

**MACROECONOMIC  
DEVELOPMENTS  
REPORT** **2012**



**APRIL**

# MACROECONOMIC DEVELOPMENTS REPORT

## April 2012

MACROECONOMIC DEVELOPMENTS REPORT  
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## Abbreviations

CIF – cost, insurance and freight at the importer's border  
CIS – Commonwealth of Independent States  
CPI – Consumer Price Index  
CSB – Central Statistical Bureau of Latvia  
EC – European Commission  
ECB – European Central Bank  
EMU – Economic and Monetary Union  
ERDF – European Regional Development Fund  
ESA 95 – European System of Accounts 1995  
EU – European Union  
EU15 – EU countries before 1 May 2004  
EU27 – current EU countries  
EURIBOR – Euro Interbank Offered Rate  
FCMC – Financial and Capital Market Commission  
FOB – free on board at the exporter's border  
FRS – Federal Reserve System  
GDP – gross domestic product  
HICP – Harmonised Index of Consumer Prices  
IMF – International Monetary Fund  
JSC – joint stock company  
MFI – monetary financial institution  
NA – no answer  
OECD – Organisation for Economic Cooperation and Development  
OFI – other financial intermediary (other than an insurance corporation or a pension fund)  
PPI – Producer Price Index  
RIGIBOR – Riga Interbank Offered Rate  
SEA – State Employment Agency  
SJSC – state joint stock company  
UK – United Kingdom  
US – United States of America  
VAT – value added tax  
WTO – World Trade Organisation

## Executive Summary

In the fourth quarter 2011, the GDP growth slowed down more than forecast in many Latvia's major trade partners. The euro area GDP quarterly growth rate turned negative in the fourth quarter.

Due to contracting external demand, the Latvia's foreign trade activity weakened towards the close of 2011, and the two concluding months of the year saw commodity exports shrinking somewhat. Still annual growth rate of exports remained strong. Latvian exporters' competitiveness was well-confirmed also by the on-going expansion of export market shares in almost all major trade partners. Moreover, the EC confidence indicators show that both export order volumes and competitiveness in the markets of EU and other countries have improved substantially in the first quarter of 2012. To a large extent, this has stemmed from Latvia's relatively advantageous export market structure in the breakdown by euro area country.

Oil prices have been on an upward trend for a couple of last months. This can be associated, on the one hand, with emergency policy operations implemented by some major central banks of the world, e.g. the FRS and the ECB, and the changing oil supply and demand conditions on the other. Market participants anticipate persistently strong upward risks to oil supplies also in the coming months; therefore, no significant fall in the oil prices can be expected.

The lats money market rates in December 2011–February 2012 were higher than in the first 11 months of 2011; the overall period, however, saw a downward trend. The initial rise in the interest rates resulted primarily from the developments associated with the suspension of the JSC "Latvijas Krājbanka" operation and the cash run caused by rumours in the second half of November and early December 2011. In the following months Latvian credit institutions recovered their credibility. The Bank of Latvia's resolution to reduce the minimum reserve ratio also facilitated a further decrease in interbank market interest rates.

Despite declining money market rates, the interest rates on resident loans and deposits demonstrated asymmetric dynamics. MFIs priced the money market interest rate decrease in the interest rates on new time deposits but they were in no hurry to reduce those on new loans. Such interest rate developments are favourable for credit institution profitability, suggesting a relatively low mutual competition for new customers in the lending market and the available liquidity and financing.

Loans continued to contract in the last three months on account of both loans to non-financial corporations and household loans. Nevertheless, the rate of decrease decelerated considerably in January and February 2012 in comparison with December 2011 which was marked by more active repayments of the previously taken loans and year-end write-offs of lost loans by credit institutions. Lending activity remained low as the creditworthiness of households and domestic market orientated businesses remained broadly unchanged. The appetite for borrowing of the exporting non-financial corporations and the respective propensity to lend of the credit institutions were dampened by the pessimistic outlook on the economic conditions prevailing in the euro area export markets.

Despite decelerated or even negative GDP growth in most EU countries and the standstill in lending, Latvia's economy continued to develop dynamically also at the turn of 2011. Investment as well as exports made the largest contribution to the annual GDP growth in the fourth quarter of from the demand side. Private consumption increased significantly year-on-year in the fourth quarter of 2011. Moreover, the beginning of 2012 was also marked by a more notable improvement in indicators characterising private consumption.

In the fourth quarter, the value added of manufacturing recorded a year-on-year increase of 9.1%. Sentiment indicators and preliminary data on manufacturing do not point to a notable contraction of the output in manufacturing at the beginning of 2012. The largest contributor of all sectors to the GDP growth in the fourth quarter was the construction sector.

At the beginning of 2012, the registered unemployment rate was on a rise again. Unemployment rate expanded most buoyantly in Latgale, widening the regional disparities in the registered unemployment rate still further. Higher registered unemployment rate was attributable to seasonal factors, and the number of unemployed is expected to decline again along with the creation of seasonal jobs in spring. The rate of real unemployment or jobseekers continued on a downward path for the seventh consecutive quarter, with the rate of decline, however, decelerating gradually. A more moderate fall in unemployment is associated with the restructuring of the temporary employment programme and traditionally fewer employment opportunities in winter.

In the first two months of 2012, annual inflation continued to decelerate. First, the annual inflation shrank, with the impact of indirect taxes (mainly VAT) raised in January 2011 fading. Second, the contribution of global food prices was notably lower than in the respective period of the previous year. The annual inflation was mainly driven by energy prices in January and February, strengthening the impact of fuel prices and administered prices. Inflation expectations also increased slightly at the beginning of the year under the impact of rising prices on natural gas and fuel as well as heating tariffs.

Overall better than expected economic activity indicators for the first months of 2012 give reason for hope that the overall annual growth figures for the year could also turn out to be better than initially planned. Nevertheless, higher growth could also result in stronger inflationary pressures in the future, further aggravated by the soaring global oil prices. Therefore, the risks to both the growth as well as inflation outlook is currently on the upside.

Table 1  
GDP FORECASTS  
(%)

	2011 <sup>1</sup>	2011 <sup>2</sup>	2012 <sup>1</sup>	2012 <sup>2</sup>
Germany	2.7	3.0	1.3	0.3
United Kingdom	1.1	0.9	1.6	0.6
Russia	4.3	4.1	4.1	3.3
Euro area	1.6	1.6	1.1	-0.5
US	1.5	1.8	1.8	1.8
Total global economy	4.0	3.8	4.0	3.3

Sources: *World Economic Outlook* (IMF) September 2011(1) and January 2012 (2).

# 1. External Sector and Exports

## 1.1 External economic environment

The economic situation in Latvia's major trade partners has changed since the previous quarter. In the fourth quarter 2011, the GDP growth slowed down more than forecast in many countries. Therefore in the IMF report published in January 2012, the growth projections for 2012 were revised down for many countries (see Table 1). However, the prices of many stocks had increased and a moderate rise in global commodity prices had renewed since the previous quarter.

The euro area GDP quarterly growth rate turned negative in the fourth quarter. Private consumption, inventories and exports contributed most to this quarterly drop in GDP. Additional measures of fiscal consolidation, a rather slow pace of restoring consumer and business confidence accompanied, as a consequence, by a far more moderate upswing in consumption and investment than anticipated have an adverse impact on the short-term growth outlook. In line with the weakening economic activity, inflation continued on a downward trend. However, due to raises in indirect tax rates, this decline was less pronounced than previously anticipated. The ECB's announced second refinancing operation (LTRO) with a 36-month maturity is expected to support euro area banks. Moreover, the solution to Greece's financial problems is most likely to alleviate, in the short run at least, financial market tensions.

In annual terms, the growth momentum in Lithuania and Estonia vis-à-vis other countries was buoyant in the fourth quarter; nevertheless, it was gradually calming down. Lithuania's recovery in the fourth quarter was the steepest in the EU despite negative effects from the *Snoras bankas* going bust. A substantial upswing in investment, private consumption and exports brought about a sharp year-on-year strengthening of growth momentum. Likewise in Estonia, the annual GDP growth primarily stemmed from stronger investment, private consumption and exports. However, at the close of the year when the economic growth decelerated in many trade partners, the annual export expansion in both countries abated notably.

In the fourth quarter, the annual rate of GDP growth in the UK was negative. Fiscal consolidation, tight

lending standards and population's contracting real income due to soaring inflation were still pressing down private consumption. Also, the labour market stagnated. The Bank of England continued the pursuit of expansionary monetary policy amid weak economic activity and milder inflationary pressures. The UK pound sterling depreciated slightly against the euro; this may have a positive effect on the UK exports while supporting steeper price escalation if import prices hike.

The Russian economy continued to grow fast. It was well-supported, via exports, by rising oil prices, thus also letting the country enjoy a solid fiscal position.

Poland recorded the third strongest annual GDP growth rate in the EU (after Lithuania and Latvia) in the fourth quarter. With the Polish zloty depreciating against the euro and import prices escalating, inflation soared at the end of 2011. Yet since early 2012, the Polish zloty has started to appreciate against the euro, exerting a downward pressure on commodity import prices.

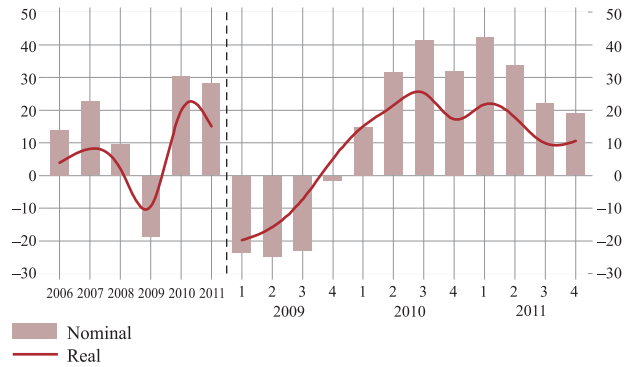
In Sweden, GDP recorded a negative quarterly growth in the fourth quarter. As Sveriges Riksbank anticipated a much slower-than-expected GDP growth, it continued to hold to its expansionary monetary policy amid low inflationary pressures. Even though Sweden is succeeding in capturing new markets, the high exchange rate of the Swedish krona and the weakening demand from its trade partners underpin a slower export growth.

Meanwhile, exports from Finland posted both year-on-year and quarter-on-quarter declines because of the prevalence of economic-cycle-sensitive commodities, e.g. investment goods, in their composition. With the euro area economic situation deteriorating, the demand for such goods contracted.

The Danish economic situation improved in the fourth quarter. Denmark's GDP posted a rise both quarter-on-quarter and year-on-year. GDP got a positive impetus from exports and private consumption that both increased more than in the previous year and quarter. Nevertheless, the growth in Denmark has been extremely fragile so far, while the positive fourth quarter performance does not confirm long-term sustainability of growth.



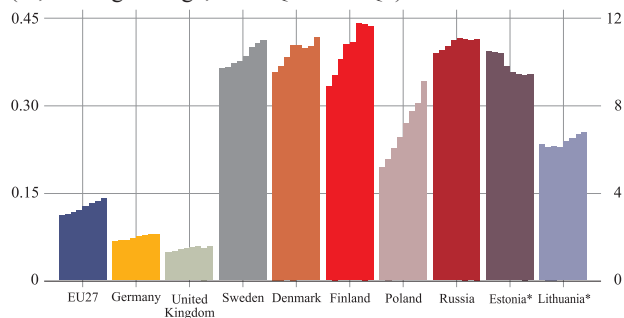
Chart 1.1  
EXPORTS OF GOODS  
(annual percentage changes)



## 1.2 Latvia's competitiveness and commodity export growth

Due to seasonal factors and contracting external demand, the foreign trade activity weakened towards the close of 2011, and the two concluding months of the year saw commodity exports shrinking somewhat. Still in the fourth quarter, nominal exports expanded by 1.9% quarter-on-quarter, while the annual growth stood at 19.6% (see Chart 1.1). Exporters' competitiveness was well-confirmed by the on-going expansion of export market shares in major trade partners' imports, excluding Finland, also in the last quarter of 2011 (see Chart 1.2).

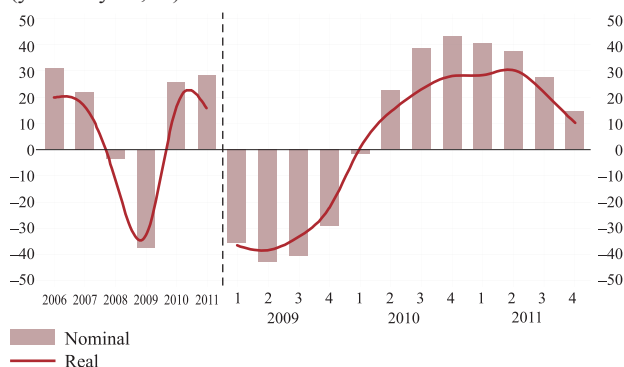
Chart 1.2  
LATVIA'S EXPORTS AGAINST MAJOR TRADE PARTNERS' IMPORTS  
(%; moving average; 2010 Q1–2011 Q4)



\* Estonia and Lithuania – right-hand scale.

In the fourth quarter, export prices decreased by 0.6% quarter-on-quarter, recording a 7.7% rise in annual terms. In this quarter, the export growth was primarily underpinned by 2.5% quarter-on-quarter and 11.1% year-on-year rises in real export volumes. In annual terms, the most impressive growth was recorded for real exports of non-metallic mineral products (73.5%) and transport vehicles (43.5%).

Chart 1.3  
IMPORTS OF GOODS  
(year-on-year; %)



Higher import and declining export prices were responsible for deterioration in overall terms of trade by 1.2% in the fourth quarter. By sector, the terms of trade worsened sharply for vegetable products, for which they had been improving since the second quarter of 2010. A sharp rise in import prices and somewhat declining export prices were observed for wood and articles of wood and base metals and articles of base metals. In the meantime, the trade term dynamics were favourable for animal products, building materials, textile articles, machinery and electrical equipment.

The EC confidence indicators show that in January the assessment of export order volume improved somewhat, whereas in February it dropped again slightly. Nonetheless, the indicators for the first quarter of 2012 have improved substantially for both export order volumes and competitiveness in the markets of EU and other countries. To a large extent, this might have stemmed from Latvia's relatively advantageous export market structure in the breakdown by country, as its exports to the crisis-hit euro area countries (Portugal, Ireland, Italy, Spain and Greece) accounted for a fairly small share (2.6%) in 2011.

The value of commodity imports decreased by 1.8% in the fourth quarter of 2011 but recorded a 16.6% increase in annual terms (see Chart 1.3). Import prices

rose only marginally by 0.6% quarter-on-quarter and 4.0% year-on-year. Wood and articles of wood and transport vehicles posted the largest escalation in import prices of 7.8% and 4.3% respectively.

Cost competitiveness improved somewhat in the fourth quarter: the real effective PPI-based exchange rate of the lats depreciated by 0.2% against the third quarter. In the meantime, the real effective CPI-based exchange rate of the lats went up by 0.6%. The rise was determined by a higher nominal component because of depreciated Russian ruble and Polish zloty, while the price change ratio between Latvia and its major trade partners was favourable for price competitiveness. In early 2012, substantial changes in the real effective CPI-based exchange rate of the lats were not observed: the hikes in global energy prices have been symmetrical, yet their effect on the consumer price index is dependent on item weights in consumption basket.

The development of the Latvian economy in 2012 will still be closely related to exporting opportunities. Hence the most serious risks to growth will be associated with the global economic environment, i.e. the deteriorating situation in the euro area and a slowdown of the global economic growth. In view of tightening competition in external markets amid dropping demand, the quality will be of crucial importance for the Latvian export goods. That is why the share of technology-intensive and higher-value-added goods shall be increased in Latvia's export structure.

## 2. Financial Market Developments

### 2.1 Foreign financial markets

Oil prices have been on an upward trend for a couple of last months; this can be associated, on the one hand, with emergency policy operations implemented by some major central banks of the world, e.g. the FRS and the ECB, and the changing oil supply and demand conditions on the other. The oil price hikes at the beginning of the year were driven by oil supply constraints primarily due to tensions escalating between Iran and Western countries.

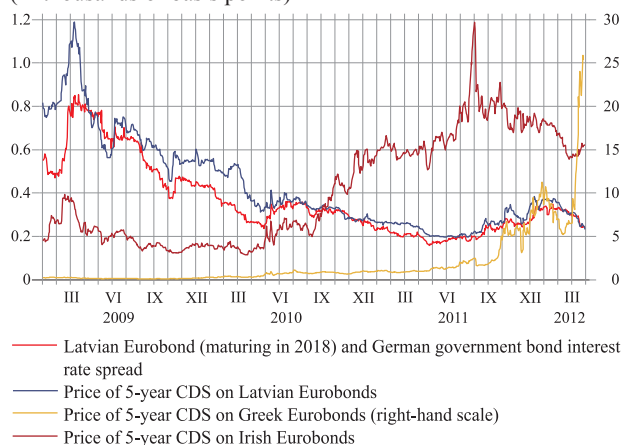
Market participants anticipate persistently strong upward risks to oil supplies also in the coming months. Oil prices may be pushed up by, say, the EU January decision to prohibit exports of crude oil from Iran. The involved countries, however, will be allowed to execute, up until 1 July 2012, the earlier concluded contracts. The date of Libya resuming its full-capacity oil production is of crucial importance. At the same time, it is expected that the growth in global demand for oil in March 2012 will remain unchanged from February but decline slightly below the January level. According to the International Energy Agency's estimates, the demand for oil in 2012 is likely to amount to 89.9 million barrels per day, thus offsetting potential effects of supply restrictions. Overall, the price of Brent oil went up from USD 114 per barrel on 15 January 2012 to USD 128 per barrel on 15 March.

On two occasions in February and March, the ECB decided to leave the euro base rate unchanged, currently at 1.00%, on the grounds of the euro area performance indicators sending first signals about economic recovery in major countries and short-term inflation risks. In March, the ECB revised the euro area inflation forecast upwards, citing the escalation of oil prices and indirect tax rates. Market participants' perceptions of eventual euro base rate evolution scenarios have also changed and, despite the previous assumptions about ensuing decreases in the rate in 2012 amid escalating euro area sovereign debt crisis, they now expect the ECB to keep the current euro base rate on hold for a year or so. Also, the FRS and the Bank of England left their base rates unchanged, at 0%–0.25% and 0.5% respectively.

Emergency policy operations implemented by central banks played a crucial role in the stabilisation of

global financial market situation. At end-February 2012, the ECB conducted its second refinancing operation with a maturity of 36 months, via which 800 participants, mainly the euro area banks, could borrowed 530 billion euro. It is widely acknowledged that the first such emergency refinancing operation with 36-month maturity conducted by the ECB at the end of December 2011 averted the euro area bank liquidity crisis when the banks incurred problems with attracting the needed financial resources. Meanwhile, the impressive number of participants in the second refinancing operation suggests that smaller and client-friendlier euro area banks were involved as well. Thus, it raises hopes that the funds lent to euro area banks would help them soften the impact of deleveraging. After these two ECB 36-month refinancing operations, banks deposited most of additionally available funding with the ECB via the deposit facility. The ECB anticipates the use of the deposit facility to diminish gradually, while cash held for the reserve requirement with banks lending to other market participants is likely to increase.

Chart 2.1  
RISK PERCEPTION INDICATORS OF LATVIA, GREECE AND IRELAND  
(in thousands of basis points)



As a result of the ECB monetary operations, the market participants' risk aversion moderated and confidence in the euro area markets became stronger (see Chart 2.1). Between 15 January and 15 March 2012, the spread between unsecured and risk-free money market interest rates in the euro money market narrowed by 37.4 basis points (to 0.51%) and in the US dollar market by 14.3 basis points (to 0.34%). The banks and other financial market players used the ECB operations for profit-earning via investing the cheaply borrowed funds in more profitable assets. By doing so, the banks give support to a number of euro area countries. For instance, the Italian government 10-year bond yields decreased from 6.6% to 4.9%, whereas those on the Spanish government bonds, following a minor drop, stood at 5.2%. Similar to the government bond yields in several countries, those of the corporate sector also dropped. At this juncture, a number of bond-issuing credit institutions can attract funds at lower interest rates than was possible at the beginning of the current year or the latter part of 2011.

The euro area managed, at least in part, to find solution to the issues related to Greece's problems. In early March, Greece reached an agreement with private investors on their participation in the sovereign debt swap deal, a precondition of international investors for providing support to Greece. Shortly after the Greek debt restructuring, the European Parliament approved the second bail-out programme

for the country. Even though this move helped avert Greece's uncontrollable insolvency, many unresolved issues are still looming in the euro area. Will Greece need a third rescue package after some time? Is any other euro area periphery country, e.g. Portugal, going to follow Greece's suit in terms of debt restructuring?

When the US and major euro area countries sent the first optimistic signals of economic recovery and financial market situation stabilised, stock prices started on an upward trend. For similar reasons, the yields on government bonds increased in the countries with AAA credit ratings as well. The US 10-year government bond yield picked up 0.4 percentage point (to 2.3%), whereas that on the respective German government bonds grew by 0.2 percentage point (to 2.0%). The euro appreciated against the US dollar from 1.27 to 1.31.

## **2.2 The Bank of Latvia's operations and credit institution liquidity**

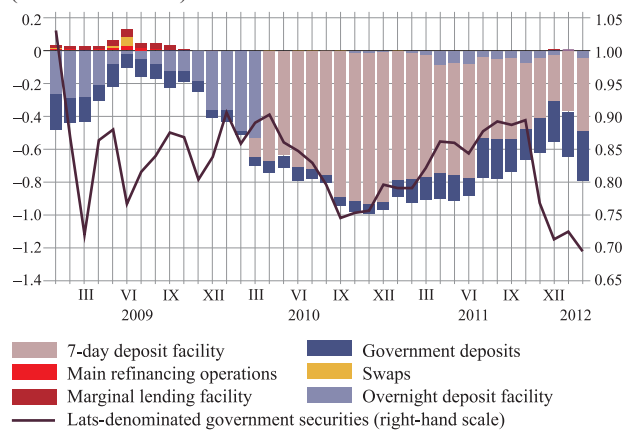
In December 2011–February 2012 credit institution liquidity was more volatile than in the previous months on account of several developments. As of 24 January 2012 the Bank of Latvia lowered the credit institution minimum reserve ratio by 1 percentage point, freeing up their funds in the amount of 153 million lats and reducing the credit institution minimum reserve requirements by 23.3%, down to 519.3 million lats. The Bank of Latvia lowered the minimum reserve ratio, considering the medium-term risks to price stability to be contained; hence economic incentives could be launched. Cutting the minimum reserve ratio enables credit institutions to channel the available resources into lending to the economy.

The developments related to the suspension of the operation of the JSC "Latvijas Krājbanka" had a substantial impact on liquidity. The resources of the Deposit Guarantee Fund in the amount of 149 million lats were reimbursed to the depositors of the JSC "Latvijas Krājbanka" via the JSC "Citadele banka". As total compensations exceeded this amount more than twice, in order to attract additional funds in lats in the financial market, the Treasury converted the funding at its disposal (in euro) into lats. In the above period credit institutions did not engage in foreign exchange transactions with the Bank of Latvia as the Treasury increased the amount of foreign currency offered to credit institutions in the last few months of 2011 and they had no need to demand extra foreign currency

from the central bank. In the first months of 2012 the Treasury supplied less foreign currency in comparison with November and December 2011.

On average, currency in circulation grew in the above period as a result of an upswing in the demand for cash caused by rumours in the first half of December 2011; and in February its previous development trend had not yet resumed. In February the average government deposit in lats with the Bank of Latvia surged by 45.8% in comparison with November 2011, reaching 306.1 million lats. The general government consolidated budget surplus observed in early 2012 was a major reason for the increase in government deposit in lats. Along with the stabilisation of the situation in the lats money market we can expect the credit institution liquidity to remain unchanged in the next 12 months.

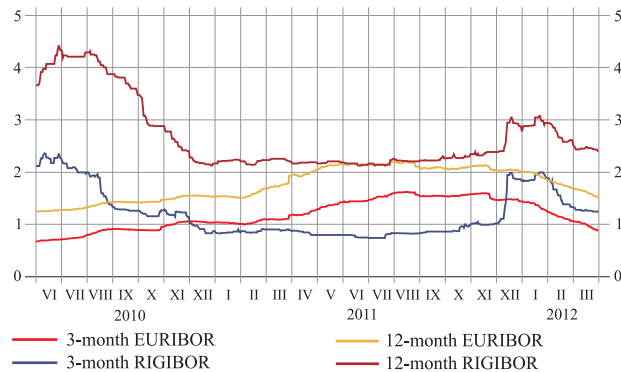
Chart 2.2  
AVERAGE BALANCES OF THE BANK OF LATVIA'S  
MONETARY OPERATIONS AND GOVERNMENT LATS  
DEPOSITS  
(in billions of lats)



In February, the Bank of Latvia's overnight and 7-day deposit facility averaged 487.5 million lats (18.9% higher than in November 2011). The pickup in the autonomous liquidity factors (e.g. currency in circulation and the government lats deposits) notwithstanding, the recourse to the deposit facility increased due to the fact that credit institutions have to comply with the reserve requirements on average over the maintenance period rather than on a daily basis. Monthly averages of the recourse to the deposit facility also demonstrate a credit institution's choice of complying with the reserve requirements at the beginning of the maintenance period or holding back. The participation in the main refinancing operations and foreign exchange swaps and recourse to the marginal lending facility by credit institutions was subdued (see Chart 2.2). In December 2011–February 2012 the daily average of overall liquidity-providing operations amounted to 1.9 million lats.

The lats money market rates in December 2011–February 2012 were higher than in the first 11 months of 2011; the overall period, however, saw a downward trend. The weighted average interest rate on interbank overnight transactions shrank from 0.35% in November 2011 to 0.33% in February 2012, whereas the interest rate on transactions with up to 1 month maturity moved up from 0.36% to 0.50% in the respective months. Interbank money market indices demonstrated similar trends: overnight RIGIBOR edged down from 0.43% to 0.42%, while 3-month RIGIBOR rose from 1.27% to 1.31%, reaching a maximum of 1.86% in December 2011. Higher RIGIBOR resulted from the developments associated with the suspension of the JSC "Latvijas Krājbanka"

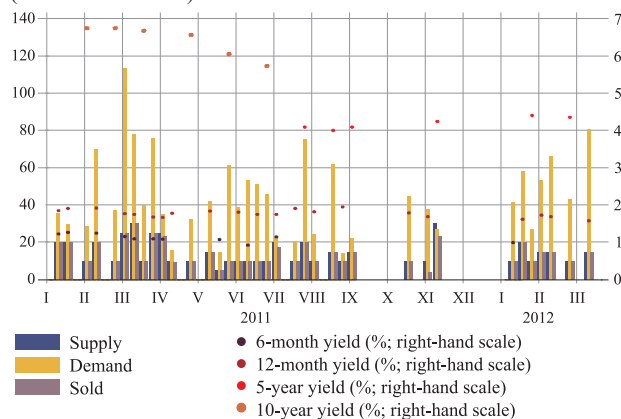
Chart 2.3  
THE LATS AND EURO MONEY MARKET RATES  
(%)



operation and the cash run caused by rumours in the second half of November and early December 2011. In the following months Latvian credit institutions recovered their credibility. The Bank of Latvia's resolution to reduce the minimum reserve ratio facilitated a decrease in interbank market interest rates. At the end of February 3-month RIGIBOR was 17 basis points higher than 3-month EURIBOR (in late November 2011 the above spread was 51 basis points; see Chart 2.3). In the coming 12 months the Latvian money market interest rates are highly likely to continue on a downward trend, albeit remaining higher than EURIBOR which might also post a slight decline.

### 2.3 Securities market

Chart 2.4  
AUCTIONS OF LATS-DENOMINATED GOVERNMENT DEBT SECURITIES  
(in millions of lats)



In December 2011 the Treasury did not hold any government securities auctions; however, by 15 March 2012 it launched auctions of 6-month and 12-month Treasury notes and 5-year bonds (see Chart 2.4). All securities supplied in the amount of 95 million lats were sold, with the demand 3.9 times exceeding the supply. The average yield on 12-month Treasury bills at the auction held in the middle of March stood at 1.58%, lower than that on securities of the same maturity in November. However, the average yield on 5-year Treasury bonds rose from 4.23% to 4.34% in the above period.

On the NASDAQ OMX Riga secondary market, the bid yield on long-term Treasury bonds (maturing in 2021) shrank to 5.40% at the end of February 2012, down from 5.90% at the end of November 2011.

According to Bloomberg, the bid rate of the Latvian government euro bonds, denominated in US dollars and maturing in 2021, contracted from 6.55% at the end of November 2011 to 5.74% at the end of February 2012. The spread vis-à-vis the benchmark narrowed from 457 basis points to 393 basis points. Latvia's risk levels decreased mostly on account of regional factors as Europe managed to find solutions for the Greek sovereign debt crisis and the 3-year long-term refinancing operations, launched by the ECB, ensured ample liquidity allotments. Latvia's successful completion of the EU-IMF financial assistance programme was considered an essential factor by foreign investors.

In February 2012 Latvia launched a new US dollar-denominated issue of euro bonds in the amount of 1 billion US dollars in the external market. The bonds have a maturity of 5 years and their average yield is 5.375%, with the demand exceeding supply five

times. The credit risk margin above the currency swap interest rate was 428 basis points. The yield was lower and the credit risk margin was higher in comparison with the 10-year euro bond issue of summer 2011. In the days following the issue the bond yield declined, standing at approximately 4.5% in mid-March.

Between the end of November 2011 and February 2012 NASDAQ OMX Riga share price index OMXR rose by 5.9%. Performance results of the listed companies for the fourth quarter of 2011 were published, suggesting that for most companies their indicators had improved and the outlook remained good.

## 2.4 Interest rates

In November 2011–February 2012 MFI interest rates on loans to and deposits from households and non-financial corporations demonstrated asymmetric dynamics (see Chart 2.5). MFIs priced the money market interest rate decrease in the interest rates on new time deposits but they were in no hurry to reduce those on new loans. Such interest rate developments are favourable for credit institution profitability, suggesting a relatively low mutual competition for new customers in the lending market as well as a relatively high availability of liquidity and financing.

In November 2011–February 2012 interest rates on new loans to non-financial corporations posted minimal change (see Charts 2.6 and 2.7). On the backdrop of a fall in EURIBOR, the relatively stable interest rates on new loans granted to non-financial corporations in euro pointed to a widening spread over the money market indices, mostly on account of more pronounced precautionary practices by credit institutions and higher borrowers' risk.

In February 2012 interest rates on new euro loans for house purchase granted to households remained broadly unchanged in comparison with November 2011, while those on the respective loans in lats edged up somewhat. The spreads over the money market indices for loans to households for house purchase posted a slightly higher increase than the average for non-financial corporations, confirming the fact that in general credit institutions were more interested in lending to non-financial corporations. The dynamics of interest rates on new loans in lats granted to households for house purchase was definitely affected by RIGIBOR fluctuations.

Chart 2.5  
SPREAD BETWEEN INTEREST RATES ON NEW LOANS AND NEW DEPOSITS (%)

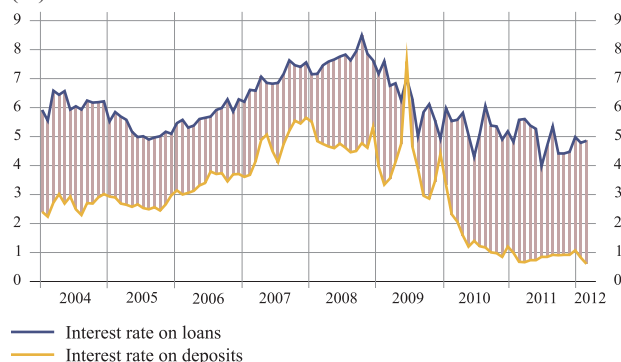


Chart 2.6  
INTEREST RATES ON MFI SHORT-TERM LOANS IN LATS (%)

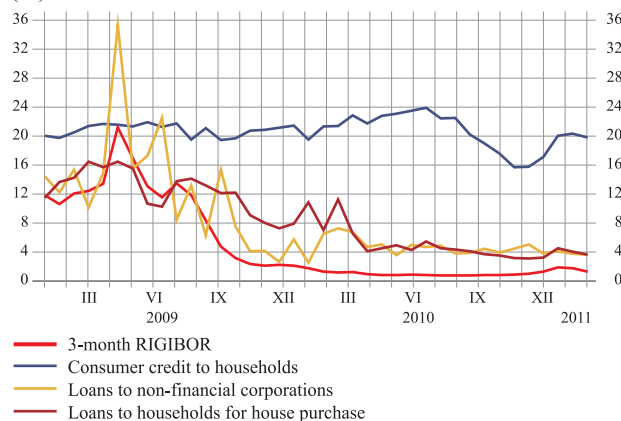
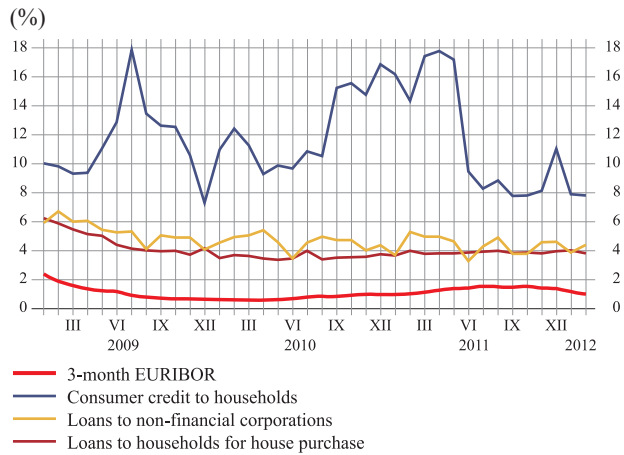




Chart 2.7  
INTEREST RATES ON MFI SHORT-TERM LOANS IN  
EURO



In December 2011, as a result of dissemination of false information regarding the financial situation of a credit institution in Latvia and with credit institutions competing for the customers of the JSC "Latvijas Krājbanka" (its operation had been suspended), interest rates on new time deposits from households moved up, shrinking again in January and February 2012 as tensions in the financial market subsided. Consequently, in February 2012 interest rates on new time deposits with a maturity of up to 1 year, received from households both in lats and euro, stood at 1.1% which was 0.4 percentage point and 0.7 percentage point lower respectively than in November 2011. In comparison with October 2011, the respective interest rate on deposits received from households in lats remained higher, while that on deposits in euro, due to a more rapid fall of EURIBOR, was considerably lower. Developments of November and December 2011 had almost no impact on interest rates on deposits received from non-financial corporations.

## 2.5 Money supply

Following the turbulences in the credit institution sector, money supply indicators stabilised in December 2011. Both payments of compensations to the depositors of the JSC "Latvijas Krājbanka" and the cash run caused by rumours in the first half of the month affected the money supply dynamics. In December most part of the guaranteed deposits was reimbursed (of the total amount to be compensated, approximately 90% had been reimbursed by the end of the month), and they were mostly deposited on accounts with other credit institutions. Hence the total amount of credit institution deposits did not post significant changes over the period of two to three months.

Stronger impact on the total money supply was made by currency in circulation, surging by 10.4% in December and reaching a record high of 1 billion lats at the end of the month. The extraordinary demand for cash soon abated; nevertheless, currency in circulation remained seasonally high by the end of December.

As a rule, a seasonal decline in monetary aggregates was observed in January, with deposits and currency in circulation posting a moderate decrease. The relatively minor fall mostly repeated the trends observed in January of the last two years. Hence the total money supply contracted against the high level of December 2011, remaining, however, above that of the previous months of 2011. February saw a moderate increase in money supply, with deposits

Chart 2.8  
ANNUAL RATE OF CHANGE IN MONETARY  
AGGREGATES  
(%)

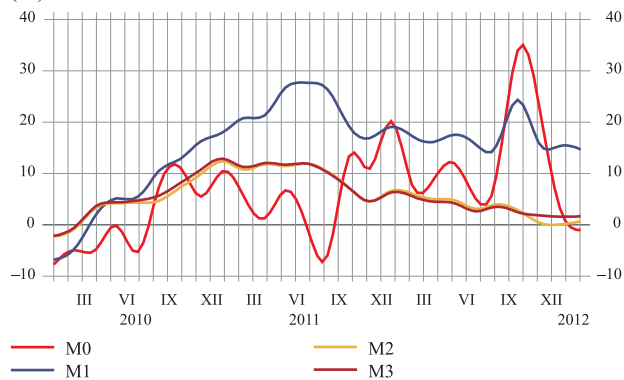
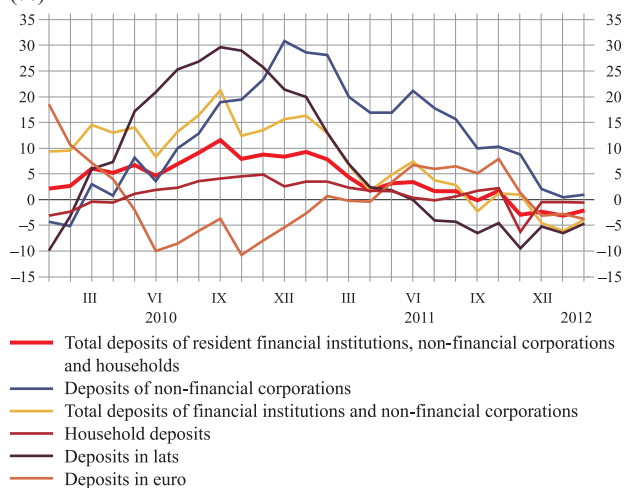


Chart 2.9  
ANNUAL RATE OF CHANGE IN RESIDENT DEPOSITS  
(%)



growing and currency in circulation continuing on its downward trend. Consequently, broad money had reached the level observed in December 2011 again, with deposits exceeding this level and demand for cash shrinking below it.

