

## Appendix 4

to Eesti Pank Governor's Decree

No 7 of 29 May 2014

"Establishment of supplementary reports on credit institutions' balance sheet"

### **Report on the balance of loans**

#### 1. Scope of the report

Balances of the loans recorded under asset items of the credit institution's balance sheet (incl loans, deposits and advances that are not loans), accrued interests, payable amounts, and individual and other discount amounts as at the end of the reporting period.

#### 2. Data aggregation

The book and contractual balances, accrued interests, payable amounts, payable interests and discounts of the loans with coinciding identifiers are shown as one totalled row.

Individual discounts (loan-based discounts) are shown on the same row as the discounted loan. Other discounts (e.g. group discounts and general discounts) may be shown as a single row per loan group. In that case, the identifiers of the report row are 0 (zero), except for the following identifiers:

- a) the loan group identifier is the identifier of the financial asset group containing the loans subject to other discounts;
- b) the currency code of the report is the currency in which the discount has been made;
- c) the country code is XX;
- d) the identifier for the economic sector is X;
- e) the loan collateral identifier is "Without collateral";
- f) the discount is the end-of-reporting-period sum of other discounts;
- g) the loan purpose is "Other".

Advances that are not loans, reported under the loan type "Other claim", are shown on one row, using the same identifiers (except the loan type identifier) as in case of other discounts.

#### 3. Report row structure

- 1) loan type
- 2) loan group
- 3) reporting currency code
- 4) country code
- 5) customer
- 6) maturity
- 7) economic sector
- 8) loan collateral
- 9) loan to value ratio
- 10) loan balance at book value
- 11) loan balance at contractual value
- 12) accrued interest
- 13) time since the maturity date of the loan
- 14) payable loan amount

- 15) payable interests
- 16) impairment
- 17) loan restructuring due to solvency problems
- 18) annual interest rate of loan
- 19) interest rate type
- 20) additional customer identifier
- 21) loan purpose
- 22) loan class
- 23) number of loans

### 1) Loan type identifiers

Loan for specific purposes with interest rate restriction		1
Other loan with interest rate restriction	5	
Overdraft facility	9	
Credit card loan	10	
Subordinated loan	6	
Syndicated loan	12	
Reverse repurchase agreement	7	
Other loan	3	
Financial lease	13	
Factoring	14	
Other claim	4	

"Loan for specific purposes with interest rate restriction" also includes all study loans guaranteed by the state.

Other study loans are indicated under "Other loan".

The loan type "Other claim" covers all claims within the scope of the report, which are neither loans, reverse repurchase agreements, financial lease nor factoring (e.g. overnight deposits, deposits with central banks and financial institutions and advances that are not loans).

### 2) Loan group identifiers

Cash and cash balances with central banks and other demand deposits	1	
Financial assets held for trading	2	
Financial assets measured at fair value through profit or loss not used for trading		9
Financial assets designated at fair value through profit or loss	3	
Financial assets measured at fair value through other comprehensive income		10
Financial assets at amortised cost		11

The group of financial assets under which the loan is classified according to the methods of drafting the balance sheet is indicated here.

### 3) Reporting currency code

The currency in which the loan amount is fixed in the loan contract is indicated here. If the contract provides that the loan repayment amount may change due to fluctuations in the exchange rate of a certain currency, the currency the exchange rate of which determines the size of the repayment amount is indicated here. For example, if the contractual currency of a loan is EUR and the repayment amount is

tied to the exchange rate of EUR to some other currency (e.g. CHF) valid at the time of repayment, the reporting currency of the loan is the currency tied to EUR (in this case CHF).

#### 4) Country code

The country code is based on the customer's residency. In case it is impossible to identify the customer's residency, the code is XX.

#### 5) Customer identifiers

Central government	1
Local government	2
State social security fund	13
Central bank	12
Credit institution	6
Other deposit-taking corporation	15
Money market fund	16
Insurer	17
Pension fund	18
Other investment fund	19
Other financial institution	20
Non-financial company owned by the state or local government	7
Other non-financial company	8
Household	10
Non-profit institution serving households	9

#### 6) Maturity identifiers

Without maturity	1
On demand	2
Up to 1 month	11
1 to 3 months	29
3 to 6 months	4
6 to 12 months	5
1 to 2 years	6
2 to 3 years	7
3 to 4 years	36
4 to 5 years	37
5 to 10 years	9
10 to 15 years	43
15 to 20 years	44
20 to 25 years	45
25 to 30 years	48
30 to 35 years	49
35 to 40 years	50
Over 40 years	51

The maturity identifier is determined on the basis of the contractual maturity of the loan, even if the loan amount is paid out by tranches.

In case renegotiating the loan contract involves a change in contractual maturity, the contractual maturity is the period from the date the contract amendment enters into force until the end of the contract.

