



Quality report on consolidated financial statement statistics

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1. General information on the statistics

1.1 Reporting group

All listed non-financial groups admitted to the Prime Standard segment of the Frankfurt Stock Exchange that publish consolidated financial statements prepared according to international accounting standards (IFRS¹) and generate a noteworthy share of their value in Germany form part of the reporting group. That share is deemed to be noteworthy if at least 10% of the group's total sales or more than €500 million of its sales are generated in Germany, or if at least 10% of its staff or more than 500 members of staff are employed in Germany.

To avoid double counting, sub-groups are not taken into account if the respective parent group is already included in the statistics. Furthermore, groups engaged in real estate activities are excluded because of the specific structure in their profit and loss accounts.

The cut-off dates for adding groups to the reporting group or removing them are 30 June and 31 December, which generally means that the reporting group includes all enterprises admitted to the Prime Standard segment by the cut-off date. Balance sheet values are captured at their reporting date levels, while flows (sales, EBIT, EBITDA) are recorded at their semi-annual levels. Data availability problems mean that this cannot always be guaranteed for the historical data of since-delisted groups.² See also section 1.4 for information on the reporting period.

1.2 Statistical units

Groups are defined according to the IFRS definition, i.e. as a group of legally independent enterprises that have economic ties by virtue of long-term equity investments and control/decision-making powers. They typically also have a loss-sharing agreement.

1.3 Geographical coverage

The statistics are not limited geographically (global consolidation principle). All the individual enterprises of a group are included in the consolidated financial statements, regardless of their domicile. The consolidated financial statement statistics therefore provide information on the global business activity of the groups concerned.

1.4 Reporting period

The statistics on flows – such as sales or operating profit (loss) – are based on data for the respective half-year, while the figures for stocks are as at the end of the half-year.

Where consolidated financial statement data are available on a quarterly basis, they are also recorded at this frequency; the flow statistics are then aggregated to form semi-annual data by adding the data from first and second quarters (and the third and fourth quarters, respectively). This means that where groups have reporting dates other than 31 December, notably 31 March and 30 September, it is possible to calculate data for each calendar half-year. If a group's financial

¹ International Financial Reporting Standards.

² This is particularly the case for the first few years in which statistics were collected. Intra-period consolidated financial statements are not directly available for such since-delisted groups.

quarters do not match the quarters of the year, the statistics will be based on the financial quarter ending during the respective calendar quarter. Data are then aggregated for the respective half-year. Groups added to the reporting group in the second or fourth calendar quarter are always incorporated into the statistics for the full half-year. This is done by capturing data from the consolidated financial statements for the preceding quarter. If those statements are unavailable, data will be estimated using the information on file. The table below shows, for the respective calendar admission period to the Prime Standard segment, whether a certain group is included in the reporting group (+) or not (-) based on the methodology outlined above.

Profit and loss account figures						
Calendar quarter				Available in		
1	2	3	4	Half-year 1	Half-year 2	Full year
a	a	a	a	+	+	+
a	a	a		+	-	-
a	a			+	-	-
a				-	-	-
*	a	a	a	+	+	+
		a	a	-	+	-
		*	a	-	+	-
				a = admitted to the Prime Standard segment	* = quarterly data or estimate	

As the table shows, the annual flow figures do not always match the sum of the two half-year figures.

However, this aggregation problem does not arise for balance sheet values as these are observed as at a given reporting date. This is why the full-year balance sheet data match the half-year statistics (as at the 31 December reporting date). If the reporting date for a group's financial half-year does not coincide with the end of a calendar half-year, the statistics will be based on the reporting date for the last quarterly financial statements ending during the respective calendar half-year.

1.5 Frequency

The statistics are collected at semi-annual intervals, and annual data are also published. Time series are available from the first half of 2007 onwards.

1.6 Legal basis

The statistics are compiled by the Deutsche Bundesbank as part of its mandate under the Bundesbank Act (*Gesetz über die Deutsche Bundesbank*) and the Financial Stability Act (*Finanzstabilitätsgesetz*).

1.7 Sectors

Besides showing information on the entire reporting group, the statistics provide a breakdown of data for two economic sectors. Many groups operate in very different economic sectors, and this high level of diversification means that the sectoral classification can only be a rough approximation. A distinction is made between groups operating primarily in the production sector (sections B to F of the Federal Statistical Office's Classification of Economic Activities, 2008 Edition; groups engaged in agriculture and forestry are also included) and groups with a focus on the services sector (sections G to S, with the exception of K; excluding groups engaged in real estate activities).

1.8 Confidentiality

All the data used in the consolidated financial statement statistics are based on figures published by the groups themselves. Since all the microdata are publicly available, they are not subject to any specific data confidentiality requirements. Nevertheless, the consolidated financial statement statistics generally only contain aggregated statistical series that do not allow data to be directly traced back to individual groups.

