

Web Box 3.8

Financial Soundness Indicators website

With the aim of supporting macroprudential analysis and thus financial sector surveillance, the IMF launched its Financial Soundness Indicators website at the end of July 2009. The website,¹ hosted by the IMF's Statistics Department, allows public access to an expanding database of indicators of financial sector soundness for member countries.²

The website is linked to a database containing, as of the end of April 2010, data on FSIs from 49 countries, almost double the number represented when the site went online in July. The number of countries represented is expected to continue to increase as the database is expanded and more countries contribute data. Country participation is on a voluntary basis.

The FSIs disseminated on the website, ranging from regulatory capital adequacy ratios to real estate prices, can assist in analyzing the soundness of a country's financial institutions as a sector, as well as in assessing the conditions of the counterpart corporate and household sectors of relevant markets. FSIs complement other assessments of soundness, such as early warning indicators and macroeconomic vulnerability exercises.

Most contributing countries have submitted all 12 core FSIs relating to deposit-taking institutions (i.e., banks), and many have supplied some of the 28 additional indicators that members are encouraged to submit relating to deposit-taking institutions, other financial corporations, nonfinancial corporations, households, market liquidity, and real estate markets. Countries may choose to contribute monthly, quarterly, semiannual, or annual FSIs. It is envisaged that the list of indicators will be refined and broadened over time and, ultimately, that the database will be used in the compilation of the IMF's *Global Financial Stability Report*, once sufficient depth of data has been established.

In addition to numerical information, the FSI database includes extensive country-provided metadata intended to convey information about the national practices that govern the compilation of the FSIs, which can vary significantly from country to country. The metadata are therefore seen as essential to understanding the data and the extent of data comparability, helping to avoid inappropriate interpretations of FSIs and comparisons of FSI data compiled using different methodologies. The data can be searched and sorted, using criteria chosen by the user from the rich set of metadata categories. This permits the retrieval of data that are comparable across countries, and/or across time, for the chosen metadata categories.

Development of the website is among the steps the IMF has taken taking to increase the transparency of financial systems, which helps in the strengthening of market discipline, with positive effects on financial stability. The list of FSIs included and the methodology of their compilation were developed over a number of years by IMF staff in close consultation with a group of experts from other international institutions and IMF member countries.

¹<http://fsi.imf.org/>.

²See PR 09-275, "IMF Launches New Online Database of Financial Soundness Indicators" (www.imf.org/external/np/sec/pr/2009/pr09275.htm).