to which the lessee has committed.
- If the entity has adopted the practical solution of applying IFRS 16 to a portfolio of leases with similar characteristics instead of individual contracts (IFRS 16, p. B1), it must break down the estimates and assumptions taken into account to adequately reflect the size and composition of the portfolio.

Initial valuation of the right-of-use asset

The CNMV will highlight the following aspects:

- Inclusion in the right-of-use asset of variable but in-substance lease payments (IFRS 16, p. 27 and B42).

Entities should assess whether lease payments that contain variable clauses have a real economic fund or if in-substance whether part or all of the payment is unavoidable. The main cases to be assessed include:

- i) Payments linked to the occurrence of an event that has no real likelihood of not occurring.
 - ii) There are more than one series of payments that the lessee could make, but only one of those series of payments is realistic.
 - iii) There are several realistic series of payments that the lessee could make, but is obliged to pay at least one of said series of payments.
- The cost of the asset will include an estimate of the costs that must be incurred for its dismantling or return under the conditions set out in the agreement.

Impairment test of right-of-use assets

Entities must apply IAS 36 to determine whether the right-of-use assets have suffered impairment (IFRS 16, p. 33). Consequently, the impairment test must be adapted to take into account the specific characteristics of the accounting for leases in the calculation of the recoverable value.

ESMA encourages issuers to contribute information regarding methodologies, input data and the main assumptions that have been amended by the entry into force of IFRS 16, for example, in determining the book value and value-in-use of the CGUs to which the right-of-use assets have been assigned, as well as the treatment of lease liabilities in the impairment test.

Lastly, even if it is not expressly required by IFRS 16 or IAS 36, the CNMV considers it useful to indicate to which CGU or group of CGUs the right-of-use assets that are significant are assigned, especially if the gap that exists between the book value and the recoverable value is little or nil.

Transition

Issuers must detail: i) whether they have applied the standard retroactively to each previous reporting year or through the amended retroactive method and ii) what practical solutions have they used.

In the case of applying the amended retroactive method, the right-of-use asset may differ from the value of the lease liability, therefore ESMA stipulates that the information required under IFRS 16 (p. C12), regarding the incremental indebtedness interest rate applied to liabilities must be provided, as well as an explanation of the differences between the lease commitments broken down in accordance with IAS 17 and the lease liability recognised in accordance with IFRS 16.

Lastly, ESMA recommends that issuers continuously monitor the discussions held by the IFRS IC that may be applicable to them.

Follow-up of specific issues related to the application of IFRS 9 (Recognition and measurement of financial instruments) and IFRS 15 (Revenue from contracts with clients)

General issues

ESMA considers that the financial information provided in 2019 in relation to IFRS 9 and 15 should be of a higher quality, homogeneity and coherence, due to the experience of the previous year and the knowledge of the needs of users and market practices.

The issues highlighted by ESMA in the 2018 document on supervisory priorities for financial reporting continue to apply to 2019 and it also emphasises certain aspects of IFRS 9 for credit institutions and IFRS 15 for industrial companies.

Application of IFRS 9 by credit institutions

- Regarding the *determination of the expected loss*, ESMA emphasises that:
 - i) It should reflect a weighted and unbiased amount, determined by evaluating a range of possible outcomes, and that the information used for its estimation - based on past events, current conditions and forecasts of future economic conditions - is reasonable and supported and available without disproportionate cost or effort (IFRS 9, p. 5.5.17 and B5.4.41-B5.5.43).

The CNMV establishes that the evaluation of the estimated loss will be carried out, individually or collectively, depending on its individual significance and the nature and particulars of each asset. This affects both

phase 1 assets, whose expected loss is calculated at 12 months, and phase 2 and 3 assets, with expected losses throughout the life of the instrument.

- ii) The amounts expected to be recovered through guarantees that are part of the contract and that are not recognised separately must be taken into account (IFRIC Update March 2019).
 - iii) When the impairment of a financial asset is reversed, the difference between applying the effective interest rate to the amortised cost excluding impairment and to the amortised cost net of impairment (IFRS 9, p. 5.4.1b) should be recognised as an impairment reversal (IFRIC Update March 2019).
- Regarding the determination of *significant increase in risk*, ESMA establishes that:
- i) It should not be based solely on historical information on delinquency (IFRS 9, p. 5.5.11), unless additional information of a sufficient prospective nature is not available without disproportionate cost and effort.
 - ii) Both the variation in absolute and relative terms should be considered (IFRS 9, p. B5.5.9).
- ESMA emphasises the need for an *adequate level of disclosure*, which allows the investor to assess the recorded impairment and understand the judgments and assumptions made, so they must provide relevant, reliable and quality information. Therefore, issuers are expected to show the movement in the year for each phase (1, 2 and 3) and provide:
- i) More disaggregated information (by counterparty type, geographical area, product type, etc.) of financial assets (IFRS 7, p. B3) and associated impairment.
 - ii) Quantitative and qualitative information on the expected loss estimation models, emphasising that it is not enough to provide only qualitative information.

In particular, issuers should explain how they determine that a significant increase in risk has occurred (IFRS 7, p. 35F, letter a)) and how prospective information has been incorporated to determine the expected credit loss (IFRS 7, p. 35G), for example, providing: i) the number of scenarios considered and their weight, ii) the macroeconomic parameters assumed in each scenario, iii) the relevance and reliability of the assumed forecasts and iv) the results of the evaluations carried out.

- iii) A sensitivity analysis of the methods, assumptions and estimates implicit in the expected loss estimation models that permit the evaluation of the sensitivity of the book value and the reasons for such sensitivity (IAS 1, p.129 and IFRS 7, p. 1).

Additionally, the CNMV emphasises the usefulness of including information that allows its users to understand those aspects that have had a greater impact on the variation in impairment due to expected loss, for example: i) changes in

the inputs, assumptions or the model used, for example, updating or adjusting the model, positive or negative trend in of the macroeconomic outlooks, decrease in the value of collateral, or ii) changes in the categorisation of borrowers, for example, significant transfers between phase 1 and phase 2, amendment of parameters used to define a significant increase in risk, etc.

Application of IFRS 15 by industrial entities

ESMA recognises the effort made by entities in the initial application of IFRS 15. However, given the relevance of revenue and its importance in understanding the issuer's activity, it expects a significant improvement in the breakdowns included in 2019 financial information.

ESMA highlights, among other issues, that issuers should:

- Adapt the revenue **recognition policy** to their particular circumstances (IFRS 15, p. 110).
- Provide adequate information on *significant judgements and estimates* made in relation to: i) the identification of performance obligations; ii) the timing for satisfying the obligations and, where appropriate, the judgements made to conclude that it is an obligation over time; iii) whether they act as principal or agent, and iv) the transaction price and the amounts assigned to the execution obligations (IFRS 15, p.123-128).
- Disclose an *adequate disaggregation of the revenue*, presented in categories that depict how the nature, amount, timing and uncertainty of the revenue and cash flows are affected by economic factors (IFRS 15, p.114 and B89) and taking into account the information provided in this regard for other purposes (IFRS 15, p. B88).
- Present separately the *assets and liabilities of the contract* in the balance sheet and explain, quantitatively and qualitatively, the significant changes in these balances (IFRS 15, p. 116-118).

Additionally, ESMA stipulates that the discussions held by the IFRS IC in relation to the implementation of IFRS 15 should be taken into account, such as, those related to: i) the recognition of revenue from a real estate contract, ii) the recognition of revenue from a real estate contract that includes the transfer of the land, iii) the right to payment for the performance obligation completed to the date and iv) compensation for delays and cancellations on airlines.

Specific issues related to the application of IAS 12 (Income taxes – including the application of IFRIC 23 (Uncertainty over income tax treatments) –)

Activation of tax loss carryforwards

Based on its report published in July 2019, ESMA requests that issuers: i) analyse the nature and scope of the evidence available to them to conclude that it is probable

that future tax benefits will be obtained and ii) facilitate disclosures of adequate and specific information (IAS 12, p. 82-82A and IAS 1, p. 122, 125 and 129).

Among other aspects, in the aforementioned document, ESMA states that:

- i) Probability has to be valued in the same manner as other standards, i.e., “more likely than not”.
- ii) To conclude that it is probable that future tax benefits will be obtained, the nature, origin and moment in which they will be obtained must be taken into account.
- iii) A history of recent losses is verifiable objective negative evidence regarding the ability to generate future tax benefits.
- iv) Future events that are beyond the issuer’s control and are still highly uncertain should not be anticipated or considered.

Entry into force of IFRIC 23

This interpretation came into effect on 1 January 2019, so ESMA expects issuers to provide sufficient information on the judgements made and the policies applied for recognition and measurement, when there are uncertainties about how the tax legislation applies to a specific transaction or circumstance.

In this regard, the CNMV states that if the issuer concludes that there is a probability that an uncertain tax treatment will be accepted by the tax authority, it must apply it (IFRIC 23, p. 9 and 10). Conversely, if the tax authority is not likely to accept an uncertain tax treatment, the issuer should reflect the effect of that uncertainty through the most probable amount or the expected value, whichever best anticipates the resolution of the uncertainty (IFRIC 23, p.11).

Non-Financial Information Statement (NFIS)

ESMA, like the CNMV, had already included the NFIS among its supervisory priorities for 2018. For 2019, ESMA emphasises certain matters, which are described in detail in Chapter VI of this report.

Alternative performance measures

ESMA stresses that the entry into force of IFRS 16 may mean the amendment or inclusion of new APMs. therefore it stresses that, in accordance with the provisions of paragraphs 41 to 44 of the APM guidelines, issuers must: i) explain the changes, ii) the reasons why these changes allow for more reliable and relevant information, and iii) provide the restated comparative figures.

Lastly, ESMA indicates that APMs should not be used with greater prominence than financial figures and that the reasons why they are considered to be useful should be explained.

Analysis of impairment of assets in the energy and oil and gas extraction sector

Main areas for enforcement
in 2019 annual accounts

As a consequence of several significant impairments occurring in the last two years affecting the assets of certain listed entities in the aforementioned sectors, it has been considered appropriate to include a review of the impairment tests in the CNMV's analysis priorities for the 2019 annual accounts.

The CNMV expects issuers to be particularly rigorous in evaluating signs of impairment, to carry out the appropriate tests for its quantification – the correct determination of the main inputs, such as the estimation of future income, the discount rate and the perpetuity growth rate – which include the disclosures of information that are necessary and sufficient to allow for their proper interpretation and understanding.

V Other issues to consider

In this section, the CNMV wishes to highlight certain relevant issues resulting from legislative changes or its supervisory work.

European Single Electronic Format (ESEF)

On 29 May 2019, Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing the Transparency Directive with regard to regulatory technical standards on the specification of a single electronic reporting format was published.

The European Single Electronic Format (ESEF) will affect the annual, individual and consolidated financial reports of listed entities with a fiscal year that begins on 1 January 2020, and which will be presented in 2021.

The new format will involve amendments to the way in which issuers submit annual financial reports, which will be carried out electronically in iHTML and, when there are consolidated financial statements prepared in accordance with IFRS, the main financial statements should be marked using XBRL (eXtensible Business Reporting Language) tags. These tags must be integrated into xHTML using InlineXBRL technology.

The implementation of the ESEF requirements will be carried out in phases and, starting in 2020, the block labelling of the notes to the consolidated reports will be required.

On 22 October 2019, the CNMV held an ESEF dissemination day in which the main aspects to be taken into account by issuers were explained in order to adapt to the new presentation requirements of the annual financial report. In this regard, entities are reminded that adaptation deadlines can be long and they should make their best efforts to have their financial reports available in a timely manner.

Specific aspects of IFRS 15

Combination of contracts

In the event that two or more contracts are signed with a client at the same time, or almost at the same time, entities should apply their judgement to determine if a combination of contracts has occurred, in which case they should be accounted for as a single contract (IFRS 15, p.17).

The rule indicates that two contracts must be combined if one or more of the following criteria are met: i) that the contracts have been negotiated as a package with a single economic objective, ii) that the amount of the consideration to be paid in one of the contracts depends on the price or performance of the other or iii) that the goods or services promised in the contracts (or some of them) constitute a single performance obligation.

In their analysis, issuers must identify in detail the existing performance obligations (IFRS 15, p. 22-30), interpret whether the goods or services provided are differentiated from each other and determine if the asset is transferred at a specific time or at a point in time to satisfy an obligation (IFRS 15, p. 38).

In the sale of land or a set of assets that includes not only the piece of land, but also licenses and other assets, and the signing of a combination of construction contract with the same client, the issuers must analyse in detail the contracts to clarify whether said transactions should be considered jointly or separately. In the opinion of the CNMV, if the prior sale is revocable based on circumstances linked to the performance and development of the construction (for example, due to the existence of termination clauses in certain cases), it cannot be concluded that control has been transferred.

Transfer of risks and benefits over time

Entities that enter into construction contracts, before concluding that their performance obligation is satisfied over time, must analyse whether the transfer of control of the good or service, and therefore its risks and benefits, occurs over time (IFRS 15, p. 35-37).

In this regard, paragraph 35 indicates three criteria, and it is sufficient that only one of them be met to conclude that the transfer occurs over time: i) that the client simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs, ii) that the execution by the entity creates or improves an asset (for example, work in progress) that the client controls as the asset is created or enhanced and iii) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

In this sense, the CNMV urges entities to consider the specific clauses included in the contracts, in particular:

- i) Whether the contract establishes that the client has control over what is built as it is built.
- ii) Whether the builder assumes, in whole or in part, the risk of loss or deterioration of the material and of the construction in progress, for reasons beyond its performance, until completion and to what extent the risks and benefits have been transferred to the client over time.

In particular, the specific clauses of the contract that could prevent the recognition of revenue before the completion and delivery of the construction must be analysed.

Regarding the estimate of the impairment for credit risk of financial assets classified in phase 1, the CNMV, within the scope of its supervisory tasks, has occasionally detected that some entities implement a general accounting policy to evaluate, during phase 1, the expected losses in the following 12 months collectively and not individually, even when certain financial assets are individually significant and their impact could be, in certain situations, material.

In accordance with IFRS 9, p. 5.5.3, and IFRS 9, BC 5.138, the accounting for estimating the impairment of financial assets is the asset by itself, taking into account its peculiarities and particular credit circumstances and, therefore, the provision for impairment falls on the individual financial instrument. Also, in accordance with IFRS 9, p. B5.5.43, the expected losses in the subsequent 12 months are a subset of the expected losses over the life of the financial instrument, so the calculation methodology and criteria for conducting an evaluation, both individually or collectively, should be equivalent to measuring the expected losses of the following 12 months (phase 1) and of the entire life of the instrument (phases 2 and 3).

Consequently, the CNMV understands that in its accounting policy for estimating the expected impairment loss, in general terms, it is not possible to consider the exclusion of an individualised assessment of financial assets, as they are in phase 1, 2 or 3. This is especially relevant in relation to financial assets that are individually significant – without prejudice to being classified in phase 1 –, therefore issuers must estimate the impairment loss due to credit risk individually, depending on parameters such as, for example: knowledge about the debtor and their credit risk, the quantitative importance of the amount to be collected and the degree of homogeneity of their credit qualities with respect to those of other borrowers who would be included in the same group, in case of collective evaluation, and as long as they have reasonable and well-founded individualised information that can be obtained without disproportionate effort or cost. For individual assessment purposes, there are different methodologies and models, provided they comply with the requirements of IFRS 9 and, by way of example, it could be admissible to apply a *block building* approach for assets in any of the three phases, according to which the expected losses of homogeneous groups of assets would be first estimated collectively, adjusting the resulting amount appropriately for all those specific existing credit risk factors, to the extent that they are relevant.

Classification of receivables subject to sale through a non-recourse factoring facility

For a financial asset to be classified in the category “at amortised cost” two requirements must be met: i) it must comply with the “solely payments of principal and interest” test (SPPI) and ii) the business model must require it to be held until maturity (IFRS 9, p. 4.1.2).

Taking into account the second criteria, entities must carefully evaluate whether accounts receivable that, at the time of initial recognition, belong to an asset class usually discounted based on a line of non-recourse factoring would comply with these requirements, given that their business model may not be consistent with the requirement to keep them until maturity.

Therefore, the CNMV reminds issuers that they must analyse in detail the classification of accounts receivable on initial recognition and, where appropriate, detail the reasons why they consider that, despite having lines of non-recourse factoring, their accounts receivable are classified in the category "at amortised cost".

Sale of businesses associated with the signing of an exclusivity contract

In accordance with IFRS 15 p. 70-72 and example 32 of this standard, when there is an exchange of goods or services between supplier and customer, it is necessary to analyse whether they are goods or differentiated services in order to establish the transaction price. If it is concluded that they are not differentiated goods or services, the fair value of the good or service received from the customer must be estimated and deducted from the transaction price, unless it cannot be reasonably estimated, in which case the entire consideration payable to the customer will be recognised as a reduction in the transaction price.

In the CNMV's supervisory work, several transactions have been identified in which an issuer sells a business and, simultaneously, signs an exclusive contract with the buyer to receive the services provided by the business sold. In these cases, the CNMV understands that the aforementioned paragraphs of IFRS 15 are applicable, so it expects issuers to:

- i) Analyse whether the recognition of 100% of the capital gain obtained from the sale of the business is appropriate or whether, on the contrary, they should allocate part of the price or amount of the consideration received to the fair value of the exclusivity obligations arising from the contracts with the buyer and, consequently, its recognition as income should be deferred as the identified exclusivity obligations are satisfied.
- ii) Explain the judgements made to reach their conclusions and support the impact recognised in the profit and loss account by this operation.

Causes of uncertainty in the estimates

Paragraph 125 of IAS 1 establishes the need to disclose those causes of uncertainty in the estimates made that have a significant risk of causing adjustments in the value of assets and liabilities in the following accounting period.

The CNMV wants to emphasise the relevance of this disclosure so that users of financial information can understand the judgements made by the issuer about the future and other sources of uncertainty. In particular, issuers with uncertainty about the continuity of their operations should disclose the factors that cause and mitigate this uncertainty.

