



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

2019

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2019

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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 2019 audited annual accounts of listed entities¹ (hereinafter, issuers or entities), securitisation funds and bank asset funds, as well as the 2019 non-financial information statements, which form part of the management report of listed entities. Likewise, some areas for improvement are highlighted, which have been identified in the review process and which issuers must take into account to improve the quality of the financial information they supply to the market.

The annual accounts,² management report and audit report are considered to be regulated periodic public information. The CNMV must verify that this information, particularly the annual accounts and the management report, has been prepared in accordance with applicable regulations or otherwise request compliance with these regulations, in accordance with the powers assigned to it by law. The aim of this process 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, over 2021, focus its reviews of the financial statements for 2020 and for the first half of 2021.

It should be noted that since 2012 European oversight agencies have set out annually, in coordination with the European Securities and Markets Authority (ESMA), common enforcement priorities for annual financial reports, with a view to ensuring the consistent application of the International Financial Reporting Standards (IFRS) throughout the European Union (EU). The CNMV has incorporated other critical review areas into its work plan that supplement the priorities established by ESMA and draw attention to certain issues that may have a significant impact on the financial statements for 2020 and subsequent years.

Lastly, statistical data are included regarding the firms that audit issuers, securitisation funds and bank asset funds (BAFs), as well as the timeframe for filing the annual accounts.

1 For the purposes of this report, listed entities are 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 States.

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 filed in 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 144 securities issuers submitted individual and, where appropriate, consolidated audited annual accounts³ (152 in 2018).

The number of issuers fell by 5% on the previous year, mainly due to the delisting of several companies, in some cases because they were the subject of a delisting takeover bid or had started the process to file for liquidation in accordance with Insolvency Law 22/2003, of 9 July, and one issuer did not fulfil its obligation to submit individual or consolidated annual accounts.⁴ The decrease in issuers for these reasons has been partially offset by the admission to trading of the shares of a non-financial company.

Annual reports filed with the CNMV

TABLE 1

	2017	2018	2019 ¹
Individual annual reports	155	152	144
Consolidated annual reports	142	140	133
Total annual reports received	297	292	277
Special reports under art. 14 RD 1362/2007	5	4	2

Source: CNMV.

1 Annual reports and special reports filed with the CNMV to 11 December 2020.

In addition to those indicated in Table 1, a second individual report and a consolidated annual report were filed by one issuer⁵ that changed the closing date of its tax year, stating its accounts for two years in 2020 (in one case for three months).

The special audit reports filed in 2020, which are available to the public on the CNMV website, correspond to two issuers⁶ that presented qualifications for scope limitations in their financial statements. These special reports update, at the close of the first half of 2020, the circumstances giving rise to the auditor's qualifications in its opinion on the 2019 annual accounts.

3 Excluding securitisation funds and bank asset funds.

4 Abengoa, S.A.

5 Aedas Homes, S.A.

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

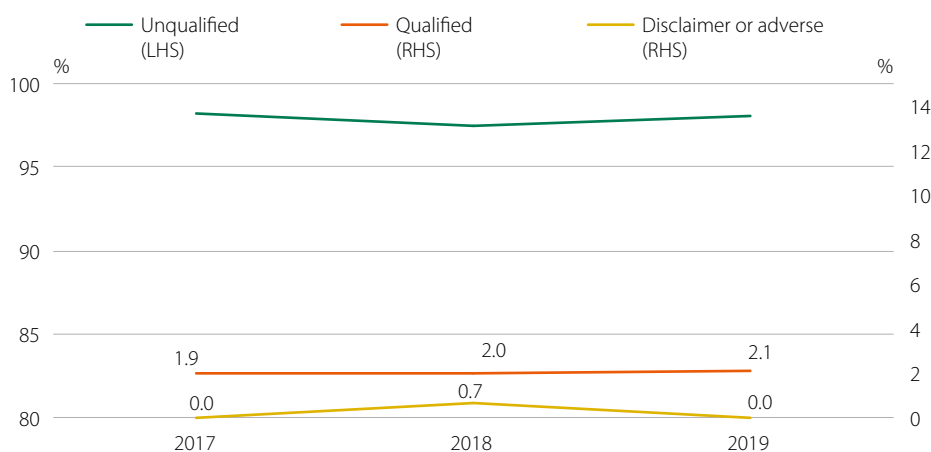
In the case of the two aforementioned issuers, the auditor stated in its special report that the circumstances that had led to the qualifications remained in place.

A third issuer,⁷ which had initially presented qualifications for scope limitations in its individual and consolidated audit reports, restated its financial statements and subsequently was given an unqualified opinion by the auditor.

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

Opinions on annual accounts

FIGURE 1



Source: CNMV.

The percentage of issuers presenting unqualified audit reports⁸ remains in line with the figures seen in 2018 and 2017.

In 2019, the audit reports of no companies contained a disclaimer of opinion. In the two previous years, only one entity filed a disclaimer of opinion in 2018.

Audit reports by market

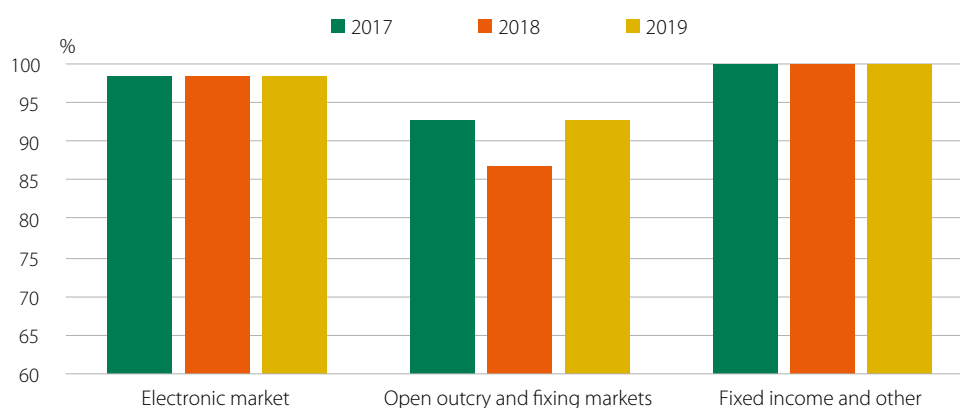
Figure 2 classifies the issuers that filed unqualified audit reports, based on the markets in which their securities are traded.

⁷ Urbas Grupo Financiero, S.A.

⁸ Urbas Grupo Financiero, S.A., which initially presented qualifications in its audit reports and later restated to correct the non-compliance, is included as a qualifying issuer.

Percentage of issuers with unqualified audit reports by market

FIGURE 2



Source: CNMV.

The year-on-year change by trading market is analysed below.

- For companies listed on the electronic market, the percentage of issuers filing unqualified audit opinions was 98.3% in 2019, in line with the figure of 98.4% in 2018.

In 2019, two issuers⁹ on the electronic market filed qualified audit reports (one issuer in 2018) and no issuer filed a disclaimer of opinion (one issuer in 2018).

It should be noted that one of the two issuers filing a qualified audit report in 2019 subsequently resolved the issue by restating its individual and consolidated financial statements.¹⁰

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

- The unqualified audit reports on the annual accounts of issuers of shares traded on the open outcry and fixing¹¹ markets increased from 86.7% in 2018 to 92.9% in 2019. This was due to the fall in issuers filing qualified reports in these markets (which went from two in 2018 to one¹² in 2019).
- 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 2017-2019 period, broken down by type of qualification.

⁹ Urbas Grupo Financiero, S.A. and Compañía Levantina de Edificación y Obras Públicas, S.A.

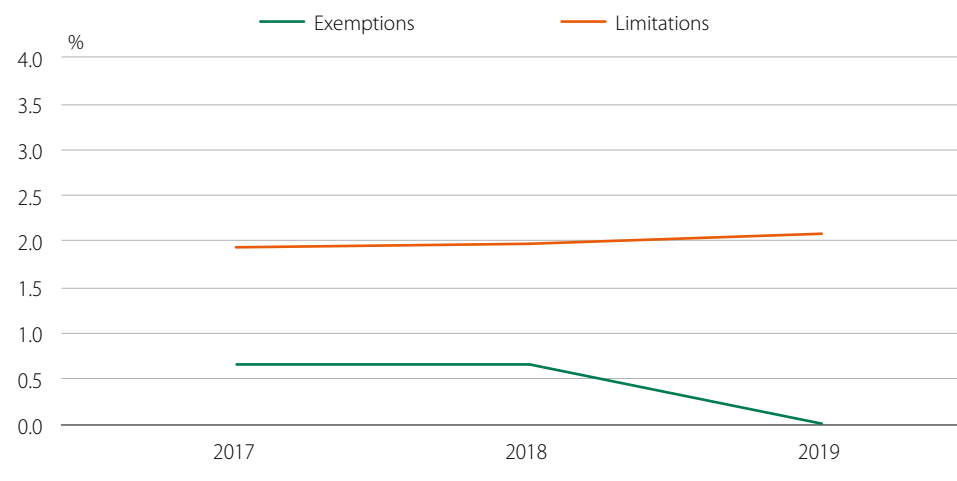
¹⁰ Urbas Grupo Financiero, S.A.

¹¹ Trading of securities with unique pricing for each auction period.

¹² Mobiliaria Monesa, S.A.

Types of qualifications

FIGURE 3



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 remains unchanged: three entities in 2018 and in 2019.¹³

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 maintaining the scope limitations for two of the issuers.

- i) In one of the cases,¹⁴ the auditor stated that the limitations had arisen due to circumstances that were beyond the company's control as they related to several ongoing legal proceedings.
- ii) In another case¹⁵ the auditors stated that the limitations on the valuation of an investment had been partially resolved, although the limitation was maintained as they did not have an independent expert's report on the valuation of the interest.

13 Compañía Levantina de Edificación y Obras Públicas, S.A., Mobiliaria Monesa, S.A. and Urbas Grupo Financiero, S.A.

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

15 Mobiliaria Monesa, S.A.

The third issuer,¹⁶ which had initially presented qualifications for scope limitations in its individual and consolidated audit reports, restated its financial statements and subsequently was given an unqualified opinion by the auditor.

- In 2019, there were no issuers with qualifications resulting from a failure to comply with accounting standards (one issuer in 2018).

Emphasis of matter paragraphs

In 2019, 30 issuers included some type of emphasis of matter paragraph (18 issuers in 2018), of which 26 indicated one or more uncertainties (12 in 2018):

- The number of issuers whose audit reports include emphasis of matter paragraphs in which the auditor expresses doubts regarding the going concern of the business continue to fall, down from 12 in 2018 to 11 in 2019.¹⁷
- In 2018 and 2019, emphasis of matter paragraphs were included due to uncertainties about the recoverability of assets in one issuer.¹⁸
- In 2019, the audit reports of 17 issuers¹⁹ included an emphasis of matter paragraph related to uncertainties arising from the effects of COVID-19.
- Issuers with reports that present emphasis of matter paragraphs due to uncertainties that affect other types of matters, such as the effects of tax contingencies, ongoing litigation, asset imbalances, etc., rose to three²⁰ (one in 2018).
- Seven issuers presented emphasis of matter paragraphs of a type other than the above (ten in 2018).

Audit reports and limited reviews of interim reporting

Figure 4 shows the number of issuers that submitted their half-yearly interim reports for the period 2017-2019 to some type of auditor review.

16 Urbas Grupo Financiero, S.A.

17 Individual and consolidated reports of the following issuers: Airtificial Intelligence Structures, S.A.; Corporación Empresarial De Materiales De Construcción, 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.; Promotora de Informaciones, S.A.; Urbar Ingenieros, S.A.; Urbas Grupo Financiero, S.A., and individual report only for Pescanova, S.A.

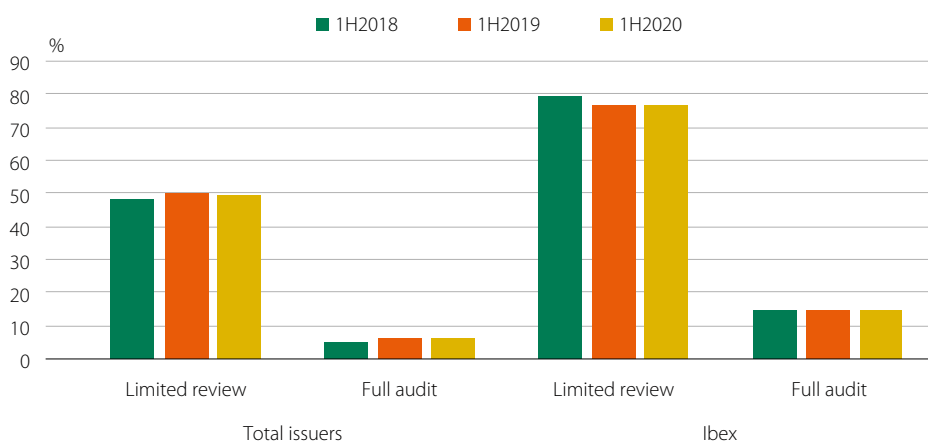
18 Obrascón Huarte Lain, S.A.

19 ACS, Actividades de Construcción y Servicios, S.A.; Adolfo Domínguez, S.A.; Bodegas Riojanas, S.A.; Clínica Baviera, S.A.; Compañía Levantina de Edificación y Obras Públicas, S.A.; Corporación Financiera Alba, S.A.; Distribuidora Internacional de Alimentación, S.A.; Elecnor, S.A.; Eroski Sociedad Cooperativa; Grupo Ezentis, S.A.; Minerales y Productos Derivados, S.A.; Montebalito, S.A.; Promotora de Informaciones, S.A.; Soltec Power Holdings, S.A.; TR Hotel Jardín del Mar, S.A.; Urbar Ingenieros, S.A., and Vértice Trescientos Sesenta Grados, S.A.

20 Duro Felguera, S.A.; Obrascón Huarte Lain, S.A. and Urbar Ingenieros, S.A.

Percentage of reviews of half-yearly financial statements

FIGURE 4



Source: CNMV.

A total of 55.7% of issuers (56.2% in the same period of the previous year) submitted their interim financial reports for the first half of 2020^{21, 22} to some type of audit review. This percentage rises to 91.2% if only Ibx 35 listed companies are considered (in line with the same period of the previous year).

When full audits are performed (9 companies), the auditor provides reasonable assurance regarding the reliability of the interim financial statements, while in limited reviews (69 companies) the assurance offered is moderate. It should be noted that none of the opinions issued by the auditors contained qualifications, 9% included emphasis of matter paragraphs for business continuity and 28.2% contained emphasis of matter paragraphs in relation to the impacts of COVID-19.

It should also be noted that, if the half-yearly financial report is voluntarily audited, the audit report is published in full, including any qualifications that the auditor would have established. 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.

21 Abengoa, S.A. has not presented financial information for the first half of 2020.

22 In the case of companies in which the fiscal year does not correspond to the calendar year, the financial information for the first half of the year filed in 2020 has been considered.

II.A Supervision of financial reporting

Review of issuers' annual accounts

The Securities Market Act entrusts the CNMV with 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 reissue the periodic financial information, as applicable.

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 a 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, a formal and substantive level. In accordance with ESMA Guidelines on enforcement,²³ the substantive reviews may, in turn, be full or partial, with the latter type only covering certain specific matters of the financial information.²⁴

All of the reports received are subject 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 is used to identify which entities should be subject to this review 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.

²³ ESMA – *Guidelines on enforcement of financial information* (28/10/2014).

²⁴ In general, the priorities defined by ESMA and by the CNMV, as well as transactions which have had a significant impact during the year.

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

In relation to the submission of 2019 annual financial reports, the CNMV served a request on three entities (the same as 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 (the same as in the previous year).

Formal review

The formal review of annual accounts and the management reports for 2019 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 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 (ACGR) is included as part of the management report and contains a description of the system for Internal Control over Financial Reporting (ICFR).
- iii) There are no significant differences between the annual accounts and the financial information for the second half of the year submitted previously and, in the event that there are differences, that such differences have been reported within the period of 10 business days following the issuance of the accounts in accordance with Article 16.3 of Royal Decree 1362/2007.
- iv) The compulsory auditor rotation has taken place as required (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 have been followed up.

In the 2019 annual accounts, the type of opinion given to the independent verification report of the NFIS was also reviewed. Chapter IV of this report includes a section containing a detailed description of the analysis of the non-financial information included in the 2019 management report.

A total of five entities, excluding asset securitisation funds and bank asset funds, received requests for formal reasons such as: i) scope limitations in the auditor's

report (two entities)²⁵ ii) emphasis of matter paragraphs related to material uncertainty regarding the company's ability to continue as a going concern (two entities), iii) significant differences between figures in the periodic financial information for the second half and the annual accounts for 2019, and iv) errors in the completion of the statement of responsibility on the content of the annual report (one entity).

Likewise, 24 entities were contacted by telephone, mainly to rectify breaches in certain formal aspects or to provide additional clarifications on the aforementioned issues.

Substantive review

In 2020, requests were sent to 33 entities, of which 28 were subject to substantive (partial or full). The **reasons** for the requests were: i) additional information to be provided on matters regarding recognition or measurement accounting policies (29 entities) and ii) an extension of the disclosures of the information provided in the annual financial report (32 entities).

In 2020, no requests were sent to any entities subject to substantive review as a result of filing a qualified audit report.

Likewise, four entities subject to substantive review were contacted by telephone to rectify breaches in the formal aspects as mentioned above.

Recommendations were issued to 27 of the 33 entities to which requests were sent, to be taken into consideration in future annual accounts.

Furthermore, emphasis was placed on **aspects considered to be priority** in the review of the 2019 annual accounts, such as specific issues related to the application of IFRS 16 (Leases), IFRS 9 (Recognition and measurement of financial instruments), IFRS 15 (Revenue from contracts with clients), specific issues related to the application of international accounting standard IAS 12 (Income tax), including the application of the interpretation of the international financial reporting standard, IFRIC 23, on Uncertainty over income tax treatments, as well as the impairment of assets in the energy sector. Additionally, ESMA considered the information related to the impact of COVID-19, mainly as events after the reporting date, as an added priority.

Other issues of special interest were those related to the application of ESMA's guidelines on alternative performance measures (APM), specifically with regard to APMs that are modified by the entry into force of new accounting standards, or by the consequences of Brexit.

25 Mobiliaria Monesa, SA and Urbas Grupo Financiero, S.A. No requests were submitted to Compañía Levantina de Edificación y Obras Públicas, S.A. even though it had another scope limitation, as the auditor expressly indicated in its report that the circumstances causing the scope limitation are beyond the control of the company and its managers.

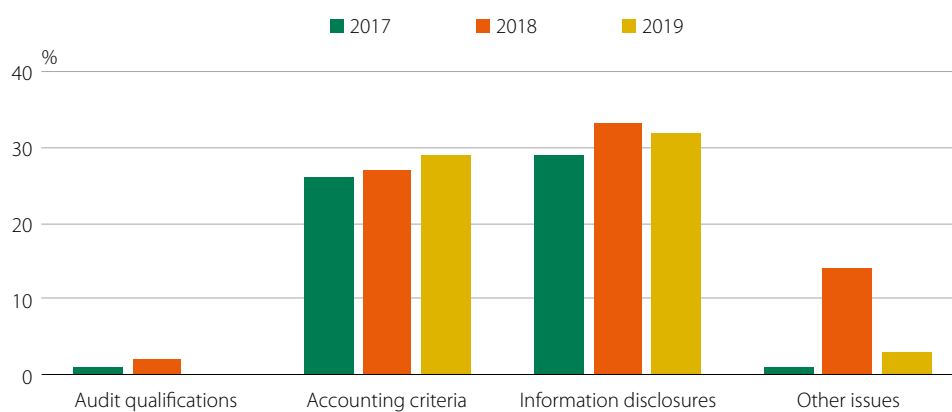
Most relevant actions in 2020

The main actions taken by the CNMV regarding the enforcement priority areas that were identified in the previous year's annual report with regard to the 2019 annual accounts, and regarding other areas that have brought about the issuance of more requests to entities are described below.

Figure 5 shows the main reasons why requests were sent to listed entities, excluding securitisation funds and bank asset funds, in relation to the annual accounts for the period 2017-2019.

Reason for requests sent to issuers (excluding SFs and BAFs)¹

FIGURE 5



Source: CNMV.

¹ Deficiency letters include those sent to issuers subject to formal and substantive review, excluding those related to NFIS.

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 issuer²⁶ **restated** its annual accounts after the auditor included a scope limitation in its individual and consolidated audit report, as it was unable to carry out the necessary checks on a financial liability recognised by the company.

Having obtained the required information from the creditor, the company restated its financial statements to correct the value of the liability.

- Three issuers **restated** the information included in their annual accounts:
 - i) In one case²⁷ the 2019 figures were restated in the individual and consolidated interim financial reports for the first half of 2020 to correct the accounting treatment of a business combination.
 - ii) In another case,²⁸ as a result of supervisory actions in 2020, the comparative period was restated in the 2019 consolidated financial statements to reflect: i) a change in the presentation of the results of companies consolidated using the equity method, ii) an adjustment of the amounts relating to a business combination and iii) a retroactive adjustment to the consolidation method of an investee from 2014.
 - iii) In the third case, the issuer was required to retroactively amend the accounting criteria used to recognise its interest in a company in its 2020 annual accounts and in the financial information for the second half of the same year, also modifying the comparative figures for 2019 and indicating in the notes to its financial statements the impact on equity as of 1 January 2019.
- Eight issuers included a **corrective note**²⁹ in their response to the request published on their websites, most notably:
 - i) Specific disclosures relating to IFRS 16, such as criteria applied to evaluate the options to extend or terminate a contract in order to establish the term of the lease, or the methodology used to estimate the recoverable amount of right-of-use assets for impairment purposes.
 - ii) Update or extension of the rules for measuring revenue (IFRS 15).
 - iii) Information on the methodology applied to recognise as revenue obligations to implement IFRS 15 that are satisfied over time, in addition to setting the transaction price.
 - iv) Judgements used to establish whether the sale contract of a project and subsequent signing of the contract for implementation do not meet the conditions to be considered a combination of contracts under IFRS 15.
 - v) Information regarding the impairment of non-financial assets, in particular, the methodology used, the hypotheses applied to estimate impairment and, in the case of inventories, a consideration of the costs necessary for their sale.

27 Vértice Trescientos Sesenta Grados, S.A.

28 Elecnor, S.A.

29 In accordance with ESMA's Guidelines on enforcement, a corrective note is the issuance by a supervisor or an issuer, through or requested by a supervisor, of a note making public a relative substantial inaccuracy in one or more specific issues included in the financial information previously published and, unless it is not viable, the corrected information.

- vi) Information disclosures on business combinations related to establishing the fair value at the time that control is taken, and the use of independent expert reports.
 - vii) Judgements and estimates used to establish the recoverability of deferred tax assets.
 - viii) Information disclosures related to the operation and execution terms of financial debt guarantees.
 - ix) Discontinuation of cash flow hedges.
 - x) Acquisitions of investee companies in the individual financial statements.
 - xi) Information on the plan for the sale of non-current assets held for sale.
 - xii) Update or extension of the rules for measuring financial instruments (IFRS 9).
- In ten cases, the review of the 2019 financial statements gave rise to a **commitment to correct the financial information in the future**, most notably in regard to:
- i) The extension of information disclosures related to impacts deriving from COVID-19 (one issuer).
 - ii) Reclassification of a provision as asset impairment where the conditions required under IAS 37 for measurement as a provision were not met (one issuer).
 - iii) Classification under financing activities in the statement of cash flows of payments corresponding to the principal of lease liabilities under IFRS 16 (two issuers).
 - iv) Breakdown of the impact of ongoing litigation on the financial statements (one issuer).
 - v) Establishing the recoverable amount of ordinary assets and their allocation among the different cash generating units (CGU) (one issuer).
 - vi) Identification of the moment from which development expenses are capitalised (one issuer).
 - vii) Breakdowns related to movements in revenue by segment (one issuer).
 - viii) Presentation of extraordinary earnings in the financial statements (one issuer).
 - ix) Adaptation of the revenue recognition policy to the specific characteristics of the entity (one issuer).

In all cases, the issuers undertook to modify the accounting treatment or expand the disclosures in their 2020 financial statements and, where appropriate, in their next interim financial information.

Lastly, as part of the supervision process, **meetings** were held with 33 entities (two as part of their potential IPOs), the Bank of Spain, the Accounting and Auditing Institute (ICAC) and other national securities markets supervisors (Germany and Mexico), in addition to meetings with the four largest auditing firms, which prepared 95.1% of the audit reports of listed entities.

Information requested on accounting policies and disclosures

TABLE 2

Nature of the request	Standard	No. of entities served with requests ³⁰		
		Accounting criteria	Information disclosures	Recommendations
1. Priority areas for review				
Specific issues relating to the application of the standard on leases	IFRS 16	12	15	14
Follow-up and specific questions on the recognition and measurement of financial instruments	IFRS 9 and IFRS 7	14	14	13
Follow-up and specific questions on revenue from contracts with clients	IFRS 15	9	13	10
Specific issues relating to income tax issues and the interpretation of uncertainties	IAS 12 and IFRIC 23	9	11	13
Application of the guidelines on alternative performance measures (APM) and changes due to new regulations	-	-	2	9
Consequences of Brexit	IAS 1	-	1	3
Impairment of assets in the energy sector	IAS 36	2	3	3
Impacts related to the COVID-19 crisis	-	3	10	2
2. Other requested issues				
Emphasis of matter paragraphs	-	-	2	-
Impairment of non-financial assets (excluding energy sector assets)	IAS 36	9	11	5
Consolidation package	IFRS 10, IFRS 11 and IFRS 12	6	8	7
Business combinations	IFRS 3	2	6	4
Financial instruments: presentation	IAS 32, IFRS 7 and IFRS 9	4	9	8
Provisions and contingencies	IAS 37	5	12	6
Fair value measurement	IFRS 13	5	4	6
Property, plant and equipment, intangible assets and real estate investments	IAS 16, IAS 38 and IAS 40	5	7	5
Presentation of financial performance	IAS 1, IAS 7 and IAS 33	3	4	4

Source: CNMV.