In December 2011–February 2012 broad money M3 expanded by 2.6% overall, amounting to 6.6 billion lats at the end of the period and exceeding the year-on-year level by 1.5% (see Chart 2.8). Looking at the components of M3, the steepest increase was again reported for M1, the most liquid component of money supply, despite a fall in its annual growth rate to 14.5% in February 2012, down from 24.5% in November 2011. The fact that market participants still remained cautious towards making savings in a situation of negative real profit was supported by the dynamics of deposits with an agreed maturity of up to two years and deposits redeemable at notice: in February their annual rate of decrease was 19.7% and 18.8% respectively.

The annual rate of change of deposits of resident financial institutions, non-financial institutions and households had already been negative for four months (–2.1% in February; see Chart 2.9). In February, the annual rate of decrease in euro and lats deposits stood at 3.8% and 4.7% respectively, while deposits in other currencies surged by 26.9% over the year.

The funding base for credit institutions posted slight changes: the contribution of resident deposits to financing domestic loans expanded from 44.6% in November 2011 to 48.6% in February 2012, as funds received from foreign parent banks continued on their downward trend (see Chart 2.10).

The consequences of the financial turmoil observed at the turn of the year have been practically overcome and deposits have rebounded with the disbursements of deposit compensations of the JSC "Latvijas Krājbanka" almost complete and the bulk of the disbursed deposits absorbed by other credit institutions. As a result, the rise in money supply is again dominated by deposits, while the role of currency is gradually decreasing, although the amount of currency in circulation is still significantly above the level of the previous year. Deposits, in turn, have resumed growth, although remaining just slightly below the level of the previous year. Only a minor rise or even a standstill can be expected in the coming months for household deposits. This will be determined by the peaking energy prices (including heating tariffs and fuel prices) eating up

Chart 2.10  
CREDIT INSTITUTION FOREIGN LIABILITIES  
(in billions of lats)

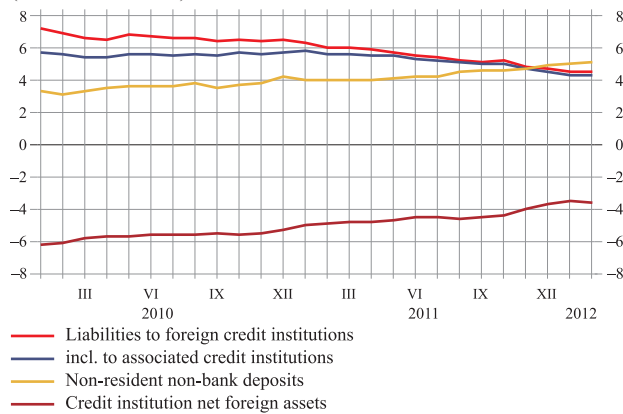
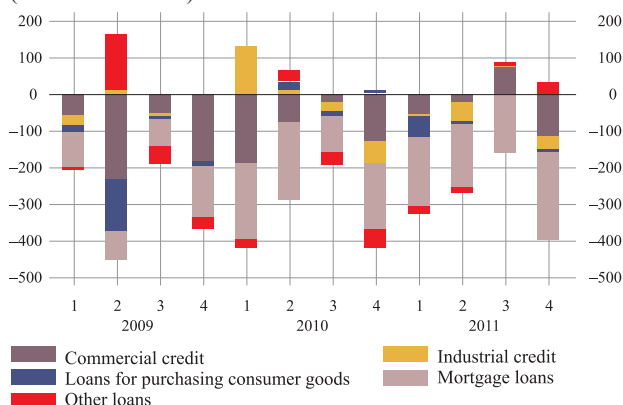


Chart 2.11  
QUARTERLY CHANGES IN LOANS TO RESIDENTS  
(in millions of lats)



any additional savings as well as by the waning role of the euro in household savings: household deposits in euro have been on a downward path for already two months, possibly affected by the controversial views concerning the future of the euro area. A more significant rise could be expected in the case of deposits by non-financial corporations: against the background of favourable domestic conditions, non-financial corporations make precautionary savings to protect themselves against potential external market turbulences.

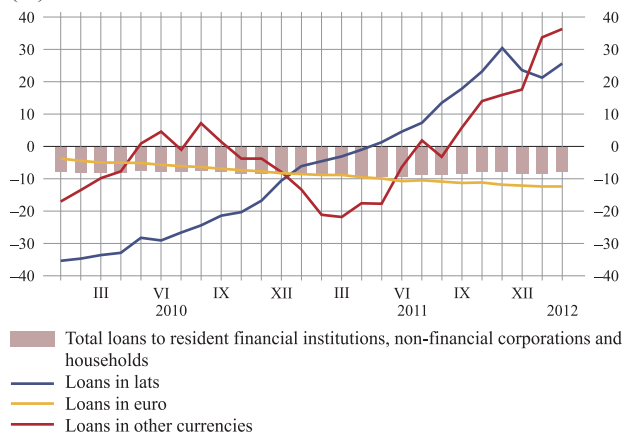
Both loans to non-financial corporations and household loans continued to contract from December 2011 to February 2012; nevertheless the rate of decrease decelerated considerably in January and February 2012 in comparison with December 2011 which was marked by more active repayments of the previously taken loans and year-end write-offs of lost loans by credit institutions.

Lending activity remained low as the creditworthiness of households and domestic market orientated businesses remained broadly unchanged, whereas the appetite for borrowing of the exporting non-financial corporations and the respective propensity to lend of the credit institutions were dampened by the pessimistic perception of the economic conditions prevailing in the euro area export markets. This perception also acted to reverse the rise in lending to non-financial corporations observed in autumn 2011. At the same time, household loans for house purchase continued to contract gradually and consumer credit also decreased (see Chart 2.11). The annual rate of decrease of the credit institutions' loan portfolio reached 8.3% at the end of December 2011, yet improved to 7.7% during the months to follow. Overall, from December 2011 to February 2012 loans to the private sector shrank by 3.3%, faster than in the previous three months. Loans to non-financial corporations and households decreased by 4.5% and 2.4% respectively.

Looking by sector, significant growth in credit investment was observed in land transport and transport via pipelines (12.2% from December 2011 to January 2012), manufacture of pharmaceutical preparations (90.2%), water supply (47.8%), mining and quarrying (14.2%) as well as financial services. The growth rate of loans granted to the significant sectors of woodworking, crop and animal production remained positive.

Weakening confidence in euro and declining lats

Chart 2.12  
ANNUAL RATE OF CHANGE IN LOANS TO RESIDENTS (%)



interest rates supported a rise in the lats loans (2.6% in three months, with the annual growth rate reaching 25.7% in February). The overall contraction of the loan portfolio, however, was determined by a decrease in euro loans (4.4% from December 2011 to February 2012, with the annual growth decelerating to 12.2%). Loans granted in other currencies followed an upward path: mainly as a result of the increase in loans granted in Swedish krona, they grew by 4.5%, with the annual growth rate reaching 36.3% in February (see Chart 2.12). The share of loans granted in lats in total domestic loans expanded from 10.6% in November 2011 to 11.2% in February 2012.

Although following the successful development in 2011 the domestic economy shows no signs of significant growth deceleration also at the beginning of 2012, it will be specifically the most stable and competitive non-financial corporations who will be discouraged from borrowing by the weakening domestic demand and high external environment risks. Thus further contraction of the loan portfolio of credit institutions can be expected.

Table 2  
MONETARY AGGREGATES  
(quarterly figures are averages)

	Outstanding amount as percentage of M3	Annual growth rates (%)									
		2010								2012	
		2012 II	Q1	Q2	Q3	X	XI	XII	Q4	I	II
<b>M1</b>	65.3	24.2	17.6	16.3	14.9	24.5	15.6	18.3	15.3	14.5	
Currency in circulation	15.4	19.8	14.2	16.3	14.9	21.4	28.8	21.7	29.7	28.3	
Overnight deposits	49.9	25.5	18.5	16.3	14.9	25.4	12.0	17.4	11.4	10.9	
<b>M2 – M1 (= other short-term deposits)</b>	32.1	-5.7	-8.2	-10.7	-10.7	-25.6	-21.3	-19.2	-21.6	-19.6	
Deposits with an agreed maturity of up to 2 years	29.1	-6.4	-9.3	-11.5	-11.2	-27.0	-22.4	-20.2	-21.5	-19.7	
Deposits redeemable at notice of up to 3 months	3.0	1.5	4.5	-2.2	-5.8	-12.8	-10.2	-9.6	-22.6	-18.8	
<b>M2</b>	97.4	9.7	5.6	4.1	3.8	2.7	0.3	2.3	-0.1	0.5	
<b>M3 – M2 (= marketable instruments)</b>	2.6	7.5	-7.8	-22.5	-19.6	-17.2	93.4	18.9	92.8	67.9	
<b>M3</b>	100.0	9.6	5.3	3.6	3.4	2.3	1.7	2.5	1.4	1.5	
<b>Credit to residents</b>		-8.1	-8.0	-6.9	-5.9	-6.5	-7.7	-6.7	-7.5	-7.0	
Credit to general government		-13.0	3.2	15.6	17.6	1.8	-14.0	1.8	-10.6	-12.5	
Credit to the private sector		-7.8	-8.5	-7.8	-6.9	-6.8	-7.4	-7.0	-7.3	-6.7	
Loans to the private sector		-8.6	-9.1	-8.5	-7.7	-7.6	-8.3	-7.9	-8.2	-7.7	
<b>Longer-term financial liabilities (excluding capital and reserves)</b>		18.4	-2.2	-14.4	-11.5	-3.5	86.4	23.8	78.7	75.7	

Source: Bank of Latvia.

Chart 3.1  
CHANGES IN GDP  
(at constant prices; %)

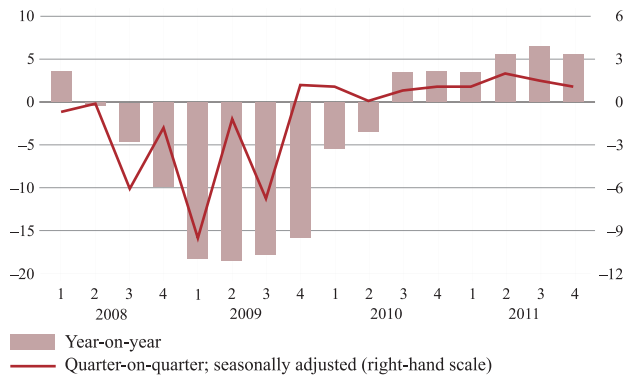


Chart 3.2  
BREAKDOWN OF ANNUAL CHANGES IN GDP  
(demand side; in percentage points)

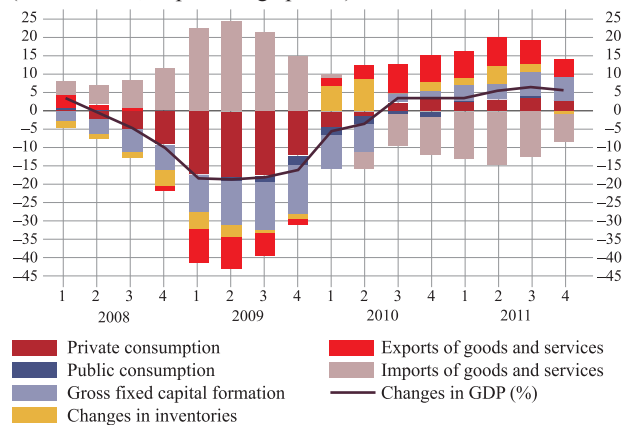
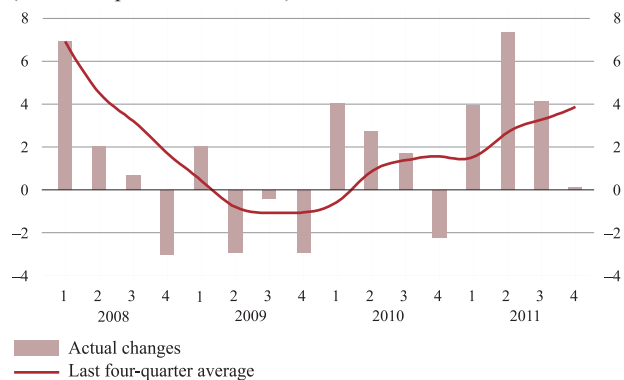


Chart 3.3  
CHANGES IN INVENTORIES  
(at current prices; % of GDP)



### 3. Domestic Demand

Despite decelerated or even negative GDP growth in most EU countries, Latvia's economy continued to develop dynamically also at the turn of 2011. In the fourth quarter, GDP increased by 1.1% quarter-on-quarter and by 5.7% year-on-year (see Chart 3.1). Overall, Latvia was one of the fastest growing European economies in 2011: in EU27, the average GDP rise was 1.5%, whereas in Latvia it was 5.5%.

As a result of the steep growth experienced in 2011, investment made the largest contribution to the annual GDP growth from the demand side in the fourth quarter (6.4 percentage points), with exports ranking the second (4.9 percentage points; see Chart 3.2). Private consumption improved moderately, nevertheless also making a sizeable contribution (2.8 percentage points) as it is the largest component of GDP (about 60%). The budgetary spending is still subject to tight limitations; therefore, the contribution of the government consumption to GDP growth was negligible (0.1 percentage point). Changes in inventories made a small, albeit negative contribution (-0.8 percentage point; see Chart 3.3). Imports of intermediate goods and investment goods required for the production of export goods resulted in a large negative contribution of real imports of goods and services (-7.6 percentage points), although the impact gradually waned as compared to the average level of -13.3 percentage points observed in the first three quarters.

Chart 3.4  
CHANGES IN PRIVATE CONSUMPTION AND RETAIL  
TRADE TURNOVER

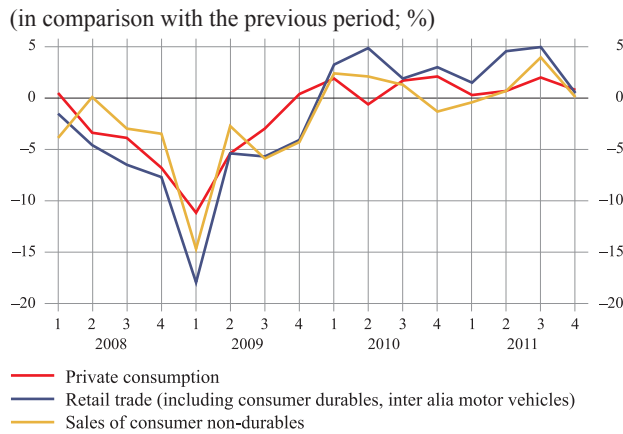


Chart 3.5  
NUMBER OF CARS NEWLY REGISTERED WITH THE  
ROAD TRAFFIC SAFETY DEPARTMENT  
(in thousands)

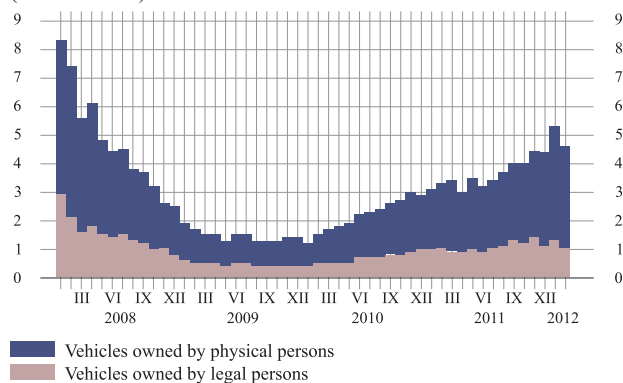
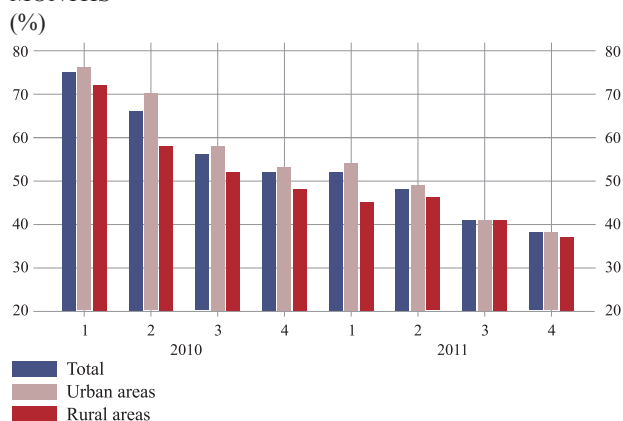


Chart 3.6  
SHARE OF HOUSEHOLDS REPORTING  
DETERIORATION OF WELFARE IN THE LAST 12  
MONTHS  
(%)



### 3.1 Private consumption

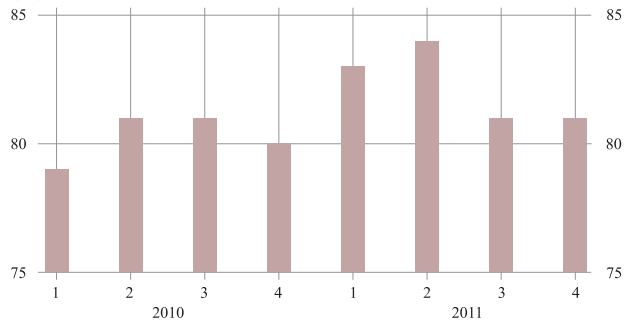
Private consumption increased by 4.1% year-on-year in the fourth quarter of 2011, the growth decelerating as a result of a higher base. Looking by quarter, consumption continued to rise (by 0.8% in comparison with the third quarter; see Chart 3.4). The above rise seems high against the background of other European countries; nevertheless, considering the low base and a much steeper increase in other expenditure components of GDP, in Latvia's case it should be viewed as moderate.

Retail data for the fourth quarter of 2011 could point to cautious spending behaviour on the part of households, as the sales (excluding the sales of motor vehicles) contracted. A decline was observed for almost all commodity groups, including furniture, household appliances and building materials which had reported considerable growth in the previous two quarters on account of the postponed consumption.

The sales figures of motor vehicles and the numbers of cars newly registered with the Road Traffic Safety Department, however, run contrary to the assumption of caution. The number of newly-registered cars continued to grow in the fourth quarter (see Chart 3.5), including the number of cars registered in the ownership of natural persons. The results of the CSB survey on welfare of households also did not confirm caution in spending. Although only 5% of households admitted that their economic situation improved in the fourth quarter, the number of households having taken economy measures declined significantly. The percentage of households with no financial savings remained broadly unchanged quarter-on-quarter (see Charts 3.6 and 3.7).

The beginning of 2012 was marked by a more notable improvement in indicators characterising private consumption. Consumer confidence improved by nearly 8 percentage points in January and February, practically approaching the level achieved in the years of booming growth. Moreover, the views about the prospects of making any savings within the next 12 months, traditionally the most negative, have improved significantly (see Chart 3.8). Retail trade turnover expanded by 6.4% month-on-month (at constant prices, seasonally non-adjusted) in January. This is a highly substantial monthly growth rate. The number of cars registered with the Road Traffic Safety Department also continued to increase in January and February.

Chart 3.7  
SHARE OF HOUSEHOLDS WITH NO FINANCIAL SAVINGS THAT WOULD SUSTAIN THE HOUSEHOLD FOR AT LEAST 1 MONTH (%)



Several factors are likely to have supported the rise in consumer confidence and higher spending at the beginning of the year: lower heating bills due to the mild weather conditions in October–December 2011, credit institution developments (suspension of the operation of the JSC "Latvijas Krājbanka" and the cash run on the JSC "Swedbank" caused by rumours), postponed consumption and, possibly, also wage raises. Nevertheless, no further steep improvement of spending and sentiment can be expected as the heating bills and real estate tax payments are on a rise.

Chart 3.8  
CONSUMER CONFIDENCE INDICATOR AND UNDERLYING FACTORS (net responses; in percentage points)

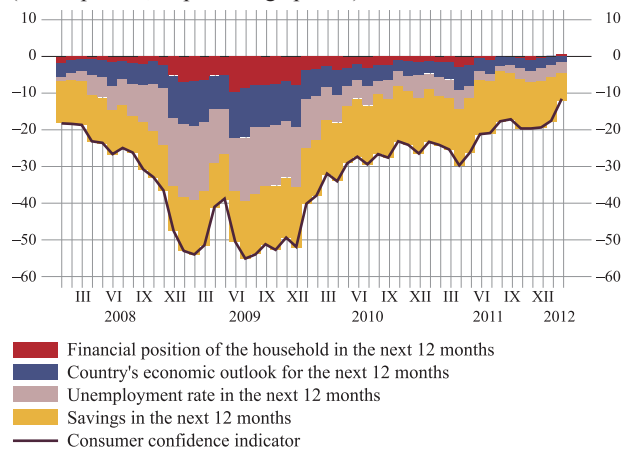
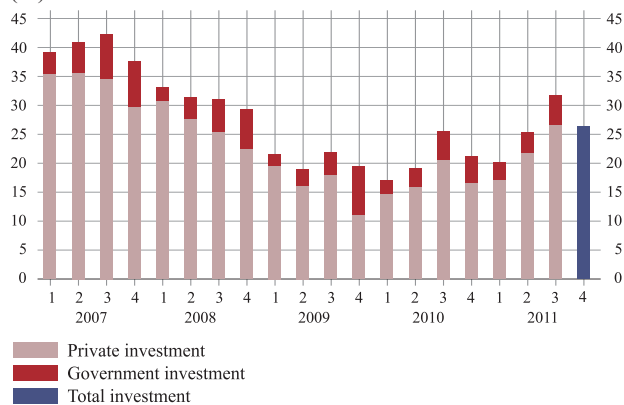


Chart 3.9  
CONTRIBUTION OF PRIVATE AND GOVERNMENT INVESTMENT TO GDP (%)

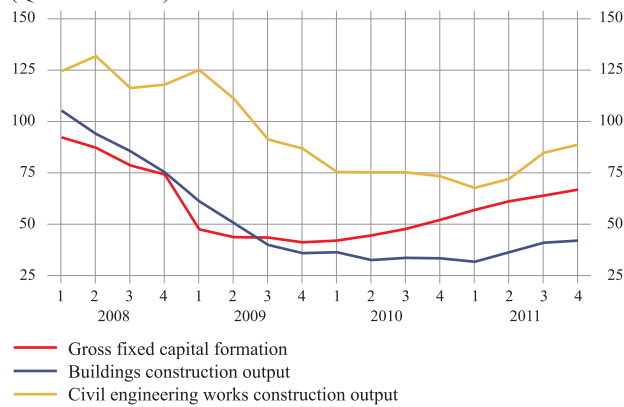


### 3.2 Private investment

As a result of the very steep increase experienced in 2011, investment became the main driver of the GDP growth at the turn of the year. Gross fixed capital formation increased by 24.7% year-on-year in the fourth quarter, while investment remained broadly unchanged quarter-on-quarter, rising by 0.2% (seasonally-adjusted data).

Positive changes were observed in the structure of investment in 2011, with productive investment growing more rapidly: almost half of the non-financial investment was comprised of investment in industry and transport. Nevertheless, contrary to the previous quarters when investment expanded primarily on account of private investment, the role of government investment is likely to have increased in the fourth quarter (see Chart 3.9). Data on non-financial investment reveal a significant rise in public infrastructural investment in the fourth quarter.

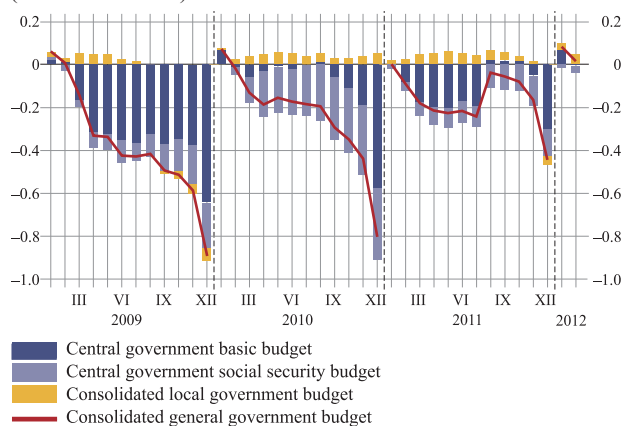
Chart 3.10  
CHANGES IN GROSS FIXED CAPITAL FORMATION AND  
CONSTRUCTION OUTPUT  
(Q1 2007 = 100)



Overall, investment remains clearly below the pre-crisis level, mainly on account of the decreased output of the buildings construction sector (see Chart 3.10). As a result of the availability of EU funding, the output of the construction of civil engineering works continued on an upward trend until the first quarter of 2009 and contributed notably to investment growth also during the crisis. The output of buildings construction sector, however, started to shrink already a year earlier and currently does not even reach half of the pre-crisis level. The imports of capital goods also increased considerably in 2011, supported by sizable investment made by large enterprises (purchases of transport vehicles and equipment).

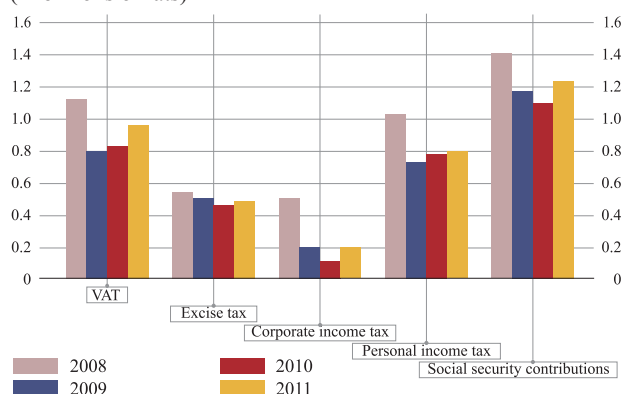
### 3.3 Government expenditure and budget

Chart 3.11  
ACCRUED BALANCE OF THE CONSOLIDATED  
GENERAL GOVERNMENT BUDGET BY SUB-BUDGETS  
(in billions of lats)



According to the official information by the Treasury, the deficit of the consolidated general government budget estimated on a cash flow basis amounted to 444.9 million lats or 3.1% of GDP in 2011 (see Chart 3.11). In 2011, the three-year-long Latvia's Economic Stabilisation and Growth Revival Programme was completed. It was aimed at ensuring sustainable public finances by gradually balancing spending and revenue. Successful implementation of the programme secured economic recovery following the crisis. As the economic growth resumed and the government implemented some tax revenue boosting measures, the budget revenue grew faster than the budget expenditure, compressing the budgetary deficit by half in the course of the year.

Chart 3.12  
SELECTED TAX REVENUE  
(in billions of lats)



The consolidated general government budget revenue grew by 475.7 million lats or 10.4% year-on-year in 2011. The highest rise was reported for revenue from social insurance contributions, VAT and corporate income tax (see Chart 3.12). The growth of the revenue from social insurance contributions was the most impressive (136.4 million lats or 12.5%). This happened on account of two factors: raising the employee contribution rate by 2 percentage points and improvement in labour market conditions. Rising average wage and employment offset the reduction of the personal income tax rate by 1 percentage point; hence, the respective revenue grew by 13.4 million lats in annual terms. VAT collections increased by 133.4 million lats or 16.2% in 2011, supported by raising the standard rate from 21% to 22%, increasing some of the reduced rates from 10% to 12% and accelerated economic activity. With corporate profits recovering, revenue from the corporate income tax grew by 84.3 million lats or 75.1%. Excise tax on alcoholic beverages (spirits) and petrol was raised as of 1 June



Chart 3.13  
RATES OF CHANGE IN NOMINAL GDP AND SELECTED TAXES

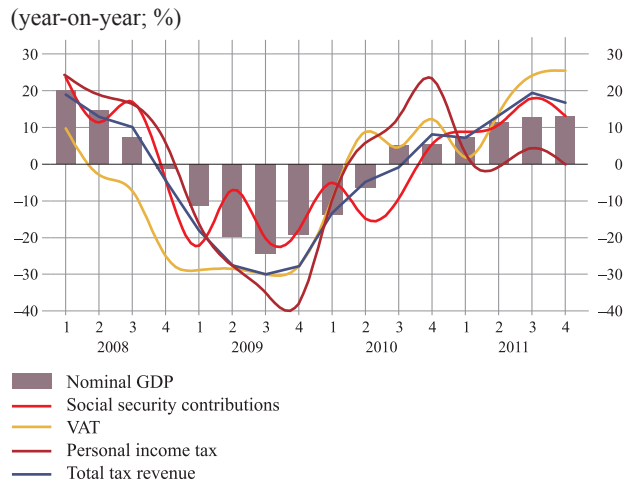
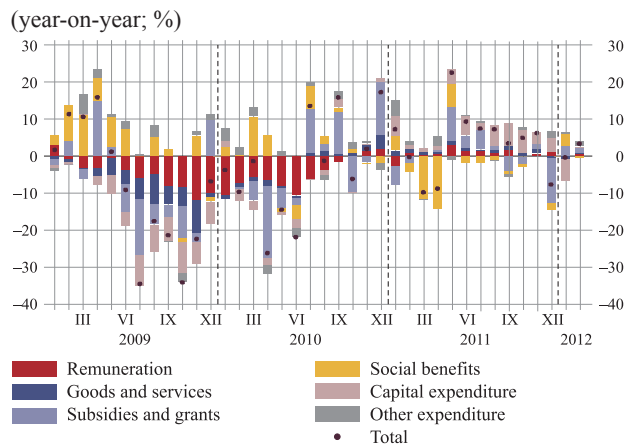


Chart 3.14  
RATE OF CHANGE IN CONSOLIDATED GENERAL GOVERNMENT BUDGET EXPENDITURE



2011 as well as that on cigarettes and other tobacco goods as of 1 July, resulting in an excise tax revenue increase of 23.5 million lats. In the fourth quarter, the tax revenue grew by 143.7 million lats, slightly less than in the third quarter, due to the large VAT refunds paid in December. In the first two months of 2012, the revenue of the consolidated general government budget continued on an upward trend, growing by 17.1% year-on-year. Although no major taxes were raised in 2012, tax revenue improved by 18.2% in the first two months of 2012 and the collections were better than expected, pointing to a more rapid recovery of the domestic demand (see Chart 3.13).

The expenditure of the consolidated general government budget increased practically under all spending items in 2011, rising by 122.5 million lats or 2.3% year-on-year (see Chart 3.14). Higher expenditure was primarily attributable to better absorption of the EU funds and, consequently, rising capital spending (by 196.4 million lats), with expenditure on goods and services and interest expenditure also expanding considerably (by 39.3 million lats and 25.2 million lats respectively). Expenditure on social benefits decreased substantially by 134.9 million lats or 7.7%, the same as expenditure on subsidies and grants (by 63.7 million lats). The social benefits costs shrank as a result of the repayments of withheld pensions made in 2011 as well as the declining disbursements of unemployment and other social insurance benefits. In the fourth quarter, budget expenditure contracted slightly, by 80.9 million lats, year-on-year. This was related to much smaller advance payments disbursed to EU-funded projects at the turn of 2011 in comparison with the previous year. In the first two months of 2012, only a minor increase (of 1.7%) was reported for the budget expenditure due to the restrictive fiscal policy pursued by the government also in 2012.

The general government debt totalled 5 348.8 million lats or 37.8% of GDP on a cash flow basis at the end of 2011, representing an increase of 267.9 million lats year-on-year. This masked an increase in the external debt of the central government by 351.8 million lats and a decline in its domestic debt by 83.7 million lats. The external debt expanded on account of a 500 million US dollar worth issue of bonds on the external market and a 100 million euro loan from the World Bank within the framework of the Safety Net and Social Sector Reform Programme. The bond issue launched on 9 June 2011 confirmed that Latvia had successfully returned to the international financial markets.

Chart 4.1  
DYNAMICS OF MANUFACTURING OUTPUT  
(at constant prices; %)

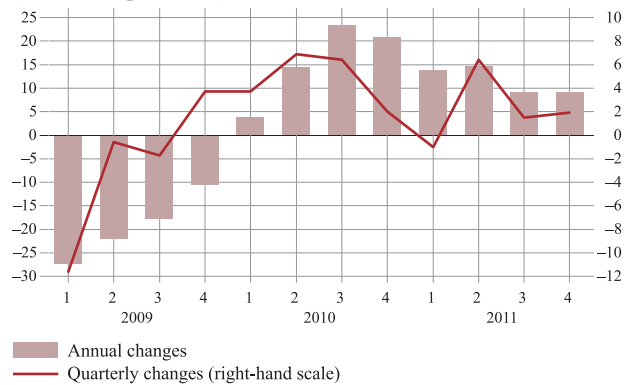


Chart 4.2  
GROWTH-RESTRICTIVE MEASURES IN MANUFACTURING  
(% of replies from respondents)

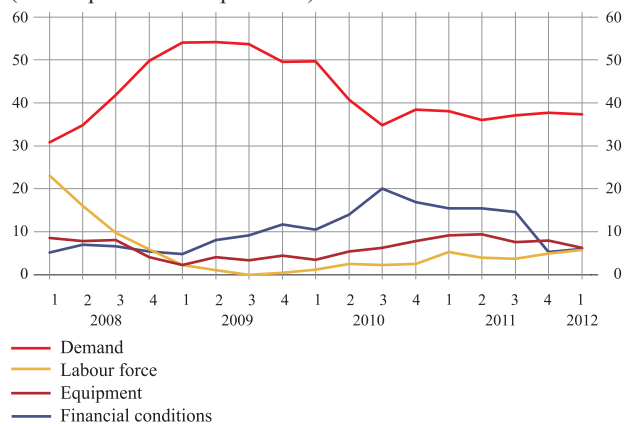
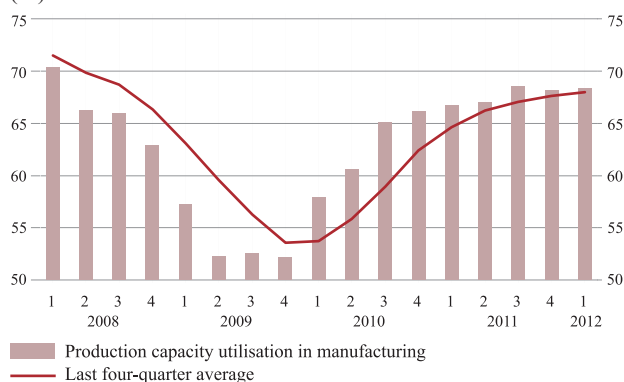


Chart 4.3  
PRODUCTION CAPACITY UTILISATION IN MANUFACTURING  
(%)



## 4. Aggregate Supply

### 4.1 Industry and construction

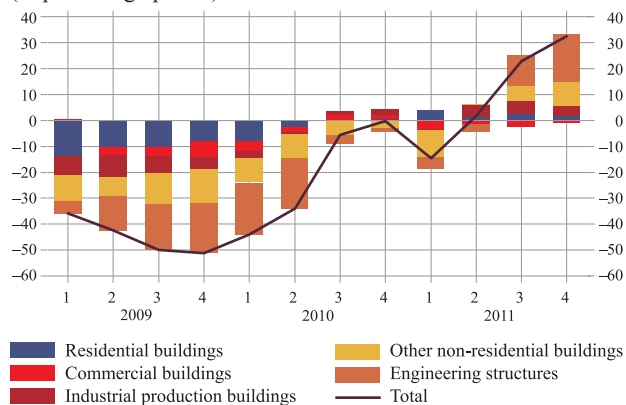
In the fourth quarter, the value added of manufacturing recorded a year-on-year increase of 9.1% (contribution to the annual GDP growth – 1.1 percentage points). In the fourth quarter, the seasonally adjusted volume of industrial output in manufacturing at constant prices reported a quarter-on-quarter rise of 2.2% and a year-on-year expansion of 9.1% (see Chart 4.1). A positive annual rate of increase in manufacturing of fabricated metal products (27.5%), wood and wood products (14.4%), electrical equipment (60.9%), chemical products (5.3%), pharmaceutical products (5.4%) and non-metallic mineral products (21.0%) contributed to the growth in manufacturing.

The industrial sentiment indicator aggregated by the EC went down 0.9 point in the fourth quarter on account of a slightly deteriorating order assessment and improving assessment of stock building. In the first quarter of 2012, manufacturers reported the limited demand to be the main growth-restrictive factor (37.7% of total respondents; see Chart 4.2); however, the number of respondents who have admitted the labour shortage continues on a gradual upward trend (5.8%). The number of respondents admitting the absence of further substantial growth-restrictive factors (26.6%) is rising for the fifth consecutive quarter.

