

EESTI PANK
Governor's decree No 6 of 22 September 2009

Amendments to Eesti Pank Governor's Decree No 14 of 1 October 2007
"Establishment of balance of payments reports of credit institutions"

This decree is established on the basis of clause 91 (1) of the Credit Institutions Act.

§ 1. Appendix 1 "Report on non-transactional financial flows" to Eesti Pank Governor's Decree No 14 of 1 October 2007 "**Establishment of balance of payments reports of credit institutions**" (RTL 2007, 77, 1338) shall be amended and enforced in new wording (as appended).

§ 2. This Decree enters into force on 1 January 2010 and it applies to the preparation and submission of reports starting from the accounting periods ending on 31 January 2010 or later.

Andres Lipstok
Governor

Appendix to Eesti Pank Governor's decree no 6 of 22 September 2009 **Amendments to Eesti Pank Governor's Decree No 14 of 1 October 2007 "Establishment of balance of payments reports of credit institutions"**

Appendix 1 to Eesti Pank Governor's Decree No 14 of 1 October 2007 "Establishment of balance of payments reports of credit institutions"

Report on non-transactional financial flows

1. Area of report

Non-transactional financial flows in the reporting period, except for revaluation arising from exchange rate movements.

A non-transactional financial flow is a change in the book value of an asset and/or a liability, which does not arise from acquisition/realisation of assets or assumption/repayment of liabilities. The following non-transactional financial flows are identified: revaluation due to price change, write-off/recognition and reclassification. More specific descriptions and examples of non-transactional financial flows are presented under clause 15.

The report covers all balance-sheet non-transactional changes, which are recorded following the double-entry principle of accounting (e.g., an increase in the value of shares due to a rise in the market value of the shares is recorded on the assets side and the equivalent increase in the equity item on the liabilities and equity side). Thus, the non-transactional financial flows within the area of this report should on the asset side be broadly equal to non-transactional financial flows on the liabilities and equity side. There are certain circumstances when a non-transactional flow may take place either only on the asset side or only on the liabilities and equity side. For instance, if there occurs a write-off of a loan and recognition of collaterals in the same amount in the balance sheet, both of the non-transactional financial flows are recorded on the balance-sheet asset side. If there occurs reclassification, both the positive and the negative non-transactional financial flow are recorded on the same side of the balance sheet.

Impairment of loans and depreciation of tangible and intangible fixed assets are not within the area of the report.

2. General requirements to data summarising

The amount of non-transactional financial flows of such assets and liabilities that have coinciding identifiers are shown as one row.

3. Report row structure

- 1) item category
- 2) special condition
- 3) reporting currency code
- 4) country code
- 5) customer
- 6) sole proprietor
- 7) monetary financial institutions, central counterparties or securitisers
- 8) listing
- 9) agreed maturity
- 10) residual maturity
- 11) period of notice for deposits redeemable at notice

- 12) period until the next interest rate reset
- 13) loan purpose
- 14) loan collateral
- 15) non-transactional financial flow category
- 16) non-transactional financial flow amount

1) Item category identifiers

Assets

Cash	1
Syndicated loan	45
Credit card loan	46
Overdraft facility	47
Other loan	29
Money market instrument	7
Other debt instrument	9
Investment fund unit	8
Privatisation voucher	14
Share of associated undertaking	10
Share of subsidiary	11
Other share and unit	37
Derivative instrument	38
Other claim	39
Tangible and intangible assets	15
Other assets	16

Liabilities and equity

Overnight deposit and other demand deposit	33
Time deposit	34
Savings deposit	35
Investment deposit	40
Other deposit	36
Syndicated loan	44
Other loan received	32
Money market instrument	24
Hybrid debt instrument	43
Other debt instrument	25
Share and unit	41
Derivative instrument	42
Other liability	28
Equity	27

The item category “Other assets” covers non-transactional financial flows recorded under balance sheet items “Other assets”, “Non-current assets and disposal groups classified as held for sale” and “Tax assets”.

The item category “Other liability” covers non-transactional financial flows recorded under balance sheet items “Other liabilities”, “Share capital repayable on demand” and “Liabilities included in disposal groups classified as held for sale”.

The item category “Other claim” covers non-transactional changes in savings placed with other credit institutions.