30 It should be noted that a request submitted to an entity may contain more than one of the issues included in this table.

In relation to the scope of the **requests**, it should be remembered that the report on the supervision of the 2018 annual accounts included a breakdown of the areas on which the CNMV would focus its review of the 2019 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 2019.

Follow-up of the enforcement priorities for 2019 annual accounts

For the purposes of reviewing the 2019 annual accounts, ESMA put forward the following common **priority areas**:

- i) Specific issues relating to the application of IFRS 16 (Leases).
- ii) Follow-up of specific issues relating to the application of IFRS 9 (Financial instruments) and IFRS 15 (Revenue from contracts with customers).
- iii) Specific issues relating to the application of IAS 12 (Income tax),³¹ including the application of IFRIC 23 (Uncertainty over income tax treatments).

Other relevant areas identified by ESMA were: i) disclosures in the non-financial information statement; ii) alternative performance measures, in particular as regards APMs that have been modified by the entry into force of new accounting rules, and iii) the consequences of Brexit.

Additionally, ESMA included information relating to the impact of COVID-19 as a supervisory priority.

The CNMV also included, within the review plan of the annual financial reports for 2019, a more detailed analysis of the effects deriving from the entry into force of IFRS 16 and the impairment of assets in the energy and oil and gas extraction sectors.

Specific issues related to the application of IFRS 16

In the first year of mandatory application of IFRS 16 (Leases), greater emphasis has been placed on aspects related to, among others: the lease term, the discount rate used by the lessee, the initial valuation or the test for impairment of the assets arising from the rights of use.

Chapter II.B, "Special analyses carried out in 2020", includes a section on the review of these specific issues related to IFRS 16, where the results obtained from the reviews of the annual accounts for 2019 are shown.

31 Due to the impact of the COVID-19 pandemic, ESMA suspended as a supervisory priority for 2020 the follow-up by issuers of ESMA statement of 15 July 2019 as regards the recognition of deferred tax assets arising from unused tax credits or losses.

The issues highlighted by ESMA in its 2018 enforcement priorities for financial reporting with respect to IFRS 9 and 15 were considered supervisory priorities in 2019 for all entities. ESMA also emphasised certain aspects of IFRS 9 for credit institutions and IFRS 15 for non-financial companies.

Regarding the impact of IFRS 9 during its second year of application, requests were sent to 15 entities, four of which were credit institutions. The main issues for which additional information was requested were the following:

- i) The significant judgements used to establish that the contractual flows of certain financial assets correspond only to payments of principal and interest, including whether the entity has considered that any of the characteristics of the contractual cash flows has a minimal effect on those flows and, therefore, it has not been taken into account in making this assessment.
- 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 the year with respect to their initial recognition or an impairment in value due to credit risk.

In particular, the significant criteria and judgements applied in the rebuttal presumption, set out in paragraph 5.5.11 of IFRS 9, that the credit risk has increased significantly when contractual payments are more than 30 days past due and to conclude that there has been no impairment due to credit risk in financial assets where debtors are holders of other transactions with amounts that are more than 90 days past due.

- iv) The method for calculating the expected loss for each portfolio of financial assets, breaking down the variables, assumptions, judgements and estimates used to establish them, as well as the way in which forward-looking information has been taken into account, including macroeconomic information.
- v) Sensitivity analyses of the expected loss in the case of variations in key hypotheses that involve significant judgements or uncertainties in the estimate of this loss.
- vi) 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.
- vii) The criteria used to consider whether certain financial instruments have low credit risk in accordance with paragraph 5.5.10 of IFRS 9 and the methodology used to determine their credit impairment.

Thus, the expected loss due to credit risk of a financial instrument must 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.

In relation to IFRS 15, requests were sent to 14 entities. The requests mainly corresponded to issues relating to the understanding of recognition of revenue in 2019:

- i) The obligation to adapt the revenue recognition policy to the particularities of each company.
- ii) The adequate disclosure of revenue by categories that represent the nature, amount, timing and uncertainty of revenue and cash flows, differentiating those in which the performance obligations are satisfied at a specific time from those where they are satisfied over time and describing the application of the standard to different types of revenue.
- iii) The significant judgements and estimates made in relation to: a) the identification of performance obligations; b) the timing for satisfying the obligations and, where appropriate, the judgements made to conclude that it is an obligation over time; c) whether they act as principal or agent, and d) the transaction price and the amounts assigned to the execution obligations.
- iv) For construction contracts, in the case of obligations satisfied over time, the reason for the recognition of revenue in the event that the entity assumes, in whole or in part, the risk of loss or deterioration of the material and of the construction in progress until completion for reasons beyond its performance.
- v) The reason for the recognition of revenue for changes not approved by the customer that gives rise to the conclusion that the revenue will not revert in the future.
- vi) The performance obligations (schedule for compliance, usual duration of the contracts, significant payment conditions, types of guarantees and related obligations, any considerations not included in the transaction price, etc.), as well as the relationship between the time when the performance obligations are met and the usual time of collection and its effect on the balance of assets and liabilities by contract.
- vii) 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.
- viii) The criteria and significant judgements applied to conclude whether or not a combination of contracts has occurred.
- ix) 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.

As a result of the review actions, Chapter II.C of this report includes some of the issues that the CNMV has identified as a supervisory priority with respect to the 2020 annual accounts.

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

The main aspects analysed focused on tax loss carryforwards and the entry into force of IFRIC 23 (Uncertainty over income tax treatments) on 1 January 2019.

As a result of this supervisory process, requests were made to 15 issuers, the most notable aspects of which were: i) judgements and estimates used to conclude that the recoverability of deferred tax assets is sufficiently assured, ii) the timing of the recovery of deferred tax assets, iii) inclusion of the history of recent losses in the analysis of an issuer's ability to generate future tax benefits and iv) reasonable potential changes in the estimates that could have a significant impact on the recoverability of deferred tax assets.

Additionally, documents with recommendations for improvement were sent to 13 issuers, highlighting the need to, among other issues: i) break down the amount and validity date of tax loss carryforwards and other unused deductible temporary differences, and ii) in accordance with IFRIC 23, that if the tax authority is not likely to accept an uncertain tax treatment, it must be applied and, if not, the most probable amount or expected value, whichever best anticipates the resolution of the uncertainty.

Alternative Performance Measures (APMs)

One of ESMA's supervisory priorities in the annual financial information for 2019 was the application of the guidelines on alternative performance measures, specifically, with regard to APMs that are modified by the entry into force of new accounting standards, such as IFRS 16 (Leases).

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

The issues for which information was requested were mostly concerned with: i) the definitions of the APMs used, their components and calculation basis, which includes the detail and explanation of elements that have been excluded; ii) reconciliation with the most directly reconcilable item, subtotal or total, presented in the financial statements, and iii) the justification of the changes with respect to previous APMs, a matter of special relevance in the first-time application of IFRS 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, according to ESMA guidelines: i) APMs should not be inappropriately called non-recurring or similar; especially when they have affected past periods and that may affect future periods; ii) in the event that an APM cannot be reconciled directly with an item in the financial statements, an explanation must be provided

of how it has been calculated and its consistency with the accounting policies applied, as well as an explanation of the use of the APM to raise awareness of its relevance and reliability; iii) APMs will not be presented with greater prominence than measures derived directly from financial statements; iv) comparative information must be presented for each APM used; and v) the justification must be given as to why they provide useful information on the financial situation, cash flows or financial performance of the entity, as well as the purpose of their use.

On 17 April 2020, ESMA published a Q&A document on APM guidelines,³² pointing out that these measures must be consistent over time, caution must be used in making adjustments to the APMs used or in the inclusion of new measures with the sole objective of representing the potential impacts of COVID-19 on their performance and cash flows.

Consequences of Brexit

A request was sent to one entity in relation to issues concerning the UK's decision to leave the European Union. Specifically, the entity was asked to provide additional information about whether it was complying with specific EU regulations in the continued development of its activities, indicating any plans it intended to implement to adapt to these regulations, especially in the event of a no-deal Brexit.

Additionally, written recommendations were sent to three entities on the inclusion of disclosures of information relating to the risks faced by entities as a result of Brexit, the measures implemented to mitigate these risks and the estimated impact on their financial statements.

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

The CNMV included in its planned review of 2019 annual reports an analysis of the asset impairment tests carried out on entities in the energy and oil and gas extraction sector, following the detection of several serious impairments in listed companies in these sectors in the past two years.

Thus, requests were sent to four entities, mostly concerning the following issues:

- i) Recoverability assessment levels (individual assets, cash generating units (CGU), segments and groups of segments).
- ii) Valuation methodologies to determine the recoverable amount, main assumptions and level of hierarchy in the estimation of fair value.
- iii) Identification of the main inputs used.
- iv) Methods used to allocate assets to different levels when estimating the recoverable amount.

32 https://www.esma.europa.eu/sites/default/files/library/esma32-51-370_qas_on_esma_guidelines_on_apms.pdf

- v) Whether the oil and gas price assumptions estimated by international and sector organisations have been taken into account in drawing up the projections that support recoverability.
- vi) Justification of the discount rates used.
- vii) Issues related to the sensitivity analysis.
- viii) Independent expert reports that support the recoverable amount estimates.
- ix) Identification of signs of impairment after the close of the year.

The recommendations related mainly to disclosure of the pre-tax discount rate used in the impairment tests, as well as other aspects of the methodology used.

Impacts of COVID-19 on published financial information

As a result of the situation triggered by COVID-19, the review of the information disclosures related to the impact of the pandemic on the financial information of issuers was included as a supervisory priority in the annual accounts for 2019 and the first half of 2020.

As a consequence of the supervisory actions carried out by the CNMV, requests were sent to ten issuers and recommendations were sent to two entities.

The requests related to COVID-19 mainly referred to the following aspects:

- i) Explanation of why the pandemic has not been considered an event after the reporting period that requires adjustments to be made to the financial statements.
- ii) Qualitative and quantitative information on current and future impacts on the activity, financial situation and earnings of issuers, as well as the main risks and uncertainties.
- iii) Measures that issuers have implemented or plan to implement to mitigate the negative impacts on their activity and financial position.
- iv) Consideration of the pandemic as an indicator of asset impairment.
- v) Disclosure of new assumptions considered to establish the recoverable amount of assets, indicating whether different scenarios have been considered and whether a sensitivity analysis has been carried out.
- vi) Specific impacts of COVID-19 on leases within the scope of IFRS 16.

The recommendations focus mainly on the disclosures of qualitative and quantitative information on the impact of COVID-19 on the main financial figures, as well as the judgements, methods and analysis used in the estimates made to test for signs of impairment caused by the pandemic.

The analysis of the main impacts of COVID-19 on the financial information submitted by issuers can be found in Chapter II.B of this report, "Special analyses carried out in 2020".

Follow-up 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 11 entities (12 in 2018) that had an emphasis of matter paragraph in the audit report regarding uncertainty about their business as a going concern, two of them (three in 2018) were asked to provide additional information.

In one case, an entity sent its annual financial report to the CNMV several weeks after the auditor's opinion had been issued, and was asked to explain the reasons for the delay given that the report should be submitted as soon as becomes available. Given the delivery dates, information was requested updated to the date the request was responded to in regard to: i) the status of the different mitigating measures and actions detailed in the individual and consolidated reports for 2019, according to which the management had considered it appropriate to continue to apply the principle of going concern at the time the annual accounts were formulated, and ii) the current and future impacts of COVID-19 on the activity, financial situation and earnings of the entity, in line with the recommendations published by ESMA on 11 March 2020.

In the other case, the information on the aspects causing and mitigating uncertainty over continuity was, in general, properly disclosed, although given the entity's complex situation, additional information was requested on specific aspects related to: i) the updated status of sales of non-strategic assets, ii) significant deviations in the hypotheses used in the treasury plan for projects in progress and under dispute, iii) the status of the negotiations to refinance debt and obtain new guarantees or equivalent instruments for new projects, and iv) consistency between the existing treasury plan and the new strategic plan presented after the formulation of the annual reports.

For one entity, in addition to the emphasis of matter paragraph on business continuity, the auditor pointed out the existence of litigation and insolvency proceedings in foreign subsidiaries that could affect the group, either due to the execution of guarantees by clients or because of the potential obligation to pay back certain amounts. Additional clarifications were required on the variations in the amounts provisioned at the end of the year, as well as updates on the status of the different procedures still open and the amounts involved as of the date of responding to the request.

Impairment of non-financial assets

The impairment of non-financial assets remains an area that requires improvement. In 2020, requests were sent to 12 issuers for additional information on, among other issues: i) the factors used to define CGUs and an explanation of why

they represent the lowest level, within the entity, at which goodwill is controlled for internal management purposes; ii) the key assumptions used to calculate value in use and the approach used, as well as a justification of the reasonableness of the values assigned and their variation during the year; iii) the flows used to calculate residual value and the proportion of recoverable value that they represent; iv) the methodology used to assess impairment losses on property, plant and equipment and other intangible assets other than goodwill and the indications of impairment considered; v) how the first-time application of IFRS 16 is taken into account in the calculation of value in use; vi) the sensitivity analyses performed and a justification of the variations in the key assumptions considered reasonably possible, and vii) the reasons for using periods of more than five years to forecast cash flows.

In addition, two entities were asked to justify the circumstances in which they recognised gains for reversals of impairments in non-financial assets.

Consolidation package

Regarding the rules related to the consolidation package,³³ requests were sent to a total of nine issuers.

The requests issued included requests for additional information from two issuers about the judgements and assumptions used to determine the existence or loss of control over certain investees, taking into consideration not only the percentage of voting rights, but also the rights and obligations deriving from contractual agreements.

In the case of share exchange agreements, clarifications were requested from two issuers in relation to: i) the dates on which the taking of control or obtaining significant influence had occurred, ii) the main hypotheses and judgements about the value used in the exchange ratio, and iii) the valuation techniques and quantitative information about the variables or unobservable inputs used in the fair value measurement.

In the case of loss of control over subsidiaries, further disclosures were required on the impact of the transaction on the financial statements, indicating the goodwill recognised, as well as the book value of the retained interest.

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.

In 2020, requests for information were sent to six issuers relating to business combinations carried out in the year. The requests mainly concerned: i) determination

33 Comprising IFRS 10 (Consolidated financial statements), IFRS 11 (Joint arrangements) and IFRS 12 (Disclosure of interests in other entities), and the amendments to IAS 27 (Separate financial statements) and IAS 28 (Investments in associates and joint ventures).

of the fair value of the assets and liabilities of the acquired companies, requesting the valuation techniques and main quantitative variables used and in the event that an external valuation had been carried out by an independent expert, the date of the report, the methodology used, the main conclusions and possible restrictions or conditions; ii) the qualitative description of the factors that make up the recognised goodwill or that, where appropriate, the recognition of a gain, and iii) the disclosures of information on initial combinations that are incomplete at year-end, the contingent liabilities recognised, revenue income and earnings of the acquired entities.

A request was also made for justification of the value assigned to the shares issued by an issuer in a business combination.

Financial instruments: presentation

In addition to the recurring requests for information on financial instruments addressed mainly to financial entities – such as aspects related to the impairment model, hedge accounting or disclosures on the main risks – information was requested during the year on aspects related to their presentation in the financial statements.

In relation to treasury shares, one entity was asked about its accounting policy for treasury shares and derivatives on shares since both are recognised under the same equity item. Chapter III of the report, “Other issues to consider in regard to financial reporting”, provides a detailed explanation of the CNMV’s criteria in this area.

In the case of two issuers that carried out capital increases in 2019, additional information was requested about the valuations used in the transactions. In one case, shares were issued as part of a business combination without taking into account their market value, while in the other case there was a non-monetary contribution of real estate assets, and details of the main assumptions used in the valuation were requested.

In regard to hybrid derivative instruments, additional information was requested from two entities on the main characteristics of these financial liabilities and the most relevant judgements used to account for them, to assess whether certain embedded derivatives should be separated from the associated host contract.

Provisions and contingencies

Provisions and contingencies are an area that involves judgements and estimates being made by entities.

Requests were sent to 12 issuers during the year in relation to lawsuits and arbitration and judicial proceedings in progress. The requests mainly concerned: i) disclosure of the provisions allocated, ii) uncertainties related to the amount or timing of the corresponding outflows, and iii) an update on the risk and status of the procedures. Additionally, one issuer was asked to estimate the interest and costs deriving from an unfavourable arbitration decision and another was asked for information as to why certain amounts were recognised as provisions and not as debt.

Lastly, a request was sent to one issuer concerning the provisions made to cover the guarantees extended to its customers.

Property, plant and equipment, intangible assets and real estate investments

Although non-current fixed assets are not generally an area with a high-risk component, eight issuers were issued requests relating to their fixed assets or real estate investments.

The following request subjects stand out: i) compliance with the requirements for the capitalisation of development expenses (two issuers), ii) valuation of real estate investments (three issuers) and iii) justification of the estimated useful life of audiovisual rights (one issuer).

Other actions in 2020

Claims and complaints related to the 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. In 2020 these actions included requests for information sent to three entities.

The main matters referred to in the claims and complaints received relate to the following aspects of the financial statements: i) the infeasibility of complying with the creditors' agreement by one issuing entity and its subsidiary, and the right of a financial entity to recover the amount of a capitalised credit; ii) the valuation of certain assets, as well as the communication of allegedly fraudulent information; iii) the existence of irregularities in the valuation of a corporate transaction that could compromise the independence of the expert responsible for the work; iv) the existence of financial aid for a subsidiary; v) the drawdown of a line of guarantees and the amounts obtained from the arbitration of a project, and vi) the lack of information in the statement of non-financial information in relation to matters related to the environment and human rights and the advisability that the CNMV should prepare guidelines to ensure compliance with the information disclosure obligations of Law 11/2018.

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

In 2020 there were no actions concerning application processes by any entity to lift share listing suspensions.

CNMV

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

2019

Information related to the insolvency proceedings of listed companies in 2020

In 2020, the CNMV put forward the appointment, in accordance with the provisions of Article 27 of the Insolvency Act, of the insolvency practitioner of a listed entity,³⁴ after having received and assessed the relevant applications.

II.B Special analyses carried out in 2020

Analysis of the first-time application of IFRS 16 (Leases)

On 1 January 2019, IFRS 16 (Leases) entered into force. This standard, which replaces IAS 17, establishes the criteria for the recognition and valuation of right-of-use assets and liabilities for leases. In the first year of mandatory application, ESMA and the CNMV included the application of this standard among their supervisory priorities for the 2019 annual accounts.

In 2020, the CNMV reviewed the impact of the entry into force of IFRS 16 on companies subject to substantive review, obtaining the following conclusions:

- Entities had two **possible transition methods**: i) either the restatement of the information corresponding to previous periods in accordance with IAS 8 (Accounting policies, changes in accounting estimates and errors), or ii) the recognition of the accumulated effect from the initial application as of 1 January 2019, using retained earnings reserves as a counterparty. All entities analysed chose the second option and did not restate their comparative information, although one company in the energy sector also applied this option in advance, from 1 January 2018.
- At a **quantitative** level, the recognition of rights-of-use in the first-time application of IFRS 16 meant, for the entities analysed, an average increase in assets of 1.4% and an increase in financial liabilities of 2.1%.

The following table shows the impact on entities subject to substantive review as of the date of first-time application (1 January 2019) by sector of activity.

Information on IFRS 16 by sector

TABLE 3

%

	Impact on assets	Impact on financial liabilities
Trading and services	14.1	33.6
Manufacturing	11.9	77.2
Construction and real estate	1.6	3.4
Energy	1.5	5.5
Financial and insurance entities	0.4	0.5

Source: CNMV.

Entities in the trading and services and industrial sectors account for most of the impact, due to the effect of this standard on premises, transport and machinery held under operating leases, which under IAS 17 were not reflected in the balance sheet.

The following table shows the impact at the date of first-time application on the trading market of entities subject to substantive review.

Information on IFRS 16 by market

TABLE 4

%	Impact on assets		Impact on financial liabilities	
	lbex	1.4		1.9
	Electronic market	5.4		9.4
	Open outcry and fixing markets	9.3		55.4
	Fixed income	0.1		0.2

Source: CNMV.

The **main supervisory actions** are described below:

- 52% of the entities reviewed were asked to clarify the accounting treatment applied to leases or additional disclosures of information. Seven entities recognised presentation errors or inaccuracies in the description of the accounting policy applied, although the impact was not significant in any case.

Additionally, written recommendations were included for 45% of the entities reviewed on the basis that their disclosures could be improved or where non-material errors were detected in the first-time application of the standard.

In general terms, the entities reviewed provided sufficient information for an understanding of the impact of the implementation of IFRS 16, although in certain cases additional information was requested:

- i) Requests were sent to two entities for not reporting the impact of the entry into force of IFRS 16 or for only providing qualitative information.
 - ii) Two companies did not adapt their lease valuation standards to the criteria of IFRS 16, for which reason they were sent letters requesting clarifications.
- In regard to the **rights-of-use** recognised, additional information was requested from nine entities for the following reasons:
 - i) Accounting treatment applied to assets that could be considered “shared use” (two entities).
 - ii) Application of practical solutions to lease portfolios with similar characteristics (three entities).
 - iii) Criteria for determining the repayment term (four entities).
 - iv) Restrictions on the use or maintenance of assets (three entities).

Further, three entities were reminded in writing to include disclosures of the above points in their annual accounts in future years.

- Regarding the initial recognition of **lease liabilities**, nine entities were asked to provide information on the following matters:
 - i) The extension options included in their lease contracts and information on the judgements used to establish whether there is reasonable certainty that the options will or will not be exercised (nine entities).
 - ii) Inclusion of the entity's historical experience in the estimation of the period (four entities).
 - iii) Accounting treatment of lease contract modifications taking place after 1 January 2019 (two entities).
 - iv) Calculation of the discount rate applied to obtain the initial valuation of the lease liability (three entities).
 - v) Reconciliation between operating lease commitments calculated in accordance with IAS 17 and the lease liability recognised in the first-time application of IFRS 16 (five entities).
- In regard to the **impairment test**:
 - i) Detail of the CGUs to which significant rights-of-use are assigned (three entities).
 - ii) Amendments of the methodology followed to the affected CGUs for impairment (seven entities).
- IFRS 16 requires certain **changes in the presentation** of financial statements. In 2020, requests were sent to five entities for the following reasons:
 - i) Recognition of rights-of-use under different headings of the balance sheet (two entities).
 - ii) Classification of payments corresponding to the principal of the lease liabilities in the statement of cash flows (three entities).
- Additional information was requested in writing from one entity in relation to **sale and leaseback transactions** carried out in 2019 and the judgements applied to assess whether those transactions fell within the scope of IFRS 15.
- Lastly, with regard to **information disclosures**, requests were sent to 15 entities asking them to provide information, among others, on the following matters:
 - i) Future payments to which the lessee is potentially exposed but which are not reflected in the initial valuation of the lease liabilities (seven entities).
 - ii) Disclosures for short-term or low-value leases (two entities).

In regard to entities applying IFRS 16 from the standpoint of the lessor, the main disclosures requested were as follows:

2019

- i) Whether variable charges exist that depend on different rates or indices (one entity).
- ii) The timing of minimum charges for non-cancellable operating leases (one entity).

Additionally, written recommendations were sent to six entities asking them to extend the disclosures related to their lease contracts in annual accounts for future years.

Impact of COVID-19 on 2020 interim financial information

On 11 March 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic. This triggered a global health warning which had significant economic and social implications, and which has affected productive activity, demand and social well-being.

As a result of this situation, ESMA published: i) in March 2020, a statement on the implications of COVID-19 on the calculation of expected credit losses in accordance with IFRS 9³⁵ and, ii) in May 2020, a written document on the implications for half-yearly financial information.³⁶

Chapter II.A of this report describes the supervisory actions carried out by the CNMV in relation to the impacts of COVID-19 and disclosure in the regulated financial information, as a result of the review work carried out during 2020.

The first regulated financial reports affected by the declaration of the pandemic were the **2019 annual financial statements**. Specifically, those filed with the CNMV in 2020:

- i) In 65% of the cases there was no reference to COVID-19 because the statements had been formulated prior to the declaration of the pandemic.
- ii) In 32% of cases it was included as an event after the reporting period and in 36% of these the auditor included an emphasis of matter paragraph in its report in relation to COVID-19.

94% of these entities considered COVID-19 a non-adjustable event after the reporting period and only qualitative information was provided due to the difficulty of estimating its impact, as it was too early to do so and there was a great deal of uncertainty over how the situation would evolve.

- iii) In 3% of cases it was factored into the estimates used, given that the year-end date was later than 11 March 2020.

35 https://www.esma.europa.eu/sites/default/files/library/esma32-63-951_statement_on_ifrs_9_implications_of_covid-19_related_support_measures.pdf

36 https://www.esma.europa.eu/sites/default/files/library/esma32-63-972_public_statement_on_half-yearly_financial_reports_in_relation_to_covid-19.pdf

In addition to the provisions of the CNMV's review plan, the interim financial information submitted up to 5 May 2020 was reviewed, which generally corresponds to the **interim management report for the first quarter** of the year. Specifically, 44 entities were reviewed and it was observed that:

- i) 98% mentioned the impact that the pandemic had had on their activity, mainly in qualitative terms, since the impact at that time was limited, referring generally to figures from 31 March 2020 onwards.
- ii) 68% referred to the expected impacts of COVID-19 in qualitative terms or indicated that reliable information could not be provided due to the existing uncertainty.
- iii) 9% provided quantitative data on the estimated future impact.