The data of the EC business and consumer sentiment survey suggest that the production capacity utilisation has remained broadly unchanged in the first quarter of 2012. It has been planned in the amount of 68.3% (in the fourth quarter of 2011 – 68.2%; see Chart 4.3), indicating that substantial volatility of industrial output in manufacturing is not expected in the first quarter of 2012 as well. In the fourth quarter, capacity utilisation increased in all major subsectors of manufacturing: production of wood and wood products and metals, chemical industry, manufacturing of fabricated metal products and prepared foodstuffs. At the same time, a slowdown was reported in manufacture of textile articles and wearing apparel, most likely on account of the recently observed higher prices of raw materials, manufacture of printing and paper products as well as that of other transport vehicles.

Sentiment indicators and preliminary data on manufacturing do not point to a notable contraction

Chart 4.4  
CONTRIBUTION OF SOME TYPES OF CONSTRUCTION  
TO THE ANNUAL CONSTRUCTION GROWTH AT  
CURRENT PRICES  
(in percentage points)



of the output volume in manufacturing at the beginning of 2012. Output volume is not expected to be highly volatile in the first quarter of 2012; however, manufacturers may experience, at least in part, a moderating external demand due to the euro area crisis. Situation may differ considerably, most likely, by sub-sectors and depending on the sales markets. A potential downturn in industrial output of wood and articles of wood in case of a decelerating growth in Europe's construction sector causes major concern. Volume of output in chemical industry and manufacturing of wearing apparel has been very volatile over the last year due to a variety of factors.

In the fourth quarter, the value added of the construction sector rose by 25.9% year-on-year, reporting a quarter-on-quarter increase of 4.3% (seasonally adjusted data). The contribution of the construction sector to the annual GDP growth stood at 1.6 percentage points (the highest contribution across the sectors to the overall GDP growth). In the fourth quarter of 2011, construction output at current prices rose by 32.6% year-on-year. Engineering structures (18.4 percentage points; see Chart 4.4), including construction of motorways, streets, roads and airfields (13.8 percentage points) and local pipelines (4.7 percentage points), accounted for the major positive contribution to the annual increase. The expansion in construction works of the above group was attributable to a notable scope of the performed road repairs. Construction of non-residential buildings (12.6 percentage points), including that of industrial production buildings (3.9 percentage points) and educational buildings (1.7 percentage points), also made a substantial contribution to the overall construction sector growth. Positive contribution to the growth was also on account of the construction of residential buildings, albeit to a much lower degree (1.6 percentage points). The construction sentiment indicator assessed by the EC improved by 3 points in the fourth quarter. It was mainly underpinned by an improving assessment of overall order volumes.

## 4.2 Services

In the fourth quarter, value added in the services sector at constant prices recorded a year-on-year increase of 3.9% (see Chart 4.5). Major contributions to the annual GDP growth resulted from the trade sector (1.5 percentage points), the transportation and storage sector (0.9 percentage point), the sector of professional, scientific and technical activities (0.3 percentage point) as well as the accommodation and

Chart 4.5  
CHANGES IN MAIN TYPES OF SERVICES  
(year-on-year; %)

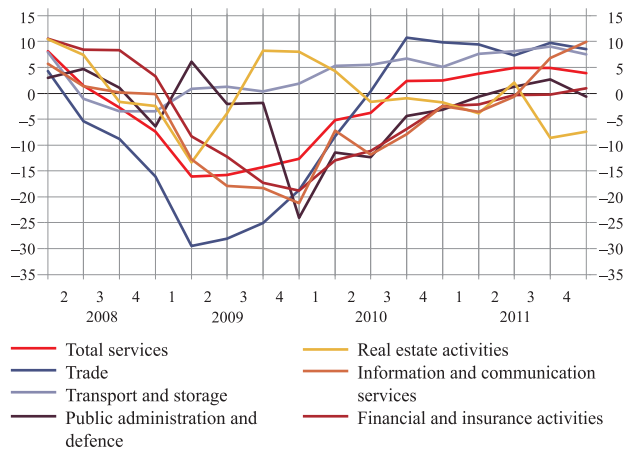


Chart 4.6  
CONTRIBUTION TO QUARTERLY RETAIL GROWTH IN REAL TERMS  
(in percentage points)

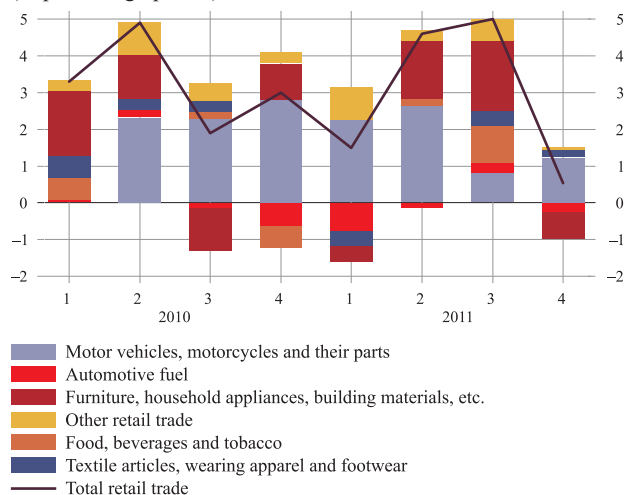
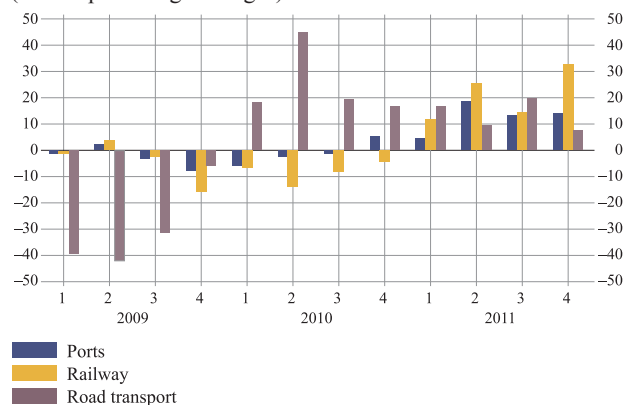


Chart 4.7  
FREIGHT TURNOVER  
(annual percentage changes)



food service activities (0.2 percentage point). Real estate activities exerted a notably negative impact on the GDP growth (0.7 percentage point).

The demand-driving short-term factors (weather conditions preventing higher heating bills and changes in the business of credit institutions) notwithstanding, the retail trade growth rate slowed down markedly at the close of the year. In the fourth quarter, the retail trade turnover (including the sale of motor vehicles) posted an increase of merely 0.5% in quarterly terms (see Chart 4.6), with the annual growth rate remaining relatively high (12.1%; the respective indicators in the previous quarter stood at 5.0% and 14.7% respectively). The retail trade turnover (excluding the sale of motor vehicles) even recorded a decrease of 0.9% quarter-on-quarter. This leads to a conclusion that businesses and households became more cautious towards the end of the year and were reluctant to spend their current income, profit and savings.

In the fourth quarter, value added of the transportation and storage sector increased by 7.5% year-on-year (see Chart 4.7 for the annual change in freight turnover in the major transportation sectors). Overall, cargoes loaded and unloaded at Latvia's ports accounted for 17.8 million tons in the fourth quarter (a year-on-year expansion of 13.9% and a quarter-on-quarter rise of 7.9%). The annual growth of the volume of cargoes loaded and unloaded was attributable to the notably expanding volume of cargoes at the Port of Ventspils (by 23.1%), while the annual growth rate at the Ports of Liepāja and Riga was more moderate (12.1% and 9.1% respectively). In the meantime, the volume of cargoes loaded and unloaded at Latvia's small ports declined by 17.3%, which nevertheless does not significantly reduce the total freight turnover growth at ports. In the first two months of 2012 the volume of cargoes loaded and unloaded at ports also continued on an upward trend, reaching 12.8 million tons (a year-on-year increase of 29.4%).

The rail freight recorded a record high volume of 16.2 million tons in the fourth quarter (a 32.4% year-on-year increase). Acceleration of port activities contributed to an increasing volume of freight transportation, thus providing for a rise in rail freight transported to and from ports (by 40.5%). Transit cargo transportation decreased by 19.1%, which did not have a significant impact on the overall increase in freight transportation by rail. The pickup in the volume of freight transportation continued also in 2012, with rail freight accounting for 11.0 million

tons in January and February (a 18.6% year-on-year increase). It resulted from the growing volume of import transportation activities (by 22.4%). In the fourth quarter, the volume of freight transportation by road expanded by 7.5% year-on-year (on account of a 13.6% increase in the domestic freight traffic), while the international freight traffic decreased by 20.0%.

Also in the second half of 2011, the development of ports was mainly attributable to the increase in the volume of coal reloading. It is due to the currently favourable situation on the global market as both the demand for coal and coal prices are relatively high not only in the markets of the developing countries but also in Western Europe. This supports Russia's coal exports and, consequently, also the development of Latvia's transit. The global economic outlook that is adjusted and revised downwards gradually and may affect the coal price dynamics acts as a source of concern. However, oil (and also natural gas) prices have reached a relatively high level. This could make some countries use coal plants again thus increasing the demand for coal. Likewise, one should keep in mind that overall, the rail freight accounted for 59.4 million tons in 2011, which is very close to the theoretical capacity of the rail infrastructure in Latvia. Several capacity-strengthening investment projects have been currently launched but the implementation of the projects requires time.

### 4.3 Labour market

At the beginning of 2012, the registered unemployment rate was on a rise again, with the increase amounting to 0.3 percentage point over 2 months and reaching 11.8% of economically active population at the end of February. Unemployment rate expanded most buoyantly (by 0.6 percentage point) in Latgale, thus widening the regional disparities in the registered unemployment rate still further (see Chart 4.8). Higher registered unemployment rate was attributable to seasonal factors, and the number of unemployed is expected to decline again along with the creation of seasonal jobs in spring (mainly in construction, agriculture and catering business). The still small number of vacancies notwithstanding, job opportunities improved: the rate of registered unemployed who found job in the relevant month followed an upward path (see Chart 4.9).

The rate of real unemployment or jobseekers (CSB labour survey data) continued on a downward path for the seventh consecutive quarter. In the fourth

Chart 4.8  
REGISTERED UNEMPLOYMENT RATE IN LATVIA'S REGIONAL AREAS  
(% of economically active population)

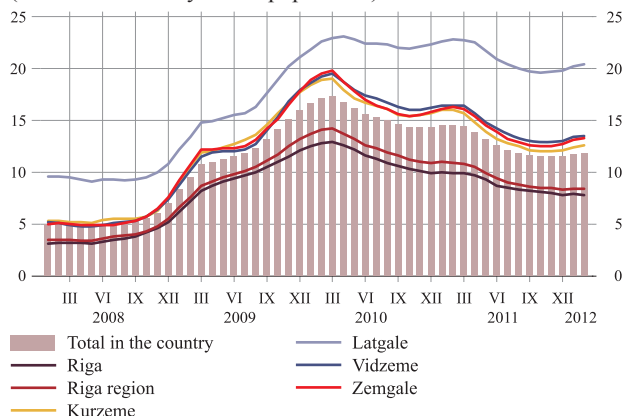


Chart 4.9  
RATE OF REGISTERED UNEMPLOYED WHO HAVE FOUND PERMANENT JOB WITHIN A MONTH (%)

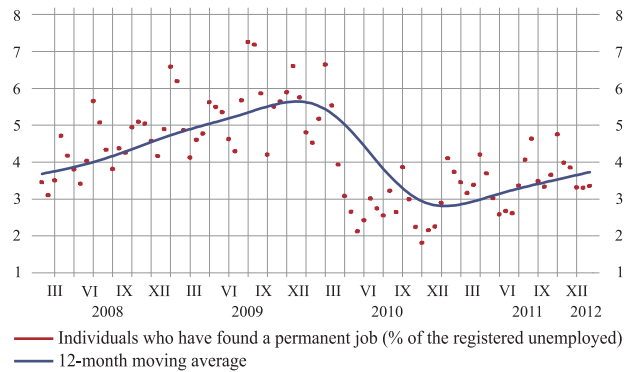


Chart 4.10  
ANNUAL RATE OF INCREASE IN TOTAL VALUE ADDED AND EMPLOYMENT, AND RATE OF JOBSEEKERS (%)

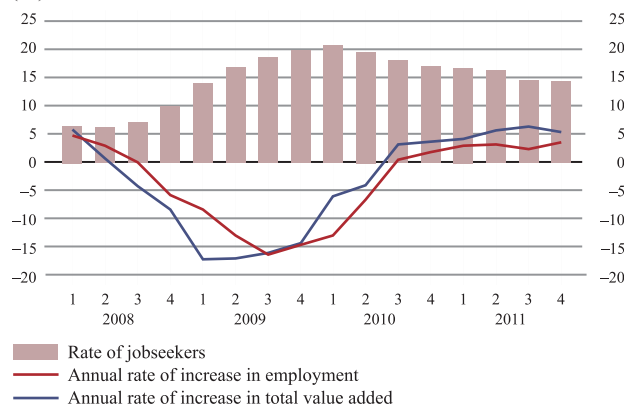
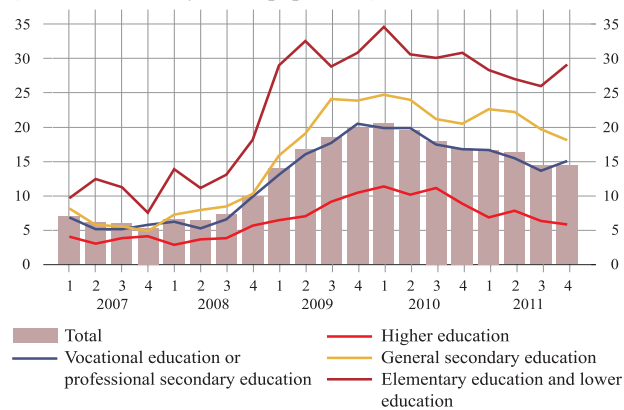


Chart 4.11  
RATE OF JOBSEEKERS BY EDUCATION (% of economically active population)



quarter of 2011, the decline in the rate of jobseekers was slower than previously (by 0.1 percentage point; up to 14.3% of economically active population; see Chart 4.10). Moderate fall in unemployment is associated with the restructuring of the temporary employment programme and traditionally fewer employment opportunities in winter. In December, none of the participants took part in the above programme due to the completion of the first phase of the temporary employment programme or the so-called 100 lats programme. According to the Bank of Latvia's calculations, the above effect contributed to a quarter-on-quarter rise in the rate of jobseekers by 0.8 percentage point in the fourth quarter of 2011 alone. Following a slowdown in December, only very few temporary jobs were available in January since a number of local governments started to implement the second phase of the temporary employment programme as of February 2012 only. Moreover, the number of participants in the second phase of the temporary employment programme will be notably lower than in the first phase, thus dampening the contraction of unemployment (and employment expansion) also in the coming quarters.

As labour market data respond to the dynamics of the economic activity with a lag, the slow-down of the economic growth did not reflect in the above data at the end of 2011 yet. According to the CSB labour survey data, the annual rate of increase in employment reached a four-year high in the fourth quarter (3.7%). Moreover, all available statistical data sources point to the employment growth. For instance, pursuant to the State Revenue Service data on the number of social security contribution payers (excluding the grey economy and participants in the first phase of temporary jobs), the number of employed rose by 2.2% over the year 2011.

The segmentation of labour market is best reflected in terms of qualification, as evidenced by the demand for skilled employees in almost any sector. For example, in the fourth quarter, the rate of jobseekers with higher education was five times lower than among those who had elementary education (5.8% and 29.0% of the economically active population; see Chart 4.11). The highest rate of jobseekers by age group is among young people (15–24 years old) who have not gained the necessary qualifications and experience.

The overall employment expectations of businesses remain positive. The above indicator is, however, rather volatile and currently the balance of replies by businesses (the businesses planning to increase

Chart 4.12  
DATA FROM BUSINESS SURVEYS ON PROJECTED 3-MONTH EMPLOYMENT DYNAMICS  
(balance of replies; in percentage points)

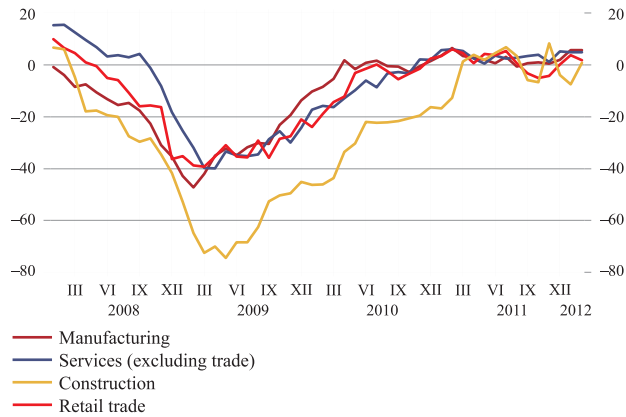


Chart 4.13  
SHARE OF BUSINESSES WHO FIND LABOUR SHORTAGE THE MAIN OBSTACLE FOR BUSINESS GROWTH (%)

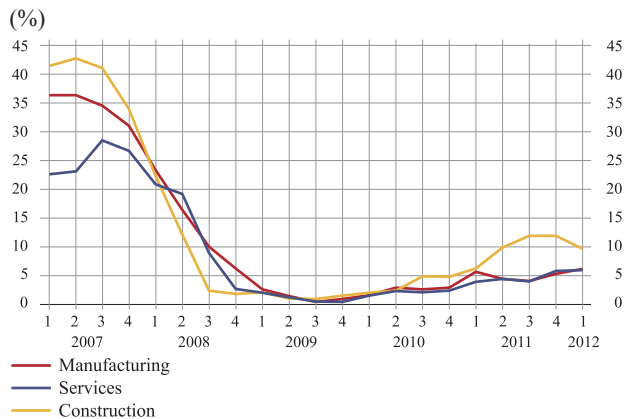
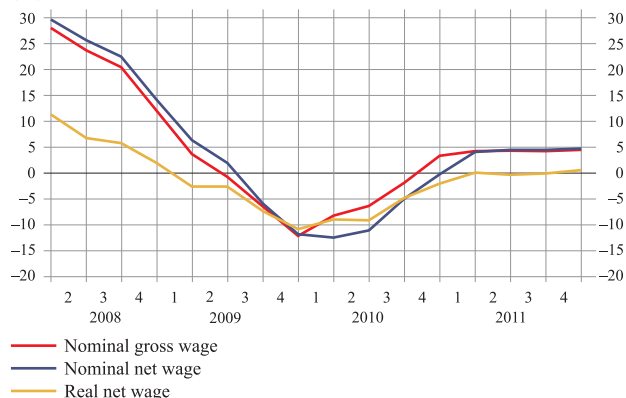


Chart 4.14  
ANNUAL CHANGES IN AVERAGE MONTHLY WAGE AND SALARY FOR FULL-TIME JOB (%)



the number of employees over those who intend to lay off staff) only slightly exceeds zero. The EC data for February 2012 suggest that in manufacturing the indicator has remained similar to that of January; the highest over the last 11 months (see Chart 4.12). Moreover, the balance of replies by businesses in construction, trade and other services sectors is also positive. The assessment of labour shortage is robust. The construction businesses still complain most about the labour shortage; however, the rate of businesses who single out the labour shortage as the main obstacle for business growth has declined in recent months (in the first quarter of 2012, to 9.3%; see Chart 4.13).

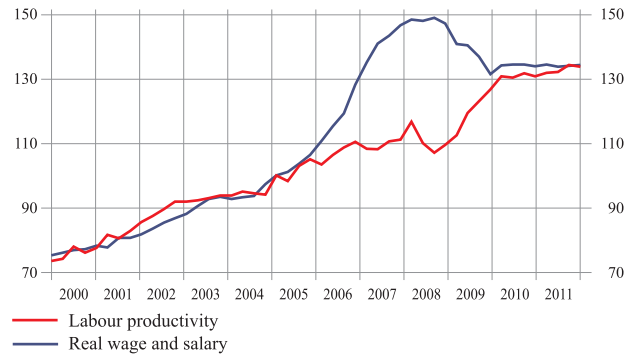
Moderate rise in remuneration continues. The annual rate of increase in the average monthly gross wage and salary for full-time job stood at 4.5% in the fourth quarter, close to the level of the previous quarters (see Chart 4.14). In the first three quarters of 2011, the annual growth rate fluctuated within the range of 4.3%–4.4%. The private sector has recorded the most buoyant increase in remuneration (5.4%; in public sector – 4.0%).

The rise in real wage and salary does not exceed the labour productivity growth, thus the balance reached between the labour productivity and wage and salary during the economic downturn is maintained (see Chart 4.15). A notable acceleration of wage increase is not to be expected in the subsequent quarters; however, with inflation continuing on a downward path, the purchasing power will increase, thus supporting the domestic demand in uncertain external environment. The wage and salary and productivity, most likely, will remain balanced in the coming quarters as well, hence a deteriorating competitiveness is not to be expected.

In the fourth quarter of 2011, real unit labour costs picked up for the first time in three years (seasonally adjusted data), with the annual rate of growth remaining negative, and currently the above costs are 25% lower than at the end of 2008 (see Chart 4.16). The annual rate of increase in nominal unit labour costs is moderate (2.4%), suggesting an overall price rise.

Notwithstanding the fact that the employment growth will affect several sectors of economy in 2012, it is expected to be slower year-on-year. Heightened uncertainty surrounds export-oriented sectors. On the one hand, dynamics of these sectors, manufacturing in particular, depends on the developments in

Chart 4.15  
REAL WAGE AND SALARY AND LABOUR  
PRODUCTIVITY INDICES  
(Q1 2005 = 100; seasonally adjusted data)



the external environment: moderating economic growth in some euro area countries may hamper the expansion of industrial output of Latvian businesses and hence also the recruitment of new staff. On the other hand, manufacturing was the sector recovering its competitiveness most notably over the past three years. Rapid labour productivity rise in manufacturing allowed the sector to regain balance between remuneration and labour productivity, reducing unit labour costs up to a competitive level and supporting the expansion of export market shares in the major trade partners.

Chart 4.16  
UNIT LABOUR COST INDEX  
(Q1 2000 = 100; seasonally adjusted data)

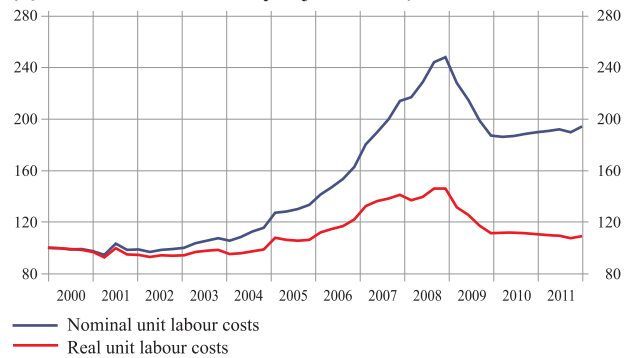




Chart 5.1  
IMPACT OF ENERGY AND FOOD PRICE CHANGES ON ANNUAL CONSUMER PRICE INFLATION (in percentage points)

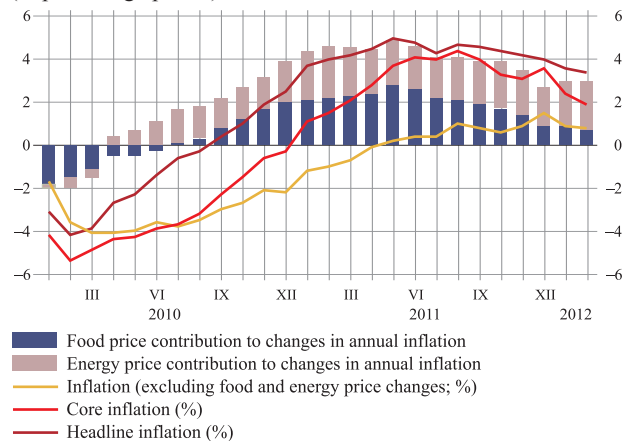


Chart 5.2  
CHANGES IN CPI BY COMPONENT (in percentage points)

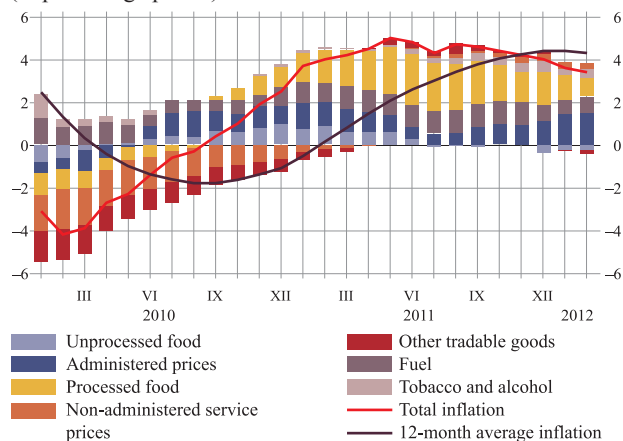
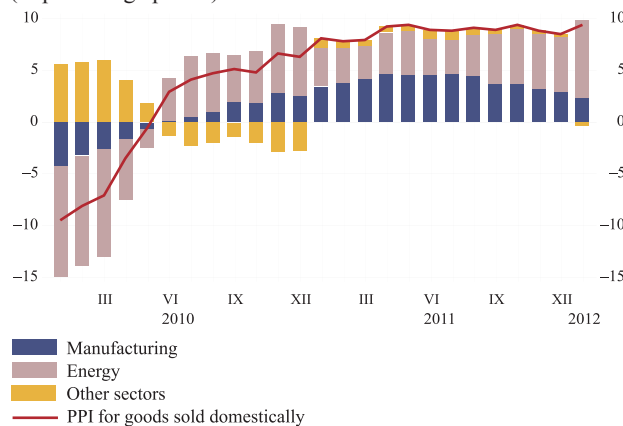


Chart 5.3  
THE ANNUAL RATE OF CHANGE IN PPI AND CONTRIBUTION OF ITS COMPONENTS (in percentage points)



## 5. Costs and Prices

In the first two months of 2012, annual inflation continued to decelerate, reaching 3.4% in February (see Chart 5.1) on account of both internal and external factors. First, the annual inflation shrank, with the impact of indirect taxes (mainly VAT) raised in January 2011 fading. Second, the contribution of global food prices was notably lower than in the respective period of the previous year. Seasonal sales lasted for prolonged periods pointing to an insufficient demand and against the turn of the year 2011, prices of many tradable goods, such as wearing apparel, footwear and household furnishings fell on account of promotions. The prices of wearing apparel, household appliances, furniture, transport vehicles, audio, video, photo and data processing equipment and articles of personal grooming were still lower than in the corresponding period of the previous year, and price decline in the above groups of goods contributed to the contraction of the annual core consumer price inflation to 1.9% in February or 1.4 percentage points of headline inflation. In February 2012, the 12-month average inflation narrowed slightly (4.3%).

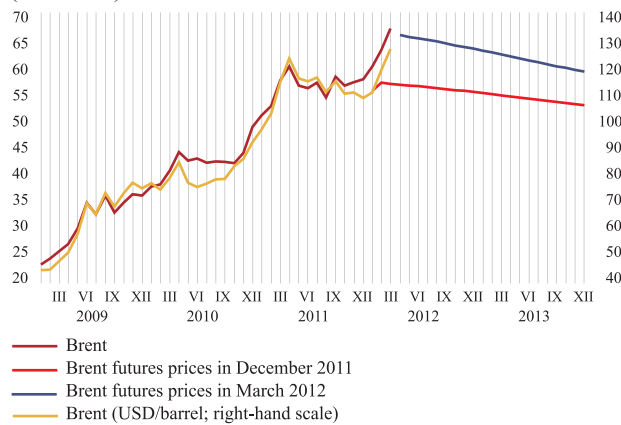
The annual inflation was mainly driven by energy prices in January and February. The impact of fuel prices and administered prices strengthened, since the increase in heating oil prices contributed to the rise in the sales price of natural gas in January, which affected natural gas and heating tariffs. In February, the annual growth in fuel prices reached 12.6%, pushing the headline inflation up by 0.7 percentage point, while the contribution of administered prices amounted to 1.5 percentage points (see Chart 5.2).

Producer price dynamics reflected global prices of energy resources. In January, the sector of energy production (see Chart 5.3) was the main contributor to the hikes in producer prices of the goods sold on the domestic market. In the above sector, producer prices rose by 4.8% over the month. This development also affected the consumer prices of the above goods. At the same time, the month-on-month increase in the producer prices of the manufacturing products sold on the domestic market was substantially lower than the average growth of producer prices (0.5%) and manufacture of wearing apparel, food and beverages became more expensive.

The prices of oil and its futures transactions have followed an upward trend since December due to the political aggravation in oil-producing countries of

Chart 5.4

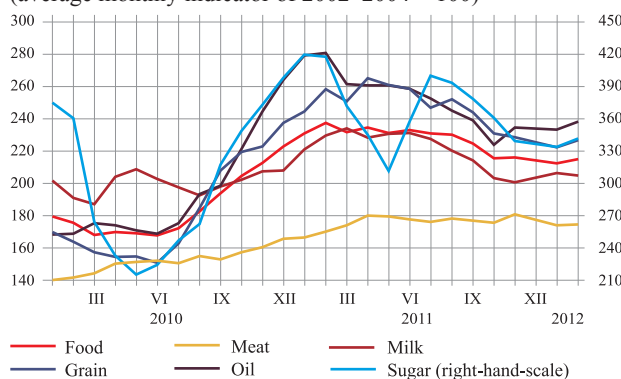
OIL PRICES ON GLOBAL MARKET  
(lats/barrel)



the Middle East (see Chart 5.4). In contrast to 2008, when oil prices surged and exceeded 100 US dollars per barrel for a period of more than six successive months, the current price level exceeding 100 US dollars per barrel has been reached and also remains at this level over a longer period of time – more than a year. As a forthcoming solution for political instability is not expected, uncertainty surrounding the costs of other sectors, including production costs of agricultural and food products, is escalating.

Chart 5.5

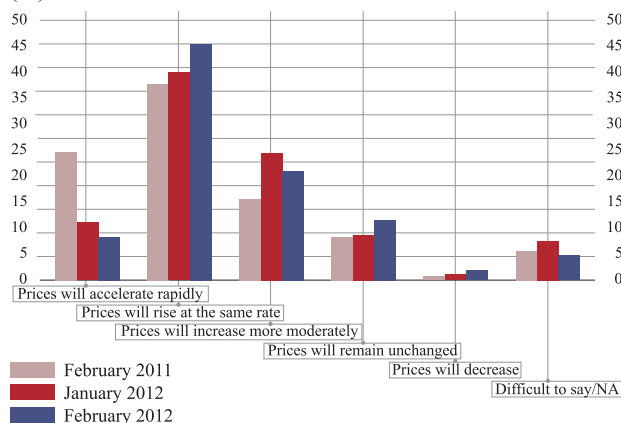
GLOBAL FOOD PRICES  
(average monthly indicator of 2002–2004 = 100)



In the first months of 2012, the contribution of increasing global food prices to inflation has been notably lower than in 2011, and currently food prices are likely to be stabilised by the harvest stock of the previous season (see Chart 5.5). Meanwhile harvest is forecast to be insufficient in the regions of current harvesting (mainly in South America) due to drought, while rain has impaired harvesting in some territories. Farmers also start to forecast the winter crop harvest in the major grain cultivating countries of the CIS where sizeable areas of plants may have suffered from frost damage. Hence uncertainty surrounding the actual impact of external factors (primarily food and energy resource prices) on inflation has been escalating since December.

Chart 5.6

BREAKDOWN OF HOUSEHOLD EXPECTATIONS FOR CONSUMER PRICE CHANGES IN NEXT 12 MONTHS (%)



From the perspective of domestic factors, inflation will further decline on account of the base effect in 2012: the base effect of higher electricity tariffs will cease to exist in April, while the base effect of the changing excise tax on some goods and VAT rates – in June and July. Against 2011, the subdued economic growth will not aggravate notable pressure of demand on inflation.

The rising prices of natural gas, heating energy and fuel contributed to a short-term increase in inflation expectations in January. These expectations declined again in February, since no new notifications of a rise in administered energy prices were issued, fuel prices expanded more moderately than in January and the actual annual inflation data for January suggested that a year-on-year increase in the average consumer price level was more moderate than in the previous months. The number of respondents who considered that the prices would surge in the 12 coming months was on a decline (see Chart 5.6).

Chart 6.1  
CURRENT ACCOUNT OF LATVIA'S BALANCE OF PAYMENTS AND ITS COMPONENTS  
(% of GDP)

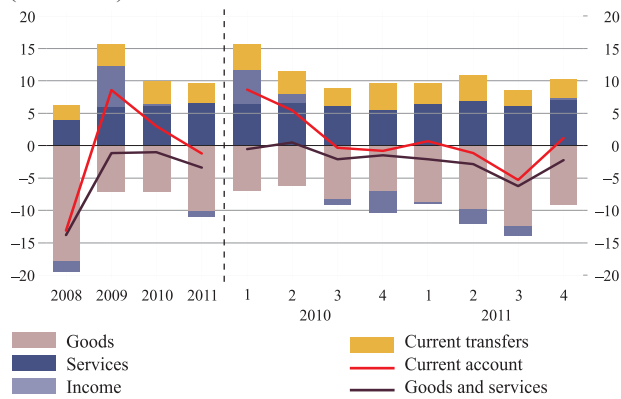


Chart 6.2  
GROWTH RATE OF EXPORTS AND IMPORTS OF GOODS AND SERVICES  
(year-on-year; %)

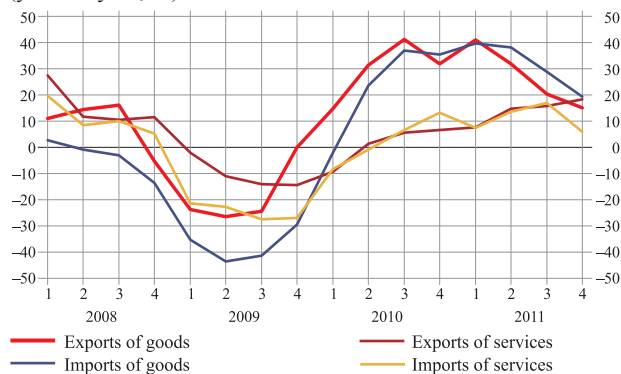
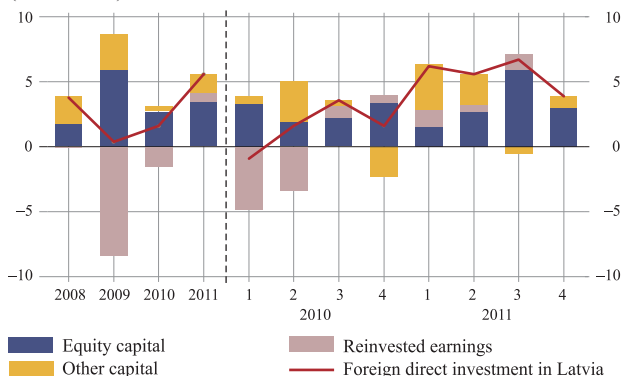


Chart 6.3  
FOREIGN DIRECT INVESTMENT IN LATVIA  
(% of GDP)



## 6. Balance of Payments

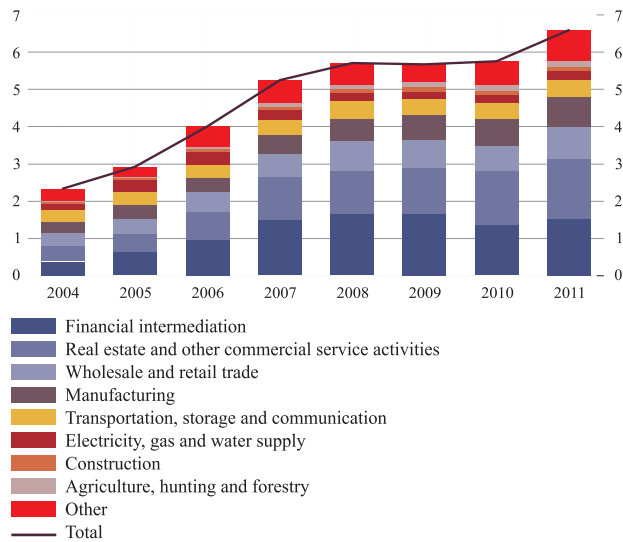
In 2011, the current account deficit of Latvia's balance of payments amounted to 170.9 million lats or 1.2% of GDP. The build-up of the deficit was affected by both individual large purchases of investment goods in the second and third quarters and the successful performance of the companies owned by foreign investors, increasing the income account deficit (see Chart 6.1). With import volumes beginning to shrink, the foreign trade deficit in goods and services decreased and the current account recorded a modest surplus (46.2 million lats) in the fourth quarter of 2011.

In 2011, the goods and services trade deficit increased, amounting to 474.9 million lats or 3.4% of GDP. The foreign trade deficit rose also in January 2012 (56.4 million lats) exceeding the monthly average level observed in 2011. Exports of goods expanded rapidly in the first three quarters of 2011, while signs of the weakening external demand and decelerating quarterly growth rate of exports started to emerge at the close of the year (see Chart 6.2). The monthly data also show that exports of goods have followed a gradual downward trend already since November. Exports of services expanded rapidly in 2011 (by 14.4%) on account of the growing transportation, travel, information and computer services, while the annual growth rate of their imports (11.0%) was underpinned by expanding imports of transportation and travel services. Foreign trade of services experienced a seasonal fall in January 2012, with its surplus decreasing to 74.6 million lats.

