

MACROECONOMIC DEVELOPMENTS REPORT

January 2014

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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
ECOFIN – EU Council meeting in the composition of the ministers of economy and finance
ESA 95 – European System of Accounts 1995
EU – European Union
EU12 – countries which joined the EU on 1 May 2004 and on 1 January 2007
EU15 – EU countries before 1 May 2004
EU27 – EU countries from 1 January 2007 to 30 June 2013
EU28 – EU countries from 1 July 2013
EURIBOR – Euro Interbank Offered Rate
Eurostat – Statistical Office of the European Union
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
MPC – mandatory procurement component
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)
OMXR – NASDAQ OMX Riga index
OPEC – Organization of the Petroleum Exporting Countries
PPI – Producer Price Index
RIGIBOR – Riga Interbank Offered Rate
SEA – State Employment Agency
SJSC – state joint stock company
ULC – unit labour costs
UK – United Kingdom
UN – United Nations
US – United States of America
VAT – value added tax
WTO – World Trade Organisation

Executive Summary

In October, the IMF revised downwards the world economic outlook for 2013 and 2014. Of Latvia's major trade partners, the growth forecast was lowered significantly for Russia, Estonia and Finland. As a positive trend, the economic growth forecast for the euro area remained unchanged for 2013 and was even revised upwards for 2014.

In the third quarter of 2013, both exports and imports of Latvian goods contracted year-on-year. Foreign trade in goods was losing momentum as a result of weakening demand in the markets of trade partners and the strong base effect. Nevertheless, Latvia's export market shares in global markets continued to expand, albeit at a slower pace than in the previous year. Labour costs elevated, yet their rise was offset by improved productivity supporting the preservation of competitiveness. Diversification of products and markets can also be observed. Looking into future, with the economic situation in Europe gradually stabilising, Latvia's export opportunities could improve somewhat, yet the ability to continue with productivity improvements will become increasingly more significant.

In response to a steeper-than-expected drop in euro area inflation, the ECB unexpectedly lowered the rate on the main refinancing operations from 0.5% to a record low of 0.25% in November. Considering the fact that Latvia's inflation was also low and the rate of economic development posed no risks to price stability in the medium term, Latvijas Banka Council resolved to lower the refinancing rate from 1.5% to 0.25% in November. The rates of the marginal lending facility were also reduced. As a result of persisting excess lats liquidity, the money market rates shrank from August to November. The decline in market rates was supported by the approaching euro changeover and Latvijas Banka resolutions on the reduction of interest rates.

Overall situation with lending remained broadly unchanged: the moderate shrinking of the loan portfolio in September and October was followed by a slight increase associated with an improvement in corporate lending. Household indebtedness continued on a slow but stable downward trend, mostly on account of repaid loans for house purchase. Credit institutions are still reluctant to use their free liquidity to grant loans and keep fairly large amounts on accounts with the central bank or place them abroad. It is likely that the most of this money will not be channelled into the economy also in 2014. Nevertheless, the credit risk score in the case of successfully working businesses should go down following the euro changeover, while the demand for loans from those businesses should increase; therefore, the corporate lending prospects for 2014 should be viewed as favourable. This is confirmed also by the minor increase in lending observed in November, although it is too early yet to be certain that the free liquidity of the credit institutions will be used to boost lending in the near term.

The average annual growth of the Latvian GDP has been 4%–5% since mid-2012; however, exports have given up the role of the main driver of development to domestic demand. Private consumption remained the largest contributor to GDP growth in the third quarter of 2013, supported by a rise in disposable income and more active spending of savings. Meanwhile, the growth of the real exports of goods and services decelerated in 2013, entering a negative territory in the third quarter at –1.3%. Although exporters managed to retain high competitiveness, the weakness of the external demand continued to weigh on exports. With public sector investment reporting higher growth rates, a moderate increase in investment was also observed which could be supported by the inflows of EU funding and foreign direct investment in the coming quarters as well.

Following a short-lived slowdown at the beginning of the year, the development of manufacturing continued to exert a positive influence on GDP growth. Preliminary data for

October also suggest that with gradual recovery of the external environment further growth in manufacturing could be expected.

As expected, there was a minor increase in the rate of jobseekers in the third quarter, largely mirroring the fluctuating rate of participation reversing the fall observed in the previous two quarters. At the end of 2013, due to seasonal factors and the crisis affecting JSC *Liepājas Metalurģs* registered unemployment slightly increased. Overall, job opportunities are ever more ample, as confirmed by a higher employment rate and number of vacancies. Wages and salaries accelerated slightly in the third quarter, whereas the increase in nominal unit labour costs was only minor, confirming that the revival of competitiveness was sustainable. Compensation to employees is expected to continue to grow somewhat faster than the value added, with the unemployment rate gradually approaching its natural level.

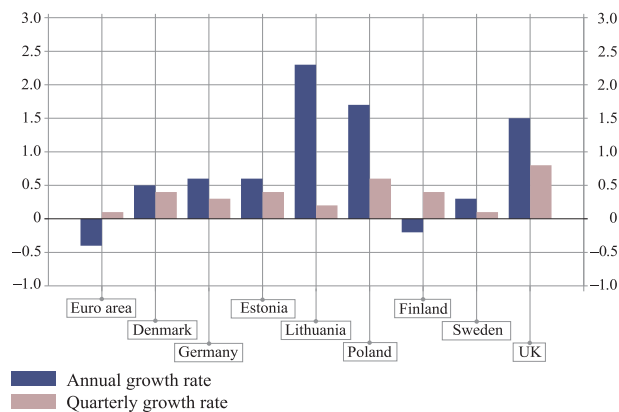
Annual inflation remained low in September–December 2013. This was a result of the stabilisation of oil prices, further decline in heating tariffs and stable food prices on the global market. The price rise in other groups of goods and services in the course of the year was offset by commensurate wage and productivity growth as well as the absence of any pressure from energy prices. Overall, inflation in 2013 is deemed to be unusually low. The contribution of principal components (energy, food, other groups of goods and services) differs substantially both from the long-term average rate of inflation and inflation rates associated with economic growth. As in 2013, average inflation for 2014 will be primarily affected by the supply-side factors, but the direction and magnitude of their effect could differ considerably from that observed in 2013.

Table 1
GDP GROWTH FORECASTS FOR LATVIA'S MAJOR
TRADE PARTNERS IN 2013 AND 2014
(%)

	2013 ¹	2013 ²	2014 ¹	2014 ²
Total global economy	3.3	2.9	4.0	3.6
US	1.9	1.6	2.9	2.6
Euro area	-0.4	-0.4	-0.8	1.0
Germany	0.6	0.5	1.4	1.4
UK	0.6	1.4	1.5	1.9
Russia	3.4	1.5	3.8	3.0
Denmark	0.8	0.1	1.3	1.2
Sweden	1.0	0.9	2.2	2.3
Finland	0.5	-0.6	1.2	1.1
Estonia	3.0	1.5	3.2	2.5
Lithuania	3.0	3.4	3.3	3.4
Poland	1.3	1.3	2.2	2.4

Sources: April 2013 (1) and October 2013 (2) *World Economic Outlook* (IMF).

Chart 1.1
GDP ANNUAL AND QUARTERLY GROWTH RATE
IN Q3 2013 IN LATVIA'S MAJOR TRADE PARTNER
COUNTRIES
(%)



1. External Sector and Exports

1.1 External economic environment

In October, the IMF revised downwards the GDP growth forecast for a large number of countries, for Russia, Estonia and Finland to a particularly large extent. As a positive trend, the GDP forecast was not lowered for the euro area and Poland, while for the UK and Lithuania it was revised even upwards (see Table 1).

The risks to external environment are affected by the economic stabilisation in the euro area. However, Greece and Portugal still face a number of sovereign-debt-related problems, while banking sector problems still persist in Spain. In the meantime, first signs of a deflation risk are starting to emerge in the euro area. Political situation, on the other hand, is likely to be affected by the forthcoming elections to the European Parliament.

In the third quarter 2013, a quarter-on-quarter increase in the euro area GDP was 0.1% (see Chart 1.1). Changes in inventories and investment positively contributed to the GDP growth, while the impact of net exports was negative. Despite the GDP quarterly growth for two quarters in the run, unemployment did not shrink. In November, *Markit* Purchasing Managers' Index went down slightly. It should be noted, however, that it has remained above 50 over five last months.

In Estonia, the third-quarter GDP picked up 0.4% quarter-on-quarter. As to the fourth quarter, growth was seen to accelerate in manufacturing. For 2014 in general, the GDP growth was projected to be faster than in 2013. For the Estonian economy, a slower development in its major trade partner countries poses the most serious risks.

In the third quarter, the Lithuanian GDP increased quarter-on-quarter by 0.2%. More often, the respective increases are on account of the domestic demand rather than exports. Over a shorter term, the Lithuanian economy might be negatively impacted by the trade barriers imposed by Russia on imports from Lithuania. Lithuania is likely to meet the Maastricht criteria for the projected changeover to the euro in 2015.

Quarter-on-quarter, the UK's GDP picked up 0.8%. It is a very positive current attainment, and, overall, the

economic situation in the UK has recently improved. The unemployment rate has gone down, closer to the Bank of England's target. Real estate prices increased notably and have been soaring at a high over a five-year period.

In the third quarter, Poland recorded a quarter-on-quarter GDP pickup of 0.6%. Under the impact of slightly growing consumption and investment, the domestic demand strengthened somewhat. The labour market situation also improved moderately. In November, consumer confidence reached a 17-month high. A more accelerated development of Poland's national economy is partly a result of *Narodowy Bank Polski* lowering its interest rates in early 2013.

In Sweden in the third quarter, GDP gained 0.1% quarter-on-quarter. Moreover, the economic trends index rose to 104.1 in November. However, the risks in connection with high level household debt and the housing sector were still in place.

Finland's GDP gained 0.4% quarter-on-quarter. Nevertheless, with the external demand shrinking, the outlook for manufacturing deteriorated in the fourth quarter, and the annual growth rate was among the lowest over a 10-year period. In addition, the current account was again recording a deficit.

Denmark's GDP posted a 0.4% quarter-on-quarter increase, primarily due to expanding exports and growing investment. For the first time since the beginning of 2011, Denmark saw a positive quarterly GDP growth. The labour market situation improved, and the current account surplus rose to a record high.

In Russia, the economic situation has been on a downward trend for quite a time now. Due to insufficient investment, the GDP growth was slower than previously projected. As the weather conditions were poor, the sector of agriculture posted weaker performance in the third quarter. Structural reforms in Russia are more necessary than ever.

1.2 Latvia's competitiveness and expansion of commodity exports

In the third quarter, both nominal and real exports and imports of Latvian goods contracted year-on-year (see Charts 1.2 and 1.3). As a result of the weakening demand in the markets of major trade partner countries and the base effect, foreign trade in goods was losing momentum.

Chart 1.2
EXPORTS OF GOODS
(year-on-year; %)

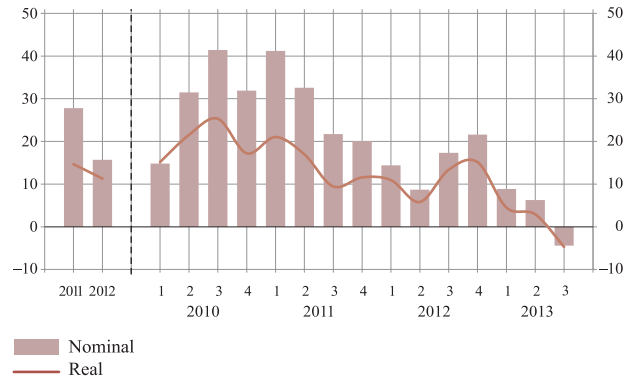
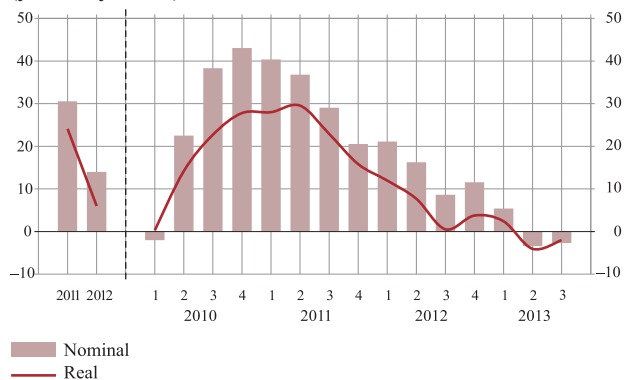


Chart 1.3
IMPORTS OF GOODS
(year-on-year; %)



Over the year, the export and import value of goods contracted by 4.4% and 2.7% respectively. The annual growth in foreign trade was adversely affected by decreasing export and import volumes of base metals and articles of base metals associated with the discontinued operation of JSC *Liepājas Metalurģs*. Falling exports of transport vehicles also had a negative impact on foreign trade, which together with a simultaneous shrinkage in import volumes of the same commodity group suggested a certain contraction in re-exports. Exports of vegetable products, which due to higher global prices and good harvests in the respective period of the previous year had grown significantly, posted a notable drop in the third quarter. Positive annual export growth was recorded by manufacturing of wood and articles of wood, a major export sector (16.1% in the third quarter). Similarly, a stable upward trend continued in exports of prepared foodstuffs. Exports of relatively small sectors also increased. For instance, in the third quarter, exports of articles of stone, plaster, cement, glassware and ceramic products, live animals and animal products as well as paper, paperboard and products of the printing industry expanded by 13.0%, 28.9% and 11.7% respectively. Exports of optical instruments and apparatus, photo and filming equipment and apparatus, medical and surgical instruments and apparatus, and similar products continued to increase.

In the third quarter, real exports of goods decreased by 4.7%, while imports of goods shrank by 2.0%. The decrease in the former was primarily on account of three commodity groups recording a substantial export volume decline: vegetable products (-39.2%), base metals (-30.9%), and transport vehicles (-41.0%). As of most essential export commodity groups, the increases in export volumes were recorded for prepared foodstuffs (12.2%), mineral products (11.4%), wood and articles of wood (10.4%), stone, plaster, cement, glassware and ceramic products (12.3%), and machinery and mechanical appliances, electrical equipment (8.2%). In imports, on the other hand, the volume of transport vehicles contracted most (by 25.4%).

Export prices grew by 0.4% year-on-year in the third quarter. They recorded the steepest rise for transport vehicles, while those for vegetable products dropped most. Import prices, in turn, went down by 0.7% year-on-year, for vegetable products and base metals most. Speaking about the import price rises, they were the largest for prepared foodstuffs. Against the

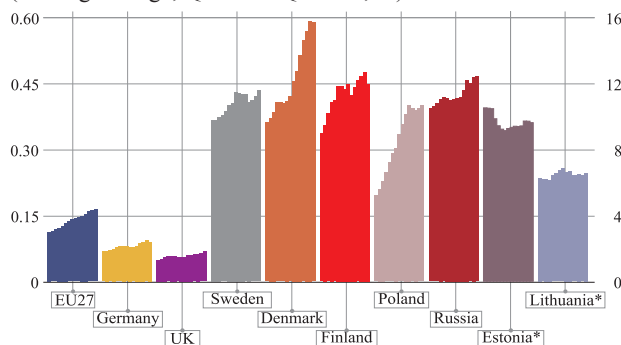
second quarter, the prices for both exports and imports contracted (by 1.7% and 0.3% respectively).

In the breakdown by sector, in the third quarter, the terms of trade deteriorated most for all agricultural products, transport vehicles, machinery and mechanical appliances, electrical equipment as well as textiles and textile articles. On the other hand, the terms of trade improved for base metals, stone, plaster, cement, glassware and ceramic products as well as wood and articles of wood.

According to the third quarter data of the WTO, Latvia's export market shares in global imports continued to expand, albeit at a slower pace than in the previous year.

Chart 1.4

LATVIA'S EXPORTS AGAINST MAJOR TRADE PARTNER COUNTRIES' IMPORTS
(moving average; Q1 2010–Q3 2013; %)



* Estonia and Lithuania – right-hand scale.

Labour costs elevated, yet their rise was offset by improved productivity; alongside with the diversification of products and export markets, these improvements supported the maintenance of competitiveness. Such competitiveness factors as export quality and complexity, value added, and the like will increasingly gain importance in the future boosting of export market shares (see Chart 1.4). With the economic situation in Europe gradually stabilising, Latvia's export opportunities improved somewhat at the close of 2013. The data published by the EC point to slightly improving export order assessment in November. Also, confidence indicators for the fourth quarter suggest that the export order assessment and businesses' future outlook for competitiveness particularly within the EU (on a downward trend for four quarters in the run) have now improved. In addition, the *Citadele Index Survey* conducted by the JSC *Citadele banka* and the market and public opinion research centre SKDS points to a certain deterioration in entrepreneurial optimism for the second consecutive quarter, although, overall, business sentiment can still be assessed as optimistic, with the exporting companies feeling particularly comfortable (confirmed by a rise in the index against the second quarter). In the breakdown by sector, slightly rising optimism was observed in trade, most probably because businesses in this sector anticipated a consumption boost with season's sales and the changeover to the euro looming ahead, when households were expected to dispose of the accumulated funds in lats. Meanwhile, optimism in the sector of other services, manufacturing and construction deteriorated.

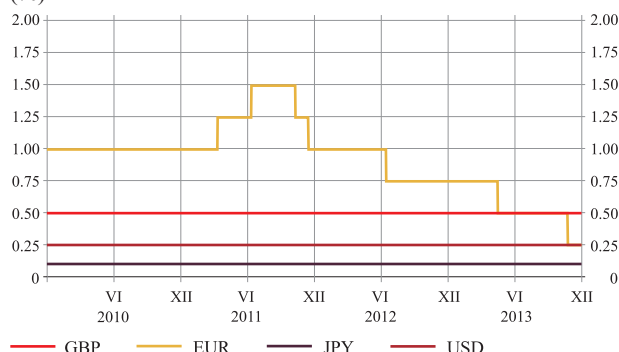
2. Financial Market Developments

2.1 Foreign financial markets

Positive financial market sentiments were spurred by the euro area macroeconomic performance, which confirmed that the economy was recovering. Investors' risk aversion eased, causing a transition from investing in investment grade securities to high-yield securities; it enabled governments of the euro area peripheral countries to issue securities successfully. Improving market conditions were particularly important for Ireland and Portugal, two countries planning to borrow from international financial markets after exiting the bailout programmes. In December, Ireland became the first euro area country to exit the bailout programme, with Portugal planning to follow suit in June 2014.

Chart 2.1

BASE RATES (%)



Much to financial market participants' surprise, in November the ECB unexpectedly lowered the interest rate on the main refinancing operations from 0.5% to a record low of 0.25%, thus reacting to an unexpected drop in euro area inflation (see Chart 2.1). In October, euro area inflation decelerated to 0.7%, markedly below the target set by the ECB. The interest rate on the marginal lending facility was also reduced (from 1% to 0.75%), while the rate on the deposit facility was kept unchanged, at 0%, thus narrowing the interest rate corridor set by the ECB. Major stock market indices, yields on government bonds and euro exchange rates all reflected this sudden reduction. Stock market indices elevated both in Europe and the US, yields on bonds dropped, and the exchange rate of the euro against the US dollar decreased. The ECB representatives reiterated their commitment to do whatever it takes to use all available instruments to meet the ECB's primary objective of maintaining price stability in the euro area.

In contrast to the ECB accommodative monetary policy that of the FRS was coming closer to the stage of gradually scaling back stimulus measures. The US macroeconomic indicators continue sending the signals of economic recovery, with unemployment rate falling down to 7% in November and underpinning the FRS's decision, at its December meeting, to reduce the asset purchase programme by 10 billion US dollars per month.

The euro area credit institutions were in a continued

process of paying back the financing they borrowed under the ECB's longer-term refinancing operations with a maturity of 36 months in December 2011 and March 2012. The pace of repaying became particularly buoyant in December. Consequently in the reporting period, the credit institutions' excess liquidity continued to drain out, which together with the end-of-the-year effect and the ECB's reluctance to launch new stimulus measures resulted in higher money market interest rates. In the reporting period, Eonia remained around 0.10% on average, whereas due to the end-of-the-year effect, average Eonia rose to 0.17% in December. 3-month EURIBOR also increased, with its average rate reaching 0.27% in December, the highest monthly average of 2013.

The economic indicators of and financial situation in the peripheral countries of Europe point to recovery; the governments of these states were treating the budget planning process responsibly, incorporating major austerity measures. Such a stance has supported a fall in the government bond yields in these countries and a more positive assessment by international credit rating agencies, which revised the ratings for crisis-hard-hit Cyprus, Greece and Spain upwards. Greece earned the largest upgrade of its sovereign rating (from "C" to "Caa3" by Moody's), because it implemented structural reforms and succeeded in essential fiscal consolidation, although the economic growth was weak and the political situation uncertain. Following the second review of Cyprus' economic adjustment programme supported by international lenders in November, which erased some of the concerns about Cyprus as being unable to comply with the terms and conditions of the international support programme, Standard & Poor's upgraded the rating for Cyprus from "CCC+" to "B-". Appreciating the attained macroeconomic improvements and the contraction in the amount of non-performing loans in the three Baltic States, the international rating agency Moody's changed the outlook for the banking system of these countries to stable from negative.

In the meantime, the economies of some major European countries went through stagnation. France was blamed for a weak economic growth outlook due to high unemployment and modest fiscal and structural measures. On these grounds Standard & Poor's downgraded France's sovereign credit rating from "AA+" to "AA". On the basis of a weakening economic outlook, this rating agency also cut the credit rating for the Netherlands from "AAA" to "AA+".

Chart 2.2
YIELD SPREADS BETWEEN 10-YEAR GOVERNMENT BONDS OF EURO AREA PERIPHERAL COUNTRIES AND GERMANY
(percentage points)

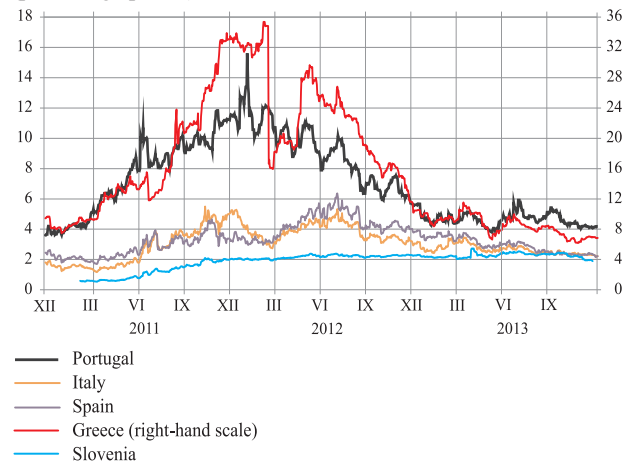


Chart 2.3
MAJOR WORLD STOCK PRICE INDICES AND GERMAN AND US 10-YEAR GOVERNMENT BOND YIELDS

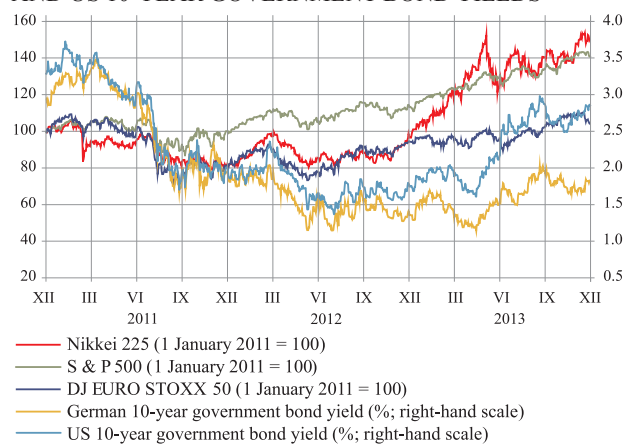
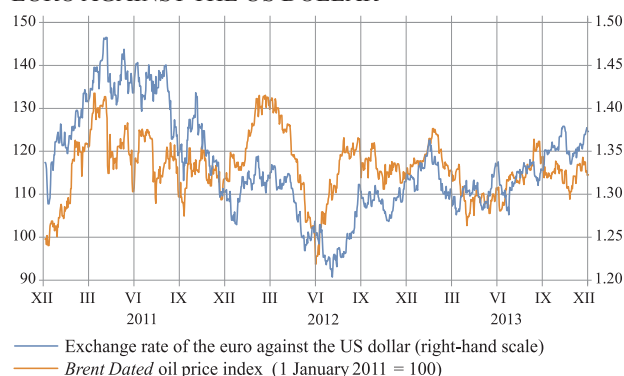


Chart 2.4
BRENT OIL PRICE AND EXCHANGE RATE OF THE EURO AGAINST THE US DOLLAR



In the reporting period, interest rates on the euro area government long-term bonds went down. Early in the period, the yields were primarily under the impact of the developments in the US: the FRS September decision to go on with the asset purchasing programme caused a yield decline both in the US and Europe. In October, the yields were pushed up by concerns caused by the US federal government entering a shutdown; when the government operations resumed after an interim agreement on appropriating funds for fiscal year 2014 and on raising the debt limit (or ceiling), they dropped again. In December, however, following the FRS decision on reducing the asset purchase programme, the yields on the long-term bonds elevated once more. The bond yield volatility was likewise impacted, along with other economic indicators, by the long-term inflation perspective for the euro area. Overall, from mid-September to the end of 2013, the US government 2-year bond yield declined from 0.40% to 0.38%, while the yield on 10-year bonds increased from 2.7% to 3.0%. At the same time, the yield on the German government short-term bonds remained unchanged, at 0.22%, whereas that on the long-term bonds fell from 1.98% to 1.93%. The spread between the yields on euro area problem country government bonds and those on the German government bonds of the same maturities kept on narrowing. The yields on long-term government bonds of Slovenia, Greece and Portugal fell most (by more than 1 percentage point; see Chart 2.2).

From mid-September to year's end, the stock market was generally ruled by positive sentiments. DJ EURO STOXX 50, the European stock market index, picked up 8%; S & P 500, the US stock market index, moved up by 9% (see Chart 2.3). The stock market developments were driven by the US federal government's resolution on appropriating funds and raising the debt ceiling, and the country's economic indicators, which affected market participants' expectations as to further monetary policy decisions; the abating of geopolitical risks in the Middle East likewise played a role.

The euro appreciated against the US dollar, from 1.33 US dollars per 1 euro to 1.37 US dollars per 1 euro (see Chart 2.4); it depreciated against the Swiss franc, but remained unchanged against the UK pound sterling. Stronger fluctuations in the euro exchange rate were on account of the ECB decision on monetary operations' interest rates, the ECB and the FRS statements and eventual future actions as well as changing expectations regarding economic

developments in the euro area vis-à-vis the economic growth in other countries. The price of *Brent* crude oil was unstable during the reference period, yet, overall, the period closed without any essential change in it (see Chart 2.4). At the beginning of the period, its price depended on abating geopolitical risks and the resumed global supply of crude oil. The agreement reached between the US and Russia on the destruction of Syria's chemical arsenals eased the concerns about crude oil deliveries in this troubled region. Despite geopolitical risks still in place in these countries, the resumed oil supply from Libya, Nigeria and Iraq alleviated the supply-related pressure on oil prices. The most recent OPEC meeting confirmed an unchanged outlook for the crude oil market, while the temporary accord between Iran and the UN reached in November on a six-month curb on Tehran's nuclear programme incited supply-related optimism in the market. Notwithstanding a rise in *Brent* crude oil price towards the close of the reference period, when it once again rose to 111 US dollars per barrel, market participants expect the crude oil price to fall in a medium-term, which is well-attested by the price of *Brent* crude oil futures (December 2014) standing at 107 US dollars per barrel.

2.2 Operations of Latvijas Banka and credit institution liquidity

In September–November the interbank euro exchange rate against the lats stood quite close to the conversion rate of the euro and lats, officially approved at the ECOFIN meeting on 9 July (0.702804) – the euro changeover in Latvia on 1 January 2014 was based on it. In the previous reporting period the average euro exchange rate against the lats, quoted by credit institutions on the interbank market was 0.7023, while during the current reporting period, as it could be expected, it was close to the official exchange rate, reaching 0.7027. Market participants did not engage in foreign exchange transactions with Latvijas Banka as the euro exchange rate against the lats was still more advantageous than the intervention rates of Latvijas Banka.

In the reporting period, credit institution liquidity grew by 186.7 million lats on average. The most significant factors behind the increase in credit institution liquidity were smaller amounts of currency in circulation and the government deposit with Latvijas Banka (131.7 million lats and 59.9 million lats respectively; see Chart 2.5). Individuals continued to gradually decrease their savings of the national

Chart 2.5
AVERAGE BALANCES OF MONETARY OPERATIONS OF LATVIJAS BANKA AND GOVERNMENT LATS DEPOSITS (billions of lats)

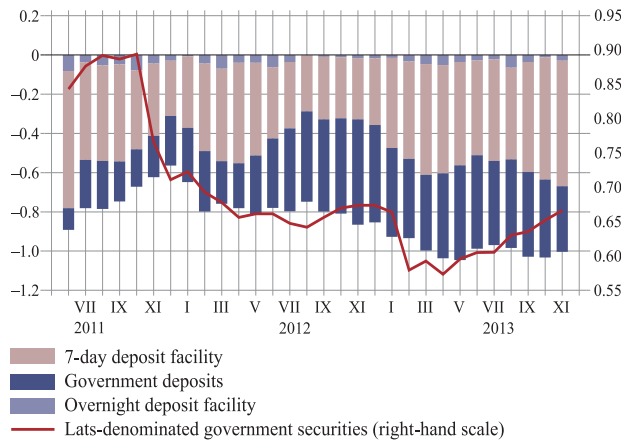


Chart 2.6
NET FOREIGN ASSETS OF LATVIJAS BANKA, MONETARY BASE AND DEPOSIT FACILITY WITH LATVIJAS BANKA (average end-of-day balance; billions of lats)

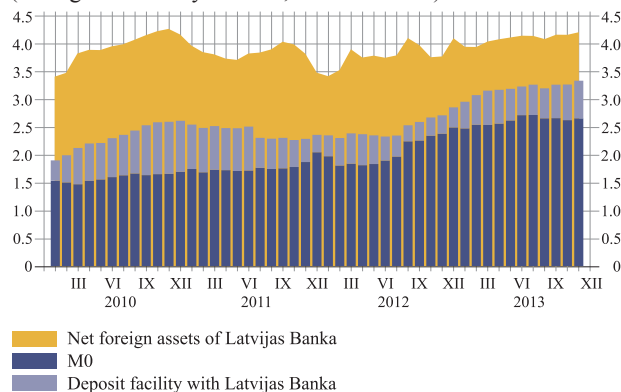
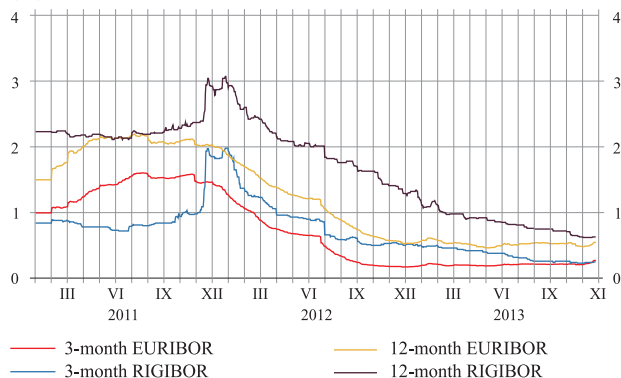


Chart 2.7
LATS AND EURO MONEY MARKET RATES (%)



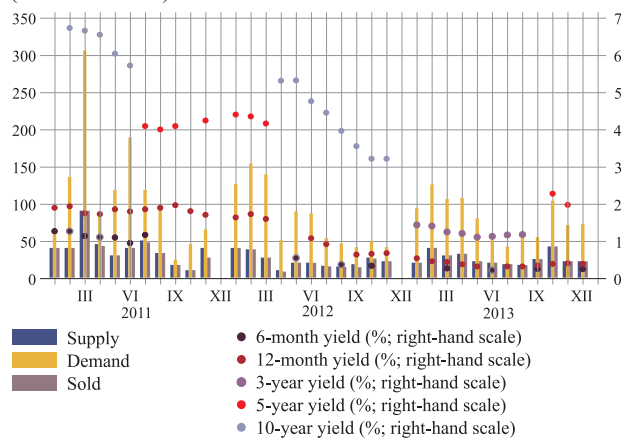
currency prior to the euro changeover; the government in its turn did not intensively borrow in the market but financed its expenditure from the deposited funds, planning to use the euro funds at its disposal for daily expenses as of 2014. Credit institution liquidity shrank on account of an increase in credit institution minimum reserve requirements by 13.2 million lats or 2.2%, suggesting positive development of credit institutions and the timely commenced depositing of cash on accounts with credit institutions by the population.

Credit institutions' average recourse to the overnight and 7-day deposit facility at Latvijas Banka moved up by 19.9%, to 630.4 million lats (see Chart 2.6), while the amount of excess reserves on credit institution accounts surged by 49.4%, to 234.8 million lats, with credit institutions maintaining a reserve of freely available funds in times of change. Credit institutions did not resort to the liquidity-providing operations of Latvijas Banka as no Latvian credit institution was short of liquidity.

In view of the fact that annual consumer price inflation in Latvia remained low even in comparison with its average rate in the euro area and that the economic growth rate posed no risks to price stability in the medium term, the Council of Latvijas Banka resolved at its last regular meeting in 2013 to reduce the interest rates set by Latvijas Banka as of 24 November, thus they approached the key ECB interest rates. The refinancing rate of Latvijas Banka was lowered from 1.5% to 0.25%, and the marginal lending facility rate was cut from 2.0% to 0.75% in case the respective credit institution had resorted to the lending facility no more than 5 working days within the previous 30 day period; from 3.5% to 1.5% in case the credit institution had resorted to the lending facility no more than 10 working days within the previous 30 day period; and from 5.0% to 2.5% in case the credit institution had resorted to the lending facility for more than 10 working days within the previous 30 day period. Latvijas Banka left the credit institution deposit facility rate and the minimum reserve ratio unchanged.

As a result of persisting excess lats liquidity in the money market, the weighted average interest rate on interbank overnight transactions shrank from 0.07% observed in August to 0.05% in November. 3-month RIGIBOR declined from 0.33% in the previous reporting period to 0.26% in the current reporting period (see Chart 2.7), and 6-month RIGIBOR moved down from 0.59% to 0.47% respectively. The decline in market rates was affected by the approaching euro

Chart 2.8
AUCTIONS OF LATS-DENOMINATED GOVERNMENT
DEBT SECURITIES
(millions of lats)



changeover and the resolutions of Latvijas Banka on the reduction of the interest rates set by Latvijas Banka. At the same time, EURIBOR posted minimal changes, therefore the spread between RIGIBOR and EURIBOR narrowed: the spread between the 3-month RIGIBOR and 3-month EURIBOR shrank from 11 basis points to 4 basis points and that between the 6-month RIGIBOR and 6-month EURIBOR narrowed from 26 basis points to 13 basis points.

2.3 Securities market

In September–November, primary auctions of 6-month and 12-month Treasury bills and 5-year Treasury bonds were held (see Chart 2.8). The supply of government securities was 89.0 million lats, 61.8% higher than in the previous reporting period, in order to prepare for December when the levels of government spending are traditionally larger. With demand exceeding supply 2.6 times at the auctions, all supplied government securities were sold. Outstanding amount in net terms grew by 5.6% (to 667.3 million lats) in the reporting period. The weighted average yields on 6-month and 12-month Treasury bills posted an increase as that on 12-month Treasury bills rose from 0.30% in August to 0.39% in November. The weighted average yields on Treasury bills had seen a substantial fall in 2012 and the first half of 2013; hence, in the reporting period they slightly recovered. The weighted average yield on 5-year Treasury bonds had no uniform trend, standing at 2.22% at the beginning of October, 2.29% at the end of October and 1.96% in November. Looking back at longer-term horizons, the weighted average yield on 5-year Treasury bonds has posted a substantial drop as it stood at over 4% in March 2012 when the previous auctions were held.