Lastly, as in previous periods, in 2020 the CNMV published statistics on listed companies on its website: "Economic and financial information on entities with securities admitted to trading on Spanish regulated markets", prepared from the **interim financial reports for the first half of 2020**, submitted up until 19 November 2020. These statistics indicate:

- i) A 67.5% drop in the aggregate operating profit for the period compared to the same period of the previous year.
- ii) Aggregate net losses in the period of €11.9 million, compared to a net profit of €24.2 million in the same period of the previous year.
- iii) A 2.5% drop in the workforce and a 54.5% decrease in dividends paid.

From the information submitted by issuers, it would appear that some of the most significant impacts of COVID-19 were:

- A decrease in income and margins due to the drop in activity caused by the measures implemented to control the pandemic, most significantly the restrictions on mobility and the closure of activity.
- An increase in recognised impairments due to the rise in credit risk and the lower estimates for recoverable value in asset impairment tests.
- An increase in indebtedness to strengthen the liquidity position of entities not related to credit or insurance activity.

In contrast, credit institutions saw: i) an increase in lending, driven by the economic support programmes carried out by governments and central banks to provide liquidity and credit facilities to individuals and companies, with the ICO-secured loans granted in Spain standing out, and ii) liquidity positions increased, among other aspects, due to preventive management actions undertaken to strengthen their position and the measures applied by central banks to improve the liquidity of the system and stabilise the markets, with the ECB's TLTRO III programme standing out.

- The devaluation of currencies and stock market falls that led to a decrease in the equity item "Translation differences" and in the valuations of Tier 1 financial assets and liabilities.

CNMV

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

The impact of COVID-19 and the uncertainty related to the potential outcome and effects of this situation on issuers' transactions and financial situations was reflected in the limited review or audit reports carried out on the financial information for the first half of the year. In 28% of cases, the auditor included an emphasis of matter paragraph related to COVID-19.

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II.C Main areas of review of financial information in relation to the 2020 annual accounts

In October 2020, ESMA published its common enforcement priorities for the application of European regulations for 2020 annual accounts,³⁷ differentiating between financial information and non-financial information, and in both cases the impact of COVID-19 is the main common thread.

ESMA, together with the national supervisors of the European Union, will pay particular attention to these areas when monitoring and assessing the implementation of the needed requirements and will also continue to focus on the aspects that are important for the different issuers analysed.

The common enforcement priorities for the annual financial reports refer to the application of the following standards:

- i) IAS 1 (Presentation of financial statements).
- ii) IAS 36 (Impairment of assets).
- iii) IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments: Disclosures).
- iv) IFRS 16 (Leases).

Likewise, the CNMV has included, as an additional priority for financial information, the monitoring of specific issues related to the application of IFRS 15 (Revenue from contracts with customers).

As previously indicated, the ESMA communication also establishes the enforcement priorities for non-financial information – see Chapter IV of this report – and highlights other aspects such as:

- i) Follow-up to ESMA Guidelines on Alternative Performance Measures, particularly in the current COVID-19 environment³⁸ and the recommendation that the incidents detected in the report published in December 2019 on the use of

37 https://www.esma.europa.eu/sites/default/files/library/esma71-99-1422_press_release_european_common_enforcement_priorities_2020.pdf

38 ESMA32-51-370 Questions and answers – *ESMA Guidelines on Alternative Performance Measures (APMs)*. 17 April 2020 (Q&A 18).

alternative performance measures and compliance with the guidelines be considered,³⁹ in particular, the recommendations provided in section 5.4 et seq.

- ii) The responsibility of the entities' management bodies and the importance of the supervision that the audit committee must carry out, given the complexity of the current environment.
- iii) The breakdown of the impact that Brexit will have on the activities of issuers and on their financial and non-financial information.

Lastly, in accordance with the guidelines issued by ESMA on the enforcement of financial information, the national authorities will inform ESMA about the actions carried out in 2021 and the measures implemented if any breaches are detected. ESMA will publish a summary of the enforcement actions carried out in its *Activity Report*.

Those aspects in the ESMA document relating to financial disclosures 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 to read the ESMA statement in full.

Application of IAS 1 (Presentation of financial statements)

Going concern assumptions

In the current environment of uncertainty caused by COVID-19, ESMA expects issuers to:

- Provide sufficiently detailed disclosures on their ability to continue as a going concern when this assessment requires significant judgements.
- Take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period (IAS 1, para. 26).
- Disclose material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern (IAS 1, para. 25) and which therefore must be entity-specific (IAS 1, para. 26).

If applicable, describe the judgements made in reaching the conclusion that there are no material uncertainties (IAS 1, para. 122), such as the feasibility and effectiveness of any planned mitigation initiatives.

ESMA and the CNMV point out that they may request the information that justifies their assessment of the going concern assumptions and analyse its consistency with other information presented in the financial statements.

39 ESMA32-334-150 Report – *On the use of Alternative Performance Measures and on the compliance with ESMA's APM Guidelines*. 20 December 2019

Significant judgements and estimation of uncertainty

Main areas of review
of financial information
in relation to the 2020
annual accounts

In the current context, ESMA emphasises the need for issuers to:

- Provide sufficiently detailed disclosures about the judgements that management has made in the process of applying the entity's accounting policies, particularly those that have the most significant impact on the figures included in the financial statements (IAS 1, para. 122).
- Disclose future assumptions and other causes of uncertainty in the estimates made in the year, when they have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year (IAS 1, para. 125).
- Provide information about the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculations (IAS 1, para. 129).
- Explain how COVID-19 has affected their main judgements and estimates used and how it has impacted their financial statements.

Presentation COVID-19 related items in the financial statements

ESMA calls for caution regarding any separate presentation of the impacts of the COVID-19 pandemic in the profit or loss statements and expects that a clear and unbiased representation of the multiple areas affected by the pandemic will be provided. Therefore, it encourages issuers to disclose qualitative and quantitative information on the significant impacts of COVID-19 and the methodology applied for their determination.

If the impacts are explained in multiple notes, ESMA expects clear cross-referencing amongst the relevant notes to be provided.

Application of IAS 36 (Impairment of assets)

ESMA considers that the adverse impact of COVID-19 provides a strong indication that one or more of the impairment indicators in IAS 36 have been triggered for many issuers. Therefore, it expects issuers to:

- Carefully assess the effects of the pandemic in assessing any indications of impairment for non-financial assets (IAS 36, para. 9).

In this regard, the CNMV expects issuers to provide details, where appropriate, when significant judgements have had to be applied and the reasons why they concluded that there were no indications of impairment.

- When issuers conclude that there are indications of impairment they should carry out impairment tests bearing in mind that it may be necessary to update the test carried out on the interim financial information. In this case, a disclosure should be included describing how the assumptions and measurements have changed in the annual financial statements compared to those used in the interim financial reporting.

In the event that the recoverable value is calculated as fair value less cost to sell, the CNMV considers that it would be useful to report how these costs are calculated.

- Perform the impairment test for cash-generating units to which goodwill has been allocated (on the same date as in previous years), reassess the assumptions used and, where necessary, update them for the annual test (IAS 36, para. 96), describing the assumptions and measurements used and whether they have changed, if at all, during the year (IAS 36, para. 134D and 134E).
- Explain how the existing uncertainty has been factored into impairment testing: through the estimation of cash flows or by adjusting the discount rate (IAS 36, para. 55 to 57).
- In relation to estimating cash flows, ESMA expects issuers to:
 - i) Consider modelling various scenarios when estimating future cash flow if they provide more relevant information.

In this case, the CNMV considers it useful to disclose these scenarios along with the probability of occurrence assigned to each of them.

- ii) Give greater weight to external evidence (IAS 36, para. 33).
- iii) Not to reflect cash inflows and outflows expected to arise from a future restructuring to which the entity is not yet committed or from improving or enhancing the asset's performance (IAS 36, para. 44).
- iv) Explain if and when they consider the return to pre-crisis cash-flow levels realistic and what time horizons were considered in relation to post-COVID-19 scenarios.
- Provide detailed disclosure of the sensitivity of the recoverable amounts of CGUs (IAS 36, para. 134F) and details of significant changes in key operational and financial assumption(s) affected by COVID-19, such as the expected timing to return to pre-crisis levels of economic activity.

ESMA emphasises that the current uncertain economic situation and the difficulty of forecasting may suggest that the scale of reasonably possible changes in the key assumptions used in sensitivity testing will be larger than usual.

- Provide the required disclosures for CGUs containing goodwill or assets with indefinite useful lives in all impairment tests performed (IAS 1, para. 129).

In this regard, the CNMV wishes to draw attention to the impact that the energy transition may have when estimating the recoverable value of the CGUs or the assets related to this activity.

General considerations relating to risks arising from financial instruments

ESMA emphasises that the pandemic may have given rise to new significant financial risks that did not exist before or which were not as significant and highlights that it is important for issuers to disclose information that allows the significance of financial instruments in their financial situation and performance to be assessed, and the nature and extent of risks arising from financial instruments (IFRS 7, para. 1). Therefore, it reminds issuers to:

- Disclose how financial risks arise and how they are managed, taking into account the specific objectives, policies and processes put in place to address those risks.
- Disclose qualitative and quantitative information in relation to the risks arising from financial instruments (IFRS 7, para. 32A).
- Provide information on financial risk concentrations, including qualitative information (IFRS 7, para. 34C and para. B8), and how they are measured.
- Provide a sensitivity analysis for each type of market risk, showing how profit and loss for the year and equity would have been affected by changes in the relevant risk variable that were reasonably possible (IFRS 7, para. 40A).
- Disclose, based on the information used internally, of the events and transactions that might reveal liquidity risk include, for example, new significant amounts of debt, debt renegotiations, new financial arrangements or the breach of debt covenants.

Specifically, in relation to liquidity risk (IFRS 7, para. 39), issuers should:

- i) Explain how the quantitative data disclosed in relation to their exposure to this risk is established (IFRS 7, para. B10).
- ii) Include undiscounted contractual cash flows in the maturity analysis (IFRS 7, para. B11D), taking into account that, when a counterparty has a choice of when an amount is paid, or when an entity is committed to make amounts available in instalments, these flows will be included in the earliest time band (IFRS 7, para. B11C).
- iii) Disclose, if applicable, a maturity analysis of the financial assets they hold for managing liquidity risk (IFRS 7, para. B11E).
- iv) Disclose the factors that may affect liquidity risk, such as: borrowing facilities, deposits held in central banks or instruments that include accelerated repayment terms or that could require the posting of collateral (IFRS 7, para. B11F).
- v) Disclose any arrangements that take the form of supply chain financing or, more specifically, reverse factoring transactions which may give rise to liquidity risks.

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- Provide the level of disclosure required by IFRS 7, para. 35H to explain the changes in loss allowance by classes of financial instruments compared to the previous period and the reasons for these changes, also explaining how changes in the gross carrying amount of financial instruments contributed to changes in the loss allowance (IFRS 7, para. 35J).
- Issuers which have benefited from forbearance or payment moratoria measures should clearly disclose this fact, along with the features of any such measures to enable users to understand any risks that may stem from their discontinuation.

In this regard, the CNMV establishes that if there are changes in the contractual flows of financial assets and liabilities and there is no derecognition, the net gain or loss recognised as a result of the change must be disclosed.

Specific considerations related to application of IFRS 9 for credit institutions

In relation to estimating expected credit losses (ECL), ESMA reminds issuers to:

- Reflect in an unbiased way the significant uncertainty that characterises the current economic environment by taking into account all reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available without undue cost and effort (IFRS 9, para. 5.5.17).
- Provide information on: i) how they determine whether the credit risk of financial instruments has increased significantly and the cases of restatement or modification of contractual flows, ii) when they consider that there is a default or a write-down and iii) when and how collective estimates are made (IFRS 9, para. 35F).

In this regard, the CNMV reminds issuers that their accounting policy for estimating ECL should not consider the exclusion, in general, of an individual assessment of financial assets, depending on their stage.

- Describe the macro-economic scenarios considered and any changes compared to scenarios used in the projections for the previous year or the last interim financial report (IFRS 7, para. 35G).
- Detail and justify, where appropriate, any post-model adjustments and describe: i) the methodology used, ii) its impact on the ECL estimate, and iii) the specific risks they aim at capturing and why they were not factored in the ECL model.
- Explain the changes in loss allowance by classes of financial instruments compared to the previous period (IFRS 7, para. 35H) and which part of that change is due to significant changes in the carrying amount of financial instruments (IFRS 7, para. 35I).
- Provide detailed information on credit risk exposures and on the related risk concentration for the different categories identified and provide a separate explanation of any exposures, concentrations and any significant variations

linked to COVID-19 as well as to other specific factors or events (IFRS 7, para. 35M and B8H).

- Disclose any support measures granted, such as debt moratoria, their effects on the financial statements and, where appropriate, how they have affected the definitions of significant increase in risk, credit impaired assets or write-downs.
- Disclose, where applicable, a sensitivity analysis of the calculation of ECL and explain: i) the sensitivity of the ECL (including an analysis for each of the stages) to the underlying assumptions and parameters (including the use of different scenarios and their weights), ii) sensitivity ratios and iii) the methodology used to calculate the sensitivity.

Application of IFRS 16 (Leases)

For lease contracts that have been amended due to COVID-19, ESMA draws attention to the following aspects:

- Lessees which have applied the amendment to IFRS 16 must include the specific disclosures indicated in paragraph 60A of the standard.
- Lessors which have granted rent concessions, particularly in sectors for which the impact of the COVID-19 pandemic has been most severe, should provide adequate disclosures reflecting the risks that the current market conditions may result in significant changes in the assets subject to operating lease agreements.
- Lessees and lessors should clearly disclose the accounting policy applied to any relief measures they have received or granted.

Further, even if a lease contract has not been amended, ESMA recommends that in the context of the pandemic, lessees should carefully consider the disclosures required by IFRS 16 (para. B48) in regard to: i) the flexibility provided or particular restrictions imposed by lease contracts, ii) the sensitivity of reported information to key variables, and iii) the exposure to other risks arising from leases including, for example, liquidity risks, deviations from industry practice, unusual or unique lease terms and conditions.

Additionally, ESMA reminds lessees to disclose:

- Expenses and depreciation charges which impact the statement of profit or loss for the reporting period, including separately those relating to variable lease payments not included in the measurement of lease liabilities, such as those stemming from variable payments or short-term or low-value leases (IFRS 16, para. 53).
- A maturity analysis of the lease liability (IFRS 16, para. 58).
- Future cash outflows to which the lessee is potentially exposed that are not reflected in the lease liability, including variable lease payments, extension

and termination options, residual value guarantees and leases not yet commenced to which the lessee is committed (IFRS 16, para. 59).

Lastly, ESMA notes that IFRS 16 requires the application of the disclosure requirements of IAS 16, IAS 36, IAS 38, IAS 40 and IAS 41 for assets subject to operating leases.

Follow-up of specific issues related to the application of IFRS 15 (Revenue from contracts with customers)

As a result of the supervisory actions described in Chapter II.A of this report, the CNMV has included the following aspects related to the application of IFRS 15 as a supervisory priority.

Accounting standard for revenue recognition

In accordance with IFRS 15 (para. 110), the objective of the disclosures required by this standard is to provide sufficient information to understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

To achieve this objective issuers must provide information on how the principles of IFRS 15 affect their sources of income. Therefore, the CNMV will check that issuers:

- Identify and describe their various performance obligations resulting from contracts with customers (IFRS 15, para. 119).

The CNMV emphasises that there must be consistency between the performance obligations identified in the revenue recognition standard and in the breakdown of revenue.

- Explain the judgements and changes made to determine a transaction price for the identified performance obligations, estimate the variable consideration, and measure obligations for returns, refunds and other similar obligations (IFRS 15, para. 126).
- Identify whether the performance obligations are satisfied at a point in time or over time, and disclose the judgements made to conclude that control has been transferred or how the progress of the performance obligation is measured (IFRS 15, para. 124 and 125).

Identification of distinct performance obligations

In accordance with IFRS 15 (para. 22), issuers must assess whether the goods and services committed to in a contract are distinct, in which case they constitute independent performance obligations, or if they are a series of distinct goods or services, which together constitute a single performance obligation. Similarly, when two or more contracts are signed with the same client at the same time, or almost at the same time, entities must apply their judgement to determine whether a combination of contracts has occurred, in which case they must be accounted for as a single contract (IFRS 15, para. 17).

Thus, IFRS 15 (para. 27) specifies that one of the criteria for two or more goods or services committed in a contract to be considered distinct or separate is: “[...] The entity’s promise to transfer the good or service to the customer is separately identifiable from other promises in the contract”.

In this regard, in March 2018 a decision of the IFRS Interpretations Committee (IFRS IC) was published regarding the recognition of revenue in a real estate contract, according to which a contract for the sale of land and building could be considered to be two separate promises if the entity were to conclude that: i) its performance in the building would be the same if it had not also transferred the land, and ii) it could deliver on its building promise even if the client had purchased the land from another party, and it could fulfil its promise to transfer the land if the building had been carried out by a third party.

In their assessments issuers must identify their existing performance obligations (IFRS 15, para. 22 to 30), interpret whether the goods or services provided are distinct from each other and determine whether the asset is transferred at a specific time or as an obligation is satisfied (IFRS 15, para. 38).

The CNMV expects issuers to disclose their most significant judgements in order to understand the revenue recognition policy established in these cases.

Non-refundable upfront fees for contracts with customers

In accordance with the provisions of paragraphs B48 to B50 of IFRS 15, for the recognition of non-refundable upfront fees as revenue, issuers must assess: i) if the fee relates to the transfer of a promised good or service and, if applicable, whether it should be accounted for as a separate performance obligation, and ii) if the upfront fees are an advance payment for future goods or services and therefore should be recognised as revenue when the future goods or services are provided.

Specifically, in January 2019 an IFRS IC decision was published, regarding the recognition of the fees charged by stock exchanges for admitting securities to trading, according to which, for the recognition of these non-refundable upfront fees an assessment must be made of when transfer of the goods or service occurs. In this case, the service provided to the customer (their securities are admitted to trading) would appear to be the same at the initial time of admission to trading and on the days following their admission to trading, and their upfront fee should be deferred over time.

The CNMV asks issuers to consider the specific clauses of the contract and analyse whether, at the time of signing, the accrual is conditional on the fulfilment of an obligation or the provision of a service during a period of time, in which case the fee should be deferred over the time during which the entity is obliged to provide the service (IFRS 15, para. B49).

In any case, the CNMV expects that in these cases sufficient information will be included in the financial reports and the judgements applied by the entity will be disclosed.

Sale of a business and signing of an exclusive contract to receive the services of the business sold

The CNMV understands that paragraphs 70 to 72 of IFRS 15 are applicable and expects issuers to assess whether the recognition of the full amount of the capital gain obtained from the sale of the business is appropriate or whether, on the contrary, part of the price or consideration received must be recognised at the fair value of the exclusivity obligations arising from the contracts with the buyer and, consequently, its recognition as revenue should be deferred as the identified exclusivity obligations are met.

In these cases, the CNMV will verify that issuers explain the judgements they have made to reach their conclusions and that these support the amount recognised in the statement of profit or loss for the transaction.

Disclosure of contract balances

The CNMV will review compliance with the information disclosures required under IFRS 15 (para. 116 to 118). In particular, when they are material, issuers must:

- Identify receivables, contract assets and contract liabilities from contracts with customers.
- Indicate how the timing of satisfaction of their performance obligations relates to the typical timing of payment.
- Explain any significant changes in the contract asset and the contract liability balances during the year.

III Other issues to consider in regard to financial reporting

In this chapter, the CNMV draws attention to certain issues arising from regulatory changes or its supervisory work.

European Single Electronic Format (ESEF)

With the entry into force from 1 January 2020 of Commission Delegated Regulation (EU) 2019/815, of 17 December 2018, supplementing the Transparency Directive with regard to the specification of a single electronic reporting format, the annual financial reports of listed entities corresponding to the tax years beginning on or after 1 January 2020 and published on or after 1 January 2021 must be submitted in electronic format.

This means that issuers must prepare their annual financial reports only using the XHTML format. In addition, when there are consolidated financial statements prepared in accordance with IFRS, in order to ensure better accessibility, analysis and comparability, the main financial statements should be marked using XBRL (eXtensible Business Reporting Language) tags. The block labelling of the notes to the consolidated financial statements will also be mandatory from 2022.

For labelling the 2020 consolidated financial statements, issuers must use the XBRL language tags and the base taxonomy included in the delegated regulation that is derived from the IFRS taxonomy, and will be able to use the taxonomy for 2019 for this first year. Otherwise, they may voluntarily apply the updated version included in Delegated Regulation (EU) 2020/1989, of 6 November 2020, as regards the 2020 update of the IFRS taxonomy. When it is not appropriate to use the base taxonomy to mark elements in their consolidated financial statements, issuers must create an extension to such base taxonomy.

The individual annual financial report must be presented in XHTML format, while the consolidated annual financial report will consist of a single information package containing the Inline XBRL document together with the taxonomy extension files.

The CNMV held an ESEF dissemination session in October 2019 to explain the main aspects to be taken into account by issuers in order to adapt to the new submission requirements for annual financial reports.

It is worth highlighting the content of the European Commission Communication of 10 November 2020, which clarifies some of the provisions of EU law regarding the preparation, auditing and publication of financial statements drawn up in accordance with Delegated Regulation (EU) 2019/815. Among other matters, these indicate that the responsibility for preparing and publishing the annual financial

report in European Single Electronic Format (ESEF) lies with the issuer's board of directors, management or control body and that the auditor's conclusions following its verification of compliance with the legal requirements established in the ESEF Regulation must be included in the audit report.

The content of the aforementioned interpretive communication is aligned with the joint statement of the Spanish College of Registrars, the Institute of Accounting and Auditing of Accounts and the National Securities Market Commission of 30 April 2020⁴⁰ in relation to the formulation and deposit of the annual accounts of securities' issuers European Single Electronic Format.

Extension of deadlines deriving from Royal Decree-Law 8/2020

Article 41 of Royal Decree-Law 8/2020, of 17 March, on extraordinary urgent measures to deal with the economic and social impact of COVID-19, establishes that exceptionally in 2020 the deadline for submitting the interim management report and half-yearly financial statements will be extended to four months.

Thus, it should be noted that the deadline established in Royal Decree-Law 8/2020 does not apply to financial reports for the second half of 2020, which must be published and submitted in 2021 in accordance with the terms established by the Spanish Securities Market Act.

Submission of requests using electronic notification

Law 39/2015, of 1 October, on the Common Administrative Procedure of Public Administrations repeals the previous regulation and amends Law 11/2007, of 22 June, on electronic access of citizens to public services and its implementing regulations. The amendment entered into force on 2 October 2020, in regard to this matter, following the approval of Royal Decree-Law 11/2018, of 11 August.

One key change it brings about is the configuration of the electronic relationship with the government, not only as a right, but as an obligation for certain subjects, and therefore in 2020 communications on regulated financial information were sent to issuers using electronic notifications.

In this regard, it is recommended that the secretary to the board of all listed entities be registered as an authorised person in the CNMV's electronic office,⁴¹ so that when a request is sent from the Financial and Corporate Reports Department in regard to matters of regulated financial information, it can be notified through the electronic office.

40 Joint statement of the Spanish College of Registrars, the Accounting and Auditing Institute and the National Securities Market Commission, of 30 April 2020. Available at: <https://www.cnmv.es/portal/verDoc.axd?t={a7b04d70-5bec-449f-acbc-08bca5d728fa}>.

41 For questions regarding the procedure to register the secretary to the board as an authorised person in the CNMV's electronic office, call 902 180 772 or email sedecnmv@cnmv.es.

Content of the half-yearly financial report

Other issues to consider
in regard to financial
reporting

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

As in the *Report on the review of annual financial reports for 2018*, the CNMV reminds issuers of some issues included in the completion instructions:

- If the half-yearly report has been subject 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, and keys 8000, 8001 and 8002 filled in.
- 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 occurring since the date of the most recent annual financial report that are relevant for 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.
- If the financial report is published for the full second half-yearly period and not for statistical purposes, the content of the explanatory notes or the summarised half-yearly financial information that must be included in Chapter V must be specific for the second half of the year. In other words, it is not the same as the annual report.

Additionally, issuers are reminded that in accordance with rule one of Circular 3/2018, if the annual financial report is submitted in the first two months of the following year, the financial report for the second half-yearly period must be submitted on the same date as the annual financial report is published, for statistical purposes.

Acquisition of interests through the delivery of shares

As part of its review of the financial information, the CNMV identified the following situations:

- On occasion, contracts for the acquisition of non-controlling interests grant the buyer the possibility of settling the transaction i) in cash or ii) through the delivery of shares.

In accordance with IAS 28 (Investments in associates and joint ventures, para. 10), the cost at initial recognition, according to the conceptual framework, will be the cash paid or the fair value of the consideration delivered or pending payment in exchange at the time of acquisition.

The CNMV has emphasised that if the purchase price is not settled through the delivery of shares, the acquisition cost would not be the purchase price established in the contract but the fair value of the shares delivered.

- In business combinations in which the consideration given consists of shares of the listed entity, companies may occasionally use as a reference the fair value of the share amounts calculated by discounting cash flows or using a peers comparison method (both at level 2 or 3 of the fair value hierarchy), even though there may be a quoted price (level 1 of the hierarchy).

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In this regard, paragraph 69 of IFRS 13 (Fair value measurement) specifies that the price quoted in an active market represents the best estimate of fair value and should be used without adjustment whenever available.

The CNMV reminds issuers that, in a context in which there are daily sale and purchase transactions for the entity's shares, it cannot be claimed that the market is not active and, therefore, the quoted price should be taken as the closest approximation of fair value. This is the case even when the normal market trading volume is not sufficient to absorb the number of shares delivered as payment in a corporate transaction, in accordance with the provisions of IFRS 13 (para. 80).