The inflow of EU funds and subsidies increased in 2011, with the capital account surplus reaching 2.1% of GDP, whereas the financial account deficit continued to decline accounting for a mere 0.3% of GDP (11.8% of GDP and 5.4% of GDP in 2009 and 2010 respectively). The main outflows of funds were caused by the repayment of financing borrowed by the private sector, while their inflows increased somewhat on account of the government borrowing (it declined significantly in comparison with the previous two years), as well as a bond issue in the amount of 500 million US dollars in 2011. Foreign investors' interest and improvement in credibility supported financing inflows in Latvia: in 2011 foreign direct investment grew almost four times year-on-year, amounting to 783.0 million lats or 5.5% of GDP (see Chart 6.3). Investment growth was observed in financial intermediation, real estate, trade and manufacturing (see Chart 6.4).

Chart 6.4  
FOREIGN DIRECT INVESTMENT IN LATVIA AND ITS  
STRUCTURE

(at end of year; in billions of lats)



In the fourth quarter, the net inflow of foreign direct investment was smaller (3.8% of GDP) in comparison with the previous quarters of 2011. The largest inflows of investment were observed in real estate, trade and transport and storage. The most notable foreign investment in the fourth quarter came from Sweden (32.7 million lats, including 19.1 million lats in financial intermediation, 6.0 million lats in real estate, 3.9 million lats in manufacturing, 3.0 million lats in trade, and 1.7 million lats in transport and storage), the Republic of Korea (21.2 million lats in trade sector), and Lithuania (19.6 million lats, including 13.9 million lats in trade and 3.4 million lats in real estate).

Several significant investment projects (by investing both in manufacturing and energy companies, and the services sector) are also planned for 2012. Already in January, net inflow of foreign direct investment in Latvia amounted to 57.6 million lats.

## 7. Conclusions and Forecasts

The pace of Latvia's economic development remained buoyant in the fourth quarter. Latvia's GDP grew by 5.5% in 2011, and this is one of the best results recorded in the EU.

According to forecasts, the dynamics of Latvia's economic development will be positive also in 2012, albeit not so pronounced as in 2011. The uncertainty surrounding the outlook for Latvia's economic development in the medium-term remains quite high in the forecasts. The downward risks related to external environment factors are still in place; at the same time, the economic growth in the first months of 2012 suggests that it can be relatively successful also in an unfavourable external environment.

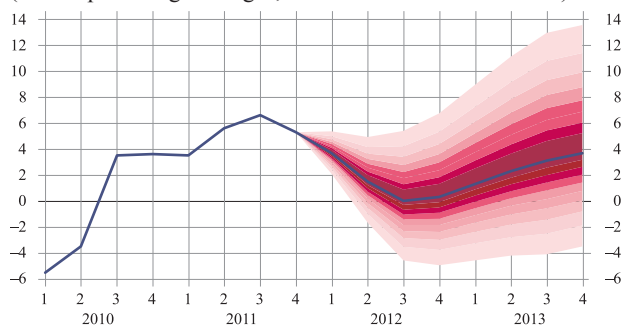
### 7.1 Economic developments

With the economic growth outlook for the EU and the euro area countries weakening, Latvia's neighbouring countries and major trade partners Estonia and Lithuania have made a downward revision of their economic growth forecasts.

On the one hand, the high oil prices pose a risk to global economic development as the rising prices push up inflationary pressures. Higher oil prices also entail a risk to Latvia's development; at the same time, they will support the economic growth of Russia and Norway, important trade partners of Latvia. Moreover, the high oil prices may promote further development of Latvia's transport sector as such prices provide favourable conditions for an increase in Russia's oil product exports, that in its turn usually finds its reflection in the statistics for freight transportation by Latvian rail and the volume of cargoes loaded and unloaded at Latvian ports.

On the other hand, the economic development in some EU countries may be more successful than currently expected, thus supporting Latvia's economic growth. Therefore, for example, the economic sentiment indicator in Germany has currently reached its high since June 2010. Moreover, the relatively successful (at least in short-term) exchange of Greek government bonds preventing immediate Greece's insolvency risks should have a positive impact on the consumer and producer confidence both in the euro area and the EU on the whole, thus promoting the economic development.

Chart 7.1  
GDP CHANGES  
(annual percentage changes; the Bank of Latvia forecast\*)



\* The coloured area represents 90% of potential scenarios (the lighter the colour, the lower the scenario's probability).

When analysing internal factors affecting Latvia's economy, the following probability should be noted: with concerns about the financial system stability both in Europe and Latvia dissolving, the rate of accumulation of precautionary savings might decrease, resulting in a more rapid than planned expansion of private consumption. With business and consumer sentiment indicators and the government performance assessment improving, the level of the grey economy could shrink, increasing the GDP. At the same time, investment in the energy and transport sectors over the last quarters might significantly boost the economic activity.

To sum up, the GDP growth forecast for 2012 remains unchanged (1.3%; see Chart 7.1). However, better than expected economic activity indicators for the first months of 2012 may warrant an upward revision of this forecast. At the same time, acceleration of the economic growth rate (to 2.7%) is projected for 2013.

## 7.2 Inflation

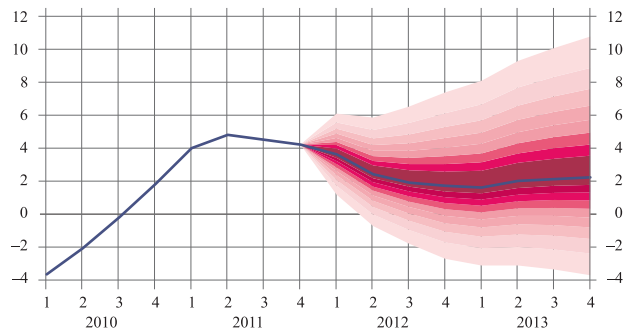
In February, the annual inflation continued to decline (to 3.4%) and the average consumer price level increased by a mere 0.1% month-on-month. External factors in this period were not favourable, mainly as a result of the sharp rise in oil prices. The rise in inflation was held down by a high unemployment rate and relatively low consumer purchasing power.

The upward inflationary risks to the current forecast intensified in the first months of the year. First, the overall annual level of food prices might be unfavourably affected by drought in South America where worse harvests than expected are already reaped now, and the potential weakening of grain harvests in the CIS countries due to the severe winter. Second, political unrest has been constantly observed in the oil-producing countries of the Middle East, and there is no information as to the possibility to find an effective solution in the near-term, which, in turn, would ease tensions in the oil product market. Therefore a significant decline in oil prices is highly unlikely in the near future.

The pickup in oil prices also leads to a rise in heating oil prices, therefore natural gas tariffs for business customers may increase. Natural gas tariffs for households could change in July, while heating energy is likely to become more expensive earlier if business customers' costs increase. The JSC "Latvijas Gāze" tariff forecast for business customers remains

unchanged until June, whereas oil price risks increase the possibility that the forecasts and current prices might be revised. Higher public transport fares as a result of a decline in grants, along with a rise in fuel prices, also act as an additional inflation risk factor. The probability that the labour cost growth in 2012 could be more rapid than currently expected, resulting in an upward inflationary pressure is another risk that might affect the inflation forecast. Finally, a better than projected Latvia's economic growth outlook may also eventually exert an additional pressure on inflation.

Chart 7.2  
 CPI CHANGES  
 (annual percentage changes; the Bank of Latvia forecast\*)



\* The coloured area represents 90% of potential scenarios (the lighter the colour, the lower the scenario's probability).

Overall, it is anticipated that the consumer price rise will stand at 2.4% in 2012; however, the risks to the forecast are on the upside (see Chart 7.2). In 2013, inflation is projected close to 2%.

## Statistics

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## 1. MONETARY INDICATORS AND INTEREST RATES

	2010					2011				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
M1 <sup>1</sup>	26.6	1.8	10.4	17.7	26.6	15.6	19.0	17.1	15.6	15.6
M2 <sup>1</sup>	11.2	3.2	4.5	12.3	11.2	0.3	7.1	5.9	2.9	0.3
M3 <sup>1</sup>	11.5	3.5	5.5	12.8	11.5	1.7	7.1	5.4	2.4	1.7
M2X <sup>1</sup>	9.8	4.2	5.4	12.1	9.8	1.5	6.0	4.8	1.9	1.5
Loans to resident financial institutions, non-financial corporations and households <sup>1</sup>	-8.3	-8.0	-7.6	-7.7	-8.3	-8.3	-8.7	-9.2	-8.4	-8.3
Deposits of resident financial institutions, non-financial corporations and households <sup>1</sup>	8.3	6.0	4.6	11.5	8.3	-2.4	4.3	3.4	-0.2	-2.4
Long-term interest rate for convergence assessment purposes <sup>2</sup>	10.34	12.64	10.13	9.99	8.59	5.91	6.01	6.23	5.62	5.76
RIGIBOR (3-month loans) <sup>3</sup>	2.0	3.5	2.2	1.4	1.0	1.0	0.9	0.8	0.8	1.4
Average yield on government bonds	4.8 <sup>6</sup>	5.4 <sup>4</sup>	6.1 <sup>5</sup>	5.2 <sup>6</sup>	4.3 <sup>6</sup>	4.1 <sup>6</sup>	6.7 <sup>7</sup>	6.1 <sup>7</sup>	4.1 <sup>6</sup>	4.2 <sup>6</sup>
OMXR <sup>3</sup>	361.6	320.7	349.7	384.5	383.5	407.2	421.0	420.0	409.0	379.3

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M1 <sup>1</sup>	20.7	21.0	26.6	27.4	26.3	19.0	16.7	19.0	17.1	15.9	17.4	15.6	14.9	24.5	15.6
M2 <sup>1</sup>	10.5	11.7	11.2	11.8	10.2	7.1	4.3	6.5	5.9	4.8	4.7	2.9	3.8	2.7	0.3
M3 <sup>1</sup>	11.0	11.9	11.5	11.8	10.0	7.1	4.3	6.2	5.4	4.3	4.1	2.4	3.4	2.3	1.7
M2X <sup>1</sup>	9.5	10.1	9.8	10.5	9.1	6.0	3.1	4.4	4.8	3.4	3.3	1.9	3.4	0.1	1.5
Loans to resident financial institutions, non-financial corporations and households <sup>1</sup>	-8.2	-8.2	-8.3	-8.3	-8.7	-8.7	-9.0	-9.1	-9.2	-8.5	-8.6	-8.4	-7.7	-7.6	-8.3
Deposits of resident financial institutions, non-financial corporations and households <sup>1</sup>	7.9	8.7	8.3	9.2	7.8	4.3	1.7	3.1	3.4	1.6	1.6	-0.2	1.7	-3.0	-2.4
Long-term interest rate for convergence assessment purposes <sup>2</sup>	9.24	8.99	7.55	5.38	6.17	6.49	6.47	6.36	5.87	5.67	5.6	5.6	5.62	5.73	5.93
RIGIBOR (3-month loans) <sup>3</sup>	1.2	0.9	0.8	0.8	0.9	0.9	0.8	0.8	0.7	0.8	0.8	0.9	1.0	1.3	1.9
Average yield on government bonds	4.3 <sup>6</sup>	-	-	-	6.7 <sup>7</sup>	6.7 <sup>7</sup>	6.5 <sup>7</sup>	6.0 <sup>7</sup>	5.7 <sup>7</sup>	4.1 <sup>6</sup>	4.0 <sup>6</sup>	4.1 <sup>6</sup>	-	4.2 <sup>6</sup>	-
OMXR <sup>3</sup>	394.8	371.1	384.7	410.5	426.2	426.1	418.6	412.8	428.9	438.4	403.6	386.7	385.0	379.9	373.0

<sup>1</sup> Year-on-year changes (%).

<sup>2</sup> Average secondary market yield of 10-year government bonds.

<sup>3</sup> Average of the period.

<sup>4</sup> Weighted average primary market yield of 2-year government bonds.

<sup>5</sup> Weighted average primary market yield of 3-year government bonds.

<sup>6</sup> Weighted average primary market yield of 5-year government bonds.

<sup>7</sup> Weighted average primary market yield of 10-year government bonds.

**2.a REAL SECTOR INDICATORS AND PRICES**

	2010	2011				
		Q1	Q2	Q3	Q4	
<b>Industrial output<sup>1,2</sup></b>						
Increase/decrease <sup>3</sup> (at constant prices; working day adjusted data; %)	16.0	11.5	13.9	14.6	9.2	9.1
<b>Cargoes loaded and unloaded at ports</b>						
Turnover (in thousands of tons)	61 160	68 821	16 345	18 105	16 532 <sup>2</sup>	17 838
Increase/decrease <sup>3</sup> (%)	-1.3	12.5	4.7	18.6	13.1 <sup>2</sup>	13.9
<b>Retail trade turnover<sup>1</sup></b>						
Turnover (at current prices; in millions of lats)	4 228.8	4 819.6	1 032.2	1 192.8	1 284.5 <sup>2</sup>	1 310.0
Increase/decrease <sup>3</sup> (at constant prices; %)	0.5	14.0	13.0	13.0	15.7 <sup>2</sup>	13.9
Unemployment rate (%)	14.3	11.5	14.4	12.6	11.6	11.5
Producer prices <sup>1</sup> (increase/decrease compared with the previous period; %)	3.1	7.7	2.0	3.9	1.4	-0.6
<b>Consumer price inflation</b>						
Year-on-year basis (%)	-1.1	4.4	4.0	4.8	4.5	4.2
Quarter-on-quarter basis (%)	x	x	1.9	2.0	-0.1	0.3
<b>Financial surplus/deficit in the consolidated general government budget</b>						
Surplus/deficit (in millions of lats)	-802.7	-444.9	-181.8	-35.5	159.8	-387.4
Ratio to GDP (%)	6.3	3.1	6.0	1.0	4.3	9.9

<sup>1</sup> Data are calculated according to the revised version of the EU statistical Classification of Economic Activities (NACE Rev. 2).

<sup>2</sup> Data have been revised.

<sup>3</sup> Year-on-year basis.

## 2.b REAL SECTOR INDICATORS AND PRICES

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Industrial output <sup>1,2</sup>															
Increase/decrease <sup>3</sup> (at constant prices; working day adjusted data;%)	27.5	16.2	18.6	12.2	13.9	15.4	14.7	14.4	14.8	9.9	7.0	10.9	5.9	12.1	9.6
Cargoes loaded and unloaded at ports															
Turnover (in thousands of tons)	5 200	5 209	5 250	5 130	4 760	6 456	6 350	6 327	5 429	5 851	5 372 <sup>2</sup>	5 309 <sup>2</sup>	5 887	5 801	6 150
Increase/decrease <sup>3</sup> (%)	1.3	14.6	1.3	2.7	-7.9	18.4	15.8	26.0	14.0	11.0	16.3 <sup>2</sup>	12.3	13.2	11.4	17.2
Retail trade turnover <sup>1</sup>															
Turnover (at current prices; in millions of lats)	372.5	360.4	417.0	326.2	331.3	374.7	376.9	406.8	409.2	424.0	436.3	424.1 <sup>2</sup>	427.8	410.6	471.6
Increase/decrease <sup>3</sup> (at constant prices; %)	9.9	15.1	15.0	10.6	15.7	12.9	9.4	14.7	14.8	14.5	17.3	15.4 <sup>2</sup>	14.9	13.9	13.1
Unemployment rate (%)	14.3	14.3	14.3	14.5	14.5	14.4	13.9	13.2	12.6	12.1	11.8	11.6	11.5	11.5	11.5
Producer prices <sup>1</sup> (increase/decrease compared with the previous period; %)	-0.5	-0.2	0.3	1.2	0.7	0.8	2.3	1.0	0.5	0.7	0.4	-0.4	0	-0.5	-0.1
Consumer price inflation															
Year-on-year basis (%)	1.0	1.9	2.5	3.7	4.0	4.2	4.5	5.0	4.8	4.3	4.7	4.6	4.4	4.2	4.0
Month-on-month basis (%)	0.4	0.2	0.1	1.3	0.3	0.7	1.1	0.4	0.3	-0.3	-0.3	0.4	0.2	0	0
Annual core inflation (%)	-1.5	-0.6	-0.3	1.1	1.5	2.0	2.8	3.7	4.1	4.0	4.4	4.4	3.3	3.1	3.6
Financial surplus/deficit in the consolidated general government budget (in millions of lats)	-55.9	-90.3	-362.7	-0.8	-92.9	-88.1	-33.1	-12.8	10.4	-26.0	204.1	-18.3	-23.8	-85.7	-277.9

<sup>1</sup> Data are calculated according to the revised version of the EU statistical Classification of Economic Activities (NACE Rev. 2).

<sup>2</sup> Data have been revised.

<sup>3</sup> Year-on-year basis.

## 3. MONETARY BASE

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Currency in circulation	885.5	888.9	937.9	905.7	910.7	909.3	935.2	935.6	955.0	990.2	993.0	1 012.3	1 010.6	1 070.2	1 160.2
Currency as percent of the monetary base	52.6	51.0	53.4	52.0	50.7	54.6	52.7	49.7	52.4	52.4	53.6	54.4	55.2	45.7	53.5
Deposits with the Bank of Latvia in lats	777.4	839.0	797.3	819.1	868.3	737.3	818.1	922.6	842.2	873.8	823.3	820.7	794.1	1 189.1	865.1
Deposits with the Bank of Latvia in foreign currencies	19.7	16.2	20.0	15.7	17.5	19.3	22.3	26.1	26.9	27.1	35.1	27.5	27.4	81.0	143.7
Deposits as percent of the monetary base	47.4	49.0	46.6	48.0	49.3	45.4	47.3	50.3	47.6	47.6	46.4	45.6	44.8	54.3	46.5
M0	1 682.6	1 744.2	1 755.2	1 740.6	1 796.6	1 665.9	1 775.6	1 884.2	1 824.2	1 891.2	1 851.4	1 860.5	1 832.1	2 340.4	2 168.9
Net foreign assets	4 224.2	4 203.5	4 032.1	3 837.3	3 794.2	3 723.6	3 657.1	3 684.6	3 827.3	3 769.6	3 984.2	3 987.5	3 881.0	3 602.9	3 435.2
Loans to MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit to central government (net)	-1 399.7	-1 326.8	-1 081.0	-1 108.0	-1 011.5	-930.9	-917.3	-895.6	-1 138.8	-1 207.4	-1 385.2	-1 388.0	-1 361.3	-950.3	-737.1
Other items (net)	-1 141.9	-1 132.5	-1 195.8	-988.7	-986.1	-1 126.8	-964.2	-904.8	-864.4	-671.0	-747.6	-738.9	-687.5	-312.2	-529.1
Total	1 682.6	1 744.2	1 755.2	1 740.6	1 796.6	1 665.9	1 775.6	1 884.2	1 824.2	1 891.2	1 851.4	1 860.5	1 832.1	2 340.4	2 168.9

#### 4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Monetary aggregates</b>															
M3	6 212.5	6 326.2	6 547.6	6 492.3	6 541.5	6 513.4	6 454.4	6 545.3	6 480.0	6 441.1	6 506.5	6 486.5	6 424.1	6 474.6	6 659.7
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	92.3	88.7	81.4	83.4	84.1	85.4	82.7	81.1	75.7	72.6	72.0	70.3	70.2	69.9	64.2
Debt securities issued with maturity of up to 2 years	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	133.1
M2	6 099.6	6 216.9	6 445.6	6 388.3	6 436.7	6 407.4	6 351.1	6 443.6	6 383.7	6 347.9	6 413.9	6 395.6	6 333.3	6 384.0	6 462.4
Deposits with an agreed maturity of up to 2 years	2 405.4	2 449.8	2 430.6	2 411.8	2 405.0	2 466.9	2 380.7	2 403.1	2 274.7	2 262.2	2 237.2	2 228.7	2 137.2	1 789.3	1 885.5
Deposits redeemable at notice of up to 3 months	239.6	255.2	244.4	254.1	245.1	250.8	244.9	242.6	241.0	230.3	227.5	226.4	225.7	222.5	219.5
M1	3 454.5	3 511.9	3 770.6	3 722.4	3 786.7	3 689.7	3 725.6	3 797.8	3 867.9	3 855.3	3 949.2	3 940.6	3 970.5	4 372.2	4 357.4
Currency outside MFIs	776.6	775.5	807.4	790.1	795.8	795.6	815.6	817.7	838.1	876.0	873.4	888.6	892.5	941.6	1 040.0
Overnight deposits	2 677.9	2 736.4	2 963.2	2 932.3	2 990.9	2 894.1	2 909.9	2 980.1	3 029.8	2 979.4	3 075.8	3 052.0	3 078.0	3 430.6	3 317.4
<b>Counterparts of monetary aggregates and longer-term financial liabilities</b>															
Deposits of central government	2 121.9	2 048.5	1 792.7	1 791.5	1 696.1	1 605.4	1 596.0	1 575.0	1 815.6	1 879.5	2 058.8	2 031.6	2 003.9	1 602.9	957.0
Longer-term financial liabilities	2 299.9	2 295.1	2 295.2	2 323.9	2 322.9	2 342.9	2 345.9	2 319.9	2 346.5	2 357.7	2 394.0	2 466.6	2 490.7	2 471.0	2 615.7
Deposits with an agreed maturity of over 2 years	193.3	187.0	203.1	220.7	225.9	235.1	241.0	264.3	275.5	252.5	255.1	255.8	257.2	261.7	258.3
Deposits redeemable at notice of over 3 months	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0
Debt securities issued with maturity of over 2 years	173.2	154.8	155.3	152.4	140.7	140.5	139.8	74.7	74.6	74.6	70.4	71.2	67.2	68.0	409.9
Capital and reserves	1 933.3	1 953.2	1 936.8	1 950.7	1 956.2	1 967.2	1 965.0	1 980.9	1 996.4	2 030.6	2 068.5	2 139.6	2 166.3	2 141.2	1 947.5
Credit to residents	13 408.0	13 352.6	13 209.7	13 139.3	13 002.5	12 900.5	12 812.2	12 761.3	12 639.7	12 652.1	12 689.3	12 638.9	12 611.3	12 484.7	12 194.3
Credit to general government	518.8	530.2	563.8	564.2	558.7	572.5	594.9	575.6	573.6	593.8	611.7	599.7	610.1	540.0	485.1
Credit to other residents	12 889.1	12 822.4	12 645.9	12 575.1	12 443.7	12 328.0	12 217.3	12 185.7	12 066.0	12 058.3	12 077.6	12 039.2	12 001.2	11 944.8	11 709.2
Loans	12 669.6	12 596.6	12 399.3	12 326.6	12 193.2	12 072.0	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4	11 697.0	11 634.2	11 369.4
Net external assets	-1 360.5	-1 266.0	-1 219.8	-1 180.2	-1 081.1	-1 075.4	-1 109.2	-1 010.5	-717.5	-771.9	-567.7	-466.9	-543.8	-435.6	-224.8
Other items (net)	1 413.2	1 416.8	1 354.9	1 351.5	1 360.8	1 363.4	1 306.8	1 310.6	1 280.0	1 202.0	1 162.3	1 187.2	1 148.8	1 500.7	1 737.1

#### 5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M1	3 469.1	3 535.4	3 711.9	3 773.2	3 838.9	3 748.2	3 766.6	3 812.9	3 780.7	3 782.8	3 925.7	3 958.3	3 998.3	4 392.5	4 279.3
M2	6 184.9	6 287.1	6 366.5	6 424.3	6 439.6	6 392.5	6 307.1	6 413.5	6 337.8	6 332.4	6 398.4	6 430.3	6 422.0	6 454.0	6 387.8
M3	6 302.4	6 400.3	6 468.4	6 527.1	6 542.6	6 501.2	6 408.0	6 516.1	6 432.9	6 427.4	6 488.0	6 520.3	6 511.9	6 544.4	6 585.8

## 6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>ASSETS</b>															
Loans to residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of securities other than shares issued by residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity issued by residents	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
External assets	4 279.4	4 268.3	4 074.6	3 875.0	3 804.2	3 742.6	3 687.5	3 711.0	3 854.0	3 820.7	4 027.6	4 036.8	3 924.3	3 642.2	3 506.4
Fixed assets	31.5	31.3	31.0	30.8	30.6	30.5	30.4	30.2	30.0	30.1	30.1	30.1	30.2	30.3	30.7
Remaining assets	1.2	1.2	1.7	1.1	1.5	1.8	1.7	1.8	1.6	1.6	1.6	1.6	1.4	1.2	1.0
<b>Total</b>	<b>4 312.1</b>	<b>4 300.8</b>	<b>4 107.3</b>	<b>3 906.9</b>	<b>3 836.3</b>	<b>3 774.8</b>	<b>3 719.6</b>	<b>3 743.0</b>	<b>3 885.7</b>	<b>3 852.3</b>	<b>4 059.3</b>	<b>4 068.6</b>	<b>3 955.9</b>	<b>3 673.7</b>	<b>3 538.1</b>
<b>LIABILITIES</b>															
Currency in circulation	885.5	888.9	937.9	905.7	910.7	909.3	935.2	935.6	955.0	990.2	993.0	1 012.3	1 010.6	1 070.2	1 160.2
Deposits of residents	3 073.8	3 049.4	2 828.0	2 678.0	2 628.7	2 535.2	2 464.9	2 491.8	2 613.6	2 518.4	2 714.1	2 698.6	2 592.4	2 274.6	1 977.5
Central government	1 399.7	1 326.8	1 081.0	1 108.0	1 011.5	930.9	917.3	895.6	1 138.8	1 207.4	1 385.2	1 388.0	1 361.3	950.3	737.1
Other residents	49.3	56.3	56.7	63.7	68.0	72.4	79.6	79.5	80.0	84.9	85.2	85.0	90.7	263.4	42.7
MFIs	1 624.8	1 666.3	1 690.2	1 506.2	1 549.3	1 531.9	1 468.0	1 516.7	1 394.8	1 226.1	1 243.6	1 225.6	1 140.4	1 061.0	1 197.7
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	294.8	294.4	296.6	282.7	284.0	286.6	274.9	286.6	287.6	289.7	305.9	306.0	306.6	286.7	327.2
External liabilities	55.2	64.7	42.6	37.7	10.0	19.0	30.4	26.4	26.7	51.1	43.4	49.4	43.3	39.3	71.2
Remaining liabilities	2.8	3.3	2.3	2.8	2.9	24.8	14.2	2.7	2.8	3.0	2.9	2.3	3.0	2.8	2.0
<b>Total</b>	<b>4 312.1</b>	<b>4 300.8</b>	<b>4 107.3</b>	<b>3 906.9</b>	<b>3 836.3</b>	<b>3 774.8</b>	<b>3 719.6</b>	<b>3 743.0</b>	<b>3 885.7</b>	<b>3 852.3</b>	<b>4 059.3</b>	<b>4 068.6</b>	<b>3 955.9</b>	<b>3 673.7</b>	<b>3 538.1</b>

## 7. AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING THE BANK OF LATVIA)

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>ASSETS</b>															
Loans to residents	14 618.8	14 583.1	14 434.9	14 208.8	14 179.3	14 044.1	13 973.5	13 730.5	13 493.6	13 377.8	13 397.3	13 334.0	13 211.3	13 086.0	13 013.6
General government	66.0	65.6	64.6	65.7	64.9	63.2	63.1	61.1	60.3	60.8	63.2	62.6	63.4	64.0	64.3
Other residents	12 669.6	12 596.6	12 399.3	12 326.6	12 193.2	12 072.0	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4	11 697.0	11 634.2	11 369.4
MFIs	1 883.1	1 921.0	1 971.0	1 816.4	1 921.2	1 908.9	1 949.7	1 741.9	1 624.8	1 522.5	1 560.5	1 535.0	1 450.9	1 387.8	1 580.0
Holdings of securities other than shares issued by residents	474.5	486.4	520.8	519.1	513.0	528.3	550.0	529.9	528.8	548.5	563.7	552.4	560.6	489.4	432.5
General government	452.8	464.7	499.2	498.5	493.9	509.3	531.9	514.4	513.4	533.0	548.6	537.1	546.7	476.0	420.8
Other residents	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3
MFIs	21.6	21.7	21.5	20.5	19.0	18.9	18.1	15.4	15.4	15.4	15.0	15.1	13.7	13.2	11.5
Money market fund shares and units	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Holdings of shares and other equity issued by residents	219.4	225.7	246.5	248.4	250.4	255.9	256.5	258.2	257.4	263.8	303.9	302.6	303.9	310.4	339.6
External assets	4 720.1	4 962.9	5 559.6	5 438.1	5 265.3	5 270.7	5 277.9	5 257.9	5 264.0	5 199.2	5 295.8	5 412.6	5 493.5	5 713.1	6 066.5
Fixed assets	120.5	119.0	121.0	118.4	117.6	117.4	116.9	127.5	126.3	125.5	123.9	124.2	125.9	125.1	100.4
Remaining assets	623.1	634.3	658.2	647.6	647.6	628.6	662.9	662.7	661.0	675.1	669.3	660.5	671.7	677.2	657.0
<b>Total</b>	<b>20 776.8</b>	<b>21 011.9</b>	<b>21 541.4</b>	<b>21 180.7</b>	<b>20 973.6</b>	<b>20 845.4</b>	<b>20 838.1</b>	<b>20 567.1</b>	<b>20 331.5</b>	<b>20 190.3</b>	<b>20 354.3</b>	<b>20 386.7</b>	<b>20 367.4</b>	<b>20 401.5</b>	<b>20 610.1</b>
<b>LIABILITIES</b>															
Deposits of residents	6 451.0	6 552.3	6 782.0	6 752.1	6 856.2	6 826.3	6 857.3	6 725.9	6 640.4	6 589.0	6 655.4	6 584.1	6 513.1	6 374.7	6 197.3
Central government	722.2	721.6	711.7	683.5	684.6	674.5	678.7	679.4	676.9	672.1	673.6	643.6	642.7	652.7	219.9
Other residents	5 467.0	5 572.1	5 784.6	5 755.1	5 798.9	5 774.5	5 696.9	5 810.7	5 741.0	5 639.5	5 710.4	5 677.9	5 607.3	5 440.8	5 638.0
MFIs	261.7	258.5	285.6	313.5	372.7	377.3	481.7	235.8	222.5	277.4	271.4	262.6	263.1	281.2	339.4
Money market fund shares and units	92.7	89.1	81.8	83.8	84.5	85.8	83.0	81.5	76.1	73.0	72.4	70.7	70.6	70.3	64.5
Debt securities issued	193.8	175.4	175.9	173.1	161.4	161.2	160.4	95.3	95.2	95.2	91.0	91.8	87.8	88.6	543.0
Capital and reserves	1 638.6	1 658.8	1 640.1	1 668.0	1 672.2	1 680.6	1 690.1	1 694.3	1 708.8	1 740.8	1 762.6	1 833.6	1 859.7	1 854.5	1 620.2
External liabilities	10 304.8	10 432.5	10 811.4	10 455.6	10 140.7	10 069.7	10 044.2	9 953.0	9 808.9	9 740.7	9 847.7	9 867.0	9 918.3	9 751.5	9 726.6
Remaining liabilities	2 096.0	2 103.8	2 050.3	2 048.1	2 058.5	2 021.8	2 003.0	2 017.1	2 002.1	1 951.6	1 925.2	1 939.5	1 918.0	2 261.9	2 458.4
<b>Total</b>	<b>20 776.8</b>	<b>21 011.9</b>	<b>21 541.4</b>	<b>21 180.7</b>	<b>20 973.6</b>	<b>20 845.4</b>	<b>20 838.1</b>	<b>20 567.1</b>	<b>20 331.5</b>	<b>20 190.3</b>	<b>20 354.3</b>	<b>20 386.7</b>	<b>20 367.4</b>	<b>20 401.5</b>	<b>20 610.1</b>

## 8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>ASSETS</b>															
Loans to residents	12 735.6	12 662.2	12 463.9	12 392.4	12 258.1	12 135.2	12 023.8	11 988.5	11 868.9	11 855.3	11 836.8	11 799.0	11 760.4	11 698.1	11 433.6
General government	66.0	65.6	64.6	65.7	64.9	63.2	63.1	61.1	60.3	60.8	63.2	62.6	63.4	64.0	64.3
Other residents	12 669.6	12 596.6	12 399.3	12 326.6	12 193.2	12 072.0	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4	11 697.0	11 634.2	11 369.4
Holdings of securities other than shares issued by other residents	452.9	464.7	499.3	498.5	493.9	509.4	531.9	514.5	513.4	533.0	548.6	537.3	546.9	476.2	421.0
General government	452.8	464.7	499.2	498.5	493.9	509.3	531.9	514.4	513.4	533.0	548.6	537.1	546.7	476.0	420.8
Other residents	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3
Holdings of shares and other equity issued by other residents	219.4	225.7	246.5	248.4	250.4	255.9	256.5	258.2	257.4	263.8	303.9	302.6	303.9	310.4	339.6
External assets	8 999.5	9 231.2	9 634.2	9 313.1	9 069.5	9 013.2	8 965.4	8 968.9	9 118.0	9 019.9	9 323.4	9 449.5	9 417.8	9 355.3	9 554.9
Fixed assets	152.0	150.3	152.0	149.2	148.2	147.8	147.3	157.7	156.4	155.5	154.0	154.3	156.1	155.4	131.1
Remaining assets	515.4	522.1	529.4	533.0	534.2	516.7	545.0	546.7	545.7	562.5	551.2	538.4	555.0	549.8	537.9
<b>Total</b>	<b>23 074.9</b>	<b>23 256.2</b>	<b>23 525.3</b>	<b>23 134.6</b>	<b>22 754.3</b>	<b>22 578.3</b>	<b>22 469.9</b>	<b>22 434.6</b>	<b>22 459.8</b>	<b>22 390.0</b>	<b>22 718.0</b>	<b>22 781.1</b>	<b>22 740.2</b>	<b>22 545.2</b>	<b>22 418.2</b>
<b>LIABILITIES</b>															
Currency outside MFIs	776.6	775.5	807.4	790.1	795.8	795.6	815.6	817.7	838.1	876.0	873.4	888.6	892.5	941.6	1 040.0
Deposits of central government	2 121.9	2 048.5	1 792.7	1 791.5	1 696.1	1 605.4	1 596.0	1 575.0	1 815.6	1 879.5	2 058.8	2 031.6	2 003.9	1 602.9	957.0
Deposits of other general government and other residents	5 516.3	5 628.4	5 841.4	5 818.9	5 866.9	5 846.9	5 776.6	5 890.2	5 821.1	5 724.4	5 795.6	5 762.8	5 698.0	5 704.2	5 680.7
Money market fund shares and units	92.3	88.7	81.4	83.4	84.1	85.4	82.7	81.1	75.7	72.6	72.0	70.3	70.2	69.9	64.2
Debt securities issued	172.2	153.7	154.4	152.5	142.3	142.2	142.3	79.9	79.8	79.8	75.9	76.8	74.1	75.4	531.5
Capital and reserves	1 933.3	1 953.2	1 936.8	1 950.7	1 956.2	1 967.2	1 965.0	1 980.9	1 996.4	2 030.6	2 068.5	2 139.6	2 166.3	2 141.2	1 930.3
External liabilities	10 360.0	10 497.2	10 854.0	10 493.3	10 150.7	10 088.7	10 074.6	9 979.4	9 835.6	9 791.7	9 891.1	9 916.4	9 961.6	9 790.9	9 796.9
Remaining liabilities	2 098.8	2 107.2	2 052.3	2 050.9	2 061.4	2 046.6	2 017.2	2 019.9	2 004.9	1 954.5	1 928.1	1 941.8	1 921.0	2 264.7	2 460.3
Excess of inter-MFI liabilities	3.4	3.8	4.9	3.3	0.8	0.2	0	10.5	-7.5	-19.0	-45.5	-46.8	-47.4	-45.7	-42.8
<b>Total</b>	<b>23 074.9</b>	<b>23 256.2</b>	<b>23 525.3</b>	<b>23 134.6</b>	<b>22 754.3</b>	<b>22 578.3</b>	<b>22 469.9</b>	<b>22 434.6</b>	<b>22 459.8</b>	<b>22 390.0</b>	<b>22 718.0</b>	<b>22 781.1</b>	<b>22 740.2</b>	<b>22 545.2</b>	<b>22 418.2</b>