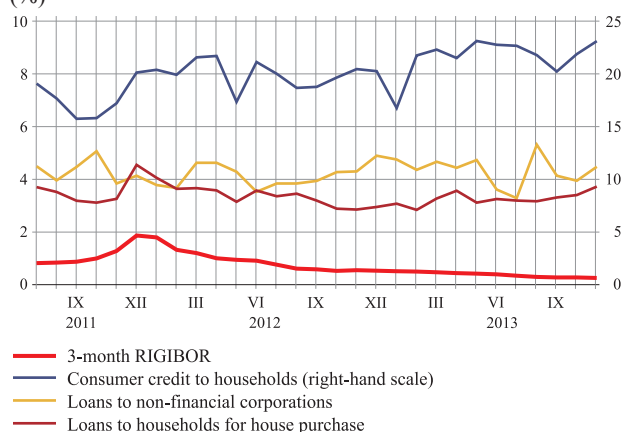
In the reporting period, the bid yield on Latvian government eurobonds maturing in 2018 shrank from 2.10% to 1.71%, and the spread between the above and that of the German government bonds of the respective maturity narrowed from 128 basis points to 118 basis points. The bid yield on Latvian government bonds denominated in US dollars and maturing in 2021 decreased from 4.38% at the end of August to 4.04% at the end of November, and the spread between the above and that of the US government bonds of the same maturity also narrowed from 190 basis points to 177 basis points.

The yields on Latvian government bonds denominated in euro and US dollars were affected by the

developments on the global markets. First, the FRS, continuing to pursue accommodative monetary policy, postponed the restrictions on bond purchases, and the US government experienced lengthy discussions on the government debt ceiling, while the ECB reduced the key rate unexpectedly and the overall financial situation in the peripheral euro area countries improved. Secondly, the macroeconomic data of the US and euro area core countries were not encouraging, at the same time the economic growth in the developing countries was more accelerated. The latter facilitated an increase in the demand for the bonds of the developing countries, inter alia also for those of the East and Central European countries.

In the previous reporting period NASDAQ OMX Riga share price index OMXR rose by 8.3%, but in the current one it fell by 1.2%. Such development can be called "price adjustment" as the index still posted a considerable increase (16.0%) over the last 12 months. The global background was favourable for the stock markets as the national central banks continued to maintain high liquidity in the financial markets, therefore the major global stock market indices rose by 10%–20%.

Chart 2.9
INTEREST RATES ON MFI SHORT-TERM LOANS IN LATS* (%)



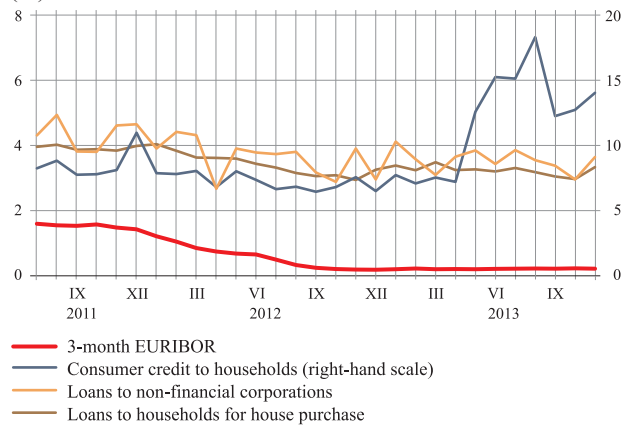
* Floating interest rates and interest rates with an initial interest rate fixation period of up to 1 year.

2.4 Interest rates

Interest rates on loans granted to non-financial corporations continued fluctuating at the previous level. The weighted average interest rate on new loans granted to non-financial corporations (4.1% in August; 3.9% in November) was still mostly affected by the fluctuations of the interest rate on large size loans (over 1 million euro or its equivalent in lats), while the impact of the interest rate on small size loans (up to 250 thousand euro or its equivalent in lats), tending to increase in the last few months, was quite insignificant on the weighted average interest rate. The weighted average interest rate on new loans in lats granted to non-financial corporations was still higher than the same rate on new loans in euro; as the moment of Latvia joining the euro area approached, the amount of new loans in lats granted to non-financial corporations gradually decreased (for interest rates on short-term loans granted by MFIs in lats and euro, see Charts 2.9 and 2.10).

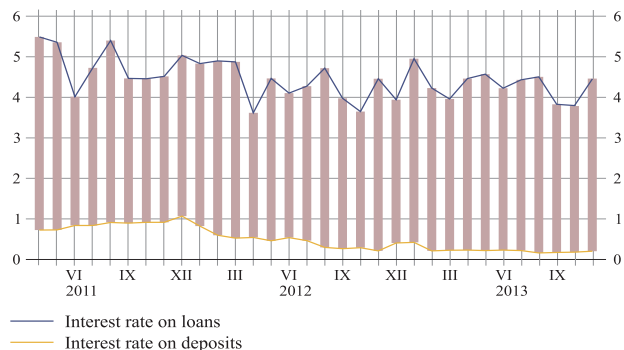
Interest rates on new euro loans for house purchase granted to households remained broadly the same as changes in EURIBOR were insignificant and terms and conditions for loans to households for house purchase were not essentially modified. At

Chart 2.10
INTEREST RATES ON MFI SHORT-TERM LOANS IN EURO*
(%)



* Floating interest rates and interest rates with an initial interest rate fixation period of up to 1 year.

Chart 2.11
SPREAD BETWEEN INTEREST RATES ON NEW LOANS AND NEW DEPOSITS
(percentage points)



the same time, interest rates on new lats loans for house purchase granted to households grew, with several credit institutions raising the spreads over the money market indices for the respective loans. The weighted average interest rate on new loans in lats with a floating interest rate and the initial interest rate fixation period of up to one year to households for house purchase rose to 3.7% in November (3.2% in August), while that on loans with the initial interest rate fixation period of over one year moved up to 13.6% (11.8% in August). Interest rates on consumer credit granted to households in lats increased, while those on credit granted in euro diminished.

The weighted average interest rate on time deposits in lats received from households and non-financial corporations remained broadly unchanged, while the same on time deposits in euro edged up slightly, still remaining generally low. The increase in the weighted average interest rate on deposits in euro received from households and non-financial corporations was driven by a rise in the euro money market interest rates as the excess liquidity contracted on the euro area money market, as well as by a growing demand for euro on the domestic foreign exchange market. The weighted average interest rate on time deposits received from households in lats remained unchanged (0.5%), whereas the respective rate on time deposits in euro rose by 0.1 percentage point, reaching the levels of interest rates on lats deposits. The weighted average interest rate on time deposits in lats received from non-financial corporations remained close to zero (0.04%), and the respective rate on time deposits in euro moved up to 0.2% (from 0.1%). Both the weighted average interest rate on short-term time deposits in euro received from households and non-financial corporations and that on the respective time deposits with a maturity of 1–2 years increased. The spread between MFI interest rates on new loans and new time deposits slightly widened in comparison with the previous reporting period (see Chart 2.11).

2.5 Money supply

Money supply remained quite stable in Latvia: its annual rate of change was close to zero, with the rise in deposits received by credit institutions offsetting the fall in the demand for cash and even exceeding the latter in the last few months. Thus in September–November M3 increased by 0.7%, and its annual growth rate also stood at 0.7% in November.

The decrease in currency in circulation associated

with the euro changeover was more pronounced, and already in November currency outside MFIs posted a 31.7% fall year-on-year, contracting by 335.7 million lats in 12 months, including a 185.6 million lats drop in the last three months. The cash component in broad money also shrank substantially (from 15.6% in November 2012 down to 10.5% in November 2013).

Household deposit growth could already be observed each month throughout 2013, and, alongside with the cash currency being placed on accounts with credit institutions, it was driven by rising income levels and employment rate. In the last few months, the increase in non-financial corporation deposits was driven by the cash factor; nevertheless, the economic growth and the expanding amount of export transactions also played a significant role. With the year coming to its close, the surplus of the central government budget decreased and inflows of government budget funds in the economy increased.

Lending did not see cardinal changes: following a moderate drop in the credit portfolio in September and October, a slight increase was observed in November on account of lending to businesses. Household indebtedness continued on a slow but stable downward trend, mostly on account of repaid loans for house purchase. As a result of GDP growth, the ratio of loans to GDP continued to decline (to 59.5% in the third quarter, down from 61.3% in the second quarter; see Chart 2.12).

The aggregate money supply totalled 6.9 billion lats in November. M1, the most liquid component of money supply, continued to dominate in broad money M3, with its annual growth rate standing at 7.7% in November (see Chart 2.13). Of M1, the component of currency in circulation posted a particular drop (for the dynamics of currency in circulation see Chart 2.14). The weakening of the demand for cash and the low remuneration paid on deposits in their turn facilitated concentration of the savings of businesses and households on the settlement accounts with credit institutions: in September–November overnight deposits grew by 6.4%. Deposits redeemable at notice also increased by 15.0%, whereas deposits with an agreed maturity of up to two years contracted by 6.4%.

Chart 2.12
RESIDENT LOANS TO GDP
(%)

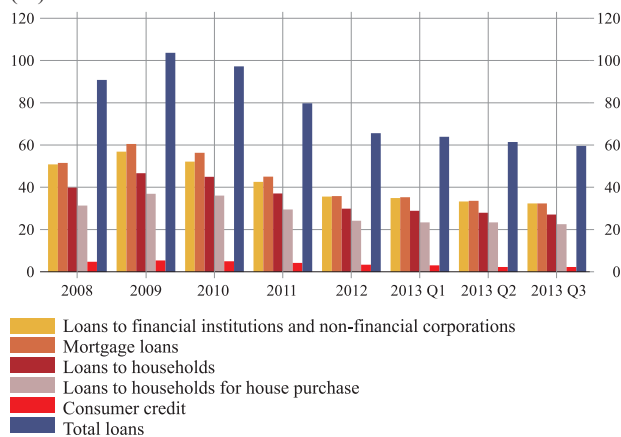


Chart 2.13
ANNUAL RATE OF CHANGE IN MONETARY
AGGREGATES
(%)

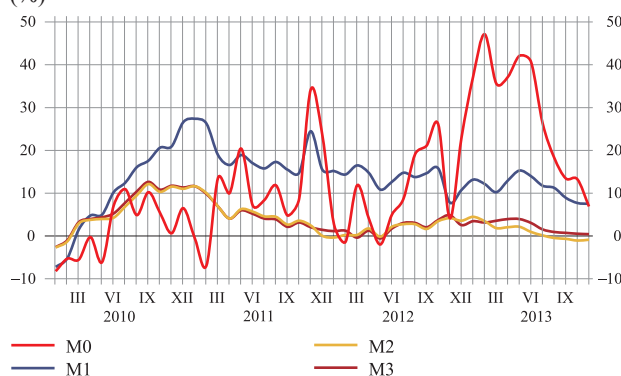


Chart 2.14

CURRENCY IN CIRCULATION (%)

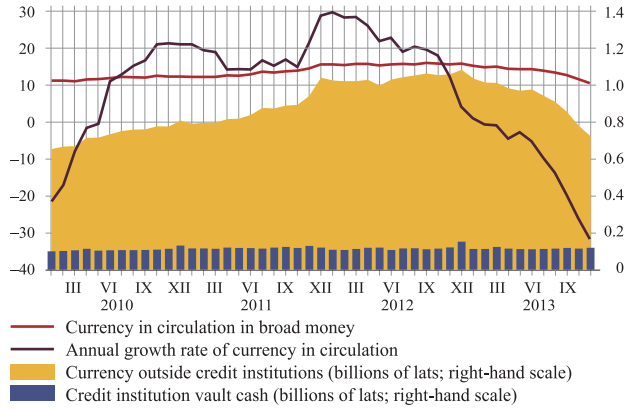
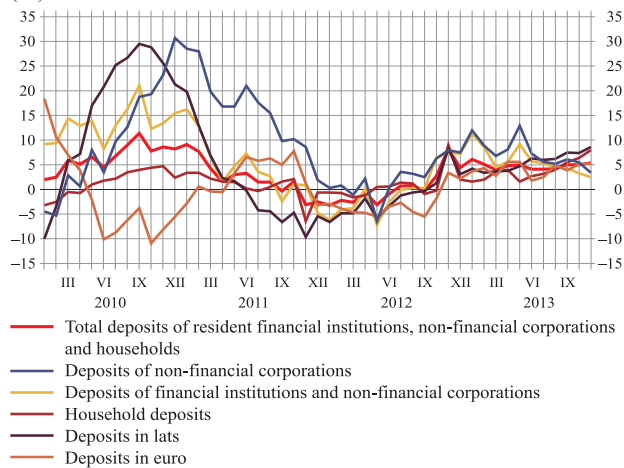


Chart 2.15

ANNUAL RATE OF CHANGE IN RESIDENT DEPOSITS (%)



The annual growth rate of deposits made by resident financial institutions, non-financial corporations and households edged up somewhat, standing at 5.5% in November. In the three months, the overall increase was more pronounced in deposits in lats and more moderate in those in euro, with their annual growth rate reaching 8.7% and 5.4% in November respectively (for the deposit dynamics, see Charts 2.15 and 2.16). With total resident deposits growing and the loan portfolio contracting, in November the resident loan-to-deposit ratio fell to 1.61, down from 1.70 in August (see Chart 2.17). In contrast to the positive increase in the attracted domestic funds, the inflows of non-resident funds shrank in the last few months: both funds received from foreign parent credit institutions and non-resident non-MFI deposits recorded a decline.

Chart 2.16

ANNUAL RESIDENT DEPOSIT DYNAMICS (billions of lats)

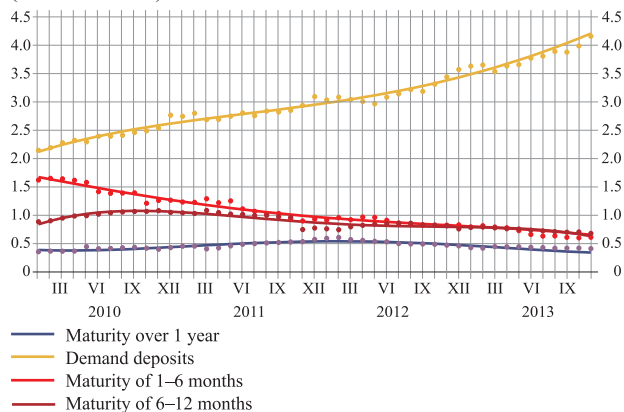


Chart 2.17

RESIDENT LOAN TO DEPOSIT RATIO

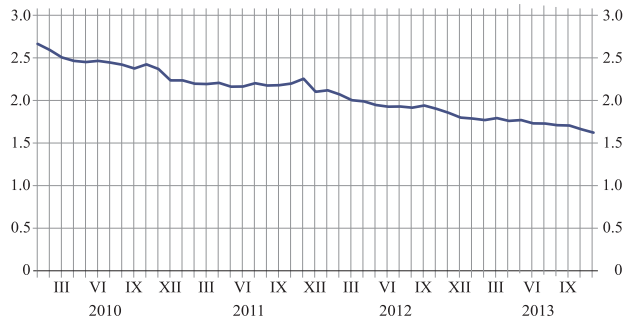
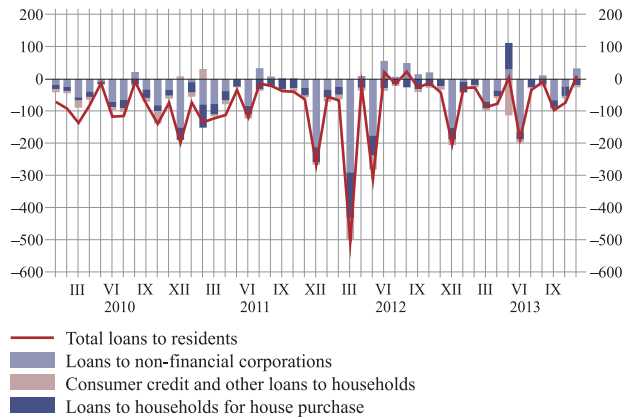


Chart 2.18

MONTHLY CHANGE IN LOANS TO RESIDENT HOUSEHOLDS AND NON-FINANCIAL CORPORATIONS (millions of lats)



At the end of November, total loans granted to residents shrank by 1.6% in comparison with the end of August (see Chart 2.18 for monthly changes in lending). The loan portfolio dynamics was affected by the fluctuations of loans granted to non-financial corporations – an overall decline of 1.8% in September and October, and a 0.7% increase in November. The decrease in loans to households in its turn was almost the same each month, totalling 2.0% in three months. Hence, the annual rate of decrease in loans granted to residents picked up from 6.9% in August to 7.7% in November (see Chart 2.19). With the euro changeover approaching and interest rate levels having no significant differences, the currency composition of the loan portfolio remained unchanged (both in August and November 81.6% of loans had been granted in euro and 13.4% – in lats).

Chart 2.19

ANNUAL RATE OF CHANGE IN LOANS TO RESIDENTS (%)

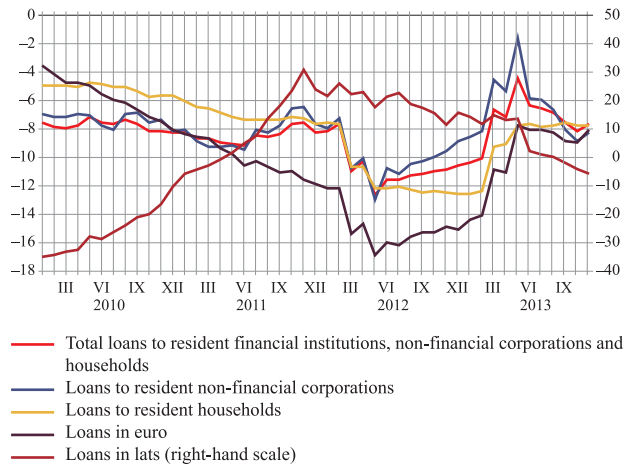


Chart 2.20
CHANGES IN LOANS TO RESIDENTS
(millions of lats)

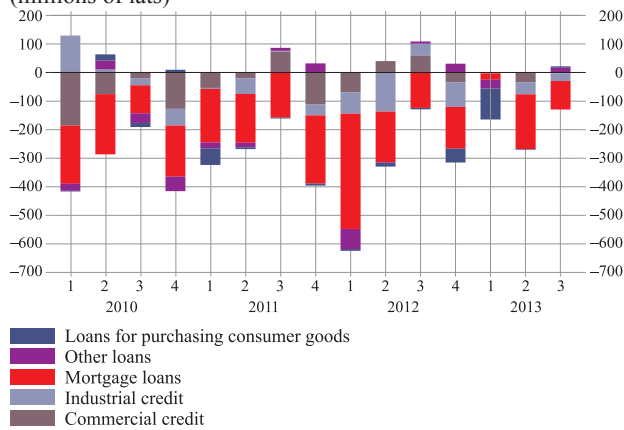
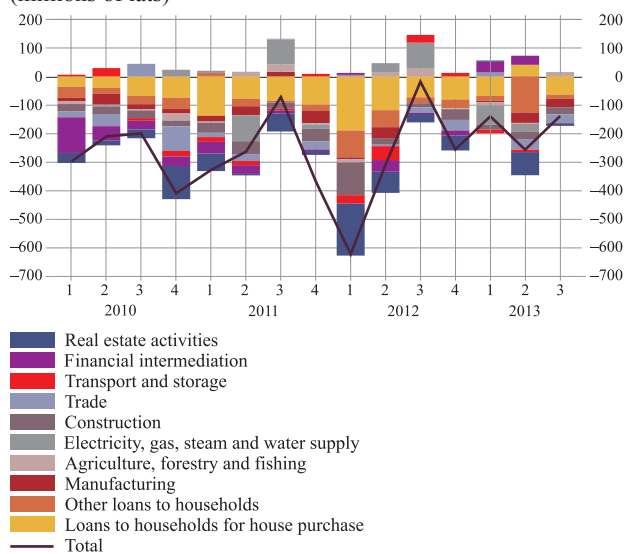


Chart 2.21
STRUCTURE OF CHANGES IN DOMESTIC LOAN PORTFOLIO
(millions of lats)



September and October saw an increase in lending investment in crop and animal production, and forestry; in several subsectors of manufacturing (manufacture of food products, wearing apparel, chemicals and fabricated metal products), energy, water supply, transportation by road and storage. In October, a positive annual lending growth rate was demonstrated by forestry and fishing, some subsectors of manufacturing, water supply, transportation by road and other sectors (for changes in the structure of the domestic loan portfolio, see Charts 2.20 and 2.21).

In December, money supply would record a stable annual rate of change, standing slightly above the level of the previous year, with an increase in funds on the settlement accounts offsetting the decrease in currency in circulation. In the first months of 2014, the financial status of households will remain positive: higher employment rate and a rise in remuneration will ensure savings growth in credit institutions. A pickup in private consumption also provides for expecting an increase in deposits of non-financial corporations: the latter is likely to be quite notable if the external demand improves as well. The use of cash, so typical of Latvia, is expected to moderate after the euro changeover, with individuals having another opportunity to see the advantages of cashless settlements.

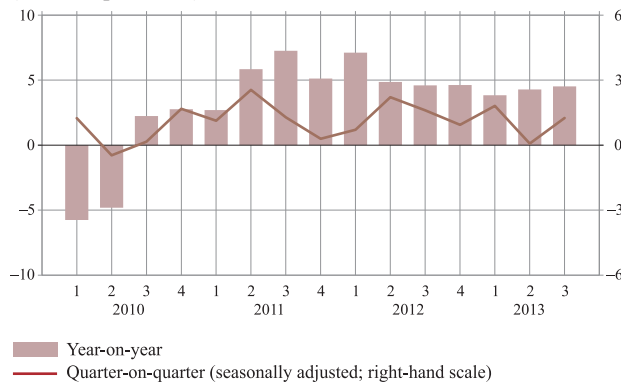
As to lending, no cardinal changes are expected yet: it will continue on a downward trend also in 2014. The use of funds accumulated by credit institutions will not become more active: currently quite substantial amounts of funds are stored on accounts with the national central bank or deposited abroad, and obviously most of them will not be channelled into the economy in 2014. Nevertheless, the credit risk score in the case of successfully working businesses should go down following the euro changeover, while the demand for loans from those businesses should increase; therefore, the corporate lending prospects for 2014 should be viewed as more favourable. This is confirmed also by the minor increase in lending observed in November, although it is too early yet to be certain that the use of the free liquidity of credit institutions will really expand to boost lending in the near term.

Table 2
MONETARY AGGREGATES
(quarterly figures are averages)

	Outstanding amount as percentage of M3	Annual growth rates (%)								
		2012	2013							
		2013 XI	Q4	Q1	Q2	VII	VIII	IX	Q3	X
M1	74.2	11.6	12.0	14.2	11.9	11.4	9.1	10.8	7.9	7.7
Currency in circulation	10.5	11.5	-0.2	-4.2	-9.7	-13.7	-19.7	-14.4	-26.1	-31.7
Overnight deposits	63.7	11.7	15.8	19.9	18.6	19.0	17.9	18.5	17.9	19.1
M2 – M1 (= other short-term deposits)	22.5	-10.5	-13.8	-21.8	-23.8	-25.0	-22.0	-23.6	-21.1	-20.9
Deposits with an agreed maturity of up to 2 years	18.1	-11.1	-16.6	-25.8	-28.7	-30.4	-28.0	-29.0	-28.0	-28.4
Deposits redeemable at notice of up to 3 months	4.4	-4.3	13.8	16.1	19.9	24.8	29.5	24.7	36.4	40.4
M2	96.7	4.0	3.5	2.0	0.4	-0.2	-0.4	-0.1	-0.8	-0.6
M3 – M2 (= marketable instruments)	3.3	17.4	39.7	176.9	79.2	80.2	78.0	79.1	93.8	63.9
M3	100.0	4.0	3.6	3.9	1.8	1.23	1.0	1.3	0.8	0.7
Credit to residents		-10.0	-8.4	-5.4	-5.4	-5.5	-6.0	-5.6	-7.1	-6.4
Credit to general government		1.2	1.6	-0.8	3.6	3.9	1.6	3.0	-2.8	-1.3
Credit to the private sector		-10.5	-8.8	-5.6	-5.8	-5.9	-6.4	-6.0	-7.3	-6.6
Loans to the private sector		-10.8	-9.1	-6.0	-6.6	-6.9	-7.6	-7.0	-8.2	-7.7
Longer-term financial liabilities (excluding capital and reserves)		-20.9	-28.1	14.3	21.6	16.7	7.5	15.3	5.3	7.2

Source: Latvijas Banka.

Chart 3.1
CHANGES IN GDP
(constant prices; %)



3. Domestic Demand

Latvia's GDP growth remained one of the strongest in the EU in the third quarter. The GDP increased by 1.3% quarter-on-quarter and by 4.5% year-on-year (see Chart 3.1). The average annual growth rate of the economy has been 4%–5% since mid-2012; however, exports have given up the role of the main driver of development to domestic demand.

The same as in the first half of the year, private consumption remained the largest contributor to GDP growth in the third quarter (see Chart 3.2). This was supported by a rise in disposable income and more active spending of savings. A minor year-on-year increase in investment was also observed, with public sector investment reporting the highest growth rates. Contributions from public consumption and changes in inventories to GDP growth also remained positive, albeit negligible.

Real growth of the exports of goods and services decelerated in 2013, even entering a negative territory in the third quarter at –1.3%. Although exporters managed to retain high competitiveness, the weakness of the external demand dampened export growth. Moreover, the winding up of JSC *Liepājas Metalurģis* exerted an additional downward effect on exports. In the summer months, export figures were slightly improved by JSC *Rīgas Kuģu būvētava* exports of several vessels to Russia, as well as by an increase in the numbers of incoming tourists.

Real imports of goods and services also contracted by 1.4% in the third quarter, making a positive contribution to GDP growth and offsetting the negative contribution of exports.

Chart 3.2
CONTRIBUTION TO ANNUAL CHANGES IN GDP
(demand side; percentage points)

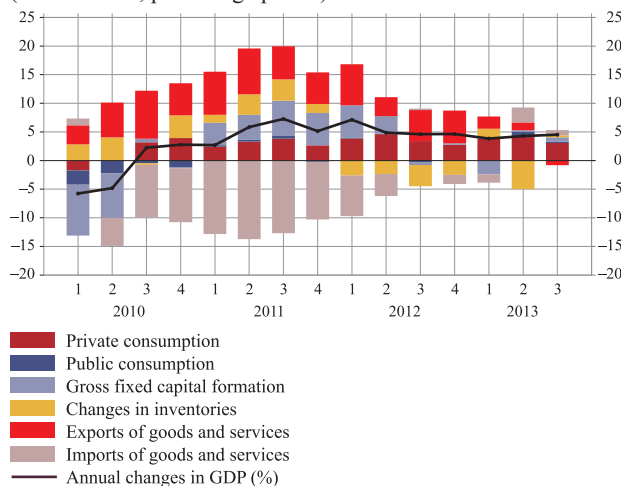
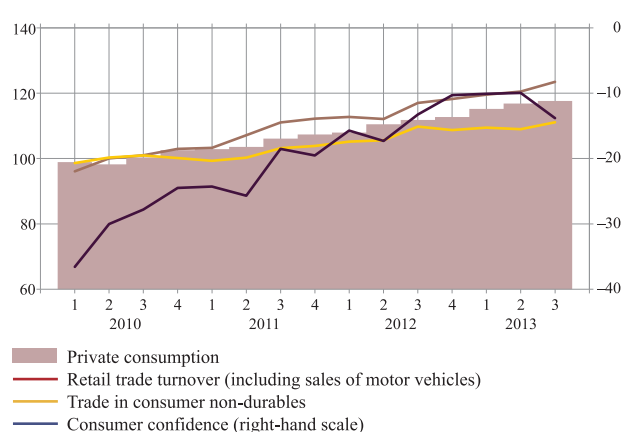


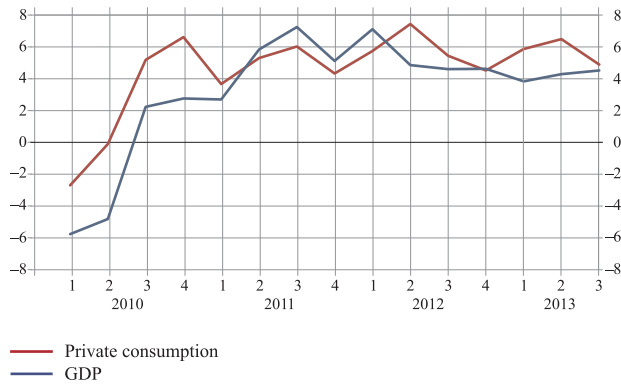
Chart 3.3
INDICATORS CHARACTERISING CONSUMPTION
(2010 = 100; consumer confidence, net responses; %)



3.1 Private consumption

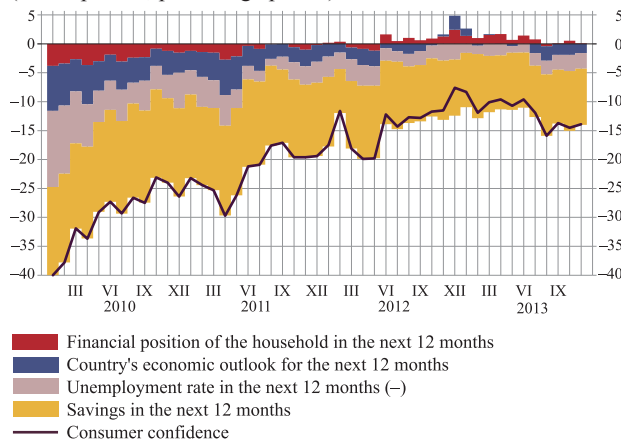
Private consumption became the main engine of development already in the first quarter of 2013 (see Chart 3.3), continuing to accelerate in the second quarter, with its contribution to GDP growth amounting to as much as 4.1 percentage points. The rapidly rising private consumption was the largest contributor to GDP growth also in the third quarter (an increase of 4.9% and a contribution of 3.1 percentage points respectively). This rise was supported by an increase in disposable income, primarily on account of the growing nominal net wage bill.

Chart 3.4
CHANGES IN GDP AND PRIVATE CONSUMPTION
(year-on-year; %)



Another important factor supporting consumption was the depletion of the previously-made savings. Although households placed part of their cash savings on current accounts in anticipation of the euro changeover, a certain share of those savings were used to increase spending, thereby resulting in higher consumption (see Chart 3.4). Deterioration of consumer confidence in the third quarter (see Chart 3.5) did not affect the household spending behaviour. Trade turnover continued to rise, particularly in the segment of non-food commodities.

Chart 3.5
CONSUMER CONFIDENCE AND UNDERLYING FACTORS
(net responses; percentage points)



Sales of motor vehicles have been more active already since the beginning of the year than revealed by the number of cars newly-registered with the Road Traffic Safety Department (see Chart 3.6) which has stabilised since the drop observed in February. This could be explained by significant sales volumes on the secondary market.

Chart 3.6
NUMBER OF VEHICLES NEWLY REGISTERED WITH
THE ROAD TRAFFIC SAFETY DEPARTMENT
(thousands)

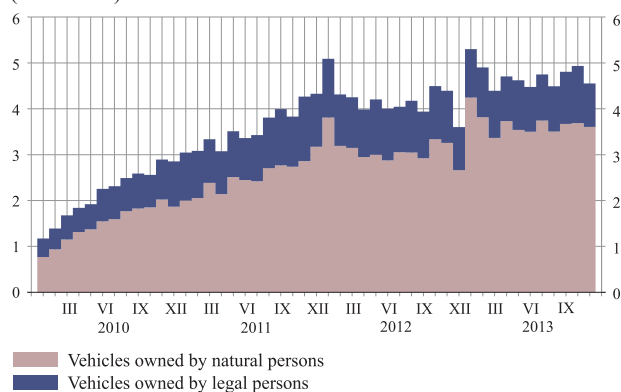
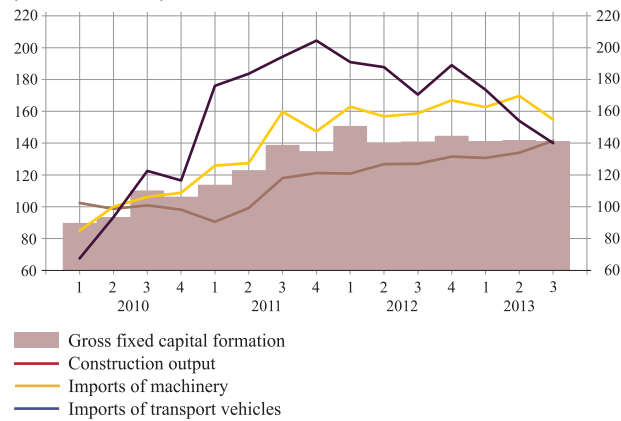


Chart 3.7
INDICATORS CHARACTERISING INVESTMENT
(2010 = 100; %)



3.2 Private investment

A year-on-year increase of 3.0% was reported for gross fixed capital formation in the third quarter (see Chart 3.7). Data on non-financial investment show the largest increases in the case of public sector investment: namely, investment in public buildings, road infrastructure, pipelines etc. More substantial growth of government investment has also determined an increase of the share of public administration and public services sector in investment composition (see Charts 3.8 and 3.9).

Investment could be expected to grow further moderately in the coming quarters. This will be supported by the inflows of EU funding and foreign direct investment. The role of self-financing is likely to recede further gradually in line with declining corporate profits and increasing expenses for the compensation of employees.