Leasing of land on which power generation facilities are located

It is common for companies in the energy sector that operate wind power generation facilities to lease the land on which said facilities are located. Most of the contracts include clauses in which the owner expressly reserves the right to use the part

of the land available for agricultural or livestock work, as long as these do not interfere with the correct operation of the electricity generation facilities.

During the supervision of the first effects derived from the entry into force of IFRS 16, the CNMV detected that several companies in the sector considered that the leased land was excluded from the scope of IFRS 16, as there is a shared use of the asset, having discussed this case with the other accounting supervisors at ESMA.

In line with the provisions of Chapter IV of this report, the opinion of the CNMV is that these contracts are within the scope of IFRS 16, because:

- i) Paragraph B20 allows a part of the capacity of a major asset to be identified as a leased asset, if the part referred to is physically identifiable.

To the extent that the exact location of the generation facilities is determined, in some cases, in the contract itself and, in the others, before the start of the construction phase, it is understood that there is an identified, physically identifiable asset.

- ii) The lessee has the right to obtain the economic benefits of the use of the asset, since the specific part of the land, including the airspace and subsoil, on which the facility physically sits cannot be used for any other purpose, as it is permanently occupied.
- iii) The lessee directs the use of the asset, since the owner does not have the right to amend its operating instructions and the lessee makes all important decisions related to the use of the asset during the term of the lease.

Judgements applied to determining the existence of control

During the supervisory tasks carried out by the CNMV, in recent years different cases have been identified in which the issuers state whether or not they control companies, based on agreements between partners that are not clear and in which professional judgement is therefore highly relevant.

Among the situations analysed, it is worth highlighting, by way of example, contractual agreements that grant one of the partners the power to make the final decision in the event of a discrepancy between shareholders or when it comes to regulated business issues in which one of the shareholders has a deeper knowledge.

In this regard, the CNMV wishes to emphasise that the fact that these discrepancies between shareholders have not occurred or that the partner with the capacity to make the final decision does not intend to do so should not be interpreted under any circumstances as a lack of control. Control is manifested by the ability to exercise it, regardless of whether it is exercised or not.

When the existence or not of control by issuers may be subject to a high level of interpretation, entities should include additional disclosures that allow understanding of the main characteristics of the agreements between partners that lead to the conclusion of the existence or not of control.

Determination of fair value in corporate transactions

As part of the 2018 annual accounts review process, it has been detected that on some occasions, within the context of corporate transactions such as mergers and takeovers, real estate entities use the net asset value (NAV) or the EPRA NAV as the best reference of the fair value of the shares, despite the existence of quoted prices in active markets.

In this regard, the CNMV wants to remind issuers that IFRS 13, p. 69, and section 6 of the Conceptual Framework of the Spanish GAAP specify that the price quoted in an active market represents the best reference of fair value.

Contents of the half-yearly financial information

The half-yearly financial information submitted from 1 January 2019 is prepared by completing the annexes of Circular 3/2018, of 28 June, of the National Securities Market Commission.

The CNMV wants to remind issuers of some issues included in the completion instructions:

- Chapter VI, “Special auditor’s report”, must be completed only when the company is in one of the situations contemplated in article 14.2 of Royal Decree 1362/2007, that is, when the audit report issued on the individual or consolidated annual accounts corresponding to the previous year contains a qualified opinion or when the auditor’s opinion is adverse or the opinion is denied.
- If the half-yearly report has been subjected to a limited review or complete audit by the auditor, the corresponding report must be included in Chapter V, along with the rest of the content of the interim financial report.
- Based on the principle of relative importance and when the issuer is required to prepare consolidated financial information, it must include at least explanatory notes and an interim management report on the individual financial statements, containing a description of the events and the transactions occurred since the date of the most recent annual financial report that are relevant in understanding the changes in the financial situation, the performance of the company or any significant change in the amounts, as well as to ensure the comparability of the summarised half-yearly financial statements with the annual financial statements.

VI Non-Financial Information Statement 2018

The Non-Financial Information Statement (NFIS) is mandatory as of the years commencing on 1 January 2017, as a consequence of the entry into force of Royal Decree-Law (RDL) 18/2017 of 24 November (RDL 18/2017), which included the obligations that were imposed by Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, as regards the disclosure of non-financial and diversity information by certain large undertakings and groups.

Subsequently, Law 11/2018 of 28 December amended the Commercial Code, the Recast Text of the Spanish Corporate Enterprises Act (TRLSC) and the Spanish Auditing Act (LAC), regarding non-financial information and diversity and repealed the aforementioned RDL, increasing its scope and content³⁸ and it was applied for the first time for the fiscal years beginning on or after 1 January 2018.

The NFIS, as it forms part of the management report,³⁹ is included in the annual report that issuers must prepare and publish, under the oversight of CNMV, which, in compliance with article 122.2 of the TRLMV, must verify that the periodic information has been prepared in accordance with applicable regulations. or otherwise proceed to require such compliance.

It should be remembered that the NFIS has become an important part of the annual information disclosed by listed companies. Within this context, it should be noted that the European Commission (EC) published, on 5 July 2017, non-binding guidelines to help issuers in the presentation of such non-financial information and on 20 June 2019, a supplement to these guidelines on information related to climate change.

Number of NFISs received

Of the 152 issuers that submitted individual annual accounts and of the 140 that were also required to send in consolidated accounts for 2018, 43 were required to

38 Extends the scope to certain entities that are not public interest entities (PIE). Therefore, the NFIS must be included in the management report whenever the following requirements are met: i) an average number of workers employed by the group companies during the fiscal year greater than 500 or ii) or, either it has PIE status in accordance with the auditing legislation, or for two consecutive fiscal years, it meets at least two of the following circumstances at the closing date of each one: total consolidated assets greater than 20 million euros, net turnover greater than 40 million euros or average number of workers employed during the year exceeds 250. The transitional provision indicates that 3 years after the entry into force of this law, it will be applicable to all companies with more than 250 workers that meet certain requirements.

39 Article 44 of the Commercial Code, approved by Royal Decree of 22 August 1885 (amended by Law 11/2018).

include an NFIS in their individual management report and 96 in their consolidated report⁴⁰ (28% and 69%, respectively). This number is similar to the previous year (42 entities for individual accounts and 95 for consolidated accounts in 2017).

Regarding the individual reports, only 3% (four issuers) presented a specific individual NFIS and, of the remaining 39 (64%) complied with the obligation with reference to the consolidated NFIS. No issuers were required to publish the individual NFIS only.

Likewise, it should be noted that there were two Ibex listed entities that were not obliged to publish an NFIS as they had less than 500 employees on average during the year.

Review of the 2018 NFIS

As indicated in Chapter II of this report, the CNMV's supervisory work on annual financial reports - which includes the NFIS - is carried out at two levels of review: formal and substantive. Further, the NFIS was established as one of the supervisory priorities for 2018 by ESMA and the CNMV.

Verification reports

The changes introduced by Law 11/2018 include the obligation for the information included in the NFIS to be verified by an independent verification service provider. All issuers affected by the new law and one of the three required to submit a NFIS under RDL 18/2017⁴¹ (a total of 94 issuers) submitted a verification report (vs 10% in 2017).

In 81% of cases, the verifier was one of the four main audit firms, by turnover, in Spain: Deloitte, EY, KPMG and PwC. For the remaining 19%, Aenor stands out (which issued the verification report of six issuers, 6%). It should be noted that in 68% of cases, the verification firm was the same as the company that audited the 2018 annual accounts.⁴²

All Ibex 35 companies required to submit the 2018 NFIS were verified by the top four audit firms, except for one.

With regard to 2018 and as a result of this verification, 13 issuers presented qualifications, which referred to:

- Omissions of information required by law, which issuers mainly justified because its publication would have been detrimental to their interests or because their systems or processes were not prepared, at that date, to obtain the data.

40 Three issuers still submitted their reports in accordance with RDL 18/2017, as they have an irregular financial year.

41 One of the three issuers that prepared their NFIS in accordance with RDL 18/2017, due to having an irregular financial year, submitted the verifier's report.

42 In the case of six issuers, the auditor and the verifier were the same natural person.

These omissions were essentially key performance indicators on social and staff issues (six issuers)⁴³ and information on the company, particularly a lack of disclosure concerning the benefits obtained on a country by country basis (four issuers)⁴⁴ or the data was provided but not for the entire reporting scope of the NFIS (two issuers).⁴⁵

- In two additional cases,⁴⁶ a qualification was included because the verifier had not been able to verify certain information.
- In another case,⁴⁷ the verifier indicated a very broad qualification, which, among other issues, included a lack of risk disclosures.

Regardless of the type of review to which the entity's 2018 annual report was submitted, 11 issuers were requested (three of them in substantive review and eight in formal review) to provide an explanation of the causes of the qualifications and provide additional information on the plans to redress the situation that had caused them. One of the entities subject to formal review was additionally issued a request for failing to indicate certain legal procedures in the information related to the fight against corruption and bribery and asked to explain the change in some key non-financial indicators compared to the previous year.

With regard to the remaining two entities⁴⁸ no action was taken as they were excluded from trading during 2019.

As a result of the requests:

- One issuer sent in the omitted information along with their response, which they also provided to the verifier. As a consequence, the verifier issued a new verification report without qualifications, which was published as a corrective note to the 2018 annual accounts.
- In general, issuers explained the reasons why they did not have the information, or did not provide it, at the close of 2018 and most of them stated that they would include the information omitted in the 2019 NFIS, to the extent that it was significant and necessary for a proper understanding of the situation, performance and evolution of the entity or group and the impact of its activity.

Substantive review

In 2018, a more detailed review of the NFISs of the entities subject to a substantive review was carried out and three companies were asked to provide further information, in addition to those with qualifications.

43 Cie Automotiva, S.A.; International Consolidated Airlines Group, S.A.; Parques Reunidos Servicios Centrales, S.A.; Tubacex, S.A.; Telepizza Group, S.A., and Adveo Group International, S.A.

44 Acerinox, S.A.; Prosegur Cash, S.A.; Prosegur, Compañía de Seguridad, S.A., and Técnicas Reunidas, S.A.

45 Obrascón Huarte Lain, S.A. and Telepizza Group, S.A.

46 Clínica Baviera, S.A. and Tubacex, S.A.

47 Amper, S.A.

48 Telepizza Group, S.A. and Adveo Group International, S.A.

The requests were for additional information on: i) the NFIS preparation framework that they had indicated they had used and ii) the details of certain legal procedures in the information on the fight against corruption and bribery.

In the responses to the requests, the issuers provided the requested information. In two cases, inaccuracies were revealed that gave rise, in one case, to a corrective note and, in another, to a commitment to correct the NFIS information from the following year onwards.

Additionally, a series of recommendations were sent to 25 issuers for consideration in the preparation of their NFISs as of the following year. These recommendations, together with the formal review of the NFISs received, have served to establish the CNMV's review priorities in relation to the 2019 NFIS, which are listed in the following section.

Main areas of review in relation to the 2019 NFIS

Before indicating the issues to be reviewed in the 2019 NFIS, it should be noted that ESMA, like the CNMV, had already included the NFIS among its supervisory priorities for 2018.

Below are the main issues highlighted by ESMA and the CNMV, aimed at improving the quality of the information contained in the NFIS and making Spanish market practices more even:

Materiality

- ESMA highlights that the general objective of the disclosures in the NFIS is to provide information on non-financial aspects, to the extent necessary for a proper understanding of the situation, performance and development of the company or group or the impact of its activity on the environment.

This general objective complements the classical materiality approach to reflect an approach that is broader, based on a two-fold concept, which takes into account not only the impact of non-financial issues on the entity, but also the company's impact on the environment in regard to these aspects.

ESMA considers it important that issuers take into account this **two-fold concept of materiality** to identify which non-financial information is relevant to different stakeholders and ensure that material information is not omitted.

- It is considered useful for issuers to explain how they have determined which information is material and the criteria and methodology used, and those in which internal and external factors must be taken into account.

Only 59% of the issuers subject to a substantive review in 2018 explained in some detail the materiality analysis carried out to identify the most relevant aspects.

Additionally, the CNMV highlights the importance of explaining the results of this analysis, clearly identifying which information is considered material and

non-material, justifying the reasons for this classification and avoiding inconsistencies between the results of the materiality analysis and the information provided in the NFIS. Assessments should be reviewed periodically.

- Among the materiality disclosures, it is important to specify how the main **stakeholders** of the entity or group have been identified, how they position themselves in the value chain and contribute to it, what their information needs are, the time horizon contemplated – bearing in mind that the EC considers that it should be long-term – and the severity and probability of consequences of each financial and non-financial aspect.

37% of the issuers in the selected sample did not clearly and precisely identify their stakeholders.

- Information provided in Law 11/2018 should not be omitted, unless issuers can prove that it is not needed to adequately understand the situation, performance and development of the entity or its group and the impact of its activity on the different stakeholders.

In relation to issues related to materiality, recommendations were made to 14 issuers.

Characteristics and presentation of NFIS information

- The information to be supplied should be specific to the entity or its group, relevant and material in its specific circumstances, and consider the EC guidelines of July 2017 for this purpose.

ESMA also emphasises the need for the disclosures provided to be concise, avoiding immaterial disclosures that distort or hide the relevant information.

- ESMA stresses the importance of information neutrality and of not focusing only on the positive aspects. However, when, in exceptional circumstances, the entity can prove that certain disclosures would be seriously detrimental to the issuer or its commercial or competitive position, in all cases the information that is necessary must be provided to give clients an accurate and balanced understanding of the situation, the performance and development of the issuer or its group and the impact of its activity. In this regard, as recommended by the 2017 EC guidelines, in these situations it is possible to provide relevant information in a more grouped and less detailed way, so long as it is useful for investors and other relevant stakeholders.
- ESMA considers it good practice to include in the NFIS a **table of equivalences** between the different regulatory requirements, the disclosures provided and the standards and reference frameworks used. The CNMV has been recommending this practice from the previous year.

In 2018, 91% of the issuers obliged to submit an NFIS included a summary table of contents.⁴⁹

49 Of the nine issuers that did not include one, two were bound to submit an NFIS under RDL 18/2017.

In most cases, they itemised a reference table indicating which part of the management report or the NFIS responded to each of the requirements of Law 11/2018, also indicating which specific reference framework or indicator was used in each specific item.⁵⁰

This table is important, especially for entities that prefer a more integrated approach for their management report with non-financial information, given the varying scope of the auditor's opinion and that the independent verifier's review only refers to the non-financial information required by Law 11/2018.

However, the CNMV considers that issuers should improve the quality and standardisation of the information tables provided in the NFIS text, clearly specifying where each of the legal requirements is located, which specific indicator or frame of reference has been used in each case (not including, for example, references to indicators that do not apply) and detailing the omissions of Law 11/2018, which must be properly justified in terms of materiality.

- In line with the ESMA priority set for the previous year, the reasons for not establishing some of the non-financial policies should be properly explained. Likewise, although no policies have been established for any of the issues, issuers must supply the rest of the relevant information, such as the disclosure of the risks associated with said non-financial matters.
- In general, it is considered useful to provide comparative information that helps users see the trend and development of all aspects included in the NFIS (relating to policies, risks, objectives, etc.).
- Lastly, greater interrelation and internal consistency is recommended between the business model, the policies and the objectives established in each area, the results obtained, the risks and the indicators set for monitoring and assessment.

In some cases, the reports have not identified the risks associated with certain policies and objectives, and although some of the former were mentioned, not enough detail was given. Sometimes the internal due diligence procedures were not disclosed to identify, evaluate, prevent, mitigate and control the risks and, without quantifying the established objectives, indicators or results disclosed which, in certain cases, when they were not positive, did not explain the measures taken to improve them.

Recommendations were made for these aspects for 16 issuers, mostly related to the lack of disclosure concerning risks and the quality and consistency of the table.

50 It should be noted that in the NFIS guidelines on verification orders, published by the Spanish Institute of Chartered Accountants in February 2019, it is highly recommended that a table is included that identifies where the different contents of the NFIS can be found.

- The materiality approach requires issuers to include non-financial information that covers and includes all the activities carried out by all subsidiaries that would be included in the scope of consolidation.⁵¹

In this sense, the CNMV recommends that the information on the **NFIS scope be improved**, which should be consistent with that of the different policies and key performance indicators.

Around 20% of the issuers in the selected sample did not include explicit references to the scope used in their non-financial information, and around 40% did not provide sufficient information.

In exceptional cases where there are exclusions in the scope used for some key aspect or performance indicator, information should be provided that allows users to assess the impact of the excluded information and explain the reasons for such exclusion, taking into account the indications relating to results of the materiality analysis.

- Additionally, the CNMV establishes that variations in the scope should be explained in each year and it should be reported whether or not activities outside the group are included, as could happen in supply chains. If any exists, the joint ventures and associates that could have a significant impact on NFIS issues (for example, in relation to information on human rights) should be listed.

Sometimes issuers mentioned having obtained external certifications or reports on certain data (such as the carbon footprint, etc.), but the scope of the certification obtained was not indicated (whether it referred to the group or certain subsidiaries or the activity in specific countries) or the period covered (whether it covered the whole year or not).

In relation to scope issues, recommendations were made to 15 issuers.

Frame of reference

- ESMA states that it is necessary to specify the **applied frame or frames of reference**, their degree of application, total or partial, and whether they are national, European or international frames of reference, which must be widely accepted and of high quality. Spanish law indicates the need to use one or more frames of reference, without requiring full adoption, and the EC guidelines mention the possibility of full or partial adoption.
- ESMA also recommends that when any of the adopted frames of reference set sustainability-related targets, such as the United Nations Sustainable Development Goals (SDGs), issuers should explain how their activities contribute to achieving these goals and the progress made during the year towards this.

51 Article 49.5 of the Commercial Code: “[...] including all its subsidiaries and for all the countries in which it operates [...]”.

- In 2018, some improvement was seen in the identification of the frame of reference. 97% of Spanish issuers required to submit an NFIS identified the frame of reference. Of these, the most widely used framework was the GRI (Global Reporting Initiative), with 98%. However, the GRI allows three levels of application: the “exhaustive” option (14%); the “basic” or essential option (18%), and the “selected GRI” or “à la carte” option, containing the standards and indicators that the issuer had decided to select (66%). 2% of those who used the GRI frame of reference did not indicate the option followed.

