

**MACROECONOMIC
DEVELOPMENTS
REPORT 2012**

JANUARY



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Abbreviations

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

Executive Summary

The economic situation in Latvia's major trade partners has been deteriorating since the previous quarter, and significant downward revisions of growth forecast for 2012 have been reported for many of them. The euro area sovereign debt crisis will have a particularly adverse effect on the global growth for the measures taken so far to address the crisis have failed to re-establish financial market confidence. Despite the fiscal consolidation programmes implemented in many countries, confidence has not been restored, and several euro area countries still find it expensive to borrow from markets.

The unfavourable global trends notwithstanding, the pace of growth in Latvian exports has been among the most buoyant in the EU in 2011, suggesting that exporters from Latvia sustained the ability to earn higher income, using competitiveness gains and global price rises for some Latvian export commodity groups even in the face of hiking raw material and energy costs. On account of unfavourable external factors as well as the high base, however, the rate of export growth saw a pronounced decline in Latvia's all major export markets in the second half of the year.

With the assessment of export orders and competitiveness getting worse, the fourth quarter confidence indicators deteriorated, pointing to the producers' pessimistic sentiments about the future outlook. The optimistic attitudes observed in the first half of the year have abated, along with anticipated contractions in demand and tightening of competition in foreign markets.

At the end of 2011 an increase in the lats money market rates was observed in the Latvian financial market. The most significant increase was observed in November due to the tension caused by the suspension of the JSC *Latvijas Krājbanka* operation; moreover, the Treasury also needed lats for lending to the Deposit Guarantee Fund. With the bank liquidity surplus moderating, it is highly unlikely that the lats money market rates will be persistently and sustainably lower than the euro money market rates in the future.

Yields on the government medium and longer-term securities also were on an upward trend at the end of 2011, fuelled by the growing overall uncertainty as a result of euro area problems and the related caution exercised by banks with respect to government financing.

The suspension of the operation of the JSC *Latvijas Krājbanka* and the resulting tension in the financial sector manifested itself not only in a rise in money market interest rates but also in a sharp surge in demand for cash. The annual rate of change of broad money M3, however, gradually declined. At the same time the loan portfolio continued to shrink mostly as a result of a decrease in loans granted in euro, and the current euro area sovereign debt crisis might cause banks to suspend their plans of more active lending to the economy or postpone them until a more distant future.

Overall economic growth in the third quarter remained robust, mostly driven by surging investment and rising private consumption. However, growth deceleration in the above sectors is expected in 2012.

On the one hand, the fall of consumer confidence indicators in October and November and the negative developments in the global and Latvian economy point to a potential deterioration of the situation and decline in consumption growth in the near-term. Moreover, alongside with the expected slowdown in economic growth the savings trend might become more pronounced (the first signs have already surfaced), thus further reducing increase in consumption. On the other hand, the international credit rating agencies have started to downgrade the future outlook for Latvia from positive to stable due to the deterioration of

the global economy. The gradual recovery in lending to competitive projects could slow down again as a result of a rise in uncertainty and tensions in the financial sector, thus also leading to a lower investment level in the economy.

Although production indicators for 2011 confirm stable growth, the data of the EC business and consumer sentiment survey point to a decline in the production capacity utilisation in the fourth quarter. Moreover, although the industrial sentiment indicator has slightly improved in the third quarter, it should be noted that the components of the indicator related to the future development of the sector have deteriorated.

With a stable decline in unemployment rate (although in the last few months of 2011 it has stopped due to seasonal factors) Latvia is gradually giving up its leading position in the EU with respect to the unemployment rate. Unemployment in Latvia declines along with the creation of new jobs. With the total value added expanding faster than employment since the beginning of 2010, labour productivity is on the rise, providing basis for long-term growth of remuneration. Nevertheless, in 2012 the fall in unemployment is expected to be slower than before. First, uncertainty in the external economic environment remains high. Second, there is a risk that the problem of structural unemployment may aggravate in the future. As a result the rate of increase in wages and salaries may exceed productivity growth in some sectors, thus causing pressure on prices.

Annual inflation in Latvia has decreased consistently from August through the very end of 2011. The average annual inflation was supported by the global factors such as high energy and food prices; however, domestic factors, e.g. indirect tax rates changed during 2011 and raising of several administered prices (e.g. electricity prices), also continued to affect annual inflation. In 2012, with the impact of these factors fading, the price rise is expected to moderate, and the external factors (global food and energy price dynamics) will become increasingly predominant in the near future. Inflation expectations lower than those observed a year before will serve as a factor curbing inflation.

To sum up, due to the considerable deterioration of the external environment, the growth forecast for 2012 has to be revised downwards, to 1.3%. The forecast of the average annual inflation for 2012 is 2.4%, with medium-term risks to this forecast being balanced.

Table 1
GDP FORECASTS
(%)

	2011 ¹	2011 ²	2012 ¹	2012 ²
Denmark	2.0	1.5	2.0	1.5
Sweden	3.8	4.4	3.5	3.8
Finland	3.1	3.5	2.5	2.2
Germany	2.5	2.7	2.1	1.3
UK	1.7	1.1	2.3	1.6
Estonia	3.3	6.5	3.7	4.0
Lithuania	4.6	6.0	3.8	3.4
Poland	3.8	3.8	3.6	3.0
Russia	4.8	4.3	4.5	4.1
Euro area	1.6	1.6	1.8	1.1
US	2.8	1.5	2.9	1.8
Total global economy	4.4	4.0	4.5	4.0

Source: *World Economic Outlook* (IMF) April 2011 (1) and September 2011 (2).

1. External Sector and Exports

1.1 External economic environment

With GDP growth decreasing and confidence indicators falling, the economic situation in Latvia's major trade partners has been deteriorating since the previous quarter. The IMF *World Economic Outlook* in September reported downward revisions of growth in 2012 for almost all countries listed in Table 1, except Estonia and Sweden. To a large extent, the outlook for many EU countries will depend on how the euro area sovereign debt crisis is addressed.

In the second quarter of 2011, the euro area annual GDP growth rate was on a downward trend for the second consecutive quarter. The euro area sovereign debt crisis is likely to have an adverse effect on growth in the future as well, for the measures taken so far to address the crisis have failed to re-establish financial market confidence. Despite fiscal consolidation programmes that are implemented in many countries, confidence has not been restored, and several euro area countries still find it expensive to borrow from markets. Banks are also facing problems because of the additional capital requirement and asset write-downs. In major economies of the euro area, including Germany, France and Italy, the surfacing adverse trends are likely to weaken the euro area's overall economic growth outlook for 2012.

In Lithuania and Estonia, the second and third quarters saw the highest GDP annual growth rates of all EU27 countries. The economic recovery in Lithuania got a positive impulse from the reviving domestic consumption and the base effect. Manufacturing, in the meantime, was a primary key driver behind GDP growth in Estonia. Nevertheless, export growth in both countries is decelerating in the face of weakening external demand and deteriorating producer confidence. In addition, given the problems arising from the euro area sovereign debt crisis, the central banks of both Lithuania and Estonia have already revised downwards their GDP growth forecasts for 2012.

Recently, the recovery of the UK economy has been modest. In the third quarter (second quarter in succession), the pace of GDP growth was slowing down. As the progress was anaemic, the Bank of England conducted a very expansionary

monetary policy. Impressive fiscal consolidation and voluminous private sector debt both affected the revival of private consumption adversely.

In Russia, the third quarter annual GDP growth was more buoyant than that of the second quarter. However, given the country's large dependence on the energy sector and the existing political complexity, its economic outlook is surrounded by serious risks. Russia's accession to the WTO in 2012 will increase political and economic transparency, the effects of which are to be seen over a more extended period of time.

As Poland boasted of a stronger domestic demand in this period than its regional counterparties, it was less dependent on exports to the euro area countries. Nevertheless, the euro area sovereign debt crisis continues to weaken the growth prospects for the Polish economy as well. Its annual and quarterly GDP growth rates lost momentum in the third quarter. Moreover, the depreciation of the Polish zloty against the euro has added much uncertainty to the country's economic outlook. Despite the falling value of the zloty, reports from the central bank of Poland admittedly suggest that base rate adjustments are quite unlikely in the upcoming months.

In Scandinavia, the recovery continues to be more successful in Sweden, where the pace of GDP annual growth was 4.6% in the third quarter. Due to deteriorating assessment of the future growth prospects and in the face of persisting low inflation risk, the central bank of Sweden nevertheless cut its refinancing rate by 0.25 percentage point (to 1.75%) in December 2011. Finland, with its GDP annual growth rate of 2.7% in the third quarter, is somewhat lagging behind Sweden. The labour market situation in Finland is quite stable, and the country is not in need of public sector expenditure cuts. Denmark, in turn, recorded a slowdown of 0.3% in the GDP annual growth in the third quarter. Consumer confidence has been undermined by financial market turbulence, weak labour market, dropping real wages and salaries, and stagnation in the housing market; consumption is unlikely to recover soon. Along with the slowdown in global growth, export expansion is expected to decelerate in all Scandinavian countries.

1.2 Latvia's competitiveness and developments in exports

In 2011, the pace of growth in Latvian exports was among the most buoyant in the EU, suggesting that

Chart 1.1
EXPORTS OF GOODS
(annual percentage changes)

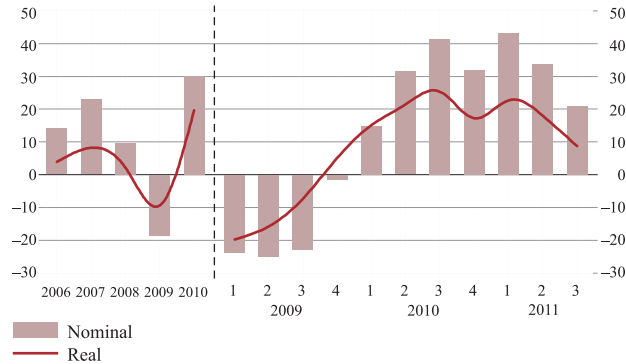


Chart 1.2
LATVIA'S EXPORTS TO ESTONIA AND LITHUANIA AND UNDERLYING FACTORS
(annual percentage changes)

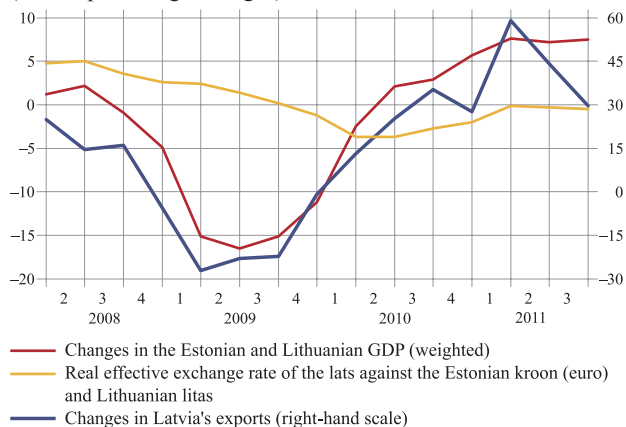
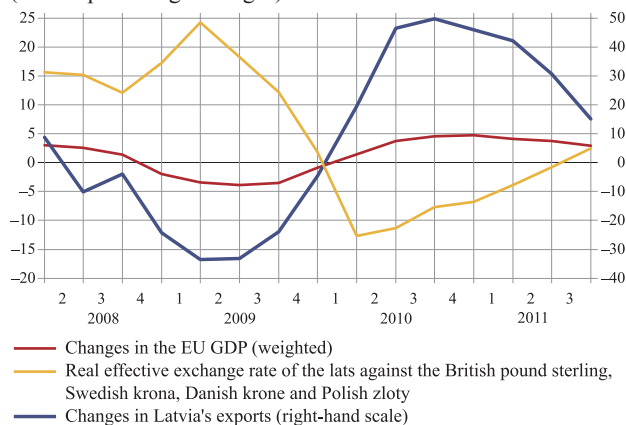


Chart 1.3
LATVIA'S EXPORTS TO THE EU COUNTRIES OUTSIDE THE EURO AREA AND UNDERLYING FACTORS
(annual percentage changes)



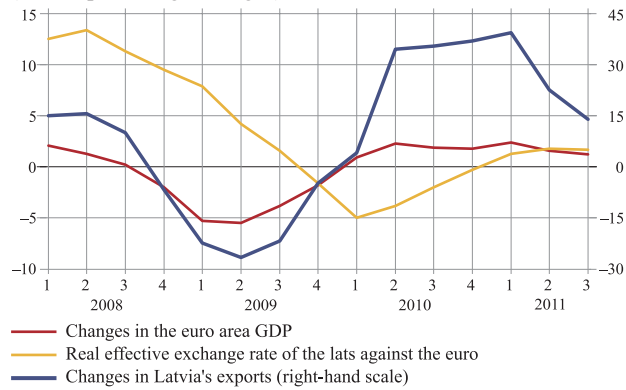
the exporters from Latvia sustained the ability to earn higher income using competitiveness gains and higher global prices for some Latvian export commodity groups even in the face of hiking resources and energy prices. Higher prices for main export commodities in foreign markets drove increases in real exports by 3.5% quarter-on-quarter and 8.7% year-on-year. Nominal exports grew as well (by 3.8% and 20.9% respectively; Chart 1.1). The relatively high base of 2010 determined a decrease in the annual growth rate of both nominal and real exports. Such a trend of decelerating export growth is similarly pronounced in all major export markets of Latvia (see Charts 1.2–1.5).

According to WTO data, Latvia's shares in global export markets continued to expand in the third quarter even faster than those of the other countries that acceded to the EU at the same time (see Chart 1.6). Rising uncertainty associated with the euro area sovereign debt crisis started to affect adversely Latvia's major export markets as well, primarily the EU countries, where economic activity slowed down. Therefore Latvia's efforts to expand its markets, raise the ability to compete and augment its export value not only in the EU countries but also in CIS, Asia and elsewhere deserve a positive assessment. Even though Asia accounts for a small share in the Latvian export structure, its recent growth has been substantial (from 3.0% in 2007 to 7.4% in first nine months of 2011).

With the assessment of export orders and competitiveness getting worse, the fourth-quarter confidence indicators deteriorated. This is indicative of producers' pessimistic sentiments about the future outlook, and the optimistic attitudes that were observed in the first half of the year have abated along with eventually anticipated contractions in demand and tightening of competition in foreign markets.

A further expansion of exports will most likely be negatively affected by the contraction in global demand, deterioration of confidence, deceleration in EU progress, risks of double-dip global recession that are amplifying in several countries and those posed by intensifying global imbalances. It is a positive trend that most of fast-growing economies continue on a sustainable growth path, e.g. the domestic demand is resilient in most Asian countries. Thus, maintaining export expansionary dynamics will depend on opening new markets and expanding the current ones in countries outside the EU, e.g. in CIS

Chart 1.4
LATVIA'S EXPORTS TO THE EURO AREA COUNTRIES
AND UNDERLYING FACTORS
(annual percentage changes)



and Asia, where export performance has been positive for some of the Latvian exporting companies. The role played by Russia in such segments of Latvian exports as agriculture and food products, machinery and electrical equipment, etc. will continue to increase as well.

Chart 1.5
LATVIA'S EXPORTS TO RUSSIA AND UNDERLYING
FACTORS
(annual percentage changes)

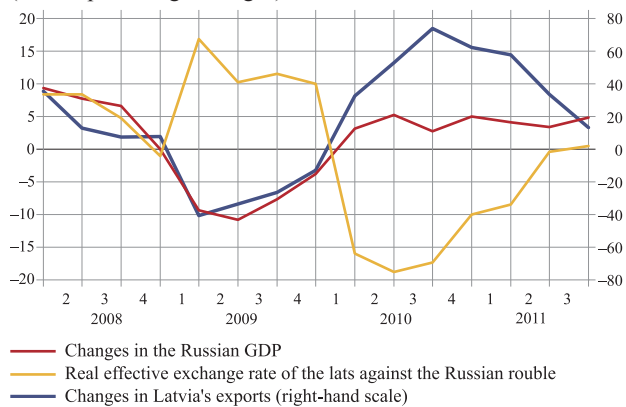
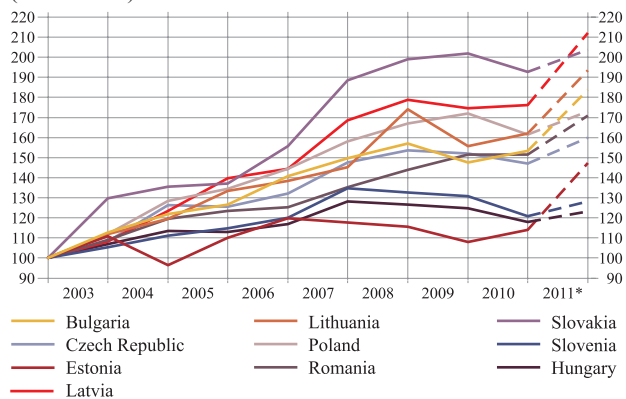


Chart 1.6
COUNTRY GOODS EXPORT SHARES IN GLOBAL
EXPORTS
(2002 = 100)

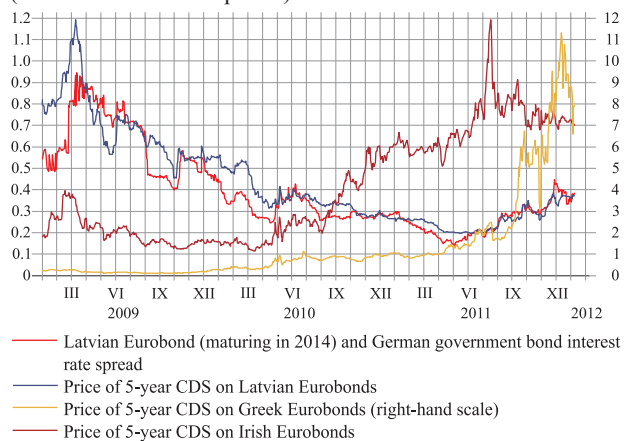


* Averages for the first nine months of 2011.

2. Financial Market Developments

2.1 Foreign financial markets

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



Between mid-September and mid-January, the financial market tensions continued to escalate, with market participants deeply concerned about sustained high sovereign debt levels in some euro area countries and eventual losses of the euro area banks due to the falling value of government bonds (see Chart 2.1). As many euro area countries and banks will have to refinance a major part of their debt in 2012, tensions are likely to linger also in the near future.

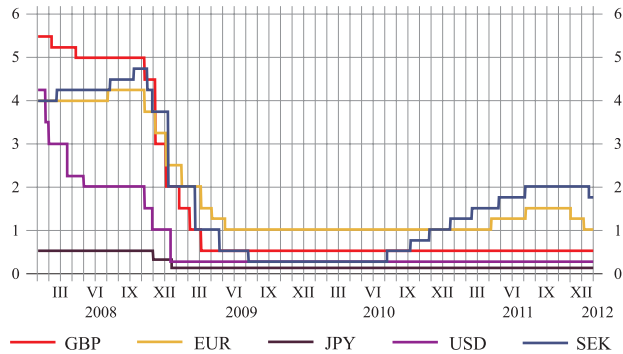
With market risk aversion rising, the euro area banks found it difficult to attract financing. In the face of weak market activity, bank new bond issues remained moderate. The widening spreads of unsecured and risk-free market interest rates mirrored a further escalation of money market tensions. The financial market problem spillovers to the real sector in the euro area became more pronounced. The euro area banks had notably tightened the lending standards as early as the third quarter, giving limited access to financing and its high costs as well as a downgraded GDP growth outlook for the euro area as causes for such behaviour.

The euro area and world leaders are in active search for the solutions to the two-year old euro area sovereign debt crisis. The agreement on a variety of measures, such as voluntary investor commitment to lower Greece's sovereign debt to more sustainable levels, boosting the European Financial Stability Facility firepower to 1 000 billion euro, increasing the EU27 Tier 1 capital adequacy ratio to 9% by 1 June 2012, etc., which was reached on 27 October 2011, generated some short-lived optimism among market participants. The positive market sentiments soon after the reaching of this agreement were smothered by Greek Prime Minister's announcement of the need to hold a referendum on the bailout package. In other euro area countries like Italy and Belgium, the financial turmoil went hand in hand with political instability. In order to address the debt crisis, most EU countries have more actively been involved in the preparation of an agreement on tighter fiscal policy and its stronger coordination since the EU December summit.

The financial market situation in Europe and its impact on the euro area real sector affected the

Chart 2.2

BASE RATES
(%)



decisions taken by the ECB, which, on the grounds of weaker inflation pressures anticipated in the medium-term in the euro area, lowered the key ECB interest rates by 25 basis points in November and December, to 1.00% (see Chart 2.2). Market participants are expecting another lowering of key interest rates in the first quarter of 2012. Between October and November, the ECB resolved on a number of measures to enhance market liquidity, thus giving support to the euro area banks. Major ECB decisions included the initiation of the second covered bond purchase programme worth 40 billion euro, conducting of refinancing operations with a maturity of 36 months of unlimited resources to euro area banks, reduction of the bank reserve ratio from 2% to 1%, and measures to increase collateral availability. The operation offered by the ECB with a maturity of 36 months was highly demanded by some euro area banks in December, therefore the first 3-year LTRO allotted on 21 December 2011 amounted to 489.2 billion euro (including the shift of all the outstanding amounts received in the 12-month LTRO allotted in October 2011). Market participants expect the ECB to proceed with expansionary monetary policy also in 2012. Despite such solid measures implemented by the ECB, the prospects for the euro area growth in the near future are quite gloomy.

The FRS has decided to keep the US dollar base rates on hold at the present level over a longer period of time. The FRS intends to release the US dollar base rate forecasts starting with 2012. The Bank of England took financial market participants unawares by announcing a 75 billion British pound sterling boost (to 275 billion pounds) to its asset purchase or quantitative easing programme on 6 October. In order for the banks to gain easier access to the US dollar liquidity, six major world banks, the FRS, the ECB and the Bank of England among them, on 30 November confirmed their joint action to lower the pricing on the existing temporary US dollar liquidity swaps and extended the deadlines.

The stock prices in Europe and the US were volatile from September to mid-January, yet on the whole the trend was moderately upward. The stock price increases were underpinned by the decisions for the solution to the euro area crisis taken by governments and central banks as well as the recent and better-than-expected performance of the US economy. Oil prices remained at rather high levels primarily on account of oil production disruptions due to geopolitical reasons.

With market participants re-orienting to safer assets and the FRS focusing more on long-term bonds,

Chart 2.3
EUR/LVL INTERBANK MARKET RATE AND FOREIGN EXCHANGE TRANSACTIONS

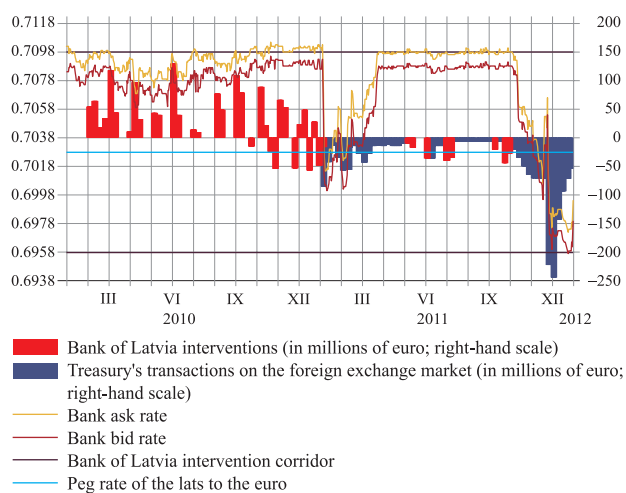
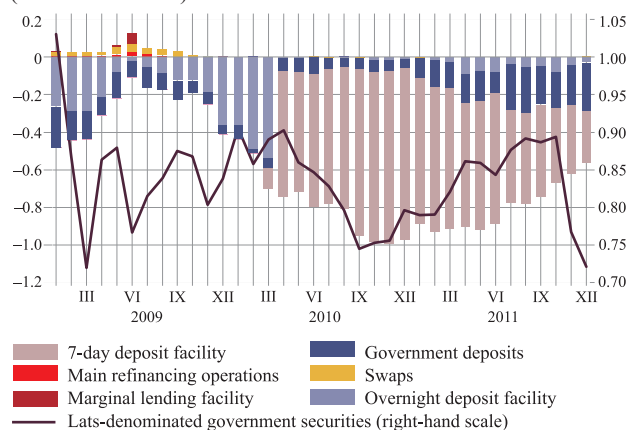


Chart 2.4
AVERAGE BALANCES OF THE BANK OF LATVIA'S MONETARY OPERATIONS AND GOVERNMENT LATS DEPOSITS (in billions of lats)



the 10-year US government bond yield dropped somewhat (by 0.1 percentage point, to 1.9%). In the meantime, as countries in the euro area worried about the effects on their credit ratings due to the euro debt crisis, 10-year government bond yields remained unchanged overall or even rose for some countries with the highest AAA credit ratings. For instance, the 10-year German government bond yield remained at the 1.8% level, while that of France increased by 0.6 percentage point (to 3.3%). In some euro area countries with sovereign debt and budget deficit at a high level, the spread between 10-year government bond yield and the respective 10-year German government bond yield expanded somewhat. As market participants were concerned about the euro area growth prospects and the interest rate spread between the US dollar and the euro narrowed, the euro depreciated notably against the US dollar (from 1.38 to 1.28).

2.2 The Bank of Latvia's operations and bank liquidity

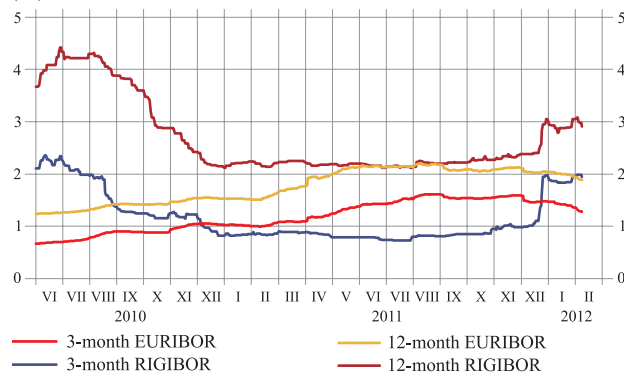
In September–November bank liquidity surplus continued on its downward trend. One of the major liquidity-reducing factors was euro purchases for lats from the Bank of Latvia in September and October. In November and December the Treasury increased the amount of foreign currency offered to banks, hence they had no need to request additional amounts of foreign currency from the Bank of Latvia (see Chart 2.3). In view of the fact that at the beginning of 2012 the amount of foreign currency offered by the Treasury decreased in comparison with November and December, banks are likely to engage in foreign exchange spot transactions with the Bank of Latvia in 2012.

The Bank of Latvia left the refinancing rate (3.5%), deposit facility rate and marginal lending facility rate unchanged, considering medium-term risks to price stability to be limited. As banks continued to buy foreign currency, the average Bank of Latvia's overnight and 7-day deposit facility saw a further decline (410.1 million lats in November or 23.6% down in comparison with August). There was no demand in the main refinancing operations and foreign exchange swap auctions between September and November and no recourse to the marginal lending facility either (see Chart 2.4).

The lats money market rates edged up somewhat. 3-month RIGIBOR rose from 0.83% in August to

1.86% in December, and 6-month RIGIBOR moved up from 1.42% to 2.41% accordingly. A more rapid rise in the quoted rates in comparison with the real transaction interest rates implied that RIGIBOR increased on account of both rational and emotional factors: in some weeks some banks boosted some RIGIBOR quotations every day. The most significant increase in RIGIBOR was observed in November due to the tension caused by the suspension of the JSC *Latvijas Krājbanka* operation; moreover, the Treasury also needed lats for lending to the Deposit Guarantee Fund.

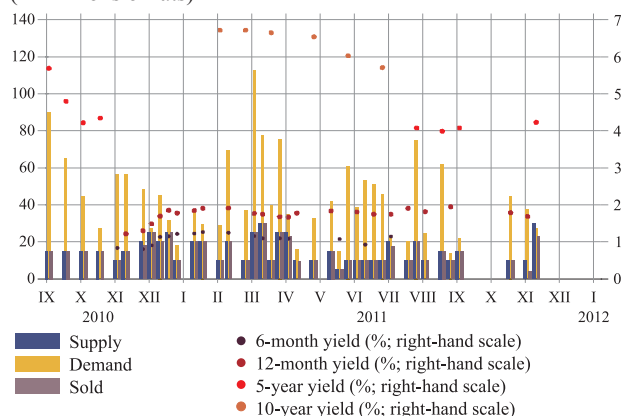
Chart 2.5
THE LATS AND EURO MONEY MARKET RATES (%)



Public confidence in banks also deteriorated and demand for cash increased, resulting in lower balances on bank correspondent accounts with the Bank of Latvia. By the second half of November, 3- and 6-month RIGIBOR were lower than EURIBOR of the respective maturities; then they started to move up, at the end of December standing at 59 basis points and 79 basis points higher than EURIBOR of the respective maturities (see Chart 2.5). There is no indication that money market rates in Latvia will rise substantially in the coming 12 months, unless new turbulences affect banks. Nevertheless, with the bank liquidity surplus moderating, it is highly unlikely that the lats money market rates will be persistently and sustainably lower than the euro money market rates in the future.

2.3 Securities market

Chart 2.6
AUCTIONS OF LATS-DENOMINATED GOVERNMENT DEBT SECURITIES (in millions of lats)



In September–November the Treasury held auctions of 12-month Treasury bills and 5-year Treasury bonds. Supply totalled 67.0 million lats (almost twofold lower than in the previous three months), the bid amount was 133.6 million lats, and the amount sold stood at 54.0 million lats. In view of the fact that in the second week of November the entire amount supplied was not sold, the Treasury suspended organisation of primary auctions by the beginning of January 2012 (see Chart 2.6).

The average yield on 12-month Treasury bills shrank from 1.95% at the end of August to 1.69% at the beginning of November whereas that on 5-year Treasury bonds moved up from 3.99% at the end of August to 4.23% in the second week of November. On the NASDAQ OMX Riga secondary market, the bid yield on long-term Treasury bonds with the longest maturity (maturing in 2021) edged up from 5.80% at the end of August to 6.00% at the end of December. The bid yield on mortgage bonds of the SJSC *Latvijas*

Hipotēku un zemes banka, maturing in 2013, rose from 3.40% to 5.00% respectively. The rise in interest rates was fuelled by the growing overall uncertainty as a result of euro area problems and the related caution exercised by banks with respect to government financing.

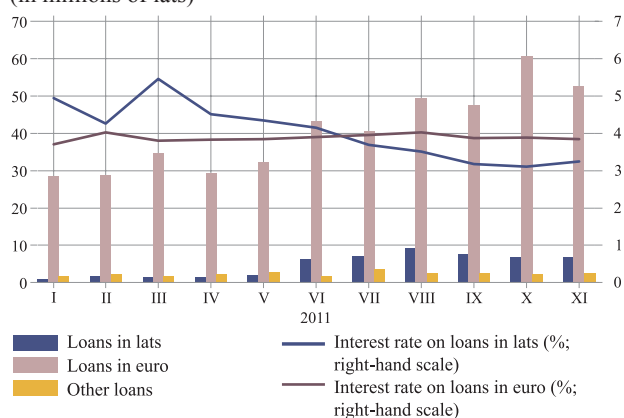
According to Bloomberg, the bid rate of the latest issue of Latvian government Eurobonds denominated in US dollars and maturing in 2021 increased from 5.35% at the end of August to 6.34% at the end of December. The spread vis-à-vis the benchmark widened from 312 basis points to 446 basis points: Latvia's risk levels increased on account of uncertainty regarding sovereign debt crisis in Europe while the US government debt securities remained safe haven in turbulent times.

NASDAQ OMX Riga share price index OMXR depreciated by 7.8% between the end of August and December. The Baltic share price index OMXBGI depreciated by 15.6%, the European stock market index Dow Jones EURO STOXX 50 picked up 0.6% and the US stock market index Standard & Poor's 500 moved up 3.2%. It was typical stock price development during financial crisis when the emerging markets are more vulnerable due to lower scale and liquidity in comparison with the developed countries and thus are more subject to fluctuations. Uncertainty in the global financial markets played the decisive role in the stock price developments in NASDAQ OMX Riga, with the performance indicators reported by Latvian companies having a relatively less important impact. Overall, for the first three quarters Latvian companies posted better performance indicators than a year ago; however, this factor could not push up the stock index.