Chart 3.8
CONTRIBUTION OF PRIVATE AND GOVERNMENT INVESTMENT TO GDP
(%)

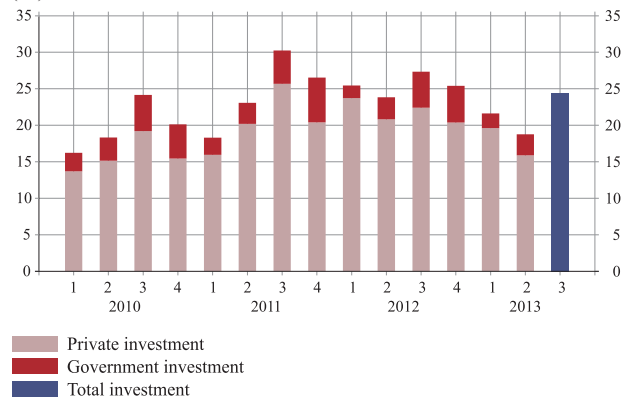


Chart 3.9
NON-FINANCIAL INVESTMENT BY SECTOR
(% of total non-financial investment)

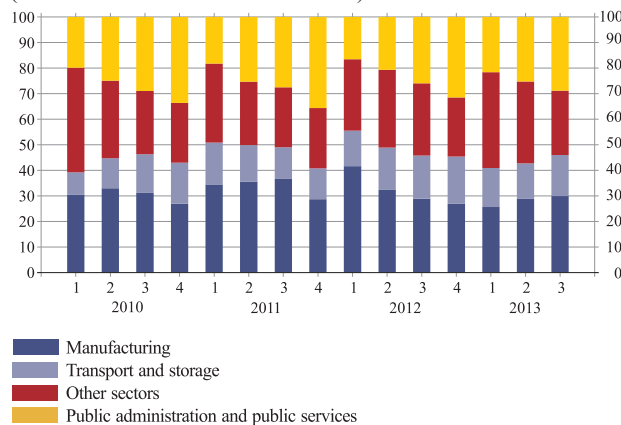


Chart 3.10
ACCRUED BALANCE OF THE CONSOLIDATED
GENERAL GOVERNMENT BUDGET BY LEVEL
(billions of lats)

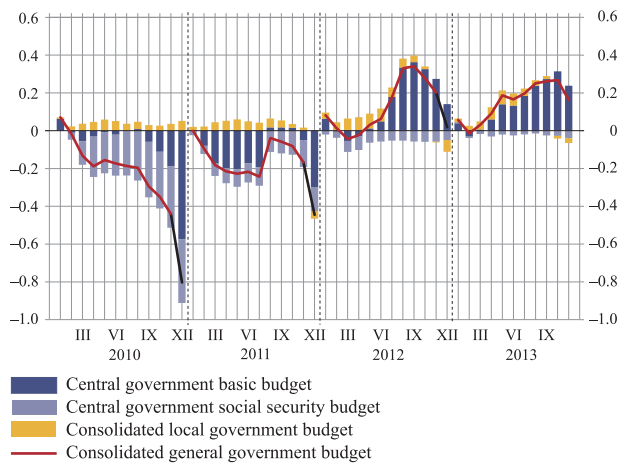
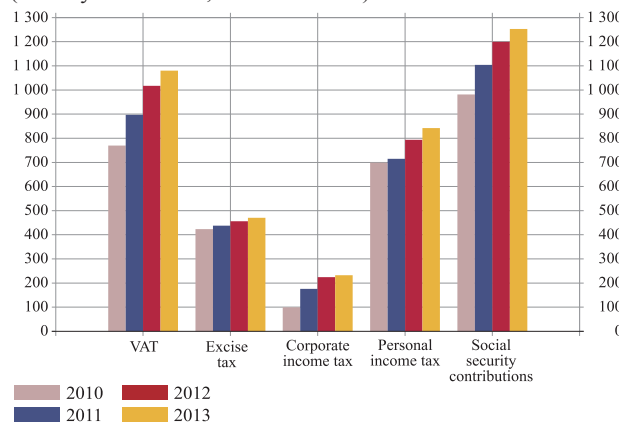


Chart 3.11
SELECTED TAX REVENUE
(January–November; millions of lats)

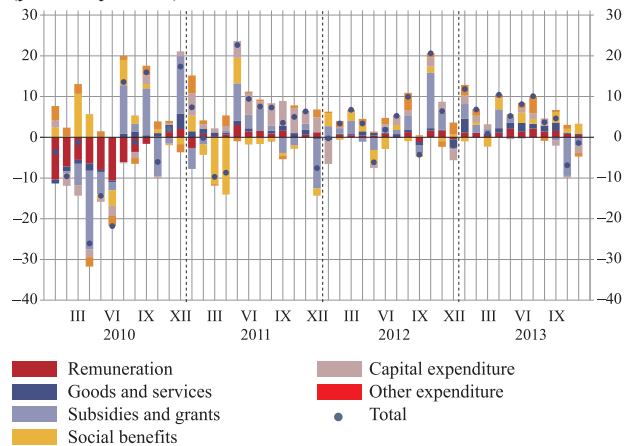


3.3 Government expenditure and budget

According to the official information by the Treasury, the surplus of the consolidated general government budget estimated on a cash flow basis amounted to 162.8 million lats (see Chart 3.10) or 1.0% of the forecast GDP in the first 11 months of 2013. In September–November, the surplus contracted by 87.8 million lats or 0.5 percentage point, representing a 39.4 million lats decline over the first 11 months of the previous year.

The rise in the revenue of the consolidated general government budget decelerated slightly by November in comparison with the 8-months collections (a 3.5% increase in 11 months). Accumulated foreign financial assistance flows returned to the level of the corresponding period of the previous year. Thus the overall increase in the accumulated revenue in the first 11 months of the year was attributable to improved tax collections (particularly, those of VAT, social insurance contributions and personal income tax; see Chart 3.11). Non-tax revenue decreased as its rise in 2012 was underpinned by a repayment of an advance payment previously received by JSC *Pasažieru vilciens* within the framework of a Cohesion Fund project. The growth of tax revenue continued to decelerate (from 5.8% in the first eight months to 5.0% in the first 11 months; 10.8% in the first 11 months of 2012), with positive trends persisting in the collections of taxes on labour and VAT supported by the economic development. The contribution of personal income tax in the 11-month growth was 48.6 million lats (an increase of 6.1%), whereas that of the social insurance contributions amounted to 53.0 million lats (an increase of 4.4%). VAT revenue grew by 6.1% year-on-year in January–November, representing a 62.3 million lats increase over the corresponding period of the previous year. The increase observed in the VAT revenue in the first five months of the second half of the year was more substantial than that in the first half of the year which can be explained by the fading of the tax cut impact (the rate was reduced as of 1 July 2012) as well as the growing private consumption. In the first nine months of the year, private consumption increased by 5.7% year-on-year at constant prices, with the turnover of service providers rocketing in the third quarter in relation to the euro changeover: a 13.1% rise in professional and technical services, including a 42.6% increase in the case of accountancy services, 9.7% in advertising and 22.0% in software programming and consultancy. Overall, the revenue collections of the

Chart 3.12
RATE OF CHANGE IN CONSOLIDATED GENERAL
GOVERNMENT BUDGET EXPENDITURE
(year-on-year; %)



first 11 months of the year exceeded the tax and non-tax revenue plan administered by the State Revenue Service by 3.5%.

The expenditure of the consolidated general government budget increased by 4.4% year-on-year in January–November, with the annual growth rate of expenditure decelerating in the last three months (see Chart 3.12). The rise in accumulated expenditure was primarily attributable to higher spending on goods and services, wages and salaries as well as social benefits (an increase of 9.0%, 5.8% and 3.4% respectively). The overall rise in spending on goods and services was a result of higher expenditure incurred in the second and third quarters, primarily reflecting the spending on energy as well as office supplies and inventories, whereas wages and salaries decelerated towards the turn of the year. Social expenditure posted an increase of 50.0 million lats year-on-year in the first 11 months of the year, with significant rises reported in September and November, by 11.5 million lats and 13.2 million lats respectively. The year-on-year growth of social expenditure stemmed from an increase in the average unemployment benefits in the first 10 months of the year by 12.1% and that in the average childcare benefits by 113% as well as the indexation of all types of pensions up to 200 lats as of 1 September, changes in the procedure for calculating disability pensions as of 1 October and an increase in the number of unemployed resulting from the winding up of JSC *Liepājas Metalurģs*.

The general government debt totalled 5 726.8 million lats on a cash flow basis at the end of November 2013 (35.1% of the forecast GDP for 2013; estimated as 39.2% of the forecast GDP for 2013 according to ESA 95 methodology). Looking beyond the effect of methodology changes introduced at the beginning of the year, the general government debt decreased by 143.8 million lats against December 2012. The domestic government debt contracted by 86.5 million lats on account of maturing long-term securities. The foreign debt declined by 57.3 million lats overall since the beginning of the year, despite an increase of 13.3 million lats in November stemming from the US dollar exchange rate movements.

4. Aggregate Supply

4.1 Industry and construction

Value added of manufacturing at constant prices recorded a year-on-year increase of 2.5% (contribution to the annual GDP growth – about 0.3 percentage point) in the third quarter. At the same time, seasonally adjusted value added of manufacturing posted a quarter-on-quarter rise of 2.6% in the third quarter. Following a short-lived slowdown at the beginning of the year, the development of manufacturing has impacted GDP growth positively again, and gradual recovery of external environment will support this trend.

In the third quarter, the volume of output in manufacturing at constant prices increased by 2.4% quarter-on-quarter and rose by 1.7% year-on-year (see Chart 4.1). Higher output of computers, electronic equipment and optical products (31.2%) and that of the largest subsector of manufacturing – the manufacture of products of wood (2.5%) – accounted for the major positive contribution to the development of manufacturing in the third quarter. Expanding manufacture of food products (1.6%), non-metallic mineral products (5.1%) and other transport equipment (12.8%) supported the manufacturing growth. At the same time, a quarterly decline in the manufacture of basic metals (14.5%), decrease in the manufacture of fabricated metal products (4.4%) and chemicals (2.7%) exerted a negative impact on manufacturing (see Chart 4.2 for the trends observed in the first ten months of the year).

The most notable year-on-year increase among manufacturing subsectors in the third quarter was attributable to the food industry (5.5%), manufacture of articles of wood (5.0%), computers, electronic equipment and optical products (40.1%) as well as other transport equipment (34.5%). The manufacture of basic metals in the third quarter continued to report the steepest and the most important year-on-year decline (69.4%), as has been recently observed, while the repair and installation of machinery and equipment (16.6%) and chemical industry (10.6%) also shrank substantially.

The turnover in manufacturing at current prices recorded a year-on-year narrowing of 1.5% in the third quarter. The turnover expanded by 6.4% in the domestic market, albeit contracted by 6.2% in the external market. The overall turnover in

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

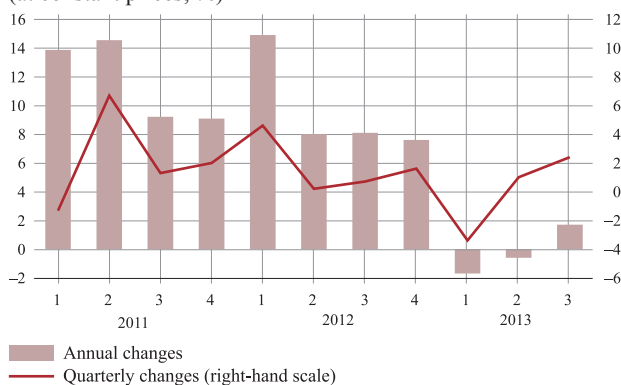


Chart 4.2
ANNUAL INDUSTRIAL OUTPUT CHANGES IN THE
FIRST TEN MONTHS OF 2013
(working-day adjusted; %)

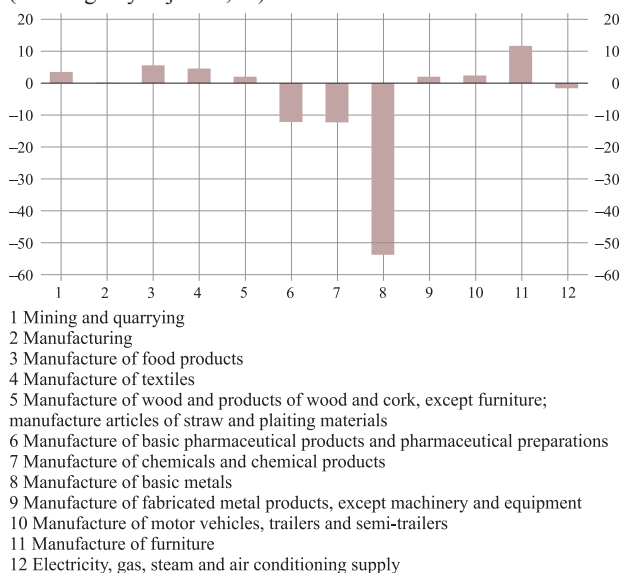


Chart 4.3
PRODUCTION CAPACITY UTILISATION IN
MANUFACTURING
(%)

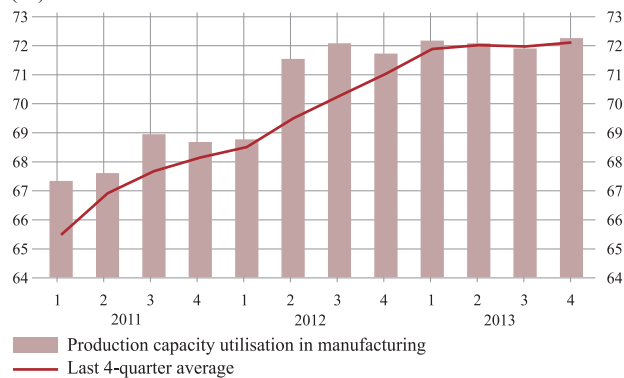
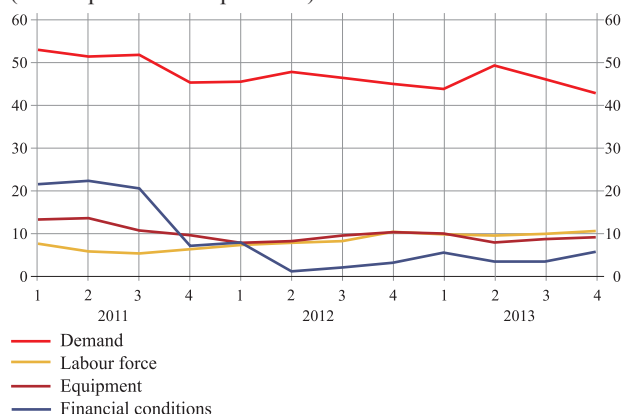


Chart 4.4
GROWTH-RESTRICTIVE FACTORS IN
MANUFACTURING
(% of replies from respondents)



manufacturing and the relevant exports were on a downward path for the second quarter in a row, with a negative trend last seen at the end of 2009.

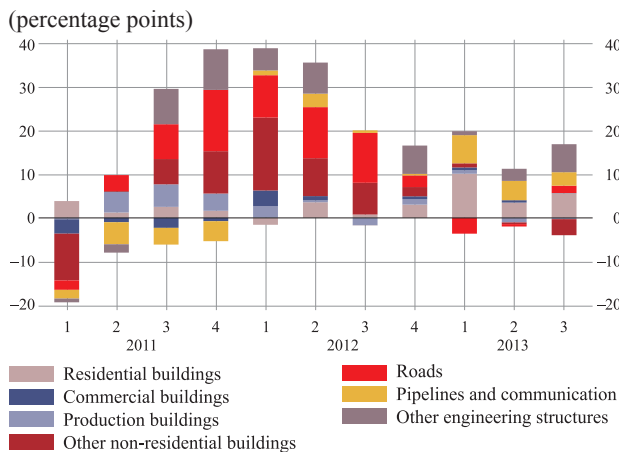
The industrial confidence indicator aggregated by the EC for the third quarter was 0.7 point higher quarter-on-quarter. It was primarily attributable to a higher assessment of order volume and lower assessment of the inventories of finished goods. The assessment of export orders also improved considerably. Hence the signals from Latvia's business surveys regarding the third quarter are to be considered positive overall.

Production capacity utilisation projected for the fourth quarter rose to 72.2% (71.8% in the third quarter; see Chart 4.3). In the breakdown by sector, production capacity utilisation was high in the manufacture of paper products (79.2%), wood and products of wood and cork (77.4%), wearing apparel (74.7%) and furniture (74.5%). Production capacity utilisation recorded the most buoyant expansion in the manufacture of beverages (by 4.4 percentage points; to 62.7%), still remaining one of the lowest in manufacturing. At the same time, the manufacture of basic metals (48.1%), non-metallic mineral products (58.7%) as well as rubber and plastic products (61.9%) accounted for low projected production capacity utilisation.

Most businesses reported the lack of demand as a growth-restrictive factor also in the fourth quarter (42.8% of the total number of respondents; see Chart 4.4). However, the indicator declined and has now reached its lowest level since the first half of 2008. A larger number of respondents than in the previous quarter pointed to the lack of equipment (8.9%), shortage of labour (10.4%) and the lack of available financing (5.5%) as impediments to growth. The share of businesses that identified no substantial growth-restrictive factors increased (by 34.3%).

As regards manufacturing, preliminary data for October were positive overall. In October, the volume of output in manufacturing rose by 0.3% in comparison with September (seasonally adjusted) and annual growth was 1.9%. The manufacture of chemicals and chemical products (possibly due to seasonal fluctuations) and that of computers, electronic equipment and optical products, the fastest growing sector in 2013, reported the most vigorous increase. The sector of other transport equipment as well as woodworking and manufacture of food products had a negative impact on manufacturing,

Chart 4.5
CONTRIBUTION OF SOME TYPES OF CONSTRUCTION
TO ANNUAL CONSTRUCTION GROWTH AT CURRENT
PRICES



while growth was observed in the two sectors overall in 2013. The industrial sentiment deteriorated somewhat in Latvia in October, improving substantially in November on account of a higher order volume.

Value added of the construction sector recorded a year-on-year rise of 11.6% in the third quarter. A quarter-on-quarter increase in value added of the construction sector (seasonally adjusted) amounted to 4.5%. The contribution of the construction sector to the annual GDP growth was 0.8 percentage point. At the same time, construction output at current prices recorded a year-on-year expansion of 12.6% in the third quarter (see Chart 4.5). In terms of annual growth, construction of engineering structures (11.0 percentage points), including that of ports and dams (4.2 percentage points) and pipelines and communication lines (3.0 percentage points), accounted for the major contribution. The construction of dwelling houses (5.2 percentage points) was the main driver of the expanding construction of residential buildings (5.5 percentage points). The negative contribution of non-residential buildings segment, observed already in the second quarter, persisted and increased in the third quarter (3.9 percentage points). The said subsector last saw a negative rate of growth at the beginning of 2011.

The construction confidence indicator assessed by the EC fell by 0.9 point in the third quarter. This development was mainly attributable to a deteriorating assessment of employment expectations for the next three months. Builders primarily pointed to a lack of demand (45.4%) and weather conditions (21.7%; this indicator plummeted in comparison with the second quarter) as the constraint for business growth. In October the construction confidence indicator continued to deteriorate (still on account of the future employment assessment), whereas in November the confidence indicator improved moderately mainly on account of a higher order assessment.

4.2 Services

In the third quarter, value added of the services sector at constant prices recorded a year-on-year increase of 5.0%. The overall contribution of the services sector to the annual GDP growth was 3.1 percentage points (see Chart 4.6 for the changes in value added of the main types of services). Wholesale and retail trade (0.9 percentage point), construction (0.8 percentage point) and professional services (0.8 percentage

Chart 4.6
CHANGES IN VALUE ADDED BY MAIN TYPES OF SERVICES
(year-on-year; seasonally adjusted data; %)

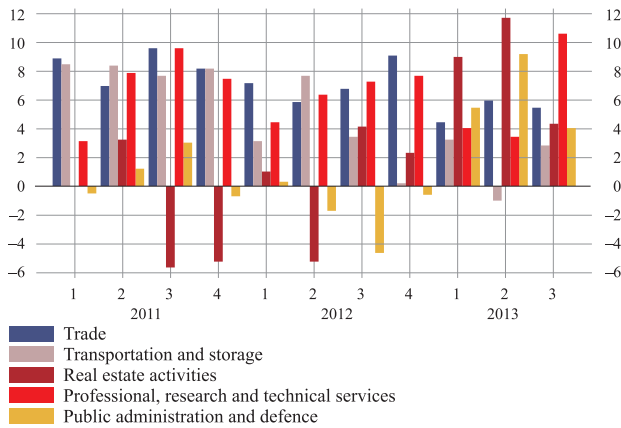


Chart 4.7
BREAKDOWN BY QUARTERLY CHANGES IN RETAIL TRADE TURNOVER
(percentage points)

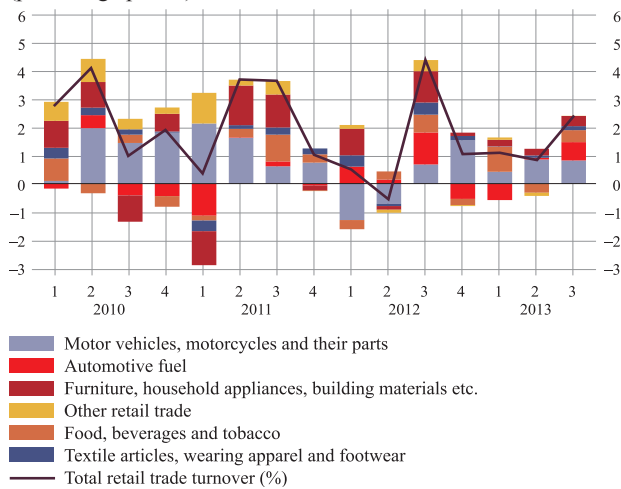


Chart 4.8
ANNUAL CHANGES IN FREIGHT TURNOVER BY MAIN TYPE OF FREIGHT TRAFFIC
(%)



point) accounted for the major positive contribution. Transportation and storage sector also recorded positive growth in contrast to the previous quarter (the contribution amounted to 0.3 percentage point).

Growth in retail trade turnover accelerated in the third quarter (see Chart 4.7), with the sales volumes of non-food goods, including the sales of motor vehicles, expanding more buoyantly. Retail trade turnover increased by 2.4% quarter-on-quarter (including the sales of motor vehicles – by 2.0%). Retail trade turnover rose by 2.1% year-on-year and with motor vehicle sales included it grew by 5.5%.

Following a decline in the second quarter, value added of the transportation and storage sector reported a year-on-year increase of 2.8% in the third quarter (see Chart 4.8 for the annual changes in freight turnover by the major types of transport). Value added of the sector picked up by 1.5% quarter-on-quarter (seasonally adjusted data).

With the negative trend of the annual growth observed at the end of 2012 persisting, cargoes loaded and reloaded overall at Latvia's ports in the third quarter of 2013 declined by 6.8% year-on-year. The decreasing volume of cargoes loaded and reloaded at Ventspils Port (11.1%) contributed most to the shrinking overall cargo traffic. A notable reduction in cargo volume was also observed at Liepāja Port (46.9%), associated with the problems encountered by JSC *Liepājas Metalurģs*. At the same time, the volume of cargoes loaded and reloaded at Riga Port rose by 4.7% in the third quarter.

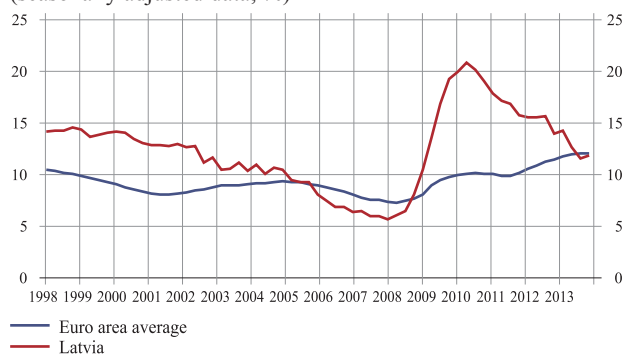
The turnover of freight traffic by rail (indicator based on the distance covered and freight weight) dropped by 13.8% in the third quarter, continuing continuing the downward trend that started in the fourth quarter 2012. The declining turnover was on account of both a decrease in international freightage (12.5%) and a steep fall in domestic freight turnover (17.2%). The volume of freight traffic by rail (indicator based on the freight weight only) shrank less pronouncedly (by 9.8%) over the year. This development was attributable to a declining volume of imports (10.0%) and freight transit (22.6%). At the same time, exports even expanded slightly (by 4.0%) for the first time since the first half of 2012.

In the third quarter, the volume of freight traffic by road increased by 16.6% year-on-year and turnover of freight traffic by road (indicator based on the distance covered and freight weight) rose by 8.6%. The overall annual rise was for the most part determined by the

growing turnover of international freight traffic by road (7.0%); however the domestic turnover of road freight also expanded (by 13.5%).

Preliminary data for the fourth quarter point to a minor improvement of the situation. In October and November the turnover of freight traffic by rail increased for the first time since June 2012. The rate of decline in traffic at ports was slightly lower than in the previous three months. Improving performance of the transport sector might be associated with the trend of a gradual economic recovery observed in Europe; however, concern about the sustainability of the situation persists. A weakening economic activity of Russia and growing competition among transit service providers in the region cause concern.

Chart 4.9
RATE OF JOBSEEKERS
(seasonally adjusted data; %)



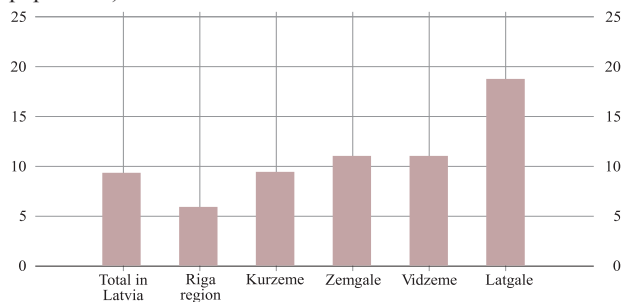
4.3 Labour market

The dynamics of unemployment continued to be positive in Latvia against the European background. The rate of unemployment has declined in Latvia from a high of the EU (21.3%) during three and a half years to 11.8% in the third quarter (slightly below the euro area average unemployment rate; see Chart 4.9).

In the third quarter, a minor increase in the rate of jobseekers (0.4 percentage point) was expected and should be associated with a higher level of participation (a higher level of participation also means a higher unemployment rate, given an equal number of jobs). An increase in the level of participation in the third quarter had offset a fall of the previous two quarters, confirming the opinion stated in the "Macroeconomic Developments Report" (October, 2013) that a declining level of participation was accidental in the first half of the year and had no economic justification. The level of participation will expand in the medium term, reflecting a growing involvement of economically inactive population (such as students, housekeepers and pensioners) in the labour market. It is a positive phenomenon; however, it will hamper the declining unemployment rate in statistics.

The rate of registered unemployment recorded a moderate rise at the end of 2013 (9.3% of the economically active population at the end of November). This was supported by a seasonality and large-scale registration of the former employees of JSC *Liepājas Metalurģs* with the SEA. For instance, in Liepāja the rate of registered unemployment rose by 3.0 percentage points in November (to 12.4%),

Chart 4.10
REGISTERED UNEMPLOYMENT RATE IN LATVIA'S
REGIONAL AREAS
(at end of November 2013; % of economically active
population)



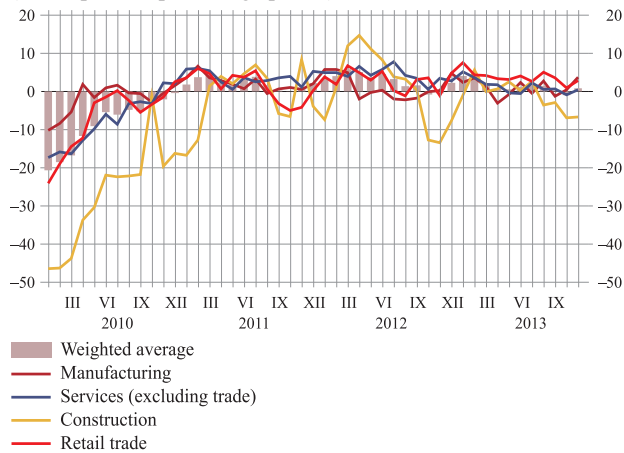
while it moved up by less than 0.1 percentage point on average within the national territory, excluding Kurzeme. Individuals of pre-retirement age are predominant among the registered unemployed persons while the number of young people is considerably lower. Vast regional disparities in registered unemployment are still in place: from 5.6% in Riga to 18.7% in Latgale (see Chart 4.10); however, it can be partly associated with the different motivations for the registration with the SEA since regional disparities in the rate of jobseekers are less pronounced.

Overall, job opportunities are ever more ample, as confirmed by a higher employment rate and increasing number of vacancies. Moreover, all statistical data sources record an employment growth. For instance, according to the labour survey data, employment posted a year-on-year increase of 21.9 thousand in the first three quarters of 2013. Construction and manufacturing are the major contributors to the rising employment rate. Given such a situation, the SEA could help the former employees of JSC *Liepājas Metalurģis* (less than 0.2% of the economically active population of Latvia) through effective intermediation to settle in the new working environment quite rapidly.

The number of vacancies recorded in the databases of the SEA remained atypically high in November – 5.1 thousand (by more than one third exceeded the figure reported in the respective period of the previous year). The number of vacancies also increased over the year according to the CSB's business survey data (to 3.7 thousand in the third quarter).

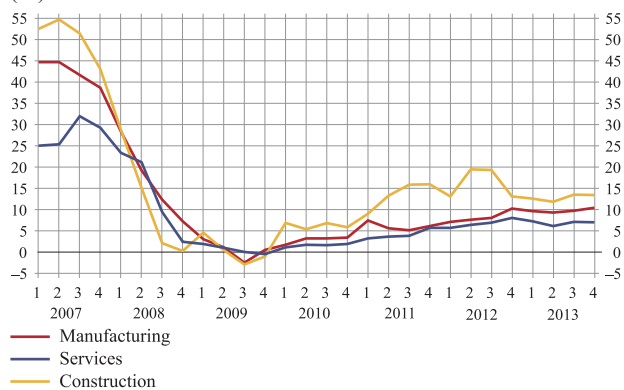
The accelerated annual rate of increase in the average wage during the third quarter (to 5.1%) is attributable to a base effect, while the quarterly wage growth (seasonally adjusted) has remained stable. The annual rate of increase in a real net wage has also accelerated slightly (to 6.3%) which, coupled with higher employment, has positively impacted the dynamics of retail trade and private consumption. The wage rise was similar in the private and public sectors in the third quarter; however, the wage and salary fund still reported a higher expansion in the private sector. A buoyant increase in a non-regular component of the remuneration is attributable to the need to retain skilled employees and arouse their interest in the company's performance.

Chart 4.11
DATA FROM BUSINESS SURVEYS ON THE PROJECTED 3-MONTH EMPLOYMENT DYNAMICS
(net responses; percentage points)



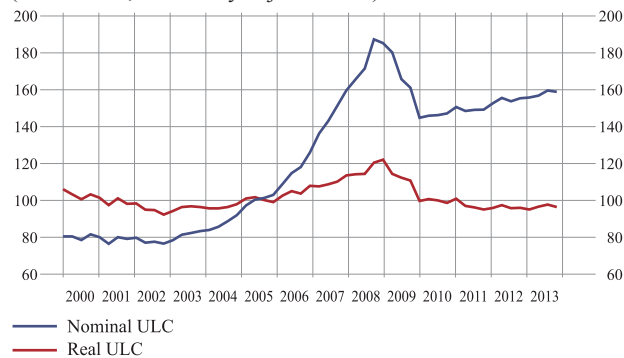
The labour income share in value added is only slightly below the historical average of Latvia (55%). First, it suggests that the situation in the labour market has improved to the extent that it is not compatible with the deflation of consumer prices or zero inflation anymore and at the same time does not present threat to price stability, low and predictable inflation in the medium term. Second, it points to the crucial role of the labour productivity in a subsequent increase in remuneration.

Chart 4.12
THE RATE OF BUSINESSES WHO FIND LABOUR SHORTAGE TO BE THE MAIN OBSTACLE FOR BUSINESS GROWTH
(%)



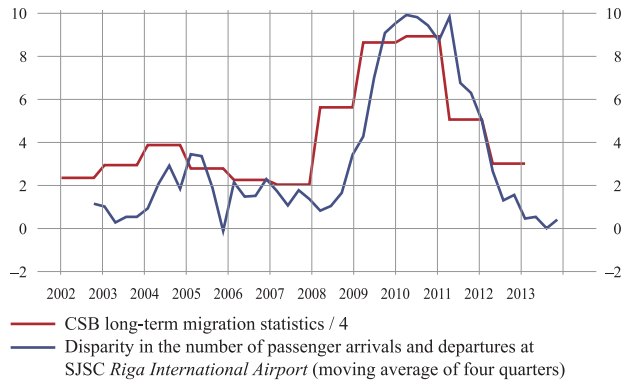
Employment and remuneration will also follow an upward path in 2014. Pursuant to the EC confidence survey data, more businesses plan to increase the number of employees than to reduce it (see Chart 4.11). At the same time, the assessment of labour shortage is robust (see Chart 4.12), suggesting that the wage increase will be based on the labour productivity growth; hence it will be sustainable and will not impair the competitiveness of the economy.

Chart 4.13
ULC INDEX
(2000 = 100; seasonally adjusted data)



Nominal unit labour costs followed a gradual upward trend, confirming a sustainable revival of competitiveness. Both nominal and real unit labour costs were notably lower than in 2008 (see Chart 4.13). With the unemployment rate approaching its natural level gradually, compensation to employees is expected to grow somewhat faster than the value added also in the future.

Chart 4.14
OFFICIAL AND PRELIMINARY DATA ON NET
EMIGRATION
(thousand persons per quarter)



Preliminary data on migration continue to point to a gradual fall in net emigration in 2013. For instance, the disparity in the number of passenger arrivals and departures reported by SJSC *Riga International Airport* was close to zero over the last four quarters (see Chart 4.14).

Chart 5.1
CHANGES IN CPI BY COMPONENT
(percentage points)

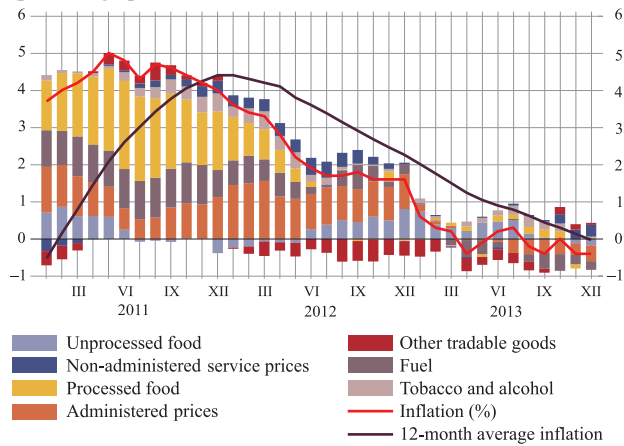


Chart 5.2
IMPACT OF ENERGY AND FOOD PRICE CHANGES ON ANNUAL CONSUMER PRICE INFLATION
(percentage points)

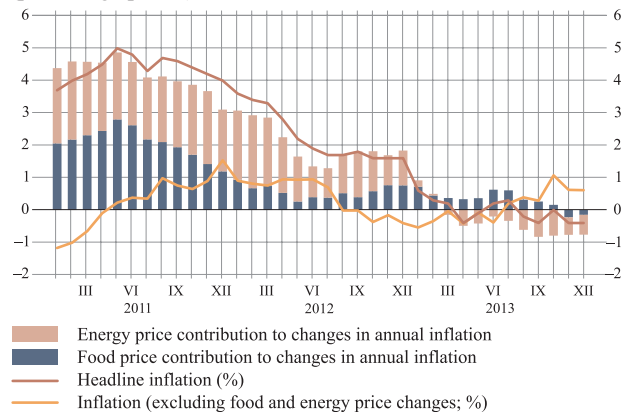
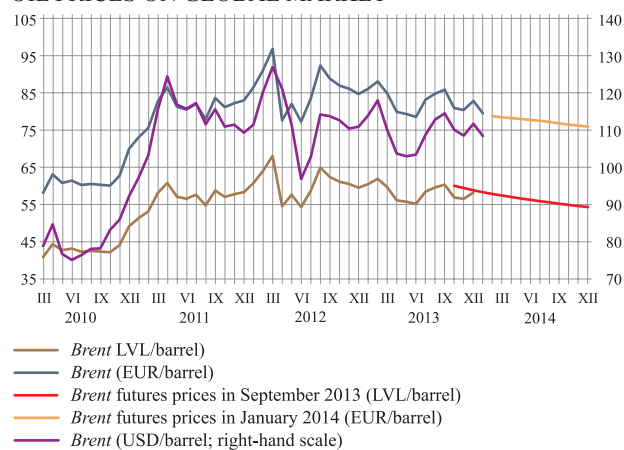


Chart 5.3
OIL PRICES ON GLOBAL MARKET

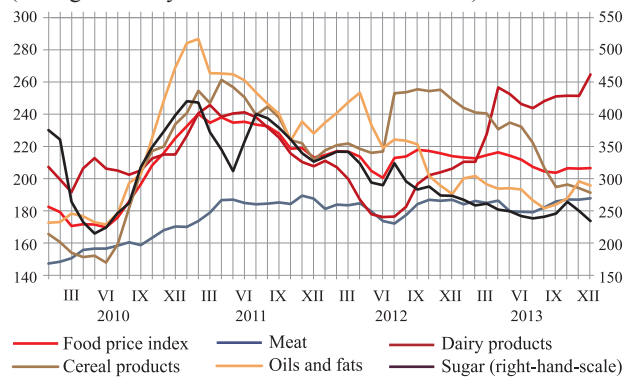


5. Costs and Prices

In September–December, annual inflation remained unusually low. This was a result of the stabilisation of oil prices, further decline in heating prices and stable food prices on the global market. The average annual inflation reaching 0.0% was also primarily affected by the declining contribution of food and energy prices (see Charts 5.1 and 5.2). In the year overall, the contribution of principal components (energy, food, other groups of goods and services) differs substantially from both the long-term average rate of inflation and inflation rates associated with economic growth.