Provisions for risks and expenses deriving from trades for the sale of assets

As part of its supervisory work carried out in 2020, the CNMV detected the recognition of "Provisions for risks and expenses" on the basis of ongoing trades for the sale of assets, with no firm commitment, which were considered *highly probable* to take place at a price lower than their carrying amount.

In these cases, the CNMV expects issuers to assess whether the sale price being traded is an indication of impairment of the asset and, therefore, an adjustment of its recoverable value. If there is also a firm, explicit or implicit commitment and it has been concluded that the carrying amount of the assets is in accordance with applicable accounting regulations, issuers must further assess whether it is an onerous contract, within the scope of IAS 37 (para. 69) and, where appropriate, recognise and measure the present obligations deriving from it as provisions.

It is therefore considered that an explicit or implicit present obligation exists when the issuer has no other realistic alternative other than to comply with the commitments or responsibilities assumed vis-à-vis third parties. Thus, paragraph 67 of IAS 37 establishes that contracts that can be revoked without paying any compensation to the counterparty do not give rise to an obligation.

Alternative Performance Measures (APMs)

According to question 2 of the questions and answers document on APMs published by ESMA, if an APM is disclosed on and off the financial statements, the APM Guidance should be applied.

In this regard, it should be noted that, in accordance with IAS 1 (Presentation of financial statements), the objective of financial statements is to present information that is useful, clear and understandable to users of financial information. Specifically:

- i) Paragraph 85A states that when an issuer presents additional subtotals to those set out in IAS 1 that are necessary to understand its financial performance:

“[...] They must be presented and labelled in a manner that means the items making up the subtotal are clear and understandable”.

Other issues to consider
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reporting

- ii) Paragraph 85B requires any additional subtotals presented be reconciled with the totals or subtotals required under IFRS.

For this reason, the CNMV considers that, although not required under ESMA Guidelines, the APMs that are included on and off the financial statements of an issuer are key to understanding its financial position, financial performance and cash flows and, therefore, expects a reconciliation with IFRS figures to be provided in the financial statements.

Further, as part of its supervision tasks carried out in 2020, the CNMV detected that occasionally management reports use APMs with greater prominence than figures from the financial statements.

Specific aspects of IFRS 15

Estimated income from the sale of energy pending invoicing

At the end of the financial year, entities in the energy sector usually recognise net turnover and under assets in the balance sheet a significant amount corresponding to sales of energy that have been supplied but are pending invoicing, given that the normal meter reading period does not coincide with the annual accounts close.

The valuation of these un-invoiced sales is carried out on the basis of a series of complex estimates that require the application of criteria, judgements and assumptions by the managers, including the daily consumption figures obtained from historical client profiles (seasonally adjusted) and other measurable factors that may affect consumption.

Considering the materiality of the amounts recorded, the CNMV recommends that entities include in their explanatory notes qualitative and quantitative information on the main key assumptions taken into consideration and a range of values assigned to these assumptions, as well as an analysis of sensitivity to reasonably possible changes in the estimates made.

Revenue from the provision of services that require reservation

In the reviews of annual accounts carried out in recent years, it has been observed that on occasion revenue from the services that require a reservation by the client (e.g. flights or hotel services) are recognised in the profit and loss account at the time of the reservation is made rather than when the client uses the service, even when it is possible to cancel the reservation.

In accordance with IFRS 15 (para. 31), an entity shall recognise revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer.

In the opinion of the CNMV, especially in the case of reservations can be cancelled, the service cannot be understood to have been provided to the customer until the life of the reservation has expired, and hence, used by the customer, or cancelled.

The fact that the probability that a reservation will be cancelled is low or remote would lead to the recognition of revenue, in accordance with IFRS 15 (para. 56), only in the event that a service had been provided to the customer and the consideration to be received was variable.

Capitalisation of development expenses

Development activities are related to the application of new knowledge in the design of products or processes. It is often difficult to assess whether the expenses incurred in this activity meet the criteria for recognition as an asset, so a high level of judgement must be applied.

These activities are particularly important for companies in the technology and science sectors, such as pharmaceutical firms.

In this regard, the CNMV reminds issuers that development expenses must be recognised as intangible assets only if an entity can demonstrate that they meet all of the following conditions indicated in IAS 38 (para. 57):

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- ii) Its intention to complete the intangible asset and use or sell it.
- iii) The probability that the intangible asset will generate probable future economic benefits.
- iv) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- v) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Further, recognition and measurement rule six of the General Chart of Accounts lists the conditions that must be met for these costs to be capitalised, which are in alignment with IFRS.

Thus, from the moment that the management estimates that a project meets all the indicated specificities, the development costs incurred must be recognised under intangible assets in all financial information published, regardless of its scope, perimeter or period covered.

Likewise, entities must include sufficient information in their explanatory notes to provide an understanding of the reasons why they consider that the development of their projects meets the conditions required by accounting regulations to be capitalised.

Derivatives contracted on own shares

Other issues to consider
in regard to financial
reporting

In the supervision tasks carried out in 2020, it was observed that from time to time own shares on which entities have contracted financial derivatives are recognised under the heading “Treasury shares”.

IAS 32 (para. 23) details the accounting treatment applicable to contracts that contain an obligation for an entity to buy its own equity instruments in exchange for cash or another financial instrument, stating that a financial liability must be recognised for the present value of the redemption amount, with an offsetting entry in the group’s equity.

Although IAS 32 does not expressly state the equity heading under which these contracts should be recognised, the CNMV recommends that for greater clarity and to avoid confusion in the interpretation of the financial statements, only the own shares that the entity holds directly, indirectly or through intermediaries should be recognised as treasury shares.

Consequently, derivatives on own shares that are settled on delivery (such as equity swaps, share accumulation or obligations to purchase shares for an undetermined amount) should be recognised in equity under a heading other than treasury shares.

If the disclosure is not provided on the balance sheet, a very clear breakdown of the amounts recognised as treasury shares must be provided in the explanatory notes, differentiating between the entity’s own shares (held directly, indirectly or through of intermediaries) and other equity instruments, in particular those held through financial derivatives.

In any case, financial derivatives contracted on own shares that are settled for differences fall outside the scope of IAS 32 and must not be recognised under equity or, consequently, treasury shares.

Lastly, with regard to the obligation of listed companies to notify transactions made with their own shares, entities are reminded that they must take into account the content of the “Statement on the criteria used for reporting treasury shares transactions when the issuer has formalised equity swaps or similar financial instruments”, published by the CNMV on 22 May 2020.⁴²

Events after the reporting period

Throughout 2020, there were a number of situations that had a significant impact on the main estimates and judgements made by entities, some of which derived from COVID-19. These conditions are likely to remain in place during the early months of 2021, coinciding with the date of formulation of the annual accounts for 2020.

Thus, the CNMV reminds issuers that by virtue of the provisions of IAS 10, if, and only if, the events, whether favourable or unfavourable, that have occurred between the balance sheet date and the date of authorisation for issue provide additional

42 <https://www.cnmv.es/Portal/verDoc.axd?t=%7B171cb6c7-c7d1-43bb-b889-7ea281810426%7D>

information on circumstances that already existed on the balance sheet date, an adjustment to the financial statements should be made.

The rest of the events after the reporting period do not imply changes in the financial statements, but must be disclosed in the explanatory notes, describing the nature of the event and an estimate of its financial effects.

Specific issues related to the impairment test for non-financial assets

Goodwill

Within the scope of its supervision work, the CNMV has identified several areas for improvement in the annual accounts in relation to the impairment test, including the following:

- i) Identification of an entity's CGUs and, if these include various businesses, subsidiaries or geographical areas, an explanation why it is not possible to identify assets that generate independent flows at a lower level.
- ii) The information disclosures required under paragraph 134 of IAS 36 must be provided for each CGU to which goodwill or intangible assets with indefinite useful lives have been assigned.
- iii) When the quantitative information on the key assumptions is provided using ranges, entities must ensure that the variation between the lower and upper limits of the range is not excessively high.
- iv) Sensitivity analyses should reflect reasonably possible variations in the value assigned to the main key assumptions. In this sense, it would not be appropriate to consider variations that are lower than those seen in the assumptions over the previous year as *reasonably possible*.
- v) In accordance with IAS 36 (para. 83), a cash-generating unit to which goodwill is allocated for the purpose of impairment testing may not coincide with the level at which goodwill is allocated by currency and, therefore, for the purposes of calculating the conversion differences.

In the case of large CGUs that include different activities or geographies, entities should reflect their accounting policy in the event of sale or discontinuation of an activity included within a CGU, not only to calculate the amount of goodwill associated with the activity (IAS 36, para. 86), but also for the allocation by currency of the remaining goodwill.

Corporate assets

In the event that entities have identified assets, other than goodwill, which contribute to obtaining future cash flows from various CGUs, they must include additional disclosures in their explanatory notes to provide an understanding of the methodology used in the impairment test.

Among the information provided, the entities must:

- Identify the assets considered to be *corporate assets*, in accordance with IAS 36.
- Explain whether the recoverable value of the corporate assets may be established independently from the rest of the assets. If so, indicate whether this corresponds to its fair value less costs to sell or value in use, and the methodology followed to obtain it.
- Indicate the CGUs which the corporate assets contribute to.

In regard to the impairment test, in accordance with the provisions of IAS 36, issuers must:

- i) To the extent possible, distribute the value of the corporate assets reasonably among the corresponding CGUs to obtain their carrying amount.
- ii) Determine the recoverable value of each CGU.
- iii) Distribute the impairment or reversal corresponding to each CGU, obtained from the difference between points i) and ii) above, among the different assets that make up the CGU in a proportional manner (para. 104 and 123).
- iv) The allocation of the impairment obtained as described in point iii) above to corporate assets must not reduce their carrying amount to below their recoverable value, if this can be established independently from the rest of the assets (para. 105).
- v) The amount of the impairment loss that cannot be distributed to the asset in question will be distributed pro rata among the others that make up the CGU.

Impact of the entry into force of IFRS 16

Right-of-use assets are non-financial assets whose impairment must be measured in accordance with IAS 36, and generally their recoverable value will be measured through the CGU to which they have been allocated.

Despite being one of the priorities identified by ESMA and the CNMV for the 2019 annual accounts, many entities have not included information in their explanatory notes on how the entry into force of IFRS 16 has affected the methodology used to test their non-financial assets for impairment.

In accordance with paragraph 33 of IFRS 16, an entity shall assess and determine the possible impairment of recognised right-of-use assets through the application of IAS 36. If a right-of-use asset that generates cash inflows that are independent from those produced by other assets and the entity considers that there is some indication of impairment, then it must perform the corresponding test on the asset individually. However, they do not usually generate cash inflows independently, and the entity has to identify the CGU to which the right-of-use assets belong in order to include them in that unit and test for impairment. Therefore, the carrying amount of the right-of-use assets must be included in the carrying amount of the corresponding CGU, for purposes of comparison with the recoverable value of the unit.

Further, paragraph 78 of IAS 36 contemplates the possibility that on some occasions it may be necessary to consider some recognised liabilities to determine the recoverable amount of a cash-generating unit, as may occur if the disposal of a cash-generating unit would require the buyer to assume the liability.

The CNMV considers that this assumption is relevant when the recoverable amount of the CGU is measured as the fair value less the associated costs of sale and, to ensure a proper comparability between the carrying amount of the CGU and its recoverable value, the amount of the recognised liability should be deducted from its carrying amount and the net fair value of the cost of sale estimated as the amount that would be obtained from the joint use of the assets of the CGU and the liability.

Likewise, if the recoverable value of the CGU is measured according to its value in use, entities must assess whether a hypothetical sale of the unit would necessarily be carried out with the corresponding lease contracts and, therefore, with the associated payment obligations. If the entity concludes that this is the case, in accordance with paragraph 78 (last example), the CNMV considers that the carrying amount of the liability should be deducted from both the carrying amount of the CGU and its value in use. If, in contrast, the entity considers that paragraph 78 of IAS 36 does not apply, the lease liabilities should not be taken into account in the value in use of the CGU or in its carrying amount.

The CNMV considers that issuers would have to expand the disclosures on the methodologies, input data and main assumptions that have been amended by the entry into force of IFRS 16, for example, to establish the carrying amount and value in use of the CGUs to which the right-of-use assets have been allocated, as well as the treatment of the lease liabilities in the impairment test.

Similarly, it is useful to indicate which CGU or group of CGUs the significant right-of-use assets have been allocated, especially if there is little or no difference between the carrying amount and the recoverable value.

Amendment to IFRS 3 (Business combinations)

The CNMV wishes to draw attention to the amendment of IFRS 3, applicable to financial statements for the years beginning on or after 1 January 2020, which includes clarifications to identify whether issuers are looking at a business combination or an acquisition of assets.

According to the amendment published by the International Accounting Standards Board (IASB), for an acquisition to be classified as a *business*, it must have: i) inputs, and ii) a substantive process that contributes to the entity's capacity to create outputs.

Some of the main points in IFRS 3 are as follows:

- The existence of revenue does not on its own indicate the existence of both an input and a substantive process.
- It is not relevant whether a seller operated the set as a business or whether the acquirer intends to operate the set as a business.

- It is not necessary for an output to exist at the time of acquisition for the set of activities to be considered a business (for example, in the case of recently created entities), but it is essential that there is a substantive process that is critical to the ability to produce outputs.
- If a product exists at the moment that control is taken, the process will be considered substantive if it is considered unique or scarce, or if it cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.
- The inputs acquired must include a workforce that has the necessary skills to perform that process, as well as other necessary resources (such as intellectual property, access to materials, etc.).

Issuers are also reminded of the importance of taking into account when assessing the control of an entity, in terms of accounting, not only the existence of current holdings, but also of potential voting rights, such as call options, to the extent that they are considered substantive and, in addition, give the owner the right to unilaterally remove the current majority shareholder.

In accordance with paragraph B65 of IFRS 10 and basis for conclusions 134 of the same standard, these removal rights are a conclusive indicator *per se* that a majority shareholder, to the extent that they can be unilaterally replaced by the holder of the option, does not act as the principal but as the agent of the person who holds such removal rights.

Thus, the evaluation of control in an entity, strictly from an accounting perspective, must take into account all the relevant factors and in addition to the points indicated above, among others: the person with the power to propose or appoint to the CEO (Chief Executive Officer) of the entity and with the largest economic exposure due to the funding and the guarantees provided.

Issuers that have performed significant business combinations in 2020 are recommended to include sufficient information in their explanatory notes about the assessment made to conclude that the acquired activities constitute a business in accordance with the amended standard.

European Central Bank targeted longer-term refinancing operations (TLTRO III)

On 6 January 2021, ESMA published a statement⁴³ regarding the disclosures of accounting policies and significant judgements related to the accounting of the third series of the European Central Bank targeted longer-term refinancing operations (TLTRO III).

ESMA has observed that there is diversity in the accounting treatment of these operations and that they could have a material impact on the financial statements of financial entities, due to the significant volume operations carried out under the

43 https://www.esma.europa.eu/sites/default/files/library/esma32-339-149_public_statement_targeted_longer-term_refinancing_operations_iii.pdf

2019

programme. Therefore, it has emphasised the importance of financial entities providing an adequate level of transparency, breaking down specific information on the accounting policies and significant judgements applied, in relation to the operations carried out under the TLTRO III programme as required by paragraphs 117 and 122 of IAS 1, addressing in particular:

- i) The criteria used to assess whether the programme loans can be considered as granted at a lower than market interest rate.
- ii) The methodology applied to calculate the effective interest rate.
- iii) The accounting treatment of the changes in the payment estimates, produced by the review of the evaluation of compliance with predefined credit thresholds.

In this regard, in accordance with paragraph 31 of IFRS 7, it is recommended that entities be transparent in assessing their possibilities of complying with the different conditions of the TLTRO III programme, such as reaching the predefined credit thresholds.

In the event that the financial institution concludes that the interest rate for these operations is below the market interest rate and that they must be accounted for in accordance with IAS 20 – relating to government grants -, they must detail the reasons for this conclusion, the nature of the costs that the grant seeks to offset, the years in which the entity will recognise these costs as expenses and the systematic basis for their recognition.

Lastly, it is recommended to disclose interest expense and the carrying amount at the end of the period for liabilities related to the TLTRO III programme, in line with the requirements of paragraph 7 of IFRS 7.

Notwithstanding, ESMA intends to submit this issue to the IFRS Interpretations Committee to obtain a ruling on the accounting treatment to be applied in these operations.

IV Supervision of non-financial information

Introduction

The preparation of the non-financial information statement (NFIS) is mandatory from the years beginning 1 January 2017 for companies included in the scope of application of Royal Decree-Law (RDL) 18/2017, of 24 November, which included the obligations imposed by Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, on non-financial information and diversity.

Subsequently, Law 11/2018, of 28 December (hereinafter Law 11/2018 or the Law), applicable to the financial years beginning on or after 1 January 2018, amended the Commercial Code, the recast text of the Corporate Enterprises Act (TRLSC) and the Spanish Auditing Act (LAC) and repealed the aforementioned RDL, expanding its scope⁴⁴ and increasing the content of non-financial information reported by companies.

In application of the mandate contained in Directive 2014/95/EU, the European Commission (EC) published in July 2017 non-binding guidelines on the methodology applicable to the presentation of non-financial information (2017/EU Guidelines), which was supplemented in June 2019 with information related to climate change (Climate Supplement to the EU guidelines).

The NFIS has become an important document in the annual information provided by listed companies. Furthermore, as it forms part of the management report, which is included in the annual report that issuers of securities in the regulated markets must prepare and publish, it falls under the supervisory competence of the CNMV, in accordance with Article 122 of the TRLMV.

Ongoing initiatives

Some of the ongoing initiatives related to non-financial information are described below.

As part of the European Green Deal, the EC undertook to review Directive 2014/95/EU, opening a public consultation phase between February and June 2020, with the

44 Law 11/2018 requires that the NFIS be included in the management report when the following conditions are met: i) average number of workers employed by the group companies during the fiscal year greater is than 500 and 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: a) total consolidated assets of over €20 million, b) net turnover of over €40 million, or c) average number of workers employed during the year of over 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.

intention of preparing a draft amendment in the first quarter of 2021. During the consultation, the participating organisations and entities stressed the need to have a common standard or regulatory framework, which is essential for greater comparability.

Thus, in June 2020 the EC requested the European Financial Reporting Advisory Group (EFRAG) to draw up recommendations on possible EU non-financial reporting standards, which are expected to be completed in early 2021.

Further, the IFRS Foundation opened a consultation period which ran until 31 December 2020, addressing the need to configure a set of internationally recognised global sustainability standards, evaluating the support for its role in the creation of these standards.

In September 2020, five major issuers of sustainability standards: the Carbon Disclosure Project (CDP), Climate Disclosure Standards Board (CDSB), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC) and Sustainability Accounting Standards Board (SASB) expressed their willingness to work with the IFRS Foundation and other entities to establish a global comprehensive reporting system. In December of the same year, these five issuers published a prototype of a climate-related financial disclosure standard, which seeks to illustrate how their current frameworks, norms and platforms, together with the elements established by the Task force on Climate-related Financial Disclosures (TCFD), can be used together to provide a start for the development of global standards that disclose how sustainability issues create or erode a company's value.

Additionally, in September 2020 the World Economic Forum issued a document in collaboration with Deloitte, EY, KPMG and PwC with a proposal recommending a set of common metrics and basic disclosures consistent with sustainable value creation.

Lastly, Regulation (EU) 2020/852, of the European Parliament and of the Council, of 18 June 2020, the Taxonomy Regulation, establishes in Article 8 that as part of the NFIS, non-financial companies and asset managers must disclose the proportion of their turnover, investments in fixed assets (CapEx) and operating expenses (OpEx) related to economic activities that are considered to be environmentally sustainable, taking into account the taxonomy approved for the EU. ESMA received a request for technical advice from the EC on the content, methodology and form of presentation of this information, specifying the key performance indicators (KPIs) to be used. This led to the preparation of a document that was submitted for public consultation until 4 December 2020 and the entity will present its final report to the EC before 28 February 2021. The EC will implement this information and other related information that has been entrusted to the European Insurance and Occupational Pensions Authority (EIOPA) and the European Banking Authority (EBA) through delegated regulations, which will be published before 1 June 2021.

Number of NFISs received

Of the 144 issuers that submitted individual annual accounts and 133 that submitted consolidated accounts for 2019, 45 were required to include an NFIS in their individual management report and 97 in their consolidated report (31% and 73%,

respectively), a similar number to the previous year, in which 43 entities included NFISs in their individual accounts and 96 in their consolidated accounts.

Number of NFISs received

TABLE 5

	2017 ¹	2018	2019 ²
Individual NFIS	42	43	45
	27%	28%	31%
Consolidated NFIS	95	96	97
	67%	69%	73%
Individual annual accounts filed	155	152	144
Consolidated annual accounts filed	142	140	133

Source: CNMV.

1 Year in which the provisions of RDL 18/2017, of 24 November, applied.

2 At the date of preparation of this report, 2019 annual accounts have not been received from one issuer (Abengoa, S.A.) that is obliged to prepare a consolidated NFIS.

Only 4% of the entities required to issue a statement (two issuers) presented a specific individual NFIS (four issuers in 2018). Of the remaining 43, 86% (64% of the remaining 39 in 2018) complied with the obligation with reference to the consolidated NFIS, while the rest included a consolidated NFIS. No issuers were required to exclusively publish an individual NFIS.

As in 2018, there were two Ibex listed entities⁴⁵ that were not obliged to publish an NFIS as they had less than 500 employees on average during the year.

Verification reports

Law 11/2018 requires that the information included in the NFIS be verified by an independent provider of verification services. As in the previous year, all issuers subject to this law (97 issuers) submitted their corresponding verification report (vs 10% in 2017 when it was not mandatory).

Qualifications

As a result of this verification, two issuers presented qualifications in 2019 (13 in 2018), related to the following matters:

- In one case due to omissions of information required by law, which the issuer⁴⁶ justified by indicating that its systems or processes were not prepared, at that date, to obtain the data.

Specifically, in relation to its environmental performance, the issuer did not provide information corresponding to its activity in certain regions that accounted for 12% of consolidated turnover. In 2018, it presented a similar

45 Inmobiliaria Colonial, SOCIMI, S.A. and Merlin Properties, SOCIMI, S.A.

46 Obrascón Huarte Lain, S.A.

qualification with respect to regions that accounted for 32.6% of consolidated turnover. In 2019, it provided information on part of these regions (accounting for 26% of the consolidated turnover).

- In the other case,⁴⁷ the verifier issued an unqualified opinion, with the exception of discrepancies due to a lack of documentary evidence that could be material for a series of GRI indicators (mainly due to environmental, personnel and supplier issues), also detailing various deviations or non-material non-conformities and areas for improvement.

Following requests submitted to both issuers, they explained the reasons why they did not have the information or had not provided it at the end of 2019, stating that they would include the information omitted in the 2020 NFIS.

In 2019, there was a very significant decrease in the number of verification reports with qualifications compared to 2018, in part due to the improvement in the internal systems to obtain the information omitted in the previous year. In other cases, the drop in qualifications was because the issuers have provided greater detail with respect to the previous year, to ensure a proper understanding of the situation, performance and evolution of the entity or group and the impact of its activity.

Verification firms

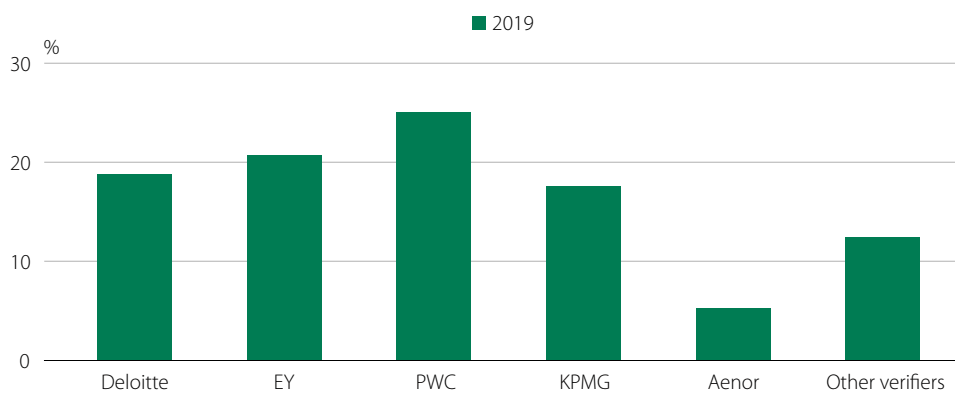
In line with the previous year, in approximately 82% of the cases the verifier was one of the four main auditing firms by business volume in Spain: Deloitte, EY, KPMG and PwC. For the remaining 18%, Aenor stands out (which issued the verification report of five issuers, 5%). It should be noted that in approximately 60% of cases (68% in 2018), the verification firm was the same as the company or group that audited the 2019 annual accounts.⁴⁸

All Ibx 35 companies required to submit a 2019 and 2018 NFIS, except for one, were verified by the top four audit firms.

Figure 6 shows the breakdown of verification reports among the main firms in 2019.

⁴⁷ Fluidra, S.A.

⁴⁸ In the case of ten issuers (six issuers in 2018), the auditor and the verifier were the same natural person.



Source: CNMV.

Other aspects

At this point, it should be noted that the law does not establish the qualification, experience and independence requirements applicable for independent verifiers, nor the level of the review that they must carry out.

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 in 2019, 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 2019, most of the verifiers (around 90%), including all the main audit firms, followed the Revised ISAE 3000 as a review standard, together with the ICJCE Guidelines, with the scope of limited assurance in its preparation, in accordance with the content included in current business regulations and according to the criteria of the selected standards or frameworks. Of these, approximately 10% (all Ibx-listed) included an additional scope, which generally corresponded to a moderate level of assurance in accordance with standard AA1000 AS and, in one case, to an additional review of certain GRI indicators with a reasonable level of assurance under ISAE 3000R.