**9.a AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING THE BANK OF LATVIA)**

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
MFI reserves	1 730.2	1 776.2	1 817.3	1 618.3	1 664.2	1 645.5	1 587.5	1 624.0	1 501.2	1 340.3	1 363.2	1 349.3	1 258.5	1 189.7	1 315.4
Vault cash in national currency	108.9	113.4	130.6	115.6	114.9	113.7	119.6	117.8	116.9	114.2	119.6	123.7	118.1	128.6	120.2
Deposits with the Bank of Latvia	1 621.3	1 662.7	1 686.7	1 502.7	1 549.3	1 531.9	1 468.0	1 506.1	1 384.3	1 226.1	1 243.6	1 225.6	1 140.4	1 061.0	1 195.2
Foreign assets	4 720.1	4 962.9	5 559.6	5 438.1	5 265.3	5 270.7	5 277.9	5 257.9	5 264.0	5 199.2	5 295.8	5 412.6	5 493.5	5 713.1	6 066.5
Claims on the central government	456.0	467.8	502.3	501.5	496.9	512.4	534.9	514.4	513.4	533.0	548.6	537.1	546.7	476.0	420.6
Loans	3.1	3.1	3.0	3.0	3.0	3.0	3.1	0	0	0	0	0	0	0	0
Holdings of securities other than shares	452.8	464.7	499.2	498.5	493.9	509.3	531.9	514.4	513.4	533.0	548.6	537.1	546.7	476.0	420.6
Claims on the local government	62.9	62.5	61.5	62.7	61.8	60.2	60.0	61.1	60.3	60.8	63.2	62.6	63.4	64.0	64.4
Loans	62.9	62.5	61.5	62.7	61.8	60.2	60.0	61.1	60.3	60.8	63.2	62.6	63.4	64.0	64.3
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2
Claims on the financial institutions	622.4	616.5	610.5	594.4	581.7	574.5	541.0	533.4	534.7	528.0	561.5	554.3	549.3	549.5	570.7
Loans	441.2	429.1	411.6	393.8	379.8	374.1	340.8	333.2	336.6	325.0	318.4	312.5	308.2	302.1	302.1
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity	181.2	187.4	198.9	200.6	201.9	200.5	200.2	200.3	198.1	203.1	243.2	241.7	241.1	247.4	268.6
Claims on public non-financial corporations	425.9	450.9	474.5	476.1	470.8	470.2	472.2	474.0	452.6	450.4	449.6	453.5	453.7	443.3	434.9
Loans	425.9	450.9	474.5	476.1	470.8	470.2	472.2	474.0	452.6	450.4	449.6	453.5	453.7	443.3	434.9
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on private non-financial corporations	6 042.6	5 983.8	5 820.0	5 808.9	5 736.4	5 667.6	5 628.8	5 628.0	5 567.2	5 604.5	5 612.1	5 611.5	5 615.9	5 599.1	5 404.8
Loans	6 004.2	5 945.5	5 772.3	5 761.1	5 687.8	5 612.0	5 572.4	5 570.0	5 507.8	5 543.7	5 551.3	5 550.5	5 552.9	5 535.9	5 333.6
Holdings of securities other than shares	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3
Holdings of shares and other equity	38.3	38.3	47.6	47.8	48.5	55.5	56.3	57.9	59.3	60.8	60.7	60.8	62.8	62.9	71.0
Claims on households	5 798.2	5 771.1	5 740.9	5 695.7	5 654.8	5 615.6	5 575.4	5 550.2	5 511.6	5 475.4	5 454.4	5 419.9	5 382.2	5 352.9	5 298.7
Loans	5 798.2	5 771.1	5 740.9	5 695.7	5 654.8	5 615.6	5 575.4	5 550.2	5 511.6	5 475.4	5 454.4	5 419.9	5 382.2	5 352.9	5 298.7
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	120.5	119.0	121.0	118.4	117.6	117.4	116.9	127.5	126.3	125.5	123.9	124.2	125.9	125.1	100.4
Other assets	514.2	520.9	527.6	531.9	532.7	514.9	543.3	544.9	544.0	560.9	549.7	536.8	553.6	548.5	537.0
Claims on resident MFIs	261.8	258.2	284.3	313.7	371.9	377.1	481.7	235.8	240.5	296.5	316.9	309.4	310.5	326.8	384.7
Holdings of MFI securities other than shares	21.6	21.7	21.5	20.5	19.0	18.9	18.1	15.4	15.4	15.4	15.0	15.1	13.7	13.2	11.5
Money market fund shares and units	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b>20 776.8</b>	<b>21 011.9</b>	<b>21 541.4</b>	<b>21 180.7</b>	<b>20 973.6</b>	<b>20 845.4</b>	<b>20 838.1</b>	<b>20 567.1</b>	<b>20 331.5</b>	<b>20 190.3</b>	<b>20 354.3</b>	<b>20 386.7</b>	<b>20 367.4</b>	<b>20 401.5</b>	<b>20 610.1</b>

**9.b AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING THE BANK OF LATVIA)**

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Overnight deposits in lats	1 463.0	1 494.5	1 662.7	1 619.7	1 680.9	1 581.5	1 591.2	1 613.6	1 628.2	1 603.1	1 621.1	1 625.1	1 662.1	1 670.2	1 821.3
Financial institutions	87.3	83.5	106.2	106.5	105.8	89.2	66.8	60.3	61.4	60.6	55.4	49.8	58.5	67.0	47.1
Public non-financial corporations	83.8	81.8	87.1	106.9	131.8	99.1	113.6	98.1	99.8	101.1	104.1	104.3	118.7	162.1	166.8
Private non-financial corporations	599.9	616.3	698.8	659.8	673.1	638.7	643.3	692.8	702.9	681.6	713.8	710.8	724.1	704.2	782.2
Households	692.0	712.9	770.5	746.5	770.2	754.6	767.6	762.4	764.1	759.8	747.8	760.2	760.8	737.0	825.1
Time deposits in lats	1 110.6	1 094.5	1 031.3	1 010.8	935.8	972.6	922.2	956.2	871.1	835.1	817.0	801.3	781.4	665.3	722.2
Financial institutions	307.9	302.0	283.7	294.7	257.5	244.7	221.8	215.6	222.7	202.6	186.8	181.0	170.2	154.3	146.7
Public non-financial corporations	213.8	199.7	155.2	159.6	153.5	174.0	177.2	194.5	133.8	138.0	152.7	143.9	138.0	90.4	87.0
Private non-financial corporations	134.5	152.2	165.5	135.7	111.1	148.2	124.5	152.2	133.9	119.6	103.6	102.9	100.9	107.8	103.2
Households	454.4	440.7	426.9	420.7	413.8	405.7	398.8	393.8	380.6	374.9	373.9	373.5	372.3	312.9	385.3
Deposits redeemable at notice in lats	71.7	80.7	80.8	86.8	86.8	95.3	90.8	90.9	89.7	80.6	80.7	80.2	81.1	81.3	84.4
Financial institutions	8.1	7.2	7.2	7.3	7.2	7.2	7.2	7.2	7.5	7.5	7.4	7.4	7.4	7.4	7.4
Public non-financial corporations	1.5	1.5	1.2	1.2	1.2	1.1	1.1	1.3	1.1	1.2	0.9	1.0	1.1	0.9	0.9
Private non-financial corporations	10.7	15.3	16.0	19.2	16.9	16.7	12.9	12.4	11.8	12.2	11.8	9.5	9.5	9.0	8.4
Households	51.4	56.7	56.4	59.1	61.5	70.2	69.6	70.0	69.4	59.7	60.6	62.3	63.2	63.9	67.7
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	2 617.2	2 684.0	2 807.9	2 831.7	2 884.0	2 893.1	2 851.1	2 893.9	2 906.7	2 874.1	2 927.6	2 915.0	2 829.3	2 777.2	2 818.3
Financial institutions	190.8	186.4	199.0	198.4	222.9	223.4	219.1	228.4	234.8	235.3	261.3	267.1	202.3	208.5	234.1
Public non-financial corporations	61.0	84.7	114.5	119.8	118.2	124.7	119.3	118.7	107.1	89.5	96.4	90.5	88.7	84.2	86.0
Private non-financial corporations	697.1	740.5	802.4	826.0	857.5	853.6	825.2	829.3	833.7	836.7	843.1	811.6	806.4	897.6	846.4
Households	1 668.2	1 672.4	1 692.0	1 687.6	1 685.5	1 691.5	1 687.4	1 717.6	1 731.1	1 712.6	1 726.8	1 745.8	1 731.8	1 586.8	1 651.7
Deposits of central government	722.2	721.6	711.7	683.5	684.6	674.5	678.7	679.4	676.9	672.1	673.6	643.6	642.7	652.7	219.9
Overnight deposits in lats	10.5	11.7	15.3	13.0	16.7	12.3	13.3	10.4	13.7	12.3	13.1	14.4	9.3	11.1	11.4
Time deposits in lats	42.3	39.8	31.7	33.4	29.8	28.2	31.7	35.6	34.9	31.8	59.8	63.7	65.1	68.2	88.3
Deposits redeemable at notice and repos in lats	0.6	0.7	0.1	0.2	0.1	0.3	0.6	0.6	0.4	0.3	0.3	0.3	0.3	0.3	0.4
Foreign currency deposits	668.8	669.4	664.6	636.9	637.9	633.7	633.1	632.8	628.0	627.7	600.3	565.1	567.9	573.0	119.7
Deposits of local government	204.6	218.4	202.0	206.2	211.4	231.9	241.7	256.1	245.3	246.6	263.9	256.4	253.4	246.8	191.9
Overnight deposits in lats	136.0	147.7	140.4	131.3	136.5	154.9	165.3	177.6	168.5	168.1	183.8	172.1	170.8	179.2	130.5
Time deposits in lats	19.9	20.2	16.2	28.3	29.0	30.1	30.2	30.5	28.8	31.4	34.3	34.7	33.0	20.5	16.4
Deposits redeemable at notice and repos in lats	4.6	5.6	3.1	4.3	2.2	3.7	4.0	4.4	5.9	4.8	4.1	4.3	5.1	5.5	5.6
Foreign currency deposits	44.1	45.0	42.2	42.3	43.7	43.1	42.1	43.6	42.1	42.3	41.8	45.3	44.5	41.6	39.3
Transit funds	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

**9.b AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING THE BANK OF LATVIA) (CONT.)**

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Foreign liabilities	10 304.8	10 432.5	10 811.4	10 455.6	10 140.7	10 069.7	10 044.2	9 953.0	9 808.9	9 740.7	9 847.7	9 867.0	9 918.3	9 751.5	9 726.6
Liabilities to the Bank of Latvia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	92.7	89.1	81.8	83.8	84.5	85.8	83.0	81.5	76.1	73.0	72.4	70.7	70.6	70.3	64.5
Debt securities issued	193.8	175.4	175.9	173.1	161.4	161.2	160.4	95.3	95.2	95.2	91.0	91.8	87.8	88.6	543.0
Capital and reserves	1 638.6	1 658.8	1 640.1	1 668.0	1 672.2	1 680.6	1 690.1	1 694.3	1 708.8	1 740.8	1 762.6	1 833.6	1 859.7	1 854.5	1 620.2
Residents	354.0	356.7	337.9	365.8	338.1	345.5	354.9	345.4	356.8	378.3	400.0	366.4	385.7	380.5	146.2
Retained earnings of the reporting year	-314.0	-311.1	-339.4	13.4	21.6	36.3	58.6	61.7	68.8	90.3	114.1	67.9	76.8	78.5	-175.2
Non-residents	1 284.5	1 302.1	1 302.2	1 302.2	1 334.1	1 335.1	1 335.1	1 348.9	1 352.0	1 362.6	1 362.6	1 467.3	1 473.9	1 473.9	1 474.0
Provisions	1 788.8	1 779.1	1 741.5	1 742.7	1 733.5	1 715.2	1 698.4	1 706.4	1 664.5	1 639.3	1 619.7	1 634.0	1 604.5	1 592.6	1 792.7
Other liabilities (incl. subordinated liabilities)	307.2	324.7	308.8	305.3	325.1	306.7	304.7	310.6	337.6	312.3	305.6	305.4	313.5	669.3	665.7
Liabilities to resident MFIs	261.7	258.5	285.6	313.5	372.7	377.3	481.7	235.8	222.5	277.4	271.4	262.6	263.1	281.2	339.4
<b>TOTAL LIABILITIES</b>	<b>20 776.8</b>	<b>21 011.9</b>	<b>21 541.4</b>	<b>21 180.7</b>	<b>20 973.6</b>	<b>20 845.4</b>	<b>20 838.1</b>	<b>20 567.1</b>	<b>20 331.5</b>	<b>20 190.3</b>	<b>20 354.3</b>	<b>20 386.7</b>	<b>20 367.4</b>	<b>20 401.5</b>	<b>20 610.1</b>
Memo items															
Trust assets	446.9	472.7	408.5	558.5	365.2	392.4	377.6	403.0	445.5	417.2	441.3	483.3	486.1	803.1	664.6
Foreign	375.7	404.8	338.7	490.4	296.4	311.1	298.6	316.9	367.4	338.3	354.7	390.9	395.3	458.5	537.6
Domestic	71.2	67.9	69.7	68.1	68.9	81.3	79.0	86.1	78.1	78.9	86.6	92.4	90.8	344.6	127.0
Trust liabilities	446.9	472.7	408.5	558.5	365.2	392.4	377.6	403.0	445.5	417.2	441.3	483.3	486.1	803.1	664.6
Foreign	391.9	417.5	352.6	504.4	310.5	336.3	322.9	348.2	391.5	360.3	387.0	429.6	434.0	489.8	572.4
Domestic	55.0	55.2	55.9	54.0	54.8	56.2	54.7	54.9	54.0	57.0	54.3	53.7	52.1	313.3	92.2

## 10. MONETARY SURVEY

(at end of period; in millions of lats)

	Currency outside MFIs	Overnight deposits (resident)			Time deposits (resident)				Total (M2X)	
		Households	Financial institutions and private non-financial corporations	Public non-financial corporations	Households	Financial institutions and private non-financial corporations	Public non-financial corporations			
2010										
X	776.6	2 507.2	1 236.0	1 178.1	93.1	2 755.4	1 630.1	858.3	267.0	6 039.1
XI	775.5	2 553.6	1 257.1	1 202.9	93.6	2 800.0	1 625.5	900.6	273.9	6 129.2
XII	807.4	2 782.1	1 334.9	1 347.1	100.1	2 800.6	1 610.9	931.8	257.9	6 390.0
2011										
I	790.1	2 763.3	1 298.9	1 341.4	123.0	2 785.6	1 614.9	906.2	264.5	6 339.1
II	795.8	2 816.9	1 324.3	1 345.4	147.2	2 770.7	1 606.7	906.5	257.5	6 383.3
III	795.6	2 703.0	1 320.8	1 269.9	112.3	2 839.5	1 601.2	951.8	286.5	6 338.2
IV	815.6	2 707.8	1 336.4	1 239.7	131.7	2 747.5	1 587.0	881.0	279.5	6 270.9
V	817.7	2 763.7	1 350.0	1 298.3	115.4	2 790.9	1 593.7	899.9	297.3	6 372.3
VI	838.1	2 823.0	1 358.6	1 346.0	118.4	2 672.6	1 586.6	862.6	223.4	6 333.8
VII	876.0	2 773.3	1 344.9	1 314.6	113.8	2 619.7	1 562.2	841.5	216.0	6 268.9
VIII	873.4	2 855.0	1 329.3	1 404.9	120.8	2 591.6	1 579.9	778.4	233.3	6 319.9
IX	888.6	2 839.2	1 340.5	1 382.0	116.7	2 582.4	1 601.3	758.1	223.0	6 310.2
X	892.5	2 866.6	1 335.7	1 387.7	143.2	2 487.3	1 592.3	691.7	203.3	6 246.4
XI	941.6	2 954.8	1 295.2	1 470.7	188.9	2 239.2	1 405.4	685.1	148.7	6 135.6
XII	1 040.0	3 109.2	1 442.7	1 475.4	191.1	2 336.9	1 487.0	700.2	149.7	6 486.1
	Net foreign assets	Net domestic assets							Total (M2X)	
		Credit to residents					Other items (net)			
		General government (net)	Households	Financial institutions and private non-financial corporations	Public non-financial corporations					
2010										
X	-1 360.5	11 081.5	-1 807.6	5 798.2	6 665.0	425.9	-3 681.9	7 399.6	6 039.1	
XI	-1 266.0	11 085.6	-1 736.7	5 771.1	6 600.3	450.9	-3 690.4	7 395.2	6 129.2	
XII	-1 219.8	11 215.1	-1 430.8	5 740.9	6 430.5	474.5	-3 605.3	7 609.8	6 390.0	
2011										
I	-1 180.2	11 141.7	-1 433.4	5 695.7	6 403.3	476.1	-3 622.4	7 519.3	6 339.1	
II	-1 081.1	11 094.8	-1 348.8	5 654.8	6 318.0	470.8	-3 630.4	7 464.4	6 383.3	
III	-1 075.4	11 063.1	-1 264.8	5 615.6	6 242.1	470.2	-3 649.4	7 413.7	6 338.2	
IV	-1 109.2	10 974.6	-1 242.7	5 575.4	6 169.7	472.2	-3 594.4	7 380.2	6 270.9	
V	-1 010.5	10 930.1	-1 255.6	5 550.2	6 161.5	474.0	-3 547.4	7 382.7	6 372.3	
VI	-656.7	10 578.7	-1 487.3	5 511.6	6 101.8	452.6	-3 588.2	6 990.5	6 333.8	
VII	-771.9	10 526.1	-1 532.3	5 475.4	6 132.6	450.4	-3 485.3	7 040.8	6 268.9	
VIII	-567.7	10 366.6	-1 711.0	5 454.4	6 173.6	449.6	-3 479.0	6 887.6	6 319.9	
IX	-466.9	10 351.0	-1 688.2	5 419.9	6 165.8	453.5	-3 573.9	6 777.1	6 310.2	
X	-543.8	10 353.9	-1 647.2	5 382.2	6 165.2	453.7	-3 563.7	6 790.2	6 246.4	
XI	-435.6	10 635.1	-1 309.7	5 352.9	6 148.6	443.3	-4 063.9	6 571.2	6 135.6	
XII	-224.8	11 045.4	-663.8	5 298.7	5 975.6	434.9	-4 334.5	6 710.9	6 486.1	

**11.a FOREIGN ASSETS AND LIABILITIES OF MFIs (EXCLUDING THE BANK OF LATVIA)**

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI <sup>1</sup>	VII	VIII	IX	X	XI	XII
Claims on MFIs	2 603.9	2 771.7	3 309.9	3 230.7	2 990.2	2 985.7	3 025.7	2 944.8	3 043.7	3 046.2	3 084.2	3 045.8	3 201.5	3 322.0	3 680.5
Loans															
Overnight	1 310.6	1 631.3	1 916.4	1 833.1	1 706.2	1 707.4	1 872.0	1 897.7	2 023.1	1 897.9	1 943.2	1 777.9	1 849.9	2 012.9	2 346.8
Short-term	905.3	754.7	1 010.4	988.6	908.1	727.8	616.2	521.9	548.8	665.1	625.7	742.8	828.8	788.6	736.4
Long-term	31.1	34.0	25.8	26.9	27.5	189.3	188.5	191.9	191.4	190.9	189.8	192.0	178.1	173.8	172.8
Redeemable at notice	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of securities other than shares	298.7	293.5	299.9	328.0	296.0	308.6	296.5	292.1	239.2	251.2	284.5	292.2	303.7	305.6	383.4
Holdings of shares and other equity	0.6	0.7	0.7	2.2	0.6	0.7	0.7	0.6	0.5	0.5	0.4	0.3	0.4	0.4	0.4
Other claims	57.5	57.5	56.5	51.7	51.7	51.7	51.7	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5
Claims on non-MFIs	1 904.2	1 993.0	2 045.5	2 020.7	2 078.0	2 101.7	2 064.3	2 123.9	2 093.6	1 911.7	2 000.7	2 155.9	2 080.5	2 177.7	2 091.8
Loans															
Short-term	411.3	451.8	471.8	427.1	424.9	437.4	436.2	459.7	434.9	395.9	413.9	449.3	458.5	533.2	494.8
Long-term	990.2	983.2	984.5	970.2	969.5	944.8	915.1	916.4	900.3	893.3	848.9	872.5	842.6	835.7	865.6
Holdings of securities other than shares															
Government	283.4	339.0	374.1	389.5	446.5	452.4	461.8	493.5	488.4	340.6	342.5	439.8	417.8	404.8	335.0
Private sector	164.7	166.9	165.5	184.5	184.4	214.4	198.2	200.9	212.4	216.2	332.1	331.1	298.7	340.4	332.4
Holdings of shares and other equity	25.4	22.9	21.0	20.4	21.6	21.6	19.2	19.7	23.9	30.6	28.2	28.5	28.4	29.3	29.6
Other claims	29.2	29.2	28.7	29.0	31.0	31.0	33.7	33.7	33.7	35.1	35.1	34.8	34.4	34.4	34.4
Vault cash in foreign currencies	68.9	66.9	76.2	68.2	69.5	63.5	66.5	68.5	69.2	78.4	74.2	73.4	72.1	65.0	112.8
Other assets															
Other assets	143.2	131.4	128.0	118.5	127.6	119.8	121.4	120.8	118.3	162.9	136.7	137.5	139.5	148.3	181.4
Total foreign assets	4 720.1	4 962.9	5 559.6	5 438.1	5 265.3	5 270.7	5 277.9	5 257.9	5 324.9	5 199.2	5 295.8	5 412.6	5 493.5	5 713.1	6 066.5
Memo items															
Trust assets	375.7	404.8	338.7	490.4	296.4	311.1	298.6	316.9	367.4	338.3	354.7	390.9	395.3	458.5	537.6

<sup>1</sup> Data have been revised.

## 11.b FOREIGN ASSETS AND LIABILITIES OF MFIs (EXCLUDING THE BANK OF LATVIA)

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Liabilities to MFIs</b>															
Overnight	709.6	653.5	446.5	528.1	593.2	653.3	701.2	786.4	649.9	600.5	600.7	565.4	611.5	376.4	267.9
Short-term	696.6	878.8	1 059.0	907.1	616.6	614.5	498.5	508.4	328.1	234.0	167.8	204.2	190.7	115.7	272.8
Long-term	5 088.4	4 899.9	4 953.1	4 885.2	4 820.2	4 697.6	4 672.6	4 413.2	4 503.8	4 571.7	4 452.8	4 373.5	4 357.1	4 357.3	4 144.5
Redeemable at notice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From which liabilities to associated and affiliated MFIs	5 696.3	5 629.7	5 743.7	5 799.7	5 627.1	5 615.3	5 534.3	5 528.6	5 305.2	5 217.9	5 063.5	4 972.6	5 008.0	4 696.6	4 530.3
<b>Non-MFI deposits</b>															
Overnight	2 374.6	2 539.1	2 840.1	2 738.9	2 766.5	2 767.0	2 791.7	2 923.2	3 013.0	2 984.7	3 256.4	3 321.5	3 379.9	3 527.9	3 620.3
Short-term	625.9	682.9	747.6	634.3	604.2	573.5	581.5	542.1	540.0	548.4	564.5	595.2	541.1	564.5	608.1
Long-term	450.1	456.9	442.8	444.1	450.7	458.1	466.3	494.3	483.8	512.4	513.5	493.7	514.6	496.2	511.7
Redeemable at notice	221.5	169.5	183.0	154.6	154.5	164.3	155.3	147.2	163.7	167.3	155.1	164.1	180.0	149.8	179.1
<b>Other liabilities</b>															
Other liabilities <sup>1</sup>	138.0	151.9	139.2	163.3	134.8	141.5	177.2	138.3	126.6	121.7	136.9	149.3	143.4	163.8	122.3
<b>Total foreign liabilities</b>	<b>10 304.8</b>	<b>10 432.5</b>	<b>10 811.3</b>	<b>10 455.6</b>	<b>10 140.7</b>	<b>10 069.7</b>	<b>10 044.2</b>	<b>9 953.0</b>	<b>9 808.9</b>	<b>9 740.7</b>	<b>9 847.7</b>	<b>9 867.0</b>	<b>9 918.3</b>	<b>9 751.5</b>	<b>9 726.6</b>
<b>Memo items</b>															
Trust liabilities	391.9	417.5	352.6	504.4	310.5	336.3	322.9	348.2	391.5	360.3	387.0	429.6	434.0	489.8	572.4

<sup>1</sup> Including subordinated liabilities.

## 12. SELECTED ITEMS IN THE MONTHLY FINANCIAL POSITION REPORT OF MFIs (EXCLUDING THE BANK OF LATVIA) BY GROUP OF COUNTRIES

(at end of period; in millions of lats)

	Claims on MFIs			Loans to non-MFIs			Liabilities to MFIs			Deposits by non-MFIs		
	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions
<b>2010</b>												
X	1 761.5	821.2	485.6	693.6	367.5	707.8	5 927.4	2 350.8	567.2	904.3	402.6	2 767.8
XI	1 833.5	846.8	586.5	689.5	371.7	745.5	5 882.6	2 391.5	549.5	1 013.1	402.2	2 835.2
XII	2 173.4	1 053.8	779.4	668.4	361.7	787.9	5 775.0	2 267.2	683.6	1 011.8	391.4	3 201.8
<b>2011</b>												
I	2 193.0	977.7	655.8	654.8	388.2	742.5	5 430.2	2 187.5	890.3	1 032.5	406.7	2 939.4
II	2 076.4	1 026.0	565.4	641.0	378.2	753.5	5 105.2	2 068.6	924.8	1 026.0	394.6	2 950.0
III	1 995.3	1 032.2	629.4	634.3	372.0	748.0	5 063.4	2 098.5	902.0	1 048.0	417.9	2 914.8
IV	2 080.1	1 098.8	596.6	618.9	361.7	732.5	4 975.5	2 056.5	896.8	1 127.3	499.7	2 867.5
V	1 989.3	1 095.1	622.3	622.7	364.1	753.4	4 836.0	2 142.2	871.9	999.9	360.0	3 106.9
VI	2 083.6	1 075.9	619.0	607.0	358.5	728.2	4 611.3	1 985.2	870.4	1 061.9	417.0	3 138.7
VII	2 118.6	1 055.5	635.5	610.8	367.3	678.4	4 564.8	1 949.7	841.4	1 098.7	392.4	3 114.1
VIII	2 142.2	1 156.3	616.7	620.3	369.1	642.5	4 361.4	1 923.6	859.9	1 204.5	490.4	3 285.0
IX	2 050.5	1 183.6	662.2	651.0	393.6	670.8	4 322.2	1 898.6	821.0	1 192.0	416.9	3 382.6
X	2 099.3	1 233.8	757.6	647.2	373.7	654.0	4 338.5	1 940.2	820.8	1 209.8	412.1	3 405.8
XI	2 255.5	1 228.5	720.0	676.6	389.7	692.2	4 060.5	1 831.4	788.8	1 320.8	523.2	3 417.6
XII	2 352.4	1 350.4	903.8	619.1	348.0	741.2	3 921.2	1 756.0	763.9	1 288.2	425.2	3 630.9

**13. MATURITY PROFILE OF DEPOSITS OF RESIDENT FINANCIAL INSTITUTIONS, NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS (IN LATS AND FOREIGN CURRENCIES)**

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Overnight deposits</b>															
Amount	2 507.1	2 553.6	2 782.0	2 763.4	2 816.9	2 703.1	2 707.8	2 763.7	2 823.1	2 773.3	2 855.0	2 839.2	2 866.6	2 954.8	3 109.2
% <sup>1</sup>	47.6	47.7	49.9	49.8	50.4	48.8	49.7	49.8	51.4	51.4	52.4	52.4	53.6	56.9	57.1
<b>Time deposits</b>															
<b>Maturity of 1–6 months</b>															
Amount	994.9	1 030.7	1 043.0	1 002.3	1 003.1	1 062.1	998.0	1 034.2	896.3	862.6	819.8	828.9	736.5	701.3	736.6
% <sup>1</sup>	18.9	19.3	18.7	18.1	18.0	19.2	18.3	18.6	16.3	16.0	15.1	15.3	13.8	13.5	13.5
<b>Maturity of 6–12 months</b>															
Amount	1 086.8	1 100.1	1 068.7	1 060.6	1 050.2	1 104.4	1 065.5	1 039.6	1 034.0	1 013.9	1 017.6	992.2	982.0	767.0	793.0
% <sup>1</sup>	20.7	20.5	19.1	19.1	18.8	19.9	19.5	18.7	18.8	18.8	18.7	18.3	18.3	14.8	14.6
<b>Long-term</b>															
Amount	438.7	419.7	447.7	473.0	474.5	426.0	443.0	478.9	507.2	517.5	530.7	539.1	548.2	553.9	593.4
% <sup>1</sup>	8.3	7.8	8.0	8.5	8.5	7.7	8.1	8.6	9.2	9.6	9.7	9.9	10.2	10.6	10.9
<b>Maturity of 1–2 years</b>															
Amount	245.4	234.4	244.6	252.4	248.6	190.9	202.0	214.6	231.7	265.1	275.6	283.4	291.1	292.2	335.1
% <sup>1</sup>	4.7	4.4	4.4	4.5	4.4	3.4	3.7	3.9	4.2	4.9	5.1	5.2	5.4	5.6	6.2
<b>Maturity of over 2 years</b>															
Amount	193.3	185.3	203.1	220.6	225.9	235.1	241.0	264.3	275.5	252.5	255.1	255.8	257.2	261.7	258.3
% <sup>1</sup>	3.7	3.5	3.6	4.0	4.0	4.2	4.4	4.8	5.0	4.7	4.7	4.7	4.8	5.0	4.7
<b>Deposits redeemable at notice</b>															
<b>Up to 3 months</b>															
Amount	234.9	249.5	241.2	249.6	242.8	247.0	240.9	238.1	235.1	225.5	223.4	222.1	220.6	216.9	213.8
% <sup>1</sup>	4.5	4.7	4.3	4.5	4.3	4.4	4.4	4.3	4.3	4.2	4.1	4.1	4.1	4.2	3.9
<b>Over 3 months</b>															
Amount	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0
% <sup>1</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Repos</b>															
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% <sup>1</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total deposits</b>	<b>5 262.5</b>	<b>5 353.7</b>	<b>5 582.7</b>	<b>5 549.0</b>	<b>5 587.5</b>	<b>5 542.6</b>	<b>5 455.3</b>	<b>5 554.6</b>	<b>5 495.7</b>	<b>5 393.0</b>	<b>5 446.5</b>	<b>5 421.6</b>	<b>5 354.0</b>	<b>5 194.0</b>	<b>5 446.1</b>

<sup>1</sup> As percent of total deposits of resident financial institutions, non-financial corporations and households.

**14.a DEPOSITS BY FINANCIAL INSTITUTIONS (IN LATS AND FOREIGN CURRENCIES)**

(at end of period; in millions of lats)

Insurance corporations and pension funds									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2010									
X	88.2	223.4	39.5	40.8	0.5	0	0	392.3	300.0
XI	78.9	219.4	43.8	35.1	0.4	0	0	377.7	292.5
XII	84.3	204.7	48.0	40.1	0.4	0	0	377.5	293.7
2011									
I	87.9	175.8	48.9	35.2	0.5	0	0	348.4	278.7
II	94.2	166.5	46.9	35.4	0.5	0	0	343.6	262.7
III	74.3	152.0	47.2	37.8	0.5	0	0	311.8	235.8
IV	69.2	138.2	45.9	37.2	0.5	0	0	291.0	212.9
V	76.3	124.3	49.4	35.7	0.4	0	0	286.2	204.5
VI	79.1	133.1	51.6	47.0	0.5	0	0	311.3	227.8
VII	75.5	120.5	55.1	46.1	0.5	0	0	297.8	213.1
VIII	83.6	112.8	54.7	46.1	1.0	0	0	298.2	193.4
IX	91.1	97.3	49.1	45.5	0.8	0	0	283.8	181.6
X	88.0	86.6	48.7	45.7	0.6	0	0	269.7	178.6
XI	107.4	69.8	47.4	48.6	0.8	0	0	274.1	174.0
XII	106.1	78.9	47.5	44.8	0.8	0	0	278.2	150.2
OFIs and financial auxiliaries									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2010									
X	61.2	89.1	11.4	31.5	8.8	0	0	201.9	103.3
XI	62.2	88.0	10.4	33.0	7.9	0	0	201.5	100.3
XII	67.7	97.6	10.4	34.4	8.5	0	0	218.6	103.4
2011									
I	85.0	98.6	7.5	58.8	8.6	0	0	258.5	129.7
II	72.8	104.0	6.2	59.7	7.2	0	0	249.8	107.9
III	79.7	99.9	5.1	60.8	7.2	0	0	252.7	105.3
IV	59.4	89.1	5.3	61.6	8.5	0	0	223.9	82.9
V	56.7	91.4	5.1	63.6	8.4	0	0	225.3	78.6
VI	49.8	96.4	4.8	56.1	7.9	0	0	215.1	63.8
VII	41.9	90.0	11.1	57.1	7.9	0	0	208.2	57.5
VIII	45.9	88.9	11.1	58.3	8.6	0	0	212.8	56.3
IX	51.4	90.5	12.3	59.1	8.2	0	0	221.5	56.6
X	55.2	32.5	12.3	60.7	8.1	0	0	168.8	57.5
XI	57.9	23.9	12.3	60.9	8.1	0	0	163.2	54.6
XII	45.4	28.0	12.3	61.6	9.8	0	0	157.1	51.0



**14.b DEPOSITS BY NON-FINANCIAL CORPORATIONS (IN LATS AND FOREIGN CURRENCIES)**

(at end of period; in millions of lats)

Public non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2010									
X	93.1	262.9	0.9	1.5	1.6	0	0	360.1	299.0
XI	93.6	269.8	0.9	1.5	1.6	0	0	367.5	282.9
XII	100.1	255.1	0.9	0.5	1.4	0	0	358.0	243.5
2011									
I	123.0	260.4	2.3	0.5	1.4	0	0	387.6	267.8
II	147.2	253.5	2.1	0.5	1.4	0	0	404.7	286.5
III	112.3	282.4	2.3	0.5	1.2	0	0	398.8	274.2
IV	131.7	275.5	2.3	0.5	1.2	0	0	411.2	291.9
V	115.4	293.3	2.0	0.5	1.5	0	0	412.7	294.0
VI	118.4	215.4	6.2	0.5	1.3	0	0	341.9	234.8
VII	113.8	206.0	8.2	0.5	1.3	0	0	329.8	240.3
VIII	120.8	223.6	8.1	0.5	1.0	0	0	354.0	257.6
IX	116.7	213.2	8.1	0.5	1.1	0	0	339.7	249.1
X	143.2	193.2	8.4	0.5	1.2	0	0	346.5	257.8
XI	188.9	134.2	12.9	0.5	1.1	0	0	337.6	253.4
XII	191.1	130.8	17.3	0.5	1.0	0	0	340.8	254.8
Private non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2010									
X	1 028.8	342.3	28.3	17.5	25.4	0	0	1 442.3	745.1
XI	1 061.8	390.0	24.9	14.8	32.9	0	0	1 524.4	783.9
XII	1 195.1	415.1	25.7	17.1	29.7	0	0	1 682.7	880.4
2011									
I	1 168.5	395.8	24.3	17.3	34.8	0	0	1 640.7	814.8
II	1 178.5	403.1	26.6	18.2	32.2	0	0	1 658.5	801.0
III	1 115.9	468.5	23.2	18.5	31.1	0	0	1 657.3	803.6
IV	1 111.2	425.0	23.0	19.5	27.2	0	0	1 605.8	780.6
V	1 165.3	448.2	25.1	21.2	26.9	0	0	1 686.7	857.4
VI	1 217.1	388.8	26.3	23.4	26.8	0	0	1 682.3	848.6
VII	1 197.1	365.5	36.3	22.1	29.1	0	0	1 650.1	813.4
VIII	1 275.5	311.5	37.8	22.0	25.6	0	0	1 672.3	829.2
IX	1 239.5	313.2	36.5	21.9	23.7	0	0	1 634.9	823.2
X	1 244.5	315.7	38.5	20.2	22.2	0	0	1 641.0	834.5
XI	1 305.4	331.2	36.7	24.6	20.8	0	0	1 718.6	821.0
XII	1 323.8	340.7	36.5	20.6	18.6	0	0	1 740.3	893.9

#### 14.c DEPOSITS BY HOUSEHOLDS (IN LATS AND FOREIGN CURRENCIES)

(at end of period; in millions of lats)

	Households									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats	
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2010										
X	1 236.0	1 164.0	165.4	102.0	198.6	0	0	2 866.0	1 197.8	
XI	1 257.1	1 163.7	154.3	100.8	206.7	0	0	2 882.6	1 210.3	
XII	1 334.9	1 139.2	159.5	111.0	201.1	0	0	2 945.8	1 253.8	
2011										
I	1 298.9	1 132.3	169.4	108.8	204.3	0.1	0	2 913.8	1 226.3	
II	1 324.3	1 126.2	166.8	112.0	201.6	0.1	0	2 930.9	1 245.4	
III	1 320.8	1 163.7	113.0	117.5	206.9	0.1	0	2 922.0	1 230.5	
IV	1 336.4	1 135.7	125.5	122.2	203.5	0.1	0	2 923.4	1 236.0	
V	1 350.0	1 116.6	133.0	143.1	200.9	0.1	0	2 943.7	1 226.1	
VI	1 358.6	1 096.6	142.9	148.5	198.7	0.1	0	2 945.2	1 214.0	
VII	1 344.9	1 094.6	154.3	126.6	186.7	0.1	0	2 907.1	1 194.4	
VIII	1 329.2	1 100.5	164.0	128.2	187.2	0.1	0	2 909.1	1 182.3	
IX	1 340.5	1 107.0	177.2	128.8	188.3	0.1	0	2 941.8	1 196.0	
X	1 335.7	1 090.5	183.2	130.1	188.4	0	0	2 928.0	1 196.2	
XI	1 295.2	909.2	182.9	127.1	186.1	0	0	2 700.6	1 113.8	
XII	1 442.7	951.2	221.5	130.8	183.5	0	0	2 929.8	1 278.1	

#### 14.d DEPOSITS BY GOVERNMENT AND NON-RESIDENTS (IN LATS AND FOREIGN CURRENCIES)

(at end of period; in millions of lats)

	General government				Non-residents					In lats
	Central government	Local government	In lats	MFIs	Non-MFIs					
					General government	Other				
2010										
X	722.2	204.6	926.8	214.0	6 494.6	3 672.1	2.4	3 669.7	10 166.7	180.1
XI	721.6	218.4	940.1	225.6	6 432.2	3 848.3	2.4	3 845.9	10 280.5	214.8
XII	711.8	202.0	913.7	206.8	6 458.6	4 213.5	1.5	4 212.0	10 672.1	196.6
2011										
I	683.5	206.2	889.7	210.5	6 320.4	3 971.8	3.6	3 968.2	10 292.3	142.5
II	684.6	211.4	896.0	214.4	6 030.0	3 976.0	2.4	3 973.6	10 006.0	170.1
III	674.5	231.9	906.4	229.6	5 965.3	3 962.9	5.7	3 957.2	9 928.2	160.2
IV	678.7	241.7	920.3	245.1	5 872.2	3 994.7	2.8	3 991.9	9 867.0	161.2
V	679.4	256.1	935.6	259.2	5 707.9	4 106.8	2.1	4 104.7	9 814.7	182.4
VI	676.9	245.3	922.2	252.1	5 481.7	4 200.6	2.4	4 198.1	9 682.3	142.5
VII	672.1	246.6	918.6	248.7	5 406.2	4 212.8	2.4	4 210.4	9 618.9	157.0
VIII	673.6	263.9	937.5	295.4	5 221.4	4 489.5	2.5	4 487.1	9 710.9	138.3
IX	643.6	256.3	899.9	289.5	5 143.2	4 574.5	2.7	4 571.8	9 717.8	176.7
X	642.7	253.4	896.0	283.7	5 159.3	4 615.6	2.1	4 613.5	9 774.8	168.0
XI	652.7	246.8	899.4	284.8	4 849.3	4 738.4	2.4	4 736.0	9 587.8	166.3
XII	219.9	191.9	411.8	252.8	4 685.2	4 919.2	10.4	4 908.8	9 604.3	145.6

**15. MATURITY PROFILE OF LOANS TO RESIDENT FINANCIAL INSTITUTIONS, NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS (IN LATS AND FOREIGN CURRENCIES)**

(at end of period; in millions of lats)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Short-term</b>															
Amount	2 220.0	2 142.2	2 059.7	2 063.5	2 055.1	1 999.0	1 995.5	1 990.4	2 007.2	1 987.1	1 996.3	2 000.2	2 037.2	2 062.8	1 936.3
% <sup>1</sup>	17.5	17.0	16.6	16.7	16.8	16.6	16.7	16.7	17.0	16.9	17.0	17.0	17.4	17.7	17.1
<b>Maturity of 1–5 years</b>															
Amount	2 496.6	2 501.4	2 345.8	2 316.1	2 228.6	2 175.0	2 146.3	2 159.9	2 047.4	1 972.1	1 982.4	1 969.2	1 956.0	1 897.1	1 823.7
% <sup>1</sup>	19.7	19.9	18.9	18.8	18.3	18.0	17.9	18.1	17.3	16.7	16.8	16.8	16.7	16.3	16.0
<b>Maturity of over 5 years</b>															
Amount	7 953.0	7 953.0	7 993.8	7 947.1	7 909.5	7 898.0	7 819.0	7 777.1	7 753.9	7 835.2	7 795.0	7 767.1	7 703.9	7 674.2	7 609.4
% <sup>1</sup>	62.8	63.1	64.5	64.5	64.9	65.4	65.4	65.2	65.7	66.4	66.2	66.2	65.9	66.0	66.9
Total loans	12 669.6	12 596.6	12 399.3	12 326.6	12 193.2	12 072.0	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4	11 697.0	11 634.2	11 369.4

<sup>1</sup> As percent of total loans to resident financial institutions, non-financial corporations and households.