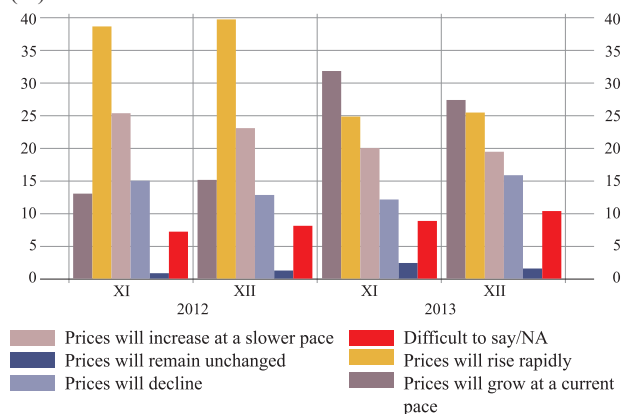
The declining contribution of energy prices is related to the level of oil prices on the global market. Although oil prices display volatility, they overall fluctuated at a lower level than in 2012, affecting annual changes in the prices of fuel, natural gas and heating favourably. The average price level of *Brent* crude oil in the last equivalent was 5.5% below that of 2012 (see Chart 5.3) in contrast to the increase (8.6%) in 2012, reaching the lowest level in May. Due to restructuring of the manufacturing process, heating prices in the new heating season declined (e.g. in Liepāja, Jūrmala, Ventspils and Jelgava).

Chart 5.4
GLOBAL FOOD PRICES
(average monthly indicator of 2002–2004 = 100)



The drop in energy prices has also a positive impact on prices in other groups of goods and services (e.g. food prices). In the year overall, energy prices favourably affected the agricultural costs and the costs related to the manufacture of food products both globally and in Latvia. In addition, favourable weather conditions resulted in a richer grain harvest than in the previous season, limiting a rise in food prices in the second half of the year. In December, the Food and Agriculture Organisation of the United Nations raised its estimation of global cereal stock to use ratio for 2013/2014 to 23.5%, which is higher than both the previous estimate and the respective ratios in the previous seasons. The overall level of food prices was mainly pushed up by changes in the price of vegetable oils and sugar. An increase in sugar production that should reduce the price was expected; however, the prices of sugar temporarily rose rapidly due to a fire that destroyed large amounts of sugar in the Port of Santos and difficulties in harvesting (incessant rain in Brazil) before falling slightly again already in November (see Chart 5.4).

Chart 5.5
BREAKDOWN OF HOUSEHOLD EXPECTATIONS FOR CONSUMER PRICE CHANGES IN NEXT 12 MONTHS (%)



In December, the global food price level remained relatively stable, while the moderate increase in the prices of dairy and meat products could be related to the growing demand in China. The price rise in other groups of goods and services in the course of the year was offset by commensurate wage and productivity growth as well as the absence of any pressure from energy prices. The initiatives related to the introduction of the euro may also have a positive impact. It was evident from the data of price monitoring in October that, with the beginning of the dual price display, some of the service providers chose to maintain the convenient or psychologically attractive 0-, 5- or 9-ending pricing for particular services, switching it from lats to euro. However, different trends were observed – the prices of services had both decreased and increased due to maintaining such pricing.

In April–June, understanding that similar to the possibility of the electricity market liberalisation for households, the actual inflation rate was declining, the assessment of the population of how consumer prices could change in the coming 12 months became more optimistic. With the period of the dual price display approaching, this assessment became more pessimistic in July–September; however, the share of the people who considered that the prices would rise rapidly decreased again as higher inflation was not observed in October–December (see Chart 5.5).

Overall, annual inflation is deemed to be unusually low in 2013: the contribution of principal components (energy, food, other groups of goods and services) differs substantially from both the long-term average rate of inflation and inflation rates associated with economic growth. The declining contribution of energy prices in 2013 in comparison with the average level observed in 2012 is, firstly, related to the falling oil prices on the global market. This had a favourable impact on both the prices of fuel and those of natural gas and heating in Latvia. In addition, the decline in heating prices was underpinned by restructuring of the manufacturing process, with the heat production from cogeneration commenced or expanded in several major Latvian cities. The above factors also partially explain favourable food price developments. First, energy prices did not exert any pressure on the prices of agricultural products; second, the food processing industry did not suffer from the rising energy prices either. Favourable weather conditions resulted in a richer grain harvest than in the previous season, and this factor also limited an increase in food prices in 2013. The price rise in other groups of goods and services was offset by commensurate wage and productivity growth as well as the absence of any pressure from energy prices. The initiatives related to the introduction of the euro could also have a positive impact.

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

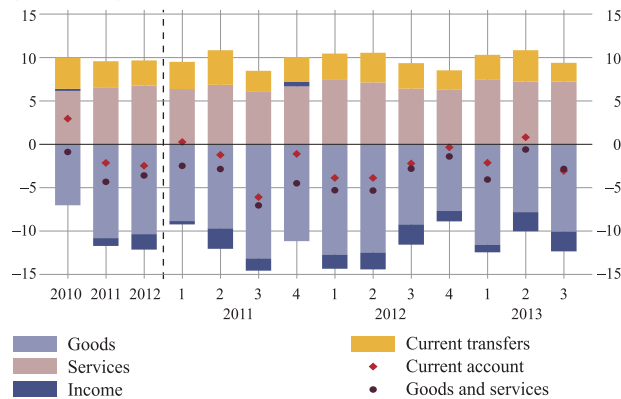
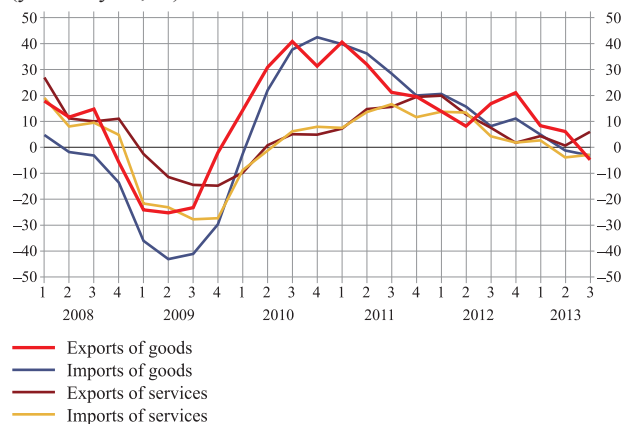


Chart 6.2
GROWTH RATE OF EXPORTS AND IMPORTS OF GOODS AND SERVICES (year-on-year; %)



6. Balance of Payments

In the third quarter, the current account deficit of Latvia's balance of payments amounted to 127.1 million lats or 3.0% of GDP (see Chart 6.1). It was higher in comparison with the first two quarters although influenced by one-off factors; thus there are no concerns about a constantly higher level of the current account deficit. In the first nine months of 2013, the current account deficit was on average only 1.4% of GDP.

The goods and services foreign trade deficit amounted to 122.2 million lats or 2.8% of GDP in the third quarter. The annual growth rate of exports of goods was negative (-4.1%), while exports of services grew by 6.5% during the year (see Chart 6.2). Exports of goods declined at a more rapid pace than imports of goods, and this was supported by resumed investment activity. In real terms, the trade in goods decreased as well. A year-on-year increase was recorded in exports of different types of services (construction services, insurance, financial services, information and computer services as well as personal, cultural and recreational services). At the same time, a decline was observed in exports of transportation services (transportation services by sea and rail). The provisional data for October when exports of transportation services by road contracted as well as the events relating to changes in customs regulations made by Russia in November and encumbering freight transportation by road to this country suggest that exports of transportation services is most likely to continue on a downward trend also at the turn of the year.

The income account deficit was 97.2 million lats or 2.3% of GDP in the third quarter. The foreign investor companies' profit that was largely reinvested in the operation of the companies or was not yet distributed as dividends increased. In the third quarter, the surplus of the current transfers account was 92.3 million lats or 2.1% of GDP, while the capital account recorded a surplus of 127.6 million lats or 3.0% of GDP. 195.2 million lats were received from EU funds (most of them were the payments to raise capital) in this quarter. Relatively smaller amounts of EU fund payments as current transfers are projected for the turn of the year; hence their impact on the current account will subside.

The financial account recorded a surplus of 60.8 million lats or 1.4% of GDP in the third quarter.

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

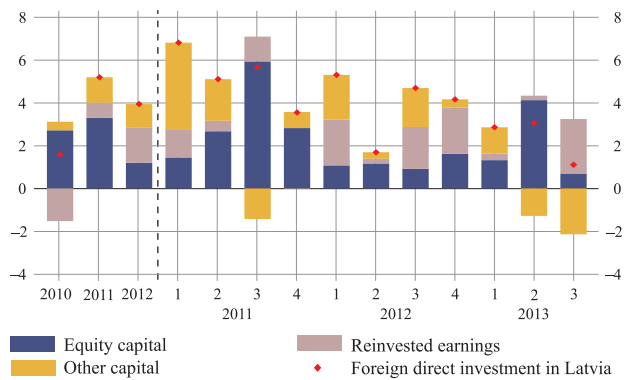
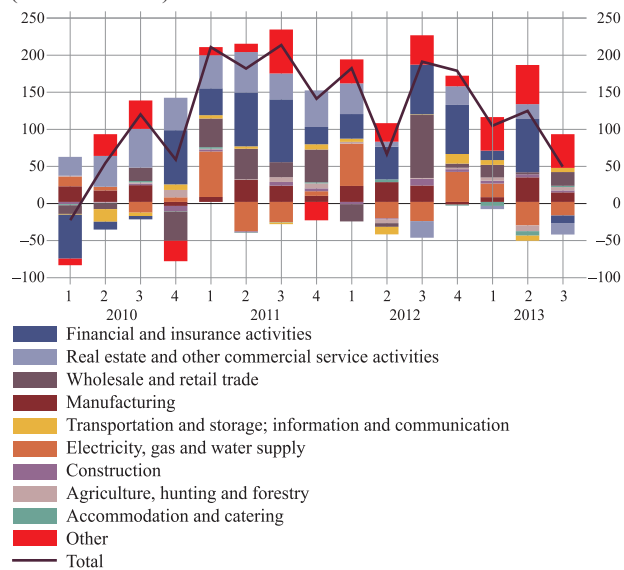


Chart 6.4
NET FLOWS OF FOREIGN DIRECT INVESTMENT
(millions of lats)



The results of the first three quarters and preliminary data for October (a small surplus of the current account – 38.1 million lats) suggest that the current account deficit will be small overall in 2013.

The inflow of foreign direct investment in Latvia persisted, albeit at a slower pace than in the previous quarters, including in manufacturing, and this promises potential growth of exports in the future. In the third quarter, the inflow of foreign direct investment in Latvia amounted to 47.2 million lats (1.1% of GDP; see Chart 6.3). The largest inflows of foreign direct investment (see Chart 6.4) were recorded in wholesale and manufacturing (manufacture of food products, textiles, wood and electrical equipment). A weaker overall inflow of foreign direct investment was determined by lower intensity of it in the financial and real estate sectors. Most of investment (by country) came from Sweden, Norway, Finland and Lithuania, while the inflow of investment from CIS countries (Azerbaijan, Kazakhstan and Ukraine) was also recorded.

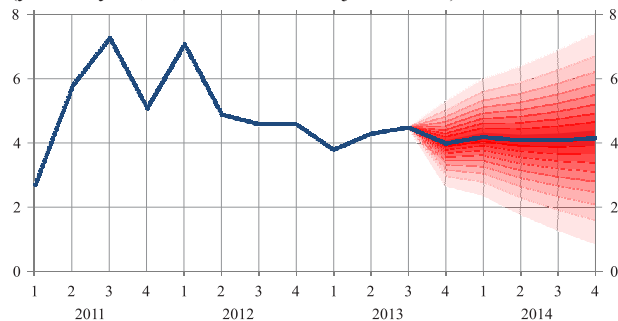
7. Conclusions and Forecasts

7.1 Economic developments

Following the second quarter when the slowdown in economic growth was on account of both the domestic and external developments, the economic quarterly growth rates in the third quarter were again equivalent to those observed over the last couple of years. In the third quarter, GDP grew by 4.5% year-on-year (1.3% quarter-on-quarter). Private consumption that continued as a positive driver behind the economic growth and was fuelled by a rise in disposable income of households accounted for the major contribution to the annual GDP growth (as it was observed over the last quarters). At the same time, the contribution of other GDP components was smaller. Investment activity remained relatively sluggish although this could be expected – lower investment was still determined by both the uncertainty about the euro area economic development in the future and the impact of the allocation of EU structural funds. However, stronger investment activity that will be determined by the need for new production capacity under the impact of improved foreign demand can be expected in 2014. In the third quarter, the contribution of exports was negative, and this was determined by the slowdown in the annual growth rate of exports due to the strong base effect (the wind-up of JSC *Liepājas Metalurģs*, the good grain harvest in 2012 etc.). The growth rate of imports, however, also declined significantly mainly due to the falling investment activity, thereby offsetting the negative contribution of exports. The role of exports in the economic development is expected to increase gradually in the medium-term; thus, with the economy of EU countries strengthening gradually, the demand for goods produced in Latvia will expand as well.

In the third quarter, trade, construction and professional services contributed to the growth. Nevertheless, it should be noted that almost all sectors of the economy accounted for a positive contribution to the growth. Following a decline in the second quarter, manufacturing could also develop buoyantly, offsetting the shrinking output caused by JSC *Liepājas Metalurģs*. Hence, manufacturing accounted for a small positive contribution to GDP growth already in the third quarter. With unfavourable base effects diminishing gradually, manufacturing is again expected to be one of the sectors being the driving

Chart 7.1
CHANGES IN GDP
(year-on-year; %; forecast of Latvijas Banka*)



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

force of the economic development also in the future. Manufacturing and trade are again projected to be the major driving forces of the economic development already in the quarters to come. The transport sector that has shown many signs of unfavourable trends and prospects also accounted for a somehow unexpected positive contribution to the growth. At the same time, agriculture, forestry and fishing, with the forestry subsector recording deterioration of the output volume, were the negative contributors to the growth.

Overall, the economic performance indicators for the third quarter were close to the projected ones. Available preliminary indicators for the fourth quarter (output of individual sectors, confidence indicators, tax revenue etc.) were also in line with the projected level. Thus, the GDP growth forecast for 2013 of Latvijas Banka remains unchanged (4.0%; see Chart 7.1). Almost the same economic growth (4.1%) is projected for 2014 (4.0% on the basis of the ECB methodology described in Sub-section 7.3). The medium-term risks to the national economic growth outlook can be overall considered balanced. External environment risks are primarily related to the sustainability of the economic growth of EU countries. Although the economic indicators for the second and third quarters were favourable, concern about the sustainability of the economic growth, however, persists. If improvements of the confidence indicators are reflected in the real economy as good as previously also in the future, the economic growth could be somewhat stronger than expected. However, the sustainability of the growth remains threatened by the minor labour market improvements. The growth recovery in the medium-term will be also determined by whether the economic policy-makers of the euro area are able to implement the fiscal consolidation measures and find a solution to the fragmented availability of funding. In the context of the external environment, the recent adverse trends in the economy of Russia that can reduce the output of the sectors whose markets for sale are situated in this country should be viewed as negative. In the meantime, internal risks are primarily related to the investment activity. Although a number of signs point to the fact that investment growth should surpass the overall economic growth, it should be taken into account, however, that investment responds swiftly to economic shocks. Thus, under the impact of the confidence shocks, the increase in investment may be both larger and smaller than expected. In the breakdown by sector, the highest degree of uncertainty surrounds transport and storage; although

large-scale investment projects are implemented in the sector (roads, infrastructure of railroad and ports), the demand for the transportation services, however, declines further. It is due both to the economic situation in the region and, in case of some commodity categories, the commencement of the operation of the new international port terminals.

7.2 Inflation

As in 2013, annual average inflation in 2014 will be primarily affected by the supply-side factors which contribute to the food and energy price developments, but the direction and magnitude of impact of these factors could differ considerably from those observed in 2013.

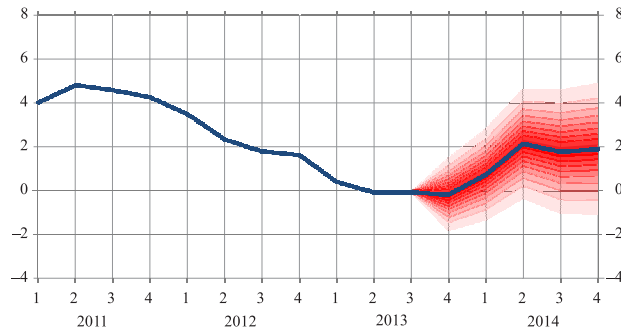
Lagged effect of some factors underpinning the decline in inflation will persist in 2014, although gradually waning (e.g. the impact of the prices of natural gas and heating energy eased in the course of 2013). Other factors could limit a further drop in energy prices. There is still uncertainty surrounding the oil price developments although Iran and Libya could expand oil production. Latvian major producers of heating energy could have also used up the near-term possibilities of restructuring production. Thus, the liberalisation of electricity prices for households is expected to be the largest contributor to the energy price developments in 2014.

As regards the factors affecting the price level of other goods and services, no increase in demand pressure on the price level is expected as commensurate wage and labour productivity growth persists, while the fiscal policy measures (e.g. an increase in tax exempt income part, a decrease in the employees' social insurance contributions) are not likely to raise the income level rapidly and change the consumer behaviour by leaps; hence the impact of the demand-side factors on prices will gradually become more pronounced.

The fiscal policy measures will have a rather limited supply side impact on the price level as the impact of the moderate increase in excise tax on autogas and tobacco products on inflation could be quite small.

Overall, after lingering around an unusually low level in the course of 2013, inflation is expected to return to the levels that are closer and more appropriate for one of the fastest growing European economies in 2014. According to the forecasts of Latvijas Banka, annual HICP inflation could amount to 1.7%, while CPI

Chart 7.2
CPI CHANGES
(year-on-year; %; forecast of Latvijas Banka*)



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

inflation to 1.5% in 2014. Currently, the risks related to inflation could be also assessed as balanced (see Chart 7.2).

7.3 Forecasting methodology and changes to the use of a consumer price measure

As to the participation in the joint process of forecasting of the ECB, starting with the next "Macroeconomic Developments Report", the methodology for the calculation of the annual growth rate of the forecasted GDP will be changed. The GDP forecast will be made for the seasonally and calendar adjusted indicator in the future: the annual growth rate will be obtained by summing up the seasonally and calendar adjusted quarters in relation to the corresponding quarters of the previous year. The use of the seasonally and calendar adjusted data allows for a more accurate and clear assessment of changes in the economic developments, with the seasonal and calendar effects being eliminated. For instance, the fluctuations that arise because of Easter falling in different calendar months of different years are excluded. The above methodology also allows for a comparison of years comprising a different number of working days in a more appropriate way. Although it does not contribute to considerable differences in the forecast, the difference between the indicators for both methods in some moments, especially when the business cycle changes, however, may be considerable.

Latvia's accession to the euro area changes the focus of inflation analysis from CPI to HICP. HICP is one of the indicators of change in consumer prices that is calculated by using the consumption structure of both residents and non-residents. HICP is a measure of inflation calculated not only for EU countries, but the ECB uses it for the monetary policy decision making as an indicator calculated according to uniform methodology, thus allowing for simple calculations of the EMU average, with a change in consumer prices characterised in a wider range. Both indicators have been very similar in Latvia by now, with the most significant difference between the annual growth rates (0.5 percentage point) being recorded temporarily – in May 2006 when Latvia hosted the Ice Hockey World Championship and the high prices on hotel and catering services (mainly a part of non-resident consumption) in Latvia boosted HICP. Nevertheless, the difference between CPI and HICP accrued since the beginning of 1998 may be less than 1 percentage point.

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1. MONETARY INDICATORS AND INTEREST RATES

	2012					2013				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3		
M1 ¹	10.9	16.6	12.8	14.8	10.9	10.4	14.1	9.1		
M2 ¹	3.8	0.5	2.4	1.9	3.8	2.1	1.2	-0.4		
M3 ¹	2.8	-0.1	2.0	2.3	2.8	3.8	3.3	1.0		
M2X ¹	4.5	1.3	2.3	2.6	4.5	3.3	2.7	1.0		
Loans to resident financial institutions, non-financial corporations and households ¹	-10.6	-11.0	-11.6	-11.2	-10.6	-6.7	-6.4	-7.6		
Deposits of resident financial institutions, non-financial corporations and households ¹	4.5	-2.5	-0.8	-0.2	4.5	4.1	4.2	5.1		
Long-term interest rate for convergence assessment purposes ⁵	4.57	5.45	5.11	4.35	3.36	3.20	3.14	3.32		
RIGIBOR (3-month loans) ²	0.9	1.4	1.0	0.6	0.5	0.5	0.4	0.3		
Average yield on government bonds	4.9 ⁴	4.3 ⁸	5.2 ⁴	4.1 ⁴	3.1 ⁴	1.4 ⁷	1.1 ⁷	1.2 ⁷		
OMXR ²	383.9	388.3	379.4	382.8	384.7	405.8	416.5	457.7		

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1 ¹	14.9	13.9	14.8	15.9	8.0	10.9	13.3	12.3	10.4	13.1	15.4	14.1	11.9	11.4	9.1
M2 ¹	3.0	3.0	1.9	3.7	4.4	3.8	4.7	3.7	2.1	2.3	2.4	1.2	0.4	-0.2	-0.4
M3 ¹	3.3	3.3	2.3	4.0	5.1	2.8	3.7	3.4	3.8	4.2	4.2	3.3	1.8	1.2	1.0
M2X ¹	3.4	3.6	2.6	5.1	8.9	4.5	5.4	4.2	3.3	3.4	3.9	2.7	2.0	1.4	1.0
Loans to resident financial institutions, non-financial corporations and households ¹	-11.6	-11.3	-11.2	-11.0	-10.9	-10.6	-10.4	-10.1	-6.7	-7.2	-4.5	-6.4	-6.6	-6.9	-7.6
Deposits of resident financial institutions, non-financial corporations and households ¹	0.8	0.9	-0.2	2.9	8.3	4.5	6.2	5.2	4.1	4.9	5.1	4.2	4.2	4.3	5.1
Long-term interest rate for convergence assessment purposes ⁵	4.67	4.45	3.92	3.52	3.32	3.24	3.21	3.22	3.17	3.15	3.10	3.17	3.25	3.25	3.45
RIGIBOR (3-month loans) ²	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Average yield on government bonds	4.4 ⁴	4.0 ⁴	3.6 ⁴	3.1 ⁴	-	-	1.4 ⁷	1.4 ⁷	1.2 ⁷	1.2 ⁷	1.1 ⁷	1.1 ⁷	1.1 ⁷	1.2 ⁷	-
OMXR ²	381.4	381.3	386.0	384.6	381.3	389.3	404.7	399.5	413.2	412.3	410.7	427.3	452.3	468.1	452.6

¹ Year-on-year changes (%).

² Average of the period.

³ Weighted average primary market yield of 11-year government bonds.

⁴ Weighted average primary market yield of 10-year government bonds.

⁵ Average secondary market yield of 10-year government bonds.

⁶ Weighted average primary market yield of 2-year government bonds.

⁷ Weighted average primary market yield of 3-year government bonds.

⁸ Weighted average primary market yield of 5-year government bonds.

2.a REAL SECTOR INDICATORS AND PRICES

	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Industrial output^{2,4}								
Increase/decrease ¹ (at constant prices; working day adjusted data; %)	9.3	14.9	8.0	8.1	7.6	-1.7	-0.6	1.7
Cargoes loaded and unloaded at ports								
Turnover (thousands of tons)	75 193	20 032	20 309	17 722	17 129	18 969	17 990	16 523
Increase/decrease ¹ (%)	9.3	22.6	12.2	7.2	-4.0	-5.3	-11.4	-6.8
Retail trade turnover^{2,3,4}								
Turnover (at current prices; millions of lats)	4 273.3	946.9	1 047.7	1 147.9	1 130.8	984.3	1 084.1	1 177.1
Increase/decrease ¹ (at constant prices; %)	7.3	9.0	6.3	7.7	6.6	4.7	4.0	2.5
Unemployment rate (%)	10.5	11.7	11.9	11.0	10.5	10.8	9.6	9.1
Producer prices ² (increase/decrease compared with the previous period; %)	3.7	1.6	0.5	0.8	0.4 ⁴	0.3 ⁴	0.4	0.3
Consumer price inflation								
Year-on-year basis (%)	2.3	3.4	2.3	1.8	1.6	0.3	-0.1	-0.1
Quarter-on-quarter basis (%)	x	1.1	0.9	-0.6	0.2	-0.1	0.5	-0.6
Financial surplus/deficit in the consolidated general government budget								
Surplus/deficit (millions of lats)	19.1	-43.9	106.3	279.0	-322.2	31.8	133.8	95.9
Ratio to GDP (%)	0.1	1.3	2.8	6.9	7.6	0.9	3.3	2.2

¹ Year-on-year basis.

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

³ Sale of motor vehicles and motorcycles not included.

⁴ Data have been revised.

2.b REAL SECTOR INDICATORS AND PRICES

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Industrial output ^{2,4}															
Increase/decrease ¹ (at constant prices; working day adjusted data; %)	7.3	12.6	4.3	5.5	7.4	10.2	-0.2	1.6	-5.6	-2.7	0	0.9	4.7	-1.3	1.9
Cargoes loaded and unloaded at ports															
Turnover (thousands of tons)	5 913	5 894	5 915	5 337	5 825	5 967	6 553	5 614	6 802	6 268	6 034	5 688	5 491	5 724	5 308
Increase/decrease ¹ (%)	1.1	9.7	11.4	-9.3	0.4	-3.0	-6.4	-3.2	-6.0	-11.5	-12.7	-10.0	-7.1	-2.9	-10.3
Retail trade turnover ^{2,3,4}															
Turnover (at current prices; millions of lats)	379.0	397.5	371.4	373.6	350.5	406.8	330.1	310.5	343.7	338.4	374.2	371.5	396.8	401.8	378.5
Increase/decrease ¹ (at constant prices; %)	8.3	7.4	7.4	6.9	4.3	8.4	4.0	4.0	5.9	3.4	6.0	2.8	3.4	2.2	2.1
Unemployment rate (%)	11.6	11.3	11.0	10.7	10.6	10.5	10.9	10.9	10.8	10.4	9.9	9.6	9.5	9.3	9.1
Producer prices ² (increase/decrease compared with the previous period; %)	0.5	0.5	0	0.2	-0.2	0.2	0.3	-0.2	0.1	0.1	0.3	0.1	-0.1	0.2	0.3
Consumer price inflation															
Year-on-year basis (%)	1.7	1.7	1.8	1.6	1.6	1.6	0.6	0.3	0.2	-0.4	-0.1	0.2	0.3	-0.2	-0.4
Month-on-month basis (%)	-0.5	-0.3	0.5	0	-0.1	0	-0.2	-0.1	0.5	0	0.1	0.2	-0.3	-0.8	0.3
Annual core inflation (%)	0.3	-0.2	-0.3	-0.5	0.1	-0.6	-0.5	-0.3	0	-0.2	-0.2	-0.1	0.2	0.4	0.5
Financial surplus/deficit in the consolidated general government budget (millions of lats)	114.3	153.5	11.2	-63.1	-76.2	-182.9	56.8	-70.7	45.7	58.4	96.9	-21.5	32.0	53.0	10.9

¹ Year-on-year basis.

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

³ Sale of motor vehicles and motorcycles not included.

⁴ Data have been revised.

3. MONETARY BASE

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Currency in circulation	1 158.1	1 167.6	1 173.5	1 167.7	1 179.0	1 234.1	1 147.3	1 126.3	1 134.8	1 096.7	1 080.3	1 086.8	1 054.3	1 022.5	971.0
Currency as percent of the monetary base	56.2	52.9	52.0	50.5	48.2	46.3	46.7	43.1	44.8	43.1	41.1	40.3	40.5	39.1	37.9
Deposits with Latvijas Banka in lats	626.2	621.2	676.9	676.4	708.9	866.3	654.0	748.7	671.3	669.9	661.0	807.9	773.5	818.7	820.5
Deposits with Latvijas Banka in foreign currencies	275.7	417.7	404.9	466.6	555.7	567.2	657.7	736.6	724.5	776.4	889.4	805.2	777.0	771.9	770.8
Deposits as percent of the monetary base	43.8	47.1	48.0	49.5	51.8	53.7	53.3	56.9	55.2	56.9	58.9	59.7	59.5	60.9	62.1
M0	2 060.0	2 206.6	2 255.3	2 310.7	2 443.6	2 667.7	2 459.1	2 611.7	2 530.7	2 542.9	2 630.7	2 699.9	2 604.8	2 613.2	2 562.3
Net foreign assets	3 856.1	4 080.9	3 793.5	3 759.8	3 874.9	4 025.8	3 874.1	3 988.3	4 051.7	4 038.6	4 140.7	4 060.1	4 019.7	4 032.6	4 064.4
Loans to MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit to central government (net)	-1 145.0	-1 161.1	-873.9	-766.7	-792.7	-761.2	-625.4	-528.7	-606.5	-600.8	-657.8	-591.0	-581.7	-617.0	-616.6
Other items (net)	-651.2	-713.3	-664.4	-682.4	-638.5	-597.0	-789.6	-847.8	-914.6	-894.9	-852.3	-769.3	-833.2	-802.5	-885.4
Total	2 060.0	2 206.6	2 255.3	2 310.7	2 443.6	2 667.7	2 459.1	2 611.7	2 530.7	2 542.9	2 630.7	2 699.9	2 604.8	2 613.2	2 562.3

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Monetary aggregates															
M3	6 656.6	6 723.2	6 633.4	6 682.8	6 802.7	6 845.7	6 824.8	6 869.0	6 754.8	6 822.3	6 800.0	6 831.6	6 774.0	6 801.1	6 696.6
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	64.9	65.0	65.1	66.2	66.2	62.0	64.7	64.4	63.6	62.4	62.0	61.2	57.1	55.9	54.8
Debt securities issued with maturity of up to 2 years	50.5	51.0	50.2	50.0	72.8	77.7	77.6	96.9	120.7	130.2	130.3	152.3	149.8	153.0	150.4
M2	6 541.1	6 607.2	6 518.1	6 566.7	6 663.7	6 706.1	6 682.5	6 707.7	6 570.5	6 629.7	6 607.8	6 618.0	6 567.1	6 592.2	6 491.3
Deposits with an agreed maturity of up to 2 years	1 900.6	1 900.2	1 783.8	1 754.3	1 729.1	1 658.6	1 600.5	1 613.0	1 586.3	1 553.4	1 499.8	1 398.0	1 355.7	1 322.3	1 283.6
Deposits redeemable at notice of up to 3 months	209.5	208.3	208.8	209.9	212.9	215.7	220.1	225.0	234.2	236.6	240.2	245.0	251.3	260.0	270.3
M1	4 431.0	4 498.7	4 525.6	4 602.5	4 721.7	4 831.7	4 862.0	4 869.6	4 750.0	4 839.7	4 867.8	4 975.0	4 960.0	5 009.9	4 937.4
Currency outside MFIs	1 042.8	1 051.9	1 062.8	1 053.4	1 058.2	1 082.4	1 035.3	1 013.7	1 011.8	982.3	969.1	976.0	941.7	908.2	853.5
Overnight deposits	3 388.3	3 446.8	3 462.7	3 549.1	3 663.4	3 749.3	3 826.7	3 855.9	3 738.2	3 857.4	3 898.7	3 999.1	4 018.3	4 101.7	4 084.0
Counterparts of monetary aggregates and longer-term financial liabilities															
Deposits of central government	1 341.8	1 457.8	1 285.7	1 242.5	1 232.8	1 287.3	1 292.5	1 151.2	1 202.7	1 216.7	1 295.7	1 216.2	1 199.3	1 284.0	1 309.1
Longer-term financial liabilities	2 479.1	2 507.4	2 544.3	2 583.0	2 576.2	2 585.3	2 602.8	2 631.4	2 585.7	2 605.6	2 604.4	2 600.3	2 617.6	2 629.7	2 654.5
Deposits with an agreed maturity of over 2 years	231.0	238.7	244.9	246.0	247.5	250.6	255.8	258.9	267.2	262.1	257.6	255.7	254.0	247.8	242.3
Deposits redeemable at notice of over 3 months	0	0	0	0	0	0	0	0	0	2.4	2.4	2.4	2.4	2.4	2.4
Debt securities issued with maturity of over 2 years	45.5	44.5	56.9	63.5	65.9	61.9	61.5	62.5	67.1	66.0	65.2	79.9	79.8	80.4	79.7
Capital and reserves	2 202.6	2 224.1	2 242.5	2 273.6	2 262.8	2 272.8	2 285.6	2 310.0	2 251.4	2 275.0	2 279.2	2 262.3	2 281.3	2 299.0	2 330.1
Credit to residents	11 248.8	11 278.4	11 269.5	11 278.7	11 233.4	11 051.1	11 024.0	10 929.4	10 858.3	10 762.1	10 798.9	10 650.4	10 642.4	10 659.1	10 591.4
Credit to general government	497.5	506.1	521.6	542.2	542.8	554.0	549.5	476.7	484.6	462.4	491.7	507.5	515.3	525.7	529.9
Credit to other residents	10 751.3	10 772.3	10 747.9	10 736.5	10 690.7	10 497.1	10 474.5	10 452.7	10 373.7	10 299.7	10 307.1	10 142.9	10 127.1	10 133.4	10 061.5
Loans	10 424.3	10 447.4	10 420.9	10 408.8	10 367.1	10 165.4	10 138.1	10 111.9	10 025.5	9 949.6	9 953.9	9 768.9	9 735.4	9 726.6	9 630.3
Net external assets	249.9	378.6	155.0	202.8	378.0	613.7	577.3	610.8	642.1	786.2	771.4	820.1	763.1	837.7	845.4
Other items (net)	1 021.2	968.7	961.2	973.0	999.7	946.4	881.2	888.7	957.2	903.7	870.2	822.5	814.6	782.0	776.6

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1	4 402.8	4 469.7	4 553.0	4 637.6	4 735.9	4 732.4	4 847.4	4 857.5	4 793.6	4 881.6	4 913.2	4 932.5	4 942.0	5 004.5	4 964.0
M2	6 547.0	6 590.3	6 563.9	6 649.0	6 701.8	6 634.7	6 690.6	6 675.4	6 578.4	6 600.8	6 598.5	6 591.2	6 574.0	6 574.4	6 539.7
M3	6 664.8	6 708.9	6 682.1	6 768.7	6 842.5	6 774.0	6 831.1	6 835.6	6 762.6	6 792.2	6 789.9	6 802.1	6 784.4	6 784.8	6 749.0