2.4 Interest rates

In August through October interest rates on new loans to non-financial corporations tended to decline as a result of both moderating money market interest rates and more favourable lending terms and conditions for businesses. In November, however, with banks exercising more caution and reassessing borrower-related risks, the spreads over the money market indices for loans to non-financial corporations granted in euro widened. Thus the fall in EURIBOR caused as a result of the ECB decisions could only partly offset the rise in the spread. The accelerated increase in the lats money market interest rates in November notwithstanding, interest rates on small and medium-

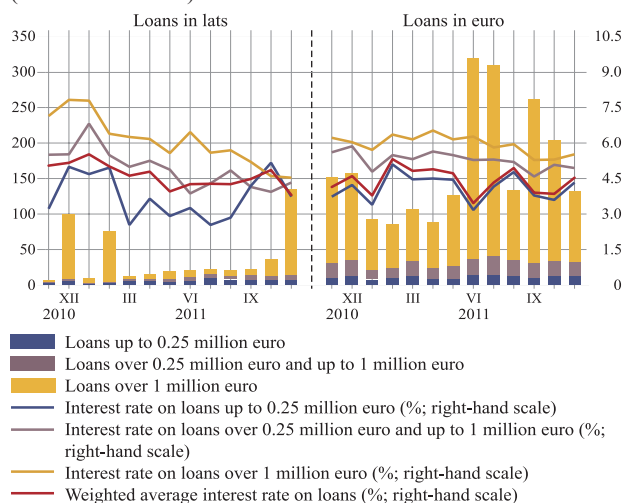
Chart 2.7
NEW LOANS GRANTED TO HOUSEHOLDS FOR HOUSE PURCHASE AND INTEREST RATES ON SHORT-TERM LOANS
(in millions of lats)



sized loans granted to non-financial corporations rose at a much slower pace on account of lower lending activity during the period of RIGIBOR increase, as well as the banking practice to level out interest rates on loans in the periods of high and unpredictable fluctuations of money market rates.

In August through October interest rates on loans to households for house purchase granted in euro followed an evident downward trend, posting a relatively moderate rise in November. Hence in three months floating interest rates on new loans in lats granted to households for house purchase as well as interest rates on loans with the initial rate fixation period of up to 1 year declined by 0.3 percentage point, down to 3.2%, and those on the respective loans in euro shrank by 0.2 percentage point, to 3.8%. Interest rates on loans to households for house purchase granted in lats still remained more favourable than those granted in euro – they only partly followed the rise in the lats money market rates observed in November (see Chart 2.7). In November the spread between the effective and simple interest rates on loans granted to households for house purchase widened rapidly, pointing to the fact that banks have increased other new loan costs (fees for execution and disbursement of the loan) which are not related to bank margins. Interest rates on loans to households for house purchase with the initial interest rate fixation period from one year to five years also moved up notably, indirectly suggesting a likely possibility that the interest rate downward trend might reverse in the coming months. In August–October the floating interest rates on consumer credit granted to households also recorded a decline whereas November saw a minor increase.

Chart 2.8
NEW LOANS GRANTED TO NON-FINANCIAL CORPORATIONS AND THEIR INTEREST RATES
(in millions of lats)



Floating interest rates on new loans in lats granted to non-financial corporations as well as interest rates on loans with the initial rate fixation period of up to 1 year remained broadly unchanged while the respective interest rate on loans granted in euro shrank by 0.3 percentage point (from 4.9% in August to 4.6% in September; see Chart 2.8).

Interest rates on new time deposits were sustainably low in August–October. In November when the JSC *Latvijas Krājbanka* liquidation was a topical issue, the interest rate on deposits received from households in lats surged rapidly while interest rates on deposits received from households in euro and those on deposits received from non-financial corporations remained broadly unchanged.

Chart 2.9

ANNUAL RATE OF CHANGE IN MONETARY AGGREGATES (%)

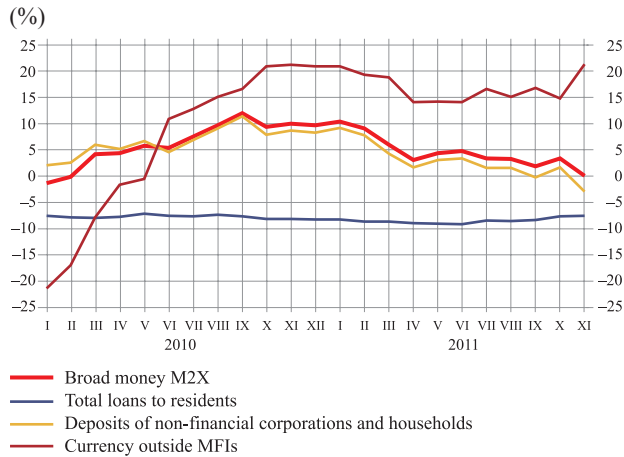


Chart 2.10

ANNUAL RATE OF CHANGE IN RESIDENT DEPOSITS (%)

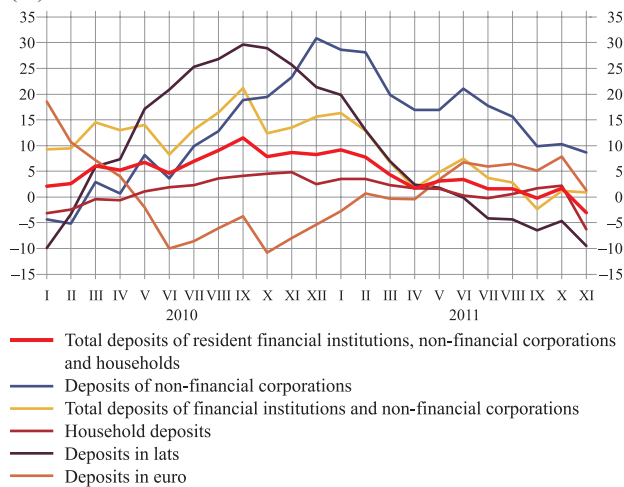
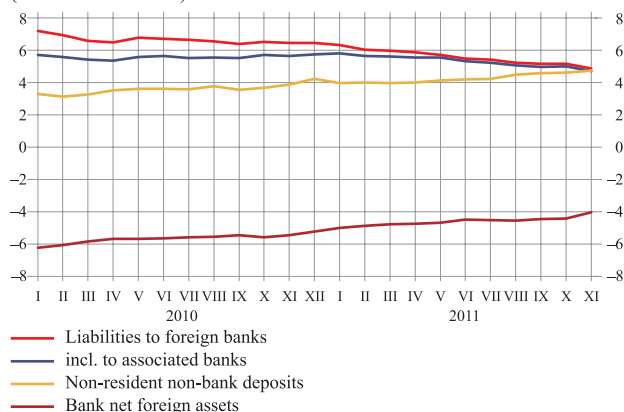


Chart 2.11

FOREIGN LIABILITIES OF BANKS (in billions of lats)



2.5 Money supply

The gradual intensification of external market tensions, the political uncertainty related to the extraordinary elections of the Saeima and uncertainty with respect to the budget for 2012 hindered the growth in savings in the autumn months. Therefore, the level of deposits received by banks was low and the overall money supply declined. The situation in the Latvian economy remained broadly stable; however, the suspension of the operations of the JSC *Latvijas Krājbanka* intensified the tensions in the financial sector, reducing excess liquidity, pushing up the money market interest rates and increasing the demand for cash sharply.

Thus, currency in circulation exceeded the level recorded in August by 7.8% at the end of November, and the annual rate of growth rose from 15.2% in August to 21.4% in November. The annual rate of increase of the broad money M3 moderated gradually (2.3% in November). Overall, the dominance of demand deposits strengthened, whereas the share of time deposits with banks shrank notably (see Chart 2.9). The pickup in the monetary aggregate, comprising demand deposits and cash, suggested that the market players' willingness to make provisions in the period of bank shocks was decreasing.

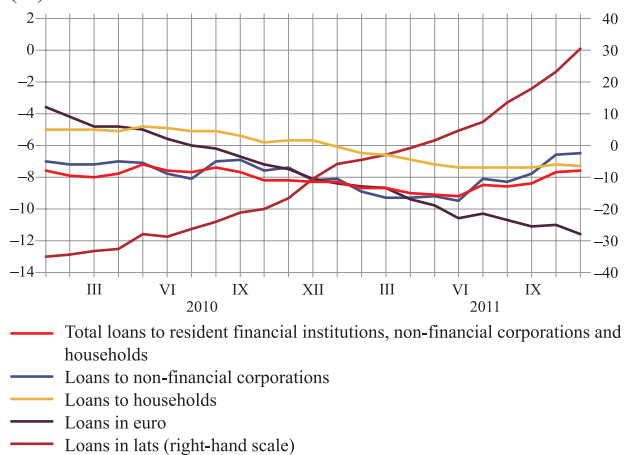
In September–November, deposits by resident financial institutions, non-financial corporations and households contracted by 4.6%, whereas the annual rate of decrease in resident deposits amounted to 3.0%. With a decline in deposits with maturity of up to two years persisting, their annual rate of decrease amounted to 27.0% in November. Long-term deposits posted a slight increase of 2.6% in the last three months. Deposits in euro shrank by 6.8% in this period and deposits in lats – by 4.1%, whereas those in other currencies expanded by 4.9%. In the last three months deposits of non-financial corporations and households contracted by 1.7% and 7.2% respectively (see Chart 2.10).

The contribution of non-resident non-banks in the funding for banks widened slightly – the share of resident deposits in financing loans granted to residents narrowed from 46.3% in August to 44.6% in November, along with a decrease in the funds received from foreign parent banks and an increase in non-resident non-bank deposits (see Chart 2.11).

Improvement in the competitiveness of Latvian businesses and the positive dynamics of exports

Chart 2.12

ANNUAL RATE OF CHANGE IN LOANS TO RESIDENTS (%)



promoted the cooperation between banks and businesses. In September and October, further increase in loans to non-financial corporations persisted, this rise being mainly attributable to the short-term loans granted in lats. The aggregate loans continued to shrink as a result of gradual repayment of household loans; however, the annual rate of decrease of banks' loan portfolio in November (7.6%) was the lowest in the last 15 months. Overall, in September–November bank lending to the private sector contracted by 1.2% – at a more moderate rate than in the previous three months. Deterioration of the confidence in euro and the development trends of the lats interest rates accelerated the expansion of the lats loans.

The recovery of lending to non-financial corporations in September and October (despite a decrease in November) resulted in a slower decline in loans granted to non-financial corporations in the last three months (0.4%), along with loans granted to households shrinking by 1.9% (see Chart 2.12). In the breakdown by sector in the last months, credit investment posted a particularly rapid increase in woodworking (44.3% in September and October), energy (36.8%), manufacture of food products (6.4%) as well as several other sectors (crop and animal production, sale of motor vehicles, mining, etc.). In most of these sectors, the annual rate of growth in loans was also positive.

Overall, the loan portfolio continued to shrink as a result of a decrease in loans granted in euro, whereas the loan portfolio in lats and loans granted in US dollars (to some extent) also posted a rapid increase on account of both loan refinancing and granting new loans. In September–November, loans granted in euro shrank by 2.7%, while their annual rate of decrease amounted to 11.6%. At the same time, loans granted in lats increased by 11.4%, with the annual growth rate reaching 30.5%, whereas loans granted in other foreign currencies grew by 3.6% (the annual rate of growth in November – 15.9%). The share of loans granted in lats in total domestic loans expanded from 9.4% in August to 10.6% in November.

Adequate placement of resources in profitable projects became increasingly topical for credit institutions, and that would imply higher banks' interest in the most competitive sectors of the economy under normal circumstances, but the future outlook is significantly affected by the risks related to the slowdown of the economic growth in 2012. If these risks materialise, income from exports will decrease and the recovery

of economy will slow down, thus money supply, including deposits, is likely to decline. Money supply aggregates will also be affected by bank shocks at the end of 2011, therefore the share of cash in the total amount of money is expected to be higher for some time, whereas the dynamics of deposits will depend on the solutions in the JSC *Latvijas Krājbanka* insolvency case and also the course of repayment of guaranteed deposits.

Strengthening of the macroeconomic stability by successfully implementing the approved budget for 2012, is an essential prerequisite for further economic growth. Moreover, in the context of the intensifying EU sovereign debt crisis, possible solutions should be sought already now to be able to implement additional fiscal consolidation in spring if necessary, and the opportunities of formulating balanced budget in the coming years should be assessed.

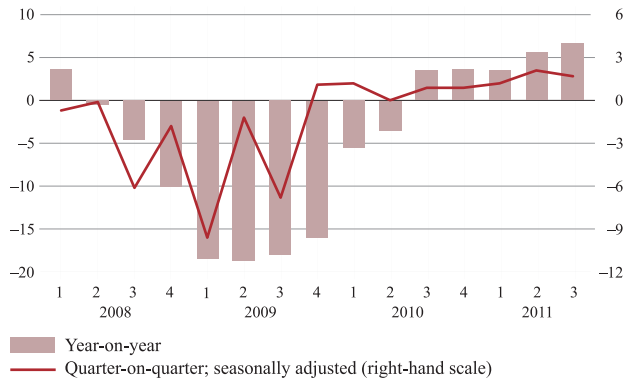
Table 2
MONETARY AGGREGATES
(quarterly figures are averages)

	Outstanding amount as percentage of M3 2011 XI	Annual growth rates (%)									
		2010	2011								
		Q4	Q1	Q2	VII	VIII	IX	Q3	X	XI	
M1	67.5	22.8	24.2	17.6	15.9	17.4	15.6	16.3	14.9	24.5	
Currency in circulation	14.5	21.1	19.8	14.2	16.7	15.2	16.9	16.3	14.9	21.4	
Overnight deposits	53.0	23.2	25.5	18.5	15.7	18.0	15.2	16.3	14.9	25.4	
M2 – M1 (= other short-term deposits)	31.1	-1.3	-5.7	-8.2	-8.7	-10.8	-12.6	-10.7	-10.7	-25.6	
Deposits with an agreed maturity of up to 2 years	27.6	-1.1	-6.4	-9.3	-9.4	-11.7	-13.4	-11.5	-11.2	-27.0	
Deposits redeemable at notice of up to 3 months	3.5	-3.0	1.5	4.5	-1.2	-1.7	-3.7	-2.2	-5.8	-12.8	
M2	98.6	11.1	9.7	5.6	4.8	4.7	2.9	4.1	3.8	2.7	
M3 – M2 (= marketable instruments)	1.4	33.4	7.5	-7.8	-21.1	-25.2	-21.1	-22.5	-19.6	-17.2	
M3	100.0	11.5	9.6	5.3	4.3	4.1	2.4	3.6	3.4	2.3	
Credit to residents		-7.8	-8.1	-8.0	-7.3	-6.8	-6.5	-6.9	-5.9	-6.5	
Credit to general government		-11.8	-13.0	3.2	9.3	18.4	19.2	15.6	17.6	1.8	
Credit to the private sector		-7.7	-7.8	-8.5	-8.0	-7.8	-7.5	-7.8	-6.9	-6.8	
Loans to the private sector		-8.2	-8.6	-9.1	-8.5	-8.6	-8.4	-8.5	-7.7	-7.6	
Longer-term financial liabilities (excluding capital and reserves)		13.5	18.4	-2.2	-12.7	-14.7	-15.9	-14.4	-11.5	-3.5	

Source: Bank of Latvia.

3. Domestic Demand

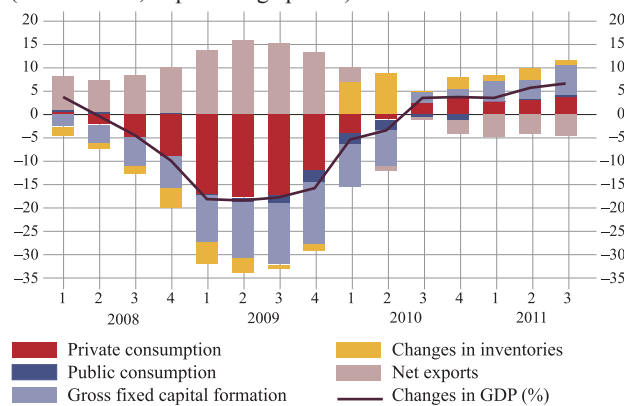
Chart 3.1
CHANGES IN GDP
(at constant prices; %)



GDP data continued to confirm that Latvia was one of the fastest growing economies in the EU. In the third quarter, GDP increased by 1.7% quarter-on-quarter (at constant prices; seasonally-adjusted data) and by 6.6% year-on-year (see Chart 3.1). The surging investment and rising private demand remained the main drivers of the GDP growth (see Chart 3.2).

3.1 Private consumption

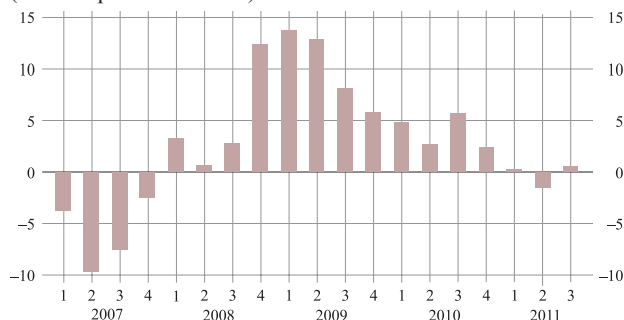
Chart 3.2
BREAKDOWN OF ANNUAL CHANGES IN GDP
(demand side; in percentage points)



Private consumption increased by 5.4% year-on-year in the third quarter. Its growth rate accelerated even despite a higher base (in the second half of 2010, the household spending increased on account of postponed consumption, i.e. more active depletion of the savings accumulated during the previous periods). More recent data, however, point to renewed build-up of savings (see Chart 3.3). Retail trade data demonstrate that the rise was mainly supported by the demand for durable goods, whereas the demand for consumer non-durables started to recover only in mid-2011 (see Chart 3.4).

The results of the CSB survey on changes in household wealth suggest that the financial wealth of households improved in the third quarter. The number of respondents stating that their welfare deteriorated in the last 12 months was significantly smaller (see Chart 3.5). The number of households with no financial savings has also decreased.

Chart 3.3
SAVINGS
(% of disposable income)



The fall of consumer confidence in October and November and the negative developments in the global and Latvian economy point to a potential deterioration of the situation in the near-term (see Chart 3.6). On the one hand, the decline of the consumer confidence was affected by political processes: household optimism strengthened in the run-up to the elections and waned afterwards in the process of government formation. On the other hand, November data on consumer confidence still exclude the influence of suspending the operations of the JSC *Latvijas Krājbanka* and the associated deterioration of the confidence in banks.

Overall, the recovery of private consumption was sluggish as a result of the weak purchasing power and high household debt. Rising employment and average wage and salary support an increase in the disposable income; nevertheless, the tax raises and higher global prices (particularly on food) continue to dampen any

Chart 3.4
CHANGES IN PRIVATE CONSUMPTION AND RETAIL
TRADE TURNOVER
(year-on-year; %)

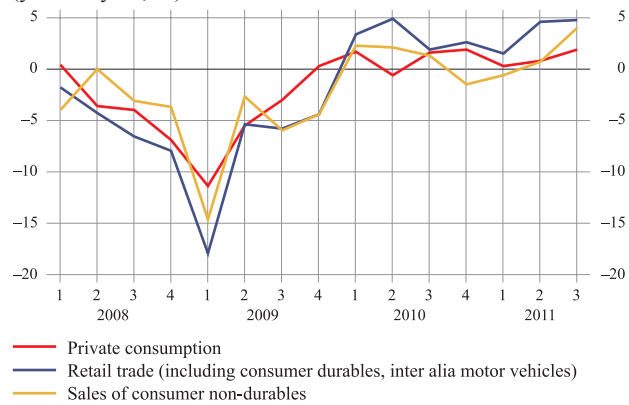


Chart 3.5
SHARE OF HOUSEHOLDS REPORTING
DETERIORATION OF WELFARE IN THE LAST
12 MONTHS
(%)

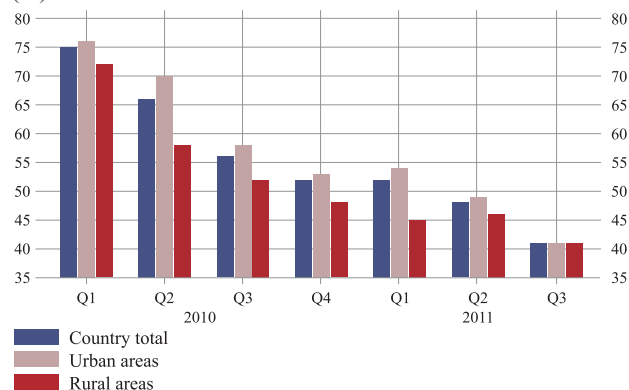
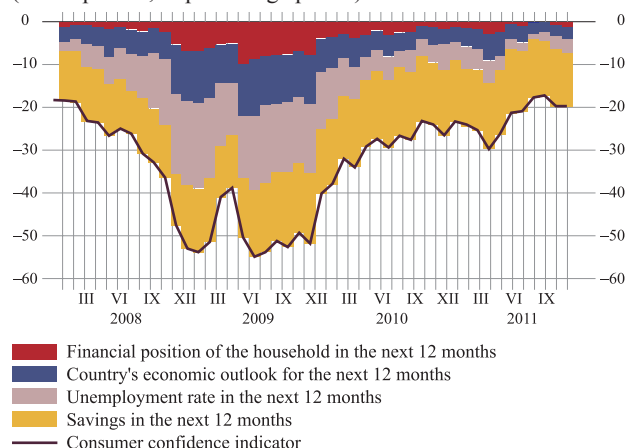


Chart 3.6
CONSUMER CONFIDENCE INDICATOR AND
UNDERLYING FACTORS
(net responses; in percentage points)



improvement in the purchasing power of households. The impact of taxes and price hikes will abate in the future, yet the recovery of the private consumption will be slowed down by the decelerating global economic growth.

3.2 Private investment

Gross fixed capital formation experienced a leap in the third quarter of 2010 and continued to follow a volatile yet an overall positive trend, thereby achieving a significant annual average growth rate of 25% throughout the first three quarters of 2011 (including a growth rate of 24.4% in the third quarter).

Gross investment also expanded considerably. In the third quarter of 2009, gross investment amounted to 22% of GDP in nominal terms, whereas in the third quarter of 2011 it was 30% of GDP (including gross fixed capital formation stood at 28%; see Chart 3.7). Investment expanded primarily on account of private investment.

Construction developed very rapidly in the third quarter and also made the largest sectoral contribution on the supply side to the GDP growth. It suggests that quite contrary to the previous quarters when investment grew more on account of the imports of capital goods (technological machinery and equipment), currently construction output (buildings, constructions, roads and other infrastructure) could play a significant role in expanding investment. Statistical data on non-financial investment, however, do not reveal similar developments: the annual growth rate in the category of technological machinery and equipment remained very high (64.2%) in the third quarter, whereas the respective rates in the categories of long-term investment in intangible fixed assets (17.4%) and other fixed assets and inventories (19.1%) were much lower and that in the category of residential and other buildings, constructions and structures was the lowest (9.2%). Moreover, the annual growth in the category of residential and other buildings, constructions and structures has also decelerated in comparison with the previous quarter. A more precise evaluation of these processes might be possible after the release of non-financial investment data on a wider range of companies which are compiled after the end of the reporting year.

Foreign direct investment contributed significantly to investment growth in 2011. Upgrades by international rating agencies played an important role

Chart 3.7
CONTRIBUTION OF PRIVATE AND GOVERNMENT INVESTMENT TO GDP (%)

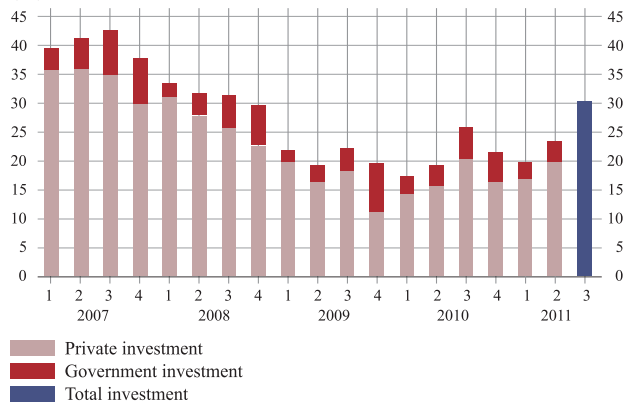


Chart 3.8
ACCRUED BALANCE OF THE CONSOLIDATED GENERAL GOVERNMENT BUDGET BY SUB-BUDGETS (in millions of lats)

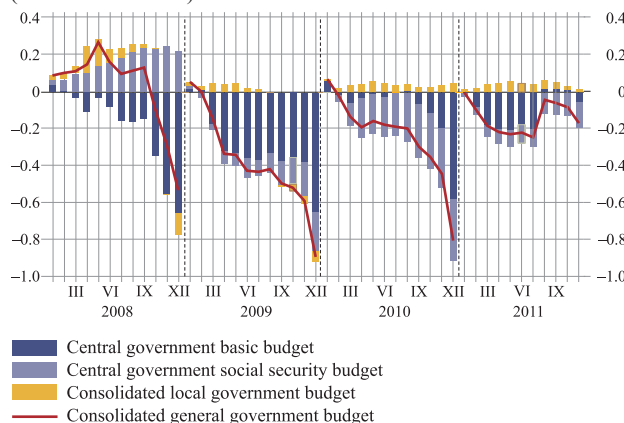
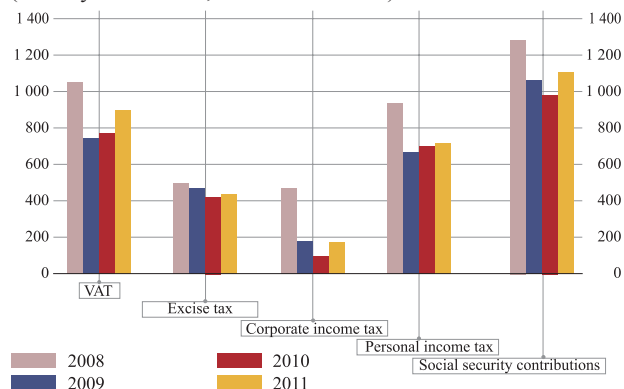


Chart 3.9
SELECTED TAX REVENUE (January–November; in millions of lats)



in improving the attractiveness of Latvia's business environment. Nevertheless, these agencies have started to downgrade the future outlook for Latvia from positive to stable due to the deceleration of the global economy. The gradual recovery in lending to competitive projects could decelerate again as a result of the heightened uncertainty and tensions in the financial sector.

3.3 Government expenditure and budget

According to the information officially released by the Treasury, in the first eleven months of 2011 the deficit of the consolidated general government budget was 273.3 million lats lower than in the respective period of the previous year (see Chart 3.8). Despite growing expenditure, surging tax collections and better absorption of the foreign financial assistance funding resulted in a significant decline in the deficit.

The consolidated general government budget revenue grew by 454.2 million lats year-on-year in the period from January to November. From August 2010 onwards, every month tax collections increased in comparison with the respective period of the previous year. In the first eleven months of 2011, tax revenue exceeded the collections of the respective period of the preceding year by 435.0 million lats, with the most impressive growth being reported for social insurance contributions, VAT and corporate income tax revenues (see Chart 3.9). Revenue from social insurance contributions continued to grow rapidly in the third quarter. Since the beginning of the year, this rise was supported by both changes in legislation (employee contribution rate was increased by 2 percentage points) as well as the strengthening of the labour market (for example, the wage bill increased by 8.7% year-on-year in the third quarter). From the second quarter onwards, the growth rate of tax revenue exceeded that of the nominal GDP (see Chart 3.10). ERDF and Cohesion Fund payments resumed in August following the closure of the gaps identified in the management system of the Latvian Audit Authority. As a result, the absorption of the foreign financial assistance funding has improved significantly (by 11.5% year-on-year in the first eleven months of 2011).

The expenditure of the consolidated general government budget increased practically under all spending items in the period from January to November (by 180.9 million lats year-on-year).

Chart 3.10
RATES OF CHANGE IN NOMINAL GDP AND SELECTED TAXES

(year-on-year; %)

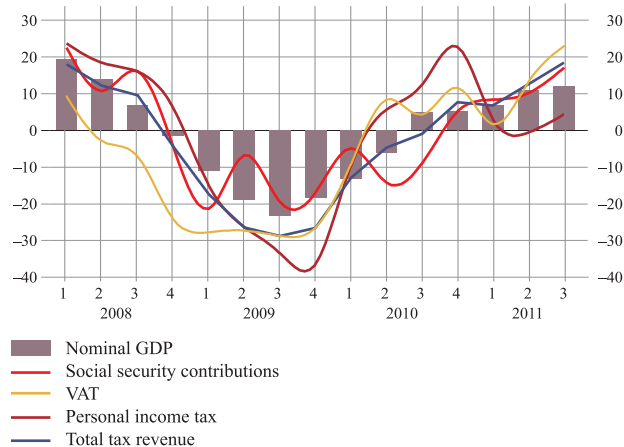
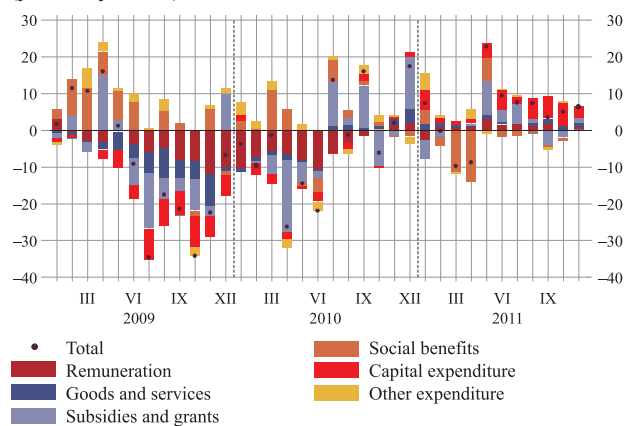


Chart 3.11
RATE OF CHANGE IN CONSOLIDATED GENERAL GOVERNMENT BUDGET EXPENDITURE

(year-on-year; %)



The only item where a decline was observed was expenditure on social benefits (see Chart 3.11). Although the average pension and the number of pensioners continued to grow, the aggregate amount of social benefits decreased under the influence of several other factors. Spending from the pension budget contracted on account of the repayments of the previously withheld pensions in March and April 2010 which increased the expenditure of the first eleven months of the respective year by 65.4 million lats. Disregarding this factor, the 2011 pension budget would have been larger than in the previous year. The declining unemployment also played a major role and reduced the special employment budget spending by 43.0 million lats, whereas a decrease in the number of beneficiaries for maternity and paternity benefits and changes in legislation supported a decline in the special disability, maternity and sicknesses budget spending by 40.1 million lats.

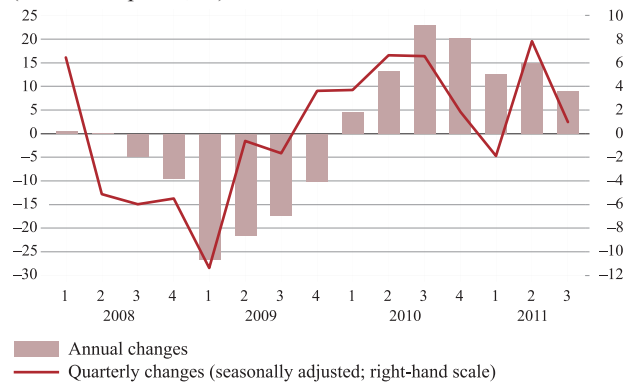
The general government debt stood at 5 309.8 million lats (38.0% of the GDP projected in 2011) at the end of November 2011, with the decrease over the last four months since July totalling 44.6 million lats. The government debt shrank largely as a result of the Treasury repurchasing domestic government bonds from the FCMC in November, in order to ensure the disbursements of guaranteed compensations to the JSC *Latvijas Krājbanka* depositors. The external debt of the central government grew by 49.3 million lats since July due to the US dollar appreciation.