**16.a LOANS TO FINANCIAL INSTITUTIONS AND NON-FINANCIAL CORPORATIONS**

(at end of period; in millions of lats)

	Insurance corporations and pension funds			OFIs and financial auxiliaries			Public non-financial corporations				Private non-financial corporations					
	Up to 1 year		In lats	Up to 1 year		In lats	Up to 1 year	1–5 years	Over 5 years		In lats	Up to 1 year	1–5 years	Over 5 years	In lats	
<b>2010</b>																
X	0.9	2.4	0.1	160.4	438.9	51.3	22.0	33.7	370.2	425.9	9.6	1 534.1	1 711.1	2 759.1	6 004.2	335.4
XI	1.1	2.5	0.2	153.0	426.6	50.5	21.6	33.0	396.3	450.9	9.0	1 474.4	1 722.3	2 748.8	5 945.5	337.2
XII	0	1.5	0	146.0	410.2	49.0	42.5	33.7	398.3	474.5	9.3	1 383.6	1 611.2	2 777.5	5 772.3	361.1
<b>2011</b>																
I	0.6	2.0	0	133.2	391.8	46.4	42.0	33.5	400.6	476.1	8.7	1 421.8	1 574.4	2 764.9	5 761.1	406.4
II	0.3	1.7	0.2	153.3	378.1	45.2	34.8	32.7	403.4	470.8	8.9	1 405.0	1 530.0	2 752.8	5 687.8	408.4
III	0	1.4	0	120.4	372.6	42.5	32.9	31.8	405.5	470.2	7.0	1 366.9	1 474.4	2 770.7	5 612.0	411.2
IV	0	1.4	0	120.0	339.3	41.5	35.6	51.0	385.6	472.2	7.0	1 356.3	1 474.6	2 741.5	5 572.4	418.4
V	0	1.4	0	124.4	331.7	39.9	26.4	65.1	382.5	474.0	11.9	1 356.4	1 495.1	2 718.6	5 570.0	470.5
VI	0.1	1.4	0	130.9	335.2	39.4	16.4	63.5	372.7	452.6	12.6	1 375.4	1 404.0	2 728.4	5 507.8	467.1
VII	0.4	1.2	0.3	120.5	323.8	36.2	13.9	42.6	393.9	450.4	11.6	1 386.6	1 367.4	2 789.7	5 543.7	479.9
VIII	0.5	1.3	0.5	116.8	317.0	37.5	13.7	41.6	394.3	449.6	10.2	1 395.7	1 378.9	2 776.7	5 551.3	521.7
IX	0.1	0.1	0.1	116.4	312.4	39.2	15.9	41.2	396.4	453.5	9.6	1 396.4	1 381.3	2 772.8	5 550.5	546.7
X	0.1	0.1	0.1	119.9	308.1	40.8	15.8	40.5	397.5	453.7	8.5	1 426.5	1 380.6	2 745.8	5 552.9	579.2
XI	0.1	0.1	0.1	142.7	302.1	43.4	9.7	39.6	394.0	443.3	9.8	1 427.7	1 366.4	2 741.8	5 535.9	634.0
XII	0.5	0.5	0.5	143.1	301.7	45.7	6.0	39.0	390.0	434.9	9.7	1 311.4	1 299.3	2 722.9	5 333.6	608.8

## 16.b LOANS TO HOUSEHOLDS

(at end of period; in millions of lats)

	Households													In lats
	Consumer credit				Lending for house purchase				Other lending					
	Up to 1 year	1–5 years	Over 5 years		Up to 1 year	1–5 years	Over 5 years		Up to 1 year	1–5 years	Over 5 years			
2010														
X	644.3	217.6	103.5	323.3	4 665.8	190.9	316.0	4 158.8	488.1	94.1	121.2	272.8	5 798.2	549.9
XI	638.3	212.4	102.5	323.5	4 647.8	188.6	315.5	4 143.8	485.0	91.2	122.2	271.6	5 771.1	543.8
XII	652.0	224.3	101.6	326.1	4 609.5	175.0	312.0	4 122.5	479.3	88.3	121.2	269.9	5 740.9	547.0
2011														
I	649.1	200.1	124.3	324.6	4 577.2	179.2	302.1	4 096.0	469.5	86.6	119.7	263.1	5 695.7	544.3
II	643.5	196.7	122.8	324.0	4 505.6	167.8	292.6	4 045.1	505.8	97.3	120.6	288.0	5 654.8	538.7
III	642.7	213.1	105.3	324.2	4 472.0	169.0	284.6	4 018.4	500.9	96.6	120.5	283.8	5 615.6	539.0
IV	636.9	210.3	104.6	322.0	4 443.1	172.1	276.9	3 994.1	495.3	101.0	112.6	281.7	5 575.4	536.3
V	636.7	209.6	104.7	322.4	4 419.5	172.7	268.1	3 978.7	493.9	100.8	113.4	279.7	5 550.2	537.3
VI	631.1	205.9	103.8	321.4	4 393.5	175.6	261.8	3 956.1	487.0	102.8	105.0	279.2	5 511.6	535.4
VII	627.8	192.8	106.0	329.0	4 362.0	174.0	244.0	3 944.0	485.6	98.9	103.6	283.0	5 475.4	528.0
VIII	628.7	194.1	106.6	327.9	4 339.3	177.3	242.7	3 919.3	486.4	98.1	106.4	281.9	5 454.4	531.9
IX	628.3	192.4	107.2	328.7	4 308.6	179.4	235.0	3 894.2	482.9	99.7	99.9	283.4	5 419.9	534.5
X	625.9	191.4	106.8	327.7	4 280.7	186.2	231.2	3 863.3	475.6	97.4	93.6	284.6	5 382.2	537.3
XI	624.9	192.0	105.3	327.6	4 256.8	196.4	218.6	3 841.8	471.1	94.3	91.8	285.0	5 352.9	539.9
XII	610.9	181.4	103.8	325.6	4 210.3	192.5	213.2	3 804.6	477.5	101.4	93.6	282.6	5 298.7	529.3

## 16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; in millions of lats)

	General government				Non-residents						In lats
	Central government	Local government	In lats		MFIs	Non-MFIs			In lats		
						General government	Other				
2010											
X	3.1	62.9	66.0	2.4	2 247.1	1 401.4	0.3	1 401.1	3 648.5	239.0	
XI	3.1	62.5	65.6	2.1	2 420.0	1 435.0	0.3	1 434.6	3 855.0	228.8	
XII	3.0	61.5	64.6	1.7	2 952.8	1 456.3	0.1	1 456.2	4 409.1	237.6	
2011											
I	3.0	62.7	65.7	1.7	2 848.7	1 397.3	0.1	1 397.2	4 246.0	254.9	
II	3.0	61.8	64.9	1.6	2 641.8	1 394.5	0.1	1 394.4	4 036.3	249.2	
III	3.0	60.2	63.2	1.5	2 624.6	1 382.3	0.1	1 382.2	4 006.9	248.9	
IV	3.1	60.0	63.1	2.2	2 676.7	1 351.3	0.1	1 351.3	4 028.1	265.9	
V	0	61.1	61.1	2.2	2 611.6	1 376.1	0.1	1 376.0	3 987.7	259.7	
VI	0	60.3	60.3	2.2	2 702.6	1 335.3	0.1	1 335.2	4 037.9	268.6	
VII	0	60.8	60.8	2.1	2 754.1	1 289.2	0.1	1 289.1	4 043.3	257.7	
VIII	0	63.2	63.2	2.3	2 758.8	1 262.8	0.1	1 262.7	4 021.6	256.0	
IX	0	62.6	62.6	2.6	2 712.8	1 321.8	0.1	1 321.7	4 034.6	263.5	
X	0	63.4	63.4	3.7	2 856.9	1 301.1	0.1	1 301.0	4 158.1	263.8	
XI	0	64.0	64.0	4.0	2 975.5	1 368.9	0.1	1 368.8	4 344.3	262.7	
XII	0	64.3	64.3	4.7	3 256.1	1 360.3	0	1 360.3	4 616.5	301.5	

## 17. LOANS TO FINANCIAL INSTITUTIONS AND NON-FINANCIAL CORPORATIONS IN THE NATIONAL ECONOMY

(at end of Q4 2011, in millions of lats; structure, %)

	With residual maturity of up to 1 year				With residual maturity of over 1 and up to 5 years				With residual maturity of over 5 years				Total loans			
	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%
<b>Total</b>	2 149.6	100.0	293.6	100.0	2 470.0	100.0	308.0	100.0	1 453.4	100.0	62.2	100.0	6 073.1	100.0	663.8	100.0
<b>A</b> Agriculture, forestry and fishing	123.8	5.8	21.4	7.3	139.2	5.6	32.8	10.7	64.8	4.5	16.8	27.0	327.8	5.4	71.0	10.7
<b>B</b> Mining and quarrying	16.9	0.8	4.8	1.6	8.2	0.3	0.6	0.2	6.3	0.4	0	0	31.3	0.5	5.4	0.8
<b>C</b> Manufacturing	318.7	14.8	51.3	17.5	332.1	13.5	14.5	4.7	179.9	12.4	5.3	8.5	830.7	13.7	71.1	10.7
<b>D</b> Electricity, gas, steam and air conditioning supply	36.9	1.7	2.3	0.8	203.1	8.2	9.1	3.0	59.4	4.1	5.8	9.3	299.3	4.9	17.2	2.6
<b>E</b> Water supply; sewerage, waste management and remediation activities	4.0	0.2	1.1	0.4	15.7	0.6	1.9	0.6	23.4	1.6	0.5	0.8	43.0	0.7	3.5	0.5
<b>F</b> Construction	187.9	8.7	14.2	4.8	146.2	5.9	7.3	2.4	217.9	15.0	2.0	3.2	552.0	9.1	23.5	3.5
<b>G</b> Wholesale and retail trade; repair of motor vehicles and motorcycles	332.7	15.5	67.7	23.1	198.1	8.0	45.7	14.8	131.0	9.0	4.0	6.4	661.8	10.9	117.4	17.7
<b>H</b> Transportation and storage	74.2	3.5	11.6	4.0	181.9	7.4	2.2	0.7	143.8	9.9	1.0	1.6	399.9	6.6	14.8	2.2
<b>I</b> Accommodation and food service activities	38.9	1.8	4.9	1.7	52.9	2.1	3.8	1.2	53.9	3.7	1.4	2.3	145.6	2.4	10.1	1.5
<b>J</b> Information and communication	15.2	0.7	11.3	3.8	18.4	0.8	2.5	0.8	15.8	1.1	0	0	49.5	0.8	13.8	2.1
<b>K</b> Financial and insurance activities	162.5	7.6	37.2	12.7	183.0	7.4	18.7	6.1	23.8	1.6	0.1	0.2	369.3	6.1	56.0	8.4
<b>L</b> Real estate activities	739.9	34.4	50.9	17.3	877.1	35.5	142.1	46.1	463.8	31.9	21.2	34.1	2 080.8	34.3	214.2	32.3
<b>M</b> Professional, scientific and technical activities	8.3	0.4	2.9	1.0	23.5	1.0	18.3	5.9	7.1	0.5	0.2	0.3	39.0	0.6	21.4	3.2
<b>N</b> Administrative and support service activities	33.3	1.5	3.9	1.3	22.9	0.9	1.5	0.5	13.9	0.9	0.2	0.3	70.0	1.2	5.6	0.9
<b>O</b> Public administration and defence; compulsory social security	0.3	0	0.1	0	0.5	0	0.1	0	0	0	0	0	0.9	0	0.2	0
<b>P</b> Education	2.2	0.1	0.2	0.1	2.0	0.1	0.1	0	0.8	0.1	0	0	5.1	0.1	0.3	0.1
<b>Q</b> Human health and social work activities	4.9	0.2	2.4	0.8	10.9	0.5	2.7	0.9	6.9	0.5	1.4	2.3	22.8	0.4	6.5	1.0
<b>R</b> Arts, entertainment and recreation	15.7	0.7	0.7	0.2	7.3	0.3	1.1	0.4	21.4	1.5	1.1	1.8	44.4	0.7	2.9	0.4
<b>S</b> Other service activities	33.4	1.6	4.7	1.6	46.9	1.9	3.0	1.0	19.5	1.3	1.2	1.9	99.8	1.6	8.9	1.4

## 18. LENDING TO RESIDENT FINANCIAL INSTITUTIONS, NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS

(at end of period; in millions of lats)

	2010			2011			
	VI	IX	XII	III	VI	IX <sup>1</sup>	XII
Commercial credit	1 919.0	1 898.0	1 770.4	1 716.8	1 696.7	1 769.9	1 657.0
Industrial credit	2 194.5	2 170.8	2 112.0	2 108.4	2 053.4	2 057.5	2 019.4
Reverse repo	3.9	1.0	1.3	1.4	0.9	0.8	0.6
Financial leasing	11.2	13.4	14.0	17.9	17.4	22.0	23.5
Consumer credit	496.2	481.7	491.7	433.0	426.7	424.2	417.5
Mortgage loans	7 459.7	7 361.2	7 180.7	6 991.9	6 819.7	6 660.6	6 419.9
Factoring	0.5	0.4	0.4	0.5	0.6	1.5	2.3
Other credit	908.3	875.2	822.9	797.9	782.9	787.7	818.3
<b>Total loans</b>	<b>12 993.2</b>	<b>12 801.7</b>	<b>12 393.5</b>	<b>12 067.8</b>	<b>11 798.2</b>	<b>11 724.1</b>	<b>11 358.5</b>

<sup>1</sup> Data have been revised.

## 19.a HOLDINGS OF SECURITIES OTHER THAN SHARES

(at end of period; in millions of lats)

	Securities other than shares								In lats	
	MFIs		General government		Other residents		Non-residents			
		incl. long-term		incl. long-term		incl. long-term		incl. long-term		
2010										
X	21.6	21.6	452.8	283.7	0.1	0.1	746.8	612.0	1 221.2	453.0
XI	21.7	21.7	464.7	282.7	0.1	0.1	799.4	643.5	1 285.8	465.8
XII	21.5	21.5	499.2	282.5	0.1	0.1	839.5	714.5	1 360.4	492.1
2011										
I	20.5	20.5	498.5	286.4	0.1	0.1	902.1	775.1	1 421.1	486.6
II	19.0	19.0	493.9	287.9	0.1	0.1	926.9	760.6	1 439.8	479.9
III	18.9	18.9	509.3	289.4	0.1	0.1	975.4	877.9	1 503.7	495.3
IV	18.1	18.1	531.9	289.1	0.1	0.1	956.6	839.9	1 506.6	518.1
V	15.4	15.4	514.4	291.0	0.1	0.1	986.5	870.2	1 516.5	500.3
VI	15.4	15.4	513.4	302.3	0.1	0.1	940.0	852.6	1 468.8	493.8
VII	15.4	15.4	533.0	317.7	0.1	0.1	808.0	780.0	1 356.5	511.3
VIII	15.0	15.0	548.6	334.1	0.1	0.1	959.1	889.7	1 522.7	525.2
IX	15.1	15.1	537.1	342.0	0.2	0.2	1 063.0	986.7	1 615.4	512.7
X	13.7	13.7	546.7	344.7	0.2	0.2	1 020.1	951.3	1 580.8	520.7
XI	13.2	13.2	476.0	289.5	0.2	0.2	1 050.8	997.5	1 540.2	455.6
XII	11.5	11.5	420.8	287.8	0.2	0.2	1 050.9	1 020.0	1 483.4	402.0

## 19.b HOLDINGS OF SHARES AND OTHER EQUITY

(at end of period; in millions of lats)

	Shares and other equity					In lats		
	MFIs		Other residents		Non-residents			
2010								
X		0.4		219.4		112.8	332.6	208.8
XI		0.4		225.7		110.2	336.3	208.8
XII		0.4		246.5		106.8	353.7	222.7
2011								
I		0.4		248.4		103.3	352.1	219.2
II		0.4		250.4		105.0	355.8	223.0
III		0.4		255.9		105.1	361.4	228.1
IV		0.4		256.5		105.3	362.2	231.4
V		0.4		258.2		94.5	353.1	221.9
VI		0.4		257.4		98.6	356.3	221.4
VII		0.4		263.8		106.7	370.9	222.9
VIII		0.4		303.9		104.2	408.5	223.1
IX		0.4		302.6		104.2	407.1	221.1
X		0.4		303.9		103.8	408.1	223.1
XI		0.4		310.4		104.7	415.4	223.2
XII		0.4		339.6		105.0	444.9	238.6

## 20.a CURRENCY BREAKDOWN OF RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
<b>2010</b>										
X	261.7	42.8	57.2	50.0	7.1	6 189.3	46.2	53.8	47.8	5.1
XI	258.5	36.9	63.1	53.2	9.7	6 293.8	46.0	54.0	48.0	5.2
XII	285.6	36.0	64.0	46.7	16.8	6 496.4	45.9	54.1	48.2	5.1
<b>2011</b>										
I	313.5	23.0	77.0	60.3	16.6	6 438.6	45.5	54.5	48.5	5.3
II	372.7	13.7	86.3	67.9	18.3	6 483.5	45.0	55.0	49.1	5.2
III	377.3	19.2	80.8	72.4	7.9	6 449.0	44.6	55.4	49.3	5.3
IV	481.7	24.5	75.5	64.8	10.7	6 375.6	44.7	55.3	49.5	5.0
V	235.8	34.7	65.3	46.1	19.1	6 490.1	45.0	55.0	49.1	5.1
VI	222.5	22.7	77.3	58.2	18.9	6 417.9	44.3	55.7	49.6	5.3
VII	277.4	35.1	64.9	46.7	18.0	6 311.6	43.9	56.1	49.6	5.6
VIII	271.4	30.1	69.9	56.4	12.5	6 384.0	44.1	55.9	49.3	5.3
IX	262.6	42.1	57.9	45.0	9.7	6 321.5	44.2	55.8	49.2	5.5
X	263.1	43.0	57.0	43.7	10.8	6 250.0	44.9	55.1	48.6	5.5
XI	281.2	36.8	63.2	55.4	5.6	6 093.5	44.3	55.7	48.4	6.1
XII	339.4	43.0	57.0	35.2	20.0	5 857.9	49.2	50.8	42.9	6.5

## 20.b CURRENCY BREAKDOWN OF NON-RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
<b>2010</b>										
X	6 494.6	1.8	98.2	94.6	1.4	3 672.1	1.7	98.3	36.3	57.5
XI	6 432.2	2.3	97.7	94.3	1.4	3 848.3	1.8	98.2	36.8	56.4
XII	6 458.6	2.0	98.0	94.3	1.4	4 213.5	1.6	98.4	33.2	61.2
<b>2011</b>										
I	6 320.4	1.2	98.8	95.7	1.2	3 971.8	1.7	98.3	34.9	59.3
II	6 030.0	1.9	98.1	94.7	1.5	3 976.0	1.4	98.6	34.5	60.1
III	5 965.3	1.9	98.1	94.1	2.0	3 962.9	1.3	98.7	35.0	59.6
IV	5 872.2	2.0	98.0	93.4	1.9	3 994.7	1.1	98.9	36.1	58.6
V	5 707.9	2.5	97.5	92.5	2.3	4 106.8	1.0	99.0	33.9	60.7
VI	5 481.7	1.8	98.2	92.5	2.0	4 200.6	1.1	98.9	34.0	60.5
VII	5 406.2	1.9	98.1	92.3	2.0	4 212.8	1.3	98.7	35.5	57.7
VIII	5 221.4	1.5	98.5	92.4	2.0	4 489.5	1.4	98.6	32.9	47.7
IX	5 143.2	2.5	97.5	91.1	2.5	4 574.5	1.0	99.0	33.6	59.8
X	5 159.3	2.3	97.7	91.0	2.6	4 615.6	1.1	98.9	32.7	61.4
XI	4 849.3	2.4	97.6	91.1	2.3	4 738.4	1.0	99.0	31.8	61.6
XII	4 685.2	1.9	98.1	91.3	2.4	4 919.2	1.2	98.8	30.5	61.5

## 20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies			incl. USD
				incl. EUR		
2010						
X	12 735.6	7.5	92.5	89.6		2.2
XI	12 662.2	7.4	92.6	89.6		2.1
XII	12 463.9	7.8	92.2	89.4		2.0
2011						
I	12 392.4	8.1	91.9	89.1		1.9
II	12 258.1	8.2	91.8	89.1		1.8
III	12 135.2	8.3	91.7	89.1		1.8
IV	12 023.8	8.4	91.6	88.8		1.7
V	11 988.5	8.9	91.1	88.1		1.8
VI	11 868.9	8.9	91.1	87.6		1.8
VII	11 855.3	8.9	91.1	87.6		1.8
VIII	11 836.8	9.3	90.7	87.2		1.8
IX	11 799.0	9.6	90.4	86.8		1.9
X	11 760.4	9.9	90.1	86.4		1.9
XI	11 698.1	10.5	89.5	85.8		2.0
XII	11 433.6	10.5	89.5	85.8		2.0

## 20.d CURRENCY BREAKDOWN OF LOANS TO NON-RESIDENTS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2010										
X	2 247.1	9.7	90.3	37.5	45.8	1 401.4	1.5	98.5	45.5	50.9
XI	2 420.0	8.6	91.4	36.4	48.6	1 435.0	1.5	98.5	43.9	52.4
XII	2 952.8	7.3	92.7	40.7	47.1	1 456.3	1.5	98.5	42.0	54.3
2011										
I	2 848.7	8.2	91.8	39.6	46.3	1 397.3	1.5	98.5	43.8	52.3
II	2 641.8	8.6	91.4	40.0	45.7	1 394.5	1.6	98.4	43.9	51.9
III	2 624.6	8.5	91.5	36.4	48.9	1 382.3	1.9	98.1	43.8	51.7
IV	2 676.7	9.1	90.9	36.3	48.6	1 351.3	1.6	98.4	44.8	50.9
V	2 611.6	9.1	90.9	31.9	52.4	1 376.1	1.7	98.3	44.1	51.5
VI	2 763.5	9.0	91.0	29.6	52.8	1 335.3	1.6	98.4	45.2	50.6
VII	2 754.1	8.6	91.4	27.3	57.0	1 289.2	1.6	98.4	47.2	48.0
VIII	2 758.8	8.5	91.5	25.8	55.9	1 262.8	1.6	98.4	46.7	48.3
IX	2 712.8	8.9	91.1	28.4	54.8	1 321.8	1.6	98.4	44.4	50.2
X	2 856.9	8.5	91.5	26.7	58.2	1 301.1	1.6	98.4	45.1	49.1
XI	2 975.5	8.1	91.9	30.3	54.1	1 368.9	1.6	98.4	42.4	51.9
XII	3 256.1	8.6	91.4	31.8	49.8	1 360.3	1.6	98.4	40.7	53.4



## 20.e CURRENCY BREAKDOWN OF HOLDINGS OF RESIDENT SECURITIES OTHER THAN SHARES

(at end of period)

	MFIs					Non-MFIs					
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies				In lats	In foreign currencies			
			incl. EUR	incl. USD				incl. EUR	incl. USD		
<b>2010</b>											
X	21.6	22.5	77.5	74.1	3.4	452.9	97.7	2.3	2.3	0	
XI	21.7	22.7	77.3	74.4	2.9	464.7	97.5	2.5	2.5	0	
XII	21.5	22.8	77.2	74.3	2.9	499.3	97.6	2.4	2.4	0	
<b>2011</b>											
I	20.5	19.7	80.3	77.4	2.9	498.5	96.8	3.2	3.2	0	
II	19.0	20.8	79.2	75.3	3.9	493.9	96.4	3.6	3.6	0	
III	18.9	21.0	79.0	75.1	3.9	509.4	96.5	3.5	3.5	0	
IV	18.1	22.0	78.0	74.2	3.8	531.9	96.6	3.4	3.4	0	
V	15.4	25.9	74.1	69.4	4.7	514.5	96.5	3.5	3.5	0	
VI	15.4	25.9	74.1	69.4	4.7	513.4	95.4	4.6	3.8	0.8	
VII	15.4	25.9	74.1	69.4	4.7	533.0	95.2	4.8	3.7	1.1	
VIII	15.0	24.7	75.3	70.8	0	548.6	95.2	4.8	3.6	1.2	
IX	15.1	25.8	74.2	74.2	0	537.3	94.7	5.3	3.7	1.6	
X	13.7	28.5	71.5	71.5	0	546.9	94.5	5.5	3.8	1.7	
XI	13.2	29.3	70.7	70.7	0	476.2	94.9	5.1	3.0	2.1	
XII	11.5	33.9	66.1	66.1	0	421.0	94.5	5.5	3.0	2.5	

## 20.f CURRENCY BREAKDOWN OF HOLDINGS OF NON-RESIDENT SECURITIES OTHER THAN SHARES

(at end of period)

	MFIs					Non-MFIs					
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies				In lats	In foreign currencies			
			incl. EUR	incl. USD				incl. EUR	incl. USD		
<b>2010</b>											
X	298.7	1.9	98.1	46.7	49.4	448.1	0	100.0	35.9	60.1	
XI	293.5	2.7	97.3	46.8	48.6	505.9	0	100.0	39.6	56.9	
XII	299.9	0	100.0	46.2	51.8	539.6	0	100.0	32.3	63.4	
<b>2011</b>											
I	328.0	0	100.0	43.6	54.4	574.0	0	100.0	30.4	65.5	
II	296.0	0	100.0	45.1	52.7	630.9	0	100.0	28.2	66.9	
III	308.6	0	100.0	45.8	51.8	666.7	0	100.0	36.9	58.1	
IV	296.5	0	100.0	49.3	48.1	660.1	0	100.0	34.2	61.2	
V	292.1	0	100.0	43.6	53.7	694.4	0	100.0	37.2	58.8	
VI	239.2	0	100.0	35.4	61.2	700.8	0	100.0	37.7	58.2	
VII	251.2	0	100.0	28.7	68.0	556.8	0	100.0	47.2	47.8	
VIII	284.5	0	100.0	28.1	69.8	674.6	0	100.0	37.8	56.6	
IX	292.2	0	100.0	27.6	70.4	770.8	0	100.0	36.6	59.8	
X	303.7	0	100.0	27.7	69.0	716.5	0	100.0	34.4	62.3	
XI	305.6	0	100.0	26.7	71.2	745.2	0	100.0	35.8	60.8	
XII	383.4	0	100.0	32.7	65.2	667.4	0	100.0	30.2	65.8	

## 20.g CURRENCY BREAKDOWN OF DEBT SECURITIES ISSUED BY MFIs

(at end of period)

	Outstanding amount (all currencies; in millions of lats)	Structure (%)	
		In lats	In foreign currencies
<b>2010</b>			
X	193.8	6.3	93.7
XI	175.4	7.0	93.0
XII	175.9	7.0	93.0
<b>2011</b>			
I	173.1	5.8	94.2
II	161.4	6.2	93.8
III	161.2	6.2	93.8
IV	160.4	6.2	93.8
V	95.3	10.5	89.5
VI	95.2	10.5	89.5
VII	95.2	10.5	89.5
VIII	91.0	9.7	90.3
IX	91.8	9.7	90.3
X	87.8	10.1	89.9
XI	88.6	10.0	90.0
XII	543.0	3.2	96.8

## 21.a WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN LATS

(%)

1. Interest rates on deposits (new business)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Deposits from households															
Overnight <sup>1</sup>	0.55	0.46	0.28	0.28	0.25	0.26	0.27	0.23	0.23	0.21	0.20	0.22	0.22	0.29	0.31
With agreed maturity															
Up to 1 year	1.89	1.58	1.87	1.90	1.09	0.43	0.56	0.50	0.68	0.80	0.63	0.51	0.61	1.52	1.84
Over 1 and up to 2 years	4.30	4.07	3.94	3.97	3.80	3.33	2.99	3.00	3.03	2.87	2.99	3.37	3.44	3.43	2.81
Over 2 years	4.65	4.46	4.38	4.00	3.21	3.69	2.78	2.37	4.04	3.46	3.30	4.14	4.98	4.83	3.87
Redeemable at notice <sup>2</sup>															
Up to 3 months	1.56	1.27	1.41	1.34	1.40	0.39	0.39	0.40	0.38	0.38	0.37	0.37	0.37	0.27	0.28
Over 3 months	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Deposits from non-financial corporations															
Overnight <sup>1</sup>	0.25	0.21	0.16	0.14	0.15	0.13	0.18	0.12	0.12	0.10	0.10	0.10	0.11	0.14	0.12
With agreed maturity															
Up to 1 year	0.58	0.44	0.36	0.29	0.26	0.44	0.26	0.35	0.30	0.32	0.48	0.38	0.43	0.42	0.31
Over 1 and up to 2 years	3.50	2.84	3.65	2.22	1.18	2.62	1.20	2.79	2.44	2.66	2.89	1.93	2.08	x	2.48
Over 2 years	1.43	4.73	3.78	3.29	2.16	x	1.45	1.58	2.29	2.11	1.23	1.35	2.05	1.00	2.60
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> End-of-period.

<sup>2</sup> For this instrument category, households and non-financial corporations are merged and allocated to the household sector.

**21.a** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN LATS (CONT.)

(%)

2. Interest rates on deposits (outstanding amounts)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Households</b>															
Overnight <sup>1</sup>	0.55	0.46	0.28	0.28	0.25	0.26	0.27	0.23	0.23	0.21	0.20	0.22	0.22	0.29	0.31
With agreed maturity															
Up to 2 years	6.33	5.90	4.57	3.87	3.52	3.28	3.09	3.04	2.92	2.73	2.60	2.51	2.47	2.34	2.21
Over 2 years	5.68	5.58	5.50	5.46	5.43	5.40	5.29	4.86	4.84	5.22	5.19	5.17	5.15	5.15	5.02
Redeemable at notice <sup>2</sup>															
Up to 3 months	1.56	1.27	1.41	1.34	1.40	0.39	0.39	0.40	0.38	0.38	0.37	0.37	0.37	0.27	0.28
Over 3 months	3.51	3.50	2.92	2.49	2.49	2.06	2.11	2.11	2.11	2.13	2.20	2.20	2.16	x	x
<b>Non-financial corporations</b>															
Overnight <sup>1</sup>	0.25	0.21	0.16	0.14	0.15	0.13	0.18	0.12	0.12	0.10	0.10	0.10	0.11	0.14	0.12
With agreed maturity															
Up to 2 years	3.20	2.92	2.46	2.32	2.23	1.52	1.50	1.22	1.44	1.59	1.72	1.71	1.74	1.58	1.66
Over 2 years	4.46	4.80	4.51	4.47	4.14	3.95	3.99	3.95	3.89	3.78	3.72	3.68	3.62	3.53	3.42
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

<sup>1</sup> End-of-period.

<sup>2</sup> For this instrument category, households and non-financial corporations are merged and allocated to the household sector.

**21.a** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN LATS (CONT.)

(%)

3. Interest rates on loans to households (new business)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	21.77	21.67	21.48	23.97	23.96	23.69	23.70	23.63	22.87	22.84	22.79	22.76	22.77	22.60	23.01
Extended credit card credit <sup>1</sup>	20.46	20.62	20.59	20.46	20.41	20.41	20.39	20.34	24.04	24.05	23.98	23.97	24.09	24.15	24.18
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	6.59	4.12	4.49	4.94	4.26	5.46	4.51	4.34	4.10	3.69	3.51	3.17	3.10	3.25	4.53
of wich with collateral or guarantees	5.97	3.84	4.41	4.84	4.17	5.42	4.48	4.33	3.93	3.64	3.55	3.16	3.03	3.24	4.46
Over 1 and up to 5 years	x	x	x	8.00	7.90	7.19	5.55	6.72	7.82	7.98	8.46	6.16	6.72	9.57	7.95
of wich with collateral or guarantees	x	x	x	x	7.83	x	x	x	7.70	7.91	7.62	5.71	5.94	7.29	6.27
Over 5 and up to 10 years	x	–	–	x	3.27	x	x	x	x	x	x	x	5.08	x	x
of wich with collateral or guarantees	x	–	–	x	3.27	x	x	x	x	x	x	x	5.08	x	x
Over 10 years	–	–	–	–	–	x	x	x	x	x	x	x	x	x	x
of wich with collateral or guarantees	–	–	–	–	–	x	x	x	x	x	x	x	x	x	x
Annual percentage rate of charge <sup>2</sup>	7.22	4.93	5.81	6.02	5.83	5.86	4.95	4.73	4.46	4.18	4.08	3.78	3.59	3.69	4.88
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	22.90	21.77	22.81	23.09	23.50	23.92	22.45	22.53	20.24	19.03	17.62	15.70	15.76	17.16	20.07
of wich with collateral or guarantees	22.04	19.45	21.52	21.91	22.88	23.91	6.43	20.77	4.60	4.59	4.61	4.47	3.62	3.90	5.39
Over 1 year	19.97	17.37	15.89	19.05	19.73	19.79	19.03	18.80	17.75	17.63	17.36	16.00	14.09	13.41	12.18
of wich with collateral or guarantees	15.70	14.95	16.81	13.81	16.11	17.39	17.73	17.30	9.27	8.40	7.86	7.12	4.70	5.82	5.19
Annual percentage rate of charge <sup>2</sup>	23.10	22.10	21.59	22.40	22.92	24.38	22.38	22.25	21.87	20.67	22.01	21.69	21.98	22.27	22.01
Other lending by initial rate fixation															
Floating rate and up to 1 year	4.38	8.73	8.08	8.12	5.30	4.76	4.63	6.19	5.03	5.19	5.64	6.34	4.72	4.87	6.03
Over 1 year	11.16	13.51	11.10	12.78	12.53	11.79	12.69	9.94	11.78	13.60	12.35	11.35	x	13.99	14.59

<sup>1</sup> End-of-period.