2. Contents and users

2.1 Published contents

Absolute data are published on sales, operating profit (loss) (EBIT – earnings before interest and taxes), operating profit (loss) before depreciation and amortisation (EBITDA – earnings before interest, taxes, depreciation and amortisation) and the following balance sheet items:

- total assets;
- non-current assets and the sub-items intangible assets, property, plant and equipment, and financial assets;
- current assets and the sub-items inventories, trade receivables and cash (including cash equivalents);
- equity capital;
- total liabilities;
- non-current liabilities and the sub-item financial liabilities;
- current liabilities and the sub-items financial liabilities and trade payables.

For sales, EBIT and EBITDA, percentage rates of change against the previous year and against the same six-month period of the previous year are published. These are adjusted for substantial changes in the basis of consolidation at large groups and in the reporting group (see section 3.3).

Weighted averages, and distribution parameters in the form of quantile data, the latter based on the groups' unweighted return on sales, are presented for EBIT and EBITDA as a percentage of sales. A rate of change adjusted for changes in the basis of consolidation and in the reporting group is in turn calculated, in percentage points, for the change in weighted averages.

Furthermore, the reported balance sheet items are each shown as a percentage of total assets.

These statistical series are published at semi-annual intervals in the Statistical Section of the Bundesbank's Monthly Report and in Statistical Series – Consolidated financial statement statistics. The data are also available electronically online.³

2.2 Purpose of the statistics

The statistics provide semi-annual data that can be used to analyse the net assets, financial position and results of operations of listed German non-financial groups. These data are provided on a consolidated basis and can be used both inside the Bundesbank and externally for macroeconomic and macroprudential analysis. These statistics are far more up to date and are published much more frequently than the traditional corporate financial statement statistics based on the annual financial statements of individual enterprises, enabling cyclical developments to be detected at an earlier stage. Consolidation means that economic and financial issues are not masked by intra-group relationships. Consequently, the results, particularly those expressed in the form of distribution measures, also lend themselves to financial stability analyses.

3. Methodology

3.1 Data sources

The Bundesbank itself extracts and captures the data for large groups from their financial reports. The data for other groups are procured from a private data provider.

Consolidated financial statements do not normally report semi-annual profit and loss account figures for the second half of a financial year. Therefore, in these cases, the semi-annual data are calculated as the difference between the annual figures and those for the first half-year.⁴ This problem does not arise for balance sheet metrics since these are stock variables as at a given reporting date rather than for a period of time.

Since balance sheet data and profit and loss account figures are not reported according to a binding classification format in published IFRS financial statements, the allocation of sub-items can vary between enterprises, which means that items may need to be reclassified to ensure consistency. To this end, it is particularly common to refer to the format used in the full-year

³ See <https://www.bundesbank.de/en/statistics/enterprises-and-households/-/tables-796244>

⁴ Alternatively, data for the fourth quarter are calculated by deducting the cumulative data for the first nine months from the annual figures and then added to the third-quarter data. If the basis of consolidation reported in the full-year consolidated financial statements differs from the one reported for the first half-year, appropriate estimations may have to be made. See also section 3.3.

consolidated financial statements, which is often more detailed than that found in semi-annual accounts. Estimations (e.g. projections of annual figures) are carried out to ensure that data are captured consistently across all half-year periods and to make best use of the data pool.

If data on an enterprise are not available in time for a given quarter, the figures needed to compile the series are estimated. Such estimations will be based in particular on the enterprise's advance publications as well as on data from previous years and half-year periods.

3.2 Data validation

Mathematical checks are carried out to ensure the consistency of both the figures captured by the Bundesbank and those procured externally. Sharp fluctuations in the data of quantitatively significant groups trigger plausibility checks.

3.3 Changes in the basis of consolidation and in the reporting group

Changes in groups' bases of consolidation can cause breaks in the statistical aggregates that cannot be explained by the business performance of the previously consolidated subsidiaries. Changes of a quantitatively significant nature in a group's sales or income are eliminated using the annual overlap method.⁵ The annual overlap method is also applied to adjust the figures for changes in the reporting group, such as a group joining or leaving the Prime Standard segment, in quantitatively significant cases. Newcomers are normally recognised as from the first half of the following year, leavers in the first half of the reporting year.

4. Accuracy

The data contained in the financial report sections of consolidated financial statements have been audited by external auditors and, in line with the IFRS rules, can therefore be regarded as reliable and accurate. Semi-annual and quarterly financial statements and quarterly reports⁶ are usually unaudited but are based on the same financial accounting system, and can therefore be generally considered reliable as well. Mathematical checks are performed to ensure that each group's data are intrinsically consistent.

