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Riga

Regulation No 219

## **Regulation on Compiling and Submitting the Statistical Data on Adjustments in Respect of Write-Offs/Write-Downs of Loans and Price Revaluations of Securities**

Issued pursuant to  
Paragraph two of Section 63  
of the Law on Latvijas Banka

### **I. General Provisions**

1. The Regulation establishes:

- 1.1. the requirements and procedure pursuant to which a credit institution registered in Latvia and a Latvian branch of a credit institution registered in a foreign country (hereinafter referred to as the "reporting agent") compile and submit the statistical data on adjustments in respect of write-offs/write-downs of loans and price revaluations of securities (hereinafter referred to as the "statistical data") to Latvijas Banka;
- 1.2. the deadlines for submitting the statistical data;
- 1.3. the duration for storing the statistical data.

2. The terms used in the Regulation:

- 2.1. adjustment in respect of write-offs/write-downs of loans – those changes in the items "Loans" and "Claims on MFIs, excluding Latvijas Banka" (hereinafter referred to as the "loan items") of Appendix 1 "Monthly Financial Position Report" (hereinafter referred to as the "Monthly Financial Position Report") to Latvijas Banka's regulation laying down the requirements and procedure for compiling and submitting the statistical data on the financial position of credit institutions and other monetary financial institutions (hereinafter referred to as the "MFI") (MBP) that arise from writing down the full outstanding amount of the loan (write-off) or its part from the balance sheet (write-down);
- 2.2. counterpart – a book entry corresponding to the adjustment in respect of write-offs/write-downs of loans or price revaluation of securities that is made to comply with the double entry accounting;
- 2.3. adjustment in respect of price revaluation of securities – those changes in the items "Debt securities and other fixed-income securities", "Shares, investment fund shares or units and other variable-yield securities" and "Holdings in the share capital of associated and affiliated companies" of the Monthly Financial Position Report (hereinafter referred to as the "securities items") that arise from fluctuations in the market price of securities as well as from the amortisation of premium or discount, excluding those changes in the securities items that arise from exchange rate fluctuations.

3. Other terms are used within the meaning of Latvijas Banka's regulation laying down the requirements and procedure for compiling and submitting the statistical data on the financial position of credit institutions and other MFIs (MBP).

4. The statistical data are necessary for the performance of Latvijas Banka's tasks, including tasks of compiling financial statistics and the balance of payments in compliance with the requirements of legal acts of the European Union, including those of the European Central Bank, ensuring the implementation of the monetary policy of the European Central Bank, conducting financial stability analysis and informing other institutions and the general public of the development of the MFI sector in Latvia.

5. Latvijas Banka may transfer the statistical data to the institutions referred to in Paragraphs two and three of Section 71 of the Law on Latvijas Banka subject to the requirements stipulated therein.

6. Latvijas Banka stores the statistical data for an unlimited duration.

## **II. General Requirements and Procedure for Compiling and Submitting the Statistical Data and the Submission Deadline**

7. The reporting agent shall compile the statistical data in accordance with the Appendix "Report on Adjustments in Respect of Write-Offs/Write-Downs of Loans and Price Revaluations of Securities" (hereinafter referred to as the "Report") to the Regulation for the calendar month and submit them to Latvijas Banka within seven business days following the end of the respective calendar month.

8. The statistical data shall be submitted to Latvijas Banka electronically via the advanced security system in accordance with Latvijas Banka's regulation governing electronic information exchange with Latvijas Banka.

9. When compiling the statistical data, the adjustments in respect of write-offs/write-downs of loans and price revaluations of securities for the respective calendar month shall be disclosed.

10. When compiling the statistical data, the breakdown by residents, residents of other euro area countries and residents of other foreign countries shall be observed.

11. When compiling the statistical data, adjustments in respect of write-offs/write-downs of loans and price revaluations of securities in euro, US dollars and other foreign currencies shall be disclosed separately.

12. Adjustments in respect of write-offs/write-downs of loans and price revaluations of securities shall be disclosed in whole euro.

## **III. Requirements and Procedure for Compiling the Report**

13. The reporting agent shall disclose the adjustment in respect of write-offs/write-downs of loans at the time when the write-off/write-down takes place.