6. ASSETS AND LIABILITIES OF LATVIJAS BANKA

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
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	3 965.2	4 115.0	3 818.3	3 786.5	3 892.9	4 053.5	3 925.7	4 046.8	4 083.1	4 078.6	4 165.9	4 107.9	4 055.8	4 056.4	4 098.9
Fixed assets	31.7	31.5	31.5	32.2	32.1	32.0	31.7	31.6	31.4	31.3	31.1	31.0	30.8	30.7	30.5
Remaining assets	0.8	0.9	0.9	0.7	0.8	0.9	0.8	1.1	1.1	1.0	1.0	1.0	0.9	0.9	0.9
Total	3 997.7	4 147.4	3 850.7	3 819.5	3 925.8	4 086.3	3 958.2	4 079.5	4 115.6	4 110.9	4 198.1	4 139.9	4 087.5	4 088.0	4 130.3
LIABILITIES															
Currency in circulation	1 158.1	1 167.6	1 173.5	1 167.7	1 179.0	1 234.1	1 147.3	1 126.3	1 134.8	1 096.7	1 080.3	1 086.8	1 054.3	1 022.5	971.0
Deposits of residents	2 375.9	2 587.9	2 292.0	2 261.2	2 364.5	2 460.3	2 399.7	2 529.5	2 565.3	2 617.6	2 754.4	2 671.7	2 664.0	2 715.2	2 790.3
Central government	1 145.0	1 161.1	873.9	766.7	792.7	761.2	625.4	528.7	606.5	600.8	657.8	591.0	581.7	617.0	616.6
Other residents	70.2	71.3	72.5	32.5	11.4	10.8	11.5	21.7	10.2	11.2	19.4	18.9	20.8	10.2	12.8
MFIs	1 160.7	1 355.5	1 345.7	1 462.0	1 560.3	1 688.3	1 762.8	1 979.0	1 948.7	2 005.6	2 077.3	2 061.8	2 061.5	2 088.1	2 160.9
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	351.6	356.0	358.0	361.4	362.3	362.0	356.7	362.3	359.8	342.4	335.8	330.8	330.4	324.4	331.8
External liabilities	109.1	34.0	24.8	26.7	18.1	27.7	51.6	58.5	31.4	40.0	25.2	47.8	36.1	23.8	34.5
Remaining liabilities	3.0	1.8	2.4	2.5	1.9	2.2	2.8	2.9	24.3	14.2	2.4	2.8	2.7	2.0	2.7
Total	3 997.7	4 147.4	3 850.7	3 819.5	3 925.8	4 086.3	3 958.2	4 079.5	4 115.6	4 110.9	4 198.1	4 139.9	4 087.5	4 088.0	4 130.3

7. AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING LATVIJAS BANKA)

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	11 875.0	12 102.8	12 092.9	12 166.0	12 226.0	12 173.1	12 232.1	12 361.4	12 246.5	12 280.6	12 373.6	12 151.2	12 137.9	12 118.3	12 113.3
General government	64.9	69.4	68.5	70.5	70.6	73.0	75.7	75.2	74.6	76.0	79.8	81.3	83.0	83.6	83.6
Other residents	10 424.3	10 447.4	10 420.9	10 408.8	10 367.1	10 165.4	10 138.1	10 111.9	10 025.5	9 949.6	9 953.9	9 768.9	9 735.4	9 726.6	9 630.3
MFIs	1 385.8	1 586.0	1 603.4	1 686.6	1 788.4	1 934.7	2 018.3	2 174.4	2 146.4	2 255.0	2 339.9	2 301.0	2 319.5	2 308.1	2 399.4
Holdings of securities other than shares issued by residents	433.7	437.8	454.2	472.8	473.4	485.3	484.0	411.1	422.1	397.0	426.2	440.5	446.1	455.7	460.2
General government	432.6	436.7	453.1	471.7	472.2	481.0	473.8	401.5	410.0	386.4	411.9	426.2	432.3	442.1	446.3
Other residents	0.2	0.2	0.2	0.2	0.2	4.3	10.2	9.6	12.1	10.6	14.3	14.3	13.8	13.6	13.9
MFIs	0.9	0.9	0.9	1.0	1.0	0	0	0	0	0	0	0	0	0	0
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	326.9	324.7	326.8	327.5	323.4	327.4	326.2	331.3	336.1	339.6	338.9	359.7	377.9	393.2	417.3
External assets	6 201.3	6 217.4	6 081.6	6 232.8	6 186.8	6 323.3	6 404.5	6 179.2	6 419.1	6 556.1	6 504.5	6 673.3	6 844.2	6 817.7	6 449.8
Fixed assets	87.7	87.4	86.8	87.1	88.4	87.2	85.1	89.6	89.8	89.9	90.4	90.4	90.8	91.4	92.0
Remaining assets	519.8	491.4	483.2	475.7	462.2	523.7	464.4	449.8	472.5	471.7	459.9	471.5	461.2	465.2	463.5
Total	19 444.7	19 662.0	19 525.9	19 762.2	19 760.7	19 920.5	19 996.7	19 822.8	19 986.5	20 135.3	20 194.0	20 187.0	20 358.5	20 341.9	19 996.5
LIABILITIES															
Deposits of residents	6 080.8	6 249.8	6 297.4	6 426.6	6 513.2	6 635.9	6 813.7	6 748.6	6 609.8	6 766.1	6 779.5	6 746.5	6 736.5	6 811.9	6 806.3
Central government	196.8	296.7	411.8	475.9	440.1	526.2	667.1	622.4	596.3	615.9	637.9	625.1	617.5	667.0	692.5
Other residents	5 659.1	5 722.7	5 627.7	5 726.8	5 841.5	5 863.5	5 891.4	5 931.2	5 815.8	5 900.7	5 879.3	5 881.3	5 861.0	5 924.0	5 869.9
MFIs	224.9	230.4	257.8	224.0	231.6	246.2	255.1	195.0	197.7	249.4	262.2	240.0	258.0	220.8	243.9
Money market fund shares and units	65.3	65.4	65.5	66.6	66.5	62.4	65.0	64.8	64.0	62.8	62.4	61.6	57.5	56.3	55.2
Debt securities issued	96.0	95.5	107.0	113.5	138.7	139.6	139.0	159.4	187.8	196.1	195.5	232.2	229.7	233.4	230.1
Capital and reserves	1 851.0	1 868.1	1 884.6	1 912.2	1 900.5	1 910.8	1 928.9	1 947.8	1 891.6	1 932.7	1 943.4	1 931.5	1 950.9	1 974.6	1 998.3
External liabilities	9 807.5	9 919.8	9 720.1	9 789.8	9 683.7	9 735.5	9 701.3	9 556.6	9 828.7	9 808.4	9 873.8	9 913.3	10 100.7	10 012.7	9 668.8
Remaining liabilities	1 544.1	1 463.5	1 451.4	1 453.6	1 458.1	1 436.4	1 348.7	1 345.6	1 404.6	1 369.1	1 339.5	1 302.0	1 283.2	1 253.0	1 237.8
Total	19 444.7	19 662.0	19 525.9	19 762.2	19 760.7	19 920.5	19 996.7	19 822.8	19 986.5	20 135.3	20 194.0	20 187.0	20 358.5	20 341.9	19 996.5

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	10 489.2	10 516.8	10 489.4	10 479.3	10 437.6	10 238.5	10 213.8	10 187.0	10 100.1	10 025.6	10 033.7	9 850.3	9 818.4	9 810.2	9 713.9
General government	64.9	69.4	68.5	70.5	70.6	73.0	75.7	75.2	74.6	76.0	79.8	81.3	83.0	83.6	83.6
Other residents	10 424.3	10 447.4	10 420.9	10 408.8	10 367.1	10 165.4	10 138.1	10 111.9	10 025.5	9 949.6	9 953.9	9 768.9	9 735.4	9 726.6	9 630.3
Holdings of securities other than shares issued by other residents	432.7	436.9	453.3	471.8	472.4	485.3	484.0	411.1	422.1	397.0	426.2	440.5	446.1	455.7	460.2
General government	432.6	436.7	453.1	471.7	472.2	481.0	473.8	401.5	410.0	386.4	411.9	426.2	432.3	442.1	446.3
Other residents	0.2	0.2	0.2	0.2	0.2	4.3	10.2	9.6	12.1	10.6	14.3	14.3	13.8	13.6	13.9
Holdings of shares and other equity issued by other residents	326.9	324.7	326.8	327.5	323.4	327.4	326.2	331.3	336.1	339.6	338.9	359.7	377.9	393.2	417.3
External assets	10 166.4	10 332.4	9 900.0	10 019.3	10 079.8	10 376.8	10 330.2	10 225.9	10 502.2	10 634.6	10 670.5	10 781.2	10 899.9	10 874.2	10 548.7
Fixed assets	120.2	118.9	118.3	119.3	120.5	119.2	116.8	121.2	121.2	121.2	121.6	121.3	121.7	122.1	122.5
Remaining assets	404.5	376.7	373.4	362.1	342.2	372.9	353.1	338.3	350.6	358.4	349.7	361.9	349.5	351.8	346.9
Total	21 939.9	22 106.3	21 661.2	21 779.4	21 775.9	21 920.0	21 824.2	21 614.8	21 832.3	21 876.4	21 940.6	21 914.8	22 013.5	22 007.2	21 609.5
LIABILITIES															
Currency outside MFIs	1 042.8	1 051.9	1 062.8	1 053.4	1 058.2	1 082.4	1 035.3	1 013.7	1 011.8	982.3	969.1	976.0	941.7	908.2	853.5
Deposits of central government	1 341.8	1 457.8	1 285.7	1 242.5	1 232.8	1 287.3	1 292.5	1 151.2	1 202.7	1 216.7	1 295.7	1 216.2	1 199.3	1 284.0	1 309.1
Deposits of other general government and other residents	5 729.3	5 794.0	5 700.2	5 759.3	5 853.0	5 874.3	5 903.0	5 952.9	5 825.9	5 911.9	5 898.7	5 900.2	5 881.8	5 934.2	5 882.7
Money market fund shares and units	64.9	65.0	65.1	66.2	66.2	62.0	64.7	64.4	63.6	62.4	62.0	61.2	57.1	55.9	54.8
Debt securities issued	95.1	94.5	106.1	112.5	137.7	139.6	139.0	159.4	187.8	196.1	195.5	232.2	229.7	233.4	230.1
Capital and reserves	2 202.6	2 224.1	2 242.5	2 273.6	2 262.8	2 272.8	2 285.6	2 310.0	2 251.4	2 275.0	2 279.2	2 262.3	2 281.3	2 299.0	2 330.1
External liabilities	9 916.6	9 953.8	9 744.9	9 816.5	9 701.8	9 763.1	9 752.9	9 615.1	9 860.1	9 848.4	9 899.0	9 961.1	10 136.8	10 036.5	9 703.3
Remaining liabilities	1 547.0	1 465.3	1 453.8	1 456.1	1 459.9	1 438.5	1 351.5	1 348.5	1 429.0	1 383.5	1 341.9	1 304.8	1 285.8	1 255.0	1 240.5
Excess of inter-MFI liabilities	-0.2	-0.1	0.1	-0.6	3.5	-0.1	-0.4	-0.3	0	0.1	-0.4	0.9	0	1.0	5.5
Total	21 939.9	22 106.3	21 661.2	21 779.4	21 775.9	21 920.0	21 824.2	21 614.8	21 832.3	21 876.4	21 940.6	21 914.8	22 013.5	22 007.2	21 609.5

9.a AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING LATVIJAS BANKA)

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
MFI reserves	1 276.1	1 471.2	1 456.4	1 576.3	1 681.1	1 840.1	1 874.8	2 091.7	2 071.7	2 120.0	2 188.4	2 172.6	2 174.1	2 202.4	2 278.4
Vault cash in national currency	115.3	115.7	110.7	114.3	120.8	151.8	112.0	112.7	123.0	114.4	111.2	110.8	112.6	114.3	117.5
Deposits with Latvijas Banka	1 160.7	1 355.5	1 345.7	1 462.0	1 560.3	1 688.3	1 762.8	1 979.0	1 948.7	2 005.6	2 077.3	2 061.8	2 061.5	2 088.1	2 160.9
Foreign assets	6 201.3	6 217.4	6 081.6	6 232.8	6 186.8	6 323.3	6 404.5	6 179.2	6 419.1	6 556.1	6 504.5	6 673.3	6 844.2	6 817.7	6 449.8
Claims on the central government	432.4	436.5	452.9	472.6	473.5	483.1	477.0	404.8	413.0	389.4	415.1	430.0	437.1	446.5	450.2
Loans	0	0	0	1.1	1.5	2.2	3.4	3.4	3.2	3.2	3.4	4.0	5.0	4.6	4.1
Holdings of securities other than shares	432.4	436.5	452.9	471.5	472.0	480.8	473.6	401.3	409.8	386.2	411.7	426.0	432.1	441.9	446.1
Claims on the local government	65.1	69.6	68.7	69.5	69.2	71.0	72.5	71.9	71.6	73.1	76.6	77.5	78.1	79.2	79.7
Loans	64.9	69.4	68.5	69.4	69.1	70.8	72.3	71.7	71.4	72.9	76.4	77.3	78.0	79.0	79.5
Holdings of securities other than shares	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Claims on the financial institutions	547.8	548.8	547.5	539.8	529.3	529.1	543.7	547.9	562.2	543.0	547.9	582.3	597.1	614.1	641.0
Loans	288.0	291.8	290.9	285.4	277.1	279.5	295.4	294.5	304.4	287.6	293.3	303.3	298.6	300.6	298.2
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	259.9	257.0	256.7	254.4	252.2	249.6	248.3	253.4	257.8	255.4	254.6	279.0	298.5	313.5	342.8
Claims on public non-financial corporations	494.1	501.1	500.8	499.5	503.2	504.5	504.1	496.2	499.2	497.0	492.2	482.5	483.0	480.9	482.6
Loans	494.1	501.1	500.8	499.5	503.2	502.0	502.2	494.9	495.8	495.1	488.9	479.3	480.1	478.2	479.7
Holdings of securities other than shares	0	0	0	0	0	2.5	1.9	1.3	3.4	1.9	3.3	3.3	2.8	2.6	2.8
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	4 893.8	4 937.0	4 954.7	4 979.4	4 972.2	4 830.4	4 828.3	4 833.6	4 764.1	4 735.1	4 773.5	4 615.0	4 611.5	4 625.4	4 553.1
Loans	4 826.7	4 869.2	4 884.4	4 906.2	4 900.8	4 750.8	4 742.2	4 747.5	4 677.1	4 642.3	4 678.2	4 523.4	4 521.1	4 534.6	4 467.5
Holdings of securities other than shares	0.2	0.2	0.2	0.2	0.2	1.8	8.3	8.3	8.7	8.7	11.0	11.0	11.0	11.0	11.1
Holdings of shares and other equity	67.0	67.7	70.1	73.1	71.2	77.8	77.8	77.9	78.4	84.1	84.4	80.6	79.4	79.7	74.5
Claims on households	4 815.5	4 785.4	4 744.8	4 717.7	4 686.0	4 633.1	4 598.4	4 575.0	4 548.2	4 524.6	4 493.6	4 463.0	4 435.5	4 413.1	4 384.8
Loans	4 815.5	4 785.4	4 744.8	4 717.7	4 686.0	4 633.1	4 598.4	4 575.0	4 548.2	4 524.6	4 493.6	4 463.0	4 435.5	4 413.1	4 384.8
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	87.7	87.4	86.8	87.1	88.4	87.2	85.1	89.6	89.8	89.9	90.4	90.4	90.8	91.4	92.0
Other assets	404.5	375.7	372.6	361.4	341.5	372.0	352.4	337.1	349.5	357.4	348.7	360.8	348.6	350.9	346.0
Claims on resident MFIs	225.1	230.5	257.7	224.7	228.1	246.3	255.5	195.3	197.7	249.3	262.7	239.2	258.0	220.0	238.4
Holdings of MFI securities other than shares	0.9	0.9	0.9	1.0	1.0	0	0	0	0	0	0	0	0	0	0
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
TOTAL ASSETS	19 444.7	19 662.0	19 525.9	19 762.2	19 760.7	19 920.5	19 996.7	19 822.8	19 986.5	20 135.3	20 194.0	20 187.0	20 358.5	20 341.9	19 996.5

9.b AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING LATVIJAS BANKA)

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Overnight deposits in lats	1 742.4	1 761.3	1 758.1	1 828.4	1 903.6	2 025.7	1 964.6	1 984.1	1 935.5	1 980.9	1 984.5	2 044.1	2 068.3	2 093.8	2 111.7
Financial institutions	61.1	64.6	56.5	69.5	60.1	67.1	63.7	59.8	52.1	61.2	58.5	68.5	72.9	80.8	90.1
Public non-financial corporations	92.2	94.5	95.1	107.1	125.2	121.6	126.3	143.4	144.3	144.6	142.8	154.2	147.6	134.7	146.9
Private non-financial corporations	713.5	728.6	733.2	773.7	812.4	877.2	847.7	838.4	784.7	805.1	811.2	804.9	827.9	851.6	834.5
Households	875.5	873.6	873.3	878.1	905.9	959.8	926.9	942.5	954.4	970.1	972.0	1 016.4	1 019.9	1 026.7	1 040.2
Time deposits in lats	661.7	656.9	655.0	643.4	623.8	593.6	588.8	582.4	583.3	572.0	539.6	510.7	462.8	455.6	457.5
Financial institutions	118.1	118.7	135.5	118.8	118.1	108.3	106.4	109.7	112.4	108.2	106.5	99.4	96.6	101.0	96.4
Public non-financial corporations	75.6	76.8	67.5	79.5	73.2	87.9	71.6	69.8	77.2	77.3	64.1	54.3	45.4	30.4	29.3
Private non-financial corporations	95.6	90.3	82.3	77.0	76.0	70.7	83.9	79.1	77.1	77.2	66.0	67.1	38.9	46.9	55.6
Households	372.4	371.1	369.7	368.0	356.4	326.7	327.0	323.8	316.6	309.4	303.0	289.9	281.9	277.3	276.2
Deposits redeemable at notice in lats	86.2	87.2	87.4	88.1	90.7	93.7	96.6	99.0	103.9	105.8	104.9	106.8	110.9	115.0	120.9
Financial institutions	7.3	7.3	7.3	7.4	7.4	7.3	7.4	7.3	7.2	7.3	7.2	7.2	7.1	7.2	7.2
Public non-financial corporations	0.8	1.3	1.2	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5
Private non-financial corporations	7.1	6.5	6.0	5.3	5.1	5.2	5.1	5.4	8.6	8.6	6.5	5.5	5.7	6.0	6.6
Households	71.0	72.1	72.9	74.9	77.6	80.6	83.5	85.6	87.4	89.3	90.7	93.6	97.6	101.3	106.6
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	2 946.9	2 987.5	2 908.5	2 949.9	3 007.9	2 980.0	3 060.5	3 084.7	3 003.2	3 032.9	3 032.7	3 017.0	3 025.2	3 064.6	2 992.1
Financial institutions	245.3	263.3	264.5	275.2	271.1	280.4	300.0	331.5	291.9	274.1	254.1	275.6	272.2	270.5	255.3
Public non-financial corporations	129.9	133.6	147.5	131.0	156.8	150.2	156.9	153.9	134.1	188.1	207.0	187.6	179.6	165.3	140.9
Private non-financial corporations	938.9	961.9	892.7	939.9	972.8	925.0	989.8	977.2	948.6	929.4	925.5	906.6	924.7	969.1	936.4
Households	1 632.7	1 628.7	1 603.8	1 603.7	1 607.2	1 624.5	1 613.8	1 622.1	1 628.7	1 641.3	1 646.1	1 647.2	1 648.8	1 659.7	1 659.5
Deposits of central government	196.8	296.7	411.8	475.9	440.1	526.2	667.1	622.4	596.3	615.9	637.9	625.1	617.5	667.0	692.5
Overnight deposits in lats	8.7	11.0	16.1	17.7	16.1	13.6	12.8	12.7	11.9	14.0	13.4	10.7	17.1	14.1	13.9
Time deposits in lats	57.5	61.1	57.4	57.0	50.7	52.6	56.1	45.7	47.6	48.7	47.5	22.8	10.3	18.8	13.8
Deposits redeemable at notice and repos in lats	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits	130.5	224.5	338.3	401.1	373.3	460.0	598.2	563.9	536.7	553.2	576.9	591.6	590.1	634.0	664.7
Deposits of local government	221.9	229.7	218.7	217.0	215.6	170.5	180.9	181.0	189.9	209.0	217.7	202.8	193.7	195.0	187.7
Overnight deposits in lats	154.0	156.0	148.9	145.0	145.4	106.6	120.7	124.7	130.7	153.0	153.9	143.8	138.1	140.5	139.7
Time deposits in lats	15.3	15.2	15.2	14.4	14.6	12.8	2.0	2.0	2.1	2.6	1.9	1.7	0.7	0.7	0.7
Deposits redeemable at notice and repos in lats	2.0	2.0	2.0	2.1	2.1	2.0	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6
Foreign currency deposits	50.6	56.5	52.7	55.5	53.5	49.1	56.5	52.6	55.3	51.9	60.3	55.7	53.3	52.2	45.7
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 LATVIJAS BANKA) (CONT.)

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Foreign liabilities	9 807.5	9 919.8	9 720.1	9 789.8	9 683.7	9 735.5	9 701.3	9 556.6	9 828.7	9 808.4	9 873.8	9 913.3	10 100.7	10 012.7	9 668.8
Liabilities to Latvijas Banka	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	65.3	65.4	65.5	66.6	66.5	62.4	65.0	64.8	64.0	62.8	62.4	61.6	57.5	56.3	55.2
Debt securities issued	96.0	95.5	107.0	113.5	138.7	139.6	139.0	159.4	187.8	196.1	195.5	232.2	229.7	233.4	230.1
Capital and reserves	1 851.0	1 868.1	1 884.6	1 912.2	1 900.5	1 910.8	1 928.9	1 947.8	1 891.6	1 932.7	1 943.4	1 931.5	1 950.9	1 974.6	1 998.3
Residents	454.4	471.6	488.0	512.2	500.5	493.4	511.5	529.2	471.3	516.0	531.9	520.2	539.6	563.3	581.3
Retained earnings of the reporting year	90.0	105.7	119.3	140.5	128.3	122.4	22.7	39.7	45.8	74.8	89.2	77.1	92.5	117.7	133.2
Non-residents	1 396.5	1 396.5	1 396.5	1 400.0	1 400.0	1 417.4	1 417.4	1 418.6	1 420.2	1 416.6	1 411.5	1 411.3	1 411.3	1 411.3	1 417.0
Provisions	1 177.1	1 167.4	1 143.0	1 126.4	1 115.3	1 053.3	1 033.4	1 027.6	1 015.3	998.8	1 006.7	967.5	956.6	929.8	876.8
Other liabilities (incl. subordinated liabilities)	367.0	296.0	308.4	327.0	342.7	383.1	315.4	318.0	389.3	370.3	332.8	334.5	326.6	323.3	361.0
Liabilities to resident MFIs	224.9	230.4	257.8	224.0	231.6	246.2	255.1	195.0	197.7	249.4	262.2	240.0	258.0	220.8	243.9
TOTAL LIABILITIES	19 444.7	19 662.0	19 525.9	19 762.2	19 760.7	19 920.5	19 996.7	19 822.8	19 986.5	20 135.3	20 194.0	20 187.0	20 358.5	20 341.9	19 996.5
Memo items															
Trust assets	607.3	615.1	580.8	578.8	688.7	686.0	647.3	704.3	716.2	668.0	802.1	696.4	834.0	782.3	839.8
Foreign	516.4	523.2	489.1	484.7	612.1	611.5	534.5	595.3	609.0	561.1	693.2	584.6	730.5	682.0	740.6
Domestic	91.0	91.9	91.7	94.0	76.6	74.5	112.8	108.9	107.2	106.9	109.0	111.8	103.5	100.3	99.2
Trust liabilities	607.3	615.1	580.8	578.8	688.7	686.0	647.3	704.3	716.2	668.0	802.1	696.4	834.0	782.3	839.8
Foreign	552.6	560.9	527.5	523.4	633.2	636.1	597.5	653.1	664.9	616.3	750.8	645.5	783.0	732.1	789.2
Domestic	54.7	54.2	53.3	55.4	55.4	49.9	49.8	51.2	51.3	51.7	51.3	50.9	51.0	50.2	50.6

10. MONETARY SURVEY

(at end of period; 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		
2012										
VII	1 042.8	3 158.1	1 519.6	1 506.3	132.2	2 279.1	1 432.1	680.6	166.4	6 479.9
VIII	1 051.9	3 234.3	1 527.5	1 567.7	139.1	2 258.6	1 418.0	673.5	167.1	6 544.9
IX	1 062.8	3 202.3	1 533.4	1 511.5	157.4	2 206.7	1 386.3	666.4	154.0	6 471.8
X	1 053.4	3 327.6	1 556.8	1 600.0	170.8	2 182.3	1 367.9	666.9	147.5	6 563.2
XI	1 058.2	3 457.1	1 614.3	1 643.1	199.7	2 168.9	1 332.8	680.0	156.1	6 684.2
XII	1 082.4	3 586.6	1 712.4	1 692.3	181.9	2 106.4	1 279.1	648.9	178.4	6 775.4
2013										
I	1 035.3	3 647.0	1 668.7	1 774.2	204.1	2 063.4	1 282.4	629.8	151.2	6 745.8
II	1 013.7	3 667.1	1 686.0	1 775.5	205.6	2 083.2	1 288.1	632.9	162.2	6 763.9
III	1 011.8	3 550.6	1 709.4	1 649.5	191.7	2 075.3	1 277.7	633.0	164.6	6 637.7
IV	982.3	3 650.4	1 746.0	1 712.6	191.8	2 041.3	1 264.1	558.4	218.8	6 674.1
V	969.1	3 673.9	1 762.1	1 700.8	211.0	1 987.7	1 249.6	534.7	203.4	6 630.7
VI	976.0	3 788.1	1 831.7	1 722.6	233.8	1 890.4	1 215.4	512.2	162.8	6 654.5
VII	941.7	3 823.8	1 850.1	1 750.1	223.6	1 843.5	1 198.0	495.9	149.6	6 609.0
VIII	908.2	3 906.2	1 871.2	1 833.5	201.4	1 822.8	1 193.8	499.5	129.5	6 637.1
IX	853.5	3 893.0	1 891.6	1 786.8	214.6	1 789.1	1 190.9	495.2	103.0	6 535.6
	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					
2012										
VII	249.9	9 685.1	-1 066.2	4 815.5	5 441.7	494.1	-3 455.0	6 230.1	6 479.9	
VIII	378.6	9 590.9	-1 181.4	4 785.4	5 485.8	501.1	-3 424.6	6 166.3	6 544.9	
IX	155.0	9 765.2	-982.7	4 744.8	5 502.3	500.8	-3 448.4	6 316.8	6 471.8	
X	202.8	9 819.2	-917.3	4 717.7	5 519.3	499.5	-3 458.8	6 360.4	6 563.2	
XI	378.0	9 785.1	-905.6	4 686.0	5 501.5	503.2	-3 478.8	6 306.3	6 684.2	
XII	613.7	9 593.3	-903.8	4 633.1	5 359.5	504.5	-3 431.6	6 161.7	6 775.4	
2013										
I	577.3	9 550.6	-923.9	4 598.4	5 372.0	504.1	-3 382.0	6 168.6	6 745.8	
II	610.8	9 597.3	-855.4	4 575.0	5 381.5	496.2	-3 444.3	6 153.0	6 763.9	
III	642.1	9 465.7	-908.0	4 548.2	5 326.3	499.2	-3 470.1	5 995.6	6 637.7	
IV	786.2	9 336.4	-963.3	4 524.6	5 278.1	497.0	-3 448.6	5 887.8	6 674.1	
V	771.4	9 285.6	-1 021.6	4 493.6	5 321.4	492.2	-3 426.3	5 859.3	6 630.7	
VI	820.1	9 231.3	-911.5	4 463.0	5 197.3	482.5	-3 397.0	5 834.3	6 654.5	
VII	763.1	9 249.5	-877.6	4 435.5	5 208.6	483.0	-3 403.6	5 845.9	6 609.0	
VIII	837.7	9 180.2	-953.3	4 413.1	5 239.5	480.9	-3 380.7	5 799.5	6 637.1	
IX	845.4	9 094.6	-966.9	4 384.8	5 194.1	482.6	-3 404.4	5 690.2	6 535.6	

11.a FOREIGN ASSETS AND LIABILITIES OF MFIs (EXCLUDING LATVIJAS BANKA)

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Claims on MFIs	3 608.0	3 716.6	3 661.2	3 792.7	3 760.7	3 953.6	4 088.7	3 734.2	3 891.4	3 956.7	3 831.0	4 137.0	4 339.1	4 228.1	3 846.4
Loans															
Overnight	2 160.6	2 161.5	2 285.6	2 326.3	2 283.4	2 332.3	2 456.9	2 190.6	2 262.4	2 180.9	2 301.4	2 519.9	2 621.7	2 305.5	2 100.3
Short-term	883.5	981.2	802.1	877.0	859.8	1 010.0	1 021.5	903.6	1 006.5	1 154.3	914.1	1 007.5	1 148.0	1 354.8	1 145.3
Long-term	13.1	12.4	12.2	15.2	15.3	15.1	15.0	22.1	22.5	21.6	17.1	20.4	18.1	19.7	19.4
Redeemable at notice	0	0	0	0	13.7	13.1	17.4	11.1	10.8	10.8	15.9	12.8	13.3	15.1	14.3
Holdings of securities other than shares	509.4	520.1	519.8	518.7	532.9	527.4	522.1	551.0	533.4	533.3	526.5	520.2	482.4	477.5	511.2
Holdings of shares and other equity	0.8	0.9	0.9	0.9	1.0	1.1	1.2	1.2	1.2	1.3	1.4	1.6	1.1	0.9	1.3
Other claims	40.5	40.5	40.5	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6
Claims on non-MFIs	2 256.1	2 217.7	2 160.1	2 163.2	2 174.8	2 115.0	2 077.8	2 172.7	2 239.7	2 297.4	2 413.9	2 301.1	2 307.2	2 402.4	2 403.3
Loans															
Short-term	447.7	466.8	455.3	459.1	484.3	471.2	443.8	464.9	486.0	469.1	520.7	478.5	499.2	507.7	494.1
Long-term	724.9	711.7	705.7	702.3	706.3	702.8	700.1	717.3	742.1	815.9	888.0	874.4	886.5	881.9	852.2
Holdings of securities other than shares															
Government	676.6	635.1	598.6	620.2	578.1	537.9	539.3	573.4	592.1	577.7	576.5	534.0	522.1	590.2	634.9
Private sector	338.6	339.2	325.2	320.5	342.1	337.5	324.9	347.9	351.3	366.0	360.0	343.7	330.4	348.2	348.2
Holdings of shares and other equity	36.0	32.5	31.9	31.9	34.8	34.5	38.5	38.5	37.5	38.1	38.1	38.0	36.5	42.0	41.4
Other claims	32.4	32.4	43.3	29.3	29.3	31.1	31.1	30.6	30.6	30.6	30.6	32.5	32.4	32.4	32.4
Vault cash in foreign currencies	90.3	74.2	75.9	76.1	70.1	76.9	72.7	70.6	63.5	72.1	67.2	66.9	67.2	61.0	64.1
Other assets															
Other assets	246.9	208.9	184.5	200.7	181.2	177.8	165.3	201.7	224.6	229.9	192.4	168.3	130.7	126.2	136.1
Total foreign assets	6 201.3	6 217.4	6 081.6	6 232.8	6 186.8	6 323.3	6 404.5	6 179.2	6 419.1	6 556.1	6 504.5	6 673.3	6 844.2	6 817.7	6 449.8
Memo items															
Trust assets	516.4	523.2	489.1	484.7	612.1	611.5	534.5	595.3	609.0	561.1	693.2	584.6	730.5	682.0	740.6

11.b FOREIGN ASSETS AND LIABILITIES OF MFIs (EXCLUDING LATVIJAS BANKA)

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Liabilities to MFIs															
Overnight	254.3	200.4	269.5	333.1	339.1	313.0	377.0	343.2	502.1	487.0	415.4	442.0	463.1	516.0	545.1
Short-term	480.9	666.0	564.0	545.9	511.8	552.2	372.7	345.9	373.1	389.4	409.6	503.1	636.0	528.3	502.4
Long-term	3 433.6	3 353.3	3 146.9	3 023.1	3 008.7	2 963.1	2 886.8	2 763.2	2 702.8	2 665.4	2 630.8	2 617.0	2 479.4	2 414.1	2 160.6
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	3 987.2	4 049.5	3 856.8	3 776.1	3 736.8	3 713.5	3 518.0	3 311.8	3 439.5	3 419.1	3 332.8	3 466.4	3 481.4	3 356.4	3 115.0
Non-MFI deposits															
Overnight	4 557.8	4 536.5	4 620.5	4 828.4	4 799.9	4 901.9	5 095.6	5 130.7	5 290.4	5 289.6	5 415.1	5 434.2	5 598.0	5 698.9	5 551.8
Short-term	388.8	400.6	375.6	341.1	324.3	326.9	294.3	309.9	288.8	279.5	248.4	254.6	269.2	231.2	236.5
Long-term	442.6	484.3	471.3	452.1	457.0	441.2	421.9	421.4	455.6	439.3	445.5	442.4	440.5	422.5	411.0
Redeemable at notice	118.7	127.8	107.3	97.0	87.3	81.8	74.4	72.9	73.4	66.2	62.9	56.9	53.1	60.8	67.2
Other liabilities															
Other liabilities ¹	130.7	150.9	164.9	169.2	155.5	155.5	178.7	169.4	142.5	192.1	246.1	163.0	161.5	140.9	194.2
Total foreign liabilities	9 807.5	9 919.8	9 720.1	9 789.8	9 683.7	9 735.5	9 701.3	9 556.6	9 828.7	9 808.4	9 873.8	9 913.3	10 100.7	10 012.7	9 668.8
Memo items															
Trust liabilities	552.6	560.9	527.5	523.4	633.2	636.1	597.5	653.1	664.9	616.3	750.8	645.5	783.0	732.1	789.2

¹ Including subordinated liabilities.

