

CHANGES TO STATISTICAL PUBLICATIONS

The Financial and Capital Market Commission (hereinafter – FCMC) has introduced changes in the **structure** of published quarterly reports on the financial and capital market, effective as from the first quarter of 2018, as follows:

- Focus on more readable visual data presentation
- An introduction of each section includes a summary of key performance indicators in the relevant market segment, as well as a brief and concise description of major developments and trends in the reporting period
- A section on the banking sector performance is supplemented with the data from the bank public quarterly reports, giving an insight in the performance ratios broken by banks
- By the end of 2018, a section on the insurers' activities will be supplemented with data from the insurers' public quarterly reports, giving an insight in the insurers' performance ratios broken by the insurers

Based on the specific weight of each segment in the assets of financial sector, some sections will be included in the report at a frequency lower than quarterly.

Following sections will be included in the report **on a quarterly basis**:

- Banking activity
- Insurance activity
- Management of State-funded pension scheme
- Private pension funds activity
- Investment firms activity
- Alternative investment funds activity

On a semi-annual basis, i.e. the second and fourth quarters, following sections will be added to the report:

- Activity of cooperative credit unions
- Activity of payment institutions and electronic money institutions

Once a year, i.e. the fourth quarter the report will be supplemented with a section:

- Investment firms activity

Most essential changes have taken place in the banking activity publications (including the report and summary of banking statistics), where data sources for publishing have been also changed.

In view that since 2017 supervisory financial reporting¹ (*FINREP*) to the FCMC is binding not only to the banks supervised on a consolidated basis but also to the banks at individual (SOLO) basis, as well as to branches of foreign banks, **FINREP data have been used in the reporting as from the first quarter of 2018**. Thus, the data sources that were previously used in the publications, i.e. the Monthly Balance Sheet Report of the Bank of Latvia (MBSR) and KREDIS data (detailed information on bank credit portfolio) were substituted by FINREP data

In the FCMC publications **FINREP data** provided by the banking sector will be used as follows: consolidated data by the banks supervised on a consolidated basis (i.e. data on banks and their subsidiaries), as well as data of other banks and branches of foreign banks on a solo basis.

Comparison of financial data content of banking sector used in the report:

| | By Q4 2017 | From Q1 2018 | Impact on the amount of assets |
|---------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------|
| Data source | LB MBSR and KREDIS | FINREP | - |
| Scope | Assets of the banking sector (SOLO) | Consolidated assets of the banking sector, i.e. data on the financial subsidiaries | ↑ |
| Changes in the balance sheet items accounts | Assets reported in the gross carrying amount, i.e. without deducting loan loss provisions | Assets reported in the carrying amount, i.e. deducting loan loss provisions | ↓ |
| Provisioning methodology | Included provisions for incurred losses | Included provisions for incurred and expected losses | ↓ |

¹ In accordance with Regulation (EU) No 680/2014 and FCMC's Regulations No 119 on Reporting of Supervisory Financial Information of 06.07.2016.