In this sense, it should be noted that GRI 101 (Foundation) – in section 3 (Drafting of statements related to the use of GRI Standards) – indicates that, if the organisation does not meet the minimum criteria for the basic or exhaustive options, it is not possible to include a statement that its report has been prepared *in accordance* with GRI Standards.

In the case that selected GRIs are used, it is obligatory to include a statement in any published material that includes content based on these standards stating that it has been prepared *with reference* to GRI standards, including the following text: “This material refers to the [title and year of publication of the Standard]” for each standard used, in addition to which specific content of the standard has been applied, provided that it has not been used in its entirety.

Therefore, in those cases in which the option of selected indicators is used, it must be detailed, consistent over time and explain the criteria used to select the indicators and any variation from one period to another.

- Lastly, regarding the frames of reference, the CNMV recommends not only identifying those used, but, in particular, which frame of reference has been applied in the disclosure of each specific element or indicator required in the NFIS. The content of the NFIS text should indicate the specific standards or reporting criteria used, as identified in the table, for improved monitoring (for example, the GRI number if this standard is followed).

It should be remembered that although the GRI is a fairly complete frame of reference, it does not allow an adequate response to all the requirements of Law 11/2018. The GRI is more focused on the impact of the company in the social and environmental areas, but both the law and the directive also ask for an explanation of the impact of the social and environmental areas, including climate change, on the entity. In this sense, it is recommended to consider the EC guidelines and, with regard to climate change, the recommendations of the Task Force, formed at the request of the Financial Stability Board (FSB), on disclosures related to the impact of climate change in 2017.

Companies must take into account how to adequately comply with the disclosures required by law depending on their activity and environment, for which it is probable that on occasion they will have to include additional disclosures and use other supplementary frames of reference.

As indicated, the CNMV sent requirements to two issuers and recommendations to ten issuers on this matter.

Regarding the use of KPIs, it should be noted that:

- ESMA recommends explaining the reasons why disclosed KPIs have been identified as relevant for explaining the results of its policies.
- It may be useful to refer to some of the ESMA APM guidelines to properly report KPIs.
- KPIs specific to the entity or group itself must be included, although, wherever possible, certain generally accepted indicators for its sector of activity should also be used.
- It is important that the indicators are consistent with those used internally for management control and in internal risk management systems and with the parameters used to establish the variable remuneration of managers and directors. They should also be used systematically from one period to another and, where appropriate, explain the reasons why they have been changed.
- Issuers should show the progress made in their non-financial policies by referring to KPI figures, not only quantifying them but also by including qualitative explanations.

It is necessary to show how the KPIs have evolved, with respect to: i) the figures from previous years; ii) any possible objectives that the entity had previously established, and iii) external benchmarks. To achieve this objective, the use of comparative figures is recommended.

- Likewise, it is considered useful to explain the scope of the activities covered by each KPI, their definition and calculation method, as well as the main inputs used and the sources. In this sense, a certain lack of homogeneity has been observed in the calculation of the KPIs by issuers and in the units in which they are reported.

Recommendations concerning these issues were made to 16 issuers.

Business model

It has been noted that around 20% of the issuers under substantive review should improve the information about their business models by clearly explaining their objectives and strategies, how the issuer and its group generate profits, their interaction with the non-financial issues detailed in the NFIS and, in particular, the main factors and trends that could affect their future performance. For the information to be useful to users, the financial and non-financial aspects must be related, reflecting how the entity creates and conserves long-term value, and not limited to the structure and organisation of the company and the markets in which it operates.

Recommendations were sent to six issuers concerning this aspect.

Environmental issues

- ESMA informs issuers of the relevance of the information related to **environmental aspects**, indicating the impact of the company or its group on the environment and climate change and vice versa.

Specifically, ESMA recommends taking into account the EC guidelines of June 2017 and the Supplement on climate change of June 2019, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of June 2017 in order to facilitate the disclosures made by entities regarding the repercussions of climate change and the risks to which they are exposed.

Around 40% of issuers subject to substantive review focused only on the impact of the company on the environment and not that of the environment on the company, and those who mentioned the impact of the environment on the company, limited themselves to generic qualitative explanations.

Only a small percentage of the entities under substantive review stated that they followed the TCFD recommendations and not all of them addressed the four areas recommended by the Task Force (governance, strategies, risks and metrics).

- In relation to environmental issues, the following aspects for improvement emerge from the analysis carried out by the CNMV of issuers subject to substantive review:
 - i) Although a majority indicate generic goals for reduction, part of these entities do not precisely quantify these goals or detail the measures to achieve them.

Approximately 25% of the entities subject to a substantive review did not indicate what their objectives were concerning the reduction of greenhouse gas emissions.

- ii) Most of the entities indicated their carbon footprint from the emissions derived from their activities, although only half differentiated between scopes 1, 2 and 3, and very few issuers referred to emissions related to their use of manufactured products or services or whether they were included in scope 3.
- iii) In general, the information provided about the financial impact of the risks derived from climate change is considered scarce.

Although around 90% of the entities under substantive review refer to aspects related to climate change, around 60% do not provide information on the financial consequences of this change.

- iv) It is desirable for issuers to disclose significant information on impacts related to climate change in their activities and strategy, taking into account their specific circumstances and including appropriate probability assessments and scenario analyses.

For example, there is a lack of accurate data and certain sensitivity analyses concerning the number of degrees that it is estimated that the Earth's temperature could rise in the long-term and how this would affect the entity.

- v) Other matters where disclosures could be improved refer to: measures adopted to promote the efficient use of resources (water, raw materials, etc.), disclosures related to noise and light pollution, the use of renewable energy, evaluation procedures or environmental certification.
- vi) In line with the information set down in the materiality section, issuers should include a reasoned explanation of the aspects for which they do not provide information because they consider them not to be significant.

Recommendations concerning these issues were sent to 14 issuers.

Social and employment issues

- In **social and employment issues**, the CNMV highlights the lack of standard data in areas such as the wage gap, in part explained by the lack of specific regulations.

Some entities used only fixed remuneration (17% of the sample), others used total remuneration (63% of the sample) and one group did not provide details of the bases or criteria applied.

It has been verified that different formulas are used in the calculation. Additionally, some divided the gap by geographic area, by professional category, or calculated it only for the entity or group.

It is important to disclose the criteria used in the calculation, detailing which concepts are included in the remuneration considered and justifying the reasons why other are excluded.

- Occasionally, KPIs were disclosed, such as absenteeism or the wage gap, but the objective or context in which they occurred were not properly explained, nor whether the data were considered positive or not, or if there were specific actions for improvement in place or plans or measures specifically to manage and, where appropriate, mitigate the situation.
- A large portion of issuers indicated that they had not yet implemented any policies to guarantee the employee's right to disconnect from work, but, in general, they did not indicate the reasons, how they had analysed the corresponding risk or if they had assessed whether it was a non-material issue.
- It is recommended to expand the information on the results of other policies such as flexibility of working hours, withholdings and employee training.
- In this area, the law requires numerous KPIs that, in some cases, are not provided in full, with no explanation of the omissions made.

- When KPIs are presented by category, they should be properly defined. The professional classifications of employees should match those used for internal management purposes and those provided in other regulated information.

Additionally, data on the number of employees should be reconciled with the information provided in the annual accounts and other regulated financial information, or the reasons why they do not match should be explained.

Recommendations concerning these issues were made to 14 issuers.

Issues on the fight against corruption and bribery

- In relation to **measures against corruption and bribery**, the CNMV considers that these are areas that require greater specificity and detail by issuers, by expanding information on: i) due diligence policies and procedures, which are not limited to disclosures on regulatory references and those contained in international treaties, and ii) the results of these policies that allow their effectiveness to be measured (for example, complaints received, complaints resolved distinguishing those related to corruption from other violations and the corresponding measures adopted). It must also be justified why certain aspects or exposures to risk have not been considered material (for example, anti-money laundering).

In this regard, the Statement by the CNMV, dated 25 November 2019, following the cases of alleged irregular practices related to some listed companies, highlights the obligation to describe in the NFIS the policies established to prevent corruption and other irregular practices, profit(loss) for each year and the main related risks.

- In cases where situations of corruption or bribery have materialised, issuers should explain the changes made in their due diligence procedures and other measures taken to prevent them from reoccurring in the future.
- Given that any of the above areas may generate contingencies or current payment obligations in respect of provisions, the CNMV considers that these issues should be linked more clearly with the disclosures in the notes to the annual accounts on contingencies and provisions.

Issues regarding respect for human rights

- In relation to these issues, most of the observations indicated in the previous section apply.
- In some entities, the aspect of human rights was considered low risk due to the countries in which they operated and the established policies. However, the information on the analysis of the risks to which they are exposed should be expanded and include other stakeholders, such as suppliers, subcontractors or franchisees.

As indicated and in relation to the last two sections, the CNMV sent requests to two issuers. Additionally, recommendations were sent to 12 issuers.

- The information provided in relation to this issue could be improved. Specific data is lacking regarding the handling of consumer complaints and relations with suppliers and subcontracting chains.
- ESMA reminds issuers to assess the need to disclose risks arising from their participation in **supply chains** in their non-financial information.

Although most of the entities in the sample gave some explanation regarding the consideration of the social and environmental responsibility of subcontractors and suppliers, sometimes this information could be improved on, especially that related to due diligence procedures, supervisory systems and audits to verify that their suppliers and subcontracting chains comply with human rights, health and safety and environmental measures, as well as their results.

On the other hand, in those sectors in which the number of subcontracted personnel is very significant, it is recommended that this be taken into account when determining the KPIs related to the workforce, providing the necessary explanations and giving an indication of their relevance in regard to the issuer's workforce.

- In relation to **consumers**, the CNMV recommends that information on the results of its policies and resolution measures (for example, numbers and handling of complaints) be expanded.
- It would be desirable for the explanation of the **tax information** provided to be expanded, in order to allow an adequate understanding of the tax liability of issuers. In this sense, the different concepts contained in the disclosed information should be detailed:
 - i) In relation to profits by country, it should be indicated whether figures are before or after taxes, if they are individual or consolidated figures, if any adjustments have been made (which must be justified and quantified), the year to which they correspond and any other information necessary.
 - ii) Regarding income tax paid, it should be specified that for this concept, for the purposes of the NFIS disclosures, the accounting definition followed for this tax should be either IFRS, with Spanish GAAP or the corresponding standard and it basically refers to taxes linked to the profits generated as a taxable event, and other concepts or exactions of a taxable nature other than those that may cause confusion in the users of the information should not be added and including the appropriate explanation otherwise.

Likewise, the corresponding financial year must be detailed and the relationship between the income tax paid and the profits that serve as the base for the payments made must be explained, even though they correspond to the previous financial year. The main factors that serve as significant fiscal adjustments to determine the tax bases in each country should also be described.

Other aspects

- The issuer should draw up its NFIS in accordance with legal requirements to prevent the verifier from including qualifications.

Additionally, in some cases it was detected that certain omissions of information or exclusions from the group's scope had occurred in the KPIs provided, which had not been expressly identified in the NFIS as "not material", and which the verifier had also failed to mention in its report. It should be remembered that any omission of the information required by law should be properly explained in the NFIS.

- In addition to publishing the NFIS as required by law, some entities (around 40% of the sample) continued the practice of subsequently publishing separate reports on corporate social responsibility or sustainability, which are not always subject to formulation by the Board of Directors, a vote at the general shareholders' meeting or necessarily to review by a third party.

Issuers are recommended to ensure that the mandatory NFIS contains all the information necessary for a proper understanding of the business and the situation, performance and development of the issuer and its group, as well as the impact of its activity, without justifying material omissions by that were subsequently included in the subsequent voluntary report. In any case, issuers must ensure the necessary consistency between the two reports and avoid creating confusion among investors and other users of the information, expressly indicating in the NFIS their intention to publish a subsequent report.

Consequently, issuers who make use of the possibility of voluntarily preparing and publishing a subsequent report should take appropriate precautions, especially when the frame of reference used is of a greater scope in the subsequent voluntary report (for example, when the NFIS is prepared according to selected GRI and the subsequent report according to the basic or exhaustive GRI option).

- It is also stressed that, to the extent that the issues contained in the NFIS pose significant risks for the entity, the relevance of the exposure to these risks must be reported in the corresponding section of the management report, either directly or through cross references. It may be convenient to try to organise all this information in a comprehensive manner, which facilitates the systematisation of the disclosures and avoids unnecessary repetitions and which can cause confusion for readers.

Other aspects: scope of Law 11/2018

- Law 11/2018 exempts an entity from the obligation to prepare an individual and consolidated NFIS (of its subgroup, if it exists) if the obliged entity has a parent that publishes an NFIS with a scope that includes the subsidiary and, where applicable, its subgroup.

This exemption applies even if the parent is in another State of the European Union or, even outside the Union,⁵² although the exemption does not apply to all contents required by Law 11/2018 which have not been included in the NFIS of the parent.

The exempted subsidiary must refer to the exemption in its own management report, including, if applicable, the additional supplementary content – required by law but not included in the parent’s NFIS – and indicating where the parent’s NFIS can be consulted.

In Spain, only two companies issuing debt securities availed themselves of this exception.

- The CNMV considers that if an entity that prepares a consolidated NFIS does not prepare an individual NFIS, it is necessary for the individual management report to indicate that the exemption has been availed of, that a consolidated NFIS has been published and that a reference is included as to where the consolidated NFIR can be accessed and consulted.

As indicated, only 3% (four issuers) submitted a specific individual NFIS.

Additionally, it is recommended that issuers that voluntarily submit an NFIS expressly indicate this in their management report and state whether it fully complies with the requirements of Law 11/2018.

- The CNMV once again points out that when the NFIS is published as a separate report, it must be incorporated into the management report as a reference and must be explicitly stated in this last report. Additionally, the issuer should expressly indicate in the independent NFIS that it is part of the management report.

In line with 2017, in 2018 the majority of issuers (96%) presented their NFIS together with their annual accounts, either as a section of the management report or as an annex, although they were not expressly referenced in all cases. Only 4% (four entities) fulfilled their obligation by referring to the company’s website.

Other aspects: verifier’s report

- The CNMV understands that the verification report must be attached and published as part of the NFIS at the same time as it is published on the issuer’s website and on that of the CNMV.

Taking into account that this was a new requirement in 2018, five issuers sent in their verification report after submitting their annual accounts, albeit a few days later.

- The law does not establish the professional requirements that verifiers must meet, the frame of reference to be used to carry out the review or which

52 BOICAC 117, March 2019.

circumstances would curtail their independence. Neither does it specify the scope or nature of the tests to be performed nor the type of conclusion or opinion to be issued on the NFIS.

Therefore, transparency in regard to the previous points is essential, and this should be stated in the verifier's own report, which should have previously been included in the engagement letter.

Among the different possible verification frameworks, the Spanish Institute of Chartered Accountants (ICJCE) and the Registry of Accredited Companies (REA) have both published Guidelines for action, which specify and clarify the scope of these reviews, based on the ISAE 3000 (International Standard on Assurance Engagements) of the International Federation of Accountants (IFAC).

In this sense, most of the verifiers (around 90%), including all the main audit firms, followed the ICJCE Action Guidelines based on ISAE 3000, with the scope of limited or moderate assurance regarding their preparation, in accordance with the contents of current mercantile regulations and following the criteria of the selected standards or frameworks. Of these, 10% (all members of the Ibex) included an additional scope, which generally corresponded to a moderate assurance engagement in accordance with the AA1000 AS Standard.

Regarding the reports with this additional scope, it should be noted that the verifiers, in certain cases, included some recommendations for improvement in their reports, for example, regarding the need to refine the methodology and procedures for determining the carbon footprint of scope 3 or with regard to the water footprint. These recommendations should be incorporated into future years' NFIS.

Regarding the scope of this review, most of the verifiers that follow the guide were limited exclusively to the information required by Law 11/2018, which was normally identified in the table of contents, following the criteria of the selected standards or frameworks and did not extend to any additional disclosures that issuers had voluntarily decided to include.

After two years of experience and consistent with the perception of its growing importance for investors and other stakeholders, an improvement in the quality of content has been observed in this second year of application, although the CNMV understands that entities should continue along this line.

VII Securitisation funds and bank asset funds

Securitisation funds

The audited annual accounts and management report of securitisation funds are published and can be consulted on the CNMV's website.

The number of audited annual accounts of securitisation funds for 2018 received by the CNMV totals 317 (340 in 2017), including accounts of funds in liquidation and the accounts of private funds.

The audit report of one of the asset securitisation funds⁵³ included a qualification for non-compliance (no cases in 2017), related to the early settlement agreement for the fund drawn up after the date of preparation of the annual accounts.

Two audit reports incorporated emphasis of matter paragraphs related to cases of fund settlements. In 2017, the number of audit reports that included some kind of emphasis of matter paragraphs was 13.

Review of annual accounts and the quarterly financial reports

Pursuant to Act 5/2015, regulating securitisation funds and managers of securitisation funds, the funds are subject to oversight, inspection and, as appropriate, penalisation by the CNMV.

The CNMV's oversight duty regarding the financial information of the funds has been divided into two review levels: formal and substantive.

First of all, a formal review of the information is conducted, which involves controlling the deadlines and other formal presentation requirements applicable to the financial statements, including the review of the audit report.

A substantive review is also performed of the financial information of a set number of funds. To identify those funds, the CNMV considers the likelihood of the financial statements containing a material error, which is determined by using variables related to the fund's risks, such as: the carrying amount of non-performing assets, real estate exposure, the effect of losses absorbed by liabilities, default on bonds, negative net interest margin and liquidations of the brokerage margin. The risk-based selection will be supplemented with rotation criteria to ensure that – with regard to each one of the seven managers that send in financial information – a

53 Bancaja 6, Fondo de Titulización de Activos.

representative sample of funds are reviewed at least once every three years. Accordingly, the selected sample, which also considers the number of errors and incidents identified in previous reviews, includes those funds with the greatest risk that have not been subject to a substantive review in prior years.

Formal review

All 2018, annual financial reports of securitisation funds were filed with the CNMV in a timely manner and made available to the public shortly thereafter.