On 15 December 2011, the Parliament of the Republic of Latvia passed the Law "On State Budget 2012" providing for a consolidated general government budget deficit in the amount of 2.1% of GDP according to the ESA 95 methodology. The above target required fiscal consolidation measures totalling 0.8% of GDP, the most sizeable ones being measures to combat the grey economy and road maintenance, public transport etc. subsidy cuts. The fiscal consolidation efforts will have a minor effect on the economic growth.

4. Aggregate Supply

4.1 Industry and construction

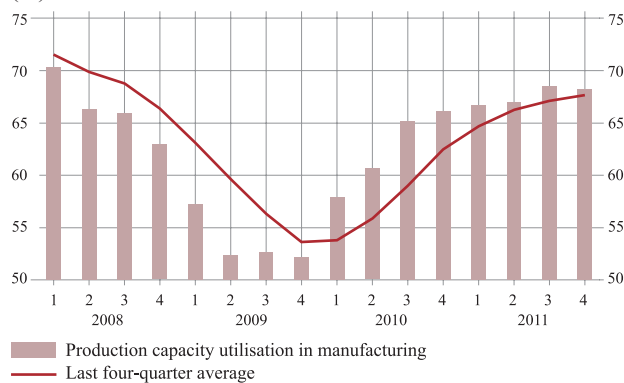
Chart 4.1
DYNAMICS OF MANUFACTURING OUTPUT
(at constant prices; %)



In the third quarter, manufacturing output at constant prices reported a quarter-on-quarter increase of 1.0% and a year-on-year rise of 9.2% (see Chart 4.1). The contribution of manufacturing to the annual GDP growth was 1.2 percentage points. A positive annual rate of increase in fabricated metal products (38.3%), wood and wood products (6.8%), wearing apparel (19.3%) and non-metallic mineral products (12.9%) contributed to the expansion of manufacturing.

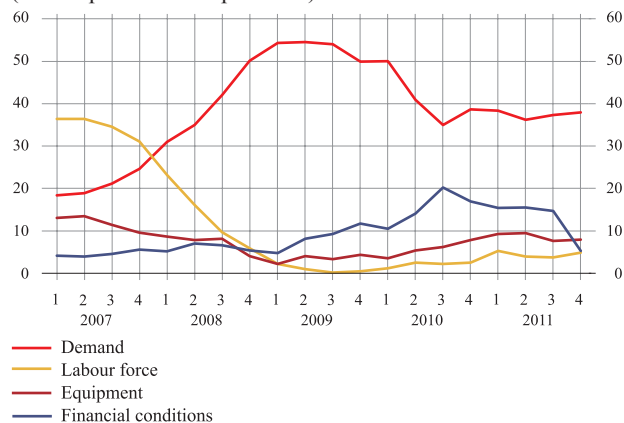
However, both quarterly and annual rates of increase in manufacturing moderated somewhat in comparison with the previous quarters. A substantial decline in manufacturing of chemicals and chemical products (32.0%) contributed to a notable fall in quarterly growth rate, while annual rate of increase decelerated on account of a base effect.

Chart 4.2
PRODUCTION CAPACITY UTILISATION IN MANUFACTURING
(%)



The data of the EC business and consumer sentiment survey point to a decline in the production capacity utilisation in the fourth quarter (to 68.2%; 68.5% in the third quarter; see Chart 4.2). This development suggests a potential decrease in industrial output in the fourth quarter. The situation still differs considerably by sectors. Thus, for instance, production capacity utilisation is 66.3% in manufacturing of food products, in manufacturing of wood and wood products it accounts for 77.7%, in manufacturing of fabricated metal products it stands at 65.3%, while in that of chemical products – at 59.7%.

Chart 4.3
GROWTH-RESTRICTIVE MEASURES IN MANUFACTURING
(% of replies from respondents)



The industrial sentiment indicator aggregated by the EC has improved by 0.4 point in the third quarter, yet it should be noted that the components of this indicator which relate to the future development of the sector (the assessment of the volume of output and sales prices for the coming months) have deteriorated. In the fourth quarter, manufacturers have continuously reported the limited demand to be the major factor hampering growth; however, the number of respondents admitting the absence of substantial growth-restrictive factors has risen notably, whereas the number of respondents opting for funding as the main factor slowing down growth has shrunk considerably (see Chart 4.3).

In view of the global developments (primarily the sovereign debt crisis of the EU Member States), the rate of increase in manufacturing is expected to

Chart 4.4
ANNUAL INCREASE IN TURNOVER AND NEW ORDERS
OF MANUFACTURING

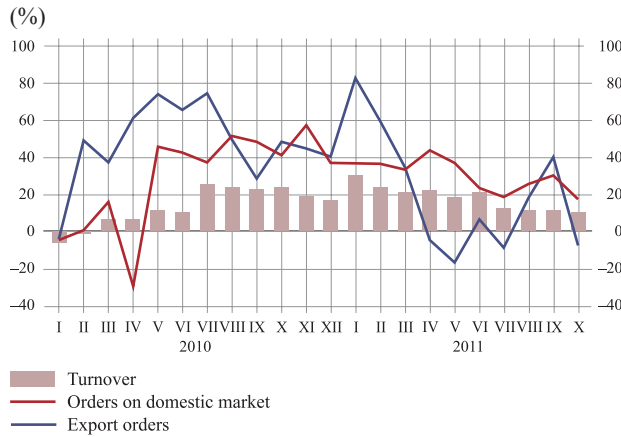


Chart 4.5
CONTRIBUTION OF INDIVIDUAL CONSTRUCTION
OBJECTS TO THE ANNUAL CONSTRUCTION GROWTH
AT CURRENT PRICES
(in percentage points)

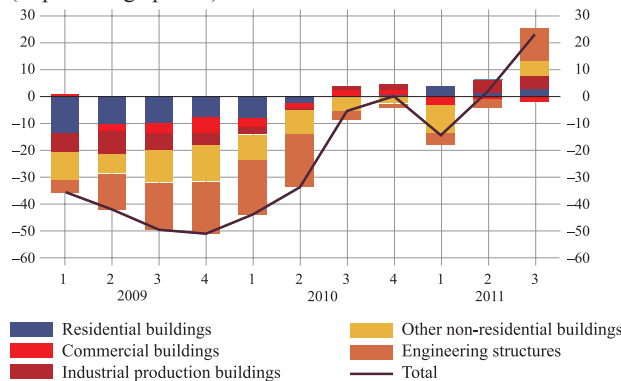
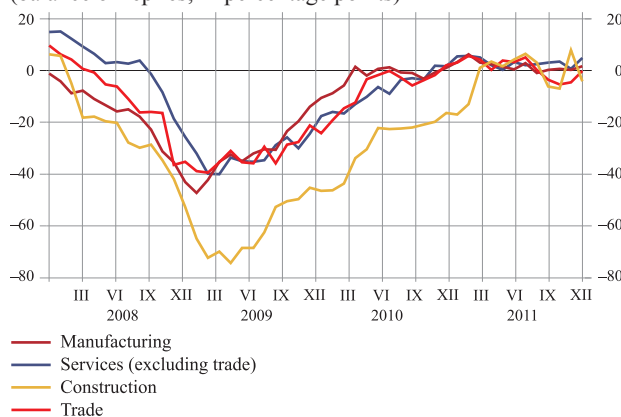


Chart 4.6
DATA FROM BUSINESS SURVEYS ON PROJECTED
3-MONTH EMPLOYMENT DYNAMICS
(balance of replies; in percentage points)



decline in the fourth quarter. Weaker external demand will contribute to the above development. A number of leading indicators already point to a slightly moderating manufacturing output in the fourth quarter (see Chart 4.4). Currently manufacturing in Latvia is more flexible vis-à-vis the volatility of external demand. This is on account of a more diversified range of manufacturing output and expanding range of innovative products.

In the third quarter, the value added of the construction sector rose by 19.6% year-on-year, reporting a quarter-on-quarter increase of 15.1%. The contribution of the construction sector to the annual GDP growth accounted for 1.4 percentage points (the first quarter confirming a positive contribution in the post-crisis situation). The major contributors to the output growth in construction sector were: the construction of roads and railways (the annual rate of increase – 30.4%), construction of industrial production buildings (111.0%), construction of three or more apartment dwelling houses (50.2%) as well as the construction of schools, universities and research institutions (26.6%). Overall, the construction of residential buildings (including also single dwelling houses and two apartment dwelling houses) edged up by 40.4%, that of non-residential buildings rose by 26.6% and construction of engineering structures increased by 19.3% (see Chart 4.5).

The construction sentiment indicator assessed by the EC remained broadly unchanged in the third quarter (improved by 0.2 point; see Chart 4.6). At the same time, the potential area planned in building permits posted a year-on-year rise of 48.5% in the third quarter. This was primarily attributable to the expansion of potential area planned in building permits for the construction of two or more apartment dwelling houses (169.4%) as well as for the construction of industrial production buildings (27.8%). Real sector data do not necessarily reflect statistics of the potential area of the building permits in the subsequent quarters, since the construction process is more time-consuming process. Some projects are likely to be cancelled prior to the construction process. Recently, the dynamics of value added in the construction sector has been very volatile and dependent on the implementation of major projects. Hence it is premature to estimate a potential output growth in construction in the coming quarters.

Chart 4.7
CHANGES IN MAIN TYPES OF SERVICES
(year-on-year; %)

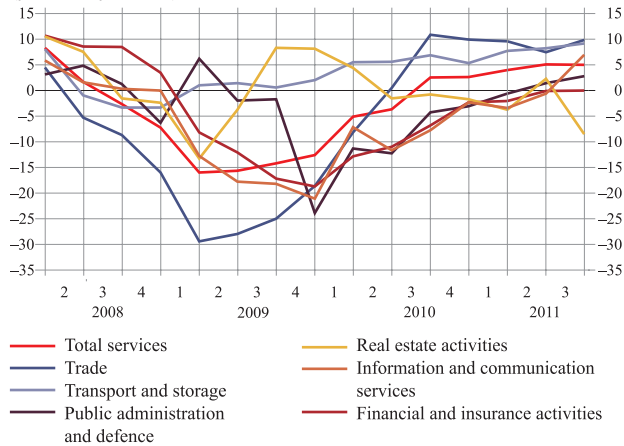


Chart 4.8
CONTRIBUTION TO QUARTERLY RETAIL GROWTH IN REAL TERMS
(in percentage points)

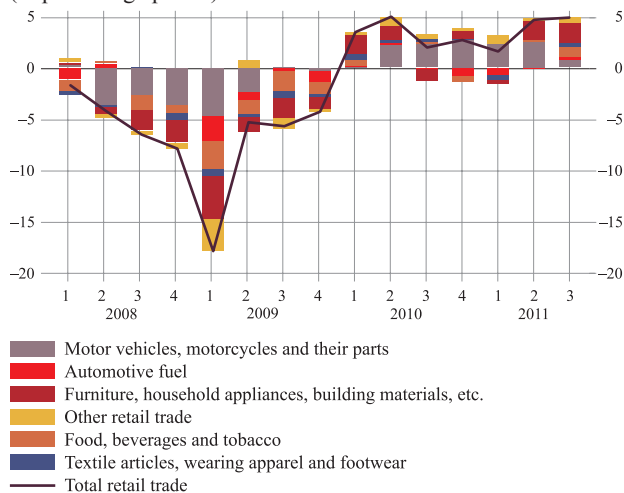
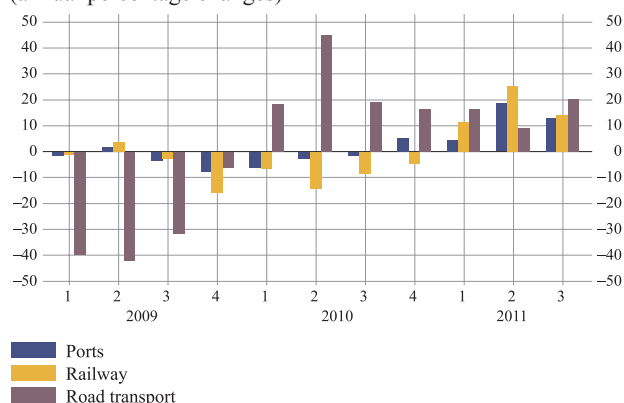


Chart 4.9
FREIGHT TURNOVER
(annual percentage changes)



4.2 Services

In the third quarter, value added in the services sector at constant prices recorded a year-on-year increase of 4.9%. The trade sector (1.8 percentage points), the transport and storage sector (1.1 percentage points), the sector of professional, scientific and technical activities (0.3 percentage point) as well as the hospitality and catering sector (0.3 percentage point) contributed most to the annual GDP growth. Real estate activities exerted a notably negative impact on GDP growth (0.8 percentage point; see Chart 4.7).

Retail trade turnover (including the sale of motor vehicles) continued to edge up in the third quarter: 4.9% in quarterly terms and 14.7% in annual terms (see Chart 4.8). Moreover, the demand for consumer non-durables also strengthened notably in the third quarter contrary to the beginning of the year when the growth was mainly attributable to the demand for durable goods only (motor vehicles, furniture, household appliances and building materials). A downward trend continues only for the sale of automotive fuel. This is associated most likely with the large contribution of the grey economy to the above group of commodities. However, robust retail trade growth is projected to cease in the future. In October, a fall could already be observed in trade, which, in combination with higher household prudence might result in weaker performance already in the fourth quarter and a moderating increase in 2012.

In the third quarter, value added of the transport and storage sector increased by 9.0% year-on-year. Cargoes loaded and unloaded at Latvia's ports in the third quarter accounted for a year-on-year expansion of 13.1% (a quarter-on-quarter drop of 8.7%; see Chart 4.9). The diminishing volume of cargoes loaded and reloaded quarter-on-quarter was primarily attributable to the fall in the volume of liquid cargoes (mostly oil products) at Riga port and Ventspils port. The volume of cargoes loaded and reloaded at Riga port rose by 7.8%, at Ventspils port – by 26.4%, but declined by 1.3% at Liepāja port year-on-year. Preliminary data for October and November point to a continuing expansion of cargoes loaded and reloaded at the ports in the fourth quarter.

The rail freight accounted for 13.3 million tons in the third quarter (a 14.2% year-on-year increase). Acceleration of port activities contributed to an increasing volume of freight transport, thus providing

Chart 4.10
CONFIDENCE INDICATORS OF INDIVIDUAL
SUBSECTORS OF SERVICES
(balances)

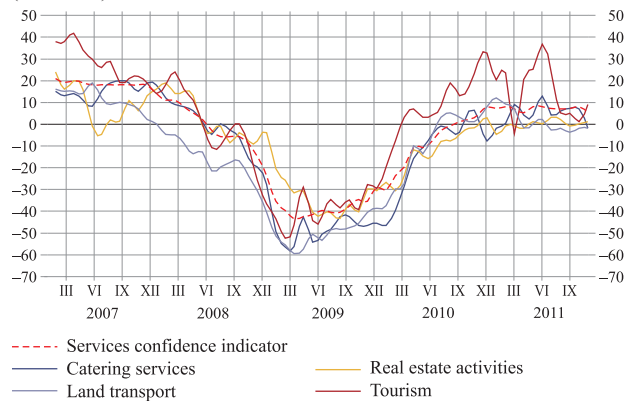
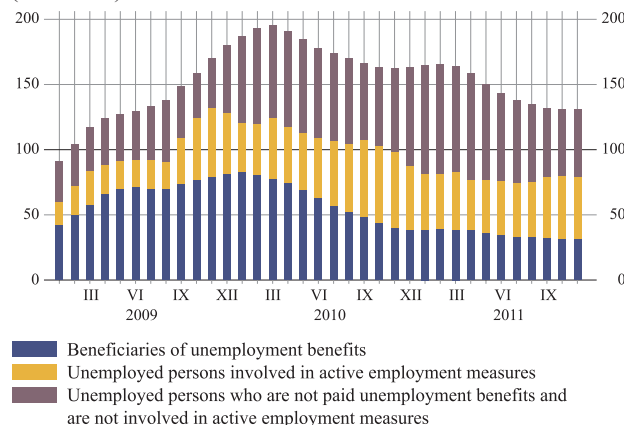


Chart 4.11
BEVERAGE CURVE: NUMBER OF UNEMPLOYED
PERSONS REGISTERED WITH THE SEA AND THAT OF
VACANCIES
(in thousands)



Chart 4.12
NUMBER OF REGISTERED UNEMPLOYED PERSONS
INVOLVED IN ACTIVE EMPLOYMENT MEASURES OR
BENEFICIARIES OF UNEMPLOYMENT BENEFITS
(thousands)



for a rise in rail freight transported to and from ports (by 18.1%). In the third quarter, the volume of freight transportation by road expanded by 20.4% year-on-year (on account of an increase in domestic freight traffic of 18.4% and international freight traffic of 33.2%).

A notable year-on-year growth in volume of oil transportation contributed to a successful development of the transport sector in 2011. Coal prices on the world commodity exchanges are direct drivers of the above development. With the global demand for coal recently decelerating, coal prices have also gradually dropped. This could suggest that the volume of coal transportation might decline somewhat in the quarters to follow. Moreover, the services confidence indicator (see Chart 4.10) does not suggest an improvement of the situation in the near future.

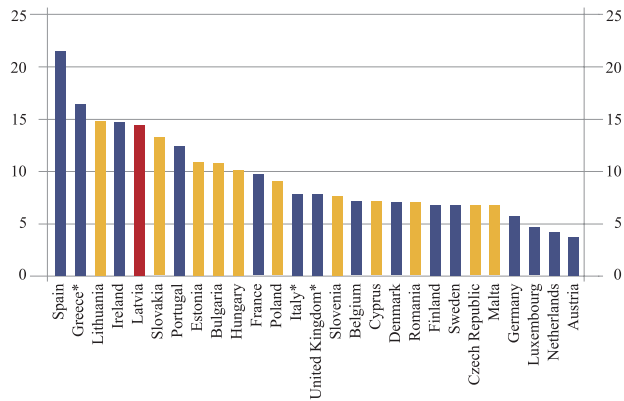
4.3 Labour market

A fall in the registered unemployment rate has come to a halt due to the end of seasonal summer jobs, stabilising at the level of 11.5% of economically active population since mid-October. Moreover, the number of vacancies registered with the SEA also diminished under the impact of seasonal factors (to 2.5 thousand; see Chart 4.11).

In November, the rate of long-term (registered for more than a year) unemployment (an indicator lagging most against the business cycle in comparison with the total number of unemployed persons and the number of long-term unemployed persons) shrank for the first time in the course of 32 months, although the number of newly-registered unemployed persons has not increased notably. More than one third of the registered unemployed persons take part in active employment policy measures, including both the temporary municipal jobs and various training programmes. In the last year, the number of participants in the SEA activities exceeded that of the beneficiaries of unemployment benefits, thus contributing to the reduction of structural unemployment. However, the fact that about 40% of the unemployed persons registered with the SEA do not participate in the activities organised by SEA since they do not receive unemployment benefits gives rise to concern (see Chart 4.12).

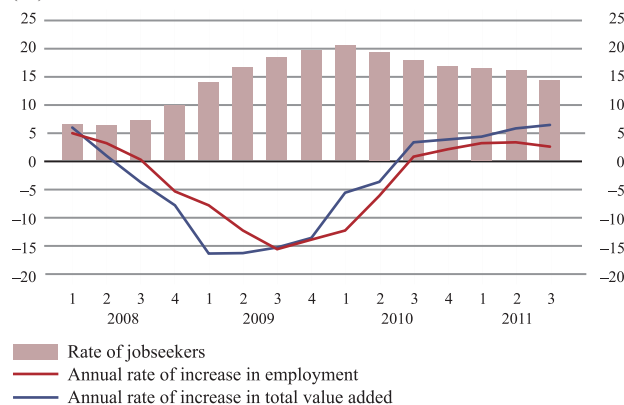
Latvia is gradually losing its leading position in the EU with respect to the unemployment rate. Latvia recorded the highest unemployment rate in the EU a

Chart 4.13
RATE OF JOBSEEKERS IN THE EU MEMBER STATES
(Q3 2011; % of the economically active population)



* Data for Q2 of 2011.

Chart 4.14
ANNUAL RATE OF INCREASE IN TOTAL VALUE ADDED
AND EMPLOYMENT, AND RATE OF JOBSEEKERS
(%)



year and a half ago, whereas according to the data for the third quarter of 2011, Latvia ranks behind Spain, Greece, Lithuania and Ireland (see Chart 4.13). The unemployment rate follows an upward trend in Spain, Greece and Ireland, while declining in Latvia for a year and a half already.

In Latvia, the rate of jobseekers has diminished by 6.1 percentage points (to 14.4%) of the economically active population since the beginning of 2010 (the registered unemployment rate has followed a similar path during this period, recording a fall of 5.7 percentage points). Unemployment declines along with the creation of new jobs: according to the CSB labour force survey, the number of employed has increased by 2.5% during the above period. With the total value added expanding faster than employment since the beginning of 2010, labour productivity is on the rise, providing a basis for long-term growth of remuneration (see Chart 4.14).

In 2012, a decline in unemployment is expected to be slower than in 2010 or 2011 on account of several factors.

First, uncertainty about external economic environment remains high. According to the business survey data, employment expectations of businesses which were positive in spring 2011 (more businesses planned to increase the number of employees than to reduce it) shrank substantially in autumn, with the sector average hovering around zero. This development reflects the uncertainty of businesses about the expansion of industrial output in insecure global environment.

Second, there is a risk that the problem of structural unemployment may aggravate. Currently only the construction sector experiences notable (skilled) labour shortages. According to the EC data, labour shortage was singled out as the main obstacle for business growth by 12% of construction businesses in the fourth quarter of 2011 (more than in other sectors).

Third, the new temporary employment programme which partly replaces the so-called 100 lats programme as of the beginning of 2012 will be of a smaller scale; hence the registered unemployed persons will have fewer opportunities for short-term employment and statistical data on employment will deteriorate.

The growth in remuneration is robust in Latvia. The annual rate of increase in average monthly gross

wage and salary accounted for 4.3% in the third quarter of 2011, close to that of the previous quarter. The CSB has substantially adjusted the assessment of the second quarter – from 5.5% to 4.4%. This development supports the projections that the annual rate of increase in wages is expected to be 3%–5% in 2011 and 2012.

The downward revision of data for the previous quarter was primarily made on account of the public sector, thus rebutting the concerns that the wage growth was more dynamic in the public sector than in the private sector. The low base effect contributed to a buoyant wage increase in the public sector until the first half of 2011, partly offsetting the previous sharp reduction in the remuneration of teachers and some other groups employed in the public sector. However, a steeper wage rise was observed in the private sector in the third quarter (5.0% against 3.7% in the public sector).

In annual terms, the wage growth is on an upward trend in all sectors of the national economy. One of the most vigorous annual increases in average wages is observed in construction (6.8%), where the businesses complain most about the shortage of skilled labour. At the same time, the wage growth has been moderate in manufacturing (4.9%), although the volume of output and labour productivity of the above sector have improved considerably over the last year (see Chart 4.15).

A notable acceleration of wage growth is not to be expected in the subsequent quarters; however, with inflation declining substantially, the purchasing power will increase, thus supporting the domestic demand in uncertain external environment.

The unit labour costs remain robust, with GDP growth slightly exceeding a rise in remuneration. The annual rate of increase in labour costs remained positive in nominal terms (1.1%) in the third quarter, while in real terms it has continued on a downward path for the eleventh consecutive quarter (by 3.3%; see Chart 4.16), thus further contributing to the competitiveness of Latvian businesses.

Chart 4.15
ANNUAL GROWTH IN GROSS NOMINAL MONTHLY WAGE BY SECTOR (%)

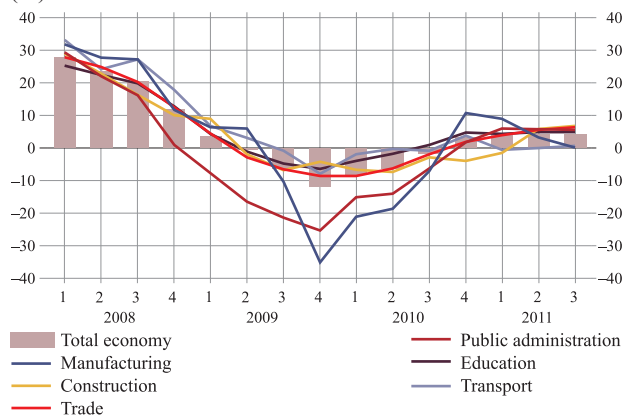


Chart 4.16
ANNUAL CHANGES IN AVERAGE MONTHLY WAGE AND SALARY FOR FULL-TIME JOB (%)

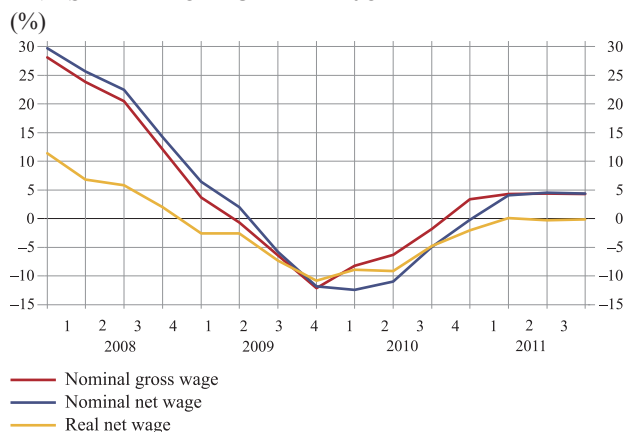


Chart 5.1
CHANGES IN CPI BY COMPONENT
(in percentage points)

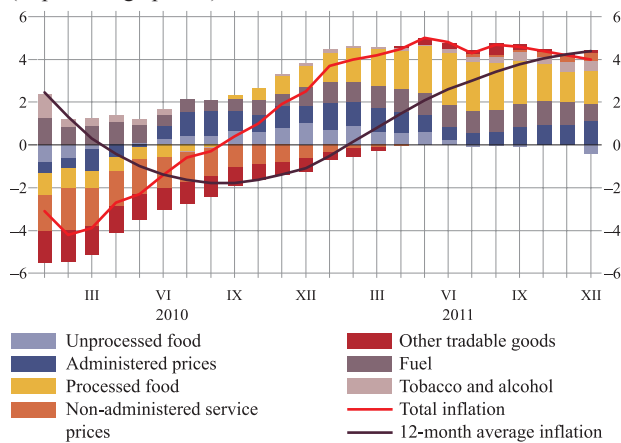


Chart 5.2
ANNUAL CHANGES IN HICP AND HICP AT CONSTANT TAX RATES
(%)

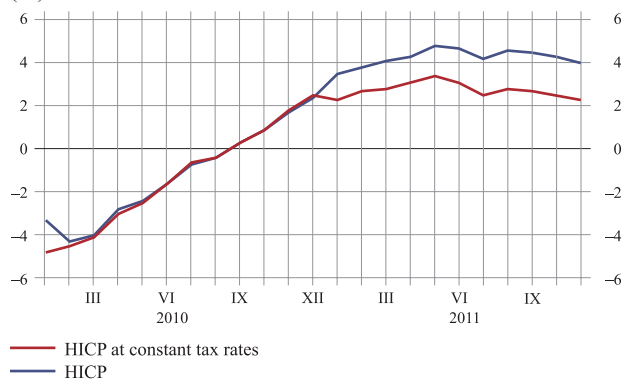
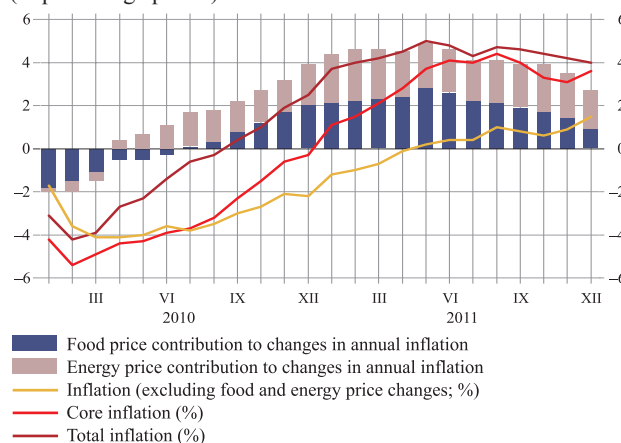


Chart 5.3
IMPACT OF ENERGY AND FOOD PRICE CHANGES ON ANNUAL CONSUMER PRICE INFLATION
(in percentage points)



5. Costs and Prices

Annual inflation in Latvia has decreased since August, amounting to 4.0% in December (see Chart 5.1). The average annual inflation for 2011 stood at 4.4%. The average annual inflation was supported by the global factors underlying the persistence of high energy and food prices; however, domestic factors (e.g. indirect tax rate changes during 2011 (see Chart 5.2) and raising of several administered prices (e.g. electricity prices)), also continued to affect annual inflation until December.

The impact of the falling global food and energy prices on inflation was still pronounced in the fourth quarter (see Chart 5.3); however, this downward trend became more subdued, and, for instance, a decrease in energy prices at the turn of the year should not be assessed as sustainable in the oil-producing countries of the Near East due to unresolved conflicts. The good grain harvest in 2011 eased the pressure on the price level and contributed to increasing stocks; however, the unstable situation in the financial and capital market as well as the energy market strengthened activities in the food market renewing the pressure on the price level. The current weather conditions observed in the biggest agricultural regions of the southern hemisphere also give rise to concerns about a sufficient amount of the new harvest. Although overall, the global economic growth forecasts have been revised downwards, there are still regions (mainly in Asia and some Latin American economies) where the economic growth would be robust and more buoyant in 2012 than in most of the developed countries hit by the debt crisis. The UN Food and Agriculture Organisation (FAO) also points this out as one of the risk factors underlying the persistence of the pressure from the demand side on the food prices. Thus, despite a slowdown in global growth, no significant decline in food prices is expected in the world.

