

MACROECONOMIC DEVELOPMENTS REPORT

October 2011

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Contents

Abbreviations	3
Executive Summary	4
1. External Sector and Exports	6
1.1 External economic environment	6
1.2 Latvia's competitiveness and developments in exports	8
2. Financial Market Developments	10
2.1 Foreign financial markets	10
2.2 The Bank of Latvia's operations and bank liquidity	11
2.3 Securities market	13
2.4 Interest rates	13
2.5 Money supply	14
3. Domestic Demand	18
3.1 Private consumption	19
3.2 Private investment	20
3.3 Government expenditure and budget	21
4. Aggregate Supply	23
4.1 Industry and construction	23
4.2 Services	24
4.3 Labour market	26
5. Costs and Prices	30
6. Balance of Payments	33
7. Conclusions and Forecasts	35
7.1 Economic developments	35
7.2 Inflation	36
Statistics	38
Additional Information	86

Abbreviations

CDS – credit default swap
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
FOB – free on board at the exporter's border
FRS – Federal Reserve System
GDP – gross domestic product
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)
PMI – Purchasing Managers' Index
PPI – Producer Price Index
RIGIBOR – Riga Interbank Offered Rate
SEA – State Employment Agency
SJSC – state joint stock company
UK – United Kingdom
ULCM – unit labour costs in manufacturing
UN – United Nations Organisation
US – United States of America
VAT – value added tax
WTO – World Trade Organisation

Executive Summary

Recently downward risks to the global economic growth have substantially intensified. The forecasts for 2011 and 2012 by major economic blocks have been revised downwards. Although the economic problems of the peripheral euro area countries are well-known, the worse-than-expected economic growth results in the core euro area countries, like Germany and France, came as a surprise, suggesting that the euro area crisis is becoming systemic. The economic growth of several Latvia's main trade partners has also either decelerated in the second quarter (UK) or is expected to slow down in the second half of the year (Lithuania, Estonia and Scandinavian countries).

Exports of goods still demonstrate high growth rates reflecting both the rising prices on external markets as well as the improved producer competitiveness. The latter enabled Latvia to retain and even boost the export market shares with all the main trade partner countries. Due to the financial and economic problems faced by the US, Japan, the UK and the euro area as well as the carry-over effect, the annual rate of Latvia's export growth is likely to decrease in the second half of the year.

In June–August bank liquidity surplus declined in Latvia; nevertheless, it remained significant and the banks made no recourse to the refinancing operations and the marginal lending facility offered by the Bank of Latvia. Hence, the lats money market rates remained low, and the medium-term lats rates remained lower than the respective euro money market rates. Money market rates in Latvia are not expected to rise substantially in the coming months, provided that the next year budget is drafted without long delay and continues moving close to balance.

In view of those trends as well as the declining bank margins, the interest rates on loans to households for house purchase granted in lats became more favourable in comparison with those granted in euro. As a result, of new loans granted to households for house purchase, the share of those granted in lats expanded. The fall in the lats money market rates accelerated the expansion of lats loans. Although stagnation in the lending market persisted, with lending in June still recording a substantial fall, the overall domestic loan portfolio posted a minimum decrease in July and August. The loan portfolio development trends were determined by an increase in quality demand from customers. Improvement in the bank financial performance also allows for a gradual easing of lending terms and conditions. The credit portfolio still contracted on account of the fact that the amount of repaid loans exceeded that of new loans; nevertheless, the rate of loan decrease in annual terms improved.

In the second quarter, GDP growth accelerated bringing Latvia's economic growth to the leading positions among other European countries. With the disposable income of households gradually increasing, private consumption also continued on an upward trend. Moreover, rising employment led to an increase in the number of households with regular income, thereby stimulating an improvement in the demand for consumer non-durables in the middle of the year.

With the growth of capital investment accelerating, the overall level of investment increased significantly since the second half of 2010. Capacity utilisation margins tightened considerably in some industrial sectors already in 2010. Therefore, new investment was an important and necessary pre-condition for further economic growth and improved productivity. Although overall investment followed an upward path in the first half of 2011, it still remained below the pre-crisis level and was insufficient for significant acceleration of the GDP growth.

Moreover, looking ahead, the fact that the industrial confidence indicator aggregated by the

EC deteriorated in the second quarter and continued to fall also in July and August gives rise to concern. This deterioration was mainly attributable to a weaker assessment of both the past volume of output and the volume of output expected in the coming months.

At the end of August, the registered unemployment rate continued to decline, contracting by one third from the peak at the end of March 2010. At the same time, an increasing number of indicators point to the skills mismatch between part of the unemployed and business demand, pointing to high structural unemployment rate. The rate of persons exposed to a specific unemployment risk is increasing in the total number of unemployed registered with the SEA.

After reaching a peak in May, annual inflation continued to decrease. Inflation eased on the backdrop of moderating pressure of the supply side factors, and the pressure of the demand side factors on consumer prices was still relatively low. Consumer prices did not post a more rapid decrease on account of rising indirect tax rates. As the level of prices declined overall, including the rising food prices started to fall, inflation expectations of the Latvian population also dropped in July and August. However, overall inflation expectations are still relatively high.

Overall, the economic development trends in the first half of the year were better than expected resulting in an upward adjustment of the 2011 GDP growth forecast. At the same time, risks to the near-term and medium-term economic growth prospects remain on the downside and are mainly related to the growing external uncertainties that are likely to hamper growth expectations throughout 2012.

Inflation movements clearly show the impact of the stabilisation observed in the global fuel and food prices. No significant price rise can be expected in Latvia in the remaining months of 2011. On the contrary, downside risks to the inflation forecast relating mainly to the external economic environment have recently strengthened significantly.

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	3.8	2.5	2.6
Germany	2.5	3.2	2.1	1.6
UK	1.7	1.2	2.3	2.0
Estonia	3.3	6.5	3.7	4.2
Lithuania	4.6	6.0	3.8	4.7
Poland	3.8	4.0	3.6	3.6
Russia	4.8	4.8	4.5	4.5
Euro area	1.6	1.9	1.8	1.4
US	2.8	1.6	2.9	2.0
Total global economy	4.4	4.2	4.5	4.3

Source: April 2011 (1) and October 2011 (2) issues of the *World Economic Outlook* (IMF).

1. External Sector and Exports

1.1 External economic environment

Recently, downward risks to the global economic growth have substantially intensified. Structural problems in many countries turned out to be more serious than previously expected, and oil and food price volatility exerted simultaneous and notably adverse effects on the global economy. A substantial drop in the demand for most risky assets was observed in world markets, hence the stock prices of almost all countries declined, whereas the yields on government bonds and the price of gold rose in most of them. In October, the IMF published its latest GDP forecast for 2011 and 2012, which was considerably more downward-revised for the biggest and economically stronger countries vis-à-vis their April projections (see Table 1). The forecast for Russia remained unchanged, while for some countries, Sweden, Finland, Estonia and Lithuania among them, it was revised upwards following a fast GDP growth rate in the first half of the year.

In the second quarter, GDP growth in the euro area, both on an annual and quarterly basis, decelerated due to weaker-than-expected performance indicators of Germany and France. The substantial drop in the German GDP growth rate was, to a large extent, associated with the contribution of rising imports, moderating private consumption and shrinking construction investment. At the same time, the decelerating GDP growth rate in France was mainly on account of the weakening private demand. The high debt level of some countries and overall uncertainty related to potential solutions of this problem are still posing serious risks to the euro area economic outlook.

Of the EU27 countries, Lithuania and Estonia recorded the highest GDP growth in the second quarter, at a rate above the expected. The solid GDP growth in Estonia was primarily determined by the effective performance of exports. It is possible, however, that along with the aggravation of external risks the pace of Estonian export growth will slow down in the second half of the year. The Lithuanian GDP growth, on the other hand, was increasingly supported by the recovery of domestic demand. Nevertheless, a rapid rise in imports and the anticipated slowdown in exports growth are likely to

have an adverse effect on the Lithuanian GDP growth in the second half of the year.

In the second quarter, the GDP growth rate decelerated both annually and quarterly in the UK. A further strengthening in private consumption was confined by fiscal consolidation and price hikes. In the near future, however, inflation is unlikely to accelerate, as further VAT rate increases are not planned and the British pound sterling has appreciated as well. Yet it should be borne in mind that in the coming months the manufacturing activity may moderate as is suggested by the PMI downslide, the largest in the last decade.

In the second quarter, Russia's GDP grew at a slower pace than expected primarily on account of decelerating rate of investment growth. The most serious risk to the Russian economy comes from its significant dependence on oil price volatility. For instance, with oil prices recently dropping sharply in global markets, the Russian rouble depreciated notably as well. Getting ready for the potential global economic slowdown, the Central Bank of the Russian Federation strengthened its control over market interest rates in September.

In Poland, stable GDP growth was maintained in the first half of the year, to a large extent due to robust domestic demand. However, the Polish export growth rate is expected to abate in the second half of the year primarily due to a slower pace of the overall global development. Also, companies are likely to postpone their investment decisions on account of uncertainty associated with the demand and tighter financing standards.

In the second half of the year, a slower growth than in the first half of the year is expected in Scandinavian countries. Although the Swedish economy can boast of sustained and speedy recovery, the first two quarters of 2011 saw the pace fall. The export growth is expected to decline in the second half of the year on account of moderating development in major trade partner countries, with deteriorating company and household confidence indicators restricting consumption and investment expansion. The recovery of the Danish economy is extremely fragile, with the progress in private consumption being particularly weak. Meanwhile, the economic growth is mainly driven by higher exports (to Germany and Sweden in particular). It should be noted, however, that the subdued pace of economic growth in major trade partner countries can hold back the Danish economic recovery as well. In 2011, Finland continues on the

Chart 1.1
EFFECTIVE EXCHANGE RATE OF THE LATS
(monthly/quarterly data; index: January 2000/Q1 = 100)

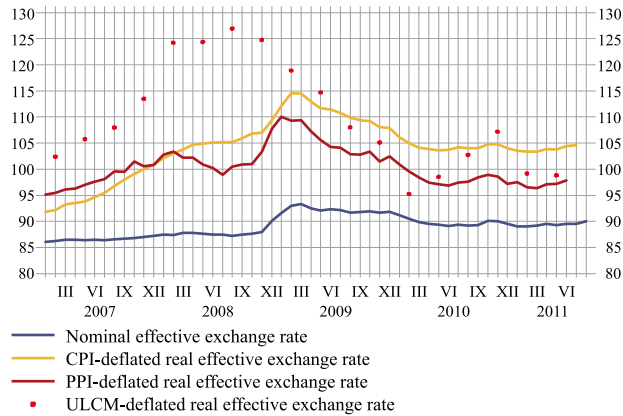


Chart 1.2
LATVIA'S EXPORTS TO ESTONIA AND LITHUANIA AND UNDERLYING FACTORS
(annual percentage changes)

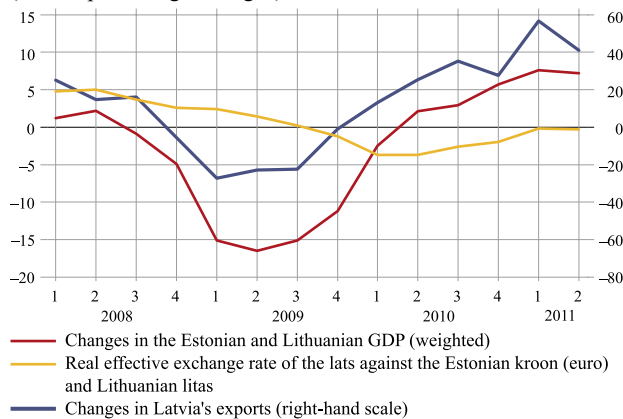
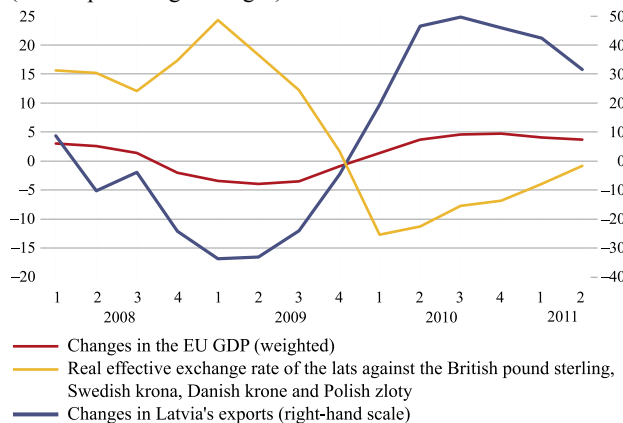


Chart 1.3
LATVIA'S EXPORTS TO THE EU COUNTRIES OUTSIDE THE EURO AREA AND UNDERLYING FACTORS
(annual percentage changes)



economic recovery path, which is, though, expected to lose momentum in the second half of the year. Further GDP growth will be undermined by moderating activities in major trade partner countries and declining consumer confidence.

1.2 Latvia's competitiveness and developments in exports

Changes in CPI-based and PPI-based real effective exchange rates (REERs) of the lats are not very pronounced in 2011; nevertheless, the respective indicators are still well below the pre-crisis maximum levels. The CPI-based REER of the lats in July fell 8.7% below its maximum value of February 2009, while the PPI-deflated REER of the lats in June was 11.0% below its maximum value of January 2009. The most substantial drop was recorded for the unit labour cost-based REER of the lats, which decreased by 22.1% in the second quarter vis-à-vis its maximum value recorded in the third quarter of 2008 (see Chart 1.1).

Both price hikes in external markets and improved competitiveness of producers were the drivers behind the quarter-on-quarter expansion (10.8%) in overall exports of goods (see Charts 1.2–1.5). The elevated prices of major export goods in foreign markets ensured a quarter-on-quarter pickup of 9.5% and a year-on-year rise of 16.6% in overall exports. Latvia's export competitiveness continued to improve also in the second quarter. The data for the first half of the year suggest that the current price and cost dynamics as well as better competitiveness of producers allowed Latvia to maintain and even expand its export market shares in almost all major trade partner countries (both in the EU, except Estonia, and Russia) and to conquer new market shares as well (see Chart 1.6). Exports to Asian countries increased substantially, thereby boosting the share of these countries in total exports (from 5.4% in the first quarter of 2010 to 7.6% in the second quarter of 2011). According to the WTO data, the share of Latvian exports in global imports is rising at a faster pace than that of most countries that joined the EU simultaneously with or later than Latvia.

The export market expansion is not driven by major export commodity groups but rather by new commodity groups and swelling small commodity groups. A year-on-year increase was recorded for exports of mineral and chemical fertilisers (to Chad and Cameroon), peat (Morocco, Turkey and China), animal and vegetable products (Azerbaijan),

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