The formal review of all documents included, as least the verification that: i) all documents (audit report, annual accounts and management report) had been included; ii) the annual accounts included the balance sheet, the profit and loss account, a statement of cash flows, a statement of recognised income and expense and the notes to the annual financial statement; iii) the certificate of the board secretary or equivalent position, with the approval of the chairman, had been included; iv) the management company had correctly completed the form submitted electronically via Cifradoc; v) the S.05⁵⁴ statements were included in the notes to the annual financial statements or the management report; and vi) the annual accounts were consistent with the information for the fourth quarter of the year.

Substantive review

In the substantive review of the annual accounts and of the fourth quarter of 2018 and the first three quarters of 2019, which was based on a sample of funds, it was found that the recording, valuation and disclosure requirements provided in CNMV Circular 2/2016 of 20 April were properly applied.

The most relevant issues identified as a result of the reviews refer to: i) the lack of disclosures in the annual accounts and ii) presentation errors that, due to their materiality, do not require the correction of the financial information.

Aspects to take into account in future financial reports

In addition, following the review of the 2018 annual accounts, the CNMV identified some omissions in the disclosures in the notes required by applicable legislation, which should be taken into account when preparing the 2019 annual accounts.

The most significant omissions of disclosures related to the following issues:

- Disclosures related to hedge accounting transactions.
- Quantitative information on the exposure to each type of fund risk.
- Minimum amount of the reserve fund.

54 These include information relating to the securitised assets, bonds and other securities issued, commissions, the report on compliance with rules of operation and other information on the funds.

- Information on the cost of issued financial liabilities and the performance of securitised assets.

Bank asset funds

The annual accounts, along with the audit report and management report of Bank asset funds (FABs), are published and can be consulted on the CNMV's website.

In 2019, the CNMV received the audited annual accounts at 31 December 2018 of two FABs (three in 2017).

The CNMV's oversight duty regarding the financial information of the FABs is the same as that which it performs on securitisation funds (SFs) and is therefore divided into two review levels: formal and substantive.

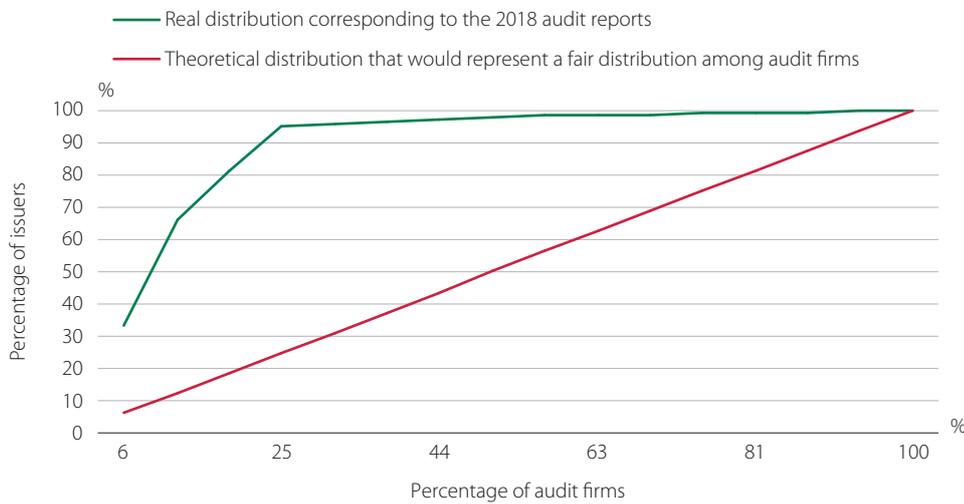
This supervision did not result in any actions taken by the CNMV with regard to the 2018 or 2017 annual accounts.

VIII Audit firms and submission date of audit reports

A total of 95.1% of the audit reports on 2018 annual accounts submitted by issuers to the CNMV were issued by the four main firms by turnover in Spain: Deloitte, EY, KPMG and PwC (95.6% in 2017). Graph 5 shows the degree of concentration indicated.

Concentration of audits by firm

FIGURE 5

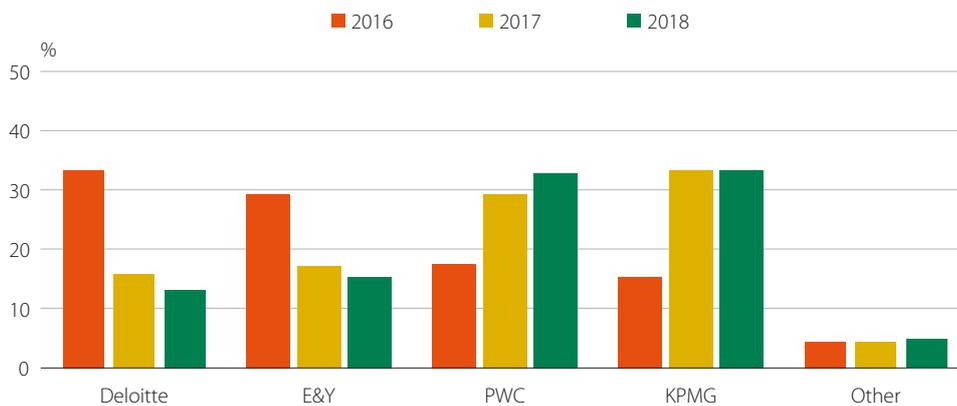


Source: CNMV.

Figure 6 shows the breakdown of the audit reports prepared by the four main firms in the last three years.

Distribution of audits by firm

FIGURE 6

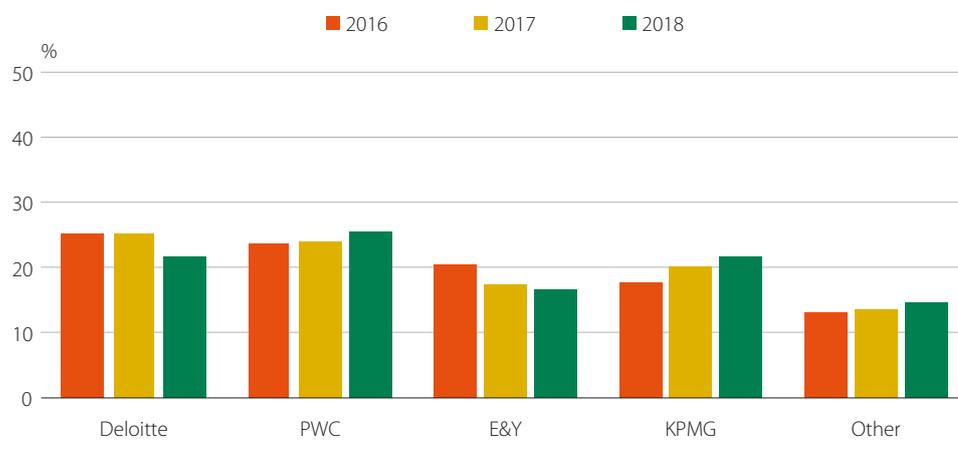


Source: CNMV.

Excluding securitisation funds and FABs, the four main firms issued 85.5% (86.5% for the 2017 annual accounts) of the audit reports received by the CNMV.

Distribution of audits by firm (excluding SFs and FABs)

FIGURE 7



Source: CNMV.

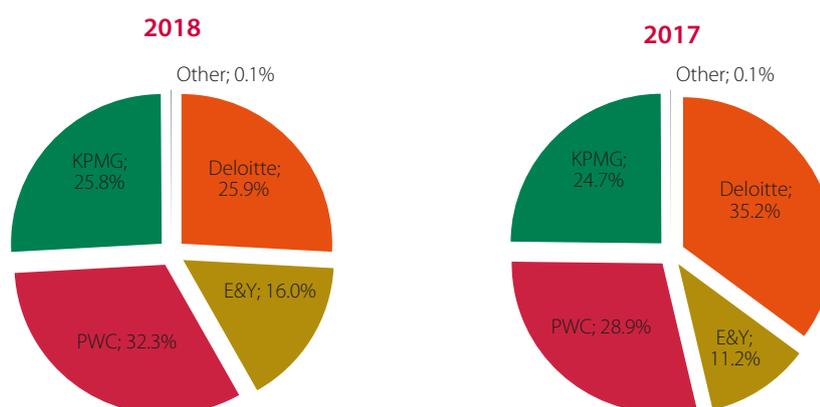
It should be noted that the annual accounts of three issuers⁵⁵ have been co-audited.

All 2018 annual accounts of Ibx 35 companies⁵⁶ were audited by the 4 main audit firms: Deloitte, 8 (11 the previous year); EY, 6 (5 in 2017); PWC, 12 (9 in 2017), and KPMG, 7 (8 in 2017). As in the previous year, 1 Ibx 35 company was co-audited by Deloitte and PWC.

Figure 8 shows the distribution of the audit reports among the different firms based on the market capitalisation of issuers of shares audited as at 31 December 2018.

Distribution of audits by firm based on capitalisation

FIGURE 8



Source: CNMV.

55 Compañía de Distribución Integral Logista Holdings, S.A.; Técnicas Reunidas, S.A., and Nyesa Valores Corporación, S.A.

56 The 34 Ibx 35 entities that are required to submit financial information to the CNMV are included. Arce-lor Mittal is not obliged, as Spain is not its home Member State.

The average period for issuing the 2018 audit report was 94 days, the same as in 2017. The average time taken for annual financial reports to be sent to the CNMV was 104 days, two days more than in the previous year. However, if we exclude securitisation funds and FABs from the sample, these periods fall to 73 days (71 in 2017) in the case of the average time taken for audit reports to be issued, and 79 days (77 in 2017) in the case of the average time taken for annual financial reports to be sent to the CNMV.

Tables 5.1 and 5.2 analyse the timeframes for issuing audit reports on annual accounts and the term of delivery to the CNMV for filing and public disclosure purposes.

The number of entities that published their audited 2018 annual financial report in the two months following year-end totalled 90 (19.1% of the total), 2.0% down on the number for the previous year (22.1% of the total).

This percentage rises to 58.8% excluding SFs and FABs.

Since 2011, we offer issuers the possibility of sending their annual financial report electronically through Cifradoc, using the “CAA – Cuentas Anuales Auditadas de Entidades Cotizadas” procedure (Audited Annual Accounts of Listed Entities), thus avoiding the need to send them in paper form and making it faster and easier to publish them.

In its seventh year of implementation, 144 listed entities (95% of the total excluding SFs or FABs) sent in their 2018 annual accounts through this procedure. In the previous year, 140 entities submitted their accounts electronically (90% of the total).

All of the SFs and FABs sent in their annual accounts via the electronic procedure.

Since 2017, the CNMV has emphasised that the information detailed in the above point may also be submitted in English.

Timeframe for issuing the audit report and submission to the CNMV (including SFs and FABs)

TABLE 3

Days	No. of days between the closing date of the annual accounts and the issuance of the audit report		No. of days between the closing date of the annual accounts and the filing with the CNMV	
	No. issuers ¹	%	No. issuers ¹	%
From 0 to 30	1	0.2	0	0.0
From 31 to 60	97	20.6	90	19.1
From 61 to 90	16	3.4	13	2.8
From 91 to 121	353	74.8	360	76.3
From 122 to 180	5	1.1	8	1.7
Over 181	0	0.0	1	0.2
Total	472	100.0	472	100.0
Average days	94	-	104	-

Source: CNMV.

¹ Includes two entries for Parques Reunidos Servicios Centrales, S.A., which has changed the closing date of its financial year and sent in annual accounts referring to 30/9/18 and 31/12/18.

CNMV

Report on the CNMV's review of the annual financial reports and main enforcement priorities for the following financial year

2018

Timeframe for issuing the audit report and submission to the CNMV (excluding SFs and FABs)

TABLE 4

Days	No. of days between the closing date of the annual accounts and the issuance of the audit report		No. of days between the closing date of the annual accounts and the filing with the CNMV	
	No. issuers ¹	%	No. issuers ¹	%
From 0 to 30	1	0.7	0	0.0
From 31 to 60	96	62.7	90	58.8
From 61 to 90	16	10.5	13	8.5
From 91 to 121	36	23.5	41	26.8
From 122 to 180	4	2.6	8	5.2
Over 181	0	0.0	1	0.7
Total	153	100.0	153	100.0
Average days	73	-	79	-

Source: CNMV.

1 Includes two entries for Parques Reunidos Servicios Centrales, S.A., which has changed the closing date of its financial year and sent in annual accounts referring to 30/9/18 and 31/12/18.

IX Annexes

Summary of audits from issuers filed with the CNMV¹

ANNEX 1

	Financial year 2016		Financial year 2017		Financial year 2018 ²	
	Number	%	Number	%	Number	%
1. AUDITS FILED WITH THE CNMV						
– Individual financial statements	165	53.4	155	52.2	152	52.1
– Consolidated financial statements	144	46.6	142	47.8	140	47.9
– Total audits received	309	100	297	100	292	100
– Special reports Art. 14 R.D. 1362/2007	7		5		4	
2. AUDITOR'S OPINION						
– Unqualified opinion	302	97.7	292	98.3	284	97.3
– Qualified opinion	7	2.3	5	1.7	6	2.1
– Disclaimer of opinion or adverse opinion	0	0.0	0	0.0	2	0.7
3. TYPES OF QUALIFICATIONS NOT INCLUDING CONSISTENCY EXCEPTIONS						
– No. of audits with quantified qualifications and other non-compliances	3	1.0	2	0.7	2	0.7
– No. of audits with uncertainties and other items	–	–	–	–	–	–
– No. of audits with limitations ³	7	2.3	5	1.7	6	2.1
4. EFFECTS OF THE QUANTIFIED QUALIFICATIONS						
4.1 EFFECTS ON PROFIT (LOSS)						
– No. of audits with positive effects	2	0.0	0	0.0	0	0.0
– No. of audits with negative effects	0	0.0	0	0.0	2	0.7
4.2 EFFECTS ON EQUITY						
– No. of audits with positive effects	2	0.0	0	0.0	0	0.0
– No. of audits with negative effects	0	0.0	0	0.0	0	0.0
5. NATURE OF EMPHASIS OF MATTER PARAGRAPHS⁴						
– On going concern	34	11.0	25	8.4	23	7.9
– On recovery of assets	10	3.2	0	0.0	2	0.7
– On other circumstances	7	2.3	1	0.3	1	0.3

Source: CNMV.

1 The auditor's reports included in this Annex do not encompass those relating to securitisation funds and FABs, the information of which is broken down in section IV of the report.

2 Auditor's Reports on Annual Accounts and Special Reports filed with the CNMV until 17 December 2019 // Percentages have been calculated in relation to the number of audits filed.

3 Includes the scope limitations included in the qualified audit reports and in the disclaimers of opinion.

4 Auditor's Reports on Annual Accounts and Special Reports filed with the CNMV until 11 July 2012 // Percentages have been calculated in relation to the number of audits filed.

Summary of audits by trading market¹

ANNEX 2

	Electronic market		Ibex ²		Open outcry and fixing markets		Fixed Income + other ³	
	Number	%	Number	%	Number	%	Number	%
1. AUDITS FILED WITH THE CNMV								
– Individual financial statements	125	50.8	34	50.0	15	55.6	12	63.2
– Consolidated financial statements	121	49.2	34	50.0	12	44.4	7	36.8
– Total audits received	246	100	68	100	27	100	19	100
– Special reports Art. 14 R.D. 1362/2007	2		0		2		0	
2. AUDITOR'S OPINION								
– Unqualified opinion	242	98.4	68	100.0	23	85.2	19	100.0
– Qualified opinion	2	0.8	0	0.0	4	14.8	0	0.0
– Disclaimer of opinion or adverse opinion	2	0.8	0	0.0	0	0.0	0	0.0
3. TYPES OF QUALIFICATIONS NOT INCLUDING CONSISTENCY EXCEPTIONS								
– No. of audits with quantified qualifications and other non-compliances	0	0.0	0	0.0	2	7.4	0	0.0
– No. of audits with limitations ⁴	4	1.6	0	0.0	2	7.4	0	0.0
4. EFFECTS OF THE QUANTIFIED QUALIFICATIONS								
4.1 EFFECTS ON PROFIT (LOSS)								
– No. of audits with positive effects	0	0.0	0	0.0	0	0.0	0	0.0
– No. of audits with negative effects	0	0.0	0	0.0	2	7.4	0	0.0
4.2 EFFECTS ON EQUITY								
– No. of audits with positive effects	0	0.0	0	0.0	0	0.0	0	0.0
– No. of audits with negative effects	0	0.0	0	0.0	0	0.0	0	0.0
5. NATURE OF EMPHASIS OF MATTER PARAGRAPHS								
– On going concern	19	7.7	0	0.0	4	14.8	0	0.0
– On recovery of assets	2	0.8	0	0.0	0	0.0	0	0.0
– On other circumstances	1	0.4	0	0.0	0	0.0	0	0.0

Source: CNMV.

1 Audit reports and annual accounts and special reports filed with the CNMV up to 17 December 2019. The market in which the issuers' securities were admitted to trading was used as at 31 December 2018, except for the issuers that began listing their securities as from that date, which were included in the market in which they had requested their securities to be admitted to trading.

2 Auditor's reports on annual accounts and special reports of IBEX-35 listed companies are also included in the electronic market.