In case of loan contracts cancelled by the credit institution the maturity will still be the contractual maturity of the loan, i.e., the maturity valid prior to the adoption of the decision to cancel the loan contract.

## 7) Economic sector identifiers

Agriculture, forestry and fishing	A
Mining and quarrying	B
Manufacturing	C
Electricity, gas, steam and air conditioning supply	D
Water supply; sewerage, waste management and remediation activities	E
Construction	F
Wholesale and retail trade, repair of motor vehicles and motorcycles	G
Transportation and storage	H
Accommodation and food service activities	I
Information and communication activities	J
Financial and insurance activities	K
Real estate activities	L
Professional, scientific and technical activities	M
Administrative and support service activities	N
Public administration and defence; compulsory social security	O
Education	P
Human health and social work activities	Q
Arts, entertainment and recreation	R
Other service activities	S
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	T
Activities of extraterritorial organisations and units	U

Loans are classified by the principal area of activity of the customer, not by a specific loan project.

For loans issued to households, the identifier of the economic sector is 0 (zero), except for business loans taken by sole proprietors, which are indicated according to the principal area of activity of the sole proprietor.

## 8) Loan collateral identifiers

First-ranking mortgage	1
Other mortgage	2
Registered security over movables	
Security	3
Pledge over construction	4
Cars (not used for production purposes)	11
Commercial vehicles	12
Other security over movable assets	5
Commercial pledge	10
Surety, guarantee	6
Deposit with the same credit institution	7

Other	8
Without collateral	9

The loan's collateral is indicated here. If a loan has several collaterals, the collateral, which the credit institution considers to be the most significant for risk assessment purposes should be indicated here. A loan is considered to be without collateral, when it has no collateral whatsoever.

#### 9) Loan to value ratio

≤ 50%	1
> 50% ≤ 60%	8
> 60% ≤ 70%	9
> 70% ≤ 80%	3
> 80% ≤ 90%	4
> 90% ≤ 100%	5
> 100% ≤ 150%	6
> 150%	7

The range of the ratio of the loan balance shown on the report row to the market value of the real estate object used as collateral is indicated here, expressed in percentages.

The loan to value ratio is shown only if the following conditions are true:

- 1) The customer type is "Household";
  - 2) The loan purpose is acquisition and/or renovation of dwelling, i.e. the loan is used for at least one of the following purposes:
    - a) acquisition of dwelling;
    - b) renovation of dwelling;
    - c) acquisition of residential land;
    - d) construction of dwelling;
  - 3) A mortgage has been set as loan collateral.
- In other cases the loan to value ratio is 0 (zero).

The ratio is calculated on the basis of the end-of-reporting-period contractual balance of the loan without accrued interest and discounts (numerator) and the last known market value of the real estate object encumbered with a mortgage that is used as the collateral of the loan (denominator).

The market value of the collateral is the conservatively assessed market price of the real estate object serving as collateral, at which it would be possible to sell the object within reasonable time. A reasonable sales period is generally considered to be up to one year. The market value of the collateral may be calculated by adjusting the market value of the collateral as at the time of granting the loan with real estate price indexes or by any other conservative method for indirect valuation of real estate.

If several real estate objects encumbered with a mortgage are assigned as collateral for a loan, the market values of those real estate objects are summed for calculating the loan to value ratio. If the real estate object has been mortgaged for a second and/or consecutive time in favour of the reporting credit institution, the object's market value may be taken into account only if the first mortgage has also been made in favour of the reporting credit institution. When the same mortgage secures

two or more loans, the loan balances may be totalled to calculate a common loan to value ratio.

**10) Loan balance at book value**

The balance of the loan at book value as at the end of the reporting period, without accrued interest. The balance is indicated in gross value (i.e. without discount).

**11) Loan balance at contractual value**

The balance of the loan at contractual value (i.e. without considering the effective interest rate) as at the end of the reporting period, without accrued interest. The balance is indicated in gross value (i.e. without discount).

**12) Accrued interest**

Interest related to the loan recorded on the report row, calculated on accrual basis but not paid by the end of the reporting period. Any facility fees (e.g a commitment fee charged on the unused part of overdraft facility) and other service fees taken into account when calculating the effective interest rate are also shown here.

**13) Identifiers for the time since the maturity date of the loan**

Not yet matured	1
Up to 10 days past due	5
10–30 days past due	6
30-60 days past due	3
60-90 days past due	7
Over 90 days past due	8

The time since the maturity date is indicated here if a repayment of the principal or interest of the loan has not been made in due time. If there are several overdue payments with different periods passed after the maturity date, the longest period is shown here. In determining the period, any parts of the loan which the credit institution has deemed to be uncollectible and written off the balance sheet and which are recorded in off-balance-sheet accounts, should also be factored in.

The identifier “Not yet matured” is used if there are no overdue payments of principal or interest.