12. SELECTED ITEMS IN THE MONTHLY FINANCIAL POSITION REPORT OF MFIs (EXCLUDING LATVIJAS BANKA) BY GROUP OF COUNTRIES

(at end of period; 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
2012												
VII	2 307.4	1 233.8	749.8	534.4	342.0	638.1	3 433.6	1 692.1	735.3	1 596.3	581.5	3 911.7
VIII	2 424.4	1 265.9	730.7	538.2	361.5	640.3	3 498.8	1 703.3	720.9	1 626.1	577.3	3 923.0
IX	2 283.1	1 226.5	816.9	533.3	360.6	627.7	3 300.7	1 661.1	679.7	1 751.2	669.7	3 823.6
X	2 389.6	1 352.6	828.9	532.8	364.6	628.7	3 261.9	1 694.2	640.2	1 745.8	619.1	3 972.8
XI	2 287.8	1 189.2	884.4	548.8	349.2	641.8	3 169.1	1 688.5	690.5	1 714.3	614.7	3 954.3
XII	2 380.9	1 225.2	989.6	549.3	351.4	624.7	3 144.9	1 705.1	683.4	1 727.4	640.3	4 024.4
2013												
I	2 548.1	1 555.1	962.7	546.0	355.5	597.9	2 933.0	1 647.3	703.5	1 790.5	642.7	4 095.8
II	2 178.9	1 320.1	948.5	541.4	352.5	640.8	2 814.7	1 626.7	637.5	1 772.6	609.3	4 162.4
III	2 187.4	1 339.2	1 114.8	575.0	363.9	653.1	2 943.8	1 670.9	634.2	1 872.3	667.9	4 217.4
IV	2 267.2	1 407.9	1 100.3	652.5	428.9	632.5	2 922.7	1 688.6	619.1	1 840.2	726.4	4 234.3
V	2 161.9	1 375.4	1 086.6	752.1	455.2	656.5	2 843.6	1 695.1	612.2	1 874.3	747.8	4 297.6
VI	2 461.3	1 557.5	1 099.3	713.1	446.9	639.8	2 948.4	1 697.2	613.8	1 873.2	760.8	4 314.9
VII	2 700.4	1 663.4	1 100.7	732.1	464.2	653.7	2 932.3	1 621.3	646.3	1 976.2	889.2	4 384.5
VIII	2 667.8	1 611.7	1 027.3	743.1	472.4	646.4	2 844.9	1 589.3	613.5	2 055.2	942.5	4 358.2
IX	2 283.2	1 377.4	996.1	709.9	443.6	636.4	2 603.2	1 416.8	604.9	1 931.0	801.9	4 335.4

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

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Overnight deposits															
Amount	3 158.1	3 234.4	3 202.4	3 327.5	3 457.1	3 586.6	3 647.1	3 667.0	3 550.6	3 650.4	3 673.9	3 788.2	3 823.8	3 906.2	3 893.1
% ¹	58.1	58.9	59.2	60.4	61.5	63.0	63.9	63.8	63.1	64.2	64.9	66.7	67.5	68.2	68.5
Time deposits															
Maturity of 1–6 months															
Amount	670.8	661.4	638.4	620.2	633.0	635.5	594.6	610.4	578.9	563.1	509.0	436.8	402.0	396.8	361.2
% ¹	12.3	12.0	11.8	11.2	11.3	11.2	10.4	10.6	10.3	9.9	9.0	7.7	7.1	6.9	6.4
Maturity of 6–12 months															
Amount	881.1	878.0	849.9	847.3	833.4	778.4	803.6	810.9	797.1	781.4	776.1	756.3	743.1	729.7	719.8
% ¹	16.2	16.0	15.7	15.4	14.8	13.7	14.1	14.1	14.2	13.7	13.7	13.3	13.1	12.7	12.7
Long-term															
Amount	519.8	513.0	511.6	506.9	491.7	479.0	446.9	438.5	466.9	459.5	461.8	451.4	446.4	435.6	437.0
% ¹	9.6	9.3	9.5	9.2	8.7	8.4	7.8	7.6	8.3	8.1	8.2	8.0	7.9	7.7	7.7
Maturity of 1–2 years															
Amount	288.8	274.3	266.8	260.9	244.2	228.4	191.1	179.6	199.6	197.4	204.2	195.7	192.4	187.8	194.7
% ¹	5.3	5.0	4.9	4.7	4.3	4.0	3.3	3.1	3.5	3.5	3.6	3.4	3.4	3.3	3.4
Maturity of over 2 years															
Amount	231.0	238.7	244.9	246.0	247.5	250.6	255.8	258.9	267.2	262.1	257.6	255.7	254.0	247.8	242.3
% ¹	4.2	4.3	4.5	4.5	4.4	4.4	4.5	4.5	4.7	4.6	4.6	4.5	4.5	4.4	4.3
Deposits redeemable at notice															
Up to 3 months															
Amount	207.5	206.2	206.8	207.8	210.8	213.7	218.3	223.3	232.5	234.9	238.4	243.3	249.6	258.3	268.6
% ¹	3.8	3.8	3.8	3.8	3.7	3.7	3.8	3.9	4.1	4.1	4.2	4.3	4.4	4.5	4.7
Over 3 months															
Amount	0	0	0	0	0	0	0	0	0	2.4	2.4	2.4	2.4	2.4	2.4
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repos															
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	5 437.2	5 493.0	5 409.0	5 509.8	5 626.0	5 693.0	5 710.5	5 750.2	5 625.9	5 691.7	5 661.7	5 678.5	5 667.3	5 729.0	5 682.2

¹ 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; 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			
2012									
VII	94.7	97.2	33.5	50.4	0.7	0	0	276.5	138.8
VIII	105.8	100.8	33.2	49.6	0.7	0	0	290.1	142.5
IX	86.2	117.9	39.0	52.5	0.5	0	0	296.1	148.5
X	84.9	108.5	46.1	51.0	0.5	0	0	291.0	148.1
XI	82.3	117.9	47.8	51.5	0.5	0	0	300.0	138.0
XII	88.4	117.6	45.1	52.5	0.4	0	0	304.0	138.3
2013									
I	113.3	105.5	43.1	53.0	0.4	0	0	315.3	130.0
II	129.7	116.7	41.7	56.3	0.4	0	0	344.8	135.7
III	111.6	88.4	52.4	57.6	0.4	0	0	310.4	135.6
IV	106.7	73.9	50.5	54.3	0.3	0	0	285.8	132.4
V	97.5	68.1	56.3	48.8	0.3	0	0	271.1	134.2
VI	106.9	61.4	52.6	47.8	0.3	0	0	269.0	135.0
VII	95.5	62.7	54.0	46.1	0.3	0	0	258.6	143.7
VIII	92.7	58.3	55.7	42.7	0.3	0	0	249.8	144.6
IX	108.8	50.8	54.5	41.4	0.3	0	0	255.7	144.8
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			
2012									
VII	40.2	40.7	6.6	60.5	7.4	0	0	155.4	47.8
VIII	48.6	42.4	5.5	59.9	7.3	0	0	163.8	48.0
IX	55.0	40.2	4.8	60.2	7.3	0	0	167.6	50.8
X	58.5	51.1	2.6	60.3	7.4	0	0	179.9	47.6
XI	61.6	27.6	1.1	59.0	7.4	0	0	156.8	47.7
XII	64.8	26.7	1.1	59.1	7.3	0	0	159.1	44.4
2013									
I	65.5	25.9	4.9	58.6	7.4	0	0	162.2	47.4
II	66.7	25.7	5.1	58.8	7.3	0	0	163.6	41.1
III	57.2	18.7	5.1	65.0	7.2	0	0	153.2	36.2
IV	68.8	19.6	4.3	65.1	7.3	0	0	165.0	44.2
V	58.8	19.6	4.4	65.2	7.2	0	0	155.2	38.1
VI	73.3	31.0	4.4	65.8	7.2	0	0	181.7	40.2
VII	56.2	60.5	1.0	65.4	7.1	0	0	190.1	32.9
VIII	78.4	61.2	1.0	61.8	7.2	0	0	209.7	44.4
IX	60.0	62.3	4.1	59.6	7.2	0	0	193.2	48.8

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

(at end of period; 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			
2012									
VII	132.2	146.7	17.7	0.1	1.9	0	0	298.6	168.6
VIII	139.1	146.9	17.5	0.1	2.5	0	0	306.2	172.6
IX	157.4	133.1	18.2	0.1	2.6	0	0	311.4	163.9
X	170.8	125.0	20.3	0.1	2.1	0	0	318.2	187.2
XI	199.7	138.1	15.8	0.1	2.2	0	0	355.8	199.0
XII	181.9	162.1	15.4	0.1	0.8	0	0	360.3	210.1
2013									
I	204.1	141.0	9.2	0.1	0.9	0	0	355.4	198.5
II	205.6	151.8	9.2	0.1	1.1	0	0	367.7	213.8
III	191.7	153.1	10.2	0.1	1.2	0	0	356.3	222.2
IV	191.8	207.2	10.2	0.1	1.3	0	0	410.7	222.5
V	211.0	195.9	6.1	0.1	1.3	0	0	414.4	207.4
VI	233.8	155.9	5.4	0.1	1.4	0	0	396.6	209.0
VII	223.6	138.7	8.8	0.6	1.5	0	0	373.2	193.6
VIII	201.4	121.9	5.4	0.6	1.7	0	0	331.0	165.6
IX	214.6	95.9	4.6	0.6	1.9	0	0	317.6	176.7
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			
2012									
VII	1 371.5	317.9	28.9	16.0	20.8	0	0	1 755.1	816.2
VIII	1 413.3	310.8	23.9	20.2	19.1	0	0	1 787.3	825.4
IX	1 370.4	280.1	21.4	23.5	18.7	0	0	1 714.2	821.5
X	1 456.5	278.2	20.3	24.3	16.7	0	0	1 796.0	856.0
XI	1 499.1	306.4	21.0	24.7	15.1	0	0	1 866.3	893.4
XII	1 539.1	278.5	21.0	24.7	14.8	0	0	1 878.1	953.1
2013									
I	1 595.5	274.5	15.8	25.9	14.7	0	0	1 926.5	936.7
II	1 579.1	265.0	14.9	26.0	15.1	0	0	1 900.1	922.9
III	1 480.8	270.3	20.6	26.5	20.7	0	0	1 818.9	870.4
IV	1 537.1	214.8	21.1	26.7	20.6	0	0	1 820.2	890.8
V	1 544.5	193.2	25.9	27.2	18.5	0	0	1 809.2	883.6
VI	1 542.5	174.0	23.2	26.4	18.0	0	0	1 784.1	877.5
VII	1 598.4	132.9	22.5	25.7	17.8	0	0	1 797.2	872.5
VIII	1 662.3	147.0	20.8	25.3	18.1	0	0	1 873.6	904.5
IX	1 618.0	143.6	27.4	24.9	19.2	0	0	1 833.1	896.7

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

(at end of period; millions of lats)

	Households									In lats
	Overnight	With agreed maturity			Redeemable at notice		Repos			
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2012										
VII	1 519.6	949.4	202.0	103.9	176.7	0	0	2 951.7	1 318.9	
VIII	1 527.5	938.4	194.1	108.8	176.6	0	0	2 945.5	1 316.9	
IX	1 533.4	916.9	183.2	108.5	177.6	0	0	2 919.7	1 315.9	
X	1 556.8	904.8	171.6	110.4	181.1	0	0	2 924.7	1 320.9	
XI	1 614.3	876.5	158.5	112.2	185.7	0	0	2 947.1	1 339.9	
XII	1 712.4	828.9	145.8	114.1	190.4	0	0	2 991.6	1 367.1	
2013										
I	1 668.7	851.4	118.1	118.0	194.9	0	0	2 951.1	1 337.4	
II	1 686.0	862.0	108.8	117.7	199.4	0	0	2 974.0	1 351.9	
III	1 709.4	845.5	111.3	117.9	202.9	0	0	2 987.1	1 358.5	
IV	1 746.0	828.9	111.4	115.9	205.4	2.4	0	3 010.1	1 368.8	
V	1 762.1	808.4	111.5	116.2	211.1	2.4	0	3 011.7	1 365.6	
VI	1 831.7	770.9	110.2	115.5	216.3	2.4	0	3 047.1	1 399.9	
VII	1 850.1	750.3	106.2	116.3	222.8	2.4	0	3 048.2	1 399.4	
VIII	1 871.2	738.1	104.9	117.4	230.9	2.4	0	3 065.0	1 405.3	
IX	1 891.6	728.3	104.2	115.8	240.1	2.4	0	3 082.5	1 423.0	

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

(at end of period; millions of lats)

	General government				Non-residents				In lats	
	Central government	Local government	In lats		MFIs	Non-MFIs				
							General government	Other		
2012										
VII	196.8	221.9	418.7	237.6	4 168.8	5 508.0	2.7	5 505.2	9 676.8	102.3
VIII	296.7	229.7	526.4	245.4	4 219.7	5 549.2	7.8	5 541.4	9 768.9	114.5
IX	411.8	218.7	630.5	239.5	3 980.4	5 574.8	2.8	5 572.0	9 555.2	118.7
X	475.9	217.0	692.8	236.2	3 902.0	5 718.6	8.2	5 710.4	9 620.7	139.1
XI	440.1	215.6	655.7	228.9	3 859.6	5 668.6	8.2	5 660.4	9 528.2	137.6
XII	526.2	170.5	696.7	187.5	3 828.2	5 751.7	10.9	5 740.9	9 580.0	162.4
2013										
I	667.1	180.9	848.0	193.4	3 636.5	5 886.2	7.9	5 878.3	9 522.7	187.3
II	622.4	181.0	803.4	186.9	3 452.3	5 935.0	4.0	5 930.9	9 387.2	171.7
III	596.3	189.9	786.1	194.1	3 578.0	6 108.2	4.2	6 104.0	9 686.2	171.2
IV	615.9	209.0	825.0	219.8	3 541.8	6 074.5	4.5	6 070.0	9 616.3	136.8
V	637.9	217.7	855.6	218.4	3 455.8	6 171.9	4.0	6 167.9	9 627.7	135.8
VI	625.1	202.8	827.9	180.6	3 562.2	6 188.1	3.5	6 184.7	9 750.3	114.6
VII	617.5	193.7	811.2	167.8	3 578.5	6 360.7	3.5	6 357.3	9 939.3	131.8
VIII	667.0	195.0	862.1	175.9	3 458.4	6 413.3	3.6	6 409.7	9 871.8	134.1
IX	692.5	187.7	880.2	169.7	3 208.1	6 266.4	3.6	6 262.9	9 474.6	180.4

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

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Short-term															
Amount	1 725.6	1 804.3	1 832.6	1 856.4	1 825.2	1 671.6	1 685.4	1 723.8	1 657.7	1 625.5	1 716.4	1 648.4	1 613.8	1 637.8	1 593.5
% ¹	16.6	17.3	17.6	17.8	17.6	16.4	16.6	17.0	16.5	16.3	17.2	16.9	16.6	16.8	16.5
Maturity of 1–5 years															
Amount	1 620.0	1 616.6	1 601.8	1 646.2	1 695.1	1 694.7	1 692.3	1 676.3	1 692.2	1 693.7	1 671.2	1 707.6	1 764.6	1 778.3	1 785.9
% ¹	15.5	15.5	15.4	15.8	16.4	16.7	16.7	16.6	16.9	17.0	16.8	17.5	18.1	18.3	18.5
Maturity of over 5 years															
Amount	7 078.8	7 026.5	6 986.5	6 906.2	6 846.8	6 799.1	6 760.3	6 711.8	6 675.6	6 630.4	6 566.4	6 412.9	6 357.0	6 310.5	6 250.9
% ¹	67.9	67.2	67.0	66.4	66.0	66.9	66.7	66.4	66.6	66.7	66.0	65.6	65.3	64.9	65.0
Total loans	10 424.3	10 447.4	10 420.9	10 408.8	10 367.1	10 165.4	10 138.1	10 111.9	10 025.5	9 949.6	9 953.9	9 768.9	9 735.4	9 726.6	9 630.3

¹ 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; 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	
2012																
VII	0.4	0.4	0.4	147.3	287.6	59.9	3.0	31.6	459.4	494.1	20.9	1 148.8	1 190.0	2 487.9	4 826.7	721.0
VIII	0.3	0.3	0.3	166.3	291.4	55.1	3.3	33.0	464.9	501.1	23.3	1 192.5	1 177.4	2 499.3	4 869.2	732.2
IX	0	0	0	167.2	290.8	53.5	3.6	32.7	464.6	500.8	25.7	1 222.1	1 173.0	2 489.3	4 884.4	750.0
X	0	0	0	162.2	285.4	53.8	3.3	31.9	464.4	499.5	27.8	1 255.2	1 218.5	2 432.5	4 906.2	763.5
XI	0	0	0	144.1	277.1	59.4	3.3	30.7	469.2	503.2	30.0	1 246.9	1 239.7	2 414.2	4 900.8	777.0
XII	0	0	0	144.6	279.5	62.6	10.2	30.0	461.8	502.0	38.1	1 100.4	1 246.0	2 404.4	4 750.8	780.3
2013																
I	0	0.1	0	140.7	295.3	69.0	11.1	31.6	459.4	502.2	43.2	1 115.7	1 229.2	2 397.3	4 742.2	779.2
II	0	0	0	142.8	294.5	66.9	10.8	31.1	453.0	494.9	42.4	1 155.8	1 216.3	2 375.3	4 747.5	794.2
III	0	0	0	144.9	304.4	70.9	10.3	30.4	455.1	495.8	41.6	1 094.5	1 231.4	2 351.1	4 677.1	785.8
IV	0	0	0	124.7	287.5	60.9	11.2	29.7	454.3	495.1	42.8	1 086.7	1 228.2	2 327.3	4 642.3	784.6
V	0	0	0	134.1	293.3	62.6	3.9	29.2	455.8	488.9	35.7	1 182.1	1 234.0	2 262.1	4 678.2	813.1
VI	0	0	0	148.3	303.2	63.6	4.1	28.8	446.4	479.3	35.5	1 111.7	1 276.9	2 134.8	4 523.4	706.2
VII	0	0	0	140.9	298.6	63.4	3.7	28.0	448.5	480.1	35.5	1 090.0	1 332.5	2 098.7	4 521.1	705.1
VIII	0	0	0	142.0	300.6	63.4	3.8	34.5	439.9	478.2	35.7	1 111.6	1 347.6	2 075.4	4 534.6	706.5
IX	0	0	0	134.0	298.2	63.5	4.1	34.1	441.5	479.7	35.6	1 078.9	1 355.0	2 033.6	4 467.5	698.2

16.b LOANS TO HOUSEHOLDS

(at end of period; 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			
2012														
VII	565.2	190.0	90.6	284.6	3 886.8	162.7	174.2	3 549.8	363.5	73.3	65.3	225.0	4 815.5	490.6
VIII	564.9	190.8	92.2	281.9	3 861.0	181.1	153.9	3 525.9	359.5	70.0	65.6	223.9	4 785.4	494.3
IX	564.2	190.7	93.1	280.4	3 829.4	178.7	148.2	3 502.5	351.2	70.4	61.4	219.5	4 744.8	495.4
X	563.7	189.9	93.7	280.0	3 806.4	176.6	146.5	3 483.3	347.6	69.2	61.6	216.8	4 717.7	499.1
XI	554.8	186.9	92.7	275.3	3 785.0	176.0	165.2	3 443.9	346.1	68.1	62.7	215.4	4 686.0	499.7
XII	546.0	183.6	90.4	272.1	3 748.9	171.1	158.7	3 419.1	338.2	61.7	63.3	213.1	4 633.1	497.5
2013														
I	545.6	184.9	90.4	270.4	3 717.5	170.4	151.3	3 395.8	335.2	62.5	62.8	209.9	4 598.4	499.4
II	502.6	181.4	89.7	231.4	3 700.4	170.6	152.0	3 377.8	372.0	62.4	62.6	247.0	4 575.0	500.0
III	500.5	179.6	89.5	231.4	3 680.3	168.2	147.9	3 364.2	367.5	60.3	62.4	244.7	4 548.2	500.2
IV	498.9	179.1	90.5	229.3	3 662.1	163.6	148.6	3 349.9	363.6	60.0	62.0	241.6	4 524.6	501.1
V	391.3	169.6	88.4	133.3	3 743.7	165.8	127.8	3 450.1	358.5	60.8	59.2	238.5	4 493.6	499.2
VI	386.1	164.6	88.2	133.2	3 721.2	162.4	125.8	3 433.0	355.7	57.3	59.1	239.3	4 463.0	497.0
VII	386.1	164.3	88.9	132.9	3 697.6	158.2	124.1	3 415.2	351.8	56.7	58.6	236.6	4 435.5	498.5
VIII	383.3	161.3	89.1	132.9	3 680.4	156.6	120.5	3 403.3	349.4	62.5	52.7	234.2	4 413.1	499.0
IX	385.2	160.6	91.3	133.3	3 657.4	154.2	118.1	3 385.2	342.2	61.7	47.5	233.0	4 384.8	499.9

16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; millions of lats)

	General government				Non-residents						In lats
	Central government	Local government		In lats	MFIs	Non-MFIs			In lats		
						General government	Other				
2012											
VII	0	64.9	64.9	6.7	3 057.2	1 172.6	0	1 172.6	4 229.7	283.0	
VIII	0	69.4	69.4	7.3	3 155.2	1 178.5	0	1 178.5	4 333.6	302.2	
IX	0	68.5	68.5	6.9	3 100.0	1 161.0	0	1 161.0	4 261.0	335.8	
X	1.1	69.4	70.5	8.6	3 218.5	1 161.4	0	1 161.4	4 379.9	319.7	
XI	1.5	69.1	70.6	9.3	3 172.2	1 190.6	0	1 190.6	4 362.8	298.5	
XII	2.2	70.8	73.0	10.3	3 370.5	1 174.0	0	1 174.0	4 544.5	316.3	
2013											
I	3.4	72.3	75.7	11.6	3 510.9	1 143.9	0	1 143.9	4 654.8	275.5	
II	3.4	71.7	75.2	11.3	3 127.4	1 182.2	0	1 182.2	4 309.6	270.2	
III	3.2	71.4	74.6	10.6	3 302.2	1 228.2	0	1 228.2	4 530.4	296.9	
IV	3.2	72.9	76.0	10.8	3 367.5	1 285.0	0	1 285.0	4 652.5	295.6	
V	3.4	76.4	79.8	10.6	3 248.5	1 408.7	11.4	1 397.3	4 657.2	320.6	
VI	4.0	77.3	81.3	11.0	3 560.6	1 352.9	11.4	1 341.6	4 913.5	372.7	
VII	5.0	78.0	83.0	12.1	3 801.1	1 385.8	11.3	1 374.5	5 186.8	381.1	
VIII	4.6	79.0	83.6	12.1	3 695.1	1 389.5	11.1	1 378.5	5 084.6	358.1	
IX	4.1	79.5	83.6	12.2	3 279.3	1 346.3	11.0	1 335.3	4 625.6	345.6	

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

(at end of Q3 2013, 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	%
Total	1 777.0	100.0	376.8	100.0	2 602.1	100.0	304.5	100.0	866.3	100.0	143.2	100.0	5 245.4	100.0	824.5	100.0
A Agriculture, forestry and fishing	110.0	6.2	34.0	9.0	185.6	7.1	53.9	17.7	61.2	7.1	22.9	16.0	356.8	6.8	110.8	13.4
B Mining and quarrying	4.7	0.3	0.9	0.2	11.7	0.5	0.8	0.2	2.5	0.3	0	0	18.9	0.4	1.7	0.2
C Manufacturing	239.1	13.4	47.6	12.6	375.2	14.4	19.8	6.5	72.7	8.4	9.7	6.8	687.0	13.1	77.1	9.3
D Electricity, gas, steam and air conditioning supply	36.2	2.0	6.7	1.8	231.4	8.9	24.1	7.9	75.2	8.7	2.5	1.8	342.7	6.5	33.3	4.0
E Water supply; sewerage, waste management and remediation activities	8.3	0.5	1.7	0.5	24.5	0.9	5.7	1.9	25.6	2.9	8.5	5.9	58.4	1.1	15.9	1.9
F Construction	79.4	4.5	22.0	5.8	92.0	3.5	8.1	2.7	166.7	19.2	37.4	26.1	338.0	6.4	67.5	8.2
G Wholesale and retail trade; repair of motor vehicles and motorcycles	326.3	18.4	66.9	17.8	191.8	7.4	26.1	8.6	35.5	4.1	5.0	3.5	553.5	10.5	98.0	11.9
H Transportation and storage	65.2	3.7	9.1	2.4	188.9	7.3	15.3	5.0	101.2	11.7	1.2	0.8	355.3	6.8	25.6	3.1
I Accommodation and food service activities	27.4	1.5	4.1	1.1	59.5	2.3	2.6	0.8	26.9	3.1	1.2	0.8	113.7	2.2	7.9	1.0
J Information and communication	9.2	0.5	4.5	1.2	11.6	0.4	0.6	0.2	9.9	1.1	0.1	0.1	30.7	0.6	5.2	0.6
K Financial and insurance activities	172.5	9.7	31.5	8.4	196.6	7.6	38.9	12.8	14.4	1.7	0.6	0.4	383.5	7.3	71.0	8.6
L Real estate activities	569.0	32.0	84.9	22.5	932.2	35.8	84.5	27.7	186.5	21.5	28.2	19.7	1 687.7	32.2	197.6	24.0
M Professional, scientific and technical activities	8.5	0.5	2.0	0.5	10.5	0.4	2.4	0.8	2.9	0.3	0.2	0.1	22.0	0.4	4.6	0.6
N Administrative and support service activities	74.5	4.2	47.6	12.6	10.4	0.4	0.5	0.2	9.0	1.0	0.3	0.2	94.0	1.8	48.4	5.9
O Public administration and defence; compulsory social security	0.2	0	0	0	1.0	0	0.3	0.1	18.8	2.2	6.3	4.4	19.9	0.4	6.6	0.8
P Education	1.8	0.1	0.3	0.1	1.7	0.1	0.2	0.1	0.7	0.1	0	0	4.2	0.1	0.5	0.1
Q Human health and social work activities	2.1	0.1	0.8	0.2	13.1	0.5	2.4	0.8	2.4	0.3	1.5	1.1	17.7	0.3	4.7	0.6
R Arts, entertainment and recreation	5.5	0.3	1.8	0.5	5.4	0.2	0.6	0.2	8.3	1.0	1.0	0.7	19.2	0.4	3.4	0.4
S Other service activities	37.2	2.1	10.4	2.8	58.9	2.3	17.7	5.8	46.0	5.3	16.6	11.6	142.1	2.7	44.7	5.4

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

(at end of period; millions of lats)

	2012				2013		
	III	VI	IX	XII	III	VI ¹	IX
Commercial credit	1 588.2	1 629.0	1 690.2	1 656.3	1 658.0	1 623.1	1 620.0
Industrial credit	1 943.1	1 805.6	1 846.9	1 759.9	1 757.2	1 715.6	1 688.4
Reverse repo	0.6	0.7	0.6	0.5	0.6	0.6	0.6
Financial leasing	23.3	26.6	28.6	30.9	29.8	27.4	30.5
Consumer credit	411.2	397.6	392.5	343.7	234.1	231.9	233.4
Mortgage loans	6 013.5	5 835.1	5 710.9	5 563.8	5 541.4	5 348.0	5 237.1
Factoring	2.3	1.8	1.8	1.8	1.9	2.6	2.2
Other credit	747.7	742.7	748.7	778.2	748.5	751.5	773.5
Total loans	10 730.0	10 439.2	10 420.2	10 135.1	9 971.6	9 700.7	9 585.7

¹ Data have been revised.

19.a HOLDINGS OF SECURITIES OTHER THAN SHARES

(at end of period; 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		
2012										
VII	0.9	0.9	432.6	312.8	0.2	0.2	1 524.6	1 367.4	1 958.3	364.1
VIII	0.9	0.9	436.7	315.8	0.2	0.2	1 494.4	1 360.0	1 932.2	369.0
IX	0.9	0.9	453.1	322.2	0.2	0.2	1 443.6	1 338.6	1 897.8	383.2
X	1.0	1.0	471.7	326.7	0.2	0.2	1 459.4	1 384.6	1 932.2	400.2
XI	1.0	1.0	472.2	327.4	0.2	0.2	1 453.1	1 387.9	1 926.5	398.4
XII	0	0	481.0	336.1	4.3	4.3	1 402.8	1 349.9	1 888.0	395.5
2013										
I	0	0	473.8	352.7	10.2	10.2	1 386.3	1 332.1	1 870.3	380.8
II	0	0	401.5	301.2	9.6	9.6	1 472.4	1 415.8	1 883.5	296.6
III	0	0	410.0	305.1	12.1	12.1	1 476.8	1 416.8	1 898.9	303.0
IV	0	0	386.4	280.7	10.6	10.6	1 477.0	1 414.0	1 874.0	284.0
V	0	0	411.9	295.5	14.3	14.3	1 463.1	1 396.0	1 889.2	303.7
VI	0	0	426.2	310.9	14.3	14.3	1 398.0	1 338.0	1 838.4	310.5
VII	0	0	432.3	313.3	13.8	13.8	1 334.9	1 288.3	1 781.0	313.5
VIII	0	0	442.1	312.1	13.6	13.6	1 415.9	1 291.7	1 871.6	326.3
IX	0	0	446.3	310.9	13.9	13.9	1 494.3	1 296.2	1 954.5	329.8

19.b HOLDINGS OF SHARES AND OTHER EQUITY

(at end of period; millions of lats)

	Shares and other equity				In lats			
	MFIs		Other residents				Non-residents	
2012								
VII		0.4		326.9		109.8	437.0	224.7
VIII		0.4		324.7		106.3	431.4	222.9
IX		0.4		326.8		116.7	443.9	225.3
X		0.4		327.5		116.7	444.6	223.9
XI		0.4		323.4		119.6	443.4	222.9
XII		0.4		327.4		121.3	449.1	233.1
2013								
I		0.4		326.2		125.4	452.0	233.0
II		0.4		331.3		124.9	456.5	237.5
III		0.4		336.1		123.9	460.4	243.8
IV		0.4		339.6		124.6	464.6	249.5
V		0.4		338.9		124.7	464.0	249.7
VI		0.4		359.7		126.6	486.7	248.0
VII		0.4		377.9		124.5	502.8	246.8
VIII		0.4		393.2		129.9	523.5	246.7
IX		0.4		417.3		129.7	547.4	241.2

20.a CURRENCY BREAKDOWN OF RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2012										
VII	224.9	34.5	65.5	42.3	21.4	5 855.9	46.6	53.4	43.9	7.5
VIII	230.4	32.4	67.6	39.2	26.5	6 019.4	45.7	54.3	44.4	7.9
IX	257.8	35.8	64.2	39.0	23.0	6 039.5	45.4	54.6	45.5	7.1
X	224.0	31.8	68.2	43.4	22.6	6 202.6	45.1	54.9	45.6	7.3
XI	231.6	31.1	68.9	36.3	30.8	6 281.7	45.3	54.7	45.1	7.3
XII	246.2	23.8	76.2	38.6	35.4	6 389.7	45.4	54.6	45.6	6.9
2013										
I	255.1	18.6	81.4	39.9	39.6	6 558.5	43.4	56.6	47.6	6.9
II	195.0	21.1	78.9	49.6	26.2	6 553.6	43.5	56.5	47.7	6.8
III	197.7	24.0	76.0	46.2	27.0	6 412.1	43.9	56.1	47.5	6.6
IV	249.4	20.1	79.9	40.5	38.1	6 516.7	44.2	55.8	47.7	6.1
V	262.2	24.0	76.0	38.3	35.9	6 517.2	43.7	56.3	48.2	6.1
VI	240.0	26.7	73.3	40.6	31.0	6 506.5	43.7	56.3	48.0	6.2
VII	258.0	25.1	74.9	42.9	30.3	6 478.5	43.4	56.6	47.9	6.5
VIII	220.8	24.3	75.7	40.4	33.6	6 591.0	43.1	56.9	48.6	6.2
IX	243.9	25.0	75.0	38.1	34.9	6 562.4	43.6	56.4	48.3	6.1

20.b CURRENCY BREAKDOWN OF NON-RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2012										
VII	4 168.8	1.1	98.9	88.5	3.7	5 508.0	1.0	99.0	28.0	66.1
VIII	4 219.7	1.1	98.9	88.1	4.1	5 549.2	1.2	98.8	27.8	66.3
IX	3 980.4	1.4	98.6	88.3	4.2	5 574.8	1.2	98.8	26.8	67.2
X	3 902.0	1.7	98.3	87.1	4.1	5 718.6	1.3	98.7	27.0	67.0
XI	3 859.6	1.7	98.3	87.1	3.9	5 668.6	1.3	98.7	28.0	66.1
XII	3 828.2	2.3	97.7	87.4	3.4	5 751.7	1.3	98.7	26.7	66.8
2013										
I	3 636.5	3.3	96.7	85.6	3.7	5 886.2	1.2	98.8	26.5	67.4
II	3 452.3	3.2	96.8	84.7	4.5	5 935.0	1.1	98.9	27.0	67.1
III	3 578.0	2.9	97.1	85.0	4.7	6 108.2	1.1	98.9	26.6	66.9
IV	3 541.8	2.2	97.8	86.0	4.0	6 074.5	1.0	99.0	27.4	66.6
V	3 455.8	2.0	98.0	86.7	3.8	6 171.9	1.1	98.9	28.2	65.6
VI	3 562.2	1.5	98.5	88.0	3.5	6 188.1	1.0	99.0	27.3	65.9
VII	3 578.5	2.0	98.0	88.2	3.0	6 360.7	1.0	99.0	26.9	65.2
VIII	3 458.4	2.0	98.0	88.1	2.7	6 413.3	1.0	99.0	26.9	66.6
IX	3 208.1	3.7	96.3	86.0	2.5	6 266.4	1.0	99.0	27.2	66.8

20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; millions of lats)	Structure (%)				
		In lats	In foreign currencies			
				incl. EUR	incl. USD	
2012						
VII	10 489.2	12.4	87.6	83.0		2.1
VIII	10 516.8	12.5	87.5	83.0		2.1
IX	10 489.5	12.7	87.3	82.8		2.1
X	10 479.3	12.9	87.1	82.3		2.0
XI	10 437.6	13.2	86.8	82.0		2.1
XII	10 238.5	13.6	86.4	81.5		2.2
2013						
I	10 213.8	13.7	86.3	81.4		2.2
II	10 187.0	13.9	86.1	81.1		2.3
III	10 100.1	13.9	86.1	80.9		2.4
IV	10 025.6	14.0	86.0	81.0		2.3
V	10 033.7	14.2	85.8	80.9		2.2
VI	9 850.3	13.3	86.7	81.8		2.3
VII	9 818.4	13.4	86.6	81.7		2.3
VIII	9 810.2	13.4	86.6	81.7		2.3
IX	9 713.9	13.5	86.5	81.7		2.2

20.d CURRENCY BREAKDOWN OF LOANS TO NON-RESIDENTS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2012										
VII	3 057.2	8.3	91.7	29.8	54.6	1 172.6	2.4	97.6	31.7	63.3
VIII	3 155.2	8.9	91.1	32.9	50.7	1 178.5	1.8	98.2	32.0	63.2
IX	3 100.0	10.1	89.9	30.1	52.2	1 161.0	1.8	98.2	31.5	63.9
X	3 218.5	9.3	90.7	33.5	49.5	1 161.4	1.8	98.2	31.9	63.6
XI	3 172.2	8.8	91.2	33.1	50.9	1 190.6	1.7	98.3	31.2	64.2
XII	3 370.5	8.8	91.2	34.1	49.6	1 174.0	1.7	98.3	30.7	64.8
2013										
I	3 510.9	7.3	92.7	36.2	50.0	1 143.9	1.8	98.2	32.1	62.8
II	3 127.4	8.1	91.9	35.4	48.4	1 182.2	1.3	98.7	31.2	64.2
III	3 302.2	8.5	91.5	30.2	53.6	1 228.2	1.3	98.7	30.8	64.6
IV	3 367.5	8.3	91.7	33.2	50.9	1 285.0	1.3	98.7	35.9	60.1
V	3 248.5	9.4	90.6	29.8	52.7	1 408.7	1.1	98.9	39.6	56.4
VI	3 560.6	10.0	90.0	29.6	53.0	1 352.9	1.2	98.8	39.6	57.4
VII	3 801.1	10.0	90.0	26.5	55.9	1 385.8	0.2	99.8	39.3	58.4
VIII	3 695.1	9.6	90.4	26.5	56.8	1 389.5	0.1	99.9	38.7	59.3
IX	3 279.3	10.4	89.6	21.6	59.1	1 346.3	0.3	99.7	37.5	60.1

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

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2012										
VII	0.9	0	100.0	100.0	0	432.7	84.1	15.9	7.4	8.5
VIII	0.9	0	100.0	100.0	0	436.9	84.5	15.5	7.5	8.0
IX	0.9	0	100.0	100.0	0	453.3	84.5	15.5	7.9	7.5
X	1.0	0	100.0	100.0	0	471.8	84.8	15.2	8.0	7.2
XI	1.0	0	100.0	100.0	0	472.4	84.3	15.7	8.4	7.3
XII	0	0	0	0	0	485.3	81.5	18.5	9.6	8.9
2013										
I	0	0	0	0	0	484.0	78.7	21.3	12.6	8.7
II	0	0	0	0	0	411.1	72.2	27.8	16.8	11.0
III	0	0	0	0	0	422.1	71.8	28.2	16.9	11.3
IV	0	0	0	0	0	397.0	71.5	28.5	16.9	11.6
V	0	0	0	0	0	426.2	71.3	28.7	17.9	10.8
VI	0	0	0	0	0	440.5	70.5	29.5	18.6	10.9
VII	0	0	0	0	0	446.1	70.3	29.7	18.8	10.9
VIII	0	0	0	0	0	455.7	71.6	28.4	17.5	10.9
IX	0	0	0	0	0	460.2	71.7	28.3	17.5	10.8

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

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2012										
VII	509.4	0	100.0	25.8	73.0	1 015.2	0	100.0	16.9	80.5
VIII	520.1	0	100.0	25.0	73.8	974.3	0	100.0	17.8	80.1
IX	519.8	0	100.0	25.0	73.8	923.8	0	100.0	18.0	79.9
X	518.7	0	100.0	26.7	72.1	940.6	0	100.0	18.5	79.2
XI	532.9	0	100.0	26.8	71.5	920.2	0	100.0	19.6	78.0
XII	527.4	0	100.0	25.7	72.7	875.3	0	100.0	18.6	78.9
2013										
I	522.1	0	100.0	25.7	72.7	864.2	0	100.0	18.8	78.6
II	551.0	0	100.0	23.9	74.7	921.4	0	100.0	17.7	79.8
III	533.4	0	100.0	22.1	76.9	943.4	0	100.0	16.3	81.4
IV	533.3	0	100.0	23.0	75.8	943.7	0	100.0	14.7	82.2
V	526.5	0	100.0	23.7	74.7	936.5	0	100.0	14.1	82.6
VI	520.2	0	100.0	24.6	73.6	877.7	0	100.0	14.9	81.8
VII	482.4	0	100.0	23.2	74.8	852.5	0	100.0	16.3	80.0
VIII	477.5	0	100.0	23.0	75.0	938.4	0	100.0	15.6	80.8
IX	511.2	0	100.0	25.5	72.7	983.1	0	100.0	13.7	82.9

20.g CURRENCY BREAKDOWN OF DEBT SECURITIES ISSUED BY MFIs

(at end of period)

	Outstanding amount (all currencies; millions of lats)	Structure (%)	
		In lats	In foreign currencies
2012			
VII	96.0	0	100.0
VIII	95.5	0	100.0
IX	107.0	0	100.0
X	113.5	0	100.0
XI	138.7	0	100.0
XII	139.6	0	100.0
2013			
I	139.0	0	100.0
II	159.4	0	100.0
III	187.8	0	100.0
IV	196.1	0	100.0
V	195.5	0	100.0
VI	232.2	0	100.0
VII	229.7	0	100.0
VIII	233.4	0	100.0
IX	230.1	0	100.0

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)																
	2012						2013									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Deposits from households																
Overnight ¹	0.22	0.20	0.14	0.14	0.13	0.12	0.12	0.12	0.09	0.09	0.09	0.08	0.08	0.08	0.08	
With agreed maturity																
Up to 1 year	1.20	1.08	1.00	0.88	0.62	1.10	1.09	0.65	0.62	0.66	0.69	0.62	0.69	0.49	0.40	
Over 1 and up to 2 years	1.93	1.54	1.87	1.81	1.64	1.25	1.60	1.15	0.94	1.17	0.96	0.80	0.91	0.79	0.83	
Over 2 years	3.04	3.29	3.61	3.67	3.70	3.80	3.92	1.99	1.69	2.09	2.11	1.50	1.56	0.95	1.02	
Redeemable at notice ²																
Up to 3 months	0.15	0.14	0.13	0.13	0.13	0.13	0.13	0.13	0.14	0.13	0.13	0.13	0.13	0.13	0.13	
Over 3 months	x	x	x	–	–	–	–	x	–	–	–	–	–	–	–	
Deposits from non-financial corporations																
Overnight ¹	0.08	0.08	0.06	0.05	0.05	0.04	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03	
With agreed maturity																
Up to 1 year	0.20	0.11	0.08	0.10	0.08	0.12	0.12	0.06	0.09	0.06	0.06	0.05	0.04	0.04	0.06	
Over 1 and up to 2 years	1.81	1.76	1.85	1.36	0.92	1.05	0.97	0.90	0.90	1.64	0.76	x	1.12	0.35	0.53	
Over 2 years	2.13	2.87	1.67	1.26	1.61	1.06	1.45	x	0.80	0.80	0.52	1.26	0.61	0.63	x	
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

¹ End-of-period.