3 Issuers of fixed income securities that are either unlisted or listed outside Spain.

4 Includes the scope limitations included in the qualified audit reports and in the disclaimers of opinion.

Summary of audits by sector¹

ANNEX 3

	Energy		Manufacturing		Trading and services		Construction and real estate		Financial institutions	
	Number	%	Number	%	Number	%	Number	%	Number	%
1. AUDITS FILED WITH THE CNMV										
– Individual financial statements	11	50.0	51	51.0	40	51.9	30	53.6	20	54.1
– Consolidated financial statements	11	50.0	49	49.0	37	48.1	26	46.4	17	45.9
– Total audits received	22	100	100	100	77	100	56	100	37	100
– Special reports Art. 14 R.D. 1362/2007	0		0		2		2		0	
2. AUDITOR'S OPINION										
– Unqualified opinion	22	100.0	98	98.0	73	94.8	54	96.4	37	100.0
– Qualified opinion	0	0.0	0	0.0	4	5.2	2	3.6	0	0.0
– Disclaimer of opinion or adverse opinion	0	0.0	2	2.0	0	0.0	0	0.0	0	0.0
3. TYPES OF QUALIFICATIONS NOT INCLUDING CONSISTENCY EXCEPTIONS										
– No. of audits with quantified qualifications and other non-compliances	0	0.0	0	0.0	2	2.6	0	0.0	0	0.0
– No. of audits with limitations	0	0.0	2	2.0	2	2.6	2	3.6	0	0.0
4. EFFECTS OF THE QUANTIFIED QUALIFICATIONS										
4.1 EFFECTS ON PROFIT (LOSS)										
– No. of audits with positive effects	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
– No. of audits with negative effects	0	0.0	0	0.0	2	2.6	0	0.0	0	0.0
4.2 EFFECTS ON EQUITY										
– No. of audits with positive effects	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
– No. of audits with negative effects	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
5. NATURE OF EMPHASIS OF MATTER PARAGRAPHS										
– On going concern	0	0.0	9	9.0	8	10.4	6	10.7	0	0.0
– On recovery of assets	0	0.0	0	0.0	0	0.0	2	3.6	0	0.0
– On other circumstances	0	0.0	1	1.0	0	0.0	0	0.0	0	0.0

Source: CNMV.

¹ Audit reports and annual accounts and special reports filed with the CNMV up to 17 December 2019.

List of 2018 audits filed with the CNMV¹

Company	Audit	
	Individual of the company	Consolidated group
ABENGOA, S.A.	U/O	U/O
ACCIONA, S.A.	U/O	U/O
ACERINOX, S.A.	U/O	U/O
ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.	U/O	U/O
ADOLFO DOMÍNGUEZ, S.A.	U/O	U/O
ADVEO GROUP INTERNATIONAL, S.A. (IN LIQUIDATION)	D/O	D/O
AEDAS HOMES, S.A.	U/O	U/O
AENA, S.M.E., S.A.	U/O	U/O
AIRIFICIAL INTELLIGENCE STRUCTURES, S.A.	U/O	U/O
ALANTRA PARTNERS, S.A.	U/O	U/O
ALMIRALL, S.A.	U/O	U/O
AMADEUS IT GROUP, S.A.	U/O	U/O
AMPER, S.A.	U/O	U/O
AMREST HOLDINGS, SE	U/O	U/O
APPLUS SERVICES, S.A.	U/O	U/O
ARIMA REAL ESTATE, SOCIMI, S.A.	U/O	U/O
ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	U/O	U/O
AUDAX RENOVABLES, S.A.	U/O	U/O
AUTOPISTA CONCESIONARIA ASTUR-LEONESA, S.A.U.	U/O	
AUTOPISTAS DEL ATLÁNTICO, CONCESIONARIA ESPAÑOLA, S.A.U.	U/O	
AYCO GRUPO INMOBILIARIO, S.A.	U/O	U/O
AZKOYEN, S.A.	U/O	U/O
BANCA MARCH, S.A.	U/O	U/O
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	U/O	U/O
BANCO DE SABADELL, S.A.	U/O	U/O
BANCO SANTANDER, S.A.	U/O	U/O
BANKIA, S.A.	U/O	U/O
BANKINTER, S.A.	U/O	U/O
BARÓN DE LEY, S.A.	U/O	U/O
BIOSEARCH, S.A.	U/O	
BODEGAS RIOJANAS, S.A.	U/O	U/O
BOLSAS Y MERCADOS ESPAÑOLES, SDAD. HOLDING DE MDOS. Y STMAS. FIN., S.A.	U/O	U/O
BORGES AGRICULTURAL & INDUSTRIAL NUTS, S.A.	U/O	U/O
BOSQUES NATURALES DEL MEDITERRÁNEO 1, S. COM. POR A.	U/O	
CAIXABANK NOTAS MINORISTAS, S.A.U.	U/O	
CAIXABANK, S.A.	U/O	U/O
CARTERA INDUSTRIAL REA, S.A.	U/O	
CELLNEX TELECOM, S.A.	U/O	U/O
CEMENTOS MOLINS, S.A.	U/O	U/O
CIE AUTOMOTIVE, S.A.	U/O	U/O
CLÍNICA BAVIERA, S.A.	U/O	U/O

Company	Audit	
	Individual of the company	Consolidated group
CODERE, S.A.	U/O	U/O
COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.	U/O	U/O
COMPAÑÍA ESPAÑOLA DE VIVIENDAS EN ALQUILER, S.A.	U/O	U/O
COMPAÑÍA LEVANTINA DE EDIFICACIÓN Y OBRAS PÚBLICAS, S.A.	Q/O	Q/O
CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.	U/O	U/O
CORPORACIÓN EMPRESARIAL DE MATERIALES DE CONSTRUCCIÓN, S.A.	U/O	U/O
CORPORACIÓN FINANCIERA ALBA, S.A.	U/O	U/O
DEOLEO, S.A.	U/O	U/O
DESARROLLOS ESPECIALES DE SISTEMAS DE ANCLAJES, S.A.	U/O	U/O
DEUTSCHE BANK, SOCIEDAD ANÓNIMA ESPAÑOLA	U/O	U/O
DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.	U/O	U/O
DURO FELGUERA, S.A.	U/O	U/O
EBRO FOODS, S.A.	U/O	U/O
ECOLUMBER, S.A.	U/O	U/O
EDP RENOVAVEIS, S.A.	U/O	U/O
ELECNOR, S.A.	U/O	U/O
EMISORA SANTANDER ESPAÑA S.A.U.	U/O	
ENAGÁS, S.A.	U/O	U/O
ENCE ENERGÍA Y CELULOSA, S.A.	U/O	U/O
ENDESA, S.A.	U/O	U/O
ERCROS, S.A.	U/O	U/O
EROSKI SOCIEDAD COOPERATIVA	U/O	U/O
EUSKALTEL, S.A.	U/O	U/O
FAES FARMA, S.A.	U/O	U/O
FERROVIAL, S.A.	U/O	U/O
FINANZAS E INVERSIONES VALENCIANAS, S.A.	U/O	
FLUIDRA, S.A.	U/O	U/O
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.	U/O	U/O
GENERAL DE ALQUILER DE MAQUINARIA, S.A.	U/O	U/O
GESTAMP AUTOMOCIÓN, S.A.	U/O	U/O
GLOBAL DOMINION ACCESS, S.A.	U/O	U/O
GREENERGY RENOVABLES, S.A.	U/O	U/O
GRIFOLS, S.A.	U/O	U/O
GRUPO CATALANA OCCIDENTE, S.A.	U/O	U/O
GRUPO EMPRESARIAL SAN JOSÉ, S.A.	U/O	U/O
GRUPO EZENTIS, S.A.	U/O	U/O
HISPANIA ACTIVOS INMOBILIARIOS, SOCIMI, S.A.	U/O	U/O
IBERCAJA BANCO, S.A.	U/O	U/O
IBERDROLA, S.A.	U/O	U/O
IBERPAPEL GESTIÓN, S.A.	U/O	U/O
INDRA SISTEMAS, S.A.	U/O	U/O
INDUSTRIA DE DISEÑO TEXTIL, S.A.	U/O	U/O

List of 2018 audits filed with the CNMV¹ (continued)

Company	Audit	
	Individual of the company	Consolidated group
INMOBILIARIA COLONIAL, SOCIMI, S.A.	U/O	U/O
INMOBILIARIA DEL SUR, S.A.	U/O	U/O
INSTITUTO DE CRÉDITO OFICIAL	U/O	U/O
INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.	U/O	U/O
KUTXABANK EMPRÉSTITOS, S.A.	U/O	
KUTXABANK, S.A.	U/O	U/O
LABORATORIO REIG JOFRE, S.A.	U/O	U/O
LABORATORIOS FARMACÉUTICOS ROVI, S.A.	U/O	U/O
LAR ESPAÑA REAL ESTATE, SOCIMI, S.A.	U/O	U/O
LIBERBANK, S.A.	U/O	U/O
LIBERTAS 7, S.A.	U/O	U/O
LINGOTES ESPECIALES, S.A.	U/O	U/O
LIWE ESPAÑOLA, S.A.	U/O	U/O
MAPFRE, S.A.	U/O	U/O
MASMÓVIL IBERCOM, S.A.	U/O	U/O
MEDIASET ESPAÑA COMUNICACIÓN, S.A.	U/O	U/O
MELIÁ HOTELS INTERNATIONAL S.A.	U/O	U/O
MERLIN PROPERTIES, SOCIMI, S.A.	U/O	U/O
METROVACESA, S.A.	U/O	U/O
MINERALES Y PRODUCTOS DERIVADOS, S.A.	U/O	U/O
MIQUEL Y COSTAS & MIQUEL, S.A.	U/O	U/O
MOBILIARIA MONESA, S.A.	Q/O	Q/O
MONTEBALITO, S.A.	U/O	U/O
NATRA, S.A.	U/O	U/O
NATURGY ENERGY GROUP, S.A.	U/O	U/O
NATURHOUSE HEALTH, S.A.	U/O	U/O
NEINOR HOMES, S.A.	U/O	U/O
NH HOTEL GROUP, S.A.	U/O	U/O
NICOLÁS CORREA, S.A.	U/O	U/O
NUEVA EXPRESIÓN TEXTIL, S.A.	U/O	U/O
NYESA VALORES CORPORACIÓN, S.A.	U/O	U/O
OBRASCÓN HUARTE LAIN, S.A.	U/O	U/O
ORYZON GENOMICS, S.A.	U/O	
PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.	U/O	U/O
PESCANOVA, S.A.	U/O	
PHARMA MAR, S.A.	U/O	U/O
PRIM, S.A.	U/O	U/O
PROMOTORA DE INFORMACIONES, S.A.	U/O	U/O
PROSEGUR CASH, S.A.	U/O	U/O
PROSEGUR, COMPAÑÍA DE SEGURIDAD, S.A.	U/O	U/O
QUABIT INMOBILIARIA, S.A.	U/O	U/O
REALIA BUSINESS, S.A.	U/O	U/O

Company	Audit	
	Individual of the company	Consolidated group
RED ELECTRICA CORPORACIÓN, S.A.	U/O	U/O
RENTA 4 BANCO, S.A.	U/O	U/O
RENTA CORPORACIÓN REAL ESTATE, S.A.	U/O	U/O
REPSOL, S.A.	U/O	U/O
SACYR, S.A.	U/O	U/O
SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.	U/O	
SANTANDER CONSUMER FINANCE, S.A.	U/O	U/O
SERVICE POINT SOLUTIONS, S.A.	U/O	U/O
SIEMENS GAMESA RENEWABLE ENERGY, S.A.	U/O	U/O
SNIACE, S.A.	U/O	U/O
SOLARIA ENERGÍA Y MEDIOAMBIENTE, S.A.	U/O	U/O
SOLARPACK CORPORACIÓN TECNOLÓGICA, S.A.	U/O	U/O
TALGO, S.A.	U/O	U/O
TÉCNICAS REUNIDAS, S.A.	U/O	U/O
TELFÓNICA, S.A.	U/O	U/O
TELEPIZZA GROUP, S.A.	U/O	U/O
TR HOTEL JARDÍN DEL MAR, S.A.	U/O	
TUBACEX, S.A.	U/O	U/O
TUBOS REUNIDOS, S.A.	U/O	U/O
UNICAJA BANCO, S.A.	U/O	U/O
UNIÓN CATALANA DE VALORES, S.A.	U/O	U/O
URBAR INGENIEROS, S.A.	U/O	U/O
URBAR INGENIEROS, S.A.	Q/O	Q/O
URBAS GRUPO FINANCIERO, S.A.	U/O	U/O
VÉRTICE TRESCIENTOS SESENTA GRADOS, S.A.	U/O	U/O
VIDRALA, S.A.	U/O	U/O
VISCOFÁN, S.A.	U/O	U/O
VOCENTO, S.A.	U/O	U/O
ZARDOYA OTIS, S.A.	U/O	U/O

Source: CNMV.

1 Does not include audit reports on asset securitisation funds or bank asset funds.

U/O: Unqualified opinion.

Q/O: Qualified opinion.

A/O: Adverse opinion.

D/O: Disclaimer of opinion.

2018

List of 2018 audits filed with the CNMV

ANNEX 4 BIS

Company	Audit	
	Individual of the company	Consolidated group
ALPHA 3 - IM, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
ASSET-BACKED EUROPEAN SECURITISATION TRANSACTION THIRTEEN, FONDO DE TITULIZACIÓN	U/O	
AUTO ABS 2012-3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AUTO ABS SPANISH LOANS 2016, FONDO DE TITULIZACIÓN	U/O	
AUTO ABS SPANISH LOANS 2018-1, FONDO DE TITULIZACIÓN	U/O	
AYT ADMINISTRACIONES I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CAIXA SABADELL HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CAJA INGENIEROS 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CAJA MURCIA HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CAJAGRANADA HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CAJAMURCIA HIPOTECARIO II, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CÉDULAS CAJAS GLOBAL, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CÉDULAS CAJAS IX, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CÉDULAS CAJAS V, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CÉDULAS CAJAS VIII, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT CÉDULAS CAJAS X, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT COLATERALES GLOBAL EMPRESAS, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT COLATERALES GLOBAL HIPOTECARIO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT DEUDA SUBORDINADA I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT GÉNOVA HIPOTECARIO II, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GÉNOVA HIPOTECARIO III, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GÉNOVA HIPOTECARIO IV, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GÉNOVA HIPOTECARIO IX, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GÉNOVA HIPOTECARIO VI, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GÉNOVA HIPOTECARIO VII, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GÉNOVA HIPOTECARIO VIII, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GÉNOVA HIPOTECARIO X, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GÉNOVA HIPOTECARIO XI, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GÉNOVA HIPOTECARIO XII, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT GOYA HIPOTECARIO III, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT GOYA HIPOTECARIO IV, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT GOYA HIPOTECARIO V, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT HIPOTECARIO BBK I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT HIPOTECARIO BBK II, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT HIPOTECARIO III, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT HIPOTECARIO MIXTO II, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT HIPOTECARIO MIXTO III, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT HIPOTECARIO MIXTO IV, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT HIPOTECARIO MIXTO V, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	

Company	Audit	
	Individual of the company	Consolidated group
AYT HIPOTECARIO MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT ICO-FTVPO CAJA MURCIA, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT ICO-FTVPO CAJA VITAL KUTXA, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT ICO-FTVPO I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT KUTXA HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT KUTXA HIPOTECARIO II, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT PROMOCIONES INMOBILIARIAS III, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT.11, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
AYT.7, PROMOCIONES INMOBILIARIAS I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA - BVA VPO 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA 10, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA 11, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA 13, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA 4, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
BANCAJA 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA 6, FONDO DE TITULIZACIÓN DE ACTIVOS	C/S	
BANCAJA 7, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA 8, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA 9, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANKINTER 10, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANKINTER 11, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
BANKINTER 13, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANKINTER 2 PYME, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANKINTER 3 FTPYME, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANKINTER 3, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
BANKINTER 4, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
BANKINTER 5, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
BANKINTER 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANKINTER 7, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
BANKINTER 8, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANKINTER 9, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA CONSUMER AUTO 2018-1, FONDO DE TITULIZACIÓN	U/O	
BBVA CONSUMO 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA CONSUMO 7, FONDO DE TITULIZACIÓN	U/O	
BBVA CONSUMO 8, FONDO DE TITULIZACIÓN	U/O	
BBVA CONSUMO 9, FONDO DE TITULIZACIÓN	U/O	
BBVA EMPRESAS 4, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA FINANZIA AUTOS 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA LEASING 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	

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List of 2018 audits filed with the CNMV (continued)

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Company	Audit	
	Individual of the company	Consolidated group
BBVA RMBS 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 10, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 11, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 12, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 13, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 14, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 15, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 16, FONDO DE TITULIZACIÓN	U/O	
BBVA RMBS 17, FONDO DE TITULIZACIÓN	U/O	
BBVA RMBS 18, FONDO DE TITULIZACIÓN	U/O	
BBVA RMBS 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 5 FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA RMBS 9, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA-10 PYME, FONDO DE TITULIZACIÓN	U/O	
BBVA-5 FTPYME, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BBVA-6 FTPYME, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BOTHAR, FONDO DE TITULIZACIÓN	U/O	
CAIXA PENEDÉS 1 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
CAIXA PENEDÉS 2 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
CAIXA PENEDÉS FT GENCAT 1 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
CAIXA PENEDÉS PYMES 1 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
CAIXABANK CONSUMO 2, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK CONSUMO 3, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK CONSUMO 4, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK PYMES 10, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK PYMES 8, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK PYMES 9, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK RMBS 1, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK RMBS 2, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK RMBS 3, FONDO DE TITULIZACIÓN	U/O	
CAJA INGENIEROS TDA 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
CAP-TDA 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
CÉDULAS TDA 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
CÉDULAS TDA 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
COLUMBUS MASTER CREDIT CARDS, FONDO DE TITULIZACIÓN	U/O	
DRIVER ESPAÑA FIVE, FONDO DE TITULIZACIÓN	U/O	
DRIVER ESPAÑA FOUR, FONDO DE TITULIZACIÓN	U/O	
DRIVER ESPAÑA THREE, FONDO DE TITULIZACIÓN	U/O	
DRIVER ESPAÑA TWO, FONDO DE TITULIZACIÓN	U/O	
EDT FTPYME PASTOR 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	

