



**AGREEMENT**  
**of 31 December 2013**  
**between Latvijas Banka and the European Central Bank**  
**regarding the claim credited to Latvijas Banka by the European Central Bank**  
**under Article 30.3 of the Statute of the European System of Central Banks and of the**  
**European Central Bank**

LATVIJAS BANKA AND THE EUROPEAN CENTRAL BANK,

Whereas:

- (1) Pursuant to Article 3(1) of Decision ECB/2013/53 of 31 December 2013 on the paying-up of capital, transfer of foreign reserve assets and contributions by Latvijas Banka to the European Central Bank's reserves and provisions<sup>1</sup>, the aggregate euro-equivalent amount of foreign reserve assets that Latvijas Banka is required to transfer to the European Central Bank (ECB) with effect from 1 January 2014 in accordance with Article 48.1 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB') is EUR 205 272 581,13.
- (2) Pursuant to Article 30.3 of the Statute of the ESCB and Article 4(1) of Decision ECB/2013/53, with effect from 1 January 2014 the ECB is required to credit Latvijas Banka with a euro-denominated claim equivalent to the aggregate euro amount of Latvijas Banka's contribution of foreign reserve assets, subject to the specifications provided for in Article 3 of that Decision. The ECB and Latvijas Banka agree to set Latvijas Banka's claim at EUR 163 479 892,24 in order to ensure that the ratio between the amount in euro of Latvijas Banka's claim and the aggregate amount in euro of the claims credited to the other national central banks of Member States whose currency is the euro (hereinafter the 'other NCBs') will be equal to the ratio between Latvijas Banka's weighting in the ECB's capital key and the other NCBs' aggregate weighting in this key.
- (3) The difference between the amounts mentioned in recitals 1 and 2 results from: (a) the application to the value of foreign reserve assets already transferred by Latvijas Banka pursuant to Article 30.1 of the Statute of the ESCB of the 'current exchange rates' referred to in Article 48.1 of the Statute of the ESCB; and (b) the effect on the claims pursuant to Article 30.3 of the Statute of the ESCB held by the other NCBs of the ECB's capital key adjustments on 1 January 2004, 1 January 2009 and 1 January 2014 pursuant to Article 29.3 of the Statute of the ESCB and the ECB's capital key

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<sup>1</sup> Not yet published in the Official Journal.

expansions on 1 May 2004, 1 January 2007 and 1 July 2013 pursuant to Article 48.3 of the Statute of the ESCB.

- (4) In view of the abovementioned difference, the ECB and Latvijas Banka agree that Latvijas Banka's claim may be reduced by offsetting against it the amount that Latvijas Banka is required to contribute to the ECB's reserves and provisions pursuant to Article 48.2 of the Statute of the ESCB and Article 5(1) of Decision ECB/2013/53, in the event that Latvijas Banka's claim is larger than the amount of EUR 163 479 892,24.
- (5) The ECB and Latvijas Banka should agree on other modalities for crediting Latvijas Banka's claim, taking into account that, depending on exchange rate movements, it may be necessary to increase rather than reduce the claim to the amount referred to in recital 2.
- (6) The Governing Council has approved the ECB's entry into this Agreement, which concerns a decision to be taken under Article 30 of the Statute of the ESCB, in accordance with Article 10.3 of the Statute of the ESCB and the procedure specified therein,

HAVE AGREED AS FOLLOWS:

#### *Article 1*

##### **Modalities for crediting Latvijas Banka's claim**

1. If the amount of the claim that the ECB is required to credit to Latvijas Banka pursuant to Article 30.3 of the Statute of the ESCB and Article 4(1) of Decision ECB/2013/53 (hereinafter the 'claim') is greater than EUR 163 479 892,24 on any of the settlement dates on which the ECB receives foreign reserve assets from Latvijas Banka pursuant to Article 3 of Decision ECB/2013/53, then the amount of the claim shall be reduced with effect from that date to EUR 163 479 892,24. Such reduction shall be made by offsetting against the claim the amount that Latvijas Banka is required to contribute to the ECB's reserves and provisions with effect from 1 January 2014 pursuant to Article 48.2 of the Statute of the ESCB and Article 5(1) of Decision ECB/2013/53. The offset amount shall be treated as an advance contribution to the ECB's reserves and provisions pursuant to Article 48.2 of the Statute of the ESCB and Article 5(1) of Decision ECB/2013/53, which shall be deemed to have been made on the date on which the offset occurs.
2. If the amount required to be contributed by Latvijas Banka to the ECB's reserves and provisions pursuant to Article 48.2 of the Statute of the ESCB and Article 5(1) of Decision ECB/2013/53 is less than the difference between the amount of Latvijas Banka's claim and EUR 163 479 892,24, then the amount of the claim shall be reduced to EUR 163 479 892,24: (a) by offsetting in accordance with paragraph 1 above; and (b) by the ECB paying Latvijas Banka an amount in euro equal to the amount of the shortfall remaining after such offset. Any amount required to be paid by the ECB in accordance with this paragraph shall be due on 1 January 2014. The ECB shall, in due course, give instructions for the transfer of such an amount, and of net accrued interest thereon,

through the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2). Accrued interest shall be calculated on a daily basis, using the actual over-360-day method of calculation at a rate equal to the marginal interest rate used by the Eurosystem in its most recent main refinancing operation.

3. If the amount of Latvijas Banka's claim is less than EUR 163 479 892,24 on the final date on which the ECB receives foreign reserve assets from Latvijas Banka pursuant to Article 3 of Decision ECB/2013/53, then the amount of the claim shall be increased on that date to EUR 163 479 892,24 and Latvijas Banka shall pay the ECB an amount in euro equal to the difference. Any amount required to be paid by Latvijas Banka in accordance with this paragraph shall be due from 1 January 2014, and shall be paid in accordance with the procedures specified in Article 5(4) and (5) of Decision ECB/2013/53.

#### *Article 2*

#### **Final provisions**

1. This Agreement shall enter into force on 1 January 2014.
2. This Agreement shall be drawn up in two duly signed originals in the English language. The ECB and Latvijas Banka shall each retain one original hereof.

Done at Frankfurt am Main, 31 December 2013.

For Latvijas Banka

For the European Central Bank

[signed]

[signed]

Ilmars Rimsevics  
Governor

Mario Draghi  
President