The prices of energy and food commodity futures currently remain high under the impact of the above factors (see Chart 5.4). A minor price decline (yet very moderate and from a very high level) is expected on the oil market over a longer period; consequently, according to the assessment given by the US Energy Information Administration (EIA), the average oil price in 2012 could stay above the average level observed in 2011. This will prevent the fuel prices from continued decreasing in the coming months in Latvia where they are further pushed up by the extra

Chart 5.4
OIL PRICES ON GLOBAL MARKET
(lats/barrel)

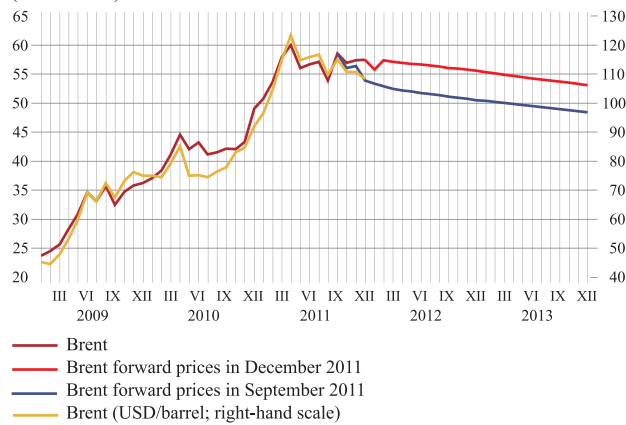


Chart 5.5
NATURAL GAS PRICES IN LATVIA AND GLOBAL
PRICES OF HEATING OIL

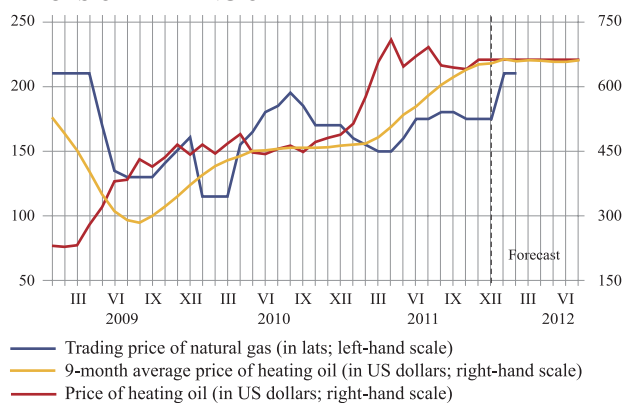
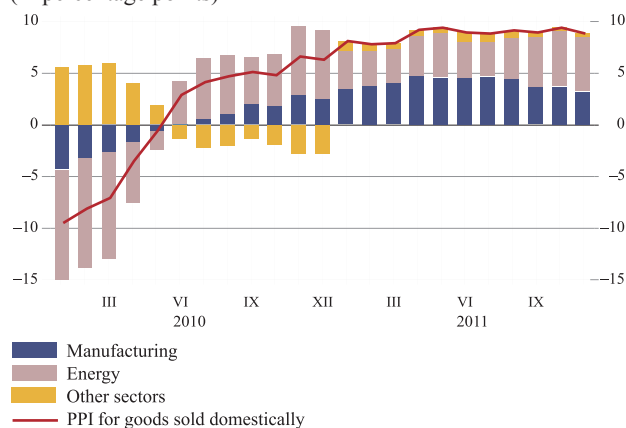


Chart 5.6
THE ANNUAL RATE OF CHANGE IN PPI AND
CONTRIBUTION OF ITS COMPONENTS
(in percentage points)

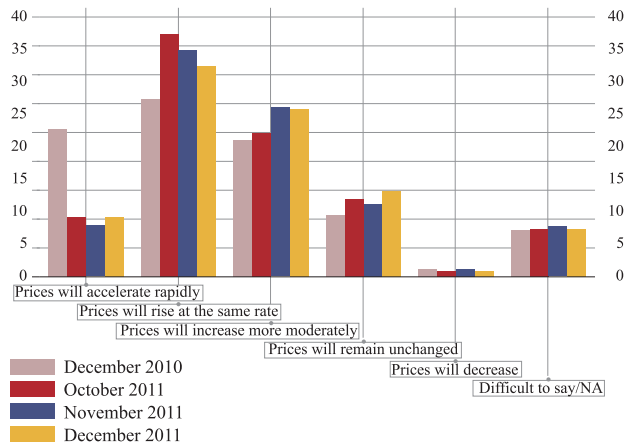


fuel reserve storage charges. The prices of oil products with a lag have also an impact on the prices of other energy resources in Latvia, thus the rapid increase in oil prices at the end of 2011 was reflected in the high average nine month price of heating oil that mainly determined higher natural gas and heating tariffs approved by the JSC *Latvijas Gāze* in January 2012 (see Chart 5.5). The annual inflation rate in Latvia is still currently affected by the raising of electricity tariffs in 2011, with the base period continuing until March 2012.

In October and November, the producer price level in industry contracted on month-on-month terms (by 0.1% and 0.5% respectively; see Chart 5.6), and a difference was still observed between the producer price dynamics for industrial products sold domestically and exported goods. In October, producer price changes in both markets were asymmetric on account of a decline in energy supply costs in the domestic market and higher costs of exported food, chemical industry and manufacture of non-metallic mineral products. In November, producer prices for exported goods shrank more rapidly, with producer prices in mining (in contrast to goods produced in this sector and sold on the domestic market), manufacturing (particularly in manufacture of chemical substances and printing) as well as in waste management more rapidly than on the domestic market. Due to the different production structure, different producer price developments for goods offered on both markets are likely to continue also in 2012. As higher natural gas and heating tariffs directly affect consumer prices in Latvia, while, for instance, heat energy is not exported, the impact of the changes of these tariffs on the prices of other exported goods will depend on the cost structure of the sectors and the ability to temporarily absorb the rise in costs that can help maintain cost competitiveness.

In November and December, consumer prices in Latvia remained broadly unchanged month-on-month. Offering semi-seasonal and seasonal price discounts to trade companies in both months, the prices of clothing and footwear as well as different household goods declined. The frequency of such campaigns might be a signal of insufficient demand. However, other commodity groups posted price rises. For instance, although the prices of unprocessed food shrank in December, the prices of processed food and catering services recorded an increase, and this, like the rise in tobacco and alcoholic beverages prices, is probably related to higher demand during the holiday season.

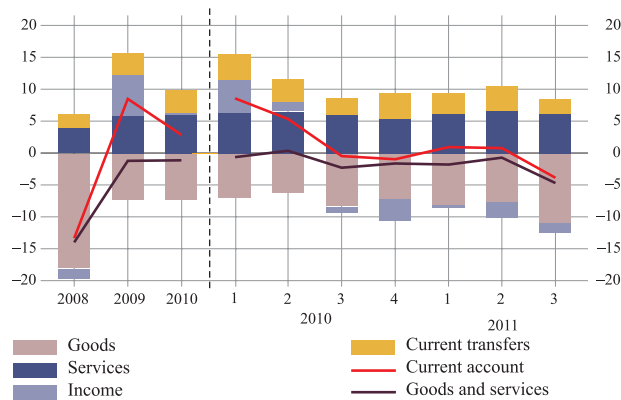
Chart 5.7
BREAKDOWN OF HOUSEHOLD EXPECTATIONS FOR
CONSUMER PRICE CHANGES IN NEXT 12 MONTHS
(%)



Thus, following the previously observed decline in December, annual core inflation surged to 3.6%.

In 2012 inflation will be contained on account of both internal and external factors. Excise tax rates remain unchanged in Latvia but they will partly affect the price level of 2012 in the commodity groups where the rise in tax rates took effect during 2011 rather than at the beginning of the year (e.g. for tobacco products, fuel, alcoholic beverages and heating). At the same time, the deceleration of economic growth in Latvia and in many of its major trade partners will reduce the demand pressure on such components of core inflation as services with non-regulated prices and other tradable goods that are partly affected by price developments in trade partner countries. Inflation expectations that are lower than those observed a year before will serve as a factor curbing inflation (see Chart 5.7).

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



6. Balance of Payments

In the third quarter, the current account deficit of the balance of payments was 3.7% of GDP (see Chart 6.1), and the balance of payments data available for November also suggest that the current account is close to balance (surplus of 1.2 million lats). Changes in the current account on the trade balance side were mainly affected by purchases of investment goods, whereas inflows of direct investment in the financial account expanded. Likewise, long-term loans of enterprises increased.

Although the growth in imports of goods was slightly more rapid than that in exports, excess of imports over exports is still more related to expansion of manufacturing and investment activity that, on the one hand, increases the deficit on trade in goods but, on the other hand, provides for a possibility to improve the competitiveness of the production and services sectors and growth in exports of goods and services in the future. With the gradual recovery of household consumption, the developments in the growth of imports of consumer goods still remain moderate.

In the third quarter, exports of services expanded, inter alia personal travel services rendered to non-residents and exports of information and computer services increased, while exports of goods recorded a slower rise their imports. The growth in imports of goods was driven by purchases of investment goods of transport and energy companies (see Chart 6.2).

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

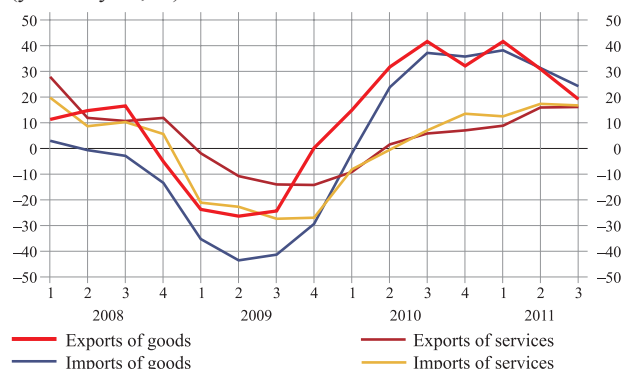
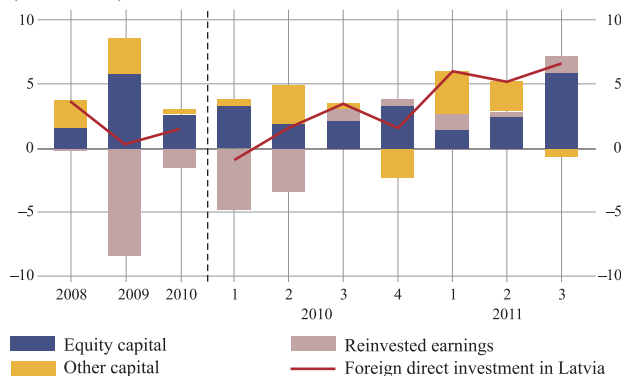


Chart 6.3
FOREIGN DIRECT INVESTMENT IN LATVIA (% of GDP)



The capital account reached a historical high at 226.7 million lats in the third quarter as the inflows of previously suspended structural fund (Cohesion Fund and ERDF) payments resumed in August. The financial account deficit continued to decrease, posting already a small surplus (0.2% of GDP) in the third quarter. Such trends were observed as credit institutions continued to reduce long-term liabilities, with net foreign direct investment expanding at the same time. In October, net inflows of the financial account continued to increase, but in November net outflows (11.7 million lats) were recorded again.

Growing interest in Latvia as a place for investment in export production is a favourable factor for the industrial development. This is evidenced by the fact that foreign direct investment exceeded the overall level reached in 2010 already in the first half of the year, and in the third quarter investment inflows persisted (see Chart 6.3). With investment growing,

its structure has also changed: investment inflows into manufacturing and in the sectors of electricity and transport have increased. Such investment in productive capital lays a foundation for more sustainable economic growth.

The economic development trends in the major trade partners suggest that Latvia's foreign trade activity will subside in the fourth quarter of 2011 and in 2012. The current account is expected to be close to balance in 2011, and similar development trends will continue also in 2012.

A more moderate price rise for import goods in comparison with export goods has also positively supported the trade balance so far; thus further price changes in export markets will also have a significant effect. This is why it is crucial to increase the share of final consumption goods with higher value added in the export structure.

Weaker developments in exports in 2012 will also decrease the need for imports of intermediate goods, hindering the overall growth in imports of goods. No rapid recovery of the domestic consumption is projected; thus no dynamic changes in the growth of imports of consumer goods are expected.

7. Conclusions and Forecasts

Latvian economy continued to grow rapidly in the third quarter. According to the current forecasts, the growth rates will remain positive in all quarters of 2012, yet the GDP growth will be much lower than in 2011. This deceleration will be primarily influenced by external risks on the downside.

7.1 Economic developments

Downside risks relating to future developments in the external environment have strengthened significantly in the recent months. Several euro area countries are forced to implement wider than initially planned fiscal consolidation measures, thereby reducing the short-term growth prospects of the euro area. The new agreements on strengthening fiscal discipline in Europe will have a positive medium-term effect; in the near-term, however, the negative effect associated with the persisting uncertainty as to the ways and mechanisms to overcome the current crisis will continue to dominate in Europe.

Leading indicators also point to deterioration of the external environment, confirming that the pessimism prevailing in the industrial sector continues to strengthen both globally and in the euro area as well as in other Latvia's main trade partner states. Preliminary statistics released by the OECD in December suggest that the economic activity will continue to decelerate in most OECD member states as well as countries outside the OECD, particularly in the euro area.

Looking at the domestic risks on the downside, it has to be noted that domestic demand could turn out weaker than projected. This may be caused by two factors. On the one hand, considering the cyclical nature observed so far in the build-up of private savings, it is quite possible that in the circumstances of deteriorating economic prospects households will accumulate additional precautionary savings, postponing consumption and hence causing further weakening of the domestic demand. On the other hand, taking into account the downgrades of Latvia's future outlook by international rating agencies and the negative economic development prospects in the EU, investment into Latvia's economic development could also turn out to be lower than expected.

Upside risks to Latvia's economic development now relate mainly to non-materialisation of the downside risks. If the euro area countries manage to overcome the financial difficulties effectively, this will provide a significant boost to Latvia's economy. A short-term improvement in private consumption could also be supported by a steeper than expected increase in income (including in the public sector).

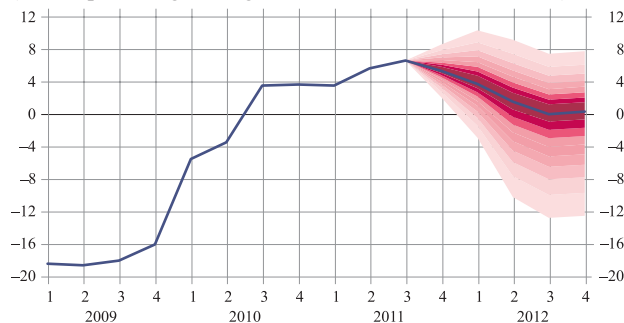
The prospective Russia's WTO membership which may have both a positive and a negative effect on Latvia's economy is also worth special attention. On the one hand, as Russia starts to fulfil its commitments, Latvian businesses will benefit from eliminating Russia's export tariff restrictions for raw materials as well as from the reduced tariffs and non-tariff barriers. Moreover, Russia will reduce import duties for a wide range of products. On the other hand, Russia's participation in the WTO could threaten the exports of certain Latvia-produced products (for example, pulpwood).

Based on the fact that Latvia's economic development trends were stronger than expected in the third quarter as well as the assumption that positive development trends will persist in the fourth quarter, the GDP growth forecast for 2011 was revised upwards to 5.3%. Nevertheless, the risks to the 2012 economic development prospects of Latvia are predominantly on the downside. The expected growth deceleration in major Latvia's export markets is the main factor determining the downward revision of Latvia's 2012 economic growth forecast to 1.3% (see Chart 7.1).

Chart 7.1

GDP CHANGES

(annual percentage changes; the Bank of Latvia forecast*)



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

7.2 Inflation

The downward trend in inflation observed already in the second half of 2011 is expected to continue in 2012 overall, yet the rate of decline will depend on external developments.

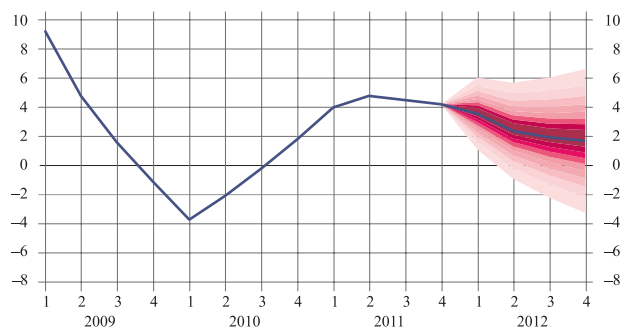
The pressure on prices remains mainly downward in relation to the external economic developments. On the one hand, the euro area sovereign debt crisis may have a negative impact on global growth, thereby significantly dampening the external demand. On the other hand, alongside with the slowdown of growth in the euro area, a fall in commodity, including energy and food, prices is also possible.

Analysing the domestic price pressures, semi-seasonal discounts widely offered in Latvia during retail trade campaigns throughout 2011 as well as the seasonal

discounts available already in December should be mentioned. They point to low purchasing power and insufficient demand on the domestic market which will continue to exert a downward pressure on the domestic prices.

Uncertainty about the potential movements of oil prices could be singled out among the upside risks to the inflation outlook. Although the prices on futures suggest that the oil prices would probably decrease in 2012, according to the latest forecasts the average level of oil prices in 2012 could remain even slightly higher than that in 2011. The high degree of uncertainty surrounding the oil price forecasts could be explained by the complicated situation in the Middle East as well as the global demographic trends pointing to a general rise in energy demand. An additional upside risk to the inflation outlook is a potential increase in heating tariffs in the second half of the year.

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



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

Based on the global economic development trends and the expected deceleration of economic activity in Latvia, the average inflation is forecast at the level of 2.4% in 2012. Currently, the risks to the inflation outlook are balanced (see Chart 7.2).

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1. MONETARY INDICATORS AND INTEREST RATES

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

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1 ¹	12.6	16.2	17.7	20.7	21.0	26.6	27.4	26.3	19.0	16.7	19.0	17.1	15.9	17.4	15.6
M2 ¹	7.1	9.7	12.3	10.5	11.7	11.2	11.8	10.2	7.1	4.3	6.5	5.9	4.8	4.7	2.9
M3 ¹	8.0	10.6	12.8	11.0	11.9	11.5	11.8	10.0	7.1	4.3	6.2	5.4	4.3	4.1	2.4
M2X ¹	7.6	9.8	12.1	9.5	10.1	9.8	10.5	9.1	6.0	3.1	4.4	4.8	3.4	3.3	1.9
Loans to resident financial institutions, non-financial corporations and households ¹	-7.7	-7.4	-7.7	-8.2	-8.2	-8.3	-8.3	-8.7	-8.7	-9.0	-9.1	-9.2	-8.5	-8.6	-8.4
Deposits of resident financial institutions, non-financial corporations and households ¹	6.9	9.1	11.5	7.9	8.7	8.3	9.2	7.8	4.3	1.7	3.1	3.4	1.6	1.6	-0.2
Long-term interest rate for convergence assessment purposes ²	10.0	10.0	9.97	9.24	8.99	7.55	5.38	6.17	6.49	6.47	6.36	5.87	5.67	5.6	5.6
RIGIBOR (3-month loans) ³	1.8	1.3	1.2	1.2	0.9	0.8	0.8	0.9	0.9	0.8	0.8	0.7	0.8	0.8	0.9
Average yield on government bonds	6.0 ⁵	5.6 ⁵	5.2 ⁶	4.3 ⁶	-	-	-	6.7 ⁷	6.7 ⁷	6.5 ⁷	6.0 ⁷	5.7 ⁷	4.1 ⁶	4.0 ⁶	4.1 ⁶
OMXR ³	358.1	397.4	398.0	394.8	371.1	384.7	410.5	426.2	426.1	418.6	412.8	428.9	438.4	403.6	386.7

¹ Year-on-year changes (%).

² Average secondary market yield of 10-year government bonds.

³ Average of the period.

⁴ Weighted average primary market yield of 2-year government bonds.

⁵ Weighted average primary market yield of 3-year government bonds.

⁶ Weighted average primary market yield of 5-year government bonds.

⁷ Weighted average primary market yield of 10-year government bonds.

2.a REAL SECTOR INDICATORS AND PRICES

	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Industrial output^{1,2}								
Increase/decrease ³ (at constant prices; working day adjusted data; %)	14.4	6.2	11.1	21.8	18.1	9.1	13.0	8.3
Cargoes loaded and unloaded at ports								
Turnover (in thousands of tons)	61 160	15 618	15 268	14 616	15 658	16 345	18 105 ²	16 622
Increase/decrease ³ (%)	-1.3	-5.9	-2.7	-1.5	5.4	4.7	18.6 ²	13.7
Retail trade turnover¹								
Turnover (at current prices; in millions of lats)	4 228.8	913.4	1 055.7	1 109.8	1 149.9	1 032.2	1 192.8 ²	1 282.8
Increase/decrease ³ (at constant prices; %)	0.5	-13.0	-2.8	5.0	13.3	13.0	13.0 ²	15.6
Unemployment rate (%)	14.3	17.3	15.6	14.6	14.3	14.4	12.6	11.6
Producer prices ¹ (increase/decrease compared with the previous period; %)	3.1	1.1	4.5	1.8	0	2.0	3.9	1.4
Consumer price inflation								
Year-on-year basis (%)	-1.1	-3.8	-2.1	-0.1	1.8	4.0	4.8	4.5
Quarter-on-quarter basis (%)	x	-0.2	1.3	0.1	0.6	1.9	2.0	-0.1
Financial surplus/deficit in the consolidated general government budget								
Surplus/deficit (in millions of lats)	-802.7	-132.7	-41.0	-120.1	-508.9	-181.8	-35.5	159.8
Ratio to GDP (%)	6.3	4.7	1.3	3.6	14.7	6.0	1.0	4.3

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

² Data have been revised.

³ Year-on-year basis.

2.b REAL SECTOR INDICATORS AND PRICES

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Industrial output ^{1,2}															
Increase/decrease ³ (at constant prices; working day adjusted data; %)	21.8	21.8	21.8	23.2	14.4	16.5	7.1	10.0	10.0	13.9	12.1	13.0	8.5	6.8	9.6
Cargoes loaded and unloaded at ports															
Turnover (in thousands of tons)	5 274	4 617	4 726	5 200	5 209	5 250	5 130	4 760	6 456	6 350	6 327	5 429	5 851	5 462	5 308
Increase/decrease ³ (%)	1.5	-11.5	7.0	1.3	14.6	1.3	2.7	-7.9	18.4	15.8	26.0	14.0	11.0	18.3	12.3
Retail trade turnover ¹															
Turnover (at current prices; in millions of lats)	370.4	372.0	367.4	372.5	360.4	417.0	326.2	331.3	374.7	376.9 ²	406.8 ²	409.2 ²	424.0	436.3	422.5
Increase/decrease ³ (at constant prices; %)	0.8	5.4	9.2	9.9	15.1	15.0	10.6	15.7	12.9	9.4 ²	14.7 ²	14.8 ²	14.5	17.3	15.0
Unemployment rate (%)	15.3	15.0	14.6	14.3	14.3	14.3	14.5	14.5	14.4	13.9	13.2	12.6	12.1	11.8	11.6
Producer prices ¹ (increase/decrease compared with the previous period; %)	0.1	0.6	0.5	-0.5	-0.2	0.3	1.2	0.7	0.8	2.3	1.0	0.5	0.7	0.4	-0.4
Consumer price inflation															
Year-on-year basis (%)	-0.6	-0.3	0.4	1.0	1.9	2.5	3.7	4.0	4.2	4.5	5.0	4.8	4.3	4.7	4.6
Month-on-month basis (%)	0.2	-0.7	0.4	0.4	0.2	0.1	1.3	0.3	0.7	1.1	0.4	0.3	-0.3	-0.3	0.4
Annual core inflation (%)	-3.5	-3.3	-2.5	-1.5	-0.6	-0.3	1.1	1.5	2.0	2.8	3.7	4.1	4.0	4.4	4.4
Financial surplus/deficit in the consolidated general government budget (in millions of lats)	-12.8	-9.4	-98.0	-55.9	-90.3	-362.7	-0.8	-92.9	-88.1	-33.1	-12.8	10.4	-26.0	204.1	-18.3

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

² Data have been revised.

³ Year-on-year basis.

3. MONETARY BASE

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Currency in circulation	856.4	864.5	866.8	885.5	888.9	937.9	905.7	910.7	909.3	935.2	935.6	955.0	990.2	993.0	1 012.3
Currency as percent of the monetary base	49.2	52.3	48.9	52.6	51.0	53.4	52.0	50.7	54.6	52.7	49.7	52.4	52.4	53.6	54.4
Deposits with the Bank of Latvia in lats	869.9	773.5	887.8	777.4	839.0	797.3	819.1	868.3	737.3	818.1	922.6	842.2	873.8	823.3	820.7
Deposits with the Bank of Latvia in foreign currencies	14.9	14.8	16.6	19.7	16.2	20.0	15.7	17.5	19.3	22.3	26.1	26.9	27.1	35.1	27.5
Deposits as percent of the monetary base	50.8	47.7	51.1	47.4	49.0	46.6	48.0	49.3	45.4	47.3	50.3	47.6	47.6	46.4	45.6
M0	1 741.2	1 652.7	1 771.2	1 682.6	1 744.2	1 755.2	1 740.6	1 796.6	1 665.9	1 775.6	1 884.2	1 824.2	1 891.2	1 851.4	1 860.5
Net foreign assets	3 939.4	4 088.0	4 139.8	4 224.2	4 203.5	4 032.1	3 837.3	3 794.2	3 723.6	3 657.1	3 684.6	3 827.3	3 769.6	3 984.2	3 987.5
Loans to MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit to central government (net)	-1 347.0	-1 372.3	-1 327.7	-1 399.7	-1 326.8	-1 081.0	-1 108.0	-1 011.5	-930.9	-917.3	-895.6	-1 138.8	-1 207.4	-1 385.2	-1 388.0
Other items (net)	-851.2	-1 063.0	-1 041.0	-1 141.9	-1 132.5	-1 195.8	-988.7	-986.1	-1 126.8	-964.2	-904.8	-864.4	-671.0	-747.6	-738.9
Total	1 741.2	1 652.7	1 771.2	1 682.6	1 744.2	1 755.2	1 740.6	1 796.6	1 665.9	1 775.6	1 884.2	1 824.2	1 891.2	1 851.4	1 860.5

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Monetary aggregates															
M3	6 173.7	6 252.0	6 332.9	6 212.5	6 326.2	6 547.6	6 492.3	6 541.5	6 513.4	6 454.4	6 545.3	6 480.0	6 441.1	6 506.5	6 486.5
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	97.5	103.2	94.6	92.3	88.7	81.4	83.4	84.1	85.4	82.7	81.1	75.7	72.6	72.0	70.3
Debt securities issued with maturity of up to 2 years	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6
M2	6 055.6	6 128.1	6 217.7	6 099.6	6 216.9	6 445.6	6 388.3	6 436.7	6 407.4	6 351.1	6 443.6	6 383.7	6 347.9	6 413.9	6 395.6
Deposits with an agreed maturity of up to 2 years	2 496.4	2 532.7	2 573.7	2 405.4	2 449.8	2 430.6	2 411.8	2 405.0	2 466.9	2 380.7	2 403.1	2 274.7	2 262.2	2 237.2	2 228.7
Deposits redeemable at notice of up to 3 months	233.1	231.5	235.1	239.6	255.2	244.4	254.1	245.1	250.8	244.9	242.6	241.0	230.3	227.5	226.4
M1	3 326.1	3 364.0	3 408.9	3 454.5	3 511.9	3 770.6	3 722.4	3 786.7	3 689.7	3 725.6	3 797.8	3 867.9	3 855.3	3 949.2	3 940.6
Currency outside MFIs	750.8	758.5	760.1	776.6	775.5	807.4	790.1	795.8	795.6	815.6	817.7	838.1	876.0	873.4	888.6
Overnight deposits	2 575.3	2 605.5	2 648.8	2 677.9	2 736.4	2 963.2	2 932.3	2 990.9	2 894.1	2 909.9	2 980.1	3 029.8	2 979.4	3 075.8	3 052.0
Counterparts of monetary aggregates and longer-term financial liabilities															
Deposits of central government	2 046.2	2 094.5	2 050.6	2 121.9	2 048.5	1 792.7	1 791.5	1 696.1	1 605.4	1 596.0	1 575.0	1 815.6	1 879.5	2 058.8	2 031.6
Longer-term financial liabilities	2 197.6	2 315.2	2 322.5	2 299.9	2 295.1	2 295.2	2 323.9	2 322.9	2 342.9	2 345.9	2 319.9	2 346.5	2 357.7	2 394.0	2 466.6
Deposits with an agreed maturity of over 2 years	203.4	213.1	213.3	193.3	187.0	203.1	220.7	225.9	235.1	241.0	264.3	275.5	252.5	255.1	255.8
Deposits redeemable at notice of over 3 months	0.1	0	0	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Debt securities issued with maturity of over 2 years	171.2	168.6	175.6	173.2	154.8	155.3	152.4	140.7	140.5	139.8	74.7	74.6	74.6	70.4	71.2
Capital and reserves	1 823.0	1 933.6	1 933.5	1 933.3	1 953.2	1 936.8	1 950.7	1 956.2	1 967.2	1 965.0	1 980.9	1 996.4	2 030.6	2 068.5	2 139.6
Credit to residents	13 644.5	13 613.3	13 522.6	13 408.0	13 352.6	13 209.7	13 139.3	13 002.5	12 900.5	12 812.2	12 761.3	12 639.7	12 652.1	12 689.3	12 638.9
Credit to general government	543.1	516.7	503.1	518.8	530.2	563.8	564.2	558.7	572.5	594.9	575.6	573.6	593.8	611.7	599.7
Credit to other residents	13 101.3	13 096.6	13 019.5	12 889.1	12 822.4	12 645.9	12 575.1	12 443.7	12 328.0	12 217.3	12 185.7	12 066.0	12 058.3	12 077.6	12 039.2
Loans	12 893.7	12 885.2	12 808.1	12 669.6	12 596.6	12 399.3	12 326.6	12 193.2	12 072.0	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4
Net external assets	-1 658.0	-1 470.6	-1 320.1	-1 360.5	-1 266.0	-1 219.8	-1 180.2	-1 081.1	-1 075.4	-1 109.2	-1 010.5	-717.5	-771.9	-567.7	-466.9
Other items (net)	1 569.0	1 481.0	1 496.5	1 413.2	1 416.8	1 354.9	1 351.5	1 360.8	1 363.4	1 306.8	1 310.6	1 280.0	1 202.0	1 162.3	1 187.2

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1	3 276.3	3 330.8	3 412.5	3 465.5	3 533.3	3 710.0	3 770.5	3 836.5	3 745.4	3 763.4	3 809.1	3 777.3	3 777.4	3 920.1	3 951.4
M2	6 031.0	6 117.1	6 252.8	6 184.7	6 295.3	6 366.1	6 423.1	6 438.2	6 390.8	6 305.5	6 412.0	6 336.3	6 331.3	6 398.2	6 430.9
M3	6 151.6	6 239.4	6 371.6	6 302.2	6 408.6	6 468.0	6 525.9	6 541.2	6 499.4	6 406.4	6 514.6	6 431.3	6 426.3	6 487.8	6 520.9

6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; in millions of lats)

	2010						2011								
	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	3 960.6	4 117.5	4 175.8	4 279.4	4 268.3	4 074.6	3 875.0	3 804.2	3 742.6	3 687.5	3 711.0	3 854.0	3 820.7	4 027.6	4 036.8
Fixed assets	32.0	31.8	31.7	31.5	31.3	31.0	30.8	30.6	30.5	30.4	30.2	30.0	30.1	30.1	30.1
Remaining assets	1.2	1.3	1.4	1.2	1.2	1.7	1.1	1.5	1.8	1.7	1.8	1.6	1.6	1.6	1.6
Total	3 993.7	4 150.6	4 208.9	4 312.1	4 300.8	4 107.3	3 906.9	3 836.3	3 774.8	3 719.6	3 743.0	3 885.7	3 852.3	4 059.3	4 068.6
LIABILITIES															
Currency in circulation	856.4	864.5	866.8	885.5	888.9	937.9	905.7	910.7	909.3	935.2	935.6	955.0	990.2	993.0	1 012.3
Deposits of residents	2 827.8	2 954.9	3 004.8	3 073.8	3 049.4	2 828.0	2 678.0	2 628.7	2 535.2	2 464.9	2 491.8	2 613.6	2 518.4	2 714.1	2 698.6
Central government	1 347.0	1 372.3	1 327.7	1 399.7	1 326.8	1 081.0	1 108.0	1 011.5	930.9	917.3	895.6	1 138.8	1 207.4	1 385.2	1 388.0
Other residents	11.2	20.2	40.2	49.3	56.3	56.7	63.7	68.0	72.4	79.6	79.5	80.0	84.9	85.2	85.0
MFIs	1 469.6	1 562.4	1 637.0	1 624.8	1 666.3	1 690.2	1 506.2	1 549.3	1 531.9	1 468.0	1 516.7	1 394.8	1 226.1	1 243.6	1 225.6
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	286.1	299.0	298.6	294.8	294.4	296.6	282.7	284.0	286.6	274.9	286.6	287.6	289.7	305.9	306.0
External liabilities	21.2	29.5	36.0	55.2	64.7	42.6	37.7	10.0	19.0	30.4	26.4	26.7	51.1	43.4	49.4
Remaining liabilities	2.3	2.8	2.7	2.8	3.3	2.3	2.8	2.9	24.8	14.2	2.7	2.8	3.0	2.9	2.3
Total	3 993.7	4 150.6	4 208.9	4 312.1	4 300.8	4 107.3	3 906.9	3 836.3	3 774.8	3 719.6	3 743.0	3 885.7	3 852.3	4 059.3	4 068.6