Company	Audit	
	Individual of the company	Consolidated group
EMPRESAS HIPOTECARIO TDA CAM 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
F.T.A. PROGRAMA INDEPENDIENTE DE TITULIZ. DE CÉD. HIPOTECARIA	U/O	
FONCAIXA FTGENCAT 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
FONCAIXA FTGENCAT 4, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
FONCAIXA FTGENCAT 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
FONCAIXA FTGENCAT 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
FONCAIXA LEASINGS 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
FONCAIXA PYMES 6, FONDO DE TITULIZACIÓN	U/O	
FONCAIXA PYMES 7, FONDO DE TITULIZACIÓN	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS FTPYME SANTANDER 2	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS PYMES SANTANDER 9	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS RMBS PRADO 1	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS RMBS SANTANDER 2	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS RMBS SANTANDER 3	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER 2	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER CONSUMER SPAIN AUTO 2014-1	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER EMPRESAS 2	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER FINANCIACION 1	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 2	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 3	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 7	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 8	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 9	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS UCI 11	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS UCI 14	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS UCI 16	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS UCI 18	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS UCI 9	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS, HIPOTEBANSA 11	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS, RMBS SANTANDER 1	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 2013-1	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER EMPRESAS 1	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER EMPRESAS 3	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS, UCI 15	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS, UCI 17	U/O	
FONDO DE TITULIZACIÓN DEL DÉFICIT DEL SISTEMA ELÉCTRICO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
FONDO DE TITULIZACIÓN HIPOTECARIA UCI 10	U/O	
FONDO DE TITULIZACIÓN HIPOTECARIA UCI 12	U/O	
FONDO DE TITULIZACIÓN PYMES MAGDALENA	U/O	

List of 2018 audits filed with the CNMV (continued)

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Company	Audit	
	Individual of the company	Consolidated group
FONDO DE TITULIZACIÓN PYMES MAGDALENA 2	U/O	
FONDO DE TITULIZACIÓN PYMES SANTANDER 12	U/O	
FONDO DE TITULIZACIÓN PYMES SANTANDER 13	U/O	
FONDO DE TITULIZACIÓN PYMES SANTANDER 14	U/O	
FONDO DE TITULIZACIÓN RMBS PRADO IV	U/O	
FONDO DE TITULIZACIÓN SANTANDER CONSUMER SPAIN AUTO 2016-1	U/O	
FONDO DE TITULIZACIÓN SANTANDER CONSUMER SPAIN AUTO 2016-2	U/O	
FONDO DE TITULIZACIÓN SANTANDER CONSUMER SPAIN SYNTHETIC AUTO 2018-1	U/O	
FONDO DE TITULIZACIÓN SANTANDER CONSUMO 2	U/O	
FONDO DE TITULIZACIÓN, RMBS PRADO V	U/O	
FONDO DE TITULIZACIÓN, RMBS PRADO VI	U/O	
FONDO DE TITULIZACIÓN, RMBS SANTANDER 4	U/O	
FONDO DE TITULIZACIÓN, RMBS SANTANDER 5	U/O	
FT RMBS PRADO II	U/O	
FTA2015, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
FTPyme BANCAJA 3 FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
FTPyme TDA CAM 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
FTPyme TDA CAM 4, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
GC FTGENCAT CAIXA TARRAGONA 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
GC FTPyme PASTOR 4, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
GC PASTOR HIPOTECARIO 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
GC SABADELL 1, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
HIPOCAT 10, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
HIPOCAT 11, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
HIPOCAT 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
HIPOCAT 8, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
HIPOCAT 9, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
HT ABANCA RMBS I, FONDO DE TITULIZACIÓN	U/O	
HT ABANCA RMBS II, FONDO DE TITULIZACIÓN	U/O	
IM AURIGA PYMES EUR 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM BANCO POPULAR MBS 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM BCC CAJAMAR 1, FONDO DE TITULIZACIÓN	U/O	
IM BCC CAJAMAR PYME 2, FONDO DE TITULIZACIÓN	U/O	
IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN	U/O	
IM BCG RMBS 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CAJA LABORAL 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CAJA LABORAL 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CAJAMAR 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CAJAMAR 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	

Company	Audit	
	Individual of the company	Consolidated group
IM CAJAMAR 4, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CAJAMAR 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CAJAMAR 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CAJAMAR EMPRESAS 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CAJASTUR MBS 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CÉDULAS 10, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CÉDULAS 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM CÉDULAS 7, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM EVO FINANCE 1, FONDO DE TITULIZACIÓN	U/O	
IM EVO RMBS 1, FONDO DE TITULIZACIÓN	U/O	
IM FORTIA 1, FONDO DE TITULIZACIÓN	U/O	
IM GEDESCO TRADE FINANCE, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM GRUPO BANCO POPULAR CONSUMO I, FONDO DE TITULIZACIÓN	U/O	
IM GRUPO BANCO POPULAR EMPRESAS VII, FONDO DE TITULIZACIÓN	U/O	
IM GRUPO BANCO POPULAR LEASING 3, FONDO DE TITULIZACIÓN	U/O	
IM GRUPO BANCO POPULAR MBS 3, FONDO DE TITULIZACIÓN	U/O	
IM LICO DIVISIÓN, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM MARLAN 1, FONDO DE TITULIZACIÓN	U/O	
IM MARLAN 2, FONDO DE TITULIZACIÓN	U/O	
IM PASTOR 2, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
IM PASTOR 3, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
IM PASTOR 4, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
IM SABADELL PYME 10, FONDO DE TITULIZACIÓN	U/O	
IM SABADELL PYME 11, FONDO DE TITULIZACIÓN	U/O	
IM SUMMA 1, FONDO DE TITULIZACIÓN	U/O	
IM WANNA I, FONDO DE TITULIZACIÓN	U/O	
IM WANNA II, FONDO DE TITULIZACIÓN	U/O	
MADRID RESIDENCIAL I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MADRID RESIDENCIAL II, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MADRID RMBS I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MADRID RMBS II, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MADRID RMBS III FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MADRID RMBS IV, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MBS BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MBS BANCAJA 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MBS BANCAJA 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MBS BANCAJA 4, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MBS BANCAJA 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MBS BANCAJA 7, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
MBS BANCAJA 8, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
PROGRAMA CÉDULAS TDA, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	

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List of 2018 audits filed with the CNMV (continued)

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Company	Audit	
	Individual of the company	Consolidated group
PYME BANCAJA 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
PYMES BANESTO 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RMBS PRADO III, FONDO DE TITULIZACIÓN	U/O	
RURAL HIPOTECARIO GLOBAL I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO IV, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
RURAL HIPOTECARIO IX, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO V, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO VI, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO VII, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO VIII, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO X, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO XI, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO XII, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO XIV, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO XV, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO XVI, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO XVII, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
RURAL HIPOTECARIO XVIII, FONDO DE TITULIZACIÓN	U/O	
SANTANDER HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
SOL-LION, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
SRF 2016-1, FONDO DE TITULIZACIÓN	U/O	
SRF 2017-1, FONDO DE TITULIZACIÓN	U/O	
SRF 2017-2, FONDO DE TITULIZACIÓN	U/O	
TDA 14 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 15 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 16 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 17 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 18 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 19 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 20 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 2015-1, FONDO DE TITULIZACIÓN	U/O	
TDA 2017-2, FONDO DE TITULIZACIÓN	U/O	
TDA 2017-3, FONDO DE TITULIZACIÓN	U/O	
TDA 2017-4, FONDO DE TITULIZACIÓN	U/O	
TDA 22 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 23, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 24, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 25, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 26 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 27, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 28, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA 29, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	

Company	Audit	
	Individual of the company	Consolidated group
TDA 30, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAJAMAR 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 11, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 12, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 4, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 7, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 8, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAM 9, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA IBERCAJA 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA IBERCAJA 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA IBERCAJA 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA IBERCAJA 4, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA IBERCAJA 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA IBERCAJA 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA IBERCAJA 7, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA IBERCAJA ICO-FTVPO, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
TDA PASTOR 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA PASTOR CONSUMO 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA RENOVABLES ESPAÑA I, FONDO DE TITULIZACIÓN	U/O	
TDA SA NOSTRA EMPRESAS 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA SA NOSTRA EMPRESAS 2, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA SABADELL RMBS 4, FONDO DE TITULIZACIÓN	U/O	
TDA TARRAGONA 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TIBER SPAIN, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
URB TDA 1, FONDO DE TITULIZACIÓN	U/O	
VALENCIA HIPOTECARIO 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
VALENCIA HIPOTECARIO 2, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
VALENCIA HIPOTECARIO 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
WIZINK MASTER CREDIT CARDS, FONDO DE TITULIZACIÓN	U/O	

Source: CNMV.

U/O: Unqualified opinion.

Q/O: Qualified opinion.

A/O: Adverse opinion.

D/O: Disclaimer of opinion.

CNMV

Report on the CNMV's
review of the annual
financial reports and main
enforcement priorities for
the following financial year

2018**List of 2018 audits filed with the CNMV**

ANNEX 4 TER

Company	Audit	
	Individual of the company	Consolidated group
FAB 2013 BULL, FONDO DE ACTIVOS BANCARIOS	U/O	
FAB 2013 TEIDE, FONDO DE ACTIVOS BANCARIOS	U/O	

Source: CNMV.

U/O: Unqualified opinion.

Q/O: Qualified opinion.

A/O: Adverse opinion.

D/O: Disclaimer of opinion.

Qualified audits for 2018 filed with the CNMV

ANNEX 5

Data in thousands of euros

Company	Audits		Scope Limitations	No.	Quantified qualifications and other non-compliances ²			
	Individual	Consolidated group			Qualifications affecting profit and loss ³		Qualifications affect shareholders' equity ⁴	
					Amounts	%	Amounts	%
ADVEO GROUP INTERNATIONAL, S.A. (IN LIQUIDATION)	Yes		1	0	0		0	
	Disclaimer of opinion							
	The auditor does not express an opinion on the company's annual accounts due to the very significant effect of the issues described in the section "Grounds for disclaimer of opinion" in its audit report. For more information, see that report.							
		Yes	1	0	0		0	
	Disclaimer of opinion							
	The auditor does not express an opinion on the annual accounts of the group due to the very significant effect of the issues described in the section "Grounds for disclaimer of opinion" in its audit report. For more information, see that report.							
COMPAÑÍA LEVANTINA DE EDIFICACIÓN Y OBRAS PÚBLICAS, S.A.	Yes		1 ¹	0	0		0	
	Scope limitations							
	Given the existing uncertainty regarding the status and development of the insolvency proceedings of Inversiones Mebru S.A., the absence of formal information on Urbem and the litigation and lawsuits in progress, and given the lack of execution for certain resolutions and sentences, it has not been possible to reach any conclusions due to circumstances beyond the control of the company and its directors, concerning the correct valuation adjustment, up or down, and the recovery of the ownership interests and receivables and the effect of other risks, in the event such effects exist, that the company holds with regard to Inversiones Mebru at 31 December 2018.							
		Yes	1 ¹	0	0		0	
	Scope limitations							
	Given the existing uncertainty regarding the status and development of the insolvency proceedings of Inversiones Mebru S.A., the absence of formal information on Urbem and the litigation and lawsuits in progress, and given the lack of execution for certain resolutions and sentences, it has not been possible to reach any conclusions due to circumstances beyond the control of the group and its directors, concerning the correct valuation adjustment, up or down, and the recovery of the ownership interests and receivables and the effect of other risks, in the event such effects exist, that Grupo Cleop holds with regard to Inversiones Mebru at 31 December 2018.							
MOBILIARIA MONESA, S.A.	Yes		1 ¹	0	0		0	
	Scope limitations							
	With regard to the investment held by Delforca 2008, S.A. in GVC Gaesco Holding, S.L., the auditor highlights that, on the current date, they have not had access to the annual accounts of GVC Gaesco Holding, S.L., and they have not obtained the corresponding audit report. In addition, the auditor was unable to apply limited review procedures or similar procedures, and was therefore unable to obtain evidence of the reasonableness of the carrying amount of the investee and therefore determine whether or not a change should be recorded in the value of the aforementioned financial instruments in the investee Delforca 2008, S.A., and, indirectly, an impairment in the investment held by the company.							

Qualified audits for 2018 filed with the CNMV (continued)

ANNEX 5

Data in thousands of euros

Company	Audits		Scope Limitations	No.	Quantified qualifications and other non-compliances ²			
	Individual	Consolidated group			Qualifications affecting profit and loss ³		Qualifications affect shareholders' equity ⁴	
					Amounts	%	Amounts	%
MOBILIARIA MONESA, S.A.		Yes	1 ¹	0	0		0	
	Scope limitations							
	With regard to the investment held by the group in GVC Gaesco Holding, S.L., the auditor highlights that, on the audit date, they have not had access to the annual accounts of GVC Gaesco Holding, S.L., and they have not obtained the corresponding audit report. Similarly, the auditor was unable to apply limited review procedures or similar procedures. The auditor was therefore unable to obtain evidence of the reasonableness of the carrying amount of the investee in the consolidated accounts, and therefore whether or not a change should be recorded in the value of the interest held by the group in said company.							
URBAR INGENIEROS, S.A.	Yes		0	1	n/a	n/a	0	
	Non-compliance with accounting principles and criteria							
	There is evidence of impairment in the financial investment in Metrocompost, S.L. (whose net carrying amount at 31 December 2018 was 4,964,000 euros), which, at the end of the year and on the date of issuance of the audit report, cannot be objectively quantified, since the fulfilment of projected revenues cannot be estimated. This issue is addressed in the section "Material uncertainty related to the going concern" together with an analysis of the assumptions used to estimate the projections. It should be noted that there is a restatement of the annual accounts with respect to those issued by the directors, dated 29 March 2019. This restatement, dated 13 June 2019, represents an increase in losses for the year amounting to 1,305,000 euros due to the adjustment for impairment of the investment in said company. The auditor issued an unqualified opinion on the restated annual accounts.							

Qualified audits for 2018 filed with the CNMV (continued)

ANNEX 5

Data in thousands of euros

Company	Audits		Scope Limitations	No.	Quantified qualifications and other non-compliances ²			
	Individual	Consolidated group			Qualifications affecting profit and loss ³		Qualifications affect shareholders' equity ⁴	
					Amounts	%	Amounts	%
URBAR INGENIEROS, S.A.		Yes	0	1	n/a	n/a	0	
Non-compliance with accounting principles and criteria								
Two impairments of goodwill in the consolidated accounts (the net carrying amount of which at 31 December 2018 was 3,032,000 euros) are evident, which, at the year-end and on the date of issuance of the audit report, cannot be quantified objectively, since the fulfilment of projected revenues cannot be estimated. This issue is addressed in the section "Material uncertainty related to the going concern" together with an analysis of the assumptions used to estimate the projections.								
It should be noted that there is a restatement of the annual accounts with respect to those issued by the directors, dated 29 March 2019. This restatement, dated 13 June 2019, represents an increase in losses for the year in the amount of 836,000 euros due to the correction of the impairment of goodwill in the consolidated statements. The auditor issued an unqualified opinion on the restated annual accounts.								

Source: CNMV. The purpose of this table is solely to provide concise information on the audits available at the CNMV for public consultation, as well as to provide an informative synopsis on the qualifications that may be included in those reports. However, the full understanding of the auditor's opinion can be obtained only by fully reading the relevant auditor's report.

- 1 These auditor's reports include scope limitations on the work performed by the auditor. To remove such limitations, the CNMV has requested the company to provide the auditor with the documentation necessary for the auditor to be able to complete the audit. The auditor's additional conclusions will be added to the CNMV public audit register, together with the original.
- 2 Includes cases of non-compliance with accounting principles and methods, including omissions of necessary information, contained in the applicable regulatory framework of financial information.
- 3 The column of qualifications affecting profit and loss includes the amounts of quantified qualifications on profit and loss for the year as represented by the auditors. Except in those cases in which the auditor has explicitly represented in its report that such qualifications refer to profit (loss) before taxes, as a general rule the figure showing the effect of the auditor's quantified qualifications expressed as a percentage of the profit (loss) for the year has been calculated using the profit (loss) amount after taxes that has been included in the audited company's equity (individual and/or consolidated, as the case may be) at the end of the year.
- 4 The column showing qualifications affecting equity only includes the amounts that the auditor explicitly represents in its opinion that directly affect the audited company's equity. Consequently, this column of qualifications on equity does not include the indirect effect on that equity of the quantified qualifications in the previous column of qualifications affecting profit (loss).

Pursuant to the presentation system herein described, the theoretical total impact on equity as at year-end resulting from the set of quantified qualifications reflected by the auditor in its opinion would be the sum total of the amount reflected in the columns showing qualifications on profit (loss) (assuming that these qualifications comply with the general rule of pertaining to the profit (loss) included in equity) and the amount reflected in the column of qualifications affecting equity.

List of the special audit reports for 2018 filed with the CNMV in relation to the first half of 2019

ANNEX 6

Company	IEA	Individual opinion	IEA	Consolidated opinion
COMPAÑÍA LEVANTINA DE EDIFICACIÓN Y OBRAS PÚBLICAS, S.A.	X	Maintained	X	Maintained
MOBILIARIA MONESA, S.A.	X	Fully corrected	X	Fully corrected

Source: CNMV.