**14) Payable loan amount**

If the loan shown on the report row is overdue, the sum of the repayments overdue by the end of the reporting period is indicated here. The payable loan amount is shown as gross amount (i.e. without discount).

**15) Payable interest**

If the loan shown on the report row is overdue, the sum of the loan interest not paid by the end of the reporting period is indicated here. Any overdue facility fees (e.g a commitment fee charged on the unused part of overdraft facility) and other service fees taken into account when calculating the effective interest rate are also shown here. Interest recorded in off-balance-sheet accounts is excluded from here.

**16) Impairment**

The amount of the expected credit losses by which the loan or loan group is discounted is shown here. If there are no credit losses (e.g if the loan is measured at fair value through profit or loss), the discount amount is 0 (zero).

### **17) Identifier for restructuring the loan due to solvency problems**

Restructured due to solvency problems 1

This section shows whether or not the loan shown on the report row is classified as restructured due to solvency problems as at the end of the reporting period. For loans not classified as restructured due to solvency problems as at the end of the reporting period (or no longer classified as such, in accordance with the internal procedures of the reporting credit institution), this identifier is 0 (zero).

### **18) Annual interest rate of loan**

The contractual annual interest rate of the loan valid on the reporting date is indicated here. The interest rate is indicated on an annual basis. If the loan is repaid in tranches, the annual interest rate is calculated on the basis of the loan balance (also in case the loan contract provides for an interest rate on the initial loan amount). The annual interest rate of the loan must indicate the interest income actually received by the credit institution. For example, in case of study loans guaranteed by the state, the annual interest rate must also include compensation paid by the state. In case of a reverse repurchase agreement, the effective interest rate of the transaction is indicated here.

In case of a credit card loan, the contractual annual interest rate is the interest rate actually applied to the loan on the reporting date.

In case of a loan contract cancelled by the credit institution, the annual interest rate is 0 (zero).

### **19) Interest rate type identifiers**

Fixed	1
Floating	2

The interest rate type is "Fixed" if the interest rate is agreed upon at the time of signing the loan contract and it can be changed only by changing the loan terms and conditions. In other cases, including when the loan carries initially a fixed interest rate, which becomes floating after a certain time (or vice versa), the interest rate type is "Floating".

### **20) Additional customer identifiers**

Monetary financial institution	6
Central counterparty	4
Financial vehicle corporation	5
European Investment Bank (EIB)	20
European Stability Mechanism (ESM)	21
International organisation	9
Single Resolution Board (SRB)	22

These identifiers specify whether the customer indicated in the fifth column of the report row is a monetary financial institution, a central counterparty, a financial

vehicle corporation, the EIB, the ESM, the SRB or an international organisation. If the client indicated in the fifth column of the report line is not one of the aforementioned, the value of this field will be 0 (zero).

Monetary financial institutions (identifier 6) are only these central banks, credit institutions, money market funds and other deposit-taking corporations that have been entered in the list of monetary financial institutions of the European Union published on the website of the European Central Bank.

Identifiers 4 “Central counterparty” and 5 “Financial vehicle corporation” are only used to specify the customer “Other financial institution” indicated in the fifth column of the report row.

Identifier 9 is used to mark international organisations, except for the EIB, the ESM and the SRB. International organisations can be indicated in the fifth column of the report row only under “Central government”, “Central bank”, “Credit institution” and “Other financial institution”.

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## 21) Loan purpose identifiers

Acquisition of real estate for one's own use (excl acquisition or renovation of dwelling)	15
Commercial real estate	
Housing development projects	16
Financing retail areas	17
Financing office areas	20
Financing warehousing and production areas	21
Other commercial real estate	18
Acquisition of other fixed assets	19
Acquisition of securities	7
Acquisition of other current assets	8
Commencing commercial activity of a company	9
Expanding commercial activity of a company	10
Financing trade activities	22
Acquisition/renovation of dwelling	11
Acquisition of goods and services (including daily settlements)	12
Financing studies	23
Other	14



The purpose of the issued loan is indicated here. In case of refinancing a loan, the loan purpose is determined according to the purpose of the loan to be refinanced. For the customer type "Household", only the identifiers 7–12, 14, 15, 19 and 23 are used; in case of other customer types, identifiers 7–12 and 14–22 are used. The loan purpose "Other" is applied only when it is impossible to classify the loan under any other purpose.

**22) Loan class identifiers**

Low risk	1
Moderate risk	2
Average risk	3
High risk	4
Uncollectible	5

The loan class of the loan shown on the report row is indicated here.

**23) Number of loans**

The number of loans that are totalled under column 12 "Loan balance at book value" and column 13 "Loan balance at contractual value" of the report row are indicated here. The number of loans is recorded in pieces. If a report row contains an aggregate of loans with 0-balance but with unpaid accrued interest balance as at end of the reporting period, such loans are not taken into account in determining the number of loans.