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

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	14 617.7	14 705.3	14 749.3	14 618.8	14 583.1	14 434.9	14 208.8	14 179.3	14 044.1	13 973.5	13 730.5	13 493.6	13 377.8	13 397.3	13 334.0
General government	66.3	65.7	65.1	66.0	65.6	64.6	65.7	64.9	63.2	63.1	61.1	60.3	60.8	63.2	62.6
Other residents	12 893.7	12 885.2	12 808.1	12 669.6	12 596.6	12 399.3	12 326.6	12 193.2	12 072.0	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4
MFIs	1 657.8	1 754.4	1 876.1	1 883.1	1 921.0	1 971.0	1 816.4	1 921.2	1 908.9	1 949.7	1 741.9	1 624.8	1 522.5	1 560.5	1 535.0
Holdings of securities other than shares issued by residents	500.4	471.9	459.5	474.5	486.4	520.8	519.1	513.0	528.3	550.0	529.9	528.8	548.5	563.7	552.4
General government	476.8	451.0	437.9	452.8	464.7	499.2	498.5	493.9	509.3	531.9	514.4	513.4	533.0	548.6	537.1
Other residents	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
MFIs	23.5	20.9	21.5	21.6	21.7	21.5	20.5	19.0	18.9	18.1	15.4	15.4	15.4	15.0	15.1
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	207.6	211.3	211.3	219.4	225.7	246.5	248.4	250.4	255.9	256.5	258.2	257.4	263.8	303.9	302.6
External assets	4 742.8	4 905.8	4 579.5	4 720.1	4 962.9	5 559.6	5 438.1	5 265.3	5 270.7	5 277.9	5 257.9	5 264.0	5 199.2	5 295.8	5 412.6
Fixed assets	92.8	91.4	90.2	120.5	119.0	121.0	118.4	117.6	117.4	116.9	127.5	126.3	125.5	123.9	124.2
Remaining assets	599.9	630.7	622.4	623.1	634.3	658.2	647.6	647.6	628.6	662.9	662.7	661.0	675.1	669.3	660.5
Total	20 761.5	21 016.9	20 712.6	20 776.8	21 011.9	21 541.4	21 180.7	20 973.6	20 845.4	20 838.1	20 567.1	20 331.5	20 190.3	20 354.3	20 386.7
LIABILITIES															
Deposits of residents	6 490.9	6 480.6	6 593.2	6 451.0	6 552.3	6 782.0	6 752.1	6 856.2	6 826.3	6 857.3	6 725.9	6 640.4	6 589.0	6 655.4	6 584.1
Central government	699.2	722.2	723.0	722.2	721.6	711.7	683.5	684.6	674.5	678.7	679.4	676.9	672.1	673.6	643.6
Other residents	5 497.0	5 562.6	5 630.8	5 467.0	5 572.1	5 784.6	5 755.1	5 798.9	5 774.5	5 696.9	5 810.7	5 741.0	5 639.5	5 710.4	5 677.9
MFIs	294.7	195.8	239.5	261.7	258.5	285.6	313.5	372.7	377.3	481.7	235.8	222.5	277.4	271.4	262.6
Money market fund shares and units	97.9	103.6	94.9	92.7	89.1	81.8	83.8	84.5	85.8	83.0	81.5	76.1	73.0	72.4	70.7
Debt securities issued	191.8	189.2	196.2	193.8	175.4	175.9	173.1	161.4	161.2	160.4	95.3	95.2	95.2	91.0	91.8
Capital and reserves	1 536.9	1 634.6	1 634.9	1 638.6	1 658.8	1 640.1	1 668.0	1 672.2	1 680.6	1 690.1	1 694.3	1 708.8	1 740.8	1 762.6	1 833.6
External liabilities	10 340.2	10 464.4	10 039.4	10 304.8	10 432.5	10 811.4	10 455.6	10 140.7	10 069.7	10 044.2	9 953.0	9 808.9	9 740.7	9 847.7	9 867.0
Remaining liabilities	2 103.9	2 144.6	2 153.9	2 096.0	2 103.8	2 050.3	2 048.1	2 058.5	2 021.8	2 003.0	2 017.1	2 002.1	1 951.6	1 925.2	1 939.5
Total	20 761.5	21 016.9	20 712.6	20 776.8	21 011.9	21 541.4	21 180.7	20 973.6	20 845.4	20 838.1	20 567.1	20 331.5	20 190.3	20 354.3	20 386.7

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	12 960.0	12 950.9	12 873.2	12 735.6	12 662.2	12 463.9	12 392.4	12 258.1	12 135.2	12 023.8	11 988.5	11 868.9	11 855.3	11 836.8	11 799.0
General government	66.3	65.7	65.1	66.0	65.6	64.6	65.7	64.9	63.2	63.1	61.1	60.3	60.8	63.2	62.6
Other residents	12 893.7	12 885.2	12 808.1	12 669.6	12 596.6	12 399.3	12 326.6	12 193.2	12 072.0	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4
Holdings of securities other than shares issued by other residents	476.9	451.1	438.0	452.9	464.7	499.3	498.5	493.9	509.4	531.9	514.5	513.4	533.0	548.6	537.3
General government	476.8	451.0	437.9	452.8	464.7	499.2	498.5	493.9	509.3	531.9	514.4	513.4	533.0	548.6	537.1
Other residents	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Holdings of shares and other equity issued by other residents	207.6	211.3	211.3	219.4	225.7	246.5	248.4	250.4	255.9	256.5	258.2	257.4	263.8	303.9	302.6
External assets	8 703.4	9 023.3	8 755.3	8 999.5	9 231.2	9 634.2	9 313.1	9 069.5	9 013.2	8 965.4	8 968.9	9 118.0	9 019.9	9 323.4	9 449.5
Fixed assets	124.8	123.2	121.9	152.0	150.3	152.0	149.2	148.2	147.8	147.3	157.7	156.4	155.5	154.0	154.3
Remaining assets	495.4	526.0	517.1	515.4	522.1	529.4	533.0	534.2	516.7	545.0	546.7	545.7	562.5	551.2	538.4
Total	22 968.0	23 285.8	22 916.9	23 074.9	23 256.2	23 525.3	23 134.6	22 754.3	22 578.3	22 469.9	22 434.6	22 459.8	22 390.0	22 718.0	22 781.1
LIABILITIES															
Currency outside MFIs	750.8	758.5	760.1	776.6	775.5	807.4	790.1	795.8	795.6	815.6	817.7	838.1	876.0	873.4	888.6
Deposits of central government	2 046.2	2 094.5	2 050.6	2 121.9	2 048.5	1 792.7	1 791.5	1 696.1	1 605.4	1 596.0	1 575.0	1 815.6	1 879.5	2 058.8	2 031.6
Deposits of other general government and other residents	5 508.3	5 582.8	5 671.0	5 516.3	5 628.4	5 841.4	5 818.9	5 866.9	5 846.9	5 776.6	5 890.2	5 821.1	5 724.4	5 795.6	5 762.8
Money market fund shares and units	97.5	103.2	94.6	92.3	88.7	81.4	83.4	84.1	85.4	82.7	81.1	75.7	72.6	72.0	70.3
Debt securities issued	168.3	168.3	174.7	172.2	153.7	154.4	152.5	142.3	142.2	142.3	79.9	79.8	79.8	75.9	76.8
Capital and reserves	1 823.0	1 933.6	1 933.5	1 933.3	1 953.2	1 936.8	1 950.7	1 956.2	1 967.2	1 965.0	1 980.9	1 996.4	2 030.6	2 068.5	2 139.6
External liabilities	10 361.3	10 493.9	10 075.4	10 360.0	10 497.2	10 854.0	10 493.3	10 150.7	10 088.7	10 074.6	9 979.4	9 835.6	9 791.7	9 891.1	9 916.4
Remaining liabilities	2 106.2	2 147.3	2 156.7	2 098.8	2 107.2	2 052.3	2 050.9	2 061.4	2 046.6	2 017.2	2 019.9	2 004.9	1 954.5	1 928.1	1 941.8
Excess of inter-MFI liabilities	106.5	3.8	0.3	3.4	3.8	4.9	3.3	0.8	0.2	0	10.5	-7.5	-19.0	-45.5	-46.8
Total	22 968.0	23 285.8	22 916.9	23 074.9	23 256.2	23 525.3	23 134.6	22 754.3	22 578.3	22 469.9	22 434.6	22 459.8	22 390.0	22 718.0	22 781.1

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

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
MFI reserves	1 567.7	1 664.9	1 740.2	1 730.2	1 776.2	1 817.3	1 618.3	1 664.2	1 645.5	1 587.5	1 624.0	1 501.2	1 340.3	1 363.2	1 349.3
Vault cash in national currency	105.7	106.0	106.7	108.9	113.4	130.6	115.6	114.9	113.7	119.6	117.8	116.9	114.2	119.6	123.7
Deposits with the Bank of Latvia	1 462.0	1 558.9	1 633.4	1 621.3	1 662.7	1 686.7	1 502.7	1 549.3	1 531.9	1 468.0	1 506.1	1 384.3	1 226.1	1 243.6	1 225.6
Foreign assets	4 742.8	4 905.8	4 579.5	4 720.1	4 962.9	5 559.6	5 438.1	5 265.3	5 270.7	5 277.9	5 257.9	5 264.0	5 199.2	5 295.8	5 412.6
Claims on the central government	479.9	454.0	441.0	456.0	467.8	502.3	501.5	496.9	512.4	534.9	514.4	513.4	533.0	548.6	537.1
Loans	3.1	3.1	3.1	3.1	3.1	3.0	3.0	3.0	3.0	3.1	0	0	0	0	0
Holdings of securities other than shares	476.8	451.0	437.9	452.8	464.7	499.2	498.5	493.9	509.3	531.9	514.4	513.4	533.0	548.6	537.1
Claims on the local government	63.2	62.6	62.1	62.9	62.5	61.5	62.7	61.8	60.2	60.0	61.1	60.3	60.8	63.2	62.6
Loans	63.2	62.6	62.1	62.9	62.5	61.5	62.7	61.8	60.2	60.0	61.1	60.3	60.8	63.2	62.6
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on the financial institutions	630.7	622.2	615.0	622.4	616.5	610.5	594.4	581.7	574.5	541.0	533.4	534.7	528.0	561.5	554.3
Loans	457.5	448.9	442.0	441.2	429.1	411.6	393.8	379.8	374.1	340.8	333.2	336.6	325.0	318.4	312.5
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	173.2	173.3	173.0	181.2	187.4	198.9	200.6	201.9	200.5	200.2	200.3	198.1	203.1	243.2	241.7
Claims on public non-financial corporations	410.8	414.4	418.6	425.9	450.9	474.5	476.1	470.8	470.2	472.2	474.0	452.6	450.4	449.6	453.5
Loans	410.8	414.4	418.6	425.9	450.9	474.5	476.1	470.8	470.2	472.2	474.0	452.6	450.4	449.6	453.5
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on private non-financial corporations	6 145.4	6 167.0	6 131.0	6 042.6	5 983.8	5 820.0	5 808.9	5 736.4	5 667.6	5 628.8	5 628.0	5 567.2	5 604.5	5 612.1	5 611.5
Loans	6 110.9	6 129.0	6 092.7	6 004.2	5 945.5	5 772.3	5 761.1	5 687.8	5 612.0	5 572.4	5 570.0	5 507.8	5 543.7	5 551.3	5 550.5
Holdings of securities other than shares	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Holdings of shares and other equity	34.4	38.0	38.3	38.3	38.3	47.6	47.8	48.5	55.5	56.3	57.9	59.3	60.8	60.7	60.8
Claims on households	5 914.5	5 893.0	5 854.9	5 798.2	5 771.1	5 740.9	5 695.7	5 654.8	5 615.6	5 575.4	5 550.2	5 511.6	5 475.4	5 454.4	5 419.9
Loans	5 914.5	5 893.0	5 854.9	5 798.2	5 771.1	5 740.9	5 695.7	5 654.8	5 615.6	5 575.4	5 550.2	5 511.6	5 475.4	5 454.4	5 419.9
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	92.8	91.4	90.2	120.5	119.0	121.0	118.4	117.6	117.4	116.9	127.5	126.3	125.5	123.9	124.2
Other assets	494.2	524.7	515.7	514.2	520.9	527.6	531.9	532.7	514.9	543.3	544.9	544.0	560.9	549.7	536.8
Claims on resident MFIs	195.8	195.5	242.6	261.8	258.2	284.3	313.7	371.9	377.1	481.7	235.8	240.5	296.5	316.9	309.4
Holdings of MFI securities other than shares	23.5	20.9	21.5	21.6	21.7	21.5	20.5	19.0	18.9	18.1	15.4	15.4	15.4	15.0	15.1
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	20 761.5	21 016.9	20 712.6	20 776.8	21 011.9	21 541.4	21 180.7	20 973.6	20 845.4	20 838.1	20 567.1	20 331.5	20 190.3	20 354.3	20 386.7

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

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Overnight deposits in lats	1 389.6	1 409.4	1 439.8	1 463.0	1 494.5	1 662.7	1 619.7	1 680.9	1 581.5	1 591.2	1 613.6	1 628.2	1 603.1	1 621.1	1 625.1
Financial institutions	88.7	88.6	88.2	87.3	83.5	106.2	106.5	105.8	89.2	66.8	60.3	61.4	60.6	55.4	49.8
Public non-financial corporations	93.5	84.2	67.8	83.8	81.8	87.1	106.9	131.8	99.1	113.6	98.1	99.8	101.1	104.1	104.3
Private non-financial corporations	524.8	566.9	601.3	599.9	616.3	698.8	659.8	673.1	638.7	643.3	692.8	702.9	681.6	713.8	710.8
Households	682.5	669.7	682.5	692.0	712.9	770.5	746.5	770.2	754.6	767.6	762.4	764.1	759.8	747.8	760.2
Time deposits in lats	1 173.2	1 157.1	1 173.6	1 110.6	1 094.5	1 031.3	1 010.8	935.8	972.6	922.2	956.2	871.1	835.1	817.0	801.3
Financial institutions	294.7	293.7	306.1	307.9	302.0	283.7	294.7	257.5	244.7	221.8	215.6	222.7	202.6	186.8	181.0
Public non-financial corporations	206.6	218.7	244.3	213.8	199.7	155.2	159.6	153.5	174.0	177.2	194.5	133.8	138.0	152.7	143.9
Private non-financial corporations	175.9	150.7	136.0	134.5	152.2	165.5	135.7	111.1	148.2	124.5	152.2	133.9	119.6	103.6	102.9
Households	496.0	494.1	487.3	454.4	440.7	426.9	420.7	413.8	405.7	398.8	393.8	380.6	374.9	373.9	373.5
Deposits redeemable at notice in lats	62.6	65.4	67.8	71.7	80.7	80.8	86.8	86.8	95.3	90.8	90.9	89.7	80.6	80.7	80.2
Financial institutions	6.4	7.5	7.5	8.1	7.2	7.2	7.3	7.2	7.2	7.2	7.2	7.5	7.5	7.4	7.4
Public non-financial corporations	1.1	1.0	1.2	1.5	1.5	1.2	1.2	1.2	1.1	1.1	1.3	1.1	1.2	0.9	1.0
Private non-financial corporations	8.7	9.0	9.8	10.7	15.3	16.0	19.2	16.9	16.7	12.9	12.4	11.8	12.2	11.8	9.5
Households	46.4	47.9	49.3	51.4	56.7	56.4	59.1	61.5	70.2	69.6	70.0	69.4	59.7	60.6	62.3
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	2 685.0	2 729.7	2 749.1	2 617.2	2 684.0	2 807.9	2 831.7	2 884.0	2 893.1	2 851.1	2 893.9	2 906.7	2 874.1	2 927.6	2 915.0
Financial institutions	324.0	325.8	340.2	190.8	186.4	199.0	198.4	222.9	223.4	219.1	228.4	234.8	235.3	261.3	267.1
Public non-financial corporations	43.5	52.1	55.8	61.0	84.7	114.5	119.8	118.2	124.7	119.3	118.7	107.1	89.5	96.4	90.5
Private non-financial corporations	628.2	670.4	680.3	697.1	740.5	802.4	826.0	857.5	853.6	825.2	829.3	833.7	836.7	843.1	811.6
Households	1 689.2	1 681.5	1 672.7	1 668.2	1 672.4	1 692.0	1 687.6	1 685.5	1 691.5	1 687.4	1 717.6	1 731.1	1 712.6	1 726.8	1 745.8
Deposits of central government	699.2	722.2	723.0	722.2	721.6	711.7	683.5	684.6	674.5	678.7	679.4	676.9	672.1	673.6	643.6
Overnight deposits in lats	6.7	8.0	8.3	10.5	11.7	15.3	13.0	16.7	12.3	13.3	10.4	13.7	12.3	13.1	14.4
Time deposits in lats	35.9	35.6	44.4	42.3	39.8	31.7	33.4	29.8	28.2	31.7	35.6	34.9	31.8	59.8	63.7
Deposits redeemable at notice and repos in lats	0.6	0.6	0.6	0.6	0.7	0.1	0.2	0.1	0.3	0.6	0.6	0.4	0.3	0.3	0.3
Foreign currency deposits	655.9	678.0	669.7	668.8	669.4	664.6	636.9	637.9	633.7	633.1	632.8	628.0	627.7	600.3	565.1
Deposits of local government	186.7	201.0	200.6	204.6	218.4	202.0	206.2	211.4	231.9	241.7	256.1	245.3	246.6	263.9	256.4
Overnight deposits in lats	121.6	136.7	134.3	136.0	147.7	140.4	131.3	136.5	154.9	165.3	177.6	168.5	168.1	183.8	172.1
Time deposits in lats	11.3	11.4	14.7	19.9	20.2	16.2	28.3	29.0	30.1	30.2	30.5	28.8	31.4	34.3	34.7
Deposits redeemable at notice and repos in lats	4.3	4.0	4.9	4.6	5.6	3.1	4.3	2.2	3.7	4.0	4.4	5.9	4.8	4.1	4.3
Foreign currency deposits	49.5	48.8	46.7	44.1	45.0	42.2	42.3	43.7	43.1	42.1	43.6	42.1	42.3	41.8	45.3
Transit funds	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

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

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Foreign liabilities	10 340.2	10 464.4	10 039.4	10 304.8	10 432.5	10 811.4	10 455.6	10 140.7	10 069.7	10 044.2	9 953.0	9 808.9	9 740.7	9 847.7	9 867.0
Liabilities to the Bank of Latvia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	97.9	103.6	94.9	92.7	89.1	81.8	83.8	84.5	85.8	83.0	81.5	76.1	73.0	72.4	70.7
Debt securities issued	191.8	189.2	196.2	193.8	175.4	175.9	173.1	161.4	161.2	160.4	95.3	95.2	95.2	91.0	91.8
Capital and reserves	1 536.9	1 634.6	1 634.9	1 638.6	1 658.8	1 640.1	1 668.0	1 672.2	1 680.6	1 690.1	1 694.3	1 708.8	1 740.8	1 762.6	1 833.6
Residents	272.1	356.8	357.0	354.0	356.7	337.9	365.8	338.1	345.5	354.9	345.4	356.8	378.3	400.0	366.4
Retained earnings of the reporting year	-297.7	-293.0	-307.4	-314.0	-311.1	-339.4	13.4	21.6	36.3	58.6	61.7	68.8	90.3	114.1	67.9
Non-residents	1 264.9	1 277.8	1 277.9	1 284.5	1 302.1	1 302.2	1 302.2	1 334.1	1 335.1	1 335.1	1 348.9	1 352.0	1 362.6	1 362.6	1 467.3
Provisions	1 852.9	1 827.4	1 807.4	1 788.8	1 779.1	1 741.5	1 742.7	1 733.5	1 715.2	1 698.4	1 706.4	1 664.5	1 639.3	1 619.7	1 634.0
Other liabilities (incl. subordinated liabilities)	251.0	317.2	346.6	307.2	324.7	308.8	305.3	325.1	306.7	304.7	310.6	337.6	312.3	305.6	305.4
Liabilities to resident MFIs	294.7	195.8	239.5	261.7	258.5	285.6	313.5	372.7	377.3	481.7	235.8	222.5	277.4	271.4	262.6
TOTAL LIABILITIES	20 761.5	21 016.9	20 712.6	20 776.8	21 011.9	21 541.4	21 180.7	20 973.6	20 845.4	20 838.1	20 567.1	20 331.5	20 190.3	20 354.3	20 386.7
Memo items															
Trust assets	414.5	424.0	439.1	446.9	472.7	408.5	558.5	365.2	392.4	377.6	403.0	445.5	417.2	441.3	483.3
Foreign	330.4	347.1	370.9	375.7	404.8	338.7	490.4	296.4	311.1	298.6	316.9	367.4	338.3	354.7	390.9
Domestic	84.1	76.9	68.2	71.2	67.9	69.7	68.1	68.9	81.3	79.0	86.1	78.1	78.9	86.6	92.4
Trust liabilities	414.5	424.0	439.1	446.9	472.7	408.5	558.5	365.2	392.4	377.6	403.0	445.5	417.2	441.3	483.3
Foreign	354.0	368.6	382.4	391.9	417.5	352.6	504.4	310.5	336.3	322.9	348.2	391.5	360.3	387.0	429.6
Domestic	60.5	55.4	56.7	55.0	55.2	55.9	54.0	54.8	56.2	54.7	54.9	54.0	57.0	54.3	53.7

10. MONETARY SURVEY

(at end of period; in millions of lats)

	Currency outside MFIs	Overnight deposits (resident)				Time deposits (resident)				Total (M2X)
		Households	Financial institutions and private non-financial corporations	Public non-financial corporations		Households	Financial institutions and private non-financial corporations	Public non-financial corporations		
2010										
VII	750.8	2 410.6	1 225.8	1 080.4	104.4	2 899.7	1 688.3	971.1	240.3	6 061.1
VIII	758.5	2 427.9	1 208.6	1 124.8	94.5	2 933.8	1 684.6	987.7	261.5	6 120.1
IX	760.1	2 476.6	1 217.5	1 181.3	77.8	2 953.6	1 674.3	988.0	291.3	6 190.3
X	776.6	2 507.2	1 236.0	1 178.1	93.1	2 755.4	1 630.1	858.3	267.0	6 039.1
XI	775.5	2 553.6	1 257.1	1 202.9	93.6	2 800.0	1 625.5	900.6	273.9	6 129.2
XII	807.4	2 782.1	1 334.9	1 347.1	100.1	2 800.6	1 610.9	931.8	257.9	6 390.0
2011										
I	790.1	2 763.3	1 298.9	1 341.4	123.0	2 785.6	1 614.9	906.2	264.5	6 339.1
II	795.8	2 816.9	1 324.3	1 345.4	147.2	2 770.7	1 606.7	906.5	257.5	6 383.3
III	795.6	2 703.0	1 320.8	1 269.9	112.3	2 839.5	1 601.2	951.8	286.5	6 338.2
IV	815.6	2 707.8	1 336.4	1 239.7	131.7	2 747.5	1 587.0	881.0	279.5	6 270.9
V	817.7	2 763.7	1 350.0	1 298.3	115.4	2 790.9	1 593.7	899.9	297.3	6 372.3
VI	838.1	2 823.0	1 358.6	1 346.0	118.4	2 672.6	1 586.6	862.6	223.4	6 333.8
VII	876.0	2 773.3	1 344.9	1 314.6	113.8	2 619.7	1 562.2	841.5	216.0	6 268.9
VIII	873.4	2 855.0	1 329.3	1 404.9	120.8	2 591.6	1 579.9	778.4	233.3	6 319.9
IX	888.6	2 839.2	1 340.5	1 382.0	116.7	2 582.4	1 601.3	758.1	223.0	6 310.2
	Net foreign assets	Net domestic assets							Total (M2X)	
		Credit to residents					Other items (net)			
		General government (net)	Households	Financial institutions and private non-financial corporations	Public non-financial corporations					
2010										
VII	-1 658.0	11 411.7	-1 689.7	5 914.5	6 776.1	410.8	-3 692.6	7 719.1	6 061.1	
VIII	-1 470.6	11 317.8	-1 778.8	5 893.0	6 789.2	414.4	-3 727.1	7 590.7	6 120.1	
IX	-1 320.1	11 271.4	-1 748.1	5 854.8	6 746.1	418.6	-3 761.0	7 510.4	6 190.3	
X	-1 360.5	11 081.5	-1 807.6	5 798.2	6 665.0	425.9	-3 681.9	7 399.6	6 039.1	
XI	-1 266.0	11 085.6	-1 736.7	5 771.1	6 600.3	450.9	-3 690.4	7 395.2	6 129.2	
XII	-1 219.8	11 215.1	-1 430.8	5 740.9	6 430.5	474.5	-3 605.3	7 609.8	6 390.0	
2011										
I	-1 180.2	11 141.7	-1 433.4	5 695.7	6 403.3	476.1	-3 622.4	7 519.3	6 339.1	
II	-1 081.1	11 094.8	-1 348.8	5 654.8	6 318.0	470.8	-3 630.4	7 464.4	6 383.3	
III	-1 075.4	11 063.1	-1 264.8	5 615.6	6 242.1	470.2	-3 649.4	7 413.7	6 338.2	
IV	-1 109.2	10 974.6	-1 242.7	5 575.4	6 169.7	472.2	-3 594.4	7 380.2	6 270.9	
V	-1 010.5	10 930.1	-1 255.6	5 550.2	6 161.5	474.0	-3 547.4	7 382.7	6 372.3	
VI	-656.7	10 578.7	-1 487.3	5 511.6	6 101.8	452.6	-3 588.2	6 990.5	6 333.8	
VII	-771.9	10 526.1	-1 532.3	5 475.4	6 132.6	450.4	-3 485.3	7 040.8	6 268.9	
VIII	-567.7	10 366.6	-1 711.0	5 454.4	6 173.6	449.6	-3 479.0	6 887.6	6 319.9	
IX	-466.9	10 351.0	-1 688.2	5 419.9	6 165.8	453.5	-3 573.9	6 777.1	6 310.2	

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

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI ¹	VII	VIII	IX
Claims on MFIs	2 579.2	2 662.2	2 464.5	2 603.9	2 771.7	3 309.9	3 230.7	2 990.2	2 985.7	3 025.7	2 944.8	3 043.7	3 046.2	3 084.2	3 045.8
Loans															
Overnight	1 477.9	1 684.7	1 487.4	1 310.6	1 631.3	1 916.4	1 833.1	1 706.2	1 707.4	1 872.0	1 897.7	2 023.1	1 897.9	1 943.2	1 777.9
Short-term	704.3	570.7	592.1	905.3	754.7	1 010.4	988.6	908.1	727.8	616.2	521.9	548.8	665.1	625.7	742.8
Long-term	32.1	29.7	29.9	31.1	34.0	25.8	26.9	27.5	189.3	188.5	191.9	191.4	190.9	189.8	192.0
Redeemable at notice	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of securities other than shares	287.2	314.3	292.1	298.7	293.5	299.9	328.0	296.0	308.6	296.5	292.1	239.2	251.2	284.5	292.2
Holdings of shares and other equity	0.4	0.5	0.5	0.6	0.7	0.7	2.2	0.6	0.7	0.7	0.6	0.5	0.5	0.4	0.3
Other claims	77.2	62.2	62.2	57.5	57.5	56.5	51.7	51.7	51.7	51.7	40.5	40.5	40.5	40.5	40.5
Claims on non-MFIs	1 998.0	2 050.2	1 941.0	1 904.2	1 993.0	2 045.5	2 020.7	2 078.0	2 101.7	2 064.3	2 123.9	2 093.6	1 911.7	2 000.7	2 155.9
Loans															
Short-term	443.4	471.8	430.5	411.3	451.8	471.8	427.1	424.9	437.4	436.2	459.7	434.9	395.9	413.9	449.3
Long-term	1 032.3	1 057.6	994.4	990.2	983.2	984.5	970.2	969.5	944.8	915.1	916.4	900.3	893.3	848.9	872.5
Holdings of securities other than shares															
Government	311.3	304.3	297.3	283.4	339.0	374.1	389.5	446.5	452.4	461.8	493.5	488.4	340.6	342.5	439.8
Private sector	156.4	161.1	164.2	164.7	166.9	165.5	184.5	184.4	214.4	198.2	200.9	212.4	216.2	332.1	331.1
Holdings of shares and other equity	25.3	26.1	25.4	25.4	22.9	21.0	20.4	21.6	21.6	19.2	19.7	23.9	30.6	28.2	28.5
Other claims	29.2	29.2	29.2	29.2	29.2	28.7	29.0	31.0	31.0	33.7	33.7	33.7	35.1	35.1	34.8
Vault cash in foreign currencies	70.0	81.6	64.1	68.9	66.9	76.2	68.2	69.5	63.5	66.5	68.5	69.2	78.4	74.2	73.4
Other assets															
Other assets	95.6	111.7	109.9	143.2	131.4	128.0	118.5	127.6	119.8	121.4	120.8	118.3	162.9	136.7	137.5
Total foreign assets	4 742.8	4 905.8	4 579.5	4 720.1	4 962.9	5 559.6	5 438.1	5 265.3	5 270.7	5 277.9	5 257.9	5 324.9	5 199.2	5 295.8	5 412.6
Memo items															
Trust assets	330.4	347.1	370.9	375.7	404.8	338.7	490.4	296.4	311.1	298.6	316.9	367.4	338.3	354.7	390.9

¹ Data have been revised.

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

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Liabilities to MFIs															
Overnight	413.7	451.9	563.9	709.6	653.5	446.5	528.1	593.2	653.3	701.2	786.4	649.9	600.5	600.7	565.4
Short-term	687.1	607.7	579.7	696.6	878.8	1 059.0	907.1	616.6	614.5	498.5	508.4	328.1	234.0	167.8	204.2
Long-term	5 528.4	5 491.5	5 229.3	5 088.4	4 899.9	4 953.1	4 885.2	4 820.2	4 697.6	4 672.6	4 413.2	4 503.8	4 571.7	4 452.8	4 373.5
Redeemable at notice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From which liabilities to associated and affiliated MFIs	5 518.1	5 556.8	5 508.2	5 696.3	5 629.7	5 743.7	5 799.7	5 627.1	5 615.3	5 534.3	5 528.6	5 305.2	5 217.9	5 063.5	4 972.6
Non-MFI deposits															
Overnight	2 412.1	2 506.2	2 320.2	2 374.6	2 539.1	2 840.1	2 738.9	2 766.5	2 767.0	2 791.7	2 923.2	3 013.0	2 984.7	3 256.4	3 321.5
Short-term	626.2	689.3	611.4	625.9	682.9	747.6	634.3	604.2	573.5	581.5	542.1	540.0	548.4	564.5	595.2
Long-term	388.7	385.8	425.9	450.1	456.9	442.8	444.1	450.7	458.1	466.3	494.3	483.8	512.4	513.5	493.7
Redeemable at notice	161.4	178.9	170.1	221.5	169.5	183.0	154.6	154.5	164.3	155.3	147.2	163.7	167.3	155.1	164.1
Other liabilities															
Other liabilities ¹	122.7	153.1	138.9	138.0	151.9	139.2	163.3	134.8	141.5	177.2	138.3	126.6	121.7	136.9	149.3
Total foreign liabilities	10 340.2	10 464.4	10 039.4	10 304.8	10 432.5	10 811.3	10 455.6	10 140.7	10 069.7	10 044.2	9 953.0	9 808.9	9 740.7	9 847.7	9 867.0
Memo items															
Trust liabilities	354.0	368.6	382.4	391.9	417.5	352.6	504.4	310.5	336.3	322.9	348.2	391.5	360.3	387.0	429.6

¹ Including subordinated liabilities.