List of auditors who have prepared a report on annual accounts of issuers and/or companies with securities admitted to trading on official secondary markets in 2018

ANNEX 7

Annexes

Auditor	Company
BAKER TILLY AUDITORES S.L.P.	URBAS GRUPO FINANCIERO, S.A.
BDO AUDITORES S.L.P. - MOORE STEPHENS IBERICA DE AUDITORÍA S.L.P.	NYESA VALORES CORPORACIÓN, S.A.
BDO AUDITORES, S.L.	DESARROLLOS ESPECIALES DE SISTEMAS DE ANCLAJES, S.A. MOBILIARIA MONESA, S.A. SNIACE, S.A.
CROWE SERVICIOS AUDITORÍA S.L.P.	MINERALES Y PRODUCTOS DERIVADOS, S.A. VÉRTICE TRESCIENTOS SESENTA GRADOS, S.A.
DELOITTE, S.L. - PWC AUDITORES, S.L.	COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. TÉCNICAS REUNIDAS, S.A.
DELOITTE, S.L.	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AIRTIFICIAL INTELLIGENCE STRUCTURES, S.A. ALANTRA PARTNERS, S.A. ALPHA 3 - IM, FONDO DE TITULIZACIÓN DE ACTIVOS AMADEUS IT GROUP, S.A. APPLUS SERVICES, S.A. AYT ADMINISTRACIONES I, FONDO DE TITULIZACIÓN DE ACTIVOS AYT CÉDULAS CAJAS IX, FONDO DE TITULIZACIÓN DE ACTIVOS AYT CÉDULAS CAJAS X, FONDO DE TITULIZACIÓN DE ACTIVOS AYT HIPOTECARIO BBK I, FONDO DE TITULIZACIÓN DE ACTIVOS AYT ICO-FTVPO CAJA MURCIA, FONDO DE TITULIZACIÓN DE ACTIVOS AYT KUTXA HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS AYT KUTXA HIPOTECARIO II, FONDO DE TITULIZACIÓN DE ACTIVOS AYT PROMOCIONES INMOBILIARIAS III, FONDO DE TITULIZACIÓN DE ACTIVOS AYT.7, PROMOCIONES INMOBILIARIAS I, FONDO DE TITULIZACIÓN DE ACTIVOS CAP-TDA 2, FONDO DE TITULIZACIÓN DE ACTIVOS CARTERA INDUSTRIAL REA, S.A. CELLNEX TELECOM, S.A. CEMENTOS MOLINS, S.A. CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. CORPORACIÓN EMPRESARIAL DE MATERIALES DE CONSTRUCCIÓN, S.A. DEOLEO, S.A. FERROVIAL, S.A. FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. FTA2015, FONDO DE TITULIZACIÓN DE ACTIVOS GRUPO EMPRESARIAL SAN JOSE, S.A. IM AURIGA PYMES EUR 1, FONDO DE TITULIZACIÓN DE ACTIVOS IM CAJA LABORAL 1, FONDO DE TITULIZACIÓN DE ACTIVOS IM CAJA LABORAL 2, FONDO DE TITULIZACIÓN DE ACTIVOS

**List of auditors who have prepared a report on annual accounts of
issuers and/or companies with securities admitted to trading on
official secondary markets in 2018 (continued)**

Auditor	Company
DELOITTE, S.L.	IM CAJASTUR MBS 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM CÉDULAS 10, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM CÉDULAS 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM CÉDULAS 7, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM PRÉSTAMOS FONDOS CÉDULAS, FONDO DE TITULIZACIÓN DE ACTIVOS
	INDRA SISTEMAS, S.A.
	INDUSTRIA DE DISEÑO TEXTIL, S.A.
	INMOBILIARIA DEL SUR, S.A.
	KUTXABANK, S.A.
	LAR ESPAÑA REAL ESTATE, SOCIMI, S.A.
	LIBERBANK, S.A.
	MEDIASET ESPAÑA COMUNICACIÓN, S.A.
	MERLIN PROPERTIES, SOCIMI, S.A.
	NATURHOUSE HEALTH, S.A.
	NEINOR HOMES, S.A.
	NH HOTEL GROUP, S.A.
	OBRASCÓN HUARTE LAIN, S.A.
	ORYZON GENOMICS, S.A.
	PROMOTORA DE INFORMACIONES, S.A.
	RENTA CORPORACIÓN REAL ESTATE, S.A.
	SOLARPACK CORPORACIÓN TECNOLÓGICA, S.A.
	SRF 2016-1, FONDO DE TITULIZACIÓN
	SRF 2017-1, FONDO DE TITULIZACIÓN
	SRF 2017-2, FONDO DE TITULIZACIÓN
	TALGO, S.A.
	TDA IBERCAJA 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA IBERCAJA 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA IBERCAJA 4, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA IBERCAJA 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA IBERCAJA 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	TIBER SPAIN, FONDO DE TITULIZACIÓN DE ACTIVOS
	TUBACEX, S.A.
	URB TDA 1, FONDO DE TITULIZACIÓN
ERNST & YOUNG, S.L.	ADOLFO DOMÍNGUEZ, S.A.
	AEDAS HOMES, S.A.
	AMPER, S.A.
	ASSET-BACKED EUROPEAN SECURITISATION TRANSACTION THIRTEEN, FONDO DE TITULIZACIÓN
	AYT CÉDULAS CAJAS V, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT GÉNOVA HIPOTECARIO IV, FONDO DE TITULIZACIÓN HIPOTECARIA

List of auditors who have prepared a report on annual accounts of issuers and/or companies with securities admitted to trading on official secondary markets in 2018 (continued)

ANNEX 7

Annexes

Auditor	Company
ERNST & YOUNG, S.L.	AYT GÉNOVA HIPOTECARIO IX, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT GÉNOVA HIPOTECARIO VI, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT GÉNOVA HIPOTECARIO VII, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT GÉNOVA HIPOTECARIO VIII, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT GÉNOVA HIPOTECARIO X, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT GÉNOVA HIPOTECARIO XI, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT GÉNOVA HIPOTECARIO XII, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT HIPOTECARIO III, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT HIPOTECARIO MIXTO II, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT HIPOTECARIO MIXTO III, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT ICO-FTVPO I, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT.11, FONDO DE TITULIZACIÓN HIPOTECARIA
	AZKOYEN, S.A.
	BANKIA, S.A.
	BIOSEARCH, S.A.
	BODEGAS RIOJANAS, S.A.
	CAJA INGENIEROS TDA 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	CODERE, S.A.
	DURO FELGUERA, S.A.
	EBRO FOODS, S.A.
	ENAGÁS, S.A.
	ENDESA, S.A.
	ERCROS, S.A.
	FLUIDRA, S.A.
	GC FTPYME PASTOR 4, FONDO DE TITULIZACIÓN DE ACTIVOS
	GC PASTOR HIPOTECARIO 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	GC SABADELL 1, FONDO DE TITULIZACIÓN HIPOTECARIA
	GESTAMP AUTOMOCION, S.A.
	HISPANIA ACTIVOS INMOBILIARIOS, SOCIMI, S.A.
	HT ABANCA RMBS I, FONDO DE TITULIZACIÓN
	HT ABANCA RMBS II, FONDO DE TITULIZACIÓN
	IM BCG RMBS 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM CAJAMAR 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM CAJAMAR 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM CAJAMAR 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM LICO DIVISIÓN, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM SABADELL PYME 10, FONDO DE TITULIZACIÓN

**List of auditors who have prepared a report on annual accounts of
issuers and/or companies with securities admitted to trading on
official secondary markets in 2018 (continued)**

Auditor	Company
ERNST & YOUNG, S.L.	IM SABADELL PYME 11, FONDO DE TITULIZACIÓN
	INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.
	MADRID RMBS I, FONDO DE TITULIZACIÓN DE ACTIVOS
	MADRID RMBS II, FONDO DE TITULIZACIÓN DE ACTIVOS
	MADRID RMBS III FONDO DE TITULIZACIÓN DE ACTIVOS
	MADRID RMBS IV, FONDO DE TITULIZACIÓN DE ACTIVOS
	NATURGY ENERGY GROUP, S.A.
	PRIM, S.A.
	REALIA BUSINESS, S.A.
	SACYR, S.A.
	SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
	SIEMENS GAMESA RENEWABLE ENERGY, S.A.
	SOLARIA ENERGÍA Y MEDIOAMBIENTE, S.A.
	SOL-LION, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 14 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 15 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 16 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 17 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 18 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 2015-1, FONDO DE TITULIZACIÓN
	TDA 2017-2, FONDO DE TITULIZACIÓN
	TDA 2017-4, FONDO DE TITULIZACIÓN
	TDA CAM 11, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA CAM 12, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA CAM 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA PASTOR 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA RENOVABLES ESPAÑA I, FONDO DE TITULIZACIÓN
	TDA SA NOSTRA EMPRESAS 2, FONDO DE TITULIZACIÓN DE ACTIVOS
TDA SABADELL RMBS 4, FONDO DE TITULIZACIÓN	
VIDRALA, S.A.	
ETL GLOBAL AUDITORES DE CUENTAS, S.L.	LIWE ESPAÑOLA, S.A.
GRANT THORNTON, S.L.P.	SERVICE POINT SOLUTIONS, S.A.
	UNIÓN CATALANA DE VALORES, S.A.
	URBAR INGENIEROS, S.A.
JOSUNE BARANDA MONTEJO	PESCANOVA, S.A.
KPMG AUDITORES, S.L.	ACCIONA, S.A.
	AENA, S.M.E., S.A.
	AMREST HOLDINGS, SE
	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.
	AUDAX RENOVABLES, S.A.
	AUTO ABS 2012-3, FONDO DE TITULIZACIÓN DE ACTIVOS

List of auditors who have prepared a report on annual accounts of issuers and/or companies with securities admitted to trading on official secondary markets in 2018 (continued)

ANNEX 7

Annexes

Auditor	Company
KPMG AUDITORES, S.L.	AUTOPISTA CONCESIONARIA ASTUR-LEONESA, S.A.U.
	AUTOPISTAS DEL ATLÁNTICO, CONCESIONARIA ESPAÑOLA, S.A.U.
	AYT CAIXA SABADELL HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT CAJA INGENIEROS 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT CÉDULAS CAJAS GLOBAL, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT COLATERALES GLOBAL EMPRESAS, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT COLATERALES GLOBAL HIPOTECARIO, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT DEUDA SUBORDINADA I, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCA MARCH, S.A.
	BANCAJA - BVA VPO 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCAJA 10, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCAJA 11, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCAJA 13, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCAJA 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCAJA 4, FONDO DE TITULIZACIÓN HIPOTECARIA
	BANCAJA 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCAJA 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCAJA 7, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCAJA 8, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCAJA 9, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
	BANKINTER 10, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANKINTER 11, FONDO DE TITULIZACIÓN HIPOTECARIA
	BANKINTER 13, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANKINTER 2, PYME FONDO DE TITULIZACIÓN DE ACTIVOS
	BANKINTER 3, FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS
	BANKINTER 3, FONDO DE TITULIZACIÓN HIPOTECARIA
	BANKINTER 4, FONDO DE TITULIZACIÓN HIPOTECARIA
	BANKINTER 5, FONDO DE TITULIZACIÓN HIPOTECARIA
	BANKINTER 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANKINTER 7, FONDO DE TITULIZACIÓN HIPOTECARIA
	BANKINTER 8, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANKINTER 9, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA CONSUMER AUTO 2018-1, FONDO DE TITULIZACIÓN
	BBVA CONSUMO 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA CONSUMO 7 FONDO DE TITULIZACIÓN
	BBVA CONSUMO 8 FONDO DE TITULIZACIÓN
	BBVA CONSUMO 9, FONDO DE TITULIZACIÓN
	BBVA EMPRESAS 4, FONDO DE TITULIZACIÓN DE ACTIVOS

**List of auditors who have prepared a report on annual accounts of
issuers and/or companies with securities admitted to trading on
official secondary markets in 2018 (continued)**

Auditor	Company
KPMG AUDITORES, S.L.	BBVA FINANZIA AUTOS 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA LEASING 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 10, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 11, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 12, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 13, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 14, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 15, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 16 FONDO DE TITULIZACIÓN
	BBVA RMBS 17 FONDO DE TITULIZACIÓN
	BBVA RMBS 18, FONDO DE TITULIZACIÓN
	BBVA RMBS 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 5 FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA RMBS 9, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA-10 PYME, FONDO DE TITULIZACIÓN
	BBVA-5 FTPYME, FONDO DE TITULIZACIÓN DE ACTIVOS
	BBVA-6 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS
	CAIXA PENEDÉS 1 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS
	CAIXA PENEDÉS 2 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS
	CAIXA PENEDÉS FT GENCAT 1 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS
	CAIXA PENEDÉS PYMES 1 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS
	CÉDULAS TDA 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	CÉDULAS TDA 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	CORPORACIÓN FINANCIERA ALBA, S.A.
	DEUTSCHE BANK, SOCIEDAD ANÓNIMA ESPAÑOLA
	DISTRIBUIDORA INTERNACIONAL DE ALIMENTACION, S.A.
	ECOLUMBER, S.A.
	EDT FTPYME PASTOR 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	ELECNOR, S.A.
	EROSKI SOCIEDAD COOPERATIVA
	EUSKALTEL, S.A.
	FONDO DE TITULIZACIÓN DEL DÉFICIT DEL SISTEMA ELECTRICO, FONDO DE TITULIZACIÓN DE ACTIVOS
	FTPYME BANCAJA 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA
	GENERAL DE ALQUILER DE MAQUINARIA, S.A.
	GRIFOLS, S.A.
	GRUPO EZENTIS, S.A.
	HIPOCAT 10, FONDO DE TITULIZACIÓN DE ACTIVOS

List of auditors who have prepared a report on annual accounts of issuers and/or companies with securities admitted to trading on official secondary markets in 2018 (continued)

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Auditor	Company
KPMG AUDITORES, S.L.	HIPOCAT 11, FONDO DE TITULIZACIÓN DE ACTIVOS
	HIPOCAT 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS
	HIPOCAT 8, FONDO DE TITULIZACIÓN DE ACTIVOS
	HIPOCAT 9, FONDO DE TITULIZACIÓN DE ACTIVOS
	IBERDROLA, S.A.
	IM EVO FINANCE 1, FONDO DE TITULIZACIÓN
	IM EVO RMBS 1, FONDO DE TITULIZACIÓN
	IM FORTIA 1, FONDO DE TITULIZACIÓN
	IM GEDESCO TRADE FINANCE, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM MARLAN 1, FONDO DE TITULIZACIÓN
	IM MARLAN 2, FONDO DE TITULIZACIÓN
	IM SUMMA 1, FONDO DE TITULIZACIÓN
	IM WANNA I, FONDO DE TITULIZACIÓN
	LABORATORIO REIG JOFRE, S.A.
	LABORATORIOS FARMACÉUTICOS ROVI, S.A.
	LINGOTES ESPECIALES, S.A.
	MADRID RESIDENCIAL I, FONDO DE TITULIZACIÓN DE ACTIVOS
	MADRID RESIDENCIAL II, FONDO DE TITULIZACIÓN DE ACTIVOS
	MAPFRE, S.A.
	MÁSMÓVIL IBERCOM, S.A.
	MBS BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS
	MBS BANCAJA 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	MBS BANCAJA 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	MBS BANCAJA 4, FONDO DE TITULIZACIÓN DE ACTIVOS
	MBS BANCAJA 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	MBS BANCAJA 7, FONDO DE TITULIZACIÓN DE ACTIVOS
	MBS BANCAJA 8, FONDO DE TITULIZACIÓN DE ACTIVOS
	NICOLÁS CORREA, S.A.
	NUEVA EXPRESIÓN TEXTIL, S.A.
	PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
	PROGRAMA CÉDULAS TDA, FONDO DE TITULIZACIÓN DE ACTIVOS
	PROSEGUR CASH, S.A.
	PROSEGUR, COMPAÑÍA DE SEGURIDAD, S.A.
	PYME BANCAJA 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	RED ELECTRICA CORPORACIÓN, S.A.
	RENTA 4 BANCO, S.A.
	RURAL HIPOTECARIO GLOBAL I, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO IV FONDO DE TITULIZACIÓN HIPOTECARIA
	RURAL HIPOTECARIO IX, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO V, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO VI, FONDO DE TITULIZACIÓN DE ACTIVOS

**List of auditors who have prepared a report on annual accounts of
issuers and/or companies with securities admitted to trading on
official secondary markets in 2018 (continued)**

Auditor	Company
KPMG AUDITORES, S.L.	RURAL HIPOTECARIO VII, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO VIII, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO X, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO XI, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO XII, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO XIV, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO XV, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO XVI, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO XVII, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO XVIII, FONDO DE TITULIZACIÓN
	TDA 19 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 20 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 2017-3, FONDO DE TITULIZACIÓN
	TDA 22 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 23, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 24, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 25, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 26 - MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 27, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 28, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 29, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA 30, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA CAJAMAR 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA SA NOSTRA EMPRESAS 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA TARRAGONA 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	TELEPIZZA GROUP, S.A.
	VALENCIA HIPOTECARIO 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	VALENCIA HIPOTECARIO 2, FONDO DE TITULIZACIÓN HIPOTECARIA
	VALENCIA HIPOTECARIO 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	WIZINK MASTER CREDIT CARDS, FONDO DE TITULIZACIÓN
	LUIS CARUANA & ASOCIADOS, S.L.
FINANZAS E INVERSIONES VALENCIANAS, S.A.	
LIBERTAS 7, S.A.	
MAZARS AUDITORES, S.L.P.	CLÍNICA BAVIERA, S.A.
	COLUMBUS MASTER CREDIT CARDS, FONDO DE TITULIZACIÓN
	GREENERGY RENOVABLES, S.A.
	INSTITUTO DE CRÉDITO OFICIAL
	KUTXABANK EMPRÉSTITOS, S.A.
MOORE STEPHENS IBERICA DE AUDITORÍA, S.L.	AYCO GRUPO INMOBILIARIO, S.A.
PKF ATTEST	MONTEBALITO, S.A.