<sup>2</sup> The annual percentage rate of charge covers the total cost of a loan. The total cost comprises an interest rate component and a component of other (related) charges, such as the cost of inquiries, administration, preparation of documents, guarantees, etc.

**21.a** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN LATS (CONT.)

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	4.10	4.03	3.75	3.59	3.54	3.39	3.29	2.92	3.04	3.01	3.01	3.11	3.13	3.20	3.62
Extended credit card credit <sup>1</sup>	19.82	20.30	20.28	20.24	20.93	22.85	21.64	22.18	23.30	23.16	23.29	22.72	23.12	24.32	23.03
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	6.81	6.53	8.21	7.95	5.88	6.04	5.88	5.41	6.25	5.79	5.43	5.03	4.50	4.62	5.01
of wich with collateral or guarantees	6.86	6.29	8.34	7.61	5.82	6.14	5.68	5.39	6.16	5.70	5.22	5.23	4.86	4.99	5.20
Over 1 year	x	9.25	7.22	x	8.18	7.60	x	6.31	6.98	5.08	6.64	5.85	5.19 <sup>2</sup>	4.27	5.04
of wich with collateral or guarantees	x	x	7.19	x	8.38	7.60	x	6.31	7.04	5.06	6.52	5.74	5.06	4.24	5.00
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	5.51	5.34	x	5.50	4.04	5.26	4.88 <sup>2</sup>	3.95	4.22 <sup>2</sup>	4.35 <sup>2</sup>	4.24	3.82	4.33	4.65
of wich with collateral or guarantees	x	5.51	x	x	5.50	4.04	5.54	4.76	4.34	4.41	4.66	4.49	4.01	4.66	5.61
Over 1 year	x	–	x	–	–	x	–	–	x	x	x	3.81	x	–	x
of wich with collateral or guarantees	x	–	x	–	–	x	–	–	x	x	x	x	x	–	x
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	x	3.96	x	x	x	x	x	x	x	x	x	5.63	3.83	3.62
of wich with collateral or guarantees	x	x	4.92	x	x	–	x	x	x	x	x	x	5.52	3.84	3.69
Over 1 year	–	–	9.27	x	–	–	–	–	x	–	–	x	x	x	x
of wich with collateral or guarantees	–	–	x	x	–	–	–	–	x	–	–	x	x	x	x

<sup>1</sup> End-of-period.

<sup>2</sup> Data have been revised.

**21.a WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN LATS (CONT.)**

(%)

5. Interest rates on loans (outstanding amounts)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Loans to households</b>															
Lending for house purchase, with maturity															
Up to 1 year	6.93	8.61	7.75	8.23	8.34	7.08	6.93	5.49	1.84	5.13	5.13	5.38	5.00	4.99	5.25
Over 1 and up to 5 years	5.60	5.60	5.51	5.67	6.11	6.20	6.00	5.87	5.60	4.97	4.91	4.38	4.38	4.52	4.95
Over 5 years	5.68	5.54	5.45	5.37	5.32	5.27	5.13	5.12	4.93	4.75	4.61	4.48	4.39	4.36	4.50
Consumer credit and other loans, with maturity <sup>1</sup>															
Up to 1 year <sup>2</sup>	23.61	23.64	23.82	24.30	24.60	24.81	24.36	24.22	23.56	23.77	23.67	23.60	23.24	22.73	22.69
Over 1 and up to 5 years	20.71	20.77	20.80	21.08	21.12	19.42	19.92	20.35	19.56	19.23	19.25	18.97	18.88	18.69	18.62
Over 5 years	9.66	9.43	9.60	9.25	9.08	9.01	10.07	8.98	9.92	10.38	10.34	10.28	10.20	10.12	10.03
<b>Loans to non-financial corporations</b>															
With maturity <sup>1</sup>															
Up to 1 year <sup>2</sup>	4.85	4.61	4.48	4.06	3.98	4.25	4.06	3.70	3.88	3.77	3.67	3.76	3.77	3.89	4.29
Over 1 and up to 5 years	5.71	5.52	5.29	5.26	5.25	5.21	5.08	4.68	4.56	4.40	4.31	4.35	4.37	4.36	4.32
Over 5 years	4.63	4.36	4.41	4.51	4.55	4.45	4.43	4.29	4.34	4.37	4.38	4.33	4.32	4.41	4.52

<sup>1</sup> Including revolving loans, overdrafts, and extended and convenience credit card credit.

<sup>2</sup> Including bank overdraft.

**21.b WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN EURO**

(%)

1. Interest rates on deposits (new business)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Deposits from households</b>															
Overnight <sup>1</sup>	0.48	0.43	0.41	0.52	0.45	0.43	0.89	0.51	0.65	0.61	0.57	0.61	0.59	0.59	0.56
With agreed maturity															
Up to 1 year	1.65	1.56	2.14	1.87	1.62	1.52	1.53	1.56	1.82	1.73	1.68	1.68	1.76	1.74	1.86
Over 1 and up to 2 years	3.73	4.23	4.75	4.13	3.52	2.97	3.01	3.39	3.47	3.52	3.59	3.46	3.34	3.95	3.32
Over 2 years	4.59	3.16	5.01	4.76	3.89	3.10	2.77	8.75	3.69	3.50	3.15	4.01	3.06	3.66	5.10
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.97	0.84	0.86	0.78	0.79	0.60	0.62	0.66	0.71	0.77	1.03	1.22	0.84	0.73	0.71
Over 3 months	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
<b>Deposits from non-financial corporations</b>															
Overnight <sup>1</sup>	0.31	0.24	0.22	0.46	0.30	0.34	0.63	0.41	0.71	0.57	0.56	0.64	0.59	0.46	0.42
With agreed maturity															
Up to 1 year	0.92	0.79	0.87	0.99	0.84	0.87	1.13	1.04	1.23	1.14	1.22	1.16	1.14	0.95	0.78
Over 1 and up to 2 years	2.41	2.11	5.53	2.69	1.92	3.11	1.52	2.07	3.66	2.67	2.35	2.45	3.29	2.10	2.86
Over 2 years	2.26	4.00	x	1.22	x	1.94	1.28	2.08	x	4.30	2.35	4.02	x	6.91	3.65
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> End-of-period.

<sup>2</sup> For this instrument category, households and non-financial corporations are merged and allocated to the household sector.

**21.b** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN EURO (CONT.)

(%)

2. Interest rates on deposits (outstanding amounts)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Households</b>															
Overnight <sup>1</sup>	0.48	0.43	0.41	0.52	0.45	0.43	0.89	0.51	0.65	0.61	0.57	0.61	0.59	0.59	0.56
With agreed maturity															
Up to 2 years	3.41	3.34	3.09	2.93	2.78	2.86	2.82	2.79	2.78	2.73	2.68	2.64	2.64	2.53	2.53
Over 2 years	6.27	6.34	6.11	6.33	6.28	6.12	5.97	6.05	5.96	6.22	6.15	6.14	6.06	6.10	6.06
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.97	0.84	x	x	x	0.60	0.62	x	0.71	0.77	1.03	1.22	0.84	0.73	0.71
Over 3 months	4.01	4.00	3.56	2.86	2.86	2.51	2.66	2.66	2.64	2.62	2.60	2.43	2.39	x	x
<b>Non-financial corporations</b>															
Overnight <sup>1</sup>	0.31	0.24	0.22	0.46	0.30	0.34	0.63	0.41	0.71	0.57	0.56	0.64	0.59	0.46	0.42
With agreed maturity															
Up to 2 years	1.96	1.90	1.94	1.85	1.77	1.71	1.76	1.87	2.01	2.04	2.21	2.12	2.11	1.97	1.88
Over 2 years	6.90	7.05	5.99	5.93	5.81	5.78	5.50	5.12	4.92	5.08	5.12	5.17	5.16	5.75	5.18
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

<sup>1</sup> End-of-period.

<sup>2</sup> For this instrument category, households and non-financial corporations are merged and allocated to the household sector.

**21.b** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN EURO (CONT.)

(%)

3. Interest rates on loans to households (new business)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	4.68	4.65	4.71	5.79	5.69	5.69	5.63	5.66	5.57	5.72	5.75	5.79	5.68	5.56	6.07
Extended credit card credit <sup>1</sup>	29.26	31.78	31.58	31.14	31.32	30.78	31.08	31.04	30.61	30.95	31.05	30.60	30.69	30.62	30.75
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.58	3.60	3.79	3.70	4.03	3.80	3.83	3.85	3.90	3.96	4.03	3.87	3.89	3.84	3.99
of wich with collateral or guarantees	3.53	3.61	3.78	3.70	3.99	3.76	3.82	3.81	3.88	3.93	4.01	3.84	3.76	3.82	3.95
Over 1 and up to 5 years	6.48	6.69	6.39	6.66	6.41	5.59	6.48	6.46	6.05	5.48	6.15	5.59	5.28	6.35	5.35
of wich with collateral or guarantees	6.43	6.62	6.40	6.66	6.41	5.59	6.48	6.46	6.17	5.54	6.39	5.58	5.41	6.34	5.51
Over 5 and up to 10 years	x	5.75	x	x	3.88	5.80	6.28	x	6.42	5.09	5.09	6.34	6.50	6.07	4.35
of wich with collateral or guarantees	x	5.81	x	x	3.88	5.12	x	–	6.44	x	4.94	5.65	6.17	x	4.12
Over 10 years	6.11	5.36	x	x	x	x	2.37	–	5.51	5.34	x	x	5.13	4.73	x
of wich with collateral or guarantees	6.11	5.36	x	x	x	x	2.37	–	5.64	5.24	x	x	5.09	5.50	x
Annual percentage rate of charge <sup>2</sup>	3.91	3.95	4.15	3.99	4.28	4.02	4.09	4.01	4.11	4.15	4.24	4.10	4.10	4.13	4.19
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	15.50	14.71	16.77	16.11	14.30	17.33	17.69	17.11	9.45	8.26	8.84	7.76	7.81	8.13	10.99
of wich with collateral or guarantees	14.20	13.56	x	x	x	x	15.54	15.35	5.43	5.60	x	x	5.12	4.75	x
Over 1 year	21.31	16.04	17.91	29.80	35.12	33.16	30.00	27.69	22.62	23.32	23.77	23.78	22.91	21.55	20.91
of wich with collateral or guarantees	18.51	26.56	30.66	13.70	16.54	18.77	18.72	14.24	11.40	13.07	12.22	12.69	12.62	12.36	11.68
Annual percentage rate of charge <sup>2</sup>	17.58	16.05	18.89	15.33	18.87	19.17	16.04	20.84	16.14	17.90	19.94	16.20	15.58	17.51	21.14
Other lending by initial rate fixation															
Floating rate and up to 1 year	4.31	4.58	3.94	5.61	4.76	5.74	4.94	4.89	5.42	5.72	5.35	5.19	4.91	3.67	4.86
Over 1 year	9.72	4.51	5.70	12.70	x	x	7.26	4.94	3.17	6.95	4.24	8.04	4.71	x	4.73

<sup>1</sup> End-of-period.

<sup>2</sup> The annual percentage rate of charge covers the total cost of a loan. The total cost comprises an interest rate component and a component of other (related) charges, such as the cost of inquiries, administration, preparation of documents, guarantees, etc.



**21.b** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN EURO (CONT.)

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	4.78	4.57	4.62	4.63	4.56	4.56	4.83	4.70	4.85	4.83	4.79	4.73	4.49	4.56	4.68
Extended credit card credit <sup>1</sup>	16.86	19.15	19.41	20.08	20.43	26.22	22.18	25.68	25.88	25.39	25.78	23.28	24.84	25.43	24.68
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	5.98	6.07	5.70	5.60	6.22	5.89	6.49	5.90	6.00	5.95	5.95	5.26	5.40	5.53	5.53
of wich with collateral or guarantees	6.04	6.04	5.70	5.59	6.20	5.85	6.44	5.85	5.98	5.94	6.04	5.26	5.37	5.34	5.50
Over 1 year	6.73	6.62	8.48	6.12	x	8.35	6.75	8.27	x	5.03	6.00	5.49	4.57	5.54	4.94
of wich with collateral or guarantees	6.79	6.61	8.48	6.24	x	8.35	7.24	8.27	x	5.57	6.88	5.40	4.81	5.54	5.32
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	5.51	5.57	5.88	4.94	5.68	5.39	5.50	5.36	5.26	5.29	5.23	4.65	4.90	5.07	4.97
of wich with collateral or guarantees	5.52	5.56	5.90	5.12	5.53	5.43	5.49	5.41	5.26	5.29	5.28	4.66	5.06	5.11	5.00
Over 1 year	x	x	5.66	4.11	x	4.86	x	6.36	5.36	x	5.01	3.99	6.20	x	5.97
of wich with collateral or guarantees	x	x	9.02	4.80	x	x	x	x	x	x	6.92	5.84	5.86	x	6.73
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	4.33	3.61	4.01	3.38	5.10	4.72	4.66	4.47	3.07	4.15	4.75	3.69	3.58	4.41	4.54
of wich with collateral or guarantees	4.34	3.61	4.01	3.38	4.83	4.67	4.68	4.25	3.27	4.12	4.71	3.74	3.76	4.75	4.44
Over 1 year	x	x	6.07	4.95	–	x	x	x	x	x	4.91	x	x	x	3.79
of wich with collateral or guarantees	x	x	6.07	x	–	x	x	x	x	x	x	x	x	x	x

<sup>1</sup> End-of-period.

**21.b** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN EURO (CONT.)

(%)

5. Interest rates on loans (outstanding amounts)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Loans to households</b>															
<b>Lending for house purchase, with maturity</b>															
Up to 1 year	5.95	6.87	4.70	5.03	4.50	16.75	4.07	4.25	3.95	25.15	6.32	4.53	6.57	22.35	22.68
Over 1 and up to 5 years	5.14	5.17	5.13	5.19	5.21	5.21	4.91	5.28	5.33	5.23	5.30	5.36	5.42	5.36	5.19
Over 5 years	3.73	3.76	3.77	3.78	3.77	3.79	3.62	3.67	3.72	3.80	3.81	3.82	3.82	3.80	3.77
<b>Consumer credit and other loans, with maturity<sup>1</sup></b>															
Up to 1 year <sup>2</sup>	7.24	7.42	9.48	9.23	8.77	9.07	8.63	9.24	8.73	7.24	7.51	7.74	7.24	7.35	6.78
Over 1 and up to 5 years	7.83	7.87	8.05	8.25	8.19	8.24	8.29	8.63	8.65	9.30	9.19	9.54	9.88	9.87	10.11
Over 5 years	5.25	5.34	5.41	5.39	5.46	5.48	5.36	5.44	5.44	5.78	5.75	5.71	5.70	5.70	5.71
<b>Loans to non-financial corporations</b>															
<b>With maturity<sup>1</sup></b>															
Up to 1 year <sup>2</sup>	4.89	4.83	5.70	4.98	4.94	5.64	5.15	5.81	5.63	5.99	5.87	5.60	5.29	5.49	5.46
Over 1 and up to 5 years	4.37	4.43	4.42	4.43	4.46	4.52	4.61	5.05	4.71	4.76	4.83	4.86	4.84	4.85	4.71
Over 5 years	3.56	3.53	3.60	3.60	3.62	3.64	3.68	3.74	3.82	3.87	4.04	3.97	3.96	3.90	3.77

<sup>1</sup> Including revolving loans, overdrafts, and extended and convenience credit card credit.

<sup>2</sup> Including bank overdraft.

**21.c** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN US DOLLARS

(%)

1. Interest rates on deposits (new business)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Deposits from households</b>															
<b>Overnight<sup>1</sup></b>															
With agreed maturity	0.18	0.18	0.22	0.21	0.19	0.19	0.19	0.17	0.19	0.18	0.18	0.21	0.18	0.18	0.16
Up to 1 year	1.12	0.89	1.18	1.28	0.70	0.37	0.40	0.33	0.48	0.39	0.39	0.36	0.51	0.70	0.95
Over 1 and up to 2 years	3.96	4.09	5.46	3.76	4.14	2.49	2.57	2.62	2.82	3.23	2.80	2.85	3.05	2.92	2.50
Over 2 years	4.08	4.51	5.92	4.01	4.15	3.68	3.74	2.86	3.34	3.47	3.06	3.87	4.52	4.26	3.74
<b>Redeemable at notice<sup>2</sup></b>															
Up to 3 months	2.13	2.13	2.13	2.09	2.07	0.39	0.31	0.31	0.30	0.29	0.29	0.29	0.30	0.28	0.28
Over 3 months	x	x	x	x	x	x	x	x	x	x	x	x	x	x	-
<b>Deposits from non-financial corporations</b>															
<b>Overnight<sup>1</sup></b>															
With agreed maturity	0.06	0.06	0.08	0.08	0.09	0.07	0.10	0.05	0.11	0.08	0.09	0.05	0.05	0.12	0.05
Up to 1 year	0.18	0.18	0.17	0.12	0.12	0.12	0.11	0.06	0.12	0.12	0.13	0.23	0.26	0.18	0.34
Over 1 and up to 2 years	x	-	-	-	-	x	-	x	-	-	x	-	-	-	x
Over 2 years	-	-	-	-	-	-	-	-	-	x	-	x	-	x	-
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> End-of-period.

<sup>2</sup> For this instrument category, households and non-financial corporations are merged and allocated to the household sector.

**21.c** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN US DOLLARS (CONT.)

(%)

2. Interest rates on deposits (outstanding amounts)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Households</b>															
Overnight <sup>1</sup>	0.18	0.18	0.22	0.21	0.19	0.19	0.19	0.17	0.19	0.18	0.18	0.21	0.18	0.18	0.16
With agreed maturity															
Up to 2 years	2.96	2.86	2.68	2.57	2.54	2.34	2.19	2.23	2.06	1.99	1.91	1.84	1.81	1.64	1.60
Over 2 years	4.81	4.88	4.83	4.76	4.76	4.80	4.82	4.61	4.58	4.63	4.62	4.59	4.37	4.31	4.21
Redeemable at notice <sup>2</sup>															
Up to 3 months	2.13	2.13	2.13	2.09	2.07	0.39	0.31	0.31	0.30	0.29	0.29	0.29	0.30	0.28	0.28
Over 3 months	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	x	–
<b>Non-financial corporations</b>															
Overnight <sup>1</sup>	0.06	0.06	0.08	0.08	0.09	0.07	0.10	0.05	0.11	0.08	0.09	0.05	0.05	0.12	0.05
With agreed maturity															
Up to 2 years	1.72	1.61	1.46	0.77	0.68	0.63	0.71	0.70	0.64	0.59	0.64	0.71	0.91	0.83	0.83
Over 2 years	3.83	3.83	3.72	3.72	4.05	4.05	4.05	4.05	4.05	4.03	4.03	3.98	3.98	3.98	3.98
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

<sup>1</sup> End-of-period.

<sup>2</sup> For this instrument category, households and non-financial corporations are merged and allocated to the household sector.

**21.c** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN US DOLLARS (CONT.)

(%)

3. Interest rates on loans to households (new business)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	12.16	18.32	16.86	20.78	20.29	20.04	19.99	18.23	9.98	10.09	10.41	10.13	9.56	9.84	7.51
Extended credit card credit <sup>1</sup>	23.84	24.95	24.56	25.21	25.79	24.99	24.77	24.80	25.02	24.40	24.63	24.92	24.94	25.20	24.88
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	4.52	4.54	6.10	3.72	3.06	4.39	3.24	2.65	3.14	3.05	3.56	2.75	3.13	3.32	2.48
of wich with collateral or guarantees	2.61	2.97	6.10	3.84	3.05	4.15	3.01	2.34	3.03	2.98	3.33	2.50	2.84	3.03	2.48
Over 1 and up to 5 years	x	x	–	–	x	x	x	x	–	–	x	x	–	–	x
of wich with collateral or guarantees	–	x	–	–	x	–	–	x	–	–	x	x	–	–	–
Over 5 and up to 10 years	x	x	–	–	–	–	–	–	–	–	–	–	–	–	x
of wich with collateral or guarantees	x	x	–	–	–	–	–	–	–	–	–	–	–	–	x
Over 10 years	–	–	–	–	–	–	–	–	–	x	x	–	x	x	–
of wich with collateral or guarantees	–	–	–	–	–	–	–	–	–	x	x	–	x	x	–
Annual percentage rate of charge <sup>2</sup>	4.82	5.53	6.07	3.74	3.23	4.54	3.41	2.52	3.34	3.27	3.79	4.56	3.31	3.38	2.50
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	x	20.68	19.70	x	17.23	19.94	x	20.48	19.42	12.44	19.57	10.97	14.22	16.94	19.31
of wich with collateral or guarantees	–	–	18.43	x	16.02	x	–	x	x	x	x	x	x	x	x
Over 1 year	x	–	–	–	x	–	–	–	–	–	x	x	x	–	–
of wich with collateral or guarantees	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Annual percentage rate of charge <sup>2</sup>	25.19	25.64	16.10	19.32	14.08	20.78	17.25	18.31	20.30	18.71	20.30	17.36	17.60	15.66	20.86
Other lending by initial rate fixation															
Floating rate and up to 1 year	x	x	5.64	x	5.41	7.11	x	x	5.02	x	x	6.03	x	x	x
Over 1 year	x	x	x	–	x	x	x	x	x	x	x	x	x	–	x

<sup>1</sup> End-of-period.

<sup>2</sup> The annual percentage rate of charge covers the total cost of a loan. The total cost comprises an interest rate component and a component of other (related) charges, such as the cost of inquiries, administration, preparation of documents, guarantees, etc.

**21.c** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN US DOLLARS (CONT.)

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	6.96	7.19	7.83	7.38	7.54	6.83	7.57	7.85	6.29	6.00	5.48	5.02	4.04	4.24	4.46
Extended credit card credit <sup>1</sup>	15.55	19.74	21.98	24.71	20.92	18.90	36.17	20.91	20.01	22.68	17.75	18.56	14.23	36.80	22.24
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	x	6.80	7.16	11.77	5.94	5.13	4.70	x	x	x	x	6.97	x	x	9.01
of wich with collateral or guarantees	–	x	x	x	5.70	x	4.52	x	x	x	x	x	–	x	x
Over 1 year	x	x	x	–	–	–	–	x	–	x	–	–	–	–	x
of wich with collateral or guarantees	x	x	x	–	–	–	–	x	–	x	–	–	–	–	x
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	x	x	x	x	x	–	x	x	x	x	x	x	–	x
of wich with collateral or guarantees	x	x	x	x	x	x	–	x	x	x	x	x	x	–	x
Over 1 year	x	x	x	–	–	–	–	x	–	–	x	–	x	x	x
of wich with collateral or guarantees	x	–	x	–	–	–	–	x	–	–	x	–	–	x	–
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	5.18	x	x	x	x	x	–	x	x	x	x	x	x	x	x
of wich with collateral or guarantees	5.18	x	x	x	x	x	–	x	x	x	x	x	x	x	x
Over 1 year	x	–	–	–	–	–	–	x	–	–	–	–	–	–	–
of wich with collateral or guarantees	x	–	–	–	–	–	–	x	–	–	–	–	–	–	–

<sup>1</sup> End-of-period.

**21.c** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN US DOLLARS (CONT.)

(%)

5. Interest rates on loans (outstanding amounts)															
	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>Loans to households</b>															
<b>Lending for house purchase, with maturity</b>															
Up to 1 year	5.92	6.45	1.57	1.69	2.59	2.69	2.70	3.00	2.60	2.63	2.67	2.41	2.37	2.41	2.23
Over 1 and up to 5 years	4.61	4.54	4.48	4.45	4.45	4.42	4.05	4.09	3.83	3.89	3.79	3.75	3.96	3.95	3.92
Over 5 years	3.52	3.47	3.46	3.46	3.30	3.27	2.98	2.99	2.96	2.93	2.93	2.94	2.95	2.98	3.01
<b>Consumer credit and other loans, with maturity<sup>1</sup></b>															
Up to 1 year <sup>2</sup>	10.41	12.40	12.69	13.40	13.23	12.25	13.30	12.73	13.60	13.95	13.86	14.16	14.21	13.11	13.53
Over 1 and up to 5 years	9.84	9.90	10.80	11.06	8.45	10.66	10.62	10.60	7.61	7.48	10.77	10.78	10.87	7.21	10.96
Over 5 years	4.24	4.18	4.22	4.24	4.28	4.32	4.20	4.26	4.20	4.19	4.18	4.13	4.00	4.02	4.16
<b>Loans to non-financial corporations</b>															
<b>With maturity<sup>1</sup></b>															
Up to 1 year <sup>2</sup>	7.87	6.12	7.09	6.44	6.57	6.20	6.30	6.27	6.29	5.78	5.66	5.76	4.74	4.94	5.15
Over 1 and up to 5 years	4.95	4.70	5.40	5.15	5.08	4.97	4.94	5.18	4.96	5.01	5.15	5.09	5.24	5.20	5.03
Over 5 years	5.22	5.27	5.39	5.31	5.15	5.20	5.18	5.20	5.25	5.28	5.29	5.30	5.16	5.15	5.32

<sup>1</sup> Including revolving loans, overdrafts, extended credit card credit and convenience credit card credit.

<sup>2</sup> Including bank overdraft.

**21.d** WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIS IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS (NEW BUSINESS)

(with floating interest rate, up to 1 year initial rate fixation and original maturity of over 1 year; %)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>In lats</b>															
Loans up to an amount of 0.25 million euro	6.37	5.66	6.16	6.33	5.64	5.90	5.31	4.78	4.77	5.14	4.90	4.91	4.79	4.87	5.24
of wich with collateral or guarantees	6.05	5.38	6.03	x	5.72	5.86	5.34	4.75	4.90	5.10	4.74	4.88	4.62	4.73	5.05
Loans over an amount 0.25 million euro and up to 1 million euro	x	x	x	–	x	x	x	x	4.49	x	4.42	5.31	x	4.04	4.48
of wich with collateral or guarantees	x	x	x	–	x	x	x	x	4.67	x	4.42	5.45	x	4.17	4.48
Loans over 1 million euro	x	x	4.35	–	–	–	x	x	x	x	x	4.22	5.52	3.96	3.24
of wich with collateral or guarantees	x	x	4.35	–	–	–	x	x	x	x	x	4.25	5.52	x	3.24
<b>In euro</b>															
Loans up to an amount of 0.25 million euro	5.91	6.48	6.29	5.83	6.38	6.21	6.76	5.82	6.18	5.92	6.20	5.22	5.12	5.56	5.40
of wich with collateral or guarantees	5.97	6.46	6.28	5.81	6.36	6.17	6.72	5.74	6.14	5.91	6.34	5.23	5.02	5.33	5.34
Loans over an amount 0.25 million euro and up to 1 million euro	5.78	5.59	5.50	5.11	5.62	5.27	5.55	5.23	5.39	5.16	5.23	4.47	4.65	5.05	4.80
of wich with collateral or guarantees	5.80	5.58	5.50	5.20	5.62	5.27	5.55	5.28	5.52	5.16	5.33	4.47	4.66	5.10	4.92
Loans over 1 million euro	3.87	3.60	3.89	3.36	5.49	5.39	4.96	4.62	3.14	3.33	4.48	3.71	3.57	4.34	4.55
of wich with collateral or guarantees	3.79	3.39	3.89	3.36	5.49	5.37	4.48	4.39	3.24	3.19	4.32	3.78	3.68	4.71	4.41
<b>In US dollars</b>															
Loans up to an amount of 0.25 million euro	x	x	6.91	x	x	x	x	x	x	x	x	x	x	x	x
of wich with collateral or guarantees	x	x	x	x	x	x	x	–	x	x	–	x	–	–	x
Loans over an amount 0.25 million euro and up to 1 million euro	x	x	6.10	x	x	x	–	x	x	x	x	x	x	–	x
of wich with collateral or guarantees	x	x	6.10	x	x	x	–	x	x	x	x	x	x	–	x
Loans over 1 million euro	x	x	–	x	x	x	–	–	x	x	x	–	x	3.95	x
of wich with collateral or guarantees	x	x	–	x	x	x	–	–	x	x	x	–	x	x	x

## 22. LENDING IN THE INTERBANK MARKETS

(transactions; in millions of lats)

	Loans to resident MFIs											
	In lats					In foreign currencies						
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2010												
X	249.5	49.9	4.0	–	303.4	1 789.7	105.9	2.1	0.5	1 898.2	2 201.6	
XI	245.0	37.2	5.0	–	287.2	1 751.7	169.6	0.2	–	1 921.5	2 208.7	
XII	295.0	15.6	2.0	–	312.6	1 544.7	74.0	–	0.5	1 619.2	1 931.8	
2011												
I	341.1	6.6	–	–	347.7	1 862.5	187.8	–	–	2 050.3	2 398.0	
II	186.4	18.8	–	–	205.2	2 041.4	180.4	59.6	–	2 281.4	2 486.6	
III	98.5	34.8	5.0	–	138.3	2 847.5	144.0	0.5	–	2 992.0	3 130.3	
IV	108.3	40.6	–	1.1	150.0	2 124.1	153.2	–	–	2 277.3	2 427.3	
V	160.9	33.2	1.5	2.0	197.6	1 549.4	93.7	–	0	1 643.1	1 840.7	
VI	55.7	–	5.0	–	60.7	1 607.7	67.8	2.1	–	1 677.6	1 738.3	
VII	369.7	49.3	0.1	–	419.1	1 844.0	108.8	–	–	1 952.8	2 371.9	
VIII	181.2	133.2	–	–	314.4	1 442.0	276.9	–	0	1 718.9	2 033.3	
IX	191.7	183.6	2.0	–	377.3	1 302.3	171.3	2.1	–	1 475.7	1 853.0	
X	212.6	166.4	0.1	3.0	382.1	1 067.8	165.8	–	–	1 233.6	1 615.7	
XI	302.8	113.6	3.0	–	419.4	792.6	188.4	2.2	1.2	984.4	1 403.8	
XII	1 111.5	112.5	13.0	–	1 237.0	832.0	215.5	0.3	–	1 047.8	2 284.8	
	Loans to non-resident MFIs										Total loans	
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2010												
X	20 332.2		577.3		221.2		161.6		21 292.3		23 493.9	
XI	20 493.1		1 750.9		46.5		13.7		22 304.2		24 512.9	
XII	24 999.9		1 107.4		87.4		35.3		26 230.0		28 161.8	
2011												
I	25 237.3		1 029.0		141.0		27.1		26 434.4		28 832.4	
II	24 829.0		981.4		183.7		38.7		26 032.8		28 519.4	
III	27 029.2		968.3		98.7		57.4		28 153.6		31 283.9	
IV	24 956.9		679.2		87.3		14.8		25 738.2		28 165.5	
V	26 117.2		905.0		48.3		33.3		27 103.8		28 944.5	
VI	28 808.1		1 107.9		45.5		36.4		29 997.9		31 736.2	
VII	27 198.6		769.9		183.9		35.3		28 187.7		30 559.6	
VIII	32 790.7		1 049.7		66.1		14.2		33 920.7		35 954.0	
IX	24 538.3		970.1		15.6		48.6		25 572.6		27 425.6	
X	24 523.2		1 524.3		114.2		42.1		26 203.8		27 819.5	
XI	22 675.8		1 370.5		33.8		28.1		24 108.2		25 512.0	
XII	29 255.2		1 719.4		65.2		31.1		31 070.9		33 355.7	



### 23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Weighted average interest rates on loans in lats															
Overnight	0.5	0.5	0.2	0.3	0.3	0.2	0.3	0.3	0.2	0.4	0.3	0.3	0.3	0.4	0.4
Up to 1 month	0.5	0.4	0.2	0.4	0.2	0.3	0.4	0.4	–	0.3	0.2	0.3	0.3	0.4	0.5
1–3 months	0.7	0.4	0.6	–	–	0.5	–	0.5	0.4	0.3	–	0.6	0.3	1.1	1.7
Over 3 months	–	–	–	–	–	–	1.5	1.5	–	–	–	–	1.2	–	–
Weighted average interest rates on loans in foreign currencies															
Overnight	0.6	0.5	0.4	0.4	0.5	0.5	0.7	0.9	0.9	0.8	0.8	0.8	0.7	0.5	0.4
Up to 1 month	0.5	0.6	0.4	0.3	0.4	0.5	0.2	0.4	0.5	0.6	0.5	0.9	0.9	0.7	0.4
1–3 months	0.9	0.3	–	–	0.7	2.0	–	–	1.7	–	–	1.8	–	1.4	0.2
Over 3 months	3.6	–	1.1	–	–	–	–	0.3	–	–	0.3	–	–	2.3	–

### 23.b INTEREST RATES SET BY THE BANK OF LATVIA

(% per annum)

Effective date (dd.mm.yyyy)	Bank of Latvia refinancing rate	Lombard rates			Interest rates on time deposits		
		Up to the 10th day	11th–20th day	Over 20 days	7-day deposits	14-day deposits	
17.03.2000	3.5	5.5	6.5	7.5	1.5	1.75	
19.11.2001	–	–	–	–	3.0	3.25	
17.05.2002	–	–	–	–	2.5	2.75	
16.09.2002	3.0	5.0	6.0	7.0	2.0	2.25	
11.03.2004	3.5	–	–	–	–	–	
12.11.2004	4.0	–	–	–	–	–	
15.07.2006	4.5	5.5	6.5	7.5	–	–	
17.11.2006	5.0	6.0	7.0	8.0	–	–	
		Bank of Latvia marginal lending facility rate			Deposit facility rate with the Bank of Latvia (overnight deposits)		
24.03.2007	5.5	–	–	6.5	–	2.0	
18.05.2007	6.0	–	–	7.5	–	–	
24.02.2008	–	–	–	–	–	3.0	
		To credit institutions that have used the facility no more than 5 working days within the previous 30 day period	To credit institutions that have used the facility 6–10 working days within the previous 30 day period	To credit institutions that have used the facility more than 10 working days within the previous 30 day period	–	–	
09.12.2008	–	7.5	15.0	30.0	–	–	
24.01.2009	–	–	–	–	–	2.0	
24.03.2009	5.0	–	–	–	–	1.0	
24.05.2009	4.0	–	–	–	–	–	
		Deposit facility rate with the Bank of Latvia				Overnight deposits	7-day deposits
24.03.2010	3.5	–	–	–	0.5	1.0	
24.07.2010	–	–	–	–	0.375	0.5	
24.11.2010	–	–	–	–	0.25	0.375	
24.03.2012.	–	5.0	10.0	15.0	–	–	

**23.c INTEREST RATES IN THE BANK OF LATVIA TENDERS OF REPURCHASE AGREEMENTS AND SHORT-TERM CURRENCY SWAP CONTRACTS**

(% per annum)

	2010			2011												
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Main refinancing operation with maturity 7 days average interest rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.5
Weighted average interest rate on short-term currency swaps	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.5

**24. PRINCIPAL FOREIGN EXCHANGE TRANSACTIONS (BY TYPE, COUNTERPARTY AND CURRENCY)<sup>1</sup>**

(in millions of lats)

	2011												
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Type of transaction													
Spot exchange transactions	26 373.5	29 271.9	43 057.1	30 655.3	31 933.2	32 602.2	37 324.9	40 720.4	41 992.4	50 410.1	34 816.6	27 884.5	
Forward exchange contracts	323.4	253.5	706.2	496.2	596.9	706.9	290.0	247.1	449.9	401.7	603.8	435.6	
Currency swap arrangements	31 134.3	31 129.9	39 185.9	32 619.1	34 355.6	33 599.4	34 027.8	40 226.8	36 653.6	33 210.1	27 747.6	29 662.4	
Counterparties													
Resident MFIs	4 650.7	4 476.0	5 949.4	5 872.0	6 360.4	5 236.0	6 833.6	6 942.9	4 618.2	4 469.5	4 857.0	6 129.7	
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	545.2	350.1	404.5	338.5	521.1	357.9	311.9	349.6	335.1	311.6	467.8	435.0	
Resident government, non-financial corporations and non-profit institutions serving households	955.7	906.4	1 136.4	967.9	1 170.9	1 328.2	1 174.0	978.0	873.4	904.0	1 335.6	1 380.8	
Non-resident MFIs	27 242.0	28 977.3	38 925.7	32 286.5	33 507.1	34 096.1	34 723.3	42 580.2	42 645.2	43 444.3	32 262.3	30 088.8	
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	2 914.3	2 214.5	2 277.6	1 300.3	1 497.0	1 255.2	689.6	1 112.2	917.1	1 009.4	969.2	1 088.2	
Non-resident government, non-financial corporations and non-profit institutions serving households	18 156.3	18 421.0	23 816.3	18 165.6	19 313.7	20 220.2	22 710.0	26 611.1	27 500.8	31 942.8	21 680.4	16 976.3	
Households	3 367.2	5 310.0	10 439.2	4 839.7	4 515.6	4 414.8	5 200.3	2 620.2	2 206.2	1 940.3	1 595.7	1 883.7	
Currencies													
Total in all currencies	57 831.3	60 655.2	82 949.1	63 770.6	66 885.7	66 908.5	71 642.7	81 194.3	79 095.9	84 021.9	63 167.9	57 982.4	
incl. lats for euro	9 203.6	8 548.2	8 942.1	11 164.8	12 070.8	11 417.0	11 503.9	13 509.0	14 300.7	10 519.2	10 144.2	7 324.5	
incl. lats for US dollars	1 022.5	958.6	1 393.2	1 411.4	1 868.5	1 008.4	1 217.9	1 466.3	886.4	644.5	726.9	844.4	
incl. lats for other currencies	143.5	141.6	230.6	126.6	214.1	136.0	120.3	123.3	134.5	97.6	95.5	145.9	

<sup>1</sup> Including the cash and non-cash transactions performed by credit institutions and branches of foreign credit institutions. The volume of cash and non-cash transactions has been translated into lats applying the exchange rate of the respective foreign currency as set by the Bank of Latvia on the last day of the reporting month.