² 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)															
	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Households															
Overnight ¹	0.22	0.20	0.14	0.14	0.13	0.12	0.12	0.12	0.09	0.09	0.09	0.08	0.08	0.08	0.08
With agreed maturity															
Up to 2 years	1.98	1.93	1.89	1.86	1.79	1.49	1.35	1.32	1.29	1.24	1.21	1.17	1.11	1.07	1.04
Over 2 years	4.74	4.70	4.63	4.57	4.50	4.36	4.27	4.26	4.13	4.08	3.99	3.95	3.89	3.77	3.81
Redeemable at notice ²															
Up to 3 months	0.15	0.14	0.13	0.13	0.13	0.13	0.13	0.13	0.14	0.13	0.13	0.13	0.13	0.13	0.13
Over 3 months	x	x	x	–	–	–	–	x	–	–	–	–	–	–	–
Non-financial corporations															
Overnight ¹	0.08	0.08	0.06	0.05	0.05	0.04	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03
With agreed maturity															
Up to 2 years	1.39	1.21	1.12	0.97	0.91	0.83	0.78	0.72	0.69	0.66	0.63	0.63	0.77	0.60	0.55
Over 2 years	2.49	2.45	2.38	2.26	2.24	2.17	2.13	2.16	2.31	2.29	2.27	2.26	2.25	2.08	2.06
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

² 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)															
	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	22.54	22.56	22.52	22.61	22.56	22.55	22.65	22.67	22.91	22.90	22.62	22.72	22.82	22.90	23.02
Extended credit card credit ¹	23.26	23.22	23.15	23.09	23.08	23.07	23.00	22.99	22.99	22.95	22.94	22.94	22.93	22.99	22.97
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.34	3.44	3.18	2.88	2.84	2.94	3.06	2.83	3.26	3.55	3.10	3.24	3.19	3.16	3.30
of wich with collateral or guarantees	3.28	3.37	3.01	2.88	2.81	2.99	3.02	2.82	3.15	3.51	3.04	3.22	3.18	3.12	3.25
Over 1 and up to 5 years	7.26	9.75	8.67	6.95	9.66	13.15	14.22	6.61	16.90	11.37	12.26	15.16	15.46	15.08	17.51
of wich with collateral or guarantees	x	7.59	6.94	5.55	7.27	x	9.14	8.46	12.66	8.55	10.06	12.44	10.31	10.16	11.18
Over 5 and up to 10 years	7.68	6.24	x	7.28	x	x	6.52	x	4.75	4.53	x	6.98	x	7.25	x
of wich with collateral or guarantees	9.13	x	x	7.28	x	x	6.92	x	4.54	4.33	x	x	x	x	x
Over 10 years	5.49	x	x	x	4.57	4.95	x	x	x	x	x	x	x	5.48	x
of wich with collateral or guarantees	x	x	x	x	4.02	4.52	x	x	x	x	x	x	x	5.48	x
Annual percentage rate of charge ²	3.87	4.12	3.68	3.20	3.23	3.25	3.90	3.26	4.17	4.04	3.68	3.86	3.68	3.99	4.26
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	19.96	18.62	18.72	19.59	20.40	20.21	16.71	21.69	22.23	21.45	23.06	22.71	22.60	21.72	20.17
of wich with collateral or guarantees	4.53	4.54	4.22	4.76	4.54	3.52	4.92	4.81	4.94	4.08	5.20	5.68	5.05	5.66	5.03
Over 1 year	17.56	17.78	15.92	14.31	16.12	13.84	6.19	18.34	19.28	18.55	18.87	18.47	7.48	18.47	17.08
of wich with collateral or guarantees	7.50	7.92	6.08	5.02	7.28	5.28	1.25	8.57	12.01	11.74	13.78	10.72	1.33	9.91	6.73
Annual percentage rate of charge ²	22.16	21.92	22.06	21.84	21.31	22.05	19.30	22.41	23.12	22.80	22.87	22.84	20.77	22.55	22.47
Other lending by initial rate fixation															
Floating rate and up to 1 year	7.79	12.93	7.89	6.15	7.26	6.87	5.28	5.48	5.69	6.10	6.12	4.97	7.01	5.44	5.14
Over 1 year	15.02	14.28	11.74	x	14.50	11.91	14.50	x	x	x	x	x	x	x	x

¹ End-of-period.

² 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)																
	2012						2013									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	2.78	2.76	2.75	2.67	2.60	2.43	2.43	2.43	2.50	2.49	2.35	2.38	2.33	2.29	2.25	
Extended credit card credit ¹	24.13	24.14	24.69	24.36	24.29	24.55	24.97	25.25	25.97	25.34	24.38	24.43	24.47	25.11	24.41	
Other loans up to 0.25 million euro by initial rate fixation																
Floating rate and up to 1 year	4.58	4.33	4.55	4.34	4.58	4.81	4.57	4.70	4.89	4.18	4.68	4.67	4.23	4.34	4.40	
of wich with collateral or guarantees	4.43	4.20	4.47	4.14	4.38	4.66	4.50	4.52	4.79	4.10	4.70	4.63	4.38	4.29	4.36	
Over 1 year	3.67	4.72	x	x	x	5.35	5.21	5.07	x	5.04	4.39	3.03	4.50	4.95	x	
of wich with collateral or guarantees	3.57	x	x	x	x	5.59	4.82	5.88	x	5.06	4.39	3.03	5.15	4.95	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	5.35	4.89	4.98	4.86	3.41	3.46	4.91	4.74	4.43	4.43	3.86	3.99	3.34	7.15	4.18	
of wich with collateral or guarantees	5.40	4.89	4.66	4.69	3.41	3.39	4.98	4.96	4.50	4.41	3.87	3.78	x	4.57	4.28	
Over 1 year	x	x	x	x	x	x	x	x	–	–	x	–	3.51	x	x	
of wich with collateral or guarantees	x	x	x	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	2.90	x	3.36	x	x	6.08	–	4.09	4.62	4.57	4.76	x	x	5.25	x	
of wich with collateral or guarantees	3.38	x	3.70	x	x	x	–	x	4.62	x	4.76	x	x	5.25	x	
Over 1 year	x	x	–	–	x	x	x	–	x	–	–	x	–	x	x	
of wich with collateral or guarantees	x	x	–	–	–	–	x	–	x	–	–	x	–	x	x	

¹ End-of-period.

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)																
	2012						2013									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Loans to households																
Lending for house purchase, with maturity																
Up to 1 year	5.80	5.77	6.04	5.76	5.94	6.20	6.28	5.86	5.49	6.02	7.72	7.42	7.81	7.56	6.87	
Over 1 and up to 5 years	4.90	4.80	4.81	4.72	4.94	4.96	4.98	4.96	4.92	4.88	4.80	4.78	4.77	4.86	4.93	
Over 5 years	4.01	3.88	3.78	3.68	3.52	3.46	3.42	3.38	3.32	3.29	3.26	3.23	3.17	3.12	3.07	
Consumer credit and other loans, with maturity¹																
Up to 1 year ²	23.19	23.21	22.99	23.15	23.11	23.20	23.18	23.13	23.04	23.21	23.28	23.05	23.15	23.20	23.21	
Over 1 and up to 5 years	17.46	17.38	17.38	17.31	17.26	17.29	17.26	17.22	17.40	17.34	17.57	17.52	17.54	17.60	17.69	
Over 5 years	8.53	8.40	8.23	8.12	8.01	7.80	8.34	8.22	8.12	8.04	8.13	7.88	7.98	7.94	7.81	
Loans to non-financial corporations																
With maturity¹																
Up to 1 year ²	3.21	3.15	3.20	3.12	2.99	2.85	2.81	2.80	2.85	2.78	2.73	2.74	2.71	2.73	2.70	
Over 1 and up to 5 years	4.35	4.16	4.27	4.12	4.06	4.11	4.05	4.05	4.02	3.96	3.98	3.96	3.87	3.74	3.65	
Over 5 years	3.91	3.86	3.80	3.79	3.75	3.84	3.78	3.74	3.74	3.76	3.76	3.00	3.05	3.02	3.01	

¹ Including revolving loans, overdrafts, and extended and convenience credit card credit.

² 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)																	
	2012								2013								
	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Deposits from households																	
Overnight¹																	
	0.35	0.28	0.27	0.20	0.14	0.14	0.13	0.12	0.12	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11
With agreed maturity																	
Up to 1 year	0.80	1.00	0.87	0.53	0.39	0.43	0.34	0.68	0.72	0.31	0.41	0.45	0.35	0.36	0.41	0.26	0.31
Over 1 and up to 2 years	2.22	2.12	1.96	2.08	2.07	2.09	1.63	1.95	2.33	1.54	1.19	1.20	1.28	0.85	0.93	0.96	0.89
Over 2 years	3.58	5.45	3.50	3.50	3.33	3.85	3.92	3.48	3.55	1.29	2.23	2.56	2.33	2.44	2.28	5.52	1.41
Redeemable at notice²																	
Up to 3 months	0.42	0.34	0.28	0.25	0.25	0.21	0.20	0.20	0.20	0.20	0.16	0.15	0.15	0.15	0.15	0.15	0.15
Over 3 months	x	x	x	x	-	-	-	-	-	x	-	x	x	x	x	x	x
Deposits from non-financial corporations																	
Overnight¹																	
	0.19	0.19	0.21	0.12	0.12	0.08	0.07	0.08	0.06	0.05	0.05	0.05	0.06	0.06	0.05	0.05	0.07
With agreed maturity																	
Up to 1 year	0.49	0.40	0.43	0.19	0.17	0.24	0.14	0.14	0.17	0.16	0.16	0.17	0.14	0.14	0.12	0.08	0.14
Over 1 and up to 2 years	1.56	1.70	1.31	1.33	x	1.19	0.62	0.89	x	0.99	1.09	0.98	0.72	x	0.77	0.83	0.62
Over 2 years	2.58	1.92	2.92	x	1.20	x	-	x	4.70	2.17	x	0.72	x	x	0.35	2.69	0.06
Repos																	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ End-of-period.

² 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)																	
	2012								2013								
	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Deposits from households																	
Overnight ¹	0.35	0.28	0.27	0.20	0.14	0.14	0.13	0.12	0.12	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11
With agreed maturity																	
Up to 2 years	2.34	2.31	2.22	2.14	2.09	2.01	1.91	1.61	1.39	1.32	1.27	1.20	1.16	1.10	1.02	0.99	0.97
Over 2 years	4.74	4.75	4.74	4.68	4.63	4.62	4.56	4.36	4.15	4.14	4.12	4.05	4.01	4.00	3.94	3.90	3.90
Redeemable at notice ²																	
Up to 3 months	0.42	0.34	0.28	0.25	0.25	0.21	0.20	0.20	0.20	0.20	0.16	0.15	0.15	0.15	0.15	0.15	0.15
Over 3 months	x	x	x	x	–	–	–	–	–	x	–	x	x	x	x	x	x
Deposits from non-financial corporations																	
Overnight ¹	0.19	0.19	0.21	0.12	0.12	0.08	0.07	0.08	0.06	0.05	0.05	0.05	0.06	0.06	0.05	0.05	0.07
With agreed maturity																	
Up to 2 years	1.61	1.54	1.37	1.33	1.26	1.04	0.85	0.75	0.64	0.59	0.56	0.51	0.50	0.52	0.49	0.48	0.54
Over 2 years	2.78	2.76	2.76	2.73	2.73	2.73	2.69	2.67	2.47	2.43	2.41	2.41	2.64	2.62	2.54	2.55	2.54
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

² 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)															
	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	4.86	4.78	4.63	4.47	4.48	4.61	4.79	4.91	4.97	5.00	5.00	4.98	4.99	4.97	5.88
Extended credit card credit ¹	23.69	23.80	23.67	23.81	23.93	23.84	23.56	23.96	23.65	24.33	23.56	23.67	23.37	23.15	23.14
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.32	3.16	3.06	3.09	2.94	3.26	3.39	3.24	3.49	3.25	3.27	3.21	3.31	3.19	3.05
of wich with collateral or guarantees	3.30	3.14	3.04	3.06	2.91	3.22	3.36	3.25	3.25	3.19	3.16	3.14	3.35	3.05	2.99
Over 1 and up to 5 years	4.63	4.66	4.68	5.11	5.15	4.77	3.64	4.30	4.63	4.28	5.09	4.12	4.94	5.71	5.54
of wich with collateral or guarantees	4.55	4.61	4.60	5.06	5.13	4.76	3.62	4.16	4.59	4.23	4.98	3.93	4.76	5.50	5.40
Over 5 and up to 10 years	x	x	6.15	7.03	6.49	x	x	x	7.38	6.03	6.55	7.32	x	6.48	x
of wich with collateral or guarantees	x	x	x	7.06	x	x	x	x	7.58	5.80	6.55	7.32	x	x	x
Over 10 years	x	x	x	x	x	5.93	x	x	x	x	6.00	5.37	x	x	5.86
of wich with collateral or guarantees	x	x	x	x	x	5.90	x	x	x	x	5.94	x	x	x	6.10
Annual percentage rate of charge ²	3.52	3.34	3.22	3.41	3.20	3.48	3.63	3.96	3.92	3.43	3.51	3.39	3.48	3.40	3.38
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	6.66	6.85	6.45	6.82	7.57	6.51	7.73	7.09	7.55	7.22	12.60	15.26	15.14	18.32	12.27
of wich with collateral or guarantees	x	x	x	x	x	4.22	x	x	x	x	5.05	x	x	x	3.67
Over 1 year	19.21	18.98	19.07	18.29	17.55	18.35	23.55	22.80	22.81	23.20	23.90	24.76	26.27	24.52	24.27
of wich with collateral or guarantees	8.47	8.52	8.77	8.19	7.78	8.67	11.79	9.95	9.81	13.56	11.50	12.57	16.19	10.53	13.71
Annual percentage rate of charge ²	18.26	18.92	17.84	17.78	18.65	18.30	21.82	19.34	20.74	21.49	29.02	28.05	30.14	31.29	26.16
Other lending by initial rate fixation															
Floating rate and up to 1 year	4.57	4.92	5.29	4.53	4.16	4.89	3.74	5.07	5.04	5.73	4.73	5.16	4.55	4.78	3.52
Over 1 year	x	5.51	7.07	6.67	x	4.16	x	x	x	x	x	x	x	x	x

¹ End-of-period.

² 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)																
	2012						2013									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	3.82	3.83	3.86	3.71	4.28	3.42	3.37	3.52	3.52	3.51	3.48	3.43	3.27	3.24	3.72	
Extended credit card credit ¹	23.25	23.01	24.64	24.62	23.42	23.74	23.47	23.77	23.66	24.14	23.43	17.15	23.14	24.47	24.08	
Other loans up to 0.25 million euro by initial rate fixation																
Floating rate and up to 1 year	4.79	4.20	3.61	3.97	3.93	3.96	3.83	4.32	4.27	3.75	3.85	4.31	5.45	4.17	4.39	
of wich with collateral or guarantees	4.75	4.07	3.59	3.83	3.90	3.98	3.81	4.22	4.23	3.71	3.81	4.30	5.44	4.31	4.25	
Over 1 year	4.39	x	4.52	4.39	x	3.88	3.61	4.18	7.91	4.66	4.82	x	3.72	4.15	3.83	
of wich with collateral or guarantees	4.52	x	4.93	4.39	x	7.63	3.61	x	x	4.55	4.82	x	4.98	3.68	4.97	
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation																
Floating rate and up to 1 year	4.60	4.38	4.01	3.57	3.77	3.99	4.28	4.27	4.17	4.43	3.66	4.00	4.76	4.04	4.29	
of wich with collateral or guarantees	4.51	4.34	4.03	3.49	3.84	3.97	4.25	3.94	4.14	4.45	3.66	3.98	4.16	4.14	4.27	
Over 1 year	x	x	5.22	x	x	5.24	x	x	x	x	x	x	3.87	4.23	6.79	
of wich with collateral or guarantees	x	x	6.44	x	x	x	x	x	x	x	x	x	x	x	7.49	
Other loans over 1 million euro by initial rate fixation																
Floating rate and up to 1 year	3.59	3.70	3.01	2.73	3.94	2.82	4.14	3.41	2.92	3.57	3.87	3.31	3.53	3.47	3.26	
of wich with collateral or guarantees	2.96	3.52	3.02	3.35	3.95	2.42	4.31	3.59	2.90	3.78	3.88	3.30	3.83	3.48	3.13	
Over 1 year	x	5.38	3.46	4.92	x	3.71	x	x	x	x	x	x	4.90	x	x	
of wich with collateral or guarantees	x	5.67	x	3.53	x	4.26	x	x	x	x	x	x	4.90	x	x	

¹ 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)															
	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	7.72	21.19	20.89	2.85	20.81	5.02	3.79	3.05	19.81	13.10	2.75	2.72	2.80	2.79	3.00
Over 1 and up to 5 years	4.48	4.25	4.06	4.17	4.07	4.15	4.07	4.08	4.05	4.07	3.99	3.95	3.98	3.97	3.95
Over 5 years	3.09	3.00	2.90	2.80	2.72	2.67	2.61	2.59	2.57	2.55	2.59	2.57	2.56	2.55	2.54
Consumer credit and other loans, with maturity¹															
Up to 1 year ²	9.13	9.32	9.16	9.33	9.45	9.75	9.81	10.09	10.25	10.47	11.11	10.98	11.19	10.73	11.48
Over 1 and up to 5 years	10.01	10.05	10.04	9.94	9.92	10.01	10.10	10.23	10.24	10.64	10.74	10.83	10.93	11.70	11.83
Over 5 years	4.65	4.56	4.48	4.39	4.32	4.28	4.23	4.22	4.21	4.22	4.19	4.18	4.20	4.22	4.22
Loans to non-financial corporations															
With maturity¹															
Up to 1 year ²	4.06	4.40	3.93	3.84	4.43	3.58	3.51	3.87	3.69	3.76	3.59	3.73	3.40	3.39	3.41
Over 1 and up to 5 years	3.87	3.74	3.62	3.51	3.43	3.43	3.47	3.50	3.37	3.39	3.35	3.32	3.38	3.32	3.36
Over 5 years	3.18	3.11	3.08	3.00	2.95	2.93	2.89	2.88	2.87	2.85	2.77	2.76	2.80	2.86	2.84

¹ Including revolving loans, overdrafts, and extended and convenience credit card credit.

² 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)															
	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Deposits from households															
Overnight ¹	0.24	0.21	0.18	0.18	0.18	0.15	0.14	0.13	0.13	0.15	0.16	0.15	0.14	0.15	0.22
With agreed maturity															
Up to 1 year	0.43	0.31	0.34	0.27	0.25	0.52	0.37	0.24	0.28	0.19	0.17	0.14	0.18	0.12	0.15
Over 1 and up to 2 years	1.80	1.92	1.05	1.58	1.52	2.05	1.83	1.72	3.82	0.88	0.93	1.42	0.89	0.90	0.95
Over 2 years	3.03	3.49	3.76	4.44	3.56	3.65	4.00	2.82	1.92	2.62	3.46	1.50	2.53	1.75	0.81
Redeemable at notice²															
Up to 3 months	0.24	0.24	0.24	0.21	0.21	0.21	0.21	0.21	0.19	0.19	0.18	0.17	0.17	0.17	0.17
Over 3 months	–	–	–	–	–	–	–	x	–	–	–	–	–	–	–
Deposits from non-financial corporations															
Overnight ¹	0.09	0.12	0.07	0.08	0.09	0.07	0.07	0.09	0.10	0.07	0.05	0.05	0.05	0.06	0.06
With agreed maturity															
Up to 1 year	0.14	0.15	0.11	0.13	0.12	0.15	0.13	0.13	0.14	0.11	0.11	0.06	0.08	0.07	0.13
Over 1 and up to 2 years	–	–	–	–	–	–	–	–	–	x	x	–	–	x	–
Over 2 years	–	–	x	–	–	–	–	–	–	x	–	–	–	–	x
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

² 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)															
	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Deposits from households															
Overnight ¹	0.24	0.21	0.18	0.18	0.18	0.15	0.14	0.13	0.13	0.15	0.16	0.15	0.14	0.15	0.22
With agreed maturity															
Up to 2 years	1.38	1.35	1.33	1.27	1.24	1.12	1.05	1.07	1.07	1.05	1.05	1.03	1.00	0.99	0.95
Over 2 years	3.86	3.70	3.50	3.38	3.30	3.19	3.10	3.17	3.19	3.18	3.17	3.16	3.13	3.10	3.05
Redeemable at notice ²															
Up to 3 months	0.24	0.24	0.24	0.21	0.21	0.21	0.21	0.21	0.19	0.19	0.18	0.17	0.17	0.17	0.17
Over 3 months	–	–	–	–	–	–	–	x	–	–	–	–	–	–	–
Deposits from non-financial corporations															
Overnight ¹	0.09	0.12	0.07	0.08	0.09	0.07	0.07	0.09	0.10	0.07	0.05	0.05	0.05	0.06	0.06
With agreed maturity															
Up to 2 years	0.80	0.71	0.56	0.56	0.44	0.38	0.47	0.45	0.49	0.39	0.37	0.37	0.32	0.25	0.39
Over 2 years	3.55	3.55	3.55	3.57	3.53	3.53	3.53	3.53	3.53	3.53	3.53	1.40	0.87	0.87	0.87
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

² 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)															
	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	7.18	7.26	6.78	7.32	7.47	7.57	7.79	8.14	6.17	6.12	6.76	7.39	7.38	7.53	6.24
Extended credit card credit ¹	24.75	24.78	25.22	25.04	25.66	25.92	25.86	24.76	24.96	25.78	24.97	25.33	24.66	24.85	24.79
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	2.54	3.19	4.20	4.02	2.50	2.46	5.27	3.44	2.38	3.71	2.19	3.01	2.31	3.23	2.90
of wich with collateral or guarantees	3.10	3.32	4.19	3.93	2.16	2.91	5.87	3.27	2.44	3.83	1.92	3.01	2.25	3.21	2.90
Over 1 and up to 5 years	5.79	x	x	–	–	–	–	–	x	x	x	x	x	x	x
of wich with collateral or guarantees	x	x	x	–	–	–	–	–	–	–	–	–	–	–	–
Over 5 and up to 10 years	x	1.20	x	x	x	x	x	x	–	–	–	x	–	–	–
of wich with collateral or guarantees	x	x	–	x	–	x	–	–	–	–	–	x	–	–	–
Over 10 years	x	–	–	–	x	–	–	–	–	–	x	–	–	x	x
of wich with collateral or guarantees	x	–	–	–	x	–	–	–	–	–	x	–	–	–	–
Annual percentage rate of charge ²	4.28	2.94	4.22	4.29	3.54	2.66	5.75	3.75	2.57	4.14	2.52	3.54	2.42	3.51	3.42
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	16.95	8.39	15.99	12.43	x	17.92	x	16.12	15.75	13.70	16.68	16.94	x	16.53	x
of wich with collateral or guarantees	x	x	x	x	x	x	x	x	x	x	x	–	–	x	–
Over 1 year	–	–	–	x	x	–	–	x	–	x	x	x	x	x	x
of wich with collateral or guarantees	–	–	–	x	–	–	–	–	–	–	–	–	–	–	–
Annual percentage rate of charge ²	20.68	12.25	18.63	18.25	15.00	14.37	24.55	13.82	18.21	13.15	13.75	14.83	13.85	21.38	14.59
Other lending by initial rate fixation															
Floating rate and up to 1 year	4.65	14.59	6.84	x	6.37	4.83	–	x	6.21	x	x	5.17	x	x	x
Over 1 year	x	–	–	x	–	x	x	–	x	–	–	–	x	–	x

¹ End-of-period.

² 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)																
	2012						2013									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	3.90	3.73	3.64	3.65	3.72	3.73	3.74	3.63	3.67	3.59	3.59	3.71	3.53	3.48	3.52	
Extended credit card credit ¹	18.05	20.12	19.56	13.94	17.66	15.94	17.10	16.38	15.02	13.03	14.47	21.53	16.34	15.28	16.77	
Other loans up to 0.25 million euro by initial rate fixation																
Floating rate and up to 1 year	x	5.36	x	x	x	x	x	6.33	7.00	7.13	7.72	7.04	3.58	x	x	
of wich with collateral or guarantees	x	x	x	x	x	x	x	x	x	x	7.60	7.13	x	x	x	
Over 1 year	x	–	–	x	–	–	–	–	–	–	–	–	x	–	–	
of wich with collateral or guarantees	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	9.14	x	x	x	8.47	x	–	x	
of wich with collateral or guarantees	x	x	x	x	x	x	x	x	x	–	x	8.47	x	–	x	
Over 1 year	x	x	–	–	–	–	–	–	–	–	x	–	–	x	–	
of wich with collateral or guarantees	x	x	–	–	–	–	–	–	–	–	x	–	–	x	–	
Other loans over 1 million euro by initial rate fixation																
Floating rate and up to 1 year	x	x	x	–	x	7.77	x	x	x	x	x	x	x	7.80	–	
of wich with collateral or guarantees	–	x	x	–	x	7.77	x	x	x	x	x	x	x	7.80	–	
Over 1 year	–	–	–	x	–	x	–	–	–	x	–	–	–	–	–	
of wich with collateral or guarantees	–	–	–	x	–	x	–	–	–	x	–	–	–	–	–	

¹ 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)																
	2012						2013									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Loans to households																
Lending for house purchase, with maturity																
Up to 1 year	2.51	2.35	5.06	2.05	2.19	1.97	1.98	2.84	2.71	1.35	2.19	3.26	1.52	3.90	2.07	
Over 1 and up to 5 years	5.38	5.46	5.71	5.63	5.50	5.57	5.85	5.39	5.36	5.38	5.60	5.61	5.62	6.07	6.07	
Over 5 years	3.03	3.02	3.02	3.00	2.94	2.91	2.87	2.83	2.82	2.80	2.84	2.82	2.80	2.79	2.77	
Consumer credit and other loans, with maturity¹																
Up to 1 year ²	11.13	10.20	10.55	11.35	10.98	9.50	9.57	9.57	10.08	10.25	9.64	9.81	10.27	10.06	10.09	
Over 1 and up to 5 years	7.73	11.40	7.33	7.39	7.30	7.31	7.33	7.14	6.71	6.68	6.76	7.10	7.18	7.26	7.30	
Over 5 years	4.02	4.01	4.00	3.96	3.90	3.93	3.90	3.92	3.81	3.78	3.73	3.72	3.75	3.75	3.73	
Loans to non-financial corporations																
With maturity¹																
Up to 1 year ²	4.52	4.39	4.11	4.13	4.35	4.66	4.77	4.59	4.72	4.67	4.60	4.57	4.77	4.19	4.25	
Over 1 and up to 5 years	5.55	5.85	5.81	5.73	5.21	5.23	5.35	5.45	5.54	5.56	5.68	5.75	5.78	5.82	5.58	
Over 5 years	4.92	4.48	4.06	4.36	4.67	5.79	5.83	5.54	5.48	5.54	5.48	5.47	5.59	5.41	5.41	

¹ Including revolving loans, overdrafts, extended credit card credit and convenience credit card credit.