List of auditors who have prepared a report on annual accounts of issuers and/or companies with securities admitted to trading on official secondary markets in 2018 (continued)

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Auditor	Company
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	ABENGOA, S.A.
	ACERINOX, S.A.
	ADVEO GROUP INTERNATIONAL, S.A. (IN LIQUIDATION)
	ALMIRALL, S.A.
	ARIMA REAL ESTATE, SOCIMI, S.A.
	AUTO ABS SPANISH LOANS 2016, FONDO DE TITULIZACIÓN
	AUTO ABS SPANISH LOANS 2018-1, FONDO DE TITULIZACIÓN
	AYT CAJA MURCIA HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT CAJAGRANADA HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT CAJAMURCIA HIPOTECARIO II, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT CÉDULAS CAJAS VIII, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT GÉNOVA HIPOTECARIO II, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT GÉNOVA HIPOTECARIO III, FONDO DE TITULIZACIÓN HIPOTECARIA
	AYT GOYA HIPOTECARIO III, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT GOYA HIPOTECARIO IV, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT GOYA HIPOTECARIO V, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT HIPOTECARIO BBK II, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT HIPOTECARIO MIXTO IV, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT HIPOTECARIO MIXTO V, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT HIPOTECARIO MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS
	AYT ICO-FTVPO CAJA VITAL KUTXA, FONDO DE TITULIZACIÓN DE ACTIVOS
	BANCO DE SABADELL, S.A.
	BANCO SANTANDER, S.A.
	BANKINTER, S.A.
	BARÓN DE LEY, S.A.
	BOLSAS Y MERCADOS ESPAÑOLES, SDAD. HOLDING DE MDOS. Y STMAS. FIN., S.A.
	BORGES AGRICULTURAL & INDUSTRIAL NUTS, S.A.
	BOTHAR, FONDO DE TITULIZACIÓN
	CAIXABANK CONSUMO 2, FONDO DE TITULIZACIÓN
	CAIXABANK CONSUMO 3, FONDO DE TITULIZACIÓN
	CAIXABANK CONSUMO 4, FONDO DE TITULIZACIÓN
	CAIXABANK NOTAS MINORISTAS, S.A.U.
	CAIXABANK PYMES 10, FONDO DE TITULIZACIÓN
	CAIXABANK PYMES 8, FONDO DE TITULIZACIÓN
	CAIXABANK PYMES 9, FONDO DE TITULIZACIÓN
	CAIXABANK RMBS 1, FONDO DE TITULIZACIÓN
	CAIXABANK RMBS 2, FONDO DE TITULIZACIÓN
	CAIXABANK RMBS 3, FONDO DE TITULIZACIÓN

**List of auditors who have prepared a report on annual accounts of
issuers and/or companies with securities admitted to trading on
official secondary markets in 2018 (continued)**

Auditor	Company
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	CAIXABANK, S.A.
	CIE AUTOMOTIVE, S.A.
	COMPAÑÍA ESPAÑOLA DE VIVIENDAS EN ALQUILER, S.A.
	DRIVER ESPAÑA FIVE, FONDO DE TITULIZACIÓN
	DRIVER ESPAÑA FOUR, FONDO DE TITULIZACIÓN
	DRIVER ESPAÑA THREE, FONDO DE TITULIZACIÓN
	DRIVER ESPAÑA TWO, FONDO DE TITULIZACIÓN
	EDP RENOVAVEIS, S.A.
	EMISORA SANTANDER ESPAÑA S.A.U.
	EMPRESAS HIPOTECARIO TDA CAM 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	ENCE ENERGÍA Y CELULOSA, S.A.
	F.T.A. PROGRAMA INDEPENDIENTE DE TITULIZ. DE CÉD. HIPOTECARIA
	FAB 2013 BULL, FONDO DE ACTIVOS BANCARIOS
	FAB 2013 TEIDE, FONDO DE ACTIVOS BANCARIOS
	FAES FARMA, S.A.
	FONCAIXA FTGENCAT 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	FONCAIXA FTGENCAT 4, FONDO DE TITULIZACIÓN DE ACTIVOS
	FONCAIXA FTGENCAT 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	FONCAIXA FTGENCAT 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	FONCAIXA LEASINGS 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	FONCAIXA PYMES 6, FONDO DE TITULIZACIÓN
	FONCAIXA PYMES 7, FONDO DE TITULIZACIÓN
	FONDO DE TITULIZACIÓN DE ACTIVOS FTPYME SANTANDER 2
	FONDO DE TITULIZACIÓN DE ACTIVOS PYMES SANTANDER 9
	FONDO DE TITULIZACIÓN DE ACTIVOS RMBS PRADO 1
	FONDO DE TITULIZACIÓN DE ACTIVOS RMBS SANTANDER 2
	FONDO DE TITULIZACIÓN DE ACTIVOS RMBS SANTANDER 3
	FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER 2
	FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER CONSUMER SPAIN AUTO 2014-1
	FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER EMPRESAS 2
	FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER FINANCIACION 1
	FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 2
	FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 3
	FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 7
	FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 8
	FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER HIPOTECARIO 9
	FONDO DE TITULIZACIÓN DE ACTIVOS UCI 11
	FONDO DE TITULIZACIÓN DE ACTIVOS UCI 14
	FONDO DE TITULIZACIÓN DE ACTIVOS UCI 16
	FONDO DE TITULIZACIÓN DE ACTIVOS UCI 18

List of auditors who have prepared a report on annual accounts of issuers and/or companies with securities admitted to trading on official secondary markets in 2018 (continued)

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Auditor	Company
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	FONDO DE TITULIZACIÓN DE ACTIVOS UCI 9
	FONDO DE TITULIZACIÓN DE ACTIVOS, HIPOTEBANSA 11
	FONDO DE TITULIZACIÓN DE ACTIVOS, RMBS SANTANDER 1
	FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 2013-1
	FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER EMPRESAS 1
	FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER EMPRESAS 3
	FONDO DE TITULIZACIÓN DE ACTIVOS, UCI 15
	FONDO DE TITULIZACIÓN DE ACTIVOS, UCI 17
	FONDO DE TITULIZACIÓN HIPOTECARIA UCI 10
	FONDO DE TITULIZACIÓN HIPOTECARIA UCI 12
	FONDO DE TITULIZACIÓN PYMES MAGDALENA
	FONDO DE TITULIZACIÓN PYMES MAGDALENA 2
	FONDO DE TITULIZACIÓN PYMES SANTANDER 12
	FONDO DE TITULIZACIÓN PYMES SANTANDER 13
	FONDO DE TITULIZACIÓN PYMES SANTANDER 14
	FONDO DE TITULIZACIÓN RMBS PRADO IV
	FONDO DE TITULIZACIÓN SANTANDER CONSUMER SPAIN AUTO 2016-1
	FONDO DE TITULIZACIÓN SANTANDER CONSUMER SPAIN AUTO 2016-2
	FONDO DE TITULIZACIÓN SANTANDER CONSUMER SPAIN SYNTHETIC AUTO 2018-1
	FONDO DE TITULIZACIÓN SANTANDER CONSUMO 2
	FONDO DE TITULIZACIÓN, RMBS PRADO V
	FONDO DE TITULIZACIÓN, RMBS PRADO VI
	FONDO DE TITULIZACIÓN, RMBS SANTANDER 4
	FONDO DE TITULIZACIÓN, RMBS SANTANDER 5
	FT RMBS PRADO II
	FTPyme TDA CAM 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	FTPyme TDA CAM 4, FONDO DE TITULIZACIÓN DE ACTIVOS
	GC FTGENCAT CAIXA TARRAGONA 1, FONDO DE TITULIZACIÓN DE ACTIVOS
	GLOBAL DOMINION ACCESS, S.A.
	GRUPO CATALANA OCCIDENTE, S.A.
	IBERCAJA BANCO, S.A.
	IBERPAPPEL GESTIÓN, S.A.
	IM BANCO POPULAR MBS 2, FONDO DE TITULIZACIÓN DE ACTIVOS
IM BCC CAJAMAR 1, FONDO DE TITULIZACIÓN	
IM BCC CAJAMAR PYME 2, FONDO DE TITULIZACIÓN	
IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN	
IM CAJAMAR 3, FONDO DE TITULIZACIÓN DE ACTIVOS	
IM CAJAMAR 4, FONDO DE TITULIZACIÓN DE ACTIVOS	

**List of auditors who have prepared a report on annual accounts of
issuers and/or companies with securities admitted to trading on
official secondary markets in 2018 (continued)**

Auditor	Company	
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	IM CAJAMAR EMPRESAS 5, FONDO DE TITULIZACIÓN DE ACTIVOS	
	IM GRUPO BANCO POPULAR CONSUMO I, FONDO DE TITULIZACIÓN	
	IM GRUPO BANCO POPULAR EMPRESAS VII, FONDO DE TITULIZACIÓN	
	IM GRUPO BANCO POPULAR LEASING 3, FONDO DE TITULIZACIÓN	
	IM GRUPO BANCO POPULAR MBS 3, FONDO DE TITULIZACIÓN	
	IM PASTOR 2, FONDO DE TITULIZACIÓN HIPOTECARIA	
	IM PASTOR 3, FONDO DE TITULIZACIÓN HIPOTECARIA	
	IM PASTOR 4, FONDO DE TITULIZACIÓN DE ACTIVOS	
	IM WANNA II, FONDO DE TITULIZACIÓN	
	INMOBILIARIA COLONIAL, SOCIMI, S.A.	
	MELIÁ HOTELS INTERNATIONAL, S.A.	
	METROVACESA, S.A.	
	MIQUEL Y COSTAS & MIQUEL, S.A.	
	NATRA, S.A.	
	PHARMA MAR, S.A.	
	PYMES BANESTO 2, FONDO DE TITULIZACIÓN DE ACTIVOS	
	QUABIT INMOBILIARIA, S.A.	
	REPSOL, S.A.	
	RMBS PRADO III, FONDO DE TITULIZACIÓN	
	SANTANDER CONSUMER FINANCE, S.A.	
	SANTANDER HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA CAM 3, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA CAM 4, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA CAM 5, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA CAM 6, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA CAM 7, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA CAM 8, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA CAM 9, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA IBERCAJA 1, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA IBERCAJA 7, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TDA IBERCAJA ICO-FTVPO, FONDO DE TITULIZACIÓN HIPOTECARIA	
	TDA PASTOR CONSUMO 1, FONDO DE TITULIZACIÓN DE ACTIVOS	
	TELEFÓNICA, S.A.	
	TUBOS REUNIDOS, S.A.	
	UNICAJA BANCO, S.A.	
	VISCOFÁN, S.A.	
	VOCENTO, S.A.	
	ZARDOYA OTIS, S.A.	
	RIVERO AUDITORES, S.L.P.	TR HOTEL JARDÍN DEL MAR, S.A.

Source: CNMV.

List of audit firms that have issued reports on the annual accounts of companies issuing and/or with securities listed for trading on official secondary markets in 2018 (excluding securitisation funds and FABs)

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Annexes

Auditor	Company
BAKER TILLY AUDITORES S.L.P.	URBAS GRUPO FINANCIERO, S.A.
BDO AUDITORES S.L.P. - MOORE STEPHENS IBERICA DE AUDITORÍA S.L.P.	NYESA VALORES CORPORACIÓN, S.A.
BDO AUDITORES, S.L.	DESARROLLOS ESPECIALES DE SISTEMAS DE ANCLAJES, S.A. MOBILIARIA MONESA, S.A. SNIACE, S.A.
CROWE SERVICIOS AUDITORÍA S.L.P.	MINERALES Y PRODUCTOS DERIVADOS, S.A. VÉRTICE TRESCIENTOS SESENTA GRADOS, S.A.
DELOITTE, S.L - PWC AUDITORES, S.L.	COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. TÉCNICAS REUNIDAS, S.A.
DELOITTE, S.L.	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AIRTIFICIAL INTELLIGENCE STRUCTURES, S.A. ALANTRA PARTNERS, S.A. AMADEUS IT GROUP, S.A. APPLUS SERVICES, S.A. CARTERA INDUSTRIAL REA, S.A. CELLNEX TELECOM, S.A. CEMENTOS MOLINS, S.A. CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. CORPORACIÓN EMPRESARIAL DE MATERIALES DE CONSTRUCCIÓN, S.A. DEOLEO, S.A. FERROVIAL, S.A. FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. GRUPO EMPRESARIAL SAN JOSÉ, S.A. INDRA SISTEMAS, S.A. INDUSTRIA DE DISEÑO TEXTIL, S.A. INMOBILIARIA DEL SUR, S.A. KUTXABANK, S.A. LAR ESPAÑA REAL ESTATE, SOCIMI, S.A. LIBERBANK, S.A. MEDIASET ESPAÑA COMUNICACIÓN, S.A. MERLIN PROPERTIES, SOCIMI, S.A. NATURHOUSE HEALTH, S.A. NEINOR HOMES, S.A. NH HOTEL GROUP, S.A. OBRASCÓN HUARTE LAIN, S.A. ORYZON GENOMICS, S.A. PROMOTORA DE INFORMACIONES, S.A. RENTA CORPORACIÓN REAL ESTATE, S.A. SOLARPACK CORPORACIÓN TECNOLÓGICA, S.A. TALGO, S.A. TUBACEX, S.A.

**List of audit firms that have issued reports on the annual accounts of
companies issuing and/or with securities listed for trading on official
secondary markets in 2018 (excluding securitisation funds and FABs)
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Auditor	Company
ERNST & YOUNG, S.L.	ADOLFO DOMÍNGUEZ, S.A.
	AEDAS HOMES, S.A.
	AMPER, S.A.
	AZKOYEN, S.A.
	BANKIA, S.A.
	BIOSEARCH, S.A.
	BODEGAS RIOJANAS, S.A.
	CODERE, S.A.
	DURO FELGUERA, S.A.
	EBRO FOODS, S.A.
	ENAGAS, S.A.
	ENDESA, S.A.
	ERCROS, S.A.
	FLUIDRA, S.A.
	GESTAMP AUTOMOCION, S.A.
	HISPANIA ACTIVOS INMOBILIARIOS, SOCIMI, S.A.
	INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.
	NATURGY ENERGY GROUP, S.A.
	PRIM, S.A.
	REALIA BUSINESS, S.A.
SACYR, S.A.	
SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.	
SIEMENS GAMESA RENEWABLE ENERGY, S.A.	
SOLARIA ENERGÍA Y MEDIOAMBIENTE, S.A.	
VIDRALA, S.A.	
ETL GLOBAL AUDITORES DE CUENTAS, S.L.	LIWE ESPAÑOLA, S.A.
GRANT THORNTON, S.L.P.	SERVICE POINT SOLUTIONS, S.A.
	UNIÓN CATALANA DE VALORES, S.A.
	URBAR INGENIEROS, S.A.
JOSUNE BARANDA MONTEJO	PESCANOVA, S.A.
KPMG AUDITORES, S.L.	ACCIONA, S.A.
	AENA, S.M.E., S.A.
	AMREST HOLDINGS, SE
	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.
	AUDAX RENOVABLES, S.A.
	AUTOPISTA CONCESIONARIA ASTUR-LEONESA, S.A.U.
	AUTOPISTAS DEL ATLÁNTICO, CONCESIONARIA ESPAÑOLA, S.A.U.
	BANCA MARCH, S.A.
	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
	CORPORACIÓN FINANCIERA ALBA, S.A.
	DEUTSCHE BANK, SOCIEDAD ANÓNIMA ESPAÑOLA

List of audit firms that have issued reports on the annual accounts of companies issuing and/or with securities listed for trading on official secondary markets in 2018 (excluding securitisation funds and FABs) (continued)

ANNEX 7 BIS

Annexes

Auditor	Company
KPMG AUDITORES, S.L.	DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.
	ECOLUMBER, S.A.
	ELEC NOR, S.A.
	EROSKI SOCIEDAD COOPERATIVA
	EUSKALTEL, S.A.
	GENERAL DE ALQUILER DE MAQUINARIA, S.A.
	GRIFOLS, S.A.
	GRUPO EZENTIS, S.A.
	IBERDROLA, S.A.
	LABORATORIO REIG JOFRE, S.A.
	LABORATORIOS FARMACÉUTICOS ROVI, S.A.
	LINGOTES ESPECIALES, S.A.
	MAPFRE, S.A.
	MÁSMÓVIL IBERCOM, S.A.
	NICOLÁS CORREA, S.A.
	NUEVA EXPRESIÓN TEXTIL, S.A.
	PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
	PROSEGUR CASH, S.A.
	PROSEGUR, COMPAÑÍA DE SEGURIDAD, S.A.
	RED ELÉCTRICA CORPORACIÓN, S.A.
RENTA 4 BANCO, S.A.	
TELEPIZZA GROUP, S.A.	
LUIS CARUANA & ASOCIADOS, S.L.	COMPAÑÍA LEVANTINA DE EDIFICACIÓN Y OBRAS PÚBLICAS, S.A.
	FINANZAS E INVERSIONES VALENCIANAS, S.A.
	LIBERTAS 7, S.A.
MAZARS AUDITORES, S.L.P.	CLÍNICA BAVIERA, S.A.
	GREENERGY RENOVABLES, S.A.
	INSTITUTO DE CRÉDITO OFICIAL
	KUTXABANK EMPRÉSTITOS, S.A.
MOORE STEPHENS IBERICA DE AUDITORÍA, S.L.	AYCO GRUPO INMOBILIARIO, S.A.
PKF ATTEST	MONTEBALITO, S.A.
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	ABENGOA, S.A.
	ACERINOX, S.A.
	ADVEO GROUP INTERNATIONAL, S.A. (IN LIQUIDATION)
	ALMIRALL, S.A.
	ARIMA REAL ESTATE, SOCIMI, S.A.
	BANCO DE SABADELL, S.A.
	BANCO SANTANDER, S.A.
	BANKINTER, S.A.
	BARÓN DE LEY, S.A.
	BOLSAS Y MERCADOS ESPAÑOLES, SDAD. HOLDING DE MDOS. Y STMAS. FIN., S.A.

**List of audit firms that have issued reports on the annual accounts of
companies issuing and/or with securities listed for trading on official
secondary markets in 2018 (excluding securitisation funds and FABs)
(continued)**

2018

Auditor	Company
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	BORGES AGRICULTURAL & INDUSTRIAL NUTS, S.A.
	CAIXABANK NOTAS MINORISTAS, S.A.U.
	CAIXABANK, S.A.
	CIE AUTOMOTIVE, S.A.
	COMPAÑÍA ESPAÑOLA DE VIVIENDAS EN ALQUILER, S.A.
	EDP RENOVAVEIS, S.A.
	EMISORA SANTANDER ESPAÑA S.A.U.
	ENCE ENERGÍA Y CELULOSA, S.A.
	FAES FARMA, S.A.
	GLOBAL DOMINION ACCESS, S.A.
	GRUPO CATALANA OCCIDENTE, S.A.
	IBERCAJA BANCO, S.A.
	IBERPAPEL GESTIÓN, S.A.
	INMOBILIARIA COLONIAL, SOCIMI, S.A.
	MELIÁ HOTELS INTERNATIONAL S.A.
	METROVACESA, S.A.
	MIQUEL Y COSTAS & MIQUEL, S.A.
	NATRA, S.A.
	PHARMA MAR, S.A.
	QUABIT INMOBILIARIA, S.A.
	REPSOL, S.A.
	SANTANDER CONSUMER FINANCE, S.A.
	TELEFÓNICA, S.A.
TUBOS REUNIDOS, S.A.	
UNICAJA BANCO, S.A.	
VISCOFÁN, S.A.	
VOCENTO, S.A.	
ZARDOYA OTIS, S.A.	
RIVERO AUDITORES S.L.P.	TR HOTEL JARDÍN DEL MAR, S.A.

Source: CNMV.

