

Financing Growth and Green Transformation

FINANCE 
LATVIA 
ASSOCIATION 



Key metrix of the
banking sector



Financing of the
economy



Effective AML/CFT
system



Sustainable
finance

KEY metrix

Total assets of all banks ~**23 billions**

Alternative investment funds managed ~ **192 millions**

Amount of loans issued by banks ~ **13 billions**

Investment brokerage firms hold ~ **12 millions** client assets

Amount of deposits ~ **17 billions**

Insurance premiums per year ~ **850 miljoni**

Number of customers ~ **1,9 million**

Assets of credit unions ~ **33 millions**

Payments per year ~ **203 billions**

Portfolio of debt collection companies (without bailiffs) ~ **1,7 billions**



Deferral of the principal repayments

Moratorium based approach
(May 2020 – September 2020)

- **13 393** loan agreements for the total amount– **1,1 bn euro**

Recent development from October 2020 using individual approach

- **966** loan agreements for the total amount– **0,14 bn euro**
- Stable payment discipline
- Tailored solutions for costumers



Effective AML/CFT system

- Strong AML regulatory framework in line with the highest international standards.
- Comprehensive co-operation mechanisms.
- Opting out of unmanageable risks and transition to better risk management.
- Effective internal control systems and wide use of digital solutions.
- Tone from the top to ensure the compliance with the highest AML/CFT compliance standards.

15-POINT PLAN TO PROMOTE FINANCING 2021–2022



LENDING



DEVELOPMENT OF CAPITAL MARKETS



FINANCIAL LITERACY



SUSTAINABLE FINANCE



Financing of the economy

- Enhancement of **state aid programs** and co-operation with international financial institutions' building products to expand the support and financing available to SMEs.
- Discussion on broader use of asset classes in **mortgage lending** to facilitate a reduction in down payments.
- Development of internationally competitive regulatory framework of securitization.
- Enabling regulations that facilitate a broader and more diversified investment of pension fund assets in corporate financial instruments.



Sustainable finance

- Memorandum of cooperation with the FCMC, Bank of Latvia and Nasdaq Riga.
- Development of new products to finance green transformation.
- Data availability, quality, exchange.
- Coordinated public and private sector policy for assessing the sustainability of investments according to the EC guidelines.
- Creation of a sustainable financing platform in co-operation with the FCMC **promoting the development of sustainable projects** and the purposeful and intelligent implementation of EU regulations.

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