² 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; %)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
In lats															
Loans up to an amount of 0.25 million euro	4.67	4.25	4.48	4.23	4.53	4.74	4.70	4.92	4.99	4.55	4.66	4.65	4.47	4.36	4.42
of wich with collateral or guarantees	4.48	4.11	4.34	3.96	4.37	4.50	4.60	4.57	4.82	4.43	4.57	4.61	4.39	4.18	4.31
Loans over an amount of 0.25 million euro and up to 1 million euro	4.38	4.01	4.87	4.11	3.17	3.48	4.19	4.63	4.07	x	3.94	3.97	3.80	7.70	4.08
of wich with collateral or guarantees	4.43	3.95	4.54	4.11	3.17	3.39	4.15	4.63	4.14	x	3.94	3.74	x	4.72	4.13
Loans over 1 million euro	2.90	2.93	x	x	4.86	x	–	4.47	4.78	4.57	5.21	–	2.45	5.07	x
of wich with collateral or guarantees	3.38	x	x	x	5.10	x	–	4.47	4.78	x	5.21	–	2.45	5.07	x
In euro															
Loans up to an amount of 0.25 million euro	5.07	3.83	3.62	3.93	3.87	4.11	3.83	4.01	4.05	3.95	3.97	4.43	4.24	4.18	4.35
of wich with collateral or guarantees	5.06	3.79	3.58	3.82	3.83	4.04	3.80	3.94	3.99	3.87	3.79	4.42	4.22	4.21	4.24
Loans over an amount of 0.25 million euro and up to 1 million euro	4.71	4.50	4.02	3.45	3.61	4.11	4.09	3.95	4.19	4.28	3.58	4.18	4.34	4.16	4.42
of wich with collateral or guarantees	4.80	4.49	4.04	3.33	3.69	4.02	4.06	3.95	4.15	4.29	3.58	4.16	4.35	4.13	4.40
Loans over 1 million euro	3.41	3.58	2.87	2.65	3.77	2.80	4.01	3.33	3.00	3.47	3.73	3.42	3.18	3.17	3.31
of wich with collateral or guarantees	3.47	3.34	2.87	3.26	3.77	2.37	4.30	3.47	2.99	3.68	3.75	3.33	3.40	3.16	3.35
In US dollars															
Loans up to an amount of 0.25 million euro	x	x	x	x	x	x	6.75	6.71	x	6.69	6.61	6.07	x	5.49	x
of wich with collateral or guarantees	–	x	x	–	x	x	x	6.59	x	6.51	6.45	5.95	x	5.37	x
Loans over an amount of 0.25 million euro and up to 1 million euro	x	x	5.50	x	x	x	–	x	x	x	–	x	x	–	–
of wich with collateral or guarantees	x	x	x	x	x	x	–	x	x	–	–	x	x	–	–
Loans over 1 million euro	–	x	x	–	x	7.13	–	x	x	–	–	x	–	x	–
of wich with collateral or guarantees	–	x	x	–	x	7.13	–	x	x	–	–	x	–	x	–

22. LENDING IN THE INTERBANK MARKETS

(transactions; 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			
2012												
VII	553.9	37.7	0.1	–	591.7	1 138.9	113.1	–	–	1 252.0	1 843.7	
VIII	754.1	29.6	–	–	783.7	1 579.9	158.9	0	–	1 738.8	2 522.5	
IX	543.2	33.1	18.7	0.5	595.5	675.3	125.1	7.4	–	807.8	1 403.3	
X	475.3	23.4	7.1	–	505.8	1 009.3	165.3	–	–	1 174.6	1 680.4	
XI	477.6	51.2	3.0	–	531.8	1 173.5	176.5	–	4.0	1 354.0	1 885.8	
XII	339.0	42.0	–	0.5	381.5	1 051.9	167.1	4.0	–	1 223.0	1 604.5	
2013												
I	472.8	48.2	9.1	–	530.1	1 068.4	215.8	2.8	10.9	1 297.9	1 828.0	
II	248.2	26.5	–	5.0	279.7	618.1	129.8	–	–	747.9	1 027.6	
III	236.6	18.8	0.3	1.5	257.2	727.7	167.6	0.3	–	895.6	1 152.8	
IV	335.9	6.1	7.8	–	349.8	1 008.9	127.6	13.8	–	1 150.3	1 500.1	
V	524.8	26.3	–	–	551.1	1 278.8	183.6	–	–	1 462.4	2 013.5	
VI	520.6	16.0	0.5	–	537.1	1 216.7	116.9	7.9	0.5	1 342.0	1 879.1	
VII	669.2	10.9	5.2	–	685.3	1 301.4	148.5	5.3	–	1 455.2	2 140.5	
VIII	520.0	11.2	–	–	531.2	1 743.8	101.2	–	–	1 845.0	2 376.2	
IX	226.0	15.1	0.4	–	241.5	1 221.7	95.6	5.5	0.3	1 323.1	1 564.6	
	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			
2012												
VII	22 623.2	1 409.6	37.6	19.6	24 090.0	25 933.7						
VIII	24 397.0	1 427.6	8.0	64.9	25 897.5	28 420.0						
IX	18 455.3	910.2	260.4	23.8	19 649.7	21 053.0						
X	23 274.4	1 362.8	17.7	15.1	24 670.0	26 350.4						
XI	20 294.9	1 367.2	7.6	12.8	21 682.5	23 568.3						
XII	19 114.4	1 101.7	74.3	11.7	20 302.1	21 906.6						
2013												
I	19 923.1	2 576.6	35.4	13.4	22 548.5	24 376.5						
II	18 295.5	1 584.2	4.6	36.7	19 921.0	20 948.6						
III	19 353.9	2 137.4	83.8	28.6	21 603.7	22 756.5						
IV	20 953.5	1 925.3	109.5	63.8	23 052.1	24 552.2						
V	19 867.6	2 394.9	2.9	30.5	22 295.9	24 309.4						
VI	20 748.8	1 569.9	92.5	29.3	22 440.5	24 319.6						
VII	26 712.7	1 842.0	28.4	21.3	28 604.4	30 744.9						
VIII	25 717.9	2 254.6	17.8	19.9	28 010.2	30 386.4						
IX	22 870.0	1 659.1	92.7	26.1	24 647.9	26 212.5						

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Weighted average interest rates on loans in lats															
Overnight	0.3	0.2	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
Up to 1 month	0.4	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1–3 months	0.4	–	0.3	0.3	0.7	–	0.3	–	0.1	0.2	–	0.1	0.2	–	0.1
Over 3 months	–	–	1.0	–	–	0.1	–	0.7	0.8	–	–	–	–	–	–
Weighted average interest rates on loans in foreign currencies															
Overnight	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Up to 1 month	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1
1–3 months	–	0.2	0.2	–	–	0.4	0.2	–	0.2	0.1	–	0.3	0.2	–	0.2
Over 3 months	–	–	–	–	0.8	–	0.4	–	–	–	–	0.5	–	–	0.3

23.b INTEREST RATES SET BY LATVIJAS BANKA

(% per annum)

Effective date (dd.mm.yyyy)	Refinancing rate of Latvijas Banka	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	–	–	
		Marginal lending facility rate with Latvijas Banka			Deposit facility rate with Latvijas Banka (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 Latvijas Banka				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	–	–	
24.07.2012	3.0	4.0	7.0	10.0	0.1	0.125	
24.09.2012	2.5	3.0	6.0	9.0	0.05	0.075	
24.07.2013	2.0	2.5	4.75	7.0	–	–	
24.09.2013	1.5	2.0	3.5	5.0	–	–	
24.11.2013	0.25	0.75	1.5	2.5	–	–	

23.c INTEREST RATES IN LATVIJAS BANKA TENDERS OF REPURCHASE AGREEMENTS AND SHORT-TERM CURRENCY SWAP CONTRACTS

(% per annum)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Main refinancing operation with maturity 7 days average interest rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Weighted average interest rate on short-term currency swaps	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

24. PRINCIPAL FOREIGN EXCHANGE TRANSACTIONS (BY TYPE, COUNTERPARTY AND CURRENCY)¹

(millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Type of transaction															
Spot exchange transactions	26 686.6	27 988.4	30 733.3	32 272.4	29 128.7	23 204.4	20 526.2	23 588.8	23 904.6	22 343.6	20 878.8	21 318.8	22 762.1	21 325.0	21 644.4
Forward exchange contracts	396.7	449.8	375.7	315.8	410.2	714.0	374.4	326.6	562.2	348.6	526.3	320.5	360.4	428.8	366.4
Currency swap arrangements	42 063.4	50 062.3	43 422.6	48 919.5	43 290.0	39 273.8	46 723.3	40 305.8	37 633.1	39 531.5	39 804.5	42 257.6	45 742.6	49 376.9	46 936.3
Counterparties															
Resident MFIs	3 333.3	6 989.6	6 522.9	7 411.2	6 263.0	3 603.8	3 703.2	2 874.4	1 521.1	1 536.4	3 143.6	3 930.8	4 753.5	3 702.0	2 567.6
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	305.1	293.3	326.3	327.3	294.0	307.1	381.6	289.1	271.8	199.5	249.5	290.0	183.2	187.7	264.2
Resident government, non-financial corporations and non-profit institutions serving households	840.1	857.3	815.2	972.1	906.0	1 038.8	800.6	858.9	898.2	881.2	880.7	809.9	933.8	804.3	810.5
Non-resident MFIs	40 543.2	45 710.9	42 587.7	47 995.8	44 145.3	39 074.6	43 693.8	40 820.0	39 118.6	41 224.8	40 065.3	40 641.6	43 746.8	45 461.3	42 977.2
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	871.6	749.3	505.8	633.7	647.0	659.0	475.5	716.7	663.1	771.7	834.4	1 186.4	1 135.0	1 405.6	3 475.5
Non-resident government, non-financial corporations and non-profit institutions serving households	16 994.5	17 254.4	17 933.0	19 133.1	16 148.6	14 466.8	14 891.5	14 672.2	13 886.3	13 704.8	11 606.4	11 090.7	11 715.9	12 320.8	12 272.7
Households	6 258.9	6 645.6	5 840.7	5 034.3	4 425.0	4 042.2	3 677.6	3 990.0	5 740.7	3 905.3	4 429.8	5 947.5	6 396.8	7 248.9	6 579.5
Currencies															
Total in all currencies	69 146.7	78 500.5	74 531.6	81 507.6	72 828.9	63 192.2	67 623.9	64 221.3	62 099.9	62 223.7	61 209.6	63 897.0	68 865.1	71 130.7	68 947.2
incl. lats for euro	5 669.3	7 306.9	6 560.8	6 618.7	10 970.5	8 985.4	8 736.6	6 508.2	6 139.3	6 642.4	8 461.4	9 131.7	9 488.6	8 457.9	6 388.6
incl. lats for US dollars	477.1	280.3	555.8	712.0	352.3	282.7	311.6	213.4	221.1	209.5	206.0	162.7	681.5	311.5	220.0
incl. lats for other currencies	87.6	100.3	68.7	84.2	74.5	78.2	58.4	55.4	68.5	67.9	65.5	65.0	71.8	71.8	70.7

¹ Including the cash and non-cash transactions performed by 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 Latvijas Banka on the last day of the reporting month.

25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS¹

(millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
EUR for LVL²															
Amount	5 595.1	7 216.4	6 485.8	6 539.6	10 853.8	8 891.0	8 660.5	6 461.8	6 107.9	6 602.1	8 413.5	9 098.9	9 455.2	8 430.3	6 363.7
% ³	8.1	9.2	8.7	8.0	14.9	14.1	12.8	10.1	9.8	10.9	13.8	14.3	13.8	11.9	9.2
USD for LVL²															
Amount	457.0	268.8	545.6	689.9	339.9	271.0	303.0	196.5	206.2	196.7	192.0	150.7	675.9	301.1	212.3
% ³	0.7	0.4	0.7	0.8	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.2	1.0	0.4	0.3
Other currencies for LVL²															
Amount	71.6	87.8	59.7	74.5	65.5	68.9	51.3	49.5	60.7	60.3	56.8	56.0	60.4	62.2	63.4
% ³	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
USD for EUR															
Amount	38 723.1	43 904.9	41 993.1	46 707.5	37 984.4	31 461.8	36 893.3	39 026.3	34 853.5	34 119.7	32 507.2	34 297.6	38 137.6	40 020.6	39 036.5
% ³	56.1	56.0	56.4	57.4	52.3	49.9	54.6	60.8	56.2	56.2	53.2	53.7	55.4	56.3	56.7
GBP for EUR															
Amount	909.0	853.8	1 173.2	1 713.4	1 432.6	689.7	724.8	1 180.7	1 087.5	829.5	814.8	753.5	848.3	803.4	1 341.6
% ³	1.3	1.1	1.6	2.1	2.0	1.1	1.1	1.8	1.8	1.4	1.3	1.2	1.2	1.1	1.9
Other currencies (except LVL) for EUR															
Amount	5 548.3	3 742.5	3 678.8	3 881.0	3 441.7	2 783.2	3 282.0	2 859.1	2 483.0	2 829.9	2 555.3	3 223.9	3 035.3	2 776.7	2 532.1
% ³	8.0	4.8	4.9	4.8	4.7	4.4	4.9	4.5	4.0	4.7	4.2	5.0	4.4	3.9	3.7
RUB for USD															
Amount	4 518.8	7 479.6	6 451.6	6 915.2	6 471.0	9 273.6	5 492.1	6 140.4	7 229.9	7 573.3	6 472.8	7 971.5	8 152.5	9 098.9	7 207.0
% ³	6.5	9.5	8.7	8.5	8.9	14.7	8.1	9.6	11.7	12.5	10.6	12.5	11.8	12.8	10.5
GBP for USD															
Amount	5 718.6	5 758.9	4 869.4	4 831.1	3 983.9	3 387.1	5 515.4	3 150.3	4 326.0	3 116.5	3 629.4	2 726.8	2 964.7	3 201.3	5 437.6
% ³	8.3	7.4	6.5	5.9	5.5	5.4	8.2	4.9	7.0	5.1	5.9	4.3	4.3	4.5	7.9
SEK for USD															
Amount	135.9	23.9	30.4	52.9	72.7	21.6	32.0	14.6	25.2	9.8	13.8	28.7	46.5	23.3	59.4
% ³	0.2	0	0	0.1	0.1	0	0	0	0	0	0	0	0.1	0	0.1
Other currencies (except LVL and EUR) for USD															
Amount	6 318.4	7 387.1	7 344.5	8 417.3	5 774.6	4 188.6	4 644.1	3 182.3	3 106.7	4 365.5	4 662.7	2 976.4	3 371.5	4 387.9	4 790.4
% ³	9.2	9.4	9.9	10.4	7.9	6.7	6.9	5.0	5.0	7.2	7.6	4.7	4.9	6.2	7.0
Other currencies (except LVL, EUR and USD) for other currencies															
Amount	1 040.6	1 662.1	1 805.2	1 574.2	2 270.7	2 040.3	1 927.7	1 890.5	2 559.2	956.1	1 820.6	2 559.1	2 053.6	1 977.4	1 758.2
% ³	1.5	2.1	2.5	1.9	3.1	3.2	2.9	2.9	4.1	1.6	3.0	4.0	3.0	2.8	2.6

¹ Including non-cash transactions performed by credit institutions, reported by major currency.

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

³ As percentage of the total.

26. MONTHLY AVERAGES OF THE EXCHANGE RATES SET BY LATVIJAS BANKA

(LVL vs foreign currency)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
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	0.5707	0.5679	0.5484	0.5421	0.5478	0.5361	0.5305	0.5243	0.5415	0.5408	0.5410	0.5330	0.5371	0.5277	0.5267
GBP	0.8893	0.8916	0.8809	0.8717	0.8748	0.8652	0.8487	0.8144	0.8168	0.8256	0.8285	0.8242	0.8164	0.8162	0.8337
100 JPY	0.7218	0.7218	0.7013	0.6875	0.6783	0.6421	0.5990	0.5641	0.5723	0.5543	0.5385	0.5464	0.5390	0.5396	0.5309

27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)

(LVL vs foreign currency)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
EUR															
Buy	0.6901	0.6913	0.6928	0.6914	0.6917	0.6915	0.6922	0.6961	0.6974	0.6967	0.6955	0.6961	0.6964	0.6974	0.6978
Sell	0.6974	0.6972	0.6971	0.6968	0.6977	0.6976	0.6991	0.7019	0.7034	0.7030	0.7018	0.7034	0.7045	0.7050	0.7054
USD															
Buy	0.5618	0.5580	0.5376	0.5334	0.5392	0.5273	0.5218	0.5207	0.5375	0.5352	0.5355	0.5280	0.5327	0.5238	0.5233
Sell	0.5666	0.5634	0.5425	0.5383	0.5437	0.5324	0.5254	0.5236	0.5408	0.5393	0.5398	0.5326	0.5371	0.5284	0.5268
GBP															
Buy	0.8690	0.8710	0.8610	0.8517	0.8481	0.8427	0.8288	0.8007	0.8061	0.8131	0.8141	0.8122	0.8037	0.8055	0.8218
Sell	0.8820	0.8828	0.8730	0.8645	0.8676	0.8577	0.8439	0.8146	0.8182	0.8254	0.8252	0.8240	0.8144	0.8166	0.8350
100 JPY															
Buy	0.7039	0.6835	0.6545	0.6392	0.6489	0.5860	0.5725	0.5379	0.5481	0.5397	0.4810	0.5232	0.5186	0.5185	0.5101
Sell	0.6893	0.6966	0.6888	0.6917	0.6597	0.6256	0.5923	0.5719	0.5736	0.5637	0.5292	0.5375	0.5364	0.5373	0.5309
SEK															
Buy	0.0794	0.0824	0.0805	0.0797	0.0796	0.0789	0.0794	0.0808	0.0826	0.0817	0.0806	0.0796	0.0796	0.0792	0.0799
Sell	0.0816	0.0845	0.0826	0.0813	0.0811	0.0807	0.0817	0.0825	0.0842	0.0832	0.0821	0.0816	0.0813	0.0812	0.0812
RUB															
Buy	0.0171	0.0172	0.0170	0.0171	0.0169	0.0170	0.0170	0.0171	0.0173	0.0170	0.0169	0.0162	0.0161	0.0157	0.0159
Sell	0.0174	0.0178	0.0173	0.0174	0.0173	0.0173	0.0173	0.0174	0.0176	0.0173	0.0172	0.0166	0.0164	0.0161	0.0162
CHF															
Buy	0.5711	0.5715	0.5680	0.5670	0.5695	0.5680	0.5618	0.5607	0.5638	0.5663	0.5530	0.5602	0.5588	0.5600	0.5601
Sell	0.5827	0.5814	0.5793	0.5785	0.5803	0.5789	0.5718	0.5709	0.5744	0.5759	0.5661	0.5698	0.5691	0.5716	0.5722

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Stock of government securities outstanding	648.7	643.0	657.3	670.9	675.1	675.1	665.1	581.0	594.2	574.5	596.7	606.7	606.7	631.7	636.7
Residents	632.0	625.7	639.7	651.5	655.9	654.5	643.2	559.0	571.5	551.6	570.2	578.5	577.9	601.3	607.4
Non-financial corporations	25.3	23.4	20.9	20.9	20.9	20.8	20.8	21.4	84.7	20.5	20.0	20.0	20.0	20.0	20.0
Credit institutions	348.6	348.6	360.0	371.2	363.7	364.5	347.2	272.2	277.4	264.9	282.9	290.5	295.3	307.8	312.5
Money market funds	10.2	13.6	13.8	18.8	23.6	21.5	22.7	17.5	17.9	12.8	13.9	12.7	11.1	11.7	10.9
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	71.3	71.3	71.5	72.5	72.5	72.5	72.5	69.3	4.9	62.2	62.2	62.2	62.2	62.2	62.2
Financial auxiliaries	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0
Insurance corporations and pension funds	168.2	159.9	164.4	159.0	166.1	166.1	170.8	174.0	182.4	187.1	186.5	188.4	184.6	194.9	197.0
Central government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Households	2.9	3.4	3.5	3.5	3.5	3.5	3.6	2.9	2.5	2.5	3.0	3.0	3.1	3.1	3.1
Non-profit institutions serving households	5.4	5.4	5.5	5.5	5.5	5.5	5.5	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6
Non-residents	16.7	17.3	17.6	19.4	19.2	20.6	21.9	22.0	22.7	22.9	26.5	28.1	28.8	30.4	29.3
Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	12.3	12.1	12.4	12.4	13.9	13.9	13.9	15.2	15.7	15.2	18.7	21.0	22.3	23.8	22.8
Money market funds	0	0	0	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	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial auxiliaries	4.4	5.2	5.2	7.0	5.3	6.7	8.0	6.8	7.0	7.8	7.8	7.2	6.5	6.6	6.5
Insurance corporations and pension funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central government	0	0	0	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	0	0	0
Non-profit institutions serving households	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q3 2013)

Date (dd.mm.)	Initial maturity (months)	Supply (thousands of lats)	Demand (thousands of lats)	Purchase (thousands of lats)	Weighted average discount rate (%)
Competitive multi-price auctions					
17.07.	12	8 000	24 000	8 000	0.298
31.07.	36	8 000	14 050	8 000	1.149
14.08.	12	8 000	30 900	8 000	0.298
28.08.	36	4 000	13 700	4 000	1.163
11.09.	6	8 000	18 300	8 000	0.233
18.09.	12	12 000	28 500	12 000	0.327
Primary placement of government securities via outright sales of securities					
18.07.	12	2 000	3 750	2 000	0.298
01.08.	36	2 000	1 710	1 710	1.149
15.08.	12	2 000	5 600	2 000	0.298
29.08.	36	1 000	3 800	1 000	1.163
12.09.	6	2 000	4 270	2 000	0.233
19.09.	12	3 000	3 320	3 000	0.327

Source: The Treasury.

30. LATVIJAS BANKA TRANSACTIONS IN THE SECONDARY MARKET FOR GOVERNMENT SECURITIES

(millions of lats)

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Securities purchased	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

31. DYNAMICS OF GDP

	2012				2013			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
At current prices; millions of lats	15 519.8	3 406.7	3 808.4	4 042.4	4 262.3	3 601.0	4 028.5	4 300.5
At constant prices ¹ ; millions of lats ²	14 164.8	3 128.1	3 526.4	3 675.2	3 835.1	3 248.1	3 677.5	3 841.2
Annual growth rate (%) ²	5.2	7.1	4.9	4.6	4.6	3.8	4.3	4.5
Gross value added ²	4.7	5.7	4.6	4.7	3.9	3.5	3.7	4.3
Goods-producing sector ²	6.7	10.1	7.1	5.3	5.0	-1.8	0.1	3.0
Services sector ²	4.0	3.6	3.7	4.5	4.0	5.6	5.4	5.0

¹ Chain-linked; average prices in 2010.

² Data have been revised.

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

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Average gross wages and salaries															
LVL per month	494	485	470	486	477	513	485	475	492 ¹	503 ¹	504	504 ¹	528	501	493
Year-on-year changes (%)	104.7	103.4	102.4	105.3	102.8	102.6	104.5 ¹	103.4 ¹	103.6 ¹	105.1 ¹	105.4 ¹	103.9 ¹	106.8	103.4	105.1
Real net wage index (year-on-year basis; %)															
	103.1	101.9	100.6	103.7	101.3	100.8	104.9 ¹	104.1 ¹	104.3 ¹	106.2 ¹	106.2 ¹	104.2 ¹	107.6	104.7	106.6
Number of registered unemployed persons															
At end of month	114 689	111 542	108 322	105 670	104 414	104 052	107 488	107 687	107 063	102 760	97 769	94 754	92 975	91 202	89 435
Year-on-year changes (%)	83.3	83.1	82.3	80.9	80.2	79.9	81.1	80.7	81.0	80.4	80.1	80.6	81.1	81.8	82.6

¹ Data have been revised.

33. LATVIAN FOREIGN TRADE BALANCE

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

	2012					2013				
	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3			
Exports	6 939.3	1 519.8	1 619.3	1 842.6	1 957.6	1 654.6	1 725.9	1 762.0		
Imports	8 796.7	2 008.4	2 156.2	2 275.8	2 356.2	2 117.2	2 139.3	2 214.6		
Balance	-1 857.4	-488.6	-536.9	-433.2	-398.6	-462.6	-413.4	-452.6		

	2012						2013								
	VII	VIII	IX	X	XI	XII	I	II	III	IV ¹	V ¹	VI ¹	VII	VIII	IX
Exports	557.8	632.3	652.4	697.2	698.3	562.2	533.0	548.1	573.4	597.7	573.0	555.2	544.3	580.4	637.3
Imports	742.5	784.6	748.7	862.3	795.9	698.0	680.9	665.2	771.1	762.5	702.7	674.1	732.0	728.0	754.6
Balance	-184.7	-152.3	-96.3	-165.2	-97.6	-135.8	-147.9	-117.0	-197.7	-164.8	-129.7	-118.9	-187.7	-147.6	-117.3

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2012		2013					
			Q1		Q2 ¹		Q3	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	6 939.3	100.0	1 654.6	100.0	1 725.9	100.0	1 762.0	100.0
Agricultural and food products	1 423.1	20.5	311.9	18.9	312.2	18.1	350.7	19.9
Mineral products	607.3	8.7	128.7	7.8	147.7	8.5	181.8	10.3
Products of the chemical and allied industries	447.6	6.5	116.0	7.0	102.9	6.0	111.9	6.3
Plastics and articles thereof; rubber and articles thereof	210.6	3.0	49.6	3.0	56.6	3.3	55.0	3.1
Wood and articles of wood	1 030.9	14.9	265.4	16.0	296.9	17.2	292.0	16.6
Pulp of wood; paper and paperboard	138.5	2.0	39.0	2.4	36.2	2.1	41.6	2.4
Textiles and textile articles	271.7	3.9	69.0	4.2	76.0	4.4	76.5	4.3
Articles of stone, plaster, cement, glassware and ceramic products	132.0	1.9	33.1	2.0	40.7	2.4	42.1	2.4
Base metals and articles of base metals	970.6	14.0	218.4	13.2	185.1	10.7	181.0	10.3
Machinery and mechanical appliances; electrical equipment	951.1	13.7	257.8	15.6	278.6	16.1	259.8	14.7
Transport vehicles	373.0	5.4	80.0	4.8	84.3	4.9	66.1	3.8
Miscellaneous manufactured articles	183.3	2.6	48.5	2.9	52.6	3.0	54.4	3.1
Other goods	199.6	2.9	37.1	2.2	56.1	3.3	49.2	2.8

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2012		2013					
			Q1		Q2 ¹		Q3	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	8 796.7	100.0	2 117.2	100.0	2 139.3	100.0	2 214.6	100.0
Agricultural and food products	1 356.3	15.4	321.8	15.2	345.4	16.2	356.9	16.1
Mineral products	1 555.9	17.7	409.8	19.4	334.6	15.6	383.7	17.3
Products of the chemical and allied industries	780.0	8.9	211.5	10.0	204.3	9.6	194.8	8.8
Plastics and articles thereof; rubber and articles thereof	453.9	5.2	111.4	5.3	124.1	5.8	131.2	5.9
Wood and articles of wood	139.6	1.6	42.9	2.0	45.3	2.1	42.7	1.9
Pulp of wood; paper and paperboard	187.7	2.1	51.0	2.4	51.6	2.4	56.2	2.5
Textiles and textile articles	370.4	4.2	101.4	4.8	99.9	4.7	108.7	4.9
Articles of stone, plaster, cement, glassware and ceramic products	138.9	1.6	29.8	1.4	39.0	1.8	44.5	2.0
Base metals and articles of base metals	916.2	10.4	201.8	9.5	188.8	8.8	202.3	9.1
Machinery and mechanical appliances; electrical equipment	1 611.3	18.3	360.8	17.0	400.8	18.7	408.6	18.5
Transport vehicles	751.9	8.5	150.7	7.1	176.1	8.2	140.8	6.4
Miscellaneous manufactured articles	190.7	2.2	42.3	2.0	47.1	2.2	50.1	2.3
Other goods	343.9	3.9	82.1	3.9	82.2	3.9	94.1	4.3

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2013														
	Q1					Q2 ¹					Q3				
	Millions of lats			% of the total		Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	1 654.6	2 117.2	-462.6	100.0	100.0	1 725.9	2 139.3	-413.4	100.0	100.0	1 762.0	2 214.6	-452.6	100.0	100.0
EU15 countries	515.4	773.0	-257.5	31.2	36.5	556.3	809.0	-252.7	32.2	37.8	545.8	808.8	-263.0	31.0	36.5
EU27 (EU28 as of Q3 of 2013) countries	1 187.8	1 597.1	-409.3	71.8	75.4	1 235.9	1 738.7	-502.7	71.6	81.3	1 272.7	1 788.4	-515.6	72.2	80.8
incl. Germany	126.9	239.6	-112.6	7.7	11.3	131.8	250.4	-118.6	7.6	11.7	129.5	236.8	-107.3	7.3	10.7
Sweden	88.4	66.6	21.9	5.3	3.1	93.9	79.1	14.8	5.4	3.7	90.5	74.9	15.6	5.1	3.4
UK	50.2	33.1	17.1	3.0	1.6	67.1	32.4	34.8	3.9	1.5	64.0	34.7	29.2	3.6	1.6
Finland	45.5	102.5	-56.9	2.8	4.8	45.1	89.8	-44.7	2.6	4.2	43.2	114.7	-71.5	2.4	5.2
Denmark	77.0	49.0	27.9	4.7	2.3	70.9	48.0	22.8	4.1	2.2	74.9	50.7	24.2	4.3	2.3
Netherlands	34.1	70.8	-36.6	2.1	3.3	38.7	79.2	-40.5	2.2	3.7	36.0	81.0	-45.1	2.0	3.7
Lithuania	273.2	374.2	-101.0	16.5	17.7	287.0	433.7	-146.7	16.6	20.3	324.3	480.2	-155.9	18.4	21.7
Estonia	231.2	170.3	60.9	14.0	8.0	225.4	180.7	44.7	13.1	8.4	222.4	186.2	36.2	12.6	8.4
Poland	100.3	197.9	-97.5	6.1	9.3	104.2	215.5	-111.4	6.0	10.1	119.3	223.2	-103.9	6.8	10.1
CIS	216.3	356.1	-139.8	13.1	16.8	276.6	224.7	51.9	16.0	10.5	275.0	238.1	36.9	15.6	10.7
incl. Russia	152.0	259.8	-107.8	9.2	12.3	202.2	146.4	55.8	11.7	6.8	201.6	138.6	63.1	11.4	6.3
Other countries	250.4	164.0	86.4	15.1	7.8	213.3	176.0	37.3	12.4	8.2	214.3	188.2	26.1	12.2	8.5
incl. USA	19.2	11.9	7.3	1.2	0.6	19.1	15.5	3.6	1.1	0.7	19.9	20.8	-0.9	1.1	0.9
Norway	47.4	10.0	37.4	2.9	0.5	49.8	13.2	36.6	2.9	0.6	44.3	9.5	34.8	2.5	0.4
China	13.0	57.6	-44.5	0.8	2.7	15.3	57.2	-41.9	0.9	2.7	13.0	64.2	-51.2	0.7	2.9

¹ Data have been revised.

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

(at end of period; 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
2012												
VII	237.0	0.9	1.0	455.8	0.2	0.1	50.8	16.1	99.2	17.8	1.4	2.5
VIII	239.6	0.9	1.0	460.5	0.2	0.1	51.2	16.1	99.2	17.6	1.3	2.5
IX	242.9	0.9	1.0	472.9	0.2	0.1	51.2	16.0	98.7	17.4	1.3	2.5
X	251.7	1.0	0.9	501.1	0.3	0.1	50.5	15.9	98.6	17.2	1.3	2.6
XI	263.1	0.8	0.9	485.5	0.2	0.1	49.4	15.7	97.3	16.5	1.2	2.5
XII	267.8	0.9	0.9	451.9	0.2	0.1	47.9	14.1	95.7	14.5	1.2	2.4
2013												
I	265.6	0.9	0.9	465.9	0.2	0.1	48.8	14.2	96.2	13.9	1.2	2.5
II	277.4	0.8	0.8	466.8	0.2	0.1	47.8	13.9	94.6	13.4	1.2	2.4
III	265.1	0.8	0.8	442.2	0.2	0.1	47.0	13.8	94.2	13.5	1.2	2.4
IV	269.8	0.9	0.9	441.3	0.2	0.1	46.6	13.8	94.0	13.6	1.2	2.5
V	276.9	0.8	0.9	436.9	0.2	0.1	42.9	13.8	94.5	13.3	1.2	2.5
VI	279.6	0.7	0.9	410.5	0.2	0.2	41.1	13.5	92.9	13.0	1.2	2.4
VII	271.6	0.8	0.9	421.1	0.2	0.1	40.9	13.5	92.5	12.8	1.2	2.5
VIII	270.2	0.8	0.9	435.7	0.2	0.1	40.9	13.3	91.8	12.9	1.2	2.4
IX	261.5	0.8	0.9	426.5	0.2	0.1	41.0	13.2	90.5	12.7	1.2	2.4

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

(at end of period; 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
2012												
III	406.5	43.4	302.8	381.8	74.3	191.0	3 650.1	745.8	2 321.2	3 432.2	977.1	2 131.6
VI	460.4	49.0	306.3	431.9	108.5	193.8	3 469.8	726.7	2 281.5	3 213.9	894.9	2 044.9
IX	496.6	52.0	343.4	464.9	107.2	224.4	3 437.0	754.2	2 240.3	3 185.2	913.1	2 006.1
XII	515.2	51.4	363.2	485.6	111.4	239.1	3 356.1	711.7	2 215.0	3 125.9	887.3	1 991.0
2013												
III	527.0	66.4	360.1	500.0	124.6	240.0	3 267.2	655.8	2 193.0	3 071.9	894.2	1 949.7
VI	419.8	56.5	269.5	397.0	110.3	243.1	3 211.0	648.9	2 207.1	3 050.4	908.3	1 979.0
IX	434.1	59.9	256.9	404.3	116.1	223.6	3 181.4	607.3	2 240.8	3 028.7	862.7	2 008.4

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

(at end of period; 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
2012												
III	332.2	33.9	119.1	314.2	49.0	132.0	4 078.9	245.9	3 266.2	4 025.0	313.1	3 393.2
VI	319.5	36.1	120.1	302.4	47.0	134.1	3 943.8	235.6	3 176.8	3 890.0	307.1	3 259.9
IX	327.6	34.6	135.0	309.7	50.7	147.1	3 836.5	204.1	3 107.5	3 797.3	301.6	3 158.9
XII	336.3	33.2	158.2	317.8	52.2	168.2	3 746.0	157.4	3 118.4	3 705.6	248.2	3 167.7
2013												
III	342.3	30.5	169.1	324.1	52.4	175.4	3 665.3	148.1	3 032.5	3 626.1	239.4	3 070.9
VI	349.4	29.9	178.3	330.9	53.8	183.2	3 603.4	147.6	2 977.6	3 564.7	242.8	3 007.5
IX	355.6	31.9	209.8	338.0	60.1	210.9	3 532.7	135.3	2 920.5	3 495.7	243.2	2 940.2

Additional Information

General notes

The cut-off date for the information used in this report is 14 January 2014.

The Macroeconomic Developments Report published by Latvijas Banka is based on data provided by the CSB, Ministry of Finance of the Republic of Latvia, FCMC, NASDAQ OMX Riga and Latvijas Banka.

Data sources for charts are EC (Charts 1.1, 1.4, 3.4, 3.5, 4.3, 4.4, 4.9, 4.11–4.13 and 5.5), CSB (Charts 1.2–1.4, 2.12, 3.1–3.4, 3.5, 3.7–3.9, 4.1, 4.1, 4.5–4.8, 4.14, 5.1 and 5.2), Bloomberg (Charts 2.1–2.4), Reuters (Charts 2.7 and 5.3), Latvijas Banka (Charts 2.5–2.7, 2.9–2.21, 4.11, 5.1, 5.2, 6.1–6.4, 7.1 and 7.2), Treasury (Charts 2.8 and 3.10–3.12), Road Traffic Safety Directorate (Chart 3.6), SEA (Chart 4.10) and Food and Agriculture Organisation of the United Nations (Chart 5.4).

Data sources for Statistics tables are Latvijas Banka (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 balance sheet data of Latvijas Banka and information from the financial position reports of other MFIs, prepared using methodology of Latvijas Banka (see Latvijas Banka 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 Latvijas Banka, credit institutions and other MFIs in compliance with the List of Monetary Financial Institutions of the Republic of Latvia compiled by Latvijas Banka. 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, and 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) Assets and liabilities of Latvijas Banka (Table 6), expanding the range of reported financial instruments;
- 2) Aggregated balance sheet of MFIs (excluding Latvijas Banka), i.e. the sum of the harmonised balance sheets of Latvia's MFIs, excluding Latvijas Banka (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. When seasonally adjusting the time series, DEMETRA + Version 1.0.21605 of the programme is used. The following monetary aggregates are calculated and published:

M1 – narrow monetary aggregate, comprising currency in circulation (the lats banknotes and coins issued by Latvijas Banka 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 methodology of Latvijas Banka, 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 calculated on the basis of the methodology of Latvijas Banka and comprising the lats banknotes and coins issued by Latvijas Banka and demand deposits of resident MFIs and financial institutions (overnight deposits) with Latvijas Banka.

M2X – broad money, comprising currency in circulation (the lats banknotes and coins issued by Latvijas Banka 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 Latvijas Banka collects more comprehensive information, the following is also published:

- 1) Aggregated balance sheet of Latvia's MFIs (excluding Latvijas Banka) which is the sum of the harmonised balance sheets (Tables 9ab);
- 2) Information characterising foreign assets and foreign liabilities of MFIs (excluding Latvijas Banka; 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 Latvijas Banka; 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 Latvijas Banka) deposits by currency is provided in Tables 20ab;
- 4) Information characterising the maturity profile and types of MFI (excluding Latvijas Banka) 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 Latvijas Banka) loans by currency is provided in Tables 20cd;
- 5) Information characterising MFI (excluding Latvijas Banka) securities holdings other than shares (Tables 19ab and 20ef);
- 6) Information characterising debt securities issued by MFIs (excluding Latvijas Banka; Table 20g).

Interest rates

In June 2010, Latvijas Banka introduced new methodology for interest rate statistics (see Latvijas Banka Regulation No. 42 "Regulation for Compiling Interest Rate Reports of Monetary Financial Institutions" of 10 September 2009). Using this methodology, credit institutions, branches of foreign credit institutions 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 credit institutions, branches of foreign credit institutions 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 credit institutions, prepared based on the methodology of Latvijas Banka (see Latvijas Banka 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 methodology of Latvijas Banka (see Latvijas Banka Regulation No. 36 "Regulation for Purchasing and Selling Cash Foreign Currency" of 13 May 2009 and the Latvijas Banka 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 credit institutions and branches of foreign credit institutions, reported by transaction type and counterparty, and currency. Non-cash foreign exchange transactions (Table 25) comprise non-cash transactions performed by credit institutions and branches of foreign credit institutions, reported by major currency.

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