For the reports that have an additional scope, it should be noted that in some cases the verifiers included recommendations for improvement in management and non-financial information and, specifically, in the application of the principles of inclusivity, materiality and responsiveness, for instance, in regard to the standardisation of KPI reporting systems in all subsidiaries, greater internal and external dialogue with stakeholders, periodic assessment of material issues or the inclusion of new subsidiaries in the scope. These recommendations should be incorporated into future years' NFISs.

Regarding the scope of this review, most of the verifiers that follow the guidelines 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. The CNMV considers it good practice for the verification to refer to the entire content of the NFIS.

In relation to the aspects described above, recommendations were sent to two entities.

Review of 2019 NFISs

The supervisory work of the CNMV on the NFIS follows a similar approach to that of financial information, and reviews are carried out at two levels: formal and substantive, the latter applicable only to a sample of issuers, identified according to a selection model and described in this report.

In these first years of the mandatory NFIS, the CNMV's supervisory role has been to adopt an approach that initially focused on issuing recommendations, issuing requests only in specific cases or in cases of qualifications in the verifier's report.

Formal review

All NFISs filed were subject to a formal review that involved, at least:

- i) Checking that the NFIS and the verification report are included in the management report of all entities that must comply with this requirement (Law 11/2018).
- ii) Analysing the content of the qualifications in verification reports.
- iii) Reviewing other aspects of the NFIS and the verifier's report, such as the identification of a global framework in its preparation, whether an equivalence table is included, whether the Climate Supplement to the EU Guidelines has been followed, in addition to nature and scope of the verification.

Requests were sent to two entities obliged to submit a NFIS, which were subject to formal review due to qualifications in their verification reports, including in one case recommendations on the verification report.

Substantive review

As in the previous year, the NFIS was established as one of the supervisory priorities for 2019 by ESMA and the CNMV.

Among other aspects, ESMA has highlighted the importance of disclosures related to the materiality assessment and the two-fold concept of materiality, environmental issues and climate change, key performance indicators, the framework or frameworks applied and the risks deriving from issuers' participation in supply chains.

The CNMV has included, within the review plan of the annual financial reports for 2019, a more detailed analysis of the non-financial information statement, highlighting a series of factors to improve its quality and reducing the unevenness of practices in the Spanish market.

In 2019, the review of the NFIS of all the substantive entities required to prepare these statements focused on the priorities defined by ESMA and on the significant aspects of each entity.

Additionally, a sample of the companies subject to substantive review was selected based on a sectoral criterion, for which a more in-depth review of their NFIS was carried out (the selected sample).

As a result of the review, in 2019, **requests were sent to two entities** for additional information on the following aspects: i) the framework used to prepare the NFIS; ii) the methodology used by the entity to calculate the wage gap and its compliance with GRI 405-2; iii) a description of the impact of risks and opportunities related to climate change on the business model; iv) the methodology used to determine the KPIs used, as well as an explanation of why they are significant, and v) the scope of the NFIS.

In addition, **recommendations** were given to 21 issuers for the preparation of future NFISs. In 19 cases, these recommendations were sent at the same time as the requests for additional information, and in two cases a letter was sent which only contained the recommendations.

Most relevant actions in 2020

Table 6 shows a list of the information which was most commonly requested from listed entities and the recommendations most often made.

Information requested and recommendations made in regard to the NFIS TABLE 6

Nature of the request	No. of companies	
	Requests	Recommendations
Verification report	2	2
Materiality	–	17
Characteristics and presentation of the NFIS information	–	17
NFIS scope	1	12
Framework	1	10
Key performance indicators	1	16
Business model	1	9
Environmental issues	–	19
Social and employment issues	1	20
Questions about respect for human rights	–	15
Issues relating to the fight against corruption and bribery	–	13
Company information	–	12

Source: CNMV.

In the responses received as of the date of this report, the issuers had provided the information requested. In two cases, the CNMV's supervisory actions on 2019 NFIS gave rise to a **commitment to correct in the future** due to the qualifications in the two NFIS verification reports mentioned above.

Areas for improvement following the 2019 NFIS review

Some areas for improvement resulting from the main actions carried out by the CNMV in each of the key areas of the NFIS are explained below, including the results of the formal and substantive review and the in-depth analysis of the selected sample. The requests and recommendations issued, together with the formal review of the NFISs filed, served to establish the CNMV's review priorities for the 2020 NFIS, which are listed in the next section.

After three years of experience and in line with the perception of its growing importance for investors and other stakeholders, the review of the 2019 NFIS shows some progress, albeit not as great as the progress made in 2018, due to Law 11/2018, which included the required verification of the NFIS and led the Spanish Institute of Chartered Accountants (ICJCE) to publish its *NFIS guidelines on verification orders* in February 2019, as a result of which companies have included a summary of content table. In 2019, the inclusion of a greater amount of comparative data was observed because the companies had more time to obtain it and had adapted their internal systems.

Materiality

One of ESMA's review priorities in relation to the 2019 NFIS referred to the explanation by issuers of how they determined which non-financial information was material, taking into account the two-fold concept of materiality set down in Directive 2014/95/EU (which takes into account not only the impact of non-financial issues on the entity, but also the entity's impact on the environment), a two-fold concept that applies particularly to environmental issues, considering the information requirements of the different stakeholders and the probabilities associated with financial and non-financial impacts.

As indicated in the section below, the CNMV considers the materiality analysis of non-financial information and its proper disclosure to be a priority in the review of the 2020 NFIS, once again emphasising the two-fold materiality aspect and the influence of stakeholders in its assessment and determination.

Although all issuers subject to substantive review included explanations of their materiality analysis, with the exception of one, this breakdown should continue to improve. In this regard, recommendations were given to 17 issuers, mainly in regard to the following materiality-related issues:

- **Explanations on how to determine which information is material** and the criteria and methodology used should be expanded, indicating among other aspects:
 - i) Whether internal and external factors are considered and the sources of information.
 - ii) How the information requirements of those stakeholders identified as significant are taken into account in the analyses, specifying what they are and describing how they contribute to the value chain and their position within it, in addition to the main dialogue tools used.

- iii) How the materiality analysis has been reflected and that it is consistent with the entity's operational and strategy plans.
 - iv) The envisaged time horizon. According to the EC this should be long term.
 - v) The severity and probability of impact of each financial and non-financial factor (and cross effects), in the sense of how it is considered that social and environmental materiality will eventually have an impact on the entity's financial position and earnings.
 - vi) How sectoral issues affect the analysis.
- Information on the **results of the analysis** should be included, clearly identifying and listing which topics are considered material and non-material and avoiding inconsistencies between the results of the materiality analysis and the information provided in the NFIS.

Some entities include a chart or matrix to represent their material issues, which is considered good practice but explanations should also be added about the analysis performed.

- It is recommended to include clarifications on whether the **omissions of disclosures required by Law 11/2018** respond to the analysis of their materiality.

Cases have been observed in which certain information is not provided, but the reason and the corresponding risk assessment are not sufficiently explained. These omissions must be justified in accordance with the materiality analysis.

- Materiality analyses **must be periodically updated** and, if they are not, reasons must be provided as to why such an update is not necessary.
- Issuers should explicitly indicate whether the **two-fold concept of materiality** has been taken into account in their analysis for all non-financial matters, including explanations in this regard.

From issuers' NFISs it can be inferred that they take into account the two-fold concept of materiality for the purpose of non-financial disclosures, especially in regard to environmental and climate-related issues. However, in many cases no express mention of this is made.

Characteristics and presentation of the NFIS information

ESMA included among its review priorities for the 2019 NFIS the need for disclosures to be complete, concise and neutral and recommended the inclusion of a table to facilitate the location of non-financial information. In the previous year it was indicated that NFIS information should be entity-specific and the 2017/EU Guidelines were recommended as a reference.

Recommendations were sent to 17 issuers in relation to these matters, which refer mainly to the following aspects:

- The inclusion of a section on the basis of preparation of the NFIS, indicating, for example, the general framework or frameworks applied, the scope to which the information refers, any new developments in relation to prior periods and other observations to help situate and improve the understanding of the report.
- The information should be neutral and not focus only on positive aspects.
- Improving the quality and consistency of tables and summaries of content:
 - i) Specifying clearly where the information corresponding to each of the legal requirements is located. For this purpose, it is recommended that the content of the Law listed in the table should not be incomplete or overly summarised, and that the references are sufficient and associated with specific pages rather than large sections or groups of pages.
 - ii) Indicating which specific indicator or framework has been used in each case, not including, for example, references to indicators or frames that do not apply.
 - iii) Detailing the omissions of the Law, which must be properly explained in terms of materiality.

Recommendations for improving the table were included for 12 entities.

In 2019, 98% of the issuers obliged to submit an NFIS included some form of summary or table of contents (91% in 2018). In this regard, it has already been noted that the NFIS guidelines on verification orders, published by the Spanish Institute of Chartered Accountants in February 2019, highly recommends that a table be included that identifies where the different contents of the NFIS can be located.

The quality of this table is important, especially in those cases in which the verifier's review only refers to the non-financial information required by Law 11/2018 – which, as already mentioned, is the most common – and not to the entire NFIS document, and in those in which the NFIS information does not follow the structure of the Law's requirements, is not organised according to the five issues indicated, or the non-financial information is part of an integrated report.

64% presented a table that identified the content of the Law, its location in the document and the framework or indicator used for disclosure, usually GRIs, and 34% presented tables with less content.

Some issuers included an index of compliance with other additional frameworks, for instance, the United Nations Global Compact, which is considered good practice.

Some examples of the GRIs reflected in the tables and not applied are GRI 102-4, on location of operations; GRI 305-2 and 3, relating to scopes 2 and 3 of indirect greenhouse gas (GHG) emissions, and GRI 103 and 304-2, relating to biodiversity.

Omissions not reflected in the table were not mentioned by the verifiers in the report and often referred to matters that issuers, explicitly or apparently, do not consider relevant, such as light or noise pollution, or actions to combat food waste. As discussed below, cases were also detected in which the GRIs were only partially applied, with no explanation included.

In short, although the table is a great help for locating the content of the NFIS, mainly that required by law, the report must follow a clear and orderly structure that allows the information on each of the five topics in the report to be identified.

- The main **risks** to which a company is exposed in the short, medium and long term in relation to the different non-financial matters must be explicitly and more broadly reflected, as further indicated in the specific sections, indicating how they are identified, assessed and managed. In this regard, apart from the nature of the main risks, an explanation should be given as to whether they are more or less relevant depending on the different countries in which the entity operates. Information must also be provided on the risks with a significant impact that materialised during the year and the measures adopted to resolve them, in addition to how they can be avoided in the future.

Although the risks can partly be deduced from reading the materiality analysis or other contents of the NFIS, the CNMV considers it extremely important that they be clearly specified as a starting point or context for the remaining disclosures of non-financial information. When the risk information is located in another part of the annual report (e.g. the management report) or outside it (e.g. the ACGR) it must be properly referenced and it may be appropriate for the information on risks to be treated in an integrated manner.

Some entities make general references, indicating for instance that they have risk management systems and other procedures to identify them, but these considerations are not considered sufficient.

- It is recommended that the **opportunities** that, where appropriate, non-financial issues represent for the entity be identified and flagged.
- In relation to **policies**, as indicated also in the sections on specific matters, some issuers must offer more detailed descriptions and indicate whether they have been formalised and, where appropriate, the bodies involved in their approval, including the role of the board of directors, highlighting whether there have been significant changes during the year, in line with 2017/EU Guidelines, which indicate that entities may offer an explanation of the governance aspects of non-financial matters, such as their supervision by the board of directors.

Issuers must identify more clearly, for each of the issues or sections contemplated in the Law, in addition to the associated risks, the policies and diligence procedures applied, as well as the results of the policies. It is observed that the tables do not usually help to locate this content for each issue.

Regarding the approval of policies by the board of directors, by way of example it should be noted that approximately one third of the selected sample does not expressly indicate the approval procedure for policies on social and workforce issues.

- In line with ESMA's priority for 2018, it was recommended to explain why it was decided not to implement certain non-financial policies, providing the remaining significant aspects, such as the breakdown of the risks associated with these non-financial issues.
- Sometimes references to other documents are included in the NFIS, in which case they should be public documents that are easily accessible, and their location should be detailed in line with GRI 101-2.6.

Some issuers included references to their corporate website but the location on the website was not always clear, nor the information the reference referred to, or there were links that did not work properly.

Ultimately, it must be clear which referenced documents, or which part of them, are contained in the NFIS drawn up by the board of directors and submitted to the vote of the general shareholders' meeting.

Recommendations were sent to four companies regarding references to other documents.

- As demonstrated in the previous year, some issuers (around 45% of the companies subject to substantive review), in addition to publishing the NFIS required by law, publish separate corporate social responsibility or sustainability reports, usually at a later date. These documents are not always submitted to the board of directors, to the vote of the general shareholders' meeting or review by an independent third party.

Issuers are reminded 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 included in the subsequent voluntary report. In any case, issuers must ensure the necessary consistency between the two reports and avoid 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 GRIs and the subsequent report according to the basic or exhaustive GRI option).

Approximately half of the issuers subject to substantive review that published another report containing non-financial information did not express their intention of publishing a subsequent report in the NFIS.

These reports, which are usually prepared at a later date, still frequently include additional information to that contained in the NFIS and, in some cases, additional verification reports are also provided.

NFIS scope

ESMA reiterated in its review priorities for the 2019 NFIS that issuers must attach material non-financial information that covers and comprises all the group's activities, including those carried out by all its subsidiaries included in their scope of consolidation. Thus, Article 49.5 of the Commercial Code, as regards which companies are obliged to include an NFIS in their management report, states: "[...] including all subsidiaries and for all the countries in which it operates [...]"

Requests were sent to two entities in relation to consolidation scope issues. In one, the verifier issued a qualified opinion, as described above. In addition, recommendations were given to 12 issuers, mainly in relation to the following:

- Improving the information on the scope of the NFIS, which should be clear in general terms, and verifying that it is consistent with the scope of the different policies and KPIs. In addition, the changes in the criteria used in to determine the scope with respect to the previous year should be explained, where appropriate.

The CNMV observes that, although most of the issuers subject to substantive review provide information on the scope of the NFIS in general terms, there are still cases in which there is no explicit reference or it is not clear.

Around half of the selected sample does not specify whether there have been changes in the criteria for determining the scope with respect to the previous year, and those that state that there have been changes offer an explanation in only half of the cases.

- Expanding information on cases in which there are exclusions in the scope for any aspect or key performance indicator that allows users to assess the impact of the excluded information and explain the reasons for it, taking into account the indications relating to the results of the materiality analysis.

Some issuers subject to substantive review refer to exceptions in certain non-financial matters, but the reasons and the impact are not always sufficiently explained. In regard to exclusions in specific KPIs, it has also been observed that there are cases in which these are not sufficiently explained or in which quantitative information is not provided to assess the impact of the excluded material.

- Including information on whether or not activities outside the consolidated group are included that could have a significant impact on non-financial matters, in terms of risk-related information, diligence policies and procedures, as well as in terms of the results and KPIs:
 - i) Joint and associated agreements, insofar as they may have a significant impact on non-financial matters, including an explanation if it is considered that there are no significant risks in relation to such investees.
 - ii) Other participants along the entire value chain, such as supply chains or suppliers, and franchises, explaining the main risks and, if significant, whether they have assessed the advisability of including them in certain KPIs.

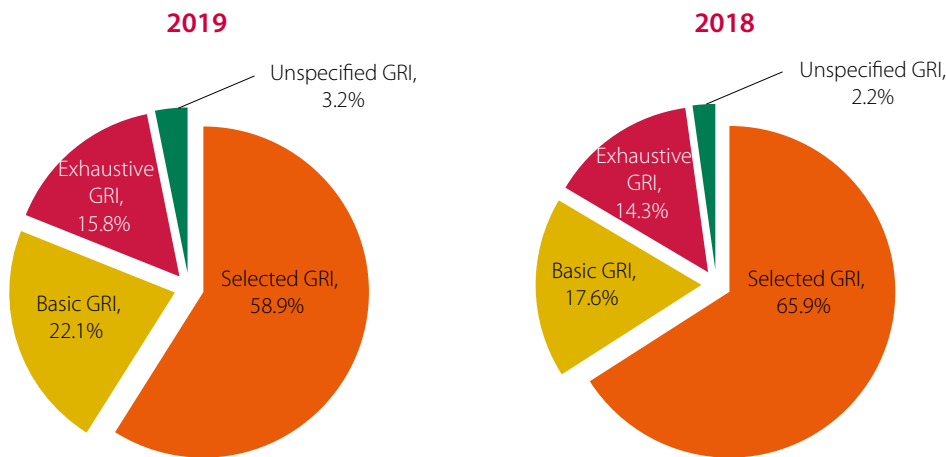
In general, non-financial data refer to the consolidated group. Often it is not clear how interests in associates or joint arrangements are considered for the NFIS, or the analysis carried out in this regard is not provided (regardless of whether they are significant for these purposes...).

The information on how the supply chain is considered should be expanded (see "Company information").

Framework

ESMA stated in its priorities for the 2019 NFIS that issuers must specify, in accordance with Directive 2014/95/EU, the framework or frameworks applied and their level of use (for example, indicating whether they have been fully or partially applied and explaining which disclosures have been prepared using the framework, and why). These should be widely-accepted, high quality Spanish, European or international frameworks.

It should be noted that in the 2019 NFIS a framework was identified, in the statement itself or in the verifier's report (97% of cases in 2018). Once again, the most widely used reference framework was the GRI (Global Reporting Initiative), applied in 99% of cases, in line with the previous year. 3% of issuers using the GRI did not indicate the option followed, but for those who did, a bias was observed in favour of the most complete application options (basic and exhaustive) permitted by the GRI, as shown in the figure below. However, in 2019 it was observed that the statement by issuers of the GRI option followed, in accordance with GRI 101 (Fundamentals), can be improved, as it was only provided occasionally in the verifier's report.



Source: CNMV.

In addition to the GRI, it is common for issuers to mention other frameworks that they adhere to or take as a reference. Among those used by the European Commission as the basis for the 2017/EU Guidelines, as stated in its introduction, the following stand out, reflected in varying detail in the NFIS released by companies subject to substantive review: i) United Nations Global Compact, 80%; ii) United Nations Sustainable Development Goals (SDG), 79%; iii) International standards of the International Labor Organization (ILO); iv) United Nations Guiding Principles on Business and Human Rights; v) Recommendations of the Task force on Climate-related Financial Disclosures sponsored by the FSB (TCFD) in relation to the financial risk of climate change, 46%, and vi) the Carbon Disclosure Project (CDP).

A request was submitted to one issuer and recommendations were issued to ten issuers regarding the EU frameworks and recommendations, mainly in relation to the following:

- Consideration of the **2017/EU Guidelines**, specifying whether or not they have been taken into account.

It has been observed that more than two thirds of the companies subject to substantive review do not explicitly refer to these 2017/EU Guidelines. Although these are non-binding guidelines, the CNMV recommends that they be followed.

- In the case that selected GRIs are used, which is the most frequent option:
 - i) This must be expressly stated, be consistent over time and the criteria used to select the indicators must be explained in addition to any changes made from one period to another.

As in 2018, issuers did not explain the criteria for selecting the indicators.

- ii) In the event that a GRI is partially used, in accordance with clause 3.3 of GRI 101, it must be indicated which specific content of the standard has been applied.

It has been observed that in many cases reference is made to a GRI that has not been fully complied with without explaining the reason why. Some examples of partially applied GRIs are GRI 405-1 and 2, relating to disabled personnel and the wage gap, respectively.

- 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) in addition to the information disclosure the criterion has been used for.

More than half of the selected sample does not include the GRI numbers in the text of the NFIS itself, which increases the risk that certain GRIs will be included in the table that have not been used to prepare the content of the report.

- Expand the explanations on how their activities contribute to achieving the United Nations SDGs or any other framework that sets sustainability objectives to which they declare to have adhered to and the progress made in the year towards achieving them.

Almost 90% of the sample supports the SDGs, although the information regarding how companies' activities contribute to achieving these objectives and the progress made in the year towards their achievement could be improved.

- The use of internal frameworks for certain disclosures.

It should be noted that there are issuers that refer to internal frameworks for some of the content of the Law. In this regard, it should be noted, as far as possible, the NFIS disclosures should be based on recognised Spanish, European Union or international frameworks.

Some issuers are members of sustainability indices such as the Dow Jones DJSI, FTSE4Good, GCX or Ethibel, which is a recognition of the growing concern for sustainability. Of the selected sample, 60% of issuers refer to this membership in their NFIS.

There is a growing tendency for issuers to include good sustainability practices in their NFIS, such as the issuance of green bonds, taking out sustainable credits with margins indexed to *sustainability ratings* or GHG emission indices, or the integration of sustainability objectives in the variable remuneration schemes for professionals.

Taking into account that European and Spanish regulations allow reporting in accordance with multiple frameworks – although the GRI framework is the most common among issuers of securities in Spain -, as well as applying them in full or in part, the breakdowns between companies are not standard and therefore a common

regulatory framework would be desirable. This is currently being assessed by the European Commission, as discussed in the Introduction.

Key performance indicators (KPIs)

ESMA reiterated in its priorities for the 2019 NFIS that Directive 2014/95/EU requires the inclusion of relevant KPIs in the NFIS, making a series of recommendations in this regard relating, for instance, to the reasons why disclosed KPIs are identified as relevant, as they must be specific to the entity. It is also recommended to include indicators that are generally accepted in the sector, since they must be consistent with those used internally by the company.

Thus, one entity was issued a request and recommendations were made to 16 issuers in relation to the use of KPIs, highlighting the following:

- Issuers should show the progress made in their non-financial policies by reference to the KPI figures, preferably including comparative information with previous periods, as well as qualitative explanations of any changes to make them easier to understand.

Although an improvement in the inclusion of comparative data has been observed in the 2019 NFIS, there are cases in which such data are not yet included and qualitative explanations are usually lacking.

- It is also recommended that issuers explain whether or not they consider the data to be positive and, if not, whether they have taken steps to improve it. In this regard, it is useful to indicate whether target figures have been achieved, the time horizon in which they are expected to be achieved, how they have evolved with respect to these objectives and whether there are improvement plans in place to achieve them. It is also good practice for companies to compare their KPIs against external *benchmarks*.
- It is considered useful to provide definitions and calculation methodologies, as well as the inputs and sources, particularly in cases where the KPIs are more relevant or complex.

There is a lack of standardisation in the methodology and the data provided by issuers (for example, reporting units), which makes comparability difficult. In addition, all the required information is not always reported or irrelevant information is reported.

Business model

As explained in the following section, the description of the entity's business model is included among ESMA's priorities for the 2020 NFIS.

In relation to the review of the 2019 NFIS a request was sent to one entity and recommendations were sent to nine issuers to urging them improve their description and, in particular, expand the information on:

- The environment in which the entity operates and its particularities (competition, regulation, type of clients, etc.).
- Their objectives and strategies, and governance information in general.
- Their organisation and structure, describing the main governance bodies in general and, in particular, for non-financial issues, how the group is organised into different companies, etc.
- The location of their operations, not only in relation to their income but also to their purchases, if those made abroad are significant.
- The factors and trends that may affect their future performance.
- The interrelations between the business model and non-financial matters.
- The changes occurring in the year, in particular those related to the tendency of many businesses to expand their online sections.
- The entity's level of involvement in the different parts of the value chain, explaining in which areas the participation of third parties such as the supply chain is significant. This is necessary to understand the risks of their business with respect to non-financial matters.

Although all issuers subject to substantive review provide information on their business models, the CNMV considers that this is an important issue which puts the rest of the NFIS information into context and that, therefore, entities should continue to improve their disclosures, making them more specific, for example in relation to the business environment, organisation and structure or the factors and trends that may affect their future performance, as reflected by between 30% and 40% of the selected sample.

Almost two-thirds of the selected sample did not state whether there have been changes in their business models during the year.

In some cases, information on certain aspects of the business model is provided in the management report, and it is not always properly referenced in the NFIS.

It has been observed that some issuers that refer to certain GRI 102 content in the table in this area do not fully disclose the corresponding requirements. For example, GRI 102-4, which requires detailed information on the number of countries in which an entity operates and in which the most significant non-financial operations are carried out.

Environmental issues

In preparing the 2019 NFIS, ESMA recommended describing environmental policies, including those related to climate change, as well as reporting the actual and potential impacts of the entity's activity on the environment and how environmental issues may affect its development, performance or position, suggesting

that issuers consider the methodology developed by the Task Force on Climate-related Financial Disclosures (TCFD) to disclose the financial consequences of climate change.

As a result of the review of the 2019 NFIS, recommendations on environmental aspects were sent to 19 issuers in relation to the improvement or expansion of the explanations relating, among others, to the following issues:

- Impact of environmental issues on the business model of the company and its group, and actions carried out to identify and assess opportunities and risks, describing the main risks in the short, medium and long term deriving from the impact of the company's activities on the environment and climate change, as well as the impacts of the environment and climate change on the company's activities, considering the risks that affect the entire value chain and providing a sensitivity analysis showing the effects of a rise in the temperature of the planet on a long-term horizon.

Although in the explanations provided in relation to the business model, the vast majority of the companies subject to substantive review describe the impact of their activities on the climate and the environment, the percentage of companies that describe the effects of the climate change and other environmental issues on their business model stands at 70%.

Half of the companies subject to substantive review provide a description of both the risks to the company's activities deriving from climate change and other environmental aspects and the risks to the climate and environment deriving from their activities. Only 29% list the risks to the climate and the environment deriving from their activity, while a mere 4% provide details of the risks to their activities of the climate and the environment. The remaining 17% do not provide any information in this regard.