As the IFRS do not require the use of a comprehensive and generally binding classification format (see also section 3.1), there can be slight inconsistencies in the way similar matters are presented if different enterprises recognise them under different items. Moreover, the IFRS contain options for the recognition and presentation of a small number of matters, which groups can exercise in different ways. Generally, however, this discretionary scope will probably be of secondary significance in the statistical aggregates.

⁵ For more information, see Statistical adjustment for changes in the basis of consolidation and in the reporting sample in the consolidated financial statement statistics, in Deutsche Bundesbank, Consolidated financial statement statistics as a contribution to the extended corporate analysis: approach and initial results, Monthly Report, July 2014, pp. 56-57.

⁶ Publication of quarterly reports is mandatory for groups listed in the Prime Standard segment that do not disclose quarterly financial statements.

Estimations of quarterly or semi-annual data that are presented late can give rise to provisional results, which might be revised at a later date.

There are a few items where the externally sourced data do not follow the Bundesbank's data capture framework for large groups (parts of financial profit (loss) are netted against other operating income and the net principle is used for deferred taxes). Deferred taxes carried on the liabilities side with a negative sign are reposted to the corresponding item on the assets side. The higher-level liability item and total assets are adjusted at the same time. Spot checks indicate that these conceptual differences are generally of little significance. However, the externally sourced data are of a lower quality than the data captured in-house by the Bundesbank in terms of the accuracy of item entries.

The rates of change adjusted for substantial changes in the basis of consolidation and in the reporting group (see section 3.3) contain an estimated component, one of the repercussions of which is an increased need for revisions because information that becomes available at a later date (e.g. from the annual accounts for the financial year) often enables estimations to be made more accurately.

5. Currency and timeliness of data

The goal is to present statistical data for the first half of a calendar year about six months after the end of the half-year period. Results for the second half-year and a full reporting year are published six to seven months after the end of the year. Statistics for the second half-year are published with a delay because most groups' financial years finish at the end of the calendar year and annual financial reports are published with more of a time lag than intra-period reports.

6. Comparisons over time

The statistical data can generally be compared over time. Comparability can be constrained by material changes to accounting standards and by changes in the reporting group and in the basis of consolidation. For the last two points, data comparability is approximated by the adjustment procedure (explained in section 3.3) for changes in sales, EBITDA and EBIT data. However, this does not affect the absolute data, the distribution parameters and all the balance sheet metrics.

7. Comparisons with other statistics

No other regular statistics comprising aggregated semi-annual financial statement data for non-financial groups listed in the Frankfurt Stock Exchange's Prime Standard segment are known to exist at the present time. In particular, the fact that data are adjusted for changes in the basis of consolidation is a special feature of the Bundesbank's consolidated financial statement statistics.

Statistical analyses based on single-entity financial statements of domestic non-financial corporations can be found in the results of the Bundesbank's traditional corporate financial statement statistics. These data lend themselves particularly to an analysis of non-financial

domestic corporations as a whole and to nuanced comparisons by sector and size category. The corporate financial statement statistics, based on single-entity financial statements, cover a broader database than the consolidated financial statement statistics and thus also permit dedicated analyses of small and medium-sized enterprises. The reporting group also contains domestic subsidiaries of foreign groups, which are usually neither directly nor indirectly included in the consolidated financial statement statistics. Publications of corporate financial statement statistics based on single-entity financial statements can be found in the Bundesbank's Statistical Series extrapolated results from financial statements of German enterprises and the Statistical Series Ratios from financial statements of German enterprises and in the Monthly Report.⁷

Statistical analyses of annual consolidated financial statements at the European level are published by the European Committee of Central Balance Sheet Data Offices (ECCBSO) in annual reports.⁸

8. Additional data, further sources of information and publications

The concept and initial results of the consolidated financial statement statistics were outlined in the July 2014 Monthly Report.⁹ Up until the 2015 reporting year, the statistics were made available on a quarterly basis. Beginning with the 2016 reporting year, the frequency of the consolidated financial statement statistics was reduced from quarterly to half-yearly. This was because an amendment to the Exchange Rules for the Frankfurt Stock Exchange with effect from 30 November 2015 meant that groups listed in the Prime Standard segment are now no longer required to publish quarterly accounts. The data are updated regularly. Release dates are published online.¹⁰

Further publications relating to data of non-financial groups are released at irregular intervals by large auditing firms.

⁷ <https://www.bundesbank.de/en/statistics/enterprises-and-households/-/tables-796244>

⁸ <https://www.eccbso.org/wba/publications>

⁹ Deutsche Bundesbank, Consolidated financial statement statistics as a contribution to the extended corporate analysis: approach and initial results, Monthly Report, July 2014, pp. 51-66.

¹⁰ <https://www.bundesbank.de/en/statistics/statistical-release-calendar>