## 25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS<sup>1</sup>

(in millions of lats)

	2011												
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
<b>EUR for LVL<sup>2</sup></b>													
Amount	9 215.4	8 559.2	8 969.8	11 209.8	12 119.3	11 458.0	11 565.5	13 589.2	14 395.3	10 562.2	10 126.1	7 235.7	
% <sup>3</sup>	15.9	14.1	10.8	17.5	18.1	17.1	16.1	16.7	18.2	12.6	16.0	12.5	
<b>USD for LVL<sup>2</sup></b>													
Amount	1 044.2	959.9	1 401.0	1 457.2	1 861.6	1 004.8	1 222.2	1 483.2	865.8	660.5	702.8	809.8	
% <sup>3</sup>	1.8	1.6	1.7	2.3	2.8	1.5	1.7	1.8	1.1	0.8	1.1	1.4	
<b>Other currencies for LVL<sup>2</sup></b>													
Amount	138.2	133.8	225.7	119.9	202.7	126.0	106.7	112.3	125.5	88.1	87.1	132.2	
% <sup>3</sup>	0.2	0.2	0.3	0.2	0.3	0.2	0.1	0.1	0.2	0.1	0.1	0.2	
<b>USD for EUR</b>													
Amount	25 304.6	27 378.0	35 630.2	25 068.9	25 396.4	24 877.2	27 324.8	27 144.2	27 905.1	29 340.9	23 923.2	23 445.3	
% <sup>3</sup>	43.7	45.1	43.0	39.3	37.9	37.2	38.1	33.4	35.2	34.9	37.9	40.5	
<b>GBP for EUR</b>													
Amount	377.7	240.0	595.3	162.7	183.2	192.8	341.3	187.1	507.0	641.4	845.8	696.3	
% <sup>3</sup>	0.7	0.4	0.7	0.3	0.3	0.3	0.5	0.2	0.6	0.8	1.3	1.2	
<b>Other currencies (except LVL) for EUR</b>													
Amount	2 052.7	2 008.9	3 253.2	1 972.0	1 944.0	2 048.9	2 494.8	2 920.7	2 770.0	3 314.3	3 134.1	3 728.0	
% <sup>3</sup>	3.5	3.3	3.9	3.1	2.9	3.1	3.5	3.6	3.5	3.9	5.0	6.5	
<b>RUB for USD</b>													
Amount	9 471.7	8 996.5	12 061.3	10 728.4	10 069.8	12 920.4	12 083.1	16 292.1	17 200.5	20 472.3	13 574.6	9 066.9	
% <sup>3</sup>	16.4	14.8	14.5	16.8	15.0	19.3	16.9	20.1	21.7	24.4	21.5	15.7	
<b>GBP for USD</b>													
Amount	2 899.0	3 884.2	6 586.4	3 334.9	5 589.2	4 584.7	5 154.9	5 568.5	5 960.5	6 720.6	4 960.7	6 302.2	
% <sup>3</sup>	5.0	6.4	7.9	5.2	8.4	6.8	7.2	6.9	7.5	8.0	7.9	10.9	
<b>SEK for USD</b>													
Amount	1 565.6	1 545.1	1 755.0	1 286.0	1 340.7	1 162.3	1 145.7	423.1	131.5	32.3	35.6	11.3	
% <sup>3</sup>	2.7	2.6	2.1	2.0	2.0	1.7	1.6	0.5	0.2	0	0.1	0	
<b>Other currencies (except LVL and EUR) for USD</b>													
Amount	5 070.3	5 752.6	11 300.8	7 534.1	7 200.1	7 880.0	8 965.4	12 043.2	8 371.1	8 165.0	5 046.8	5 402.2	
% <sup>3</sup>	8.8	9.5	13.6	11.8	10.8	11.8	12.5	14.8	10.6	9.7	8.0	9.3	
<b>Other currencies (except LVL, EUR and USD) for other currencies</b>													
Amount	720.1	1 201.6	1 201.2	980.9	1 008.9	680.9	1 290.8	1 516.8	928.6	4 073.8	680.3	1 015.2	
% <sup>3</sup>	1.3	2.0	1.5	1.5	1.5	1.0	1.8	1.9	1.2	4.8	1.1	1.8	

<sup>1</sup> Including non-cash transactions performed by credit institutions and branches of foreign credit institutions, reported by major currency.

<sup>2</sup> The transaction volume has been translated into lats using the weighted average exchange rate of the respective foreign currency for the reporting month.

<sup>3</sup> As percentage of the total.

## 26. MONTHLY AVERAGES OF THE EXCHANGE RATES SET BY THE BANK OF LATVIA

(LVL vs foreign currency)

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
EUR	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028
USD	0.5068	0.5126	0.5324	0.5276	0.5142	0.5031	0.4881	0.4885	0.4886	0.4912	0.4904	0.5080	0.5137	0.5180	0.5328
GBP	0.8031	0.8204	0.8307	0.8298	0.8296	0.8135	0.7967	0.7996	0.7949	0.7920	0.8024	0.8039	0.8074	0.8191	0.8315
100 JPY	0.6177	0.6233	0.6368	0.6391	0.6230	0.6165	0.5854	0.6016	0.6066	0.6181	0.6350	0.6615	0.6705	0.6679	0.6845

**27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)**

(LVL vs foreign currency)

	2011											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
EUR												
Buy	0.6983	0.6986	0.7017	0.7038	0.7035	0.7030	0.7027	0.7038	0.7035	0.7014	0.6972	0.6934
Sell	0.7042	0.7046	0.7078	0.7098	0.7099	0.7101	0.7099	0.7100	0.7101	0.7076	0.7028	0.6985
USD												
Buy	0.5231	0.5106	0.5010	0.4866	0.4906	0.4888	0.4924	0.4909	0.5115	0.5133	0.5146	0.5270
Sell	0.5279	0.5154	0.5062	0.4918	0.4952	0.4935	0.4965	0.4954	0.5154	0.5163	0.5194	0.5316
GBP												
Buy	0.8174	0.8189	0.8026	0.7903	0.7967	0.7877	0.7891	0.7980	0.8023	0.7995	0.8061	0.8162
Sell	0.8330	0.8313	0.8186	0.8054	0.8103	0.8010	0.7997	0.8087	0.8136	0.8126	0.8193	0.8292
100 JPY												
Buy	0.6168	0.5951	0.6098	0.5765	0.5856	0.5812	0.6012	0.6044	0.6410	0.6404	0.6486	0.6603
Sell	0.6475	0.6317	0.6213	0.5995	0.6053	0.5988	0.6220	0.6216	0.6593	0.6616	0.6704	0.6771
SEK												
Buy	0.0772	0.0785	0.0783	0.0776	0.0779	0.0764	0.0761	0.0762	0.0764	0.0762	0.0745	0.0762
Sell	0.0792	0.0800	0.0806	0.0792	0.0794	0.0783	0.0779	0.0779	0.0780	0.0779	0.0771	0.0782
RUB												
Buy	0.0171	0.0174	0.0175	0.0172	0.0175	0.0174	0.0174	0.0169	0.0167	0.0163	0.0166	0.0168
Sell	0.0174	0.0178	0.0180	0.0177	0.0178	0.0178	0.0178	0.0173	0.0170	0.0167	0.0169	0.0171
CHF												
Buy	0.5430	0.5326	0.5399	0.5386	0.5568	0.5744	0.5919	0.6222	0.5856	0.5657	0.5627	0.5615
Sell	0.5503	0.5453	0.5514	0.5461	0.5661	0.5877	0.6055	0.6407	0.5976	0.5762	0.5741	0.5759

## 28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; in millions of lats)

	2011											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Stock of government securities outstanding	790.1	790.5	820.6	861.3	859.0	843.3	876.5	891.8	886.8	893.8	767.2	712.1
Residents	774.4	774.5	804.8	845.5	841.0	826.1	859.3	876.2	871.6	878.6	752.9	695.3
Non-financial corporations	0.9	1.2	1.3	3.7	56.2	56.1	56.3	60.4	60.4	60.4	62.0	61.7
Credit institutions	473.1	465.4	477.1	500.6	482.3	475.2	494.1	507.9	493.2	499.1	438.5	390.4
Money market funds	7.8	11.2	13.9	13.6	12.4	12.4	9.7	9.0	9.9	11.0	8.6	4.9
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	72.9	71.2	72.2	76.2	54.5	56.7	68.5	68.8	70.0	70.0	68.2	67.4
Financial auxiliaries	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.1	0.1	0.1	0.1	0.1
Insurance corporations and pension funds	198.7	197.1	199.9	196.2	228.6	218.7	223.1	222.4	230.2	230.2	167.6	163.1
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	16.1	23.7	35.7	50.3	2.1	2.1	2.6	2.9	3.1	3.1	3.2	3.2
Non-profit institutions serving households	3.9	4.2	4.2	4.4	4.4	4.4	4.5	4.7	4.7	4.7	4.7	4.5
Non-residents	15.7	16.0	15.8	15.8	18.0	17.2	17.2	15.6	15.2	15.2	14.3	16.8
Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	8.3	8.8	9.6	9.6	11.9	11.4	11.4	9.4	9.4	9.4	11.0	13.1
Money market funds	0	0	0	0	0	0	0	0	0	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0	0	0	0	0	0	0
Financial auxiliaries	7.3	7.1	6.1	6.1	6.1	5.8	5.8	6.2	5.8	5.8	3.3	3.7
Insurance corporations and pension funds	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	0	0	0	0	0	0	0	0	0	0	0	0
Non-profit institutions serving households	0	0	0	0	0	0	0	0	0	0	0	0

## 29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q4 2011)

Date (dd.mm.)	Initial maturity (months)	Supply (in thousands of lats)	Demand (in thousands of lats)	Purchase (in thousands of lats)	Weighted average discount rate (%)
Competitive multi-price auctions					
19.10.	12	8 000	36 828	8 000	1.757
02.11.	12	8 000	29 650	8 000	1.665
09.11.	60	24 000	24 430	20 410	4.232 <sup>1</sup>
Primary placement of government securities via outright sales of securities					
20.10.	12	2 000	8 003	2 000	1.757
03.11.	12	2 000	8 000	2 000	1.665
10.11.	60	6 000	2 540	2 540	4.232 <sup>1</sup>

<sup>1</sup> Weighted average yield.

## 30. THE BANK OF LATVIA'S TRANSACTIONS IN THE SECONDARY MARKET FOR GOVERNMENT SECURITIES

(in millions of lats)

	2010			2011												
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Securities purchased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## 31. DYNAMICS OF GDP

	2010				2011						
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
At current prices; in millions of lats	12 738.7	2 844.7	3 147.4	3 292.9	3 453.7	14 161.0	3 046.1	3 505.3	3 706.3	3 903.3	
At constant prices <sup>1</sup> ; in millions of lats	6 765.2	1 475.2	1 666.3	1 778.6	1 845.2	7 135.2	1 527.1	1 760.1	1 896.8	1 951.2	
Annual growth rate (%)	-0.3	-5.5	-3.5	3.5	3.6	5.5	3.5	5.6	6.6	5.7	
Gross value added	-0.3	-5.7	-3.8	3.3	3.8	5.5	4.3	5.8	6.4	5.5	
Goods-producing sector	0.9	-7.1	-3.8	5.5	7.6	8.6	5.9	8.0	10.0	9.6	
Services sector	-1.0	-5.2	-3.8	2.4	2.5	4.4	3.8	4.9	4.9	3.9	

<sup>1</sup> Chain-linked; average prices in 2000.

## 32. CHANGES IN THE AVERAGE MONTHLY WAGES AND SALARIES AND UNEMPLOYMENT

	2010			2011											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Average gross wages and salaries															
LVL per month	443	442	479	447	440	463	460	462	468 <sup>1</sup>	472	469	459	461	464	500
Year-on-year changes (%)	103.2	103.7	103.1	104.7	103.2	104.9	104.1	104.2	104.8 <sup>1</sup>	103.4	105.5	103.8	104.0	105.1	104.5
Real net wage index (year-on-year basis; %)	98.7	98.3	97.2	100.8	99.0	100.6	99.7	99.3	100.2 <sup>1</sup>	99.3 <sup>1</sup>	101.0 <sup>1</sup>	99.4	99.9	101.1	100.8
Number of registered unemployed persons															
At end of month	162 497	161 816	162 463	164 551	164 880	163 454	157 857	149 600	142 428	137 638	134 175	131 659	130 541	130 240	130 296
Year-on-year changes (%)	102.9	95.6	90.6	88.3	85.9	84.1	83.1	81.5	80.5	79.4	79.1	79.6	80.3	80.5	80.2

<sup>1</sup> Data have been revised.

### 33. LATVIAN FOREIGN TRADE BALANCE

(in millions of lats; exports – in FOB prices, imports – in CIF prices)

	2010					2011				
	Q1	Q2	Q3	Q4	Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4		
Exports	4 694.9	940.7	1 123.9	1 289.9	1 340.4	6 012.0	1 338.5	1 501.2	1 575.8	1 596.5
Imports	5 911.8	1 181.2	1 355.4	1 623.1	1 752.1	7 587.3	1 658.3	1 861.3	2 065.5	2 002.2
Balance	-1 216.9	-240.5	-231.5	-333.2	-411.7	-1 575.3	-319.8	-360.1	-489.7	-405.7

	2010			2011											
	X	XI	XII	I <sup>1</sup>	II <sup>1</sup>	III <sup>1</sup>	IV <sup>1</sup>	V <sup>1</sup>	VI <sup>1</sup>	VII <sup>1</sup>	VIII <sup>1</sup>	IX <sup>1</sup>	X	XI	XII
Exports	457.9	443.6	438.9	414.2	419.1	505.1	487.7	523.0	490.5	472.8	542.6	560.4	556.0	542.4	498.1
Imports	551.5	562.8	637.8	487.1	526.3	644.9	587.9	655.6	617.8	692.1	679.7	693.6	697.4	658.3	646.5
Balance	-93.6	-119.2	-198.9	-72.8	-107.2	-139.8	-100.2	-132.6	-127.3	-219.3	-137.2	-133.2	-141.4	-115.9	-148.3

<sup>1</sup> Data have been revised.

### 34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2010		2011									
	Millions of lats	%	Millions of lats		Q1 <sup>1</sup>		Q2 <sup>1</sup>		Q3 <sup>1</sup>		Q4	
			Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	4 694.9	100.0	6 012.0	100.0	1 338.5	100.0	1 501.2	100.0	1 575.8	100.0	1 596.5	100.0
Agricultural and food products	839.3	17.9	978.3	16.3	204.1	15.2	209.4	13.9	266.0	16.9	298.7	18.7
Mineral products	283.1	6.0	538.0	8.9	94.6	7.1	148.2	9.9	149.6	9.5	145.7	9.1
Products of the chemical and allied industries	348.5	7.4	475.4	7.9	102.5	7.7	129.9	8.7	125.5	8.0	117.5	7.4
Plastics and articles thereof; rubber and articles thereof	154.3	3.3	184.5	3.1	40.2	3.0	47.4	3.2	51.4	3.3	45.5	2.9
Wood and articles of wood	890.3	19.0	1 022.7	17.0	236.9	17.7	271.2	18.1	256.7	16.3	257.9	16.2
Pulp of wood; paper and paperboard	96.5	2.1	131.2	2.2	28.9	2.2	29.5	2.0	35.9	2.3	36.9	2.3
Textiles and textile articles	206.7	4.4	244.8	4.1	60.0	4.5	58.5	3.9	66.1	4.2	60.2	3.8
Articles of stone, plaster, cement, glassware and ceramic products	85.6	1.8	115.3	1.9	25.0	1.9	31.6	2.1	30.8	1.9	27.9	1.7
Base metals and articles of base metals	650.0	13.8	876.9	14.6	221.1	16.5	217.8	14.5	222.1	14.1	215.9	13.5
Machinery and mechanical appliances; electrical equipment	609.1	13.0	741.2	12.3	164.3	12.3	180.4	12.0	191.7	12.2	204.7	12.8
Transport vehicles	283.1	6.0	401.3	6.7	86.9	6.5	104.4	7.0	102.3	6.5	107.7	6.7
Miscellaneous manufactured articles	134.1	2.9	153.3	2.6	31.9	2.4	38.4	2.5	40.7	2.5	42.4	2.7
Other goods	114.3	2.4	149.1	2.4	42.0	3.0	34.6	2.2	37.1	2.3	35.4	2.2

<sup>1</sup> Data have been revised.

**35. MAIN IMPORT GOODS OF LATVIA**

(in CIF prices)

	2010 <sup>1</sup>		2011									
	Millions of lats	%	Millions of lats	%	Q1 <sup>1</sup>		Q2 <sup>1</sup>		Q3 <sup>1</sup>		Q4	
					Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	5 911.8	100.0	7 587.3	100.0	1 658.3	100.0	1 861.3	100.0	2 065.5	100.0	2 002.2	100.0
Agricultural and food products	963.5	16.3	1 125.9	14.8	254.1	15.3	293.1	15.7	291.6	14.1	287.1	14.3
Mineral products	907.6	15.4	1 351.2	17.8	284.8	17.2	299.1	16.1	371.6	18.0	395.7	19.8
Products of the chemical and allied industries	663.0	11.2	742.4	9.8	172.1	10.4	204.7	11.0	187.0	9.1	178.6	8.9
Plastics and articles thereof; rubber and articles thereof	333.2	5.6	407.7	5.4	86.4	5.2	107.1	5.8	117.2	5.7	97.0	4.8
Wood and articles of wood	96.2	1.6	114.4	1.5	25.4	1.5	31.2	1.7	28.3	1.4	29.5	1.5
Pulp of wood; paper and paperboard	165.1	2.8	191.2	2.5	42.4	2.6	45.0	2.4	52.7	2.6	51.1	2.6
Textiles and textile articles	269.0	4.6	320.2	4.2	81.3	4.9	75.5	4.1	89.7	4.3	73.7	3.7
Articles of stone, plaster, cement, glassware and ceramic products	99.7	1.7	123.8	1.6	22.5	1.4	31.1	1.7	38.4	1.9	31.9	1.6
Base metals and articles of base metals	605.9	10.2	841.2	11.1	199.6	12.0	216.6	11.6	223.7	10.8	201.3	10.1
Machinery and mechanical appliances; electrical equipment	972.3	16.4	1 288.7	17.0	258.6	15.6	285.3	15.3	384.0	18.6	360.9	18.0
Transport vehicles	419.2	7.1	662.9	8.7	138.6	8.4	174.6	9.4	168.9	8.2	180.7	9.0
Miscellaneous manufactured articles	133.8	2.3	149.5	2.0	32.6	2.0	36.4	2.0	36.7	1.7	43.8	2.2
Other goods	283.3	4.8	268.3	3.6	59.8	3.5	61.7	3.2	75.8	3.6	71.0	3.5

<sup>1</sup> Data have been revised.



**36. LATVIAN FOREIGN TRADE PARTNERS**

(exports – in FOB prices, imports – in CIF prices)

	2010 <sup>1</sup>					2011				
	Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	4 694.9	5 911.8	-1 216.9	100.0	100.0	6 012.0	7 587.3	-1 575.3	100.0	100.0
EU15 countries	1 639.2	2 258.0	-618.8	34.9	38.2	1 949.4	2 901.8	-952.4	32.4	38.2
EU27 countries	3 363.5	4 484.3	-1 120.8	71.6	75.8	4 352.8	5 794.4	-1 441.7	72.4	76.4
incl. Germany	409.6	680.1	-270.5	8.7	11.5	501.3	915.9	-414.5	8.3	12.1
Sweden	295.5	209.9	85.6	6.3	3.6	364.0	294.1	69.9	6.1	3.9
UK	164.7	93.7	71.0	3.5	1.6	186.6	133.8	52.7	3.1	1.8
Finland	148.4	290.0	-141.6	3.2	4.9	183.6	357.3	-173.6	3.1	4.7
Denmark	181.7	135.4	46.3	3.9	2.3	205.8	169.0	36.8	3.4	2.2
Netherlands	105.8	234.0	-128.2	2.3	4.0	140.3	272.2	-131.9	2.3	3.6
Lithuania	762.2	1 008.1	-245.9	16.2	17.1	1 073.0	1 420.6	-347.5	17.8	18.7
Estonia	633.0	422.9	210.1	13.5	7.2	835.6	547.9	287.7	13.9	7.2
Poland	232.4	465.6	-233.2	5.0	7.9	357.6	595.6	-238.1	5.9	7.9
CIS	707.6	897.2	-189.6	15.1	15.2	880.1	1 128.3	-248.2	14.6	14.9
incl. Russia	497.1	591.8	-94.7	10.6	10.0	636.9	659.5	-22.6	10.6	8.7
Other countries	623.8	530.4	93.4	13.3	9.0	779.0	664.5	114.5	13.0	8.7
incl. USA	65.7	33.5	32.2	1.4	0.6	72.0	54.4	17.6	1.2	0.7
Norway	131.1	62.0	69.1	2.8	1.0	143.3	65.6	77.7	2.4	0.9
China	17.6	151.9	-134.3	0.4	2.6	27.6	207.4	-179.8	0.5	2.7

<sup>1</sup>Data have been revised.

**37. CONVENIENCE AND EXTENDED CREDIT, REVOLVING LOANS AND OVERDRAFT TO RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS**

(at end of period; in millions of lats)

	Non-financial corporations						Households					
	In lats			In euro			In lats			In euro		
	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit
<b>2010</b>												
X	133.0	1.2	2.0	435.4	0.2	0.2	42.8	25.2	116.9	12.9	2.1	3.3
XI	130.5	1.1	2.0	421.3	0.2	0.2	42.3	25.5	113.8	12.5	2.2	3.2
XII	134.7	1.1	1.8	432.0	0.2	0.1	41.7	25.1	112.3	11.8	2.1	3.1
<b>2011</b>												
I	134.2	1.1	1.8	424.9	0.2	0.1	37.0	24.9	115.9	14.5	2.1	3.2
II	133.7	1.0	1.8	416.6	0.2	0.1	36.4	25.1	113.9	14.6	2.1	3.1
III	137.7	1.1	1.6	406.7	0.2	0.1	36.6	25.4	113.9	14.6	2.2	3.2
IV	135.7	1.0	1.6	419.5	0.2	0.1	36.3	25.2	113.2	14.8	2.2	3.1
V	171.6	1.1	1.6	415.8	0.2	0.1	36.5	25.7	112.4	14.2	2.2	3.0
VI	182.2	1.0	1.5	510.2	0.2	0.1	60.6	25.3	110.8	21.8	2.2	3.1
VII	183.3	1.0	1.5	509.5	0.2	0.1	60.1	25.1	109.6	21.5	2.1	2.9
VIII	186.3	1.0	1.5	505.9	0.2	0.1	60.6	25.5	108.9	21.6	2.3	2.9
IX	181.9	1.1	1.4	515.7	0.2	0.1	59.6	25.3	108.0	20.4	2.3	2.9
X	197.0	1.0	1.5	529.1	0.2	0.1	59.5	24.8	107.4	19.5	2.2	2.9
XI	207.8	1.3	1.2	517.0	0.2	0.1	59.2	25.3	105.8	21.5	2.2	2.8
XII	188.0	1.1	1.3	489.9	0.2	0.1	56.5	19.9	103.5	18.6	2.0	2.7

**38.a LOANS TO RESIDENT NON-FINANCIAL CORPORATIONS IN THE BREAKDOWN BY RESIDUAL MATURITY AND BY INTEREST RATE RESET PERIOD**

(at end of period; in millions of lats)

	In lats;						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years
<b>2010</b>												
XII	188.7	35.4	110.9	170.6	29.8	73.4	4 541.3	785.0	2 917.9	4 188.7	1 065.4	2 702.7
<b>2011</b>												
III	230.7	33.1	152.8	210.3	29.4	99.4	4 368.4	806.6	2 757.9	4 057.0	1 071.3	2 579.5
VI	259.5	30.7	178.9	248.3	55.4	99.9	4 140.5	773.6	2 570.3	3 886.2	1 096.1	2 394.1
IX	330.9	36.8	219.7	312.9	80.3	124.4	4 090.5	798.3	2 526.0	3 834.2	1 108.2	2 347.4
XII	387.7	38.7	267.9	363.9	83.5	156.6	3 903.5	742.0	2 401.3	3 662.4	1 076.1	2 188.8

**38.b LOANS TO RESIDENT HOUSEHOLDS IN THE BREAKDOWN BY RESIDUAL MATURITY AND BY INTEREST RATE RESET PERIOD**

(at end of period; in millions of lats)

	In lats						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years
2010												
XII	329.2	34.7	101.8	315.5	71.8	101.4	4 743.3	297.5	3 342.3	4 661.1	426.8	3 703.6
2011												
III	331.8	43.8	98.9	316.8	76.9	97.1	4 639.7	302.7	3 312.3	4 562.9	412.8	3 620.1
VI	332.9	39.8	100.3	317.0	75.9	99.6	4 529.0	278.4	3 360.7	4 457.9	398.2	3 628.6
IX	345.5	36.6	106.6	327.5	70.7	107.8	4 435.7	277.9	3 340.1	4 370.2	396.6	3 574.7
XII	351.3	34.3	117.3	333.1	65.1	128.0	4 304.0	261.9	3 331.1	4 246.2	396.7	3 485.2

## Additional Information

### General notes

The Bank of Latvia's publication *Macroeconomic Developments Report* is based on data provided by the CSB, Ministry of Finance of the Republic of Latvia, Financial and Capital Market Commission, NASDAQ OMX Riga and Bank of Latvia.

Data sources for charts are CSB (Charts 1.1–1.3, 3.1–3.4, 3.6, 3.7, 3.9, 3.10, 3.13, 4.1, 4.3–4.7, 4.10, 4.11, 4.14, 4.15 and 5.1–5.3), the Bank of Latvia (Charts 1.2, 2.2, 2.3, 2.5–2.12, 4.15, 6.1–6.4, 7.1 and 7.2), *Bloomberg* (Chart 2.1), Treasury (Charts 2.4 and 3.11–3.14), Road Traffic Safety Directorate (Chart 3.5), EC (Charts 3.8, 4.2, 4.12, 4.13, 4.16 and 5.6), Reuters (Charts 5.4 and 5.5) and SEA (Charts 4.8 and 4.9).

Data sources for Statistics tables are the Bank of Latvia (Tables 1, 3–28, 30, 37 and 38), NASDAQ OMX Riga (Table 1), Ministry of Finance of the Republic of Latvia (Tables 2ab and 29) and CSB (Tables 2ab and 31–36).

Details may not add because of rounding-off.

FOB value is the price of a commodity on the border of the exporting country, including the transportation and insurance costs only up to the border.

CIF value is the price of a commodity on the border of the importing country, including the transportation and insurance costs only up to the border.

"–" – no transactions in the period; "x" – no data available, no computation of indicators possible or insufficient number of respondents to publish information.

### Money and banking sector

Calculation of monetary aggregates includes the Bank of Latvia's balance sheet data and information from the financial position reports of other MFIs, prepared using the Bank of Latvia's methodology (see the Bank of Latvia's Regulation No. 40 "Regulation for Compiling the Monthly Financial Position Report of Monetary Financial Institutions" of 16 July 2009, based on Regulation (EC) No. 25/2009 of the ECB of 19 December 2008 concerning the balance sheet of the monetary financial institutions sector (recast; ECB/2008/32).

In the publication, the following terms have been used:

MFIs – financial institutions forming the money-issuing sector. In Latvia, MFIs include the Bank of Latvia, credit institutions and other MFIs in compliance with the List of Monetary Financial Institutions of the Republic of Latvia compiled by the Bank of Latvia. In the EU, MFIs include the ECB, the national central banks of the euro area, credit institutions and other monetary financial institutions (money market funds) in compliance with the original List of Monetary Financial Institutions published by the ECB.

Non-MFIs – entities other than MFIs.

Financial institutions – other financial intermediaries, excluding insurance corporations and pension funds, (hereinafter, OFIs), financial auxiliaries, insurance corporations and pension funds.

OFIs – financial corporations that are primarily engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and close substitutes for deposits from their customers other than MFIs, or insurance technical reserves. OFIs are corporations engaged in lending (e.g. financial leasing companies, factoring companies, export/import

financing companies), investment funds, investment brokerage companies, financial vehicle corporations, financial holding corporations, venture capital corporations. OFIs data include also financial auxiliaries data.

Financial auxiliaries – financial corporations that are primarily engaged in auxiliary financial activities, i.e. activities that are closely related to financial intermediation but are not financial intermediation themselves, e.g. investment brokers who do not engage in financial intermediation services on their own behalf, corporations that provide infrastructure for financial markets, central supervisory institutions of financial institutions and the financial market provided that they are separate institutional units. The Financial and Capital Market Commission and the NASDAQ OMX Riga shall be regarded as financial auxiliaries. Financial auxiliaries data are included in OFIs data.

Non-financial corporations – economic entities producing goods or providing non-financial services with the aim of gaining profit or other yield.

Households – natural persons or groups of natural persons whose principal activity is consumption and who produce goods and services exclusively for their own consumption, as well as non-profit institutions serving households. The following are also regarded as households in the Republic of Latvia: persons engaged in individual entrepreneurship provided that they have not registered their activity with the Commercial Register of the Enterprise Register of the Republic of Latvia.

Holdings of securities other than shares – financial assets, which are instruments of the holder, usually negotiable and traded or compensated on secondary markets and which do not grant the holder any ownership rights over the issuing institutional unit.

The following information is published in accordance with the ECB methodology:

- 1) The Bank of Latvia's assets and liabilities (Table 6), expanding the range of reported financial instruments;
- 2) Aggregated balance sheet of MFIs (excluding the Bank of Latvia), i.e. the sum of the harmonised balance sheets of Latvia's MFIs, excluding the Bank of Latvia (Table 7);
- 3) Consolidated balance sheet of MFIs, obtained by netting out inter-MFI positions on the aggregated MFI balance sheet (Table 8). Due to slight differences in accounting techniques, the sum of inter-MFI positions does not always equal zero; therefore, the balance is included in the item "Excess of inter-MFI liabilities";
- 4) Monetary aggregates and counterparts (Table 4) comprise Latvia's monetary aggregates and their balance sheet counterparts derived from the consolidated balance sheet of MFIs. See Table 5 for seasonally adjusted monetary aggregates. The following monetary aggregates are calculated and published:
  - M1 – narrow monetary aggregate, comprising currency in circulation (the lats banknotes and coins issued by the Bank of Latvia excluding vault cash of MFIs) plus overnight deposits in all currencies held with MFIs.
  - M2 – intermediate monetary aggregate comprising M1 and deposits redeemable at a period of notice of up to and including 3 months (i.e. short-term savings deposits) made in all currencies and deposits with an agreed maturity of up to and including 2 years (i.e. short-term time deposits) in all currencies held with MFIs.
  - M3 – broad monetary aggregate comprising M2, repurchase agreements, and debt securities

with a maturity of up to and including 2 years issued by MFIs, and money market fund shares and units.

In compliance with the Bank of Latvia's methodology, the monetary base (Table 3) and monetary survey (Table 10) is published. According to this methodology, the calculated monetary aggregates comprise the following:

M0 – monetary base, comprising the lats banknotes and coins issued by the Bank of Latvia and resident MFI overnight deposits in lats with the Bank of Latvia.

M2X – broad money, comprising currency in circulation (the lats banknotes and coins issued by the Bank of Latvia less vault cash of MFIs), MFI overnight deposits and time deposits in lats (including deposits redeemable at notice and repos), as well as foreign currency deposits with MFIs. M2X incorporate deposits made by local governments as a net item on the demand side.

In view of the fact that the Bank of Latvia collects more comprehensive information, the following is also published:

- 1) Aggregated balance sheet of Latvia's MFIs (excluding the Bank of Latvia) which is the sum of the harmonised balance sheets (Tables 9ab);
- 2) Information characterising foreign assets and foreign liabilities of MFIs (excluding the Bank of Latvia; Tables 11ab), including a breakdown of selected balance sheet items by country (Table 12);
- 3) Information characterising the maturity profile and types of deposits (including repos) of Latvia's financial institutions, non-financial corporations and households with MFIs (excluding the Bank of Latvia; Tables 13 and 14abc) as well as Government and non-resident deposits (Table 14d). Deposits redeemable at notice have been grouped by period of notice. Long-term deposits include deposits with the original maturity of over 1 year. The breakdown of MFI (excluding the Bank of Latvia) deposits by currency is provided in Tables 20ab;
- 4) Information characterising the maturity profile and types of MFI (excluding the Bank of Latvia) loans to Latvia's financial institutions, non-financial corporations and households (Tables 15, 16ab, 17 and 18) as well as Government and non-resident loans (Table 16c). The breakdown of MFI (excluding the Bank of Latvia) loans by currency is provided in Tables 20cd;
- 5) Information characterising MFI (excluding the Bank of Latvia) securities holdings other than shares (Tables 19ab and 20ef);
- 6) Information characterising debt securities issued by MFIs (excluding the Bank of Latvia; Table 20g).

### **Interest rates**

In June 2010, the Bank of Latvia introduced new methodology for interest rate statistics (see the Bank of Latvia's Regulation No. 42 "Regulation for Compiling Interest Rate Reports of Monetary Financial Institutions" of 10 September 2009). Using this methodology, banks, branches of foreign banks and particular credit unions registered in the Republic of Latvia have to provide information on interest rates on deposits and loans applied in transactions with resident non-financial corporations and households. Introduction of the new methodology enabled harmonisation of the interest rate statistics with the ECB requirements laid down in Regulation (EC) No. 290/2009 of the ECB of 31 March 2009 amending

Regulation (EC) No. 63/2002 (ECB/2001/18) concerning statistics on interest rates applied by monetary financial institutions to deposits and loans *vis-à-vis* households and non-financial corporations (ECB/2009/7). The interest rate statistics provide considerably wider information on macroeconomic development and structural changes.

Information on interest rates on deposits and loans applied in transactions with non-financial corporations and households provided by banks, branches of foreign banks and credit unions registered in the Republic of Latvia is collected (Table 21). Interest rate statistics is collected on new business and outstanding amounts. All rates included in the interest rate statistics are weighted average rates. When preparing the interest rate statistics, credit institutions use annualised agreed rates (AAR) or narrowly defined effective rates (NDER) and annual percentage rate of charge (APRC). Credit institutions have to select the calculation of the AAR or the NDER based on the terms and conditions of the agreement. The NDER can be calculated on any deposit or loan. In addition to the AAR or the NDER, the APRC is reported for loans to households for house purchase and consumer credits.

The interest rates on new business with overnight deposits and deposits redeemable at notice and their outstanding amounts coincide.

Interest rates on new loans are reported on the basis of the initial rate fixation period set in the agreement, whereas overdraft interest rates are reported on loan balances.

When reporting the interest rates on consumer credit and other credit to households with the maturity of up to 1 year and loans to non-financial corporations with the maturity of up to 1 year, interest rates on overdraft are included.

Interbank market lending interest rates (Table 23a) are reported as weighted average interest rates on new business, aggregating the information submitted by banks, prepared based on the Bank of Latvia's methodology (see the Bank of Latvia's Regulation No. 46 "Regulation for Compiling the "Report on Money Market Transactions" of 5 November 2009.)

### **Foreign exchange and exchange rates**

Information characterising the foreign currency selling and buying transactions is reported based on the Bank of Latvia's methodology (see the Bank of Latvia Regulation No. 36 "Regulation for Purchasing and Selling Cash Foreign Currency" of 13 May 2009 and the Bank of Latvia's Regulation No. 41 "Regulation for Compiling Reports on Foreign Currency Purchases and Sales" of 16 July 2009). The principal foreign exchange transactions (Table 24) comprise the cash and non-cash transactions conducted by banks and branches of foreign banks, reported by transaction type and counterparty, and currency. Non-cash foreign exchange transactions (Table 25) comprise non-cash transactions performed by banks and branches of foreign banks, reported by major currency.

Exchange rates set by the Bank of Latvia (Table 26) are reported as monthly mathematical averages. Weighted average exchange rates (cash transactions; Table 27) are reported based on the information provided by banks and branches of foreign banks as well as currency exchange bureaus.