Money market fund units are also shown under the item category “Investment fund unit”.

2) Special condition identifiers

Subordinated claim/liability	8
Reverse repo/ repo	7
Preferred share	5
Without special condition	4

3) Reporting currency code

Here is indicated the currency in which an asset has been issued or a liability involved.

If the contract prescribes that the repayment amount of issued assets or involved resource may change due to movements in the exchange rate of a certain currency, here is indicated the currency the exchange rate of which determines the size of the repayment amount. For example, if the contractual currency of issued assets or included resource is EEK and the repayment amount is tied to the exchange rate of EEK to some other currency (e.g., EUR) valid at the moment of repayment, the reporting currency of the issued assets or included resource will be the currency tied to EEK (in this case EUR). In the case of securities the currency code is indicated in accordance with the nominal value, even if the market price of the security is fixed in another currency. Derivative instruments have EEK as the reporting currency.

4) Country code

The country code is based on the residency of the customer or the security issuer (in the case of derivatives, on the residency of the transaction counterparty). In the case of items with no residency or when the residency cannot be identified (e.g., in the case of item categories "Tangible and intangible assets", "Other assets", "Other liabilities" and "Equity") the country code will be XX.

5) Customer identifiers

Central government	1
Local government	2
State social security fund	13
Insurance company and pension fund	4
Other financial institution	5
Credit institution	6
Commercial undertaking of state or local government	7
Other commercial undertaking	8
Non-profit institution	9
Private person	10
Central bank	12
Unspecified	11

In the case of debt securities issued, the customer is the primary buyer of the debt security. In the case of shares and units, the customer identifier is established according to the issuer.

For item categories “Cash”, “Investment fund unit”, “Tangible and intangible assets”, “Equity” and “Other liabilities”, the customer identifier may be “Unspecified”. In all the rest of the cases it is mandatory to identify the customer.

6) Identifiers for sole proprietors

The customer is a sole proprietor	1
The customer is not a sole proprietor	0

If a customer that is a private person is a sole proprietor, the identifier will be 1. In the rest of the cases, including if the private person is not a sole proprietor, the identifier will be 0.

7) Identifiers for monetary financial institutions, central counterparties or securitisers

Credit institutions	1
Money market funds	2
Other monetary financial institutions	3
Central counterparty	4
Securitiser	5

In case of customer categories “Central bank”, “Other financial institution” and “Credit institution” here is indicated the customer’s belonging to the list of monetary financial institutions (MFI) (identifiers 1-3) or in the case of the customer category “Other financial institution” here is indicated whether it is a central counterparty or a securitiser (identifiers 4 and 5). The identifier for the rest of the customer categories will be 0 (zero).

When classifying a customer as a MFI, one proceeds from the list of MFIs of the European Union published on the web site of the European Central Bank <http://www.ecb.int/stats/money/mfi/elegass/html/index.en.html> (subsections “Search the database” and “Download dataset”).

The MFI identifier for the customer category “Central bank” will be “Other monetary financial institutions”.

8) Listing identifiers

Not listed	0
Listed	1

The identifier “Listed” is used only for shares and debt securities listed on securities markets. For the rest of assets and liabilities and for the equity item the identifier will be “Not listed”.

9) Identifiers for contractual maturity

Without maturity	1
On demand	2
Up to 1 year	31
1 to 2 years	6
2 to 5 years	24
More than 5 years	25

The maturity is established based on the contractual maturity of an asset/liability or, in the case of a debt security, on the redemption date. In the case of items that have no contractual maturity (e.g., “Equity”, “Cash”, “Investment fund unit”), the contractual maturity identifier will be “Without maturity”.

10) Identifiers for residual maturity

Without maturity	1
Up to 1 year	31
1 to 2 years	6
2 to 5 years	24
5 to 10 years	9
10 to 20 years	52
20 to 30 years	53
More than 30 years	54

The identifier is determined on the basis of the time period from the reporting period to the residual maturity.

The residual maturity identifier is determined only for asset items "Syndicated loan", "Credit card loan", "Overdraft facility" and "Other loan", if the receiver of the loan is "Private person", "Non-profit institution", "Other commercial undertaking" or "Commercial undertaking of state or local government".

In the rest of the cases, including when the residual maturity of the loan has passed, the identifier will be 0 (zero).