14. The write-offs/write-downs with respect to syndicated loans shall be disclosed separately.

15. Under the loan items, the adjustments in respect of write-offs/write-downs of loans shall be disclosed with the minus sign and at the value at which the loan is written

off/written down the balance sheet. Where the loan has been provisioned for in the amount of 100%, the corresponding counterpart shall be disclosed with the minus sign under the item "Provisions for liabilities and charges". Where the loan has not been provisioned for in the amount of 100%, the counterpart that corresponds to the provisioned part of the loan shall be disclosed with the minus sign under the item "Provisions for liabilities and charges", and the counterpart in respect of the part of the loan not provisioned for shall be disclosed under the item "Capital and reserves".

16. The adjustment in respect of price revaluations of securities shall be calculated as the difference between the end-of-period stocks of securities in the respective and previous calendar months minus the difference between the value of securities purchased and the value of securities disposed of within the respective calendar month. The reporting agent shall calculate the adjustment in respect of price revaluations of securities for securities that:

16.1. were held by it at the end of the previous calendar month and the end of the respective calendar month;

16.2. were held by it at the end of the previous calendar month and were disposed of within the respective calendar month;

16.3. were purchased within the respective calendar month;

16.4. were purchased and disposed of within the respective calendar month.

17. Where the book value of a security has increased, the adjustment in respect of price revaluations of securities shall be a positive number, and where the book value of a security has decreased, the adjustment shall be a negative number, which is disclosed with the minus sign. The corresponding counterpart calculated as a total of all adjustments in respect of price revaluations of securities shall be disclosed under the item "Capital and reserves".

18. The adjustment in respect of price revaluations of securities denominated in foreign currencies shall first be calculated in the respective foreign currency in compliance with the requirements under Paragraph 16 of the Regulation and then translated into euro, using the average exchange rate for each respective foreign currency; the average exchange rate shall be calculated using the foreign exchange rate applicable in accounting for the respective foreign currency at the end of each day of the respective calendar month.

19. When compiling the statistical data, adjustments shall be disclosed in the breakdown by maturity: under the loan items, they shall be broken down by the original maturity or the period of notice of the respective financial instrument agreed upon at the beginning of the transaction, but under the item "Debt securities and other fixed-income securities" – by the original maturity. Each maturity band shall include the longest maturity, for example, the maturity band "up to 1 year" shall include a maturity of one year, but the maturity band "1–2 years" shall include a maturity of two years.

#### **IV. Final Provisions**

20. Latvijas Banka's Regulation No 134 "Regulation on Compiling the "Report on Adjustments in Respect of Write-Offs/Write-Downs of Loans and Price Revaluations of Securities"" of 16 May 2014 (*Latvijas Vēstnesis*, 2014, No 102, 2018, No 92) shall be deemed invalid.

21. Latvijas Banka's Regulation No 134 "Regulation on Compiling the "Report on Adjustments in Respect of Write-Offs/Write-Downs of Loans and Price Revaluations of

Securities"" of 16 May 2014 shall be applied to the statistical data for December 2022. The statistical data referred to in this Paragraph shall be submitted to Latvijas Banka by 10 January 2023.

22. The Regulation shall take effect on 1 January 2023.

Governor of Latvijas Banka

Mārtiņš Kazāks

\_\_\_\_\_, 20\_\_\_\_  
(month)

Name of the reporting agent \_\_\_\_\_

Code of the reporting agent \_\_\_\_\_

*Adjustment in respect of write-offs/write-downs of loans*

(in whole euro) **KNK**[illegible]

## Report on Adjustments in Respect of Write-Offs/Write-Downs of Loans and Price Revaluations of Securities (continued)

KNK

A	B	01	02	03	04	05	06	07	08	09
<b>Residents of other euro area countries</b>										
<b>Claims on MFIs</b>	63200									
incl. syndicated loans	63201									
<b>Loans</b>										
Government	64220									
Non-MMF investment funds and alternative investment funds	64204									
Other financial intermediaries	64205									
Financial auxiliaries	64206									
Captive financial institutions and money lenders	64207									
Insurance corporations	64208									
Pension funds	64209									
Non-financial corporations	64240									
<b>Households and non-profit institutions serving households</b>										
Lending for house purchase	64252									
Consumer credit	64253									
Other loans	64254									
incl. loans to sole proprietors	64264									
<b>Residents of other foreign countries</b>										
<b>Claims on MFIs</b>	63300									
<b>Loans</b>	64300									
Subtotal*	61999									

\* Arithmetical sum of figures in a column.