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

(at end of period; in millions of lats)

	Claims on MFIs			Loans to non-MFIs			Liabilities to MFIs			Deposits by non-MFIs		
	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions
2010												
IX	1 545.6	692.1	564.0	701.6	383.3	723.3	5 829.6	2 458.2	543.3	854.9	359.5	2 672.7
X	1 761.5	821.2	485.6	693.6	367.5	707.8	5 927.4	2 350.8	567.2	904.3	402.6	2 767.8
XI	1 833.5	846.8	586.5	689.5	371.7	745.5	5 882.6	2 391.5	549.5	1 013.1	402.2	2 835.2
XII	2 173.4	1 053.8	779.4	668.4	361.7	787.9	5 775.0	2 267.2	683.6	1 011.8	391.4	3 201.8
2011												
I	2 193.0	977.7	655.8	654.8	388.2	742.5	5 430.2	2 187.5	890.3	1 032.5	406.7	2 939.4
II	2 076.4	1 026.0	565.4	641.0	378.2	753.5	5 105.2	2 068.6	924.8	1 026.0	394.6	2 950.0
III	1 995.3	1 032.2	629.4	634.3	372.0	748.0	5 063.4	2 098.5	902.0	1 048.0	417.9	2 914.8
IV	2 080.1	1 098.8	596.6	618.9	361.7	732.5	4 975.5	2 056.5	896.8	1 127.3	499.7	2 867.5
V	1 989.3	1 095.1	622.3	622.7	364.1	753.4	4 836.0	2 142.2	871.9	999.9	360.0	3 106.9
VI	2 083.6	1 075.9	619.0	607.0	358.5	728.2	4 611.3	1 985.2	870.4	1 061.9	417.0	3 138.7
VII	2 118.6	1 055.5	635.5	610.8	367.3	678.4	4 564.8	1 949.7	841.4	1 098.7	392.4	3 114.1
VIII	2 142.2	1 156.3	616.7	620.3	369.1	642.5	4 361.4	1 923.6	859.9	1 204.5	490.4	3 285.0
IX	2 050.5	1 183.6	662.2	651.0	393.6	670.8	4 322.2	1 898.6	821.0	1 192.0	416.9	3 382.6

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

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Overnight deposits															
Amount	2 410.6	2 427.9	2 476.6	2 507.1	2 553.6	2 782.0	2 763.4	2 816.9	2 703.1	2 707.8	2 763.7	2 823.1	2 773.3	2 855.0	2 839.2
% ¹	45.4	45.3	45.6	47.6	47.7	49.9	49.8	50.4	48.8	49.7	49.8	51.4	51.4	52.4	52.4
Time deposits															
Maturity of 1–6 months															
Amount	1 176.9	1 182.9	1 183.6	994.9	1 030.7	1 043.0	1 002.3	1 003.1	1 062.1	998.0	1 034.2	896.3	862.6	819.8	828.9
% ¹	22.2	22.1	21.8	18.9	19.3	18.7	18.1	18.0	19.2	18.3	18.6	16.3	16.0	15.1	15.3
Maturity of 6–12 months															
Amount	1 060.0	1 077.3	1 085.4	1 086.8	1 100.1	1 068.7	1 060.6	1 050.2	1 104.4	1 065.5	1 039.6	1 034.0	1 013.9	1 017.6	992.2
% ¹	20.0	20.1	20.0	20.7	20.5	19.1	19.1	18.8	19.9	19.5	18.7	18.8	18.8	18.7	18.3
Long-term															
Amount	434.0	446.2	454.5	438.7	419.7	447.7	473.0	474.5	426.0	443.0	478.9	507.2	517.5	530.7	539.1
% ¹	8.2	8.3	8.4	8.3	7.8	8.0	8.5	8.5	7.7	8.1	8.6	9.2	9.6	9.7	9.9
Maturity of 1–2 years															
Amount	230.7	233.2	241.2	245.4	234.4	244.6	252.4	248.6	190.9	202.0	214.6	231.7	265.1	275.6	283.4
% ¹	4.3	4.3	4.4	4.7	4.4	4.4	4.5	4.4	3.4	3.7	3.9	4.2	4.9	5.1	5.2
Maturity of over 2 years															
Amount	203.3	213.0	213.3	193.3	185.3	203.1	220.6	225.9	235.1	241.0	264.3	275.5	252.5	255.1	255.8
% ¹	3.8	4.0	3.9	3.7	3.5	3.6	4.0	4.0	4.2	4.4	4.8	5.0	4.7	4.7	4.7
Deposits redeemable at notice															
Up to 3 months															
Amount	228.8	227.3	230.1	234.9	249.5	241.2	249.6	242.8	247.0	240.9	238.1	235.1	225.5	223.4	222.1
% ¹	4.3	4.2	4.2	4.5	4.7	4.3	4.5	4.3	4.4	4.4	4.3	4.3	4.2	4.1	4.1
Over 3 months															
Amount	0.1	0	0	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
% 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	5 310.4	5 361.6	5 430.2	5 262.5	5 353.7	5 582.7	5 549.0	5 587.5	5 542.6	5 455.3	5 554.6	5 495.7	5 393.0	5 446.5	5 421.6

¹ As percentage of total deposits of resident financial institutions, non-financial corporations and households.

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

(at end of period; in millions of lats)

Insurance corporations and pension funds									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2010									
VII	82.5	218.6	34.3	32.0	0.5	0	0	368.0	297.7
VIII	87.5	216.0	35.1	34.4	0.5	0	0	373.5	294.5
IX	91.4	227.0	39.2	35.1	0.5	0	0	393.1	302.3
X	88.2	223.4	39.5	40.8	0.5	0	0	392.3	300.0
XI	78.9	219.4	43.8	35.1	0.4	0	0	377.7	292.5
XII	84.3	204.7	48.0	40.1	0.4	0	0	377.5	293.7
2011									
I	87.9	175.8	48.9	35.2	0.5	0	0	348.4	278.7
II	94.2	166.5	46.9	35.4	0.5	0	0	343.6	262.7
III	74.3	152.0	47.2	37.8	0.5	0	0	311.8	235.8
IV	69.2	138.2	45.9	37.2	0.5	0	0	291.0	212.9
V	76.3	124.3	49.4	35.7	0.4	0	0	286.2	204.5
VI	79.1	133.1	51.6	47.0	0.5	0	0	311.3	227.8
VII	75.5	120.5	55.1	46.1	0.5	0	0	297.8	213.1
VIII	83.6	112.8	54.7	46.1	1.0	0	0	298.2	193.4
IX	91.1	97.3	49.1	45.5	0.8	0	0	283.8	181.6
OFIs and financial auxiliaries									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2010									
VII	70.4	226.5	9.7	30.7	8.6	0	0	345.9	92.2
VIII	53.4	237.0	10.7	30.8	10.3	0	0	342.1	95.3
IX	62.8	237.0	10.6	30.8	7.6	0	0	348.8	99.4
X	61.2	89.1	11.4	31.5	8.8	0	0	201.9	103.3
XI	62.2	88.0	10.4	33.0	7.9	0	0	201.5	100.3
XII	67.7	97.6	10.4	34.4	8.5	0	0	218.6	103.4
2011									
I	85.0	98.6	7.5	58.8	8.6	0	0	258.5	129.7
II	72.8	104.0	6.2	59.7	7.2	0	0	249.8	107.9
III	79.7	99.9	5.1	60.8	7.2	0	0	252.7	105.3
IV	59.4	89.1	5.3	61.6	8.5	0	0	223.9	82.9
V	56.7	91.4	5.1	63.6	8.4	0	0	225.3	78.6
VI	49.8	96.4	4.8	56.1	7.9	0	0	215.1	63.8
VII	41.9	90.0	11.1	57.1	7.9	0	0	208.2	57.5
VIII	45.9	88.9	11.1	58.3	8.6	0	0	212.8	56.3
IX	51.4	90.5	12.3	59.1	8.2	0	0	221.5	56.6

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

(at end of period; in millions of lats)

Public non-financial corporations										
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats	
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2010										
VII	104.4	236.5	0.8	1.5	1.5	0	0	344.7	301.2	
VIII	94.5	257.5	1.0	1.5	1.4	0	0	356.0	303.9	
IX	77.8	287.2	1.0	1.5	1.6	0	0	369.1	313.3	
X	93.1	262.9	0.9	1.5	1.6	0	0	360.1	299.0	
XI	93.6	269.8	0.9	1.5	1.6	0	0	367.5	282.9	
XII	100.1	255.1	0.9	0.5	1.4	0	0	358.0	243.5	
2011										
I	123.0	260.4	2.3	0.5	1.4	0	0	387.6	267.8	
II	147.2	253.5	2.1	0.5	1.4	0	0	404.7	286.5	
III	112.3	282.4	2.3	0.5	1.2	0	0	398.8	274.2	
IV	131.7	275.5	2.3	0.5	1.2	0	0	411.2	291.9	
V	115.4	293.3	2.0	0.5	1.5	0	0	412.7	294.0	
VI	118.4	215.4	6.2	0.5	1.3	0	0	341.9	234.8	
VII	113.8	206.0	8.2	0.5	1.3	0	0	329.8	240.3	
VIII	120.8	223.6	8.1	0.5	1.0	0	0	354.0	257.6	
IX	116.7	213.2	8.1	0.5	1.1	0	0	339.7	249.1	
Private non-financial corporations										
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats	
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2010										
VII	927.5	349.9	26.2	11.6	22.4	0	0	1 337.6	709.4	
VIII	983.9	349.2	24.6	17.4	21.7	0	0	1 396.9	726.5	
IX	1 027.1	329.0	28.6	16.8	25.9	0	0	1 427.4	747.1	
X	1 028.8	342.3	28.3	17.5	25.4	0	0	1 442.3	745.1	
XI	1 061.8	390.0	24.9	14.8	32.9	0	0	1 524.4	783.9	
XII	1 195.1	415.1	25.7	17.1	29.7	0	0	1 682.7	880.4	
2011										
I	1 168.5	395.8	24.3	17.3	34.8	0	0	1 640.7	814.8	
II	1 178.5	403.1	26.6	18.2	32.2	0	0	1 658.5	801.0	
III	1 115.9	468.5	23.2	18.5	31.1	0	0	1 657.3	803.6	
IV	1 111.2	425.0	23.0	19.5	27.2	0	0	1 605.8	780.6	
V	1 165.3	448.2	25.1	21.2	26.9	0	0	1 686.7	857.4	
VI	1 217.1	388.8	26.3	23.4	26.8	0	0	1 682.3	848.6	
VII	1 197.1	365.5	36.3	22.1	29.1	0	0	1 650.1	813.4	
VIII	1 275.5	311.5	37.8	22.0	25.6	0	0	1 672.3	829.2	
IX	1 239.5	313.2	36.5	21.9	23.7	0	0	1 634.9	823.2	

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

(at end of period; in millions of lats)

	Households									In lats
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats	
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2010										
VII	1 225.8	1 205.3	159.7	127.5	195.7	0	0	2 914.1	1 224.9	
VIII	1 208.6	1 200.4	161.7	128.9	193.5	0	0	2 893.2	1 211.7	
IX	1 217.6	1 188.7	161.8	129.1	194.5	0	0	2 891.8	1 219.0	
X	1 236.0	1 164.0	165.4	102.0	198.6	0	0	2 866.0	1 197.8	
XI	1 257.1	1 163.7	154.3	100.8	206.7	0	0	2 882.6	1 210.3	
XII	1 334.9	1 139.2	159.5	111.0	201.1	0	0	2 945.8	1 253.8	
2011										
I	1 298.9	1 132.3	169.4	108.8	204.3	0.1	0	2 913.8	1 226.3	
II	1 324.3	1 126.2	166.8	112.0	201.6	0.1	0	2 930.9	1 245.4	
III	1 320.8	1 163.7	113.0	117.5	206.9	0.1	0	2 922.0	1 230.5	
IV	1 336.4	1 135.7	125.5	122.2	203.5	0.1	0	2 923.4	1 236.0	
V	1 350.0	1 116.6	133.0	143.1	200.9	0.1	0	2 943.7	1 226.1	
VI	1 358.6	1 096.6	142.9	148.5	198.7	0.1	0	2 945.2	1 214.0	
VII	1 344.9	1 094.6	154.3	126.6	186.7	0.1	0	2 907.1	1 194.4	
VIII	1 329.2	1 100.5	164.0	128.2	187.2	0.1	0	2 909.1	1 182.3	
IX	1 340.5	1 107.0	177.2	128.8	188.3	0.1	0	2 941.8	1 196.0	

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

(at end of period; in millions of lats)

	General government				Non-residents				In lats	
	Central government	Local government	In lats	MFIs	Non-MFIs		In lats			
					General government	Other				
2010										
VII	699.2	186.7	885.9	180.4	6 629.1	3 588.4	2.9	3 585.5	10 217.5	198.8
VIII	722.2	201.0	923.2	196.3	6 551.1	3 760.2	2.0	3 758.2	10 311.3	180.7
IX	723.0	200.6	923.6	207.1	6 372.8	3 527.6	2.0	3 525.7	9 900.5	189.8
X	722.2	204.6	926.8	214.0	6 494.6	3 672.1	2.4	3 669.7	10 166.7	180.1
XI	721.6	218.4	940.1	225.6	6 432.2	3 848.3	2.4	3 845.9	10 280.5	214.8
XII	711.8	202.0	913.7	206.8	6 458.6	4 213.5	1.5	4 212.0	10 672.1	196.6
2011										
I	683.5	206.2	889.7	210.5	6 320.4	3 971.8	3.6	3 968.2	10 292.3	142.5
II	684.6	211.4	896.0	214.4	6 030.0	3 976.0	2.4	3 973.6	10 006.0	170.1
III	674.5	231.9	906.4	229.6	5 965.3	3 962.9	5.7	3 957.2	9 928.2	160.2
IV	678.7	241.7	920.3	245.1	5 872.2	3 994.7	2.8	3 991.9	9 867.0	161.2
V	679.4	256.1	935.6	259.2	5 707.9	4 106.8	2.1	4 104.7	9 814.7	182.4
VI	676.9	245.3	922.2	252.1	5 481.7	4 200.6	2.4	4 198.1	9 682.3	142.5
VII	672.1	246.6	918.6	248.7	5 406.2	4 212.8	2.4	4 210.4	9 618.9	157.0
VIII	673.6	263.9	937.5	295.4	5 221.4	4 489.5	2.5	4 487.1	9 710.9	138.3
IX	643.6	256.3	899.9	289.5	5 143.2	4 574.5	2.7	4 571.8	9 717.8	176.7

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

(at end of period; in millions of lats)

	2010						2011								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Short-term															
Amount	2 217.7	2 264.5	2 277.6	2 220.0	2 142.2	2 059.7	2 063.5	2 055.1	1 999.0	1 995.5	1 990.4	2 007.2	1 987.1	1 996.3	2 000.2
% ¹	17.2	17.6	17.8	17.5	17.0	16.6	16.7	16.8	16.6	16.7	16.7	17.0	16.9	17.0	17.0
Maturity of 1–5 years															
Amount	2 536.7	2 500.8	2 446.4	2 496.6	2 501.4	2 345.8	2 316.1	2 228.6	2 175.0	2 146.3	2 159.9	2 047.4	1 972.1	1 982.4	1 969.2
% ¹	19.7	19.4	19.1	19.7	19.9	18.9	18.8	18.3	18.0	17.9	18.1	17.3	16.7	16.8	16.8
Maturity of over 5 years															
Amount	8 139.2	8 119.9	8 084.1	7 953.0	7 953.0	7 993.8	7 947.1	7 909.5	7 898.0	7 819.0	7 777.1	7 753.9	7 835.2	7 795.0	7 767.1
% ¹	63.1	63.0	63.1	62.8	63.1	64.5	64.5	64.9	65.4	65.4	65.2	65.7	66.4	66.2	66.2
Total loans	12 893.7	12 885.2	12 808.1	12 669.6	12 596.6	12 399.3	12 326.6	12 193.2	12 072.0	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4

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; in millions of lats)

	Insurance corporations and pension funds			OFIs and financial auxiliaries			Public non-financial corporations				Private non-financial corporations					
	Up to 1 year		In lats	Up to 1 year		In lats	Up to 1 year	1–5 years	Over 5 years		In lats	Up to 1 year	1–5 years	Over 5 years	In lats	
2010																
VII	0	1.5	0	154.3	456.0	58.7	20.9	31.2	358.7	410.8	11.0	1 538.2	1 769.6	2 803.0	6 110.9	350.4
VIII	0	1.5	0	156.6	447.4	58.4	21.2	30.4	362.8	414.4	11.0	1 579.9	1 749.5	2 799.5	6 129.0	344.0
IX	0	1.5	0	158.0	440.5	53.6	21.4	29.3	367.8	418.6	10.9	1 596.5	1 709.7	2 786.5	6 092.7	341.0
X	0.9	2.4	0.1	160.4	438.9	51.3	22.0	33.7	370.2	425.9	9.6	1 534.1	1 711.1	2 759.1	6 004.2	335.4
XI	1.1	2.5	0.2	153.0	426.6	50.5	21.6	33.0	396.3	450.9	9.0	1 474.4	1 722.3	2 748.8	5 945.5	337.2
XII	0	1.5	0	146.0	410.2	49.0	42.5	33.7	398.3	474.5	9.3	1 383.6	1 611.2	2 777.5	5 772.3	361.1
2011																
I	0.6	2.0	0	133.2	391.8	46.4	42.0	33.5	400.6	476.1	8.7	1 421.8	1 574.4	2 764.9	5 761.1	406.4
II	0.3	1.7	0.2	153.3	378.1	45.2	34.8	32.7	403.4	470.8	8.9	1 405.0	1 530.0	2 752.8	5 687.8	408.4
III	0	1.4	0	120.4	372.6	42.5	32.9	31.8	405.5	470.2	7.0	1 366.9	1 474.4	2 770.7	5 612.0	411.2
IV	0	1.4	0	120.0	339.3	41.5	35.6	51.0	385.6	472.2	7.0	1 356.3	1 474.6	2 741.5	5 572.4	418.4
V	0	1.4	0	124.4	331.7	39.9	26.4	65.1	382.5	474.0	11.9	1 356.4	1 495.1	2 718.6	5 570.0	470.5
VI	0.1	1.4	0	130.9	335.2	39.4	16.4	63.5	372.7	452.6	12.6	1 375.4	1 404.0	2 728.4	5 507.8	467.1
VII	0.4	1.2	0.3	120.5	323.8	36.2	13.9	42.6	393.9	450.4	11.6	1 386.6	1 367.4	2 789.7	5 543.7	479.9
VIII	0.5	1.3	0.5	116.8	317.0	37.5	13.7	41.6	394.3	449.6	10.2	1 395.7	1 378.9	2 776.7	5 551.3	521.7
IX	0.1	0.1	0.1	116.4	312.4	39.2	15.9	41.2	396.4	453.5	9.6	1 396.4	1 381.3	2 772.8	5 550.5	546.7

16.b LOANS TO HOUSEHOLDS

(at end of period; in millions of lats)

	Households													In lats
	Consumer credit				Lending for house purchase				Other lending					
	Up to 1 year	1-5 years	Over 5 years		Up to 1 year	1-5 years	Over 5 years		Up to 1 year	1-5 years	Over 5 years			
2010														
VII	660.3	223.5	112.3	324.5	4 726.1	186.3	325.3	4 214.5	528.1	94.4	125.1	308.6	5 914.5	563.2
VIII	657.6	225.0	109.0	323.6	4 710.4	188.2	322.1	4 200.0	525.0	93.6	123.9	307.5	5 893.0	557.6
IX	650.1	220.8	106.8	322.6	4 684.4	188.2	319.5	4 176.7	520.3	92.7	123.4	304.2	5 854.9	552.8
X	644.3	217.6	103.5	323.3	4 665.8	190.9	316.0	4 158.8	488.1	94.1	121.2	272.8	5 798.2	549.9
XI	638.3	212.4	102.5	323.5	4 647.8	188.6	315.5	4 143.8	485.0	91.2	122.2	271.6	5 771.1	543.8
XII	652.0	224.3	101.6	326.1	4 609.5	175.0	312.0	4 122.5	479.3	88.3	121.2	269.9	5 740.9	547.0
2011														
I	649.1	200.1	124.3	324.6	4 577.2	179.2	302.1	4 096.0	469.5	86.6	119.7	263.1	5 695.7	544.3
II	643.5	196.7	122.8	324.0	4 505.6	167.8	292.6	4 045.1	505.8	97.3	120.6	288.0	5 654.8	538.7
III	642.7	213.1	105.3	324.2	4 472.0	169.0	284.6	4 018.4	500.9	96.6	120.5	283.8	5 615.6	539.0
IV	636.9	210.3	104.6	322.0	4 443.1	172.1	276.9	3 994.1	495.3	101.0	112.6	281.7	5 575.4	536.3
V	636.7	209.6	104.7	322.4	4 419.5	172.7	268.1	3 978.7	493.9	100.8	113.4	279.7	5 550.2	537.3
VI	631.1	205.9	103.8	321.4	4 393.5	175.6	261.8	3 956.1	487.0	102.8	105.0	279.2	5 511.6	535.4
VII	627.8	192.8	106.0	329.0	4 362.0	174.0	244.0	3 944.0	485.6	98.9	103.6	283.0	5 475.4	528.0
VIII	628.7	194.1	106.6	327.9	4 339.3	177.3	242.7	3 919.3	486.4	98.1	106.4	281.9	5 454.4	531.9
IX	628.3	192.4	107.2	328.7	4 308.6	179.4	235.0	3 894.2	482.9	99.7	99.9	283.4	5 419.9	534.5

16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; in millions of lats)

	General government				Non-residents						In lats
	Central government	Local government	In lats		MFIs	Non-MFIs			In lats		
						General government	Other				
2010											
VII	3.1	63.2	66.3	2.3	2 214.4	1 475.8	0.3	1 475.4	3 690.2	260.8	
VIII	3.1	62.6	65.7	2.2	2 284.8	1 529.4	0.3	1 529.1	3 814.2	240.2	
IX	3.1	62.1	65.1	2.3	2 109.6	1 424.9	0.3	1 424.6	3 534.6	244.0	
X	3.1	62.9	66.0	2.4	2 247.1	1 401.4	0.3	1 401.1	3 648.5	239.0	
XI	3.1	62.5	65.6	2.1	2 420.0	1 435.0	0.3	1 434.6	3 855.0	228.8	
XII	3.0	61.5	64.6	1.7	2 952.8	1 456.3	0.1	1 456.2	4 409.1	237.6	
2011											
I	3.0	62.7	65.7	1.7	2 848.7	1 397.3	0.1	1 397.2	4 246.0	254.9	
II	3.0	61.8	64.9	1.6	2 641.8	1 394.5	0.1	1 394.4	4 036.3	249.2	
III	3.0	60.2	63.2	1.5	2 624.6	1 382.3	0.1	1 382.2	4 006.9	248.9	
IV	3.1	60.0	63.1	2.2	2 676.7	1 351.3	0.1	1 351.3	4 028.1	265.9	
V	0	61.1	61.1	2.2	2 611.6	1 376.1	0.1	1 376.0	3 987.7	259.7	
VI	0	60.3	60.3	2.2	2 702.6	1 335.3	0.1	1 335.2	4 037.9	268.6	
VII	0	60.8	60.8	2.1	2 754.1	1 289.2	0.1	1 289.1	4 043.3	257.7	
VIII	0	63.2	63.2	2.3	2 758.8	1 262.8	0.1	1 262.7	4 021.6	256.0	
IX	0	62.6	62.6	2.6	2 712.8	1 321.8	0.1	1 321.7	4 034.6	263.5	

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

(at end of Q3 2011, in millions of lats; structure, %)

	With residual maturity of up to 1 year				With residual maturity of over 1 and up to 5 years				With residual maturity of over 5 years				Total loans			
	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%
Total	2 264.5	100.0	271.6	100.0	2 390.3	100.0	277.0	100.0	1 664.2	100.0	46.2	100.0	6 319.0	100.0	594.8	100.0
A Agriculture, forestry and fishing	132.7	5.9	21.9	8.1	130.7	5.5	27.3	9.9	68.8	4.1	15.8	34.2	332.1	5.3	65.0	10.9
B Mining and quarrying	10.0	0.4	1.0	0.4	7.5	0.3	0.7	0.3	4.7	0.3	0	0	22.2	0.3	1.7	0.3
C Manufacturing	301.3	13.3	53.8	19.8	307.7	12.9	7.3	2.6	263.4	15.8	5.3	11.5	872.5	13.8	66.4	11.2
D Electricity, gas, steam and air conditioning supply	91.0	4.0	2.6	0.9	174.3	7.3	4.8	1.7	64.0	3.8	1.3	2.8	329.3	5.2	8.7	1.5
E Water supply; sewerage, waste management and remediation activities	3.2	0.1	0.8	0.3	9.2	0.4	1.8	0.7	19.6	1.2	0.5	1.1	32.0	0.5	3.1	0.5
F Construction	219.6	9.7	20.3	7.5	142.4	5.9	7.0	2.5	233.3	14.0	2.3	5.0	595.3	9.4	29.6	5.0
G Wholesale and retail trade; repair of motor vehicles and motorcycles	384.2	17.0	55.5	20.4	176.5	7.4	40.9	14.8	130.1	7.8	2.4	5.2	690.8	10.9	98.8	16.6
H Transportation and storage	75.3	3.3	13.0	4.8	185.7	7.8	1.5	0.5	124.7	7.5	0.7	1.5	385.8	6.1	15.2	2.6
I Accommodation and food service activities	34.0	1.5	4.9	1.8	64.8	2.7	2.5	0.9	64.1	3.9	1.4	3.0	163.0	2.6	8.8	1.5
J Information and communication	26.5	1.2	17.0	6.3	22.3	0.9	0.3	0.1	5.5	0.3	0	0	54.4	0.9	17.3	2.9
K Financial and insurance activities	179.1	7.9	34.9	12.8	167.0	7.0	13.8	5.0	28.1	1.7	0.1	0.2	374.2	5.9	48.8	8.2
L Real estate activities	731.0	32.3	31.9	11.7	869.8	36.4	145.7	52.6	494.6	29.7	13.5	29.2	2 095.4	33.2	191.1	32.1
M Professional, scientific and technical activities	6.8	0.3	1.3	0.5	21.0	0.9	16.4	5.9	6.4	0.4	0.1	0.2	34.2	0.5	17.8	3.0
N Administrative and support service activities	20.1	0.9	8.1	3.0	36.4	1.5	1.5	0.5	16.9	1.0	0.2	0.5	73.4	1.2	9.8	1.6
O Public administration and defence; compulsory social security	0.3	0	0	0	0.1	0	0	0	54.6	3.3	0.1	0.2	55.0	0.9	0.1	0
P Education	2.7	0.1	0.1	0	1.4	0	0.1	0	1.0	0.1	0	0	5.1	0.1	0.2	0
Q Human health and social work activities	7.4	0.3	0.2	0.1	6.7	0.3	0.7	0.3	6.7	0.4	0.6	1.3	20.8	0.3	1.5	0.3
R Arts, entertainment and recreation	13.1	0.6	0.8	0.3	6.6	0.3	1.0	0.4	22.9	1.4	1.1	2.4	42.6	0.7	2.9	0.5
S Other service activities	26.2	1.2	3.5	1.3	60.2	2.5	3.7	1.3	54.8	3.3	0.8	1.7	140.9	2.2	8.0	1.3

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

(at end of period; in millions of lats)

	2010			2011		
	VI	IX	XII	III	VI ¹	IX
Commercial credit	1 919.0	1 898.0	1 770.4	1 716.8	1 696.7	1 771.0
Industrial credit	2 194.5	2 170.8	2 112.0	2 108.4	2 053.4	2 057.5
Reverse repo	3.9	1.0	1.3	1.4	0.9	0.8
Financial leasing	11.2	13.4	14.0	17.9	17.4	22.0
Consumer credit	496.2	481.7	491.7	433.0	426.7	424.2
Mortgage loans	7 459.7	7 361.2	7 180.7	6 991.9	6 819.7	6 660.7
Factoring	0.5	0.4	0.4	0.5	0.6	1.5
Other credit	908.3	875.2	822.9	797.9	782.9	787.7
Total loans	12 993.2	12 801.7	12 393.5	12 067.8	11 798.2	11 725.3

¹ Data have been revised.

19.a HOLDINGS OF SECURITIES OTHER THAN SHARES

(at end of period; in millions of lats)

	Securities other than shares										In lats
	MFIs		General government		Other residents		Non-residents				
		incl. long-term		incl. long-term		incl. long-term		incl. long-term			
2010											
VII	23.5	23.5	476.8	257.8	0.1	0.1	755.0	584.4	1 255.4	480.4	
VIII	20.9	20.9	451.0	262.5	0.1	0.1	779.8	614.8	1 251.7	451.8	
IX	21.5	21.5	437.9	269.1	0.1	0.1	753.5	610.9	1 213.1	438.8	
X	21.6	21.6	452.8	283.7	0.1	0.1	746.8	612.0	1 221.2	453.0	
XI	21.7	21.7	464.7	282.7	0.1	0.1	799.4	643.5	1 285.8	465.8	
XII	21.5	21.5	499.2	282.5	0.1	0.1	839.5	714.5	1 360.4	492.1	
2011											
I	20.5	20.5	498.5	286.4	0.1	0.1	902.1	775.1	1 421.1	486.6	
II	19.0	19.0	493.9	287.9	0.1	0.1	926.9	760.6	1 439.8	479.9	
III	18.9	18.9	509.3	289.4	0.1	0.1	975.4	877.9	1 503.7	495.3	
IV	18.1	18.1	531.9	289.1	0.1	0.1	956.6	839.9	1 506.6	518.1	
V	15.4	15.4	514.4	291.0	0.1	0.1	986.5	870.2	1 516.5	500.3	
VI	15.4	15.4	513.4	302.3	0.1	0.1	940.0	852.6	1 468.8	493.8	
VII	15.4	15.4	533.0	317.7	0.1	0.1	808.0	780.0	1 356.5	511.3	
VIII	15.0	15.0	548.6	334.1	0.1	0.1	959.1	889.7	1 522.7	525.2	
IX	15.1	15.1	537.1	342.0	0.2	0.2	1 063.0	986.7	1 615.4	512.7	

19.b HOLDINGS OF SHARES AND OTHER EQUITY

(at end of period; in millions of lats)

	Shares and other equity						In lats	
	MFIs		Other residents		Non-residents			
2010								
VII		0.4		207.6		132.0	340.0	223.4
VIII		0.4		211.3		118.1	329.8	212.1
IX		0.4		211.3		117.4	329.1	212.3
X		0.4		219.4		112.8	332.6	208.8
XI		0.4		225.7		110.2	336.3	208.8
XII		0.4		246.5		106.8	353.7	222.7
2011								
I		0.4		248.4		103.3	352.1	219.2
II		0.4		250.4		105.0	355.8	223.0
III		0.4		255.9		105.1	361.4	228.1
IV		0.4		256.5		105.3	362.2	231.4
V		0.4		258.2		94.5	353.1	221.9
VI		0.4		257.4		98.6	356.3	221.4
VII		0.4		263.8		106.7	370.9	222.9
VIII		0.4		303.9		104.2	408.5	223.1
IX		0.4		302.6		104.2	407.1	221.1

20.a CURRENCY BREAKDOWN OF RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2010										
VII	294.7	68.5	31.5	27.3	4.1	6 196.2	45.3	54.7	48.9	5.0
VIII	195.8	59.0	41.0	32.4	8.1	6 284.8	45.0	55.0	49.0	5.2
IX	239.5	47.1	52.9	44.7	6.9	6 353.8	45.5	54.5	48.7	4.9
X	261.7	42.8	57.2	50.0	7.1	6 189.3	46.2	53.8	47.8	5.1
XI	258.5	36.9	63.1	53.2	9.7	6 293.8	46.0	54.0	48.0	5.2
XII	285.6	36.0	64.0	46.7	16.8	6 496.4	45.9	54.1	48.2	5.1
2011										
I	313.5	23.0	77.0	60.3	16.6	6 438.6	45.5	54.5	48.5	5.3
II	372.7	13.7	86.3	67.9	18.3	6 483.5	45.0	55.0	49.1	5.2
III	377.3	19.2	80.8	72.4	7.9	6 449.0	44.6	55.4	49.3	5.3
IV	481.7	24.5	75.5	64.8	10.7	6 375.6	44.7	55.3	49.5	5.0
V	235.8	34.7	65.3	46.1	19.1	6 490.1	45.0	55.0	49.1	5.1
VI	222.5	22.7	77.3	58.2	18.9	6 417.9	44.3	55.7	49.6	5.3
VII	277.4	35.1	64.9	46.7	18.0	6 311.6	43.9	56.1	49.6	5.6
VIII	271.4	30.1	69.9	56.4	12.5	6 384.0	44.1	55.9	49.3	5.3
IX	262.6	42.1	57.9	45.0	9.7	6 321.5	44.2	55.8	49.2	5.5

20.b CURRENCY BREAKDOWN OF NON-RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2010										
VII	6 629.1	2.0	98.0	95.4	1.1	3 588.4	1.9	98.1	34.2	60.2
VIII	6 551.1	1.9	98.1	95.1	1.4	3 760.2	1.5	98.5	33.3	61.2
IX	6 372.8	2.1	97.9	94.9	1.4	3 527.6	1.7	98.3	36.2	57.7
X	6 494.6	1.8	98.2	94.6	1.4	3 672.1	1.7	98.3	36.3	57.5
XI	6 432.2	2.3	97.7	94.3	1.4	3 848.3	1.8	98.2	36.8	56.4
XII	6 458.6	2.0	98.0	94.3	1.4	4 213.5	1.6	98.4	33.2	61.2
2011										
I	6 320.4	1.2	98.8	95.7	1.2	3 971.8	1.7	98.3	34.9	59.3
II	6 030.0	1.9	98.1	94.7	1.5	3 976.0	1.4	98.6	34.5	60.1
III	5 965.3	1.9	98.1	94.1	2.0	3 962.9	1.3	98.7	35.0	59.6
IV	5 872.2	2.0	98.0	93.4	1.9	3 994.7	1.1	98.9	36.1	58.6
V	5 707.9	2.5	97.5	92.5	2.3	4 106.8	1.0	99.0	33.9	60.7
VI	5 481.7	1.8	98.2	92.5	2.0	4 200.6	1.1	98.9	34.0	60.5
VII	5 406.2	1.9	98.1	92.3	2.0	4 212.8	1.3	98.7	35.5	57.7
VIII	5 221.4	1.5	98.5	92.4	2.0	4 489.5	1.4	98.6	32.9	47.7
IX	5 143.2	2.5	97.5	91.1	2.5	4 574.5	1.0	99.0	33.6	59.8

20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies			incl. USD
				incl. EUR		
2010						
VII	12 960.0	7.6	92.4		89.3	2.4
VIII	12 950.9	7.5	92.5		89.2	2.5
IX	12 873.2	7.5	92.5		89.4	2.3
X	12 735.6	7.5	92.5		89.6	2.2
XI	12 662.2	7.4	92.6		89.6	2.1
XII	12 463.9	7.8	92.2		89.4	2.0
2011						
I	12 392.4	8.1	91.9		89.1	1.9
II	12 258.1	8.2	91.8		89.1	1.8
III	12 135.2	8.3	91.7		89.1	1.8
IV	12 023.8	8.4	91.6		88.8	1.7
V	11 988.5	8.9	91.1		88.1	1.8
VI	11 868.9	8.9	91.1		87.6	1.8
VII	11 855.3	8.9	91.1		87.6	1.8
VIII	11 836.8	9.3	90.7		87.2	1.8
IX	11 799.0	9.6	90.4		86.8	1.9

20.d CURRENCY BREAKDOWN OF LOANS TO NON-RESIDENTS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2010										
VII	2 214.4	10.3	89.7	34.4	48.1	1 475.8	2.2	97.8	43.0	52.8
VIII	2 285.2	9.3	90.7	34.5	49.7	1 529.4	1.7	98.3	43.6	52.4
IX	2 109.6	10.1	89.9	35.3	47.1	1 424.9	2.2	97.8	45.0	50.8
X	2 247.1	9.7	90.3	37.5	45.8	1 401.4	1.5	98.5	45.5	50.9
XI	2 420.0	8.6	91.4	36.4	48.6	1 435.0	1.5	98.5	43.9	52.4
XII	2 952.8	7.3	92.7	40.7	47.1	1 456.3	1.5	98.5	42.0	54.3
2011										
I	2 848.7	8.2	91.8	39.6	46.3	1 397.3	1.5	98.5	43.8	52.3
II	2 641.8	8.6	91.4	40.0	45.7	1 394.5	1.6	98.4	43.9	51.9
III	2 624.6	8.5	91.5	36.4	48.9	1 382.3	1.9	98.1	43.8	51.7
IV	2 676.7	9.1	90.9	36.3	48.6	1 351.3	1.6	98.4	44.8	50.9
V	2 611.6	9.1	90.9	31.9	52.4	1 376.1	1.7	98.3	44.1	51.5
VI ¹	2 763.5	9.0	91.0	29.6	52.8	1 335.3	1.6	98.4	45.2	50.6
VII	2 754.1	8.6	91.4	27.3	57.0	1 289.2	1.6	98.4	47.2	48.0
VIII	2 758.8	8.5	91.5	25.8	55.9	1 262.8	1.6	98.4	46.7	48.3
IX	2 712.8	8.9	91.1	28.4	54.8	1 321.8	1.6	98.4	44.4	50.2

¹ Data have been revised.

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

(at end of period)

	MFIs					Non-MFIs					
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies				In lats	In foreign currencies			
			incl. EUR	incl. USD				incl. EUR	incl. USD		
2010											
VII	23.5	31.7	68.3	65.0	3.3	476.9	98.2	1.8	1.8	0	
VIII	20.9	23.1	76.9	73.1	3.8	451.1	98.0	2.0	2.0	0	
IX	21.5	22.7	77.3	73.9	3.5	438.0	97.9	2.1	2.1	0	
X	21.6	22.5	77.5	74.1	3.4	452.9	97.7	2.3	2.3	0	
XI	21.7	22.7	77.3	74.4	2.9	464.7	97.5	2.5	2.5	0	
XII	21.5	22.8	77.2	74.3	2.9	499.3	97.6	2.4	2.4	0	
2011											
I	20.5	19.7	80.3	77.4	2.9	498.5	96.8	3.2	3.2	0	
II	19.0	20.8	79.2	75.3	3.9	493.9	96.4	3.6	3.6	0	
III	18.9	21.0	79.0	75.1	3.9	509.4	96.5	3.5	3.5	0	
IV	18.1	22.0	78.0	74.2	3.8	531.9	96.6	3.4	3.4	0	
V	15.4	25.9	74.1	69.4	4.7	514.5	96.5	3.5	3.5	0	
VI	15.4	25.9	74.1	69.4	4.7	513.4	95.4	4.6	3.8	0.8	
VII	15.4	25.9	74.1	69.4	4.7	533.0	95.2	4.8	3.7	1.1	
VIII	15.0	24.7	75.3	70.8	0	548.6	95.2	4.8	3.6	1.2	
IX	15.1	25.8	74.2	74.2	0	537.3	94.7	5.3	3.7	1.6	

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

(at end of period)

	MFIs					Non-MFIs					
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies				In lats	In foreign currencies			
			incl. EUR	incl. USD				incl. EUR	incl. USD		
2010											
VII	287.2	1.7	98.3	47.6	49.3	467.8	0	100.0	32.6	64.0	
VIII	314.3	1.6	98.4	41.3	55.5	465.4	0	100.0	35.9	60.9	
IX	292.1	1.7	98.3	47.4	49.3	461.4	0	100.0	37.9	59.0	
X	298.7	1.9	98.1	46.7	49.4	448.1	0	100.0	35.9	60.1	
XI	293.5	2.7	97.3	46.8	48.6	505.9	0	100.0	39.6	56.9	
XII	299.9	0	100.0	46.2	51.8	539.6	0	100.0	32.3	63.4	
2011											
I	328.0	0	100.0	43.6	54.4	574.0	0	100.0	30.4	65.5	
II	296.0	0	100.0	45.1	52.7	630.9	0	100.0	28.2	66.9	
III	308.6	0	100.0	45.8	51.8	666.7	0	100.0	36.9	58.1	
IV	296.5	0	100.0	49.3	48.1	660.1	0	100.0	34.2	61.2	
V	292.1	0	100.0	43.6	53.7	694.4	0	100.0	37.2	58.8	
VI	239.2	0	100.0	35.4	61.2	700.8	0	100.0	37.7	58.2	
VII	251.2	0	100.0	28.7	68.0	556.8	0	100.0	47.2	47.8	
VIII	284.5	0	100.0	28.1	69.8	674.6	0	100.0	37.8	56.6	
IX	292.2	0	100.0	27.6	70.4	770.8	0	100.0	36.6	59.8	

20.g CURRENCY BREAKDOWN OF DEBT SECURITIES ISSUED BY MFIs

(at end of period)

	Outstanding amount (all currencies; in millions of lats)	Structure (%)	
		In lats	In foreign currencies
2010			
VII	191.8	7.9	92.1
VIII	189.2	6.5	93.5
IX	196.2	6.2	93.8
X	193.8	6.3	93.7
XI	175.4	7.0	93.0
XII	175.9	7.0	93.0
2011			
I	173.1	5.8	94.2
II	161.4	6.2	93.8
III	161.2	6.2	93.8
IV	160.4	6.2	93.8
V	95.3	10.5	89.5
VI	95.2	10.5	89.5
VII	95.2	10.5	89.5
VIII	91.0	9.7	90.3
IX	91.8	9.7	90.3

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)											
	Deposits from households						Deposits from non-financial corporations				Repos
	Overnight ¹	With agreed maturity			Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years	
2010											
VII	0.79	3.11	5.26	4.60	1.88	x	0.28	0.70	4.58	4.88	–
VIII	0.68	3.08	4.91	4.64	1.60	x	0.24	0.89	4.60	4.50	–
IX	0.77	2.25	4.98	5.68	1.62	x	0.21	0.74	4.43	3.61	–
X	0.55	1.89	4.30	4.65	1.56	x	0.25	0.58	3.50	1.43	–
XI	0.46	1.58	4.07	4.46	1.27	x	0.21	0.44	2.84	4.73	–
XII	0.28	1.87	3.94	4.38	1.41	x	0.16	0.36	3.65	3.78	–
2011											
I	0.28	1.90	3.97	4.00	1.34	x	0.14	0.29	2.22	3.29	–
II	0.25	1.09	3.80	3.21	1.40	x	0.15	0.26	1.18	2.16	–
III	0.26	0.43	3.33	3.69	0.39	x	0.13	0.44	2.62	x	–
IV	0.27	0.56	2.99	2.78	0.39	x	0.18	0.26	1.20	1.45	–
V	0.23	0.50	3.00	2.37	0.40	x	0.12	0.35	2.79	1.58	–
VI	0.23	0.68	3.03	4.04	0.38	x	0.12	0.30	2.44	2.29	–
VII	0.21	0.80	2.87	3.46	0.38	x	0.10	0.32	2.66	2.11	–
VIII	0.20	0.63	2.99	3.30	0.37	x	0.10	0.48	2.89	1.23	–
IX	0.22	0.51	3.37	4.14	0.37	x	0.10	0.38	1.93	1.35	–

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 loans to households (new business)													
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Lending for house purchase					Consumer credit			Other lending by initial rate fixation	
				By initial rate fixation				Annual percentage rate of charge ²	By initial rate fixation		Annual percentage rate of charge ²	Floating rate and up to 1 year	Over 1 year
				Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 year			
2010													
VII	x	21.99	22.16	10.84	8.31	–	x	10.36	19.53	23.94	19.52	8.73	11.79
VIII	x	22.08	22.53	7.05	x	–	–	7.44	21.38	21.52	19.42	6.77	14.31
IX	x	21.90	21.41	11.27	x	–	x	10.46	21.44	20.49	19.33	7.01	13.15
X	x	21.77	20.46	6.59	x	x	–	7.22	22.90	19.97	23.10	4.38	11.16
XI	x	21.67	20.62	4.12	x	–	–	4.93	21.77	17.37	22.10	8.73	13.51
XII	x	21.48	20.59	4.49	x	–	–	5.81	22.81	15.89	21.59	8.08	11.10
2011													
I	x	23.97	20.46	4.94	8.00	x	–	6.02	23.09	19.05	22.40	8.12	12.78
II	x	23.96	20.41	4.26	7.90	3.27	–	5.83	23.50	19.73	22.92	5.30	12.53
III	x	23.69	20.41	5.46	7.19	x	x	5.86	23.92	19.79	24.38	4.76	11.79
IV	x	23.70	20.39	4.51	5.55	x	x	4.95	22.45	19.03	22.38	4.63	12.69
V	x	23.63	20.34	4.34	6.72	x	x	4.73	22.53	18.80	22.25	6.19	9.94
VI ³	x	22.87	24.04	4.10	7.82	x	x	4.46	20.24	17.75	21.87	5.03	11.78
VII	x	22.84	24.05	3.69	7.98	x	x	4.18	19.03	17.63	20.67	5.19	13.60
VIII	x	22.79	23.98	3.51	8.46	x	x	4.08	17.62	17.36	22.01	5.64	12.35
IX	x	22.76	23.97	3.17	6.16	x	x	3.78	15.70	16.00	21.69	6.34	11.35

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.

³ Data have been revised.

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

(%)

3. Interest rates on loans to non-financial corporations (new business)									
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Other loans up to 0.25 million euro (0.2 million euro until 01.06.2010) by initial rate fixation		Other loans over 0.25 million euro (0.2 million euro until 01.06.2010) and up to 1 million euro by initial rate fixation		Other loans over 1 million euro by initial rate fixation	
				Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year
2010									
VII	x	4.13	17.41	9.17	8.06	–	–	x	x
VIII	x	3.98	18.86	7.54	x	x	–	x	–
IX	x	4.04	19.35	8.00	x	6.04	x	x	–
X	x	4.10	19.82	6.81	x	x	x	x	–
XI	x	4.03	20.30	6.53	9.25	5.51	–	x	–
XII	x	3.75	20.28	8.21	7.22	5.34	x	3.96	9.27
2011									
I	x	3.59	20.24	7.95	x	x	–	x	x
II	x	3.54	20.93	5.88	8.18	5.50	–	x	–
III	x	3.39	22.85	6.04	7.60	4.04	x	x	–
IV	x	3.29	21.64	5.88	x	5.26	–	x	–
V	x	2.92	22.18	5.41	6.31	x	–	x	–
VI ²	x	3.04	23.30	6.25	6.98	3.95	x	x	–
VII	x	3.01	23.16	5.79	5.08	x	x	x	–
VIII	x	3.01	23.29	5.43	6.64	x	x	x	–
IX	x	3.11	22.72	5.03	5.85	4.24	3.81	x	–

¹ End-of-period.

² Data have been revised.

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

(%)

4. Interest rates on deposits (outstanding amounts)									
	Households					Non-financial corporations			Repos
	Overnight ¹	With agreed maturity		Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
2010									
VII	0.79	7.64	11.15	1.88	3.64	0.28	3.55	5.89	–
VIII	0.68	7.05	4.08	1.60	3.67	0.24	3.31	5.30	–
IX	0.77	6.61	4.07	1.62	4.19	0.21	3.13	4.88	–
X	0.55	6.33	5.68	1.56	3.51	0.25	3.20	4.46	–
XI	0.46	5.90	5.58	1.27	3.50	0.21	2.92	4.80	–
XII	0.28	4.57	5.50	1.41	2.92	0.16	2.46	4.51	–
2011									
I	0.28	3.87	5.46	1.34	2.49	0.14	2.32	4.47	–
II	0.25	3.52	5.43	1.40	2.49	0.15	2.23	4.14	–
III	0.26	3.28	5.40	0.39	2.06	0.13	1.52	3.95	–
IV	0.27	3.09	5.29	0.39	2.11	0.18	1.50	3.99	–
V	0.23	3.04	4.86	0.40	2.11	0.12	1.22	3.95	–
VI	0.23	2.92	4.84	0.38	2.11	0.12	1.44	3.90	–
VII	0.21	2.73	5.22	0.38	2.13	0.10	1.59	3.78	–
VIII	0.20	2.60	5.19	0.37	2.20	0.10	1.72	3.72	–
IX	0.22	2.51	5.17	0.37	2.20	0.10	1.71	3.68	–

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.)

(%)

5. Interest rates on loans (outstanding amounts)										
	Loans to households						Loans to non-financial corporations			
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity ¹			With maturity ¹			
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years	
2010										
VII	7.87	6.90	6.09	23.63	18.52	8.88	4.74	6.73	4.96	
VIII	7.89	6.81	5.90	24.05	20.60	9.77	4.80	6.26	4.83	
IX	7.20	5.69	5.75	24.19	20.82	9.73	4.42	5.95	4.65	
X	6.93	5.60	5.68	23.61	20.71	9.66	4.85	5.71	4.63	
XI	8.61	5.60	5.54	23.64	20.77	9.43	4.61	5.52	4.36	
XII	7.75	5.51	5.45	23.82	20.80	9.60	4.48	5.29	4.41	
2011										
I	8.23	5.67	5.37	24.30	21.08	9.25	4.06	5.26	4.51	
II	8.34	6.11	5.32	24.60	21.12	9.08	3.98	5.25	4.55	
III	7.08	6.20	5.27	24.81	19.42	9.01	4.25	5.21	4.45	
IV	6.93	6.00	5.13	24.36	19.92	10.07	4.06	5.08	4.43	
V	5.49	5.87	5.12	24.22	20.35	8.98	3.70	4.68	4.29	
VI ³	1.84	5.60	4.93	23.56	19.56	9.92	3.88	4.56	4.34	
VII	5.13	4.97	4.75	23.77	19.23	10.38	3.77	4.40	4.37	
VIII	5.13	4.91	4.61	23.67	19.25	10.34	3.67	4.31	4.38	
IX	5.38	4.38	4.48	23.60	18.97	10.28	3.76	4.35	4.33	

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

² Including bank overdraft.

³ Data have been revised.

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)												
	Deposits from households						Deposits from non-financial corporations				Repos	
	Overnight ¹	With agreed maturity			Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity				
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years		
2010												
VII	0.54	1.96	4.62	3.52	0.96	x	0.24	0.80	4.36	x	–	–
VIII	0.49	1.97	4.19	4.17	0.95	x	0.22	0.62	3.71	2.91	–	–
IX	0.48	1.76	4.29	5.17	0.95	x	0.31	0.69	2.85	2.57	–	–
X	0.48	1.65	3.73	4.59	0.97	x	0.31	0.92	2.41	2.26	–	–
XI	0.43	1.56	4.23	3.16	0.84	x	0.24	0.79	2.11	4.00	–	–
XII	0.41	2.14	4.75	5.01	0.86	x	0.22	0.87	5.53	x	–	–
2011												
I	0.52	1.87	4.13	4.76	0.78	x	0.46	0.99	2.69	1.22	–	–
II	0.45	1.62	3.52	3.89	0.79	x	0.30	0.84	1.92	x	–	–
III	0.43	1.52	2.97	3.10	0.60	x	0.34	0.87	3.11	1.94	–	–
IV	0.89	1.53	3.01	2.77	0.62	x	0.63	1.13	1.52	1.28	–	–
V	0.51	1.56	3.39	8.75	0.66	x	0.41	1.04	2.07	2.08	–	–
VI ³	0.65	1.82	3.47	3.69	0.71	x	0.71	1.23	3.66	x	–	–
VII	0.61	1.73	3.52	3.50	0.77	x	0.57	1.14	2.67	4.30	–	–
VIII	0.57	1.68	3.59	3.15	1.03	x	0.56	1.22	2.35	2.35	–	–
IX	0.61	1.68	3.46	4.01	1.22	x	0.64	1.16	2.45	4.02	–	–

¹ End-of-period.

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

³ Data have been revised.

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 loans to households (new business)													
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Lending for house purchase					Consumer credit			Other lending by initial rate fixation	
				By initial rate fixation				Annual percentage rate of charge ²	By initial rate fixation		Annual percentage rate of charge ²	Floating rate and up to 1 year	Over 1 year
				Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 year			
2010													
VII	x	5.43	26.18	4.01	6.79	7.10	x	4.53	10.82	21.37	24.15	5.88	8.60
VIII	x	4.50	31.39	3.42	6.54	6.53	x	3.80	10.49	24.73	28.84	4.86	7.08
IX	x	4.63	30.23	3.55	6.61	4.80	x	3.88	15.18	23.35	25.44	4.35	5.31
X	x	4.68	29.26	3.58	6.48	x	6.11	3.91	15.50	21.31	17.58	4.31	9.72
XI	x	4.65	31.78	3.60	6.69	5.75	5.36	3.95	14.71	16.04	16.05	4.58	4.51
XII	x	4.71	31.58	3.79	6.39	x	x	4.15	16.77	17.91	18.89	3.94	5.70
2011													
I	x	5.79	31.14	3.70	6.66	x	x	3.99	16.11	29.80	15.33	5.61	12.70
II	x	5.69	31.32	4.03	6.41	3.88	x	4.28	14.30	35.12	18.87	4.76	x
III	x	5.69	30.78	3.80	5.59	5.80	x	4.02	17.33	33.16	19.17	5.74	x
IV	x	5.63	31.08	3.83	6.48	6.28	2.37	4.09	17.69	30.00	16.04	4.94	7.26
V	x	5.66	31.04	3.85	6.46	x	–	4.01	17.11	27.69	20.84	4.89	4.94
VI ³	x	5.57	30.61	3.90	6.05	6.42	5.51	4.11	9.45	22.62	16.14	5.42	3.17
VII	x	5.72	30.95	3.96	5.48	5.09	5.34	4.15	8.26	23.32	17.90	5.72	6.95
VIII	x	5.75	31.05	4.03	6.15	5.09	x	4.24	8.84	23.77	19.94	5.35	4.24
IX	x	5.79	30.60	3.87	5.59	6.34	x	4.10	7.76	23.78	16.20	5.19	8.04

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.

³ Data have been revised.

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 non-financial corporations (new business)										
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Other loans up to 0.25 million euro (0.2 million euro until 01.06.2010) by initial rate fixation		Other loans over 0.25 million euro (0.2 million euro until 01.06.2010) and up to 1 million euro by initial rate fixation		Other loans over 1 million euro by initial rate fixation		
				Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	
2010										
VII	x	4.80	12.30	6.59	8.27	5.88	5.30	4.32	4.28	
VIII	x	4.73	16.16	6.83	9.27	5.75	2.34	4.38	x	
IX	x	4.90	16.58	6.27	7.65	6.01	3.82	4.42	2.80	
X	x	4.78	16.86	5.98	6.73	5.51	5.02	4.33	6.55	
XI	x	4.57	19.15	6.07	6.62	5.57	6.60	3.61	4.60	
XII	x	4.62	19.41	5.70	8.48	5.88	5.66	4.01	6.07	
2011										
I	x	4.63	20.08	5.60	6.12	4.94	4.11	3.38	4.95	
II	x	4.56	20.43	6.22	9.49	5.68	4.29	5.10	–	
III	x	4.56	26.22	5.89	8.35	5.39	4.86	4.72	2.84	
IV	x	4.83	22.18	6.49	6.75	5.50	6.58	4.66	3.78	
V	x	4.70	25.68	5.90	8.27	5.36	6.36	4.47	3.09	
VI ²	x	4.85	25.88	6.00	8.59	5.26	5.36	3.07	4.68	
VII	x	4.83	25.39	5.95	5.03	5.29	5.47	4.15	4.69	
VIII	x	4.79	25.78	5.95	6.00	5.23	5.01	4.75	4.91	
IX	x	4.73	23.28	5.26	5.49	4.65	3.99	3.69	5.53	

¹ End-of-period.

² Data have been revised.

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 deposits (outstanding amounts)										
	Households					Non-financial corporations				Repos
	Overnight ¹	With agreed maturity		Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years		
2010										
VII	0.54	3.53	6.15	0.96	2.18	0.24	2.15	4.01	–	
VIII	0.49	3.49	6.11	0.95	3.55	0.22	2.11	5.15	–	
IX	0.48	3.43	6.25	0.95	3.55	0.31	2.06	5.63	–	
X	0.48	3.41	6.27	0.97	4.01	0.31	1.96	6.90	–	
XI	0.43	3.34	6.34	0.84	4.00	0.24	1.90	7.05	–	
XII	0.41	3.09	6.11	x	3.56	0.22	1.94	5.99	–	
2011										
I	0.52	2.93	6.33	x	2.86	0.46	1.85	5.93	–	
II	0.45	2.78	6.28	x	2.86	0.30	1.77	5.81	–	
III	0.43	2.86	6.12	0.60	2.51	0.34	1.71	5.78	–	
IV	0.89	2.82	5.97	0.62	2.66	0.63	1.76	5.50	–	
V	0.51	2.79	6.05	x	2.66	0.41	1.87	5.12	–	
VI ³	0.65	2.78	5.96	0.71	2.64	0.71	2.01	4.92	–	
VII	0.61	2.73	6.22	0.77	2.62	0.57	2.04	5.08	–	
VIII	0.57	2.68	6.15	1.03	2.60	0.56	2.21	5.12	–	
IX	0.61	2.64	6.14	1.22	2.43	0.64	2.12	5.17	–	

¹ End-of-period.

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

³ Data have been revised.

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)										
	Loans to households						Loans to non-financial corporations			
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity ¹			With maturity ¹			Repos
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years	
2010										
VII	7.71	5.10	3.69	8.07	7.36	5.14	4.59	4.19	3.40	
VIII	6.47	5.12	3.68	7.60	7.60	5.22	4.60	4.37	3.50	
IX	6.89	5.10	3.72	7.55	7.70	5.23	5.13	4.36	3.52	
X	5.95	5.14	3.73	7.24	7.83	5.25	4.89	4.37	3.56	
XI	6.87	5.17	3.76	7.42	7.87	5.34	4.83	4.43	3.53	
XII	4.70	5.13	3.77	9.48	8.05	5.41	5.70	4.42	3.60	
2011										
I	5.03	5.19	3.78	9.23	8.25	5.39	4.98	4.43	3.60	
II	4.50	5.21	3.77	8.77	8.19	5.46	4.94	4.46	3.62	
III	16.75	5.21	3.79	9.07	8.24	5.48	5.64	4.52	3.64	
IV	4.07	4.91	3.62	8.63	8.29	5.36	5.15	4.61	3.68	
V	4.25	5.28	3.67	9.24	8.63	5.44	5.81	5.05	3.74	
VI ³	3.95	5.33	3.72	8.73	8.65	5.44	5.63	4.71	3.82	
VII	25.15	5.23	3.80	7.24	9.30	5.78	5.99	4.76	3.87	
VIII	6.32	5.30	3.81	7.51	9.19	5.75	5.87	4.83	4.04	
IX	4.53	5.36	3.82	7.74	9.54	5.71	5.60	4.86	3.97	

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

² Including bank overdraft.

³ Data have been revised.

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)												
	Deposits from households						Deposits from non-financial corporations				Repos	
	Overnight ¹	With agreed maturity			Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity				
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years		
2010												
VII	0.24	1.63	4.62	5.15	2.29	x	0.11	0.33	–	–	–	–
VIII	0.24	1.45	4.98	5.15	2.25	x	0.09	0.34	–	x	–	–
IX	0.20	0.90	4.64	5.42	2.22	1.10	0.07	0.27	x	–	–	–
X	0.18	1.12	3.96	4.08	2.13	x	0.06	0.18	x	–	–	–
XI	0.18	0.89	4.09	4.51	2.13	x	0.06	0.18	–	–	–	–
XII	0.22	1.18	5.46	5.92	2.13	x	0.08	0.17	–	–	–	–
2011												
I	0.21	1.28	3.76	4.01	2.09	x	0.08	0.12	–	–	–	–
II	0.19	0.70	4.14	4.15	2.07	x	0.09	0.12	–	–	–	–
III	0.19	0.37	2.49	3.68	0.39	x	0.07	0.12	x	–	–	–
IV	0.19	0.40	2.57	3.74	0.31	x	0.10	0.11	–	–	–	–
V	0.17	0.33	2.62	2.86	0.31	x	0.05	0.06	x	–	–	–
VI ³	0.19	0.48	2.82	3.34	0.30	x	0.11	0.12	–	–	–	–
VII	0.18	0.39	3.23	3.47	0.29	x	0.08	0.12	–	x	–	–
VIII	0.18	0.39	2.80	3.06	0.29	x	0.09	0.13	x	–	–	–
IX	0.21	0.36	2.85	3.87	0.29	x	0.05	0.23	–	x	–	–

¹ End-of-period.

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

³ Data have been revised.

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 loans to households (new business)													
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Lending for house purchase					Consumer credit			Other lending by initial rate fixation	
				By initial rate fixation				Annual percentage rate of charge ²	By initial rate fixation		Annual percentage rate of charge ²	Floating rate and up to 1 year	Over 1 year
				Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 year			
2010													
VII	x	18.81	23.76	3.56	–	x	x	3.71	15.75	x	15.77	6.10	x
VIII	x	20.84	18.38	3.65	–	x	–	4.04	20.84	–	23.83	6.38	x
IX	x	19.76	23.70	7.50	x	–	–	9.00	20.19	x	29.88	3.73	x
X	x	12.16	23.84	4.52	x	x	–	4.82	x	x	25.19	x	x
XI	x	18.32	24.95	4.54	x	x	–	5.53	20.68	–	25.64	x	x
XII	x	16.86	24.56	6.10	–	–	–	6.07	19.70	–	16.10	5.64	x
2011													
I	x	20.78	25.21	3.72	–	–	–	3.74	x	–	19.32	x	–
II	x	20.29	25.79	3.06	x	–	–	3.23	17.23	x	14.08	5.41	x
III	x	20.04	24.99	4.39	x	–	–	4.54	19.94	–	20.78	7.11	x
IV	x	19.99	24.77	3.24	x	–	–	3.41	x	–	17.25	x	x
V	x	18.23	24.80	2.65	x	–	–	2.52	20.48	–	18.31	x	x
VI ³	x	9.98	25.02	3.14	–	–	–	3.34	19.42	–	20.30	5.02	x
VII	x	10.09	24.40	3.05	–	–	x	3.27	12.44	–	18.71	x	x
VIII	x	10.41	24.63	3.56	x	–	x	3.79	19.57	x	20.30	x	x
IX	x	10.13	24.92	2.75	x	–	–	4.56	10.97	x	17.36	6.03	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.

³ Data have been revised.

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 non-financial corporations (new business)									
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Other loans up to 0.25 million euro (0.2 million euro until 01.06.2010) by initial rate fixation		Other loans over 0.25 million euro (0.2 million euro until 01.06.2010) and up to 1 million euro by initial rate fixation		Other loans over 1 million euro by initial rate fixation	
				Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year
2010									
VII	x	6.96	18.76	8.14	x	8.59	–	–	–
VIII	x	6.76	21.83	8.03	x	5.61	–	10.52	–
IX	x	6.70	15.68	30.91	x	–	–	–	–
X	x	6.96	15.55	28.51	x	5.43	x	5.18	7.34
XI	x	7.19	19.74	6.80	7.35	6.07	x	6.51	–
XII	x	7.83	21.98	7.16	7.81	6.10	x	x	–
2011									
I	x	7.38	24.71	11.77	–	5.33	–	5.43	–
II	x	7.54	20.92	5.94	–	13.96	–	5.21	–
III	x	6.83	18.90	5.13	–	5.16	–	5.95	–
IV	x	7.57	36.17	4.70	–	–	–	–	–
V	x	7.85	20.91	1.94	x	10.75	8.97	5.40	x
VI ²	x	6.29	20.01	7.10	–	4.62	–	3.57	–
VII	x	6.00	22.68	7.42	x	3.84	–	4.62	–
VIII	x	5.48	17.75	2.92	–	2.47	x	2.37	–
IX	x	5.02	18.56	6.97	–	4.05	–	12.17	–

¹ End-of-period.

² Data have been revised.

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 deposits (outstanding amounts)									
	Households					Non-financial corporations			Repos
	Overnight ¹	With agreed maturity		Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
2010									
VII	0.24	3.09	4.83	2.29	1.05	0.11	2.08	3.94	–
VIII	0.24	3.09	4.83	2.25	1.09	0.09	1.95	3.94	–
IX	0.20	3.06	4.86	2.22	1.10	0.07	1.64	3.83	–
X	0.18	2.96	4.81	2.13	1.01	0.06	1.72	3.83	–
XI	0.18	2.86	4.88	2.13	1.01	0.06	1.61	3.83	–
XII	0.22	2.68	4.83	2.13	1.01	0.08	1.46	3.72	–
2011									
I	0.21	2.57	4.76	2.09	1.01	0.08	0.77	3.72	–
II	0.19	2.54	4.76	2.07	1.01	0.09	0.68	4.05	–
III	0.19	2.34	4.80	0.39	1.01	0.07	0.63	4.05	–
IV	0.19	2.19	4.82	0.31	1.01	0.10	0.71	4.05	–
V	0.17	2.23	4.61	0.31	1.01	0.05	0.70	4.05	–
VI ³	0.19	2.06	4.58	0.30	1.01	0.11	0.64	4.05	–
VII	0.18	1.99	4.63	0.29	1.01	0.08	0.59	4.03	–
VIII	0.18	1.91	4.62	0.29	1.01	0.09	0.64	4.03	–
IX	0.21	1.84	4.59	0.29	1.01	0.05	0.71	3.98	–

¹ End-of-period.

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

³ Data have been revised.

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)									
	Loans to households						Loans to non-financial corporations		
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity ¹			With maturity ¹		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years
2010									
VII	7.01	4.82	3.64	12.66	9.74	4.23	6.13	4.83	5.75
VIII	7.01	4.87	3.59	11.66	9.91	4.23	7.73	4.73	5.21
IX	5.84	4.72	3.55	12.21	9.91	4.21	7.89	4.87	5.22
X	5.92	4.61	3.52	10.41	9.84	4.24	7.87	4.95	5.22
XI	6.45	4.54	3.47	12.40	9.90	4.18	6.12	4.70	5.27
XII	1.57	4.48	3.46	12.69	10.80	4.22	7.09	5.40	5.39
2011									
I	1.69	4.45	3.46	13.40	11.06	4.24	6.44	5.15	5.31
II	2.59	4.45	3.30	13.23	8.45	4.28	6.57	5.08	5.15
III	2.69	4.42	3.27	12.25	10.66	4.32	6.20	4.97	5.20
IV	2.70	4.05	2.98	13.30	10.62	4.20	6.30	4.94	5.18
V	3.00	4.09	2.99	12.73	10.60	4.26	6.27	5.18	5.20
VI ³	2.60	3.83	2.96	13.60	7.61	4.20	6.29	4.96	5.25
VII	2.63	3.89	2.93	13.95	7.48	4.19	5.78	5.01	5.28
VIII	2.67	3.79	2.93	13.86	10.77	4.18	5.66	5.15	5.29
IX	2.41	3.75	2.94	14.16	10.78	4.13	5.76	5.09	5.30

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

² Including bank overdraft.

³ Data have been revised.

22. LENDING IN THE INTERBANK MARKETS

(transactions; in millions of lats)

	Loans to resident MFIs											
	In lats					In foreign currencies						
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2010												
VII	332.0	58.8	5.0	–	395.8	1 165.8	48.9	0.1	–	1 214.8	1 610.6	
VIII	246.4	42.6	–	–	289.0	1 099.5	39.2	0.1	–	1 138.8	1 427.8	
IX	284.9	33.0	5.7	–	323.6	1 142.8	54.5	0.2	–	1 197.5	1 521.1	
X	249.5	49.9	4.0	–	303.4	1 789.7	105.9	2.1	0.5	1 898.2	2 201.6	
XI	245.0	37.2	5.0	–	287.2	1 751.7	169.6	0.2	–	1 921.5	2 208.7	
XII	295.0	15.6	2.0	–	312.6	1 544.7	74.0	–	0.5	1 619.2	1 931.8	
2011												
I	341.1	6.6	–	–	347.7	1 862.5	187.8	–	–	2 050.3	2 398.0	
II	186.4	18.8	–	–	205.2	2 041.4	180.4	59.6	–	2 281.4	2 486.6	
III	98.5	34.8	5.0	–	138.3	2 847.5	144.0	0.5	–	2 992.0	3 130.3	
IV	108.3	40.6	–	1.1	150.0	2 124.1	153.2	–	–	2 277.3	2 427.3	
V	160.9	33.2	1.5	2.0	197.6	1 549.4	93.7	–	0	1 643.1	1 840.7	
VI	55.7	–	5.0	–	60.7	1 607.7	67.8	2.1	–	1 677.6	1 738.3	
VII	369.7	49.3	0.1	–	419.1	1 844.0	108.8	–	–	1 952.8	2 371.9	
VIII	181.2	133.2	–	–	314.4	1 442.0	276.9	–	0	1 718.9	2 033.3	
IX	191.7	183.6	2.0	–	377.3	1 302.3	171.3	2.1	–	1 475.7	1 853.0	
	Loans to non-resident MFIs										Total loans	
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2010												
VII	24 365.6	786.7	111.1	1.4	25 264.8	26 875.4						
VIII	25 319.1	841.2	22.8	0	26 183.1	27 610.9						
IX	22 250.9	688.0	29.0	24.5	22 992.4	24 513.5						
X	20 332.2	577.3	221.2	161.6	21 292.3	23 493.9						
XI	20 493.1	1 750.9	46.5	13.7	22 304.2	24 512.9						
XII	24 999.9	1 107.4	87.4	35.3	26 230.0	28 161.8						
2011												
I	25 237.3	1 029.0	141.0	27.1	26 434.4	28 832.4						
II	24 829.0	981.4	183.7	38.7	26 032.8	28 519.4						
III	27 029.2	968.3	98.7	57.4	28 153.6	31 283.9						
IV	24 956.9	679.2	87.3	14.8	25 738.2	28 165.5						
V	26 117.2	905.0	48.3	33.3	27 103.8	28 944.5						
VI	28 808.1	1 107.9	45.5	36.4	29 997.9	31 736.2						
VII	27 198.6	769.9	183.9	35.3	28 187.7	30 559.6						
VIII	32 790.7	1 049.7	66.1	14.2	33 920.7	35 954.0						
IX	24 538.3	970.1	15.6	48.6	25 572.6	27 425.6						

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

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

23.b INTEREST RATES SET BY THE BANK OF LATVIA

(% per annum)

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

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

(% per annum)

	2010						2011								
	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	–	3.5	–	–	–	–	–	–	–	–	–	–	–	–	–
Weighted average interest rate on short-term currency swaps	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

(in millions of lats)

	2010			2011									
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Type of transaction													
Spot exchange transactions	34 478.8	42 944.9	40 143.4	26 373.5	29 271.9	43 057.1	30 655.3	31 933.2	32 602.2	37 324.9	40 720.4	41 992.4	
Forward exchange contracts	266.0	294.3	304.0	323.4	253.5	706.2	496.2	596.9	706.9	290.0	247.1	449.9	
Currency swap arrangements	38 744.1	36 050.1	37 390.7	31 134.3	31 129.9	39 185.9	32 619.1	34 355.6	33 599.4	34 027.8	40 226.8	36 653.6	
Counterparties													
Resident MFIs	4 943.7	4 777.5	4 092.4	4 650.7	4 476.0	5 949.4	5 872.0	6 360.4	5 236.0	6 833.6	6 942.9	4 618.2	
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	507.3	419.5	793.3	545.2	350.1	404.5	338.5	521.1	357.9	311.9	349.6	335.1	
Resident government, non-financial corporations and non-profit institutions serving households	1 013.1	969.4	1 154.9	955.7	906.4	1 136.4	967.9	1 170.9	1 328.2	1 174.0	978.0	873.4	
Non-resident MFIs	36 243.1	39 934.8	38 798.9	27 242.0	28 977.3	38 925.7	32 286.5	33 507.1	34 096.1	34 723.3	42 580.2	42 645.2	
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	4 004.1	3 155.9	3 381.9	2 914.3	2 214.5	2 277.6	1 300.3	1 497.0	1 255.2	689.6	1 112.2	917.1	
Non-resident government, non-financial corporations and non-profit institutions serving households	23 559.9	26 113.5	25 213.7	18 156.3	18 421.0	23 816.3	18 165.6	19 313.7	20 220.2	22 710.0	26 611.1	27 500.8	
Households	3 217.7	3 918.7	4 403.1	3 367.2	5 310.0	10 439.2	4 839.7	4 515.6	4 414.8	5 200.3	2 620.2	2 206.2	
Currencies													
Total in all currencies	73 488.9	79 289.3	77 838.1	57 831.3	60 655.2	82 949.1	63 770.6	66 885.7	66 908.5	71 642.7	81 194.3	79 095.9	
incl. lats for euro	10 744.5	10 184.0	9 609.3	9 203.6	8 548.2	8 942.1	11 164.8	12 070.8	11 417.0	11 503.9	13 509.0	14 300.7	
incl. lats for US dollars	1 260.4	1 237.4	986.8	1 022.5	958.6	1 393.2	1 411.4	1 868.5	1 008.4	1 217.9	1 466.3	886.4	
incl. lats for other currencies	115.8	169.2	180.2	143.5	141.6	230.6	126.6	214.1	136.0	120.3	123.3	134.5	

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

25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS¹

(in millions of lats)

	2010			2011									
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
EUR for LVL²													
Amount	10 787.9	10 227.1	9 639.7	9 215.4	8 559.2	8 969.8	11 209.8	12 119.3	11 458.0	11 565.5	13 589.2	14 395.3	
% ³	14.7	12.9	12.4	15.9	14.1	10.8	17.5	18.1	17.1	16.1	16.7	18.2	
USD for LVL²													
Amount	1 233.4	1 190.4	972.3	1 044.2	959.9	1 401.0	1 457.2	1 861.6	1 004.8	1 222.2	1 483.2	865.8	
% ³	1.7	1.5	1.2	1.8	1.6	1.7	2.3	2.8	1.5	1.7	1.8	1.1	
Other currencies for LVL²													
Amount	107.7	157.3	165.6	138.2	133.8	225.7	119.9	202.7	126.0	106.7	112.3	125.5	
% ³	0.1	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.2	0.1	0.1	0.2	
USD for EUR													
Amount	31 407.0	33 732.9	36 747.3	25 304.6	27 378.0	35 630.2	25 068.9	25 396.4	24 877.2	27 324.8	27 144.2	27 905.1	
% ³	42.7	42.5	47.1	43.7	45.1	43.0	39.3	37.9	37.2	38.1	33.4	35.2	
GBP for EUR													
Amount	486.0	191.6	157.6	377.7	240.0	595.3	162.7	183.2	192.8	341.3	187.1	507.0	
% ³	0.7	0.2	0.2	0.7	0.4	0.7	0.3	0.3	0.3	0.5	0.2	0.6	
Other currencies (except LVL) for EUR													
Amount	1 453.3	2 758.4	2 345.7	2 052.7	2 008.9	3 253.2	1 972.0	1 944.0	2 048.9	2 494.8	2 920.7	2 770.0	
% ³	2.0	3.5	3.2	3.5	3.3	3.9	3.1	2.9	3.1	3.5	3.6	3.5	
RUB for USD													
Amount	15 874.4	17 887.6	17 510.8	9 471.7	8 996.5	12 061.3	10 728.4	10 069.8	12 920.4	12 083.1	16 292.1	17 200.5	
% ³	21.6	22.6	22.5	16.4	14.8	14.5	16.8	15.0	19.3	16.9	20.1	21.7	
GBP for USD													
Amount	3 136.1	3 616.3	2 611.4	2 899.0	3 884.2	6 586.4	3 334.9	5 589.2	4 584.7	5 154.9	5 568.5	5 960.5	
% ³	4.3	4.6	3.3	5.0	6.4	7.9	5.2	8.4	6.8	7.2	6.9	7.5	
SEK for USD													
Amount	1 598.6	1 622.3	1 768.9	1 565.6	1 545.1	1 755.0	1 286.0	1 340.7	1 162.3	1 145.7	423.1	131.5	
% ³	2.2	2.0	2.3	2.7	2.6	2.1	2.0	2.0	1.7	1.6	0.5	0.2	
Other currencies (except LVL and EUR) for USD													
Amount	6 436.2	7 021.2	4 923.4	5 070.3	5 752.6	11 300.8	7 534.1	7 200.1	7 880.0	8 965.4	12 043.2	8 371.1	
% ³	8.7	8.9	6.3	8.8	9.5	13.6	11.8	10.8	11.8	12.5	14.8	10.6	
Other currencies (except LVL, EUR and USD) for other currencies													
Amount	976.7	868.4	996.8	720.1	1 201.6	1 201.2	980.9	1 008.9	680.9	1 290.8	1 516.8	928.6	
% ³	1.3	1.1	1.3	1.3	2.0	1.5	1.5	1.5	1.0	1.8	1.9	1.2	

¹ Including non-cash transactions performed by banks and branches of foreign banks, 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 THE BANK OF LATVIA

(LVL vs foreign currency)

	2010						2011								
	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	0.5535	0.5441	0.5408	0.5068	0.5126	0.5324	0.5276	0.5142	0.5031	0.4881	0.4885	0.4886	0.4912	0.4904	0.5080
GBP	0.8431	0.8527	0.8407	0.8031	0.8204	0.8307	0.8298	0.8296	0.8135	0.7967	0.7996	0.7949	0.7920	0.8024	0.8039
100 JPY	0.6310	0.6357	0.6403	0.6177	0.6233	0.6368	0.6391	0.6230	0.6165	0.5854	0.6016	0.6066	0.6181	0.6350	0.6615

27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)

(LVL vs foreign currency)

	2010			2011								
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
EUR												
Buy	0.7036	0.7038	0.7037	0.6983	0.6986	0.7017	0.7038	0.7035	0.7030	0.7027	0.7038	0.7035
Sell	0.7097	0.7103	0.7094	0.7042	0.7046	0.7078	0.7098	0.7099	0.7101	0.7099	0.7100	0.7101
USD												
Buy	0.5071	0.5153	0.5324	0.5231	0.5106	0.5010	0.4866	0.4906	0.4888	0.4924	0.4909	0.5115
Sell	0.5126	0.5207	0.5366	0.5279	0.5154	0.5062	0.4918	0.4952	0.4935	0.4965	0.4954	0.5154
GBP												
Buy	0.7967	0.8164	0.8240	0.8174	0.8189	0.8026	0.7903	0.7967	0.7877	0.7891	0.7980	0.8023
Sell	0.8115	0.8298	0.8359	0.8330	0.8313	0.8186	0.8054	0.8103	0.8010	0.7997	0.8087	0.8136
100 JPY												
Buy	0.6154	0.6033	0.6285	0.6168	0.5951	0.6098	0.5765	0.5856	0.5812	0.6012	0.6044	0.6410
Sell	0.6373	0.6326	0.6343	0.6475	0.6317	0.6213	0.5995	0.6053	0.5988	0.6220	0.6216	0.6593
SEK												
Buy	0.0751	0.0749	0.0770	0.0772	0.0785	0.0783	0.0776	0.0779	0.0764	0.0761	0.0762	0.0764
Sell	0.0767	0.0762	0.0778	0.0792	0.0800	0.0806	0.0792	0.0794	0.0783	0.0779	0.0779	0.0780
RUB												
Buy	0.0166	0.0165	0.0171	0.0171	0.0174	0.0175	0.0172	0.0175	0.0174	0.0174	0.0169	0.0167
Sell	0.0170	0.0169	0.0175	0.0174	0.0178	0.0180	0.0177	0.0178	0.0178	0.0178	0.0173	0.0170
CHF												
Buy	0.5197	0.5197	0.5472	0.5430	0.5326	0.5399	0.5386	0.5568	0.5744	0.5919	0.6222	0.5856
Sell	0.5288	0.5279	0.5557	0.5503	0.5453	0.5514	0.5461	0.5661	0.5877	0.6055	0.6407	0.5976

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; in millions of lats)

	2010			2011								
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Stock of government securities outstanding	752.6	755.5	795.8	790.1	790.5	820.6	861.3	859.0	843.3	876.5	891.8	886.8
Residents	731.3	739.5	777.5	774.4	774.5	804.8	845.5	841.0	826.1	859.3	876.2	871.6
Non-financial corporations	0.6	1.3	0.9	0.9	1.2	1.3	3.7	56.2	56.1	56.3	60.4	60.4
Credit institutions	433.0	442.2	476.3	473.1	465.4	477.1	500.6	482.3	475.2	494.1	507.9	493.2
Money market funds	7.4	8.4	10.1	7.8	11.2	13.9	13.6	12.4	12.4	9.7	9.0	9.9
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	80.6	81.1	80.0	72.9	71.2	72.2	76.2	54.5	56.7	68.5	68.8	70.0
Financial auxiliaries	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.1	0.1
Insurance corporations and pension funds	203.8	200.5	201.9	198.7	197.1	199.9	196.2	228.6	218.7	223.1	222.4	230.2
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	1.0	1.1	3.4	16.1	23.7	35.7	50.3	2.1	2.1	2.6	2.9	3.1
Non-profit institutions serving households	3.9	3.9	3.9	3.9	4.2	4.2	4.4	4.4	4.4	4.5	4.7	4.7
Non-residents	21.3	16.0	18.3	15.7	16.0	15.8	15.8	18.0	17.2	17.2	15.6	15.2
Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	5.2	4.9	8.3	8.3	8.8	9.6	9.6	11.9	11.4	11.4	9.4	9.4
Money market funds	0	0	0	0	0	0	0	0	0	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0	0	0	0	0	0	0
Financial auxiliaries	16.0	11.0	9.9	7.3	7.1	6.1	6.1	6.1	5.8	5.8	6.2	5.8
Insurance corporations and pension funds	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	0	0	0	0	0	0	0	0	0	0	0	0
Non-profit institutions serving households	0	0	0	0	0	0	0	0	0	0	0	0

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q3 2011)

Date (dd.mm.)	Initial maturity (months)	Supply (in thousands of lats)	Demand (in thousands of lats)	Purchase (in thousands of lats)	Weighted average discount rate (%)
Competitive multi-price auctions					
06.07.	6	8 000	7 900	7 900	1.146
06.07.	12	8 000	12 890	8 000	1.723
20.07.	12	8 000	16 494	8 000	1.877
27.07.	60	16 000	60 241	16 000	4.083 ¹
10.08.	12	8 000	19 655	8 000	1.791
24.08.	60	12 000	44 412	12 000	3.990 ¹
31.08.	12	8 000	12 000	8 000	1.913
07.09.	60	12 000	17 096	12 000	4.084 ¹
Primary placement of government securities via outright sales of securities					
07.07.	6	2 000	600	600	1.146
07.07.	12	2 000	1 000	1 000	1.723
21.07.	12	2 000	4 000	2 000	1.877
28.07.	60	4 000	14 831	4 000	4.083 ¹
11.08.	12	2 000	4 705	2 000	1.791
25.08.	60	3 000	17 268	3 000	3.990 ¹
01.09.	12	2 000	2 100	2 000	1.913
08.09.	60	3 000	4 920	3 000	4.084 ¹

¹ Weighted average yield.

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

(in millions of lats)

	2010						2011								
	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

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

¹ Chain-linked; average prices in 2000.

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

	2010						2011								
	VII	VIII	IX	X	XI	XII	I ¹	II ¹	III ¹	IV ¹	V ¹	VI ¹	VII	VIII	IX
Average gross wages and salaries															
LVL per month	456	445	442	443	442	479	447	440	463	460	462	469	472	469	459
Year-on-year changes (%)	94.4	98.8	102.0	103.2	103.7	103.1	104.7	103.2	104.9	104.1	104.2	104.9	103.4	105.5	103.8
Real net wage index (year-on-year basis; %)	92.0	95.9	98.4	98.7	98.3	97.2	100.8	99.0	100.6	99.7	99.3	100.3	99.2	100.9	99.4
Number of registered unemployed persons															
At end of month	173 301	169 676	165 386	162 497	161 816	162 463	164 551	164 880	163 454	157 857	149 600	142 428	137 638	134 175	131 659
Year-on-year changes (%)	130.8	123.3	111.9	102.9	95.6	90.6	88.3	85.9	84.1	83.1	81.5	80.5	79.4	79.1	79.6

¹ Data have been revised.

33. LATVIAN FOREIGN TRADE BALANCE

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

	2010 ¹				2011			
	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3	
Exports	4 694.9	940.7	1 123.9	1 289.9	1 340.4	1 347.4	1 501.9	1 557.9
Imports	5 911.8	1 181.2	1 355.4	1 623.1	1 752.1	1 658.4	1 851.3	1 982.9
Balance	-1 216.9	-240.5	-231.5	-333.2	-411.7	-311.0	-349.4	-425.0

	2010 ¹						2011								
	VII	VIII	IX	X	XI	XII	I ¹	II ¹	III ¹	IV ¹	V ¹	VI ¹	VII	VIII	IX
Exports	393.5	421.0	475.4	457.9	443.6	438.9	413.5	428.7	505.1	482.3	527.4	492.2	471.4	534.6	552.0
Imports	509.6	544.2	569.3	551.5	562.8	637.8	487.1	526.4	644.9	584.8	651.6	614.9	660.2	652.8	670.0
Balance	-116.1	-123.2	-93.9	-93.6	-119.2	-198.9	-73.6	-97.7	-139.8	-102.5	-124.2	-122.7	-188.8	-118.2	-118.0

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2010 ¹		2011					
	Millions of lats	%	Q1 ¹		Q2 ¹		Q3	
			Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	4 694.9	100.0	1 347.4	100.0	1 501.9	100.0	1 557.9	100.0
Agricultural and food products	839.3	17.9	204.1	15.1	204.3	13.6	257.6	16.5
Mineral products	283.1	6.0	94.5	7.0	148.7	9.9	150.5	9.7
Products of the chemical and allied industries	348.5	7.4	112.4	8.3	141.6	9.4	129.2	8.3
Plastics and articles thereof; rubber and articles thereof	154.3	3.3	40.2	3.0	46.6	3.1	49.8	3.2
Wood and articles of wood	890.3	19.0	237.0	17.6	272.0	18.1	260.2	16.7
Pulp of wood; paper and paperboard	96.5	2.1	28.9	2.1	29.0	1.9	36.0	2.3
Textiles and textile articles	206.7	4.4	60.1	4.5	56.8	3.8	65.2	4.2
Articles of stone, plaster, cement, glassware and ceramic products	85.6	1.8	25.1	1.9	31.7	2.1	30.8	2.0
Base metals and articles of base metals	650.0	13.8	220.7	16.4	217.5	14.5	227.3	14.6
Machinery and mechanical appliances; electrical equipment	609.1	13.0	163.3	12.1	179.3	11.9	178.3	11.4
Transport vehicles	283.1	6.0	86.9	6.4	103.9	6.9	100.0	6.4
Miscellaneous manufactured articles	134.1	2.9	31.9	2.4	37.7	2.5	39.4	2.5
Other goods	114.3	2.4	42.2	3.2	32.8	2.3	33.6	2.2

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2010 ¹		2011					
	Millions of lats	%	Q1 ¹		Q2 ¹		Q3	
			Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	5 911.8	100.0	1 658.4	100.0	1 851.3	100.0	1 982.9	100.0
Agricultural and food products	963.6	16.3	247.1	14.9	279.1	15.1	269.8	13.6
Mineral products	907.5	15.4	286.7	17.3	303.7	16.4	388.0	19.6
Products of the chemical and allied industries	663.0	11.2	177.0	10.7	204.8	11.1	178.2	9.0
Plastics and articles thereof; rubber and articles thereof	333.2	5.6	85.0	5.1	108.5	5.9	109.5	5.5
Wood and articles of wood	96.2	1.6	25.6	1.5	31.3	1.7	27.6	1.4
Pulp of wood; paper and paperboard	165.0	2.8	42.6	2.6	45.5	2.5	50.1	2.5
Textiles and textile articles	269.0	4.6	78.7	4.7	72.0	3.9	78.4	4.0
Articles of stone, plaster, cement, glassware and ceramic products	99.7	1.7	22.6	1.4	31.7	1.7	37.9	1.9
Base metals and articles of base metals	605.8	10.2	200.8	12.1	217.4	11.7	222.1	11.2
Machinery and mechanical appliances; electrical equipment	972.3	16.4	259.4	15.6	285.1	15.4	367.5	18.5
Transport vehicles	423.9	7.2	140.0	8.4	177.0	9.6	155.6	7.8
Miscellaneous manufactured articles	142.4	2.4	32.6	2.0	36.0	1.9	33.7	1.7
Other goods	270.2	4.6	60.2	3.7	59.3	3.1	64.5	3.3

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2011														
	Q1 ¹					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	1 347.4	1 658.4	-311.0	100.0	100.0	1 501.9	1 851.3	-349.4	100.0	100.0	1 557.9	1 982.9	-425.0	100.0	100.0
EU15 countries	451.3	646.5	-195.2	33.5	39.0	493.7	709.2	-215.5	32.9	38.3	500.2	754.5	-254.3	32.1	38.0
EU27 countries	988.3	1 230.7	-242.4	73.4	74.2	1 095.5	1 415.3	-319.8	72.9	76.5	1 125.2	1 525.2	-400.0	72.2	76.9
incl. Germany	119.3	190.9	-71.6	8.9	11.5	121.4	232.0	-110.6	8.1	12.5	126.1	235.8	-109.7	8.1	11.9
Sweden	91.8	69.2	22.6	6.8	4.2	96.1	70.6	25.5	6.4	3.8	83.8	68.8	15.0	5.4	3.5
UK	42.4	41.8	0.6	3.1	2.5	46.9	31.2	15.7	3.1	1.7	48.2	27.8	20.4	3.1	1.4
Finland	37.4	80.0	-42.6	2.8	4.8	55.7	88.7	-33.0	3.7	4.8	48.3	97.8	-49.5	3.1	4.9
Denmark	45.8	39.3	6.5	3.4	2.4	45.6	45.0	0.6	3.0	2.4	55.9	38.0	17.9	3.6	1.9
Netherlands	27.4	63.9	-36.5	2.0	3.9	33.6	66.7	-33.1	2.2	3.6	42.3	60.9	-18.6	2.7	3.1
Lithuania	238.0	282.9	-44.9	17.7	17.1	261.1	341.9	-80.8	17.4	18.5	271.8	399.4	-127.6	17.4	20.1
Estonia	194.3	106.5	87.8	14.4	6.4	221.2	142.3	78.9	14.7	7.7	221.4	134.0	87.4	14.2	6.8
Poland	76.7	122.6	-45.9	5.7	7.4	80.0	145.4	-65.4	5.3	7.9	97.1	155.6	-58.5	6.2	7.8
CIS	182.4	293.7	-111.3	13.5	17.7	217.3	274.9	-57.6	14.5	14.8	229.7	276.4	-46.7	14.8	13.9
incl. Russia	130.2	202.4	-72.2	9.7	12.2	155.2	135.1	20.1	10.3	7.3	166.4	144.4	22.0	10.7	7.3
Other countries	176.6	133.9	42.7	13.1	8.1	189.1	161.1	28.0	12.6	8.7	203.0	181.3	21.7	13.0	9.2
incl. USA	15.3	10.2	5.1	1.1	0.6	16.4	15.2	1.2	1.1	0.8	17.8	15.9	1.9	1.1	0.8
Norway	32.1	7.7	24.4	2.4	0.5	36.3	13.0	23.3	2.4	0.7	38.0	28.2	9.8	2.4	1.4
China	5.4	43.4	-38.0	0.4	2.6	7.3	45.9	-38.6	0.5	2.5	7.8	59.9	-52.1	0.5	3.0

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; in millions of lats)

	Non-financial corporations						Households					
	In lats			In euro			In lats			In euro		
	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit
2010												
IX	139.2	1.1	2.1	421.7	0.2	0.2	43.0	25.2	118.3	12.7	2.1	3.4
X	133.0	1.2	2.0	435.4	0.2	0.2	42.8	25.2	116.9	12.9	2.1	3.3
XI	130.5	1.1	2.0	421.3	0.2	0.2	42.3	25.5	113.8	12.5	2.2	3.2
XII	134.7	1.1	1.8	432.0	0.2	0.1	41.7	25.1	112.3	11.8	2.1	3.1
2011												
I	134.2	1.1	1.8	424.9	0.2	0.1	37.0	24.9	115.9	14.5	2.1	3.2
II	133.7	1.0	1.8	416.6	0.2	0.1	36.4	25.1	113.9	14.6	2.1	3.1
III	137.7	1.1	1.6	406.7	0.2	0.1	36.6	25.4	113.9	14.6	2.2	3.2
IV	135.7	1.0	1.6	419.5	0.2	0.1	36.3	25.2	113.2	14.8	2.2	3.1
V	171.6	1.1	1.6	415.8	0.2	0.1	36.5	25.7	112.4	14.2	2.2	3.0
VI	182.2	1.0	1.5	510.2	0.2	0.1	60.6	25.3	110.8	21.8	2.2	3.1
VII	183.3	1.0	1.5	509.5	0.2	0.1	60.1	25.1	109.6	21.5	2.1	2.9
VIII	186.3	1.0	1.5	505.9	0.2	0.1	60.6	25.5	108.9	21.6	2.3	2.9
IX	181.9	1.1	1.4	515.7	0.2	0.1	59.6	25.3	108.0	20.4	2.3	2.9

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

(at end of period; in millions of lats)

	In lats						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		of which with a residual maturity of up to 1 year	of which with a residual maturity of over 1 year and interest rate reset period ≤1 year		of which with a residual maturity of up to 2 years	of which with a residual maturity of over 2 years and interest rate reset period ≤2 years		of which with a residual maturity of up to 1 year	of which with a residual maturity of over 1 year and interest rate reset period ≤1 year		of which with a residual maturity of up to 2 years	of which with a residual maturity of over 2 years and interest rate reset period ≤2 years
2010												
IX	158.1	34.7	84.6	142.4	28.6	69.8	4 627.9	766.4	2 940.3	4 228.7	968.7	2 803.6
XII	188.7	35.4	110.9	170.6	29.8	73.4	4 541.3	785.0	2 917.9	4 188.7	1 065.4	2 702.7
2011												
III	230.7	33.1	152.8	210.3	29.4	99.4	4 368.4	806.6	2 757.9	4 057.0	1 071.3	2 579.5
VI	259.5	30.7	178.9	248.3	55.4	99.9	4 140.5	773.6	2 570.3	3 886.2	1 096.1	2 394.1
IX	330.9	36.8	219.7	312.9	80.3	124.4	4 090.5	798.3	2 526.0	3 834.2	1 108.2	2 347.4

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

(at end of period; in millions of lats)

	In lats						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		of which with a residual maturity of up to 1 year	of which with a residual maturity of over 1 year and interest rate reset period ≤1 year		of which with a residual maturity of up to 2 years	of which with a residual maturity of over 2 years and interest rate reset period ≤2 years		of which with a residual maturity of up to 1 year	of which with a residual maturity of over 1 year and interest rate reset period ≤1 year		of which with a residual maturity of up to 2 years	of which with a residual maturity of over 2 years and interest rate reset period ≤2 years
2010												
IX	332.4	31.4	98.3	318.8	73.9	103.4	4 828.8	283.2	3 305.6	4 745.2	440.5	3 629.8
XII	329.2	34.7	101.8	315.5	71.8	101.4	4 743.3	297.5	3 342.3	4 661.1	426.8	3 703.6
2011												
III	331.8	43.8	98.9	316.8	76.9	97.1	4 639.7	302.7	3 312.3	4 562.9	412.8	3 620.1
VI	332.9	39.8	100.3	317.0	75.9	99.6	4 529.0	278.4	3 360.7	4 457.9	398.2	3 628.6
IX	345.5	36.6	106.6	327.5	70.7	107.8	4 435.7	277.9	3 340.1	4 370.2	396.6	3 574.7

Additional Information

General notes

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

Data sources for charts are CSB (Charts 1.1–1.5, 3.1–3.5, 3.7, 3.10, 4.1, 4.2, 4.4, 4.5, 4.7–4.9, 4.11, 4.14–4.16, 5.1–5.3 and 5.6), the Bank of Latvia (Charts 1.2–1.5, 2.3–2.5, 2.7–2.12, 3.4, 6.1–6.3, 7.1 and 7.2), WTO (Chart 1.6), *Bloomberg* (Chart 2.1), Reuters (Charts 2.2, 5.4 and 5.5), Treasury (Charts 2.3, 2.6 and 3.8–3.11), ECB (Charts 2.5 and 2.7), FCMC (Chart 2.12), EC (Charts 3.6, 4.3, 4.6, 4.10, 4.13 and 5.7) and SEA (Charts 4.11, 4.12 and 4.14).

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

Details may not add because of rounding-off.

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

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

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

Money and banking sector

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

In the publication, the following terms have been used:

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

Non-MFIs – entities other than MFIs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Interest rates

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

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

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

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

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

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

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

Foreign exchange and exchange rates

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

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