13% of the issuers belonging to the selected sample provide an overview of the main short, medium and long term risks. 50% offer a balanced representation of risks and opportunities arising from environmental issues and climate change, compared to 38% that focus more on risks and 12% that give more weight to opportunities.

- Financial impact of risks deriving from climate change and risks materialising during the year with a significant impact, as well as the measures implemented to resolve them, indicating whether changes were made to due diligence procedures or other measures were considered to prevent these risks from occurring again in the future.

40% of the selected sample provide a general description of the financial impact of risks deriving from climate change. 20% highlight the materialisation of risks with a significant environmental impact during the year, of which only half report on their relevance and the measures adopted to resolve the materialised risks, while no issuer indicates whether this had led them to make changes in their due diligence procedures or consider other measures to prevent such risks from reoccurring in the future.

- Date of approval of the environmental policy by the board of directors or reasons why it was not approved, and a description of changes or developments with respect to previous periods in the aforementioned policies, due diligence procedures, risks and objectives.

73% of the companies subject to substantive review show that the policies related to environmental issues and aimed at mitigating or adapting to climate change have been approved by the board of directors.

Two thirds of the issuers belonging to the selected sample explain in their NFIS the changes or developments that have occurred in their policies, due diligence procedures, risks or objectives with respect to previous periods.

- Methodology used to determine the KPIs, detailing the objectives set and providing data that enable the level of compliance to be assessed.

20% of the companies subject to substantive review do not provide qualitative explanations that describe the performance of KPIs related to environmental issues with respect to previous periods. 70% supplement the KPI breakdown with information on internal or external objectives that allow the issuer's performance to be assessed, 50% provide the KPI definition and calculation method and more than 60% include a reference to the framework used for the calculations.

- Scope and environmental certification period, indicating whether suppliers or subcontractors hold any type of certification.

70% of the selected sample show that the scope used in the policies and key performance indicators related to environmental issues is consistent with that used in general, including all the companies of the consolidated group or otherwise explaining the exclusions. However, 73% of the sample do not detail whether the scope includes activities additional to the group such as associates, joint agreements and the supply chain.

Although the vast majority of the companies in the selected sample provide information on their environmental assessment or certification procedures, not all of them indicate the period and scope to which these certifications refer, nor do they mention whether their suppliers or subcontractors hold any type of environmental certification.

- Application of the precautionary principle in environmental matters; existence of provisions or guarantees for environmental risks; measures to prevent noise and light pollution; actions to combat food waste; water consumption and supply in accordance with local limitations; measures related to improving efficiency in the use of raw materials; direct and indirect energy consumption; important elements of GHG emissions generated as a result of the company's activities, including the use of the goods and services produced by the company, as well as the reduction goals established voluntarily in the medium and long term to reduce emissions and the means implemented for this purpose, in addition to the impacts caused by activities in protected areas.

70% of the companies in the selected sample state that they have considered the precautionary principle⁴⁹ in environmental matters.

Approximately half of the selected sample do not provide any information about the existence of provisions or guarantees for environmental risks and less than 20% detail their amount.

All the companies in the selected sample provide the direct GHG emissions from their own sources or those controlled by the company (scope 1), 92% provide the indirect emissions from energy acquired and consumed by the company (scope 2), and two thirds of the sample detail the indirect emissions not included in scope 2 produced in the value chain of a company (scope 3), although 42% indicate that they include in scope 3 the indirect emissions from the use of the company's goods and services by customers.

80% of the companies in the selected sample have set specific objectives to reduce GHG emissions in the medium and long term, the remaining 20% describe general objectives and a quarter propose scenarios in accordance with the rise in the temperature of the planet due to climate change.

Almost all of the companies in the selected sample provide an indicator of direct energy consumption and 40% of indirect consumption.

90% of the companies in the selected sample provide an indicator of water consumption and 60% break down information on water supply according to local limitations.

Except in those cases in which it is immaterial, all the companies in the selected sample detail the measures implemented to preserve or restore biodiversity, although 60% describe the impacts caused by activities or operations in protected areas.

80% of the companies in the selected sample provide details of the consumption of raw materials in their processes and 64% describe measures to improve efficiency in the use of raw materials in their processes.

67% and 40% of the selected sample do not describe the existence of measures aimed at preventing, reducing or repairing light and noise pollution, respectively. Of these, approximately 50% justify this omission by stating that it is immaterial.

49 The precautionary approach is reflected in Principle 15 of the Rio Declaration, approved at the United Nations Conference on Environment and Development (1992), and requires protective measures to be taken in the face of well-founded suspicions that certain products or technologies create a serious risk to the environment, before deterioration occurs and before definitive scientific proof is available. GRI 102-11 "Precautionary principle or approach" establishes that it should be indicated whether the precautionary principle or approach is applied and how it is done, noting that applying such principle can help the organisation to reduce or avoid impacts that are negative for the environment.

All companies in the selected sample for which it is material describe measures for the prevention, recycling, reuse or other forms of recovery and disposal of waste or residues. However, 67% do not describe their actions to combat food waste, claiming immateriality in 27% of the cases.

2019

- Lastly, companies were recommended to consider the Climate Supplement to the EU guidelines, which integrates the TCFD recommendations of June 2017, in line with the ESMA recommendations for the preparation of the 2019 NFIS.

Only 2% and 24% of issuers that submitted their 2019 NFIS to the CNMV indicate that they have considered the Climate Supplement to the EU guidelines and the TCFD recommendations, respectively. In the latter case, not all companies addressed the four recommended areas (governance, strategies, risks and metrics).

As explained in more detail in the following section, ESMA continues to emphasise the importance of environmental issues in the preparation of the 2020 NFIS, in particular in the measures adopted to prevent and mitigate the negative consequences of climate change.

Additionally, the CNMV considers it important for those issuers that conclude that climate is an issue with a significant impact on their performance and results, or to understand its external repercussions, take as a reference the recommendations of the TCFD and the Climate Supplement of the EU guidelines.

Social and employment issues

As described in the next section, ESMA's priorities for the 2020 NFIS include several topics related to this issue.

In this area, a request was sent to one issuer and recommendations to 20 issuers, mainly relating to the following areas for improvement:

- Provide a broader perspective on the main risks inherent to social and personnel issues, in line with the section on "Characteristics and presentation of the NFIS information".

Although most of the issuers subject to substantive review mention some aspects of the risks related to this issue, only about half provide a balanced description of the risks and opportunities, while the other half, in general, give a more weight to the positives.

Furthermore, most of the selected sample did not provide an outlook for short, medium and long-term risks, and more than half did not indicate whether risks with a significant impact had materialised in the year.

- More information regarding the KPIs related to social and personnel issues, as indicated in the heading "Key performance indicators", mainly:

- i) On the definition and calculation methodology of some KPIs, such as the wage gap, the frequency and severity indices of workplace accidents and the types of illnesses or sick leave considered when determining absenteeism, and the explanation of any changes of methodology with respect to previous years should also be improved.

The wage gap stands out among these, in relation to which a request was sent to one issuer and recommendations issued to nine companies on, for instance, the justification for using median instead of average remuneration, details of the type of remuneration used (fixed, variable or supplementary) that are considered in their calculations and the explanation of changes with regard to the previous year.

A more detailed analysis of the wage gap is included at the end of this section. However, other salient points of the review of the selected sample are as follows:

- i) The law does not clearly define the types of accidents to be reported. Thus, although most of the issuers in the selected sample provide some description of the types of accidents included in their accident rate indicators (referring mainly to accidents with sick leave), sometimes the results are presented without specifying the type of data or this description could be improved. This situation also occurs for other indicators, such as absenteeism, for which there is no definition either.*
- ii) It has been observed that in some cases remuneration items are not indicated (distinguishing the fixed component, the variable component and the part paid in kind) in the breakdown of average remuneration.*

- ii) Comparative data should be provided for all KPIs related to personnel issues and these should be comparable, as it is sometimes observed that some KPIs are not presented with the same level of disclosure or methodology, such as hours of absenteeism, the wage gap and training. In these cases, the required explanations should be provided.

Nor is a qualitative explanation provided of the variations between years, the context in which they occur, whether the data are considered positive or not, or whether there are specific improvement projections or plans or measures for their management and, where appropriate, mitigation (this occurs, for example, with respect to the data provided for the wage gap, accident rates and absenteeism).

Approximately one quarter of issuers subject to substantive review do not provide comparative data or provide it only for some of the workforce KPIs. Additionally, half of the companies subject to substantive review do not explain the changes in most of their KPIs.

- iii) Although in many cases quantitative data are provided, the target figures established by the entity are not disclosed, which would allow performance and compliance levels to be assessed.

Approximately 40% of the issuers subject to substantive review do not supplement their workforce KPI disclosure with information on internal or external objectives that allow the reader to assess the issuer's performance and more than half only provide them for some KPIs, with internal objectives being more commonplace.

- iv) Exclusions were observed in the scope used to prepare the workforce KPIs, such as those related to absenteeism, remuneration, wage gap or the number of accidents, which should be explained and information provided to assess the impact of any exclusions, based on the materiality analysis carried out.

Almost half of the issuers in the selected sample mention some exclusion in the scope of workforce KPIs included in the NFIS (some countries, discontinued activities, subsidiaries, etc.), around 40% of which are not quantified or some measure of the excluded information provided.

- v) It would be desirable that when KPIs are presented by professional categories, they are adequately defined, and any changes explained. Likewise, these professional categories should be consistent within the NFIS with those presented by the entity in its different published documents (annual accounts, ACGR, etc.), and with those used for the company's internal management.

Approximately 25% of the issuers in the selected sample do not define the categories used. Additionally, in one third of the cases these professional categories were not consistent with those used in the annual accounts.

- On occasion, entities mention objectives in regard to social issues such as preventing non-disconnection from work or improving the psychological-social climate or the development of professional skills. In these cases, the description of the KPIs used to measure the level of fulfilment of these objectives or the inclusion, where possible, of an indicator showing the results obtained was recommended.
- Recommendations were sent to six issuers to report on the objectives and mechanisms for implementing the policy on disconnection from work and the assessment of its risks, explaining, when necessary, the reasons why this policy was not available.

About 40% of the companies in the selected sample do not have or do not detail employment disconnection policies, of which more than half do not justify the reasons or provide a description of the associated risk analysis.

- Omissions of certain workforce information required by law were observed that on occasion were indicated in the table of contents and the reasons why it is not provided are not explained. Among others, these omissions refer to the number of hours of workforce absenteeism in the current fiscal year and the previous one; the number of workers with disabilities hired, including an explanation of the significant differences with respect to the previous year and the measures applied to promote their inclusion and adaptation to the job; failure to present data on accidents, occupational diseases and remuneration of senior management disclosed by gender; training hours category; data for the annual average for types of contract; and changes in average remuneration.

On the other hand, sometimes it is explained that these omissions are due to a lack of preparedness of the systems. Considering that the NFIS has been mandatory since 2017, it is recommended to improve the systems for its disclosure.

More than half of the selected sample omitted some workforce disclosures and in more than half of the cases the reasons were not explained. In the remainder they are explained as non-material aspects or problems in the systems required to obtain the data. For instance, it should be noted that, although the majority of the selected sample include a qualitative and quantitative description of health and safety conditions, approximately one quarter do not disclose workplace accidents or illnesses by gender, or fail to provide an explanation. Additionally, approximately 25% of the selected sample do not provide information on the average number of contracts or changes in average remuneration.

- In addition, recommendations were issued, in regard to the measures implemented to respect the equal treatment and opportunities between men and women, to promote diversity, improve the description of the organisation of working hours and measures to promote reconciliation and the sharing of responsibility between both parents.

It has been observed that some issuers in the selected sample still do not provide an explanation of the organisation of their working hours or the measures intended for reconciliation and, among those that do provide them, in several cases they are incomplete or include only a qualitative description.

- In regard to corporate relations, the description of the procedures for informing, consulting and negotiating with the workforce and the information on issues related to the balance of collective agreements, particularly in the field of workplace health and safety should be improved, indicating the number of agreements signed in each year and explaining the data.

About 30% of the selected sample do not report on the balance of collective agreements, particularly in the area of workplace health and safety.

- As a supplement to the heading “Characteristics and presentation of the NFIS information” several documents were sent out in regard to the inclusion in the table of contents of indicators that do not apply, whose related information does not appear in the indicated section or that are not applied in full.

Specifically, a request was sent to one entity and recommendations to three issuers in regard to including the wage gap for the company as whole but not disclosing it for each professional category by significant location as indicated in GRI 405-2, which they refer to in the NFIS table. Additionally, one issuer referred to GRI 405-1, but did not break down the percentage of the total workforce corresponding to employees with disabilities by job category.

- It is recommended that certifications granted to the issuer in relation, among other aspects, to health and safety management systems, be detailed in the NFIS and that they not only report their scope of application, but also the period which they cover.

Approximately two thirds of the selected sample have external certifications or reports on social and employment issues, but not all of them detail the scope or perimeter they cover or the date. Thus, most (around 70%) of the issuers of the selected sample had or intended to obtain certifications related to health and safety (mainly, OHSAS 18001 and ISO 45001), although their scope (for example, whether they covered all business units or facilities) was sometimes unclear.

- Sometimes, although ethical channels also ensure compliance with the policy on diversity and inclusion, the number of complaints or reports related to this area is not indicated.

Wage gap

- From the analysis of the information provided on the **wage gap** by the issuers subject to substantive review and from the selected sample, it can be highlighted that:

Although there is some improvement compared to the previous year, there is still a lack of standardisation in the way the information is calculated and presented, partly explained by the scant regulatory specification.

In this way, although all obliged issuers of the companies subject to substantive review provided wage gap data, about 20% only provided such data at company or group level, without any type of segmentation. Of those that did break down the information, more than three quarters did so by category or professional classification and more than half of these also provided disclosures by age or geography.

In some cases, it was observed that the total population was not considered in the calculation, as those in which the information was scarce or did not exist were excluded. In these cases, as explained in previous sections, an explanation should be provided of the information that has been excluded, where relevant.

25% of the companies subject to substantive review did not indicate the calculation formula used and, of those that did, full information was not always provided. Additionally, there are still many differences in the forms of calculation used: some companies use the median and others the average remuneration for their calculation, sometimes it is weighted by different parameters that are not always explained or quantified (according to the weight of areas of activity, markets, etc.), and some issuers additionally provide an adjusted wage gap without offering sufficient explanations about the adjustments made.

Around 80% of the companies subject to substantive review made reference to GRI 405-2, 2016. However, some did not provide all the detail required by this GRI or explain that they had partially applied it.

Around 40% of the companies subject to substantive review still do not provide details of the remuneration items used to calculate the wage gap. More than half of those that do provide details include fixed and variable remuneration and other supplements, although on many occasions it has been observed that no clear explanation is provided as to what these supplements consist of.

More than 30% of the companies subject to substantive review do not provide comparative data or an explanation of changes in the wage gap. Although the remaining 70% do provide comparative figures, less than half provide some explanation of the figure obtained and associated movements, and very few relate this information to defined objectives.

Less than half of the issuers, where the gap is significant, include an explanation of plans and measures to reduce it.

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 and sent recommendations to 13 of them to expand the information on this matter, mainly for the following reasons:

- i) The information must be more specific and adapted to the particular case of the entity, more explicit in the identification and description of the group's risks in this area in the short, medium and long term (considering its activities, countries in which it operates and members of the value chain with the highest risk (suppliers, subcontractors, franchisees, etc.), although in part this could be deduced from reading the report. In addition, the materiality analysis and the reasons why there are considered to be significant risks in this area, if any, should be clear.
- ii) The description of the policies and due diligence procedures applied to identify, assess, prevent and manage risks should be expanded.
- iii) More information should be provided on the results of the policies adopted to measure their effectiveness and the degree of compliance with the established objectives, which should also be disclosed.

For this purpose, it is recommended to provide more KPIs including qualitative explanations about these and their development, e.g. i) training hours for employees on this matter and the number of employees who have received them; ii) complaints received, resolved and existing at the close of the period, reporting on their development and or resolution and explaining their nature, distinguishing between complaints related to corruption and those related to human rights violations, or other violations, and differentiating whether they belong to the entity or any participant in the value chain; iii) the number of pending or concluded legal actions, including, among others, those related to anti-competitive practices (2017/EU Guidelines), and iv) contributions to foundations and voluntary non-profit organisations or required by law, providing the individual amounts involved.

Around 60% of the selected sample do not provide data on complaints about this issue or provide such data without differentiating them from other types, such as those related to human rights, indicating the number of communications received through its Conduct Channel.

Only half of the selected sample provide any details on the amount of contributions to non-profit organisations.

- iv) The measures established by the group to manage and redress possible violations in this area, even when they have not been detected in the year. In particular, the information on measures to combat money laundering must be expanded.
- v) The changes or developments that have occurred in regard to risks, objectives, policies and procedures with respect to previous years must be explained.

This is particularly important in cases where corruption or bribery situations have materialised which have had a significant impact. It is recommended that issuers specify whether or not any such situations have occurred and, if so, provide information to understand their importance and explain the actions carried out, including external or internal forensic activities and the changes made to prevent them from recurring. Thus, we refer once again to the statement published by the CNMV on 25 November 2019, triggered by certain recent cases of alleged irregular practices that affected some listed companies.⁵⁰

Furthermore, in the event that contingencies or provisions arise, the disclosures in the notes to the annual financial statements should be linked more precisely and clearly.

Respect for human rights

In relation to these matters, most of the observations indicated in the previous section apply and it should be noted that in some cases the information on the two issues is not properly differentiated in the NFIS.

Recommendations on this matter were sent to 15 issuers, relating to the issues already mentioned in the previous section and also to the following aspects:

- i) The information required by Law 11/2018 on measures to prevent the risk of violation of human rights must be expanded, in addition, where appropriate, to the measures to mitigate, manage and repair any abuses committed – the entity’s commitment to respecting human rights is not sufficient.

All the companies subject to substantive review, except one, have stated their commitment to respect human rights, although they should be more specific about their risks and policies in this area.

- ii) It should be specified whether risks with a significant impact during the year have materialised in this area.
- iii) Some entities do not expressly state whether they promote or comply with the provisions of the fundamental conventions of the ILO related to respect for the freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour, and the effective abolition of child labour.

Company information

Law 11/2018 covers four major headings on this issue: company commitments to sustainable development, subcontracting and suppliers, consumers and tax information. Recommendations were sent to 12 issuers on some of the aspects included in this area. The most recommended topics that highlight the need for improvement correspond to:

- The description of the main short, medium and long-term risks related to this issue must be improved, in line with the content of section “Characteristics and presentation of the NFIS information”.

Although a large part of the issuers subject to substantive review mention some aspect of the risks related to company information, around 20% do not provide a description or, if they do, it is too general. Of those that do describe risks, around one quarter do not provide a balanced description of risks and opportunities, in many cases giving more weight to positive aspects.

Furthermore, most of the selected sample did not provide an outlook for short, medium and long-term risks, and did not indicate whether risks with a significant impact had materialised in the year.

- Comparative figures should be included for all KPIs and qualitative explanations provided on their performance, among others, for the number of organisations and associations of which they are members, in addition to expenditure on membership fees, complaints received, evaluations made to suppliers, the customer experience index, etc. Likewise, the regulatory framework and the methodology used to calculate all KPIs should be detailed.

Approximately one third of the companies subject to substantive review did not include comparative data or only did so for some of the KPIs related to this issue. Additionally, about two thirds of the companies did not include a narrative explanation of the performance of the KPIs corresponding to the "company" section.

– In relation to **subcontracting and suppliers**, the following recommendations should be highlighted:

- i) Explanations relating to risks of the supply chain should be expanded and more specific information provided in regard to the particular circumstances (activity, countries in which they work, etc.) in cases in which, according to the materiality analysis, this aspect is one of the most significant.

In this regard, ESMA reminded issuers in its 2019 NFIS review priorities that they should assess the need to disclose the risks arising from their participation in supply chains in their non-financial information.

Most of the companies subject to substantive review analysed provided information on this matter, with about 65% providing some breakdown of the risks and opportunities related to the supply chain (suppliers, subcontractors, franchisees, etc.), around 20% focused only on risks and 4% on opportunities, although in many cases they are not described or, if they are, the descriptions require more specificity.

Additionally, all the companies subject to substantive review explained that they took into account relevant non-financial issues when managing the supply chain. Thus, around 75% of the selected sample indicated that they consider all issues (social, environmental, human rights and corruption) in this management activity and many of the companies include social and gender equality clauses in their purchasing and environmental policies, and take their social and environmental responsibility into account in relationships with suppliers and subcontractors. However, the procedures they use to assess whether they meet these non-financial criteria were sometimes not described.

- ii) The explanation of the due diligence procedures should also be expanded to determine whether there are risks relating to new suppliers and to those already contracted, and to list the results of the evaluations or audits carried out on suppliers in relation to each non-financial aspect (integrity, equality, health and safety, corruption and bribery, environmental, etc.).

Most of the selected sample (87%) have supervision or auditing systems to check suppliers and subcontractors and although the majority provide information on the number of audits or supervisions carried out, around one quarter of the sample do not provide the results.

- iii) It should be reported whether the suppliers or subcontractors have any type of certification (for example, ISO 9001 or environmental ISO 14001), as well as the scope and period to which these certifications refer.

Around three quarters of the selected sample did not indicate whether their suppliers or subcontractors had any type of certification.

- iv) It would be recommended that, based on their significance, issuers evaluate the convenience of expanding the scope of some KPIs provided in the NFIS, to separately include information related to the supply chain in indicators in which they may have more influence, such as the environment (GHG emissions and water and energy consumption), or personnel, such as the workforce of subcontractors. When provided, explanations should be given as to how they have been taken into account within the scope of the NFIS.

Most of the issuers in the selected sample for which outsourcing was relevant did not include these data in the KPIs related to the workforce and other issues, limiting themselves in some cases to providing qualitative information.

- v) It would be desirable to expand the description of the communication channels, systems or reporting tools established with respect to suppliers and subcontractors and other stakeholders, explaining which reports they are used for, who their users may be (only employees or also suppliers, franchisees, customers, etc.) and detail the nature of any incidents recorded and the procedure for their management.

- In relation to **consumers**, in most cases it was recommended that the information related to the complaint systems (social networks, customer service areas, calls, emails, etc.), the complaints received and their resolution be expanded. Data on the number of complaints received and resolved should be provided separately from the rest of customer communications for other reasons.

Virtually all of the selected sample has consumer or customer complaint systems in place, however, about 25% are not properly explained. Although in general the complaints received are indicated, sometimes this information is not clear, as contacts with clients that are not complaints are added or their nature is not detailed. Resolved complaints are not always indicated, nor are the mechanisms required for their resolution.

Additionally, it is recommended to be more specific, as well as to expand the information on health and safety measures.

Almost half of the selected sample either do not report on consumer health and safety measures, or if they do, the explanations are too general or do not describe the measures implemented.

- The explanation of the **tax information** provided should be expanded in such a way as to provide a proper understanding of the tax liability of issuers, although some improvement has been observed compared to the previous year. In this sense, the following recommendations were made:
 - i) In relation to profits by country, it should be indicated whether figures are before or after taxes, the year to which they correspond, how the figures were calculated (e.g. whether they are individual or consolidated figures, if they are aggregated figures before corporate taxation by country prior to consolidation adjustments, whether any adjustments have been made that must be explained and quantified, etc.) and any other information necessary.
 - ii) Regarding the income tax paid, a further explanation should be given of the figures provided and how they relate to the accounting data, in addition to providing the amount of taxes paid and not those accrued, specifying the year to which they correspond.
 - iii) Likewise, the relationship between the income tax paid and the profits used as the base for the payments made must be detailed and explained, even if they correspond to the previous year. The main factors that serve as significant fiscal adjustments to determine the tax bases in each country should also be described and information on their fiscal responsibility expanded.
 - iv) Additionally, there should be greater consistency with the information on income tax and subsidies disclosed in the notes to the annual financial statements, and the necessary explanations and reconciliations should be provided.
 - v) The risks in this area should be linked to the disclosures on tax contingencies included in the notes to the annual financial statements.

From the analysis carried out for companies subject to a substantive review of tax information, the following points stand out:

- o Most issuers provided information on their profits on a country-by-country basis or for all relevant countries; however, there are still differences in the data submitted. About half of the companies subject to substantive review provided their consolidated profit before tax, but the rest sometimes presented their aggregate profit before tax, profit after tax or other figures such as EBITDA, or the direct economic value generated, distributed and retained. Around half made adjustments to the profits submitted, but only 50% included an explanation for these adjustments.*
- o In regard to income taxes paid, most companies subject to substantive review (79%) provided a breakdown by country or relevant countries, and the rest included a figure at group level. However, it has been observed that on occasion the amount corresponding to the profit or loss for each year is still not specified and the accounting corporate income tax expense is provided instead of the amount paid. Additionally, some of the issuers (approximately 40%) aggregated corporate income tax and other taxes that were not always explained and quantified (14%).*

- o *Areas for improvement include an explanation of the relationship between the itemised profit and the income taxes paid in each country, which was only provided by 30% of the companies subject to substantive review and there is no reference to the reconciliation in the corresponding note to the financial statements.*
- o *Around half of the selected sample included some information on the fiscal responsibility of the issuer (for example, the existence of holdings in entities domiciled in tax havens, etc.)*
- o *Most of the selected sample of companies provided data on public subsidies received in total at company or group level (75%) without offering a breakdown by using any segmentation criteria. Further, around 35% did not provide qualitative explanations for these subsidies.*

- In regard to **the company's commitments to sustainable development**, the recommendations include expanding the information on the impact of its activity on employment and local development (for example, through the percentage of local suppliers it works with), on local populations and on the region, on the relationships with representatives of the local communities and a description of the types of dialogue held with them and the resources invested by the company (e.g. staff hours and expenses).

In the selected sample, it has been observed that in some cases, a description of the impact of the company's activity on employment and local development and on local populations and regions is not included, or can be improved, given that it is overly general or does not include quantitative data. The description of the relationships with representatives of local communities, especially regarding the types of dialogue held with them, can also be improved, since in more than half of the selected sample only a qualitative description was included.

Main areas of review in relation to the 2020 NFIS

In October 2020, ESMA published its common enforcement priorities for financial and non-financial information in order to promote their standardisation application in the European Union. This section highlights the aspects of the ESMA document that have been deemed most relevant together with details on the additional issues on which the CNMV will focus its attention. However, it is recommended to read the ESMA statement in full.⁵¹ ESMA's priority areas for 2020 with respect to the NFIS are the following:

- i) **Impact of the COVID-19 pandemic:** ESMA highlights that the COVID-19 pandemic has had a widespread impact on the activities of issuers in relation to non-financial matters and recommends that this be carefully assessed. Issuers

⁵¹ https://www.esma.europa.eu/sites/default/files/library/esma32-63-1041_public_statement_on_the_european_common_enforcement_priorities_2020.pdf

must provide transparency on the consequences of the COVID-19 pandemic as well as the mitigating actions taken.

ii) **Social and employment issues:**

- ESMA notes that **certain matters related to inclusion and diversity** could be the focus of attention of users of corporate information based on recent calls from civil society to ensure equality and the fight against racism. To the extent necessary to understand the development, performance, position and impact on their activities, issuers should provide disclosures on these issues and offer information on how they have been addressed in the entity's employment policies, **including employees in supply and sales chain**. ESMA also highlights the importance of disclosing any progress made by the issuer in the social and employment area.
- ESMA points out that a health crisis such as that produced by COVID-19 increases the importance of providing transparency on employment issues, especially those related to **workplace health and safety**. In this context, the main topics include the extensive use of teleworking, as well as the strategies followed to gradually incorporate employees back into their workplace while complying with the necessary measures to guarantee their health and safety.

Additionally, the management of employees, **both direct employees and those belonging to the supply and sales chain**, who during the pandemic have to continue working in close physical contact. ESMA recommends that issuers disclose the policies they have put in place for their employees, including whether they are permanent and how they have been implemented. It also highlights the importance for issuers to disclose how they measure their progress towards achieving the goals they have set.

- ESMA also recommends that issuers disclose the criteria they have relied on to provide other KPIs related to social and employment issues.
- Further, due to the increase in teleworking, considerations may arise in relation to the **resilience** of the entity's infrastructures and its ability to prevent and manage **cyberattacks**. In this regard, ESMA encourages issuers to disclose how these matters have been addressed, the preventive measures that have been put in place and the results of those actions.
- ESMA reminds issuers that disclosures related to social and employment issues must be **based on facts and provide evidence of concrete behaviours and actions** (for example, any programme implemented for the benefit of employees and the public to promote health and safety measures in the context of the pandemic and the results of such measures). This can be extrapolated to other non-financial matters.

Issuers should provide an unbiased presentation of the facts, without overly emphasising positive or negative matters. Users should be able to clearly identify the policies adopted by the issuer, the actions taken to implement those policies and the results obtained.

iii) **Business model and value creation:** ESMA's objective is for NFIS users to gain an understanding of the issuer's business model and how it relates to non-financial matters. To do this, it refers to section 4.1 of the 2017/EU Guidelines and expects issuers to include clear, understandable and objective information on their business models, specifically:

- The **business environment and the main factors and trends** that may affect its future performance.
- Its **strategy** and how it is implemented.
- The **definition of value creation** and the framework that provides it.
- How the business model affects non-financial matters and is in turn being affected by it, taking into account its short, medium and long term **objectives**.
- Whether there have been **significant changes** in the business model and its ability to create value during the year, with an explanation in this regard.
- The degree of resilience of the business model to exceptional events such as the **COVID-19** pandemic, providing information on the impact of the pandemic on the business model and on value creation in the short, medium and long term, and on policies implemented to address non-financial matters.

Additionally, it indicates the possibility of providing these disclosures by means of schematic illustrations.

iv) **Risk related to climate change:**

- As in the previous year, ESMA continues to emphasise the relevance of environmental issues, in particular the measures adopted to prevent and mitigate the negative consequences deriving from climate change and the risk of an increase in the global average temperature of more than 1.5 degrees centigrade.
- ESMA reminds issuers of the need to disclose, where relevant, the physical and transition risks related to climate change and the measures implemented to prevent these risks from materialising and mitigating their effects. Additionally, ESMA recommends that issuers take into account the evolution of risks and opportunities related to climate change, considering different time horizons in order to reflect uncertainty in the short, medium and long term, and potential implications to the business arising from different factors. Issuers can provide disclosures on these matters by referring to the guidelines issued by the EC⁵² on reporting climate-related information.

- ESMA recommends that issuers explain this information in the context of their business model, environmental policy and established objectives, which will serve to contextualise the extent to which the objectives have been achieved and explain any uncertainty related to them.

Lastly, in accordance with the guidelines issued by ESMA on the enforcement of financial information, the national authorities will inform ESMA about the actions carried out in 2021 and the measures implemented if any breaches are detected. ESMA will publish a summary of the enforcement actions it carries out and those performed by the European accounting supervisors.

Additionally, the CNMV has included in its 2020 review plan a more detailed analysis of two-fold materiality and how stakeholders influence its assessment and of the information related to climate change, the details of which are described below.

Two-fold materiality and how stakeholders influence its assessment

The CNMV refers to and extends the priority set by ESMA for the previous year regarding the materiality of non-financial matters, which is in addition to the classic financial materiality approach. With regard to non-financial materiality, a two-fold approach should be adopted, as underscored in Directive 2014/95/EU:

- How non-financial information impacts an entity's position and results: "Outside-in approach".

In this regard, Directive 2014/95/EU indicates that obliged companies must disclose information on non-financial matters to the extent necessary for an understanding of the undertaking's performance, results and position [...].

As indicated in the Climate Supplement to the EU guidelines, this refers to financial significance in the general sense that the value of the company is affected, a perspective that is usually of greater interest to investors.

- How the company impacts the environment in a broad sense (including social and environmental aspects, protection of human rights, etc.) and, consequently, how the entity impacts the different stakeholders: "Inside-out approach".

Directive 2014/95/EU further establishes that obliged companies must disclose information on non-financial matters to the extent necessary for an understanding of impact of its activities [...]. As indicated in the 2017/EU Guidelines, this reference introduces a new element to take into account when assessing the significance of non-financial data.

In this regard, the Climate Supplement to the EU guidelines shows that this reference denotes environmental and social significance. Although this approach is increasingly of interest to investors, it tends to be of greater interest to other stakeholders.

These business impacts can be positive or negative and the disclosures should cover both types of impacts.

Companies must take into account the real and potential severity and frequency of the impact of their activity, whether directly or indirectly through their business relationships with the environment, such as the supply chain.

Non-financial information should be disclosed individually on matters that are significant from either of the two risk approaches, which will overlap in some cases. To the extent that markets and public policies evolve in response to non-financial matters (for example, climate change), the positive or negative effects of a business on those issues may translate into business opportunities or risks that may be financially significant.

Although the vast majority of non-financial aspects eventually have a financial impact on the entity – directly or indirectly, and in the short, medium or long term (for example, the impact of climate change on the company can be financially significant) –, entities may address for various reasons, depending on their particular environment and circumstances, certain non-financial aspects even though there is no clear indication that they will have a significant financial impact. Further, there are no established methodologies to adequately measure the long-term financial impact of many non-financial aspects.

In regard to this matter, it should be remembered that the GRI, which, as we have seen, is the framework most commonly used by issuers in Spain, while a fairly comprehensive framework, is more focused on the impact of the company on social and environmental issues, but both the Law and Directive 2014/95/EU also require an explanation of the impact of the social and environmental context, including climate change, on the entity. Therefore, it is recommended that the 2017/EU Guidelines be considered and, with regard to climate change, in addition to the Climate Supplement to the EU Guidelines, the recommendations of the TCFD, formed at the request of the Financial Stability Board (FSB), on disclosures relating to the impact of climate change.

A more sustainable and long-term business model requires a broader group of stakeholders be taken into account, that goes beyond shareholders and investors in general, such as employees, customers, suppliers and the community as a whole.

Therefore, issuers are expected to sufficiently explain in their NFIS:

- i) How they determine which information is material from the aforementioned two-fold approach, reporting on the results of the analysis:
 - a. The internal and external factors that are relevant in their assessments.

When assessing materiality, the following should be considered:

- *Internal factors: for example, the business model, the entity's strategy, its main risks and code of ethics. It should be noted that the clear identification of non-financial risks is one of the topics identified as an area for improvement in the 2019 review, as indicated in the previous section.*

– *External factors: for example, regulations, international agreements, requests from analysts and investors, or concerns expressed by stakeholders.*

- b. The criteria and methodologies used.
- c. The time horizon have they applied when assessing which non-financial information is material, which should be the long term and the effects in that term they consider the aspects related to social and environmental materiality will have on the entity's financial position and results.

When assessing whether certain non-financial information is significant, it is recommended that companies take into account a longer time horizon than that traditionally used for financial information. In this sense, companies should not conclude that a non-financial matter is not significant just because the related risks are considered long-term risks.

- d. How sectoral issues affect the analysis.

The significant information to be disclosed must be evaluated in the context of the specific circumstances of the company, taking into account specific situations and sectoral considerations. There are likely to be significant issues in common with other companies in the industry.

- e. Which non-financial aspects have been identified as significant and their order of priority.
- ii) In particular, a detailed explanation of how stakeholders influence its determination, noting:
 - a. Which stakeholders are considered significant, indicating their position in the value chain.
 - b. How they have been taken into account and what their information requirements are.
 - c. The impacts that affect them and how the assessment of two-fold materiality has been taken into account and affected the entity's operational and strategic plans.
 - iii) In the event that any non-financial matters is not considered significant,⁵³ a detailed explanation should be given of how this conclusion was reached.

53 Directive 2014/95/EU defines as information of significant relative importance that information whose omission or erroneous communication is considered could reasonably influence decisions that users make based on the financial statements of the company. It adds, like Law 11/2018, that obliged companies must provide adequate information on the aspects with respect to which the main risks of serious effects are most likely to materialise, together with the aspects with respect to which these risks have already materialised.

- iv) Inconsistencies between the results of the materiality analysis and the information provided in the NFIS should be avoided.

Information related to climate change

As mentioned in the section corresponding on “Environmental issues”, the CNMV considers it important that issuers that conclude that climate matters are significant for an understanding of their performances and results, or their external repercussions, should take into consideration in the preparation of their 2020 NFIS, the EU Guidelines published by the EC in June 2019, which includes the TCFD recommendations.

It should be noted that this supplement shows that when assessing whether certain climate-related information is significant a longer time horizon than that used for financial information should be considered, indicating the way in which the climate is defined in the short, medium and long term.

In this sense, taking the content of both documents as a reference, the CNMV recommends considering the following information when preparing the 2020 NFIS:

- Impact of climate-related risks and opportunities on the business model, as well as the way in which the model may affect the climate, positively and negatively, detailing the changes that have occurred in the business model to address material and transition risks and to take advantage of climate-related business opportunities.
- Resilience of the business model considering different scenarios in different time horizons, including at least one that includes a rise of 2°C or lower and another that includes a rise of more than 2°C, disclosing how the aforementioned scenarios have been selected.
- Description of the environmental policies and the objectives set, indicating whether they are formalised and, where appropriate, the bodies involved in their approval, including the role of the board of directors. In this regard, the Climate Supplement to the EU guidelines indicates that the indications relating to the responsibilities of the board of directors and the management reveal the company’s level of awareness of climate-related issues, including the recommendation of the TCFD on the convenience of describing the supervisory role played by the board of directors and the role played by the management in the assessment and management of climate-related risks and opportunities.
- Procedures followed by the company to determine, assess and manage climate-related risks in the short, medium and long term, describing the main risks existing throughout the value chain, the assumptions used to establish these risks and how they are integrated into the company’s global risk management policy. In accordance with Directive 2014/95/EU as regards non-financial information, the Climate Supplement to the EU Guidelines requires issuers to consider the risks of the company’s having a negative impact on the climate and the risks of climate change having a negative impact on the company (material and transition risks).

- Direct emissions (scope 1), indirect emissions resulting from the generation of electricity, steam, heat or cooling purchased and consumed (scope 2), and other indirect emissions produced along the company's whole value chain (scope 3), along with a GHG emissions target for each scope.

The Climate Supplement to the EU guidelines emphasises that scope 3 should include emissions from activities corresponding to the links in the chain located before and after the company's own operations, and recommends linking the company's objectives with national and international target, in particular, the Paris Agreement.

- Lastly, in relation to the requirements of Law 11/2018, the CNMV reminds issuers that omissions of information must be properly justified on the basis of their materiality analysis.

V Securitisation funds and bank asset funds

Securitisation funds

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

The number of audited annual accounts of securitisation funds for 2019 received by the CNMV totalled 297 (317 in 2018), including accounts of funds in liquidation and the accounts of private funds.

None of the audit reports included qualifications (one case in 2018).

Ten annual reports included emphasis of matter paragraphs in their audit reports, of which seven were related to cases of funds in liquidation, one referred to the constitution of the fund during the year and two called attention to the fact that the portfolio of securitised assets was mainly made up of credit rights involved in bankruptcy proceedings. In 2018 there were two annual reports whose audits included some type emphasis of matter paragraph.

Review of annual accounts and quarterly reports

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

The CNMV's supervisory work on the financial disclosures of these funds involves two levels of review, a formal and substantive level.

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 of the financial information of a specific number of funds is also carried out. To identify these funds, the probability of their financial statements containing a material error is considered, which is determined using variables related to the fund 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 selected sample of funds are reviewed at least once every three years. Consequently, the selected sample, which also considers the number of errors and incidents identified in previous reviews, includes those funds with the highest risk that have not undergone a substantive review in previous years.

Formal review

All 2019, 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 2019 and the first three quarters of 2020, which was based on a sample of funds, it was found that the recognition, measurement 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

Following the review of the 2019 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 2020 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, mainly with regard to concentration risk, in addition to comparative information from the previous year.
- Justification and reconciliation of differences between the rates reported in the periodic public information and the report.
- Explanation of the concept of NPLs and write-downs “for other reasons”.

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, audit report and the management report of the bank assets funds are published and can be consulted on the CNMV website.

In 2020, the audited annual accounts as of 31 December 2019 were filed with the CNMV for four BAFs (two in 2018).

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

As a result of the enforcement work carried out in 2020, two requests were sent to one bank asset fund manager, requesting additional information on the following matters:

- The valuation method of real estate assets.
- Nature and conditions of the credit rights acquired.
- Determination of the initial value of financial assets.

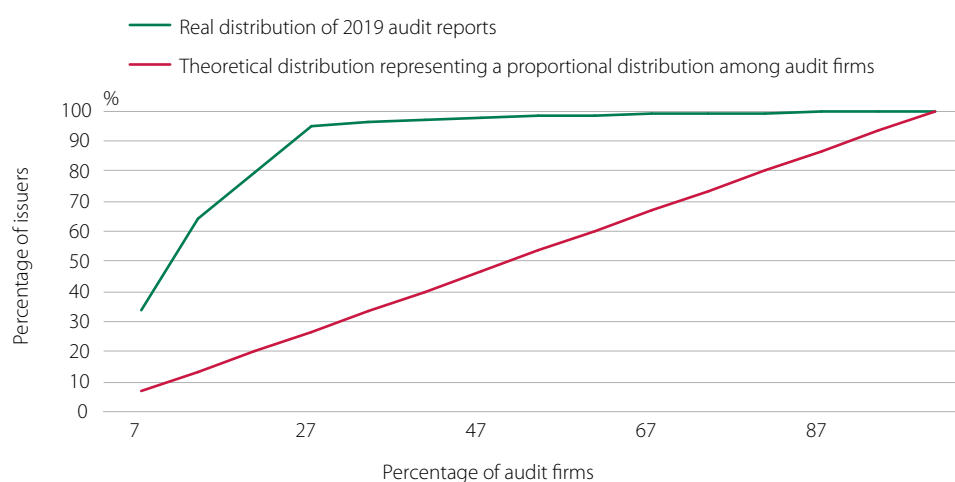
Likewise, with regard to the preparation of the annual accounts for future years, management companies were reminded that taking into account the provisions of rule 16.2 of CNMV Circular 6/2013, the report must include information on the nature and the amounts recognised in the financial statements related to fees and commissions.

VI Audit firms and deadlines for submitting audit reports

A total of 95.1% of the audit reports on 2019 annual accounts submitted by issuers to the CNMV were issued by the four main firms in Spain by turnover: Deloitte, EY, KPMG and PwC (the same percentage as in 2018). Figure 8 shows the degree of concentration indicated.

Concentration of audits by firm

FIGURE 8

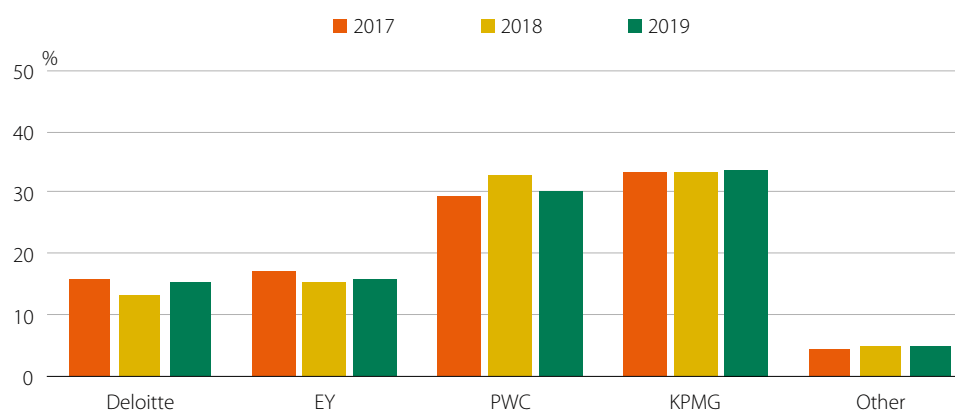


Source: CNMV.

Figure 9 shows the breakdown of the audit reports prepared by the four main firms in the last three years.

Breakdown of audits by firm

FIGURE 9

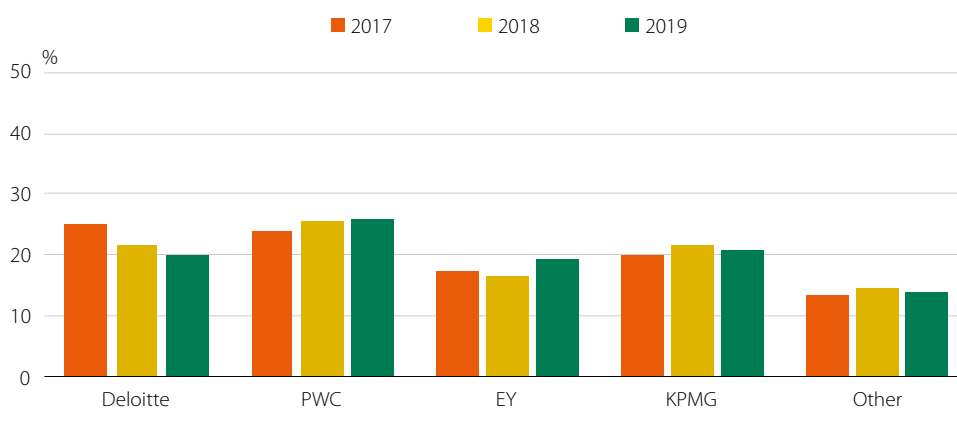


Source: CNMV.

Excluding securitisation funds and BAFs, the four main firms issued 86.1% (85.5% for the 2018 annual accounts) of the audit reports received by the CNMV.

Breakdown of audits by firm (excluding SFs and BAFs)

FIGURE 10



Source: CNMV.

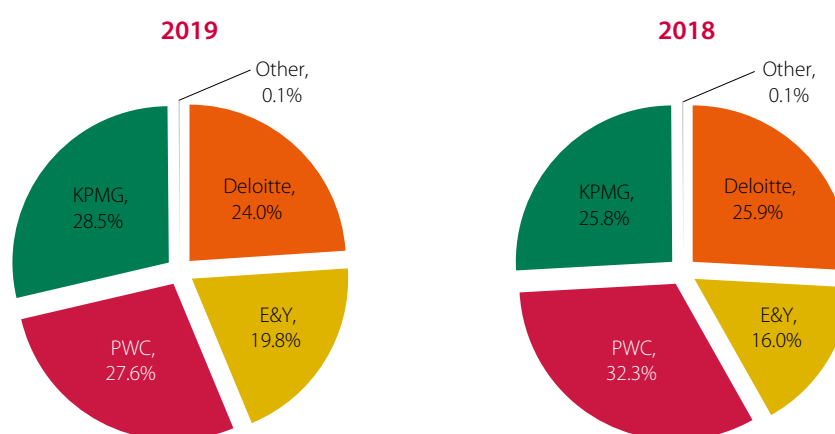
It should be noted that the annual accounts of four issuers⁵⁵ have been co-audited.

All the 2019 annual accounts of Ibex 35 companies⁵⁶ were audited by the four main audit firms: Deloitte: 7 (8 in 2018); EY: 7 (6 in 2018); PWC: 11 (12 in 2018), and KPMG: 9 (7 in 2018).

Figure 11 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 2019.

Breakdown of audits by firm according to capitalisation

FIGURE 11



Source: CNMV.

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

⁵⁶ The 34 Ibex 35 entities that are obliged to submit financial information to the CNMV are included. Arcelor Mittal is not obliged, as Spain is not its home Member State.

The average term for issuing the audit report for 2019 was 100 days, six days more than in 2018. The average time taken for annual financial reports to be submitted to the CNMV was 110 days, six days more than in the previous year. However, if securitisation funds and bank asset funds were excluded from the sample, these terms would be reduced to 81 days (73 in 2018) for the average term for issuing the audit report and to 87 days (79 in 2018) for the average term for submitting the annual financial report to the CNMV.

This increase may be related to the extension of terms set down in RDL 8/2020 and the situation caused by the COVID-19 pandemic.

Tables 7 and 8 analyse the deadline for issuing the audit reports on the annual accounts and the deadline for sending them to the CNMV for registration and public disclosure.

The number of entities that published their audited 2019 annual financial report in the two months following year-end totalled 89 (19.9% of the total), 4.2% more than the number for the previous year (19.1% of the total).

This percentage rises to 60.6% excluding SFs and BAFs.

Since 2011, issuers have been offered the possibility of submitting their annual reports electronically through Cifradoc, using the “CAA – Audited Annual Accounts of Listed Entities” procedure, which means that it does not have to be submitted on paper and expedites and simplifies the publication process.

In its eighth year of implementation, 140 listed entities (97.2% of the total excluding SFs or BAFs) sent in their 2019 annual accounts using this procedure. In the previous year, 144 entities filed their accounts electronically (95% of the total).

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

Additionally, since 2017 the CNMV has emphasised the convenience of submitting the information detailed in the previous points also in English.

2019

**Timeframe for issuing the audit report and submission to the CNMV
(including SFs and BAFs)** TABLE 7

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. of issuers ¹	%	No. of issuers ¹	%
From 0 to 30	0	0.0	0	0.0
From 31 to 60	95	21.3	89	20.0
From 61 to 90	40	9.0	11	2.5
From 91 to 121	288	64.6	270	60.5
From 122 to 180	15	3.4	64	14.3
Over 181	8	1.8	12	2.7
Total	446	100.0	446	100.0
Average days	100	-	110	-

Source: CNMV.

1 Includes two entries for Aedas Homes, S.A., which has changed the closing date of its financial year and submitted annual accounts referring to 31/12/2019 and 31/03/2020.

**Timeframe for issuing the audit report and submission to the CNMV
(excluding SFs and BAFs)** TABLE 8

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. of issuers ¹	%	No. of issuers ¹	%
From 0 to 30	0	0.7	0	0.0
From 31 to 60	92	62.7	88	58.8
From 61 to 90	11	10.5	10	8.5
From 91 to 121	22	23.5	20	26.8
From 122 to 180	13	2.6	18	5.2
Over 181	7	0.0	9	0.7
Total	145	100.0	145	100.0
Average days	81	-	87	-

Source: CNMV.

1 Includes two entries for Aedas Homes, S.A., which has changed the closing date of its financial year and submitted annual accounts referring to 31/12/2019 and 31/03/2020.

VII Annexes

Summary of audits from issuers filed with the CNMV¹

ANNEX 1

	2017		2018		2019 ²	
	Number	%	Number	%	Number	%
1. Audits filed with the CNMV						
– Individual accounts	155	52.2	152	52.1	144	52.0
– Consolidated accounts	142	47.8	140	47.9	133	48.0
Total audits received	297	100.0	292	100.0	277	100.0
– Special reports under Art. 14 RD 1362/2007	5		4		4	
2. Audit opinion						
– Unqualified opinion	292	98.3	284	97.3	271	97.8
– Qualified opinion	5	1.7	6	2.1	6	2.2
– Disclaimer of opinion or adverse opinion	0	0.0	2	0.7	0	0.0
3. TYPES OF QUALIFICATIONS EXCLUDING CONSISTENCY EXCEPTIONS						
– No. of audits with quantified qualifications and other non-compliances	2	0.7	2	0.7	-	-
– No. of audits with uncertainties and other	-	-	-	-	-	-
– No. of audits with limitations ³	5	1.7	6	2.1	6	2.2
4. EFFECTS OF QUANTIFIED QUALIFICATIONS						
4.1 EFFECTS ON PROFIT (LOSS)						
– No. of audits with positive effects	0	0.0	0	0.0	0	0.0
– No. of audits with negative effects	0	0.0	2	0.7	0	0.0
4.2 EFFECTS ON EQUITY						
– No. of audits with positive effects	0	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						
– Related to going concern	25	8.4	23	7.9	21	7.6
– Related to asset recovery	0	0.0	2	0.7	2	0.7
– Related to COVID-19	0	0.0	0	0.0	32	11.6
– Other circumstances	1	0.3	1	0.3	5	1.8

Source: CNMV.

1 The audit reports included in this annex do not include those corresponding to securitisation funds or bank assets funds, the information for which is detailed in Chapter V of this report.

2 Annual account audit reports and special reports filed with the CNMV up until 11 December 2020. Percentages have been calculated according to the number of annual reports received.

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

4 Emphasis of matter paragraphs that draw attention to uncertainties have been included.

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 accounts	119	50.9	34	50.0	14	53.8	11	64.7
– Consolidated accounts	115	49.1	34	50.0	12	46.2	6	35.3
Total audits received	234	100.0	68	100.0	26	100.0	17	100.0
– Special reports under Art. 14 RD 1362/2007	2		0		2		0	
2. Audit opinion								
– Unqualified opinion	230	98.3	68	100.0	24	92.3	17	100.0
– Qualified opinion	4	1.7	0	0.0	2	7.7	0	0.0
– Disclaimer of opinion or adverse opinion	0	0.0	0	0.0	0	0.0	0	0.0
3. TYPES OF QUALIFICATIONS EXCLUDING CONSISTENCY EXCEPTIONS								
– No. of audits with quantified qualifications and other non-compliances	0	0.0	0	0.0	0	0.0	0	0.0
– No. of audits with limitations ⁴	4	1.7	0	0.0	2	7.7	0	0.0
4. EFFECTS OF 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	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
– 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								
– Related to going concern	17	7.3	0	0.0	4	15.4	0	0.0
– Related to asset recovery	2	0.9	0	0.0	0	0.0	0	0.0
– Related to COVID-19	25	10.7	2	2.9	5	19.2	2	11.8
– Other circumstances	4	1.7	0	0.0	1	3.8	0	0.0

Source: CNMV.

1 Annual account audit reports and special reports filed with the CNMV up until 11 December 2020. The market in which the issuers' securities were admitted to trading was used as of 31 December 2019, except for issuers that started trading after that date, which are included in the market they requested to be admitted for trading.

2 The audit reports on the annual accounts and special reports corresponding to the companies that make up the Ibex 35 index are also included in the electronic market.

3 Issuers of fixed income securities or unlisted securities.

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

Summary of audits by activity 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 accounts	12	50.0	47	51.1	37	51.4	29	53.7	19	54.3
– Consolidated accounts	12	50.0	45	48.9	35	48.6	25	46.3	16	45.7
Total audits received	24	100.0	92	100.0	72	100.0	54	100.0	35	100.0
– Special reports under Art. 14 RD 1362/2007	0		0		2		2		0	
2. Audit opinion										
– Unqualified opinion	24	100.0	92	100.0	70	97.2	50	92.6	35	100.0
– Qualified opinion	0	0.0	0	0.0	2	2.8	4	7.4	0	0.0
– Disclaimer of opinion or adverse opinion	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3. TYPES OF QUALIFICATIONS EXCLUDING CONSISTENCY EXCEPTIONS										
– No. of audits with quantified qualifications and other non-compliances	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
– No. of audits with limitations	0	0.0	2	2.2	2	2.8	2	3.7	0	0.0
4. EFFECTS OF 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	0	0.0	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										
– Related to going concern	0	0.0	7	7.6	8	11.1	6	11.1	0	0.0
– Related to asset recovery	0	0.0	0	0.0	0	0.0	2	3.7	0	0.0
– Related to COVID-19	4	16.7	6	6.5	17	23.6	5	9.3	0	0.0
– Other circumstances	0	0.0	2	2.2	1	1.4	2	3.7	0	0.0

Source: CNMV.

¹ Annual account audit reports and special reports filed with the CNMV up until 11 December 2020.

List of 2019 audits filed with the CNMV¹

ANNEX 4

Company	Audit	
	Individual	Consolidated group
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
AEDAS HOMES, S.A.	U/O	U/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
CAIXABANK NOTAS MINORISTAS, S.A.U.	U/O	
CAIXABANK, S.A.	U/O	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
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

Company	Audit	
	Individual	Consolidated group
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
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
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

2019

List of 2019 audits filed with the CNMV¹ (continuation)

ANNEX 4

Company	Audit	
	Individual	Consolidated group
KUTXABANK EMPRÉSTITOS, S.A.	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
MÁSMÓVIL 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
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	
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
RED ELÉCTRICA 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

Company	Audit	
	Individual	Consolidated group
SERVICE POINT SOLUTIONS, S.A.	U/O	U/O
SIEMENS GAMESA RENEWABLE ENERGY, 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
SOLTEC POWER HOLDINGS, 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
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
URBAS GRUPO FINANCIERO, S.A.	Q/O	Q/O
VÉRTICE TRESCIENTOS SESENTA GRADOS, S.A.	U/O	U/O
VIDRALA, S.A.	U/O	U/O
VISCOFAN, 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.

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Company	Audit	
	Individual	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 SPANISH LOANS 2016, FONDO DE TITULIZACIÓN	U/O	
AUTO ABS SPANISH LOANS 2018-1, FONDO DE TITULIZACIÓN	U/O	
AUTONORIA SPAIN 2019, 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, F.T.A.	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 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	
AYT HIPOTECARIO MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
AYT ICO-FTVPO CAJA VITAL KUTXA, FTA	U/O	
AYT ICO-FTVPO I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	

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	Individual	Consolidated group
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 5, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
BANCAJA 6, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
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 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 10, 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 LEASING 1, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
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	

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Company	Audit	
	Individual	Consolidated group
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 19, 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	
BURAN ENERGY IM 1, 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 LEASINGS 3, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK PYMES 10, FONDO DE TITULIZACIÓN	U/O	
CAIXABANK PYMES 11, 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	
EBN WANNAFINANCE I, FONDO DE TITULIZACIÓN	U/O	
EBN ZEPA SECTOR PÚBLICO, 1 FONDO DE TITULIZACIÓN	U/O	
EDT FTPYME PASTOR 3, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
F.T.A. PROGRAMA INDEPENDIENTE DE TITULIZ. DE CÉD. HIPOTECARIA	U/O	

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Company	Audit	
	Individual	Consolidated group
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	
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 9	U/O	
FONDO DE TITULIZACIÓN DE ACTIVOS RMBS SANTANDER 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, FTA	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	
FONDO DE TITULIZACIÓN PYMES MAGDALENA 2	U/O	
FONDO DE TITULIZACIÓN PYMES MAGDALENA 3	U/O	
FONDO DE TITULIZACIÓN PYMES SANTANDER 13	U/O	
FONDO DE TITULIZACIÓN PYMES SANTANDER 14	U/O	
FONDO DE TITULIZACIÓN PYMES SANTANDER 15	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	

List of 2019 audits of asset securitisation funds filed with
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Company	Audit	
	Individual	Consolidated group
FONDO DE TITULIZACIÓN SANTANDER CONSUMO 2	U/O	
FONDO DE TITULIZACIÓN STRUCTURED COVERED BONDS UCI	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 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, FTA	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 BCC CAJAMAR 1, FONDO DE TITULIZACIÓN	U/O	
IM BCC CAJAMAR 2, 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	
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	

List of 2019 audits of asset securitisation funds filed with the CNMV (continuation)

ANNEX 4 BIS

Annexes

Company	Audit	
	Individual	Consolidated group
IM EVO RMBS 1, FONDO DE TITULIZACIÓN	U/O	
IM FORTIA 1, FONDO DE TITULIZACIÓN	U/O	
IM GEDESCO INNOVFIN, FONDO DE TITULIZACIÓN	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 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 8, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
PROGRAMA CÉDULAS TDA, 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, FTA	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	

List of 2019 audits of asset securitisation funds filed with
the CNMV (continuation)

ANNEX 4 BIS

2019

Company	Audit	
	Individual	Consolidated group
RURAL HIPOTECARIO XVIII, FONDO DE TITULIZACIÓN	U/O	
SABADELL CONSUMO 1, FONDO DE TITULIZACIÓN	U/O	
SANTANDER CONSUMER SPAIN AUTO 2019-1, FONDO DE TITULIZACIÓN	U/O	
SANTANDER HIPOTECARIO I, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
SLF, FONDO DE TITULIZACIÓN	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 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	
TDA 30, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA CAJAMAR 2, 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	

List of 2019 audits of asset securitisation funds filed with the CNMV (continuation)

ANNEX 4 BIS

Annexes

Company	Audit	
	Individual	Consolidated group
TDA IBERCAJA 7, FONDO DE TITULIZACIÓN DE ACTIVOS	U/O	
TDA IBERCAJA ICO-FTVPO, FONDO DE TITULIZACIÓN HIPOTECARIA	U/O	
TDA PASTOR CONSUMO 1, FONDO DE TITULIZACIÓN DE ACTIVOS	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	
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	
VERDE IBERIA LOANS, FONDO DE TITULIZACIÓN	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

2019

List of 2019 audits of bank asset funds filed with the CNMV

ANNEX 4 TER

Company	Audit	
	Individual	Consolidated group
ARQURA HOMES, FONDO DE ACTIVOS BANCARIOS	U/O	
ESLA, FONDO DE ACTIVOS BANCARIOS	U/O	
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.

2019 audits with qualifications filed with the CNMV

ANNEX 5

Thousands of euros

Company	Audits		Quantified qualifications and other non-compliances ²					
	Individual	Consolidated group	Scope limitations ¹	Number	Qualifications affecting profit or loss ³		Qualifications affecting equity ⁴	
					Amounts	%	Amounts	%
COMPAÑÍA LEVANTINA DE EDIFICACIÓN Y OBRAS PÚBLICAS, S.A.	YES		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, S.A. 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 2019.					
			YES	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, S.A. 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 2019.					
MOBILIARIA MONESA, S.A.	YES		1	0	0		0	
			Scope limitations					
			With regard to the investment held by the group in Delforca, 2008 S.A. 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., as at 31 December 2019 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.					
			YES	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 independent expert's report on the valuation of the interests, 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.					

2019 audits with qualifications filed with the CNMV (continuation)

ANEXO 5

Thousands of euros

Company	Audits			Quantified qualifications and other non-compliances ²				
	Individual	Consolidated group	Scope limitations ¹	Number	Qualifications affecting profit or loss ³		Qualifications affecting equity ⁴	
					Amounts	%	Amounts	%
URBAS GRUPO FINANCIERO, S.A.	YES		1	0	0		0	
Scope limitations								
At the close of 2019, the company had past due short-term financial debt, including €8,111,000 with the Asset Management Company for Assets Arising from Bank Restructuring (SAREB). Given that on the date of issue of the audit report, the auditor had not received a response to its request for confirmation of balances and other additional information from the creditor and that, additionally, the company had not provided a reconciliation of the aforementioned financial debt and the amount declared by SAREB to the Bank of Spain's Risks Office (CIRBE), nor had it been able to apply alternative audit procedures, the auditor is not in a position to attest to the reasonableness of this balance or whether it has been properly recognised and measured based on the maturity date, or of the disclosures in the accompanying financial statements.								
URBAS GRUPO FINANCIERO, S.A.		YES	1	0	0		0	
Scope limitations								
At year-end 2019, the Group held past due short-term financial debt amounting to €47,234,000 with SAREB. Given that on the date of issue of the audit report, the auditor had not received a response to its request for confirmation of balances and other additional information from the creditor and that, additionally, the group had not provided a reconciliation of the aforementioned financial debt and the amount declared by SAREB to the CIRBE, nor had it been able to apply alternative audit procedures, the auditor is not in a position to attest to the reasonableness of this balance or whether it has been properly recognised and measured based on the maturity date, or of the disclosures in the accompanying consolidated financial statements.								

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, a full understanding of the auditor's opinion can be obtained only by reading the complete auditor's report.

- 1 These audit 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 additional conclusions of the auditor will be filed with the CNMV register of public audits, 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 identified 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 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 special 2019 audit reports filed with the CNMV in relation to the first half of 2020

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	Maintained	X	Maintained

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 2019**

Auditor	Company
BAKER TILLY AUDITORES, S.L.P.	URBAS GRUPO FINANCIERO, S.A.
BDO AUDITORES, S.L.P. - MOORE STEPHENS IBÉRICA DE AUDITORÍA, S.L.P.	NYESA VALORES CORPORACIÓN, S.A.
BDO AUDITORES, S.L.	DESARROLLOS ESPECIALES DE SISTEMAS DE ANCLAJES, S.A.
BDO AUDITORES, S.L.P. - CASTELLA AUDITORS CONSULTORS, S.L.P.	MOBILIARIA MONESA, 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.	ALANTRA PARTNERS, S.A. APPLUS SERVICES, 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. 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. LAR ESPAÑA REAL ESTATE, SOCIMI, S.A. LIBERBANK, S.A. MEDIASET ESPAÑA COMUNICACIÓN, S.A. MELIÁ HOTELS INTERNATIONAL, S.A. MERLIN PROPERTIES, SOCIMI, S.A. NATURHOUSE HEALTH, S.A. NEINOR HOMES, 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. SOLTEC POWER HOLDINGS, S.A. TALGO, S.A. TUBACEX, S.A.
ERNST & YOUNG, S.L.	ADOLFO DOMÍNGUEZ, S.A. AEDAS HOMES, S.A. AIRTIFICIAL INTELLIGENCE STRUCTURES, S.A. AMADEUS IT GROUP, 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 2019 (continuation)

ANNEX 7

Annexes

Auditor	Company
ERNST & YOUNG, S.L.	AMPER, S.A.
	AZKOYEN, S.A.
	BANKIA, S.A.
	BIOSEARCH, S.A.
	BODEGAS RIOJANAS, S.A.
	CODERE, S.A.
	DEOLEO, S.A.
	DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.
	DURO FELGUERA, S.A.
	EBRO FOODS, S.A.
	ENAGÁS, S.A.
	ENDESA, S.A.
	ERCROS, S.A.
	FLUIDRA, S.A.
	GESTAMP AUTOMOCIÓN, S.A.
	GREENERGY RENOVABLES, 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.	
TUBOS REUNIDOS, 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.
	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.
	AENA, S.M.E., S.A.
	AMREST HOLDINGS, SE
	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.
	AUDAX RENOVABLES, S.A.
	BANCA MARCH, S.A.
	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
	CORPORACIÓN FINANCIERA ALBA, S.A.
	DEUTSCHE BANK, SOCIEDAD ANÓNIMA ESPAÑOLA

**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 2019 (continuation)**

Auditor	Company
KPMG AUDITORES, S.L.	ECOLUMBER, S.A.
	ELECNOR, 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.
	PROSEGUR CASH, S.A.
	PROSEGUR, COMPAÑÍA DE SEGURIDAD, S.A.
	RED ELÉCTRICA CORPORACIÓN, S.A.
	RENTA 4 BANCO, 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.
	INSTITUTO DE CRÉDITO OFICIAL
	KUTXABANK EMPRÉSTITOS, S.A.
MOORE STEPHENS IBÉRICA DE AUDITORÍA, S.L.	AYCO GRUPO INMOBILIARIO, S.A.
PKF ATTEST	MONTEBALITO, S.A.
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	ACERINOX, S.A.
	ALMIRALL, S.A.
	ARIMA REAL ESTATE, SOCIMI, S.A.
	AUTOPISTA CONCESIONARIA ASTUR-LEONESA, S.A.U.
	AUTOPISTAS DEL ATLÁNTICO, CONCESIONARIA ESPAÑOLA, S.A.U.
	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.
	CAIXABANK NOTAS MINORISTAS, S.A.U.
	CAIXABANK, 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 2019 (continuation)

ANNEX 7

Annexes

Auditor	Company
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	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.
	METROVACESA, S.A.
	MIQUEL Y COSTAS & MIQUEL, S.A.
	NH HOTEL GROUP, S.A.
	PHARMA MAR, S.A.
	QUABIT INMOBILIARIA, S.A.
	REPSOL, S.A.
	SANTANDER CONSUMER FINANCE, S.A.
	TELEFÓNICA, S.A.
	UNICAJA BANCO, S.A.
VISCOFAN, 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 auditors who have prepared a report on annual accounts
of issuers and/or companies with securities admitted to trading
on official secondary markets in 2019**

Auditor	Company
BAKER TILLY AUDITORES, S.L.P.	URBAS GRUPO FINANCIERO, S.A.
BDO AUDITORES, S.L.P. - MOORE STEPHENS IBÉRICA DE AUDITORÍA, S.L.P.	NYESA VALORES CORPORACIÓN, S.A.
BDO AUDITORES, S.L.	BURAN ENERGY IM 1, FONDO DE TITULIZACIÓN DESARROLLOS ESPECIALES DE SISTEMAS DE ANCLAJES, S.A.
BDO AUDITORES, S.L.P. - CASTELLA AUDITORS CONSULTORS, S.L.P.	MOBILIARIA MONESA, 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.	ALANTRA PARTNERS, S.A. ALPHA 3 - IM, FONDO DE TITULIZACIÓN DE ACTIVOS APPLUS SERVICES, S.A. AUTONORIA SPAIN 2019, FONDO DE TITULIZACIÓN 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 VITAL KUTXA, 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 CAIXABANK LEASINGS 3, FONDO DE TITULIZACIÓN CAIXABANK PYMES 11, FONDO DE TITULIZACIÓN CAJA INGENIEROS TDA 1, FONDO DE TITULIZACIÓN DE ACTIVOS CAP-TDA 2, FONDO DE TITULIZACIÓN DE ACTIVOS CELLNEX TELECOM, S.A. CEMENTOS MOLINS, S.A. CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. CORPORACIÓN EMPRESARIAL DE MATERIALES DE CONSTRUCCIÓN, S.A. FERROVIAL, S.A. FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. FONDO DE TITULIZACIÓN DE ACTIVOS2015, FONDO DE TITULIZACIÓN DE ACTIVOS GRUPO EMPRESARIAL SAN JOSÉ, S.A. IM AURIGA PYMES EUR 1, FONDO DE TITULIZACIÓN DE ACTIVOS IM CAJA LABORAL 1, 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 2019 (continuation)

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Annexes

Auditor	Company
DELOITTE, S.L.	IM CAJA LABORAL 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	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 PASTOR 2, FONDO DE TITULIZACIÓN HIPOTECARIA
	IM PASTOR 3, FONDO DE TITULIZACIÓN HIPOTECARIA
	IM PASTOR 4, 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.
	LAR ESPAÑA REAL ESTATE, SOCIMI, S.A.
	LIBERBANK, S.A.
	MEDIASET ESPAÑA COMUNICACIÓN, S.A.
	MELIÁ HOTELS INTERNATIONAL, S.A.
	MERLIN PROPERTIES, SOCIMI, S.A.
	NATURHOUSE HEALTH, S.A.
	NEINOR HOMES, S.A.
	OBRASCÓN HUARTE LAIN, S.A.
	ORYZON GENOMICS, S.A.
	PROMOTORA DE INFORMACIONES, S.A.
	RENTA CORPORACIÓN REAL ESTATE, S.A.
	SLF, FONDO DE TITULIZACIÓN
	SOLARPACK CORPORACIÓN TECNOLÓGICA, S.A.
	SOL-LION, FONDO DE TITULIZACIÓN DE ACTIVOS
	SOLTEC POWER HOLDINGS, 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
	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
	TUBACEX, S.A.
	URB TDA 1, FONDO DE TITULIZACIÓN
VERDE IBERIA LOANS, 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 2019 (continuation)**

Auditor	Company
ERNST & YOUNG, S.L.	ADOLFO DOMÍNGUEZ, S.A.
	AEDAS HOMES, S.A.
	AIRTFICIAL INTELLIGENCE STRUCTURES, S.A.
	AMADEUS IT GROUP, 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
	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 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.
	CODERE, S.A.
	DEOLEO, S.A.
	DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, 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 AUTOMOCIÓN, S.A.
	GREENERGY RENOVABLES, 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 2019 (continuation)

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Auditor	Company
ERNST & YOUNG, S.L.	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 SABADELL PYME 10, FONDO DE TITULIZACIÓN
	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.
	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 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 SA NOSTRA EMPRESAS 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	TDA SABADELL RMBS 4, FONDO DE TITULIZACIÓN
	TUBOS REUNIDOS, S.A.
	VIDRALA, S.A.
	ETL GLOBAL AUDITORES DE CUENTAS, S.L.
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.
	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.
	AENA, S.M.E., S.A.
	AMREST HOLDINGS, SE
	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.
	AUDAX RENOVABLES, S.A.

**List of auditors who have prepared a report on annual accounts
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Auditor	Company
KPMG AUDITORES, S.L.	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
	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 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 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 10, 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
	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

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 2019 (continuation)

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Auditor	Company
KPMG AUDITORES, S.L.	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 19, 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
	EBN WANNAFINANCE I, FONDO DE TITULIZACIÓN
	EBN ZEP A SECTOR PÚBLICO, 1 FONDO DE TITULIZACIÓN
	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 ELÉCTRICO, 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
	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 BCC CAJAMAR 2, FONDO DE TITULIZACIÓN
	IM CAJAMAR 3, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM CAJAMAR 4, FONDO DE TITULIZACIÓN DE ACTIVOS

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Auditor	Company
KPMG AUDITORES, S.L.	IM EVO FINANCE 1, FONDO DE TITULIZACIÓN
	IM EVO RMBS 1, FONDO DE TITULIZACIÓN
	IM FORTIA 1, FONDO DE TITULIZACIÓN
	IM GEDESCO INNOVFIN, FONDO DE TITULIZACIÓN
	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 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 8, FONDO DE TITULIZACIÓN DE ACTIVOS
	NICOLÁS CORREA, S.A.
	NUEVA EXPRESIÓN TEXTIL, S.A.
	PROGRAMA CÉDULAS TDA, FONDO DE TITULIZACIÓN DE ACTIVOS
	PROSEGUR CASH, S.A.
	PROSEGUR, COMPAÑÍA DE SEGURIDAD, S.A.
	RED ELÉCTRICA CORPORACIÓN, S.A.
	RENTA 4 BANCO, S.A.
	RURAL HIPOTECARIO GLOBAL I, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO IX, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO V, FONDO DE TITULIZACIÓN DE ACTIVOS
	RURAL HIPOTECARIO VI, FONDO DE TITULIZACIÓN DE ACTIVOS
	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
SABADELL CONSUMO 1, 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 2019 (continuation)

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Auditor	Company
KPMG AUDITORES, S.L.	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
	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.	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.
	COLUMBUS MASTER CREDIT CARDS, FONDO DE TITULIZACIÓN
	INSTITUTO DE CRÉDITO OFICIAL
	KUTXABANK EMPRÉSTITOS, S.A.
MOORE STEPHENS IBÉRICA DE AUDITORÍA, S.L.	AYCO GRUPO INMOBILIARIO, S.A.
PKF ATTEST	MONTEBALITO, S.A.
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	ACERINOX, S.A.
	ALMIRALL, S.A.
	ARIMA REAL ESTATE, SOCIMI, S.A.
	ARQURA HOMES, FONDO DE ACTIVOS BANCARIOS
	AUTO ABS SPANISH LOANS 2016, FONDO DE TITULIZACIÓN
	AUTO ABS SPANISH LOANS 2018-1, FONDO DE TITULIZACIÓN
	AUTOPISTA CONCESIONARIA ASTUR-LEONESA, S.A.U.
	AUTOPISTAS DEL ATLÁNTICO, CONCESIONARIA ESPAÑOLA, S.A.U.
	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	

**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 2019 (continuation)**

Auditor	Company
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	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
	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
	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.
	ENCE ENERGÍA Y CELULOSA, S.A.
	ESLA, FONDO DE ACTIVOS BANCARIOS
	FONDO DE TITULIZACIÓN DE ACTIVOS 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 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 2019 (continuation)

ANNEX 7 BIS

Annexes

Auditor	Company
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	FONCAIXA FTGENCAT 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	FONCAIXA FTGENCAT 6, FONDO DE TITULIZACIÓN DE ACTIVOS
	FONCAIXA LEASINGS 2, FONDO DE TITULIZACIÓN DE ACTIVOS
	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 FINANCIACIÓN 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 9
	FONDO DE TITULIZACIÓN DE ACTIVOS RMBS SANTANDER 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 MAGDALENA 3
	FONDO DE TITULIZACIÓN PYMES SANTANDER 13
	FONDO DE TITULIZACIÓN PYMES SANTANDER 14
	FONDO DE TITULIZACIÓN PYMES SANTANDER 15
	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 STRUCTURED COVERED BONDS UCI

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Auditor	Company
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	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
	FTPME 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.
	IBERPAPEL GESTIÓN, S.A.
	IM BCC CAJAMAR 1, FONDO DE TITULIZACIÓN
	IM BCC CAJAMAR PYME 2, FONDO DE TITULIZACIÓN
	IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN
	IM CAJAMAR EMPRESAS 5, FONDO DE TITULIZACIÓN DE ACTIVOS
	IM WANNA II, FONDO DE TITULIZACIÓN
	INMOBILIARIA COLONIAL, SOCIMI, S.A.
	METROVACESA, S.A.
	MIQUEL Y COSTAS & MIQUEL, S.A.
	NH HOTEL GROUP, 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 CONSUMER SPAIN AUTO 2019-1, FONDO DE TITULIZACIÓN
	SANTANDER HIPOTECARIO I, 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
	TELEFÓNICA, S.A.
	UNICAJA BANCO, S.A.
	VISCOFAN, S.A.
	VOCENTO, S.A.
	ZARDOYA OTIS, S.A.
	RIVERO AUDITORES, S.L.P.

Source: CNMV.