## Report on Adjustments in Respect of Write-Offs/Write-Downs of Loans and Price Revaluations of Securities (continued)

*Adjustment in respect of price revaluations of securities*

VPK

Item	Item code	In euro			In US dollars			In other foreign currencies		
		Maturity			Maturity			Maturity		
		up to 1 year	1–2 years	over 2 years	up to 1 year	1–2 years	over 2 years	up to 1 year	1–2 years	over 2 years
A	B	01	02	03	04	05	06	07	08	09
<b>Residents</b>										
<b>Debt securities and other fixed-income securities</b>										
MFIs	75110									
Central government	75121									
Local government	75122									
Other financial intermediaries	75105									
Financial auxiliaries	75106									
Captive financial institutions and money lenders	75107									
Insurance corporations	75108									
Pension funds	75109									
Non-financial corporations	75140									
Non-profit institutions serving households	75190									
<b>Residents of other euro area countries</b>										
<b>Debt securities and other fixed-income securities</b>										
MFIs	75210									
Central government	75221									
Local government	75222									
Other financial intermediaries	75205									
Financial auxiliaries	75206									
Captive financial institutions and money lenders	75207									
Insurance corporations	75208									
Pension funds	75209									
Non-financial corporations	75240									
Non-profit institutions serving households	75290									
<b>Residents of other foreign countries</b>										
<b>Debt securities and other fixed-income securities</b>										
MFIs	75310									
Government	75320									
Non-MFIs, excluding government	75375									
Subtotal*	75999									

\* Arithmetical sum of figures in a column.

## Report on Adjustments in Respect of Write-Offs/Write-Downs of Loans and Price Revaluations of Securities (continued)

VPK

Item	Item code	In euro	In US dollars	In other foreign currencies
A	B	01	02	03
<b>Residents</b>				
<b>Shares, investment fund shares or units and other variable-yield securities</b>				
MFIs, excluding money market funds	76110			
Other financial intermediaries	76105			
Financial auxiliaries	76106			
Captive financial institutions and money lenders	76107			
Insurance corporations	76108			
Pension funds	76109			
Non-financial corporations	76140			
Shares or units of investment funds, other than money market funds, and alternative investment funds	76104			
Money market fund shares or units	76134			
<b>Holdings in the share capital of associated and affiliated companies</b>				
MFIs	77110			
Other financial intermediaries	77105			
Financial auxiliaries	77106			
Captive financial institutions and money lenders	77107			
Insurance corporations	77108			
Pension funds	77109			
Non-financial corporations	77140			
<b>Residents of other euro area countries</b>				
<b>Shares, investment fund shares or units and other variable-yield securities</b>				
MFIs, excluding money market funds	76210			
Other financial intermediaries, financial auxiliaries, captive financial institutions and money lenders, insurance corporations, pension funds, and non-financial corporations	76270			
Shares or units of investment funds, other than money market funds, and alternative investment funds	76233			
Money market fund shares or units	76234			



## Report on Adjustments in Respect of Write-Offs/Write-Downs of Loans and Price Revaluations of Securities (continued)

**VPK**

A	B	01	02	03
<b>Holdings in the share capital of associated and affiliated companies</b>				
MFI	77210			
Other financial intermediaries, financial auxiliaries, captive financial institutions and money lenders, insurance corporations, pension funds, and non-financial corporations	77270			
<b>Residents of other foreign countries</b>				
<b>Shares, investment fund shares or units and other variable-yield securities</b>	76300			
<b>Holdings in the share capital of associated and affiliated companies</b>	77300			
Subtotal*	70999			

\* Arithmetical sum of figures in a column.

## Report on Adjustments in Respect of Write-Offs/Write-Downs of Loans and Price Revaluations of Securities (continued)

**Counterpart****KPV**

Item	Item code	Total
A	B	01
<b>Provisions for liabilities and charges</b>	88400	
<b>Capital and reserves</b>	89400	

Prepared by \_\_\_\_\_  
 (name, surname; e-mail address; telephone number)

Submission date \_\_\_\_\_

Governor of Latvijas Banka

Mārtiņš Kazāks