11) Identifier for the period of notice for deposits redeemable at notice

Up to 3 months	3
More than 3 months	47

Identifiers for the period of notice for deposits redeemable at notice are established only for the liability categories "Time deposit", "Savings deposit", "Investment deposit" and "Other deposit", based on the mandatory period of notice. For all the rest of item categories and if the period of notice for abovementioned deposit categories has not been established, the identifier of the period of notice for deposits redeemable at notice is 0 (zero).

12) Identifiers for the period until the next interest rate reset

Up to 1 year	31
1 to 2 years	6
2 to 5 years	24
More than 5 years	25

Here is indicated the time period from the reporting period until the next due date of resetting the interest rate.

The period until the next interest rate reset is determined only for asset items "Syndicated loan", "Credit card loan", "Overdraft facility" and "Other loan", if the receiver of the loan is "Private person", "Non-profit institution", "Other commercial undertaking" or "Commercial undertaking of state or local government".

In the rest of the cases, including when the loan has a fixed interest rate or when the residual maturity of the loan has passed, the identifier will be 0 (zero).

13) Loan purpose identifiers

Acquisition/ renovation of dwelling	11
Acquisition of goods and services (incl. daily settlements)	12
Other purpose	24

Here is indicated the purpose of the issued loan.

The loan purpose is determined only for asset items “Syndicated loan”, “Credit card loan”, “Overdraft facility” or “Other loan”, if the receiver of the loan is “Private person” or “Non-profit institution”.

In the case of the rest of the loan purposes, the identifier will be 0 (zero).

14) Loan collateral identifiers

Mortgage 1

The loan collateral identifier is determined only for asset items “Syndicated loan”, “Credit card loan”, “Overdraft facility” and “Other loan”, if the receiver of the loan is “Private person”, “Non-profit institution”, “Other commercial undertaking” or “Commercial undertaking of state or local government”.

In the rest of the cases, the collateral identifier will be 0 (zero).

15) Non-transactional financial flow identifiers

Revaluation due to price change	1
Write-off/recognition	3
Reclassification	4

Revaluation due to price change

Includes non-transactional financial flows recorded under asset, liability and equity items that arise from the price change of the instruments recognised under the respective items in the reporting period.

For instance, a credit institution’s investment portfolio includes X shares of 10 undertakings the market price of which at the start of the reporting period was 100 kroons and at the end of the reporting 120 kroons and no transactions were made in the reporting period. Thus, the revaluation arising from price change is $10 \times (120 - 100) = 200$ kroons.

Write-off/recognition

Includes either partial or total write-off/recognition of financial and non-financial assets in the credit institution’s balance sheet.

The write-off may arise from the debtor’s bankruptcy or other circumstances affecting the customer’s solvency. Writing off tangible and intangible assets may be caused by fire, flood, assets becoming unusable, etc.

Recognition in the balance sheet may arise from the need to record an asset, which was a collateral for a written-off loan, in the balance sheet or due to other similar circumstances.

All write-offs are shown as negative amounts and recognitions as positive amounts.

The recording of the non-transactional financial flow arising from write-off/recognition is mandatory only for item categories “Syndicated loan”, “Credit card loan”, “Overdraft facility”, “Other loan”, “Tangible and intangible assets”, “Other assets” and “Equity”.

Reclassification

Includes such non-transactional financial flows that arise from changes (reclassifications) in the customer, item category, country code or sole proprietor.

Example. At the end of the period preceding to the reporting period the bank has a 100-kroon loan claim to a commercial undertaking of state with residual maturity 14 months. The commercial undertaking repays the loan to the bank in the amount of 20 kroons and there occurs privatisation of the (commercial) undertaking. At the end of the reporting period, the undertaking's loan balance is 80 kroons and the customer sector has changed.

Reclassification is recorded as follows:

Item category	Customer category	NT financial flow	Res. maturity	Amount
29	7	4	6	- 100
29	8	4	6	+100

16) Non-transactional financial flow amount

Here is recorded the increase (with + sign) and decrease (with - sign) in the amount of the non-transactional financial flow in the reporting currency, rounded up to integers.

Increase/decrease in equity is recorded only if it arises from non-transactional financial flows falling within the area of the report. For instance, if equity increases only on account of profit earned in the reporting period, it will not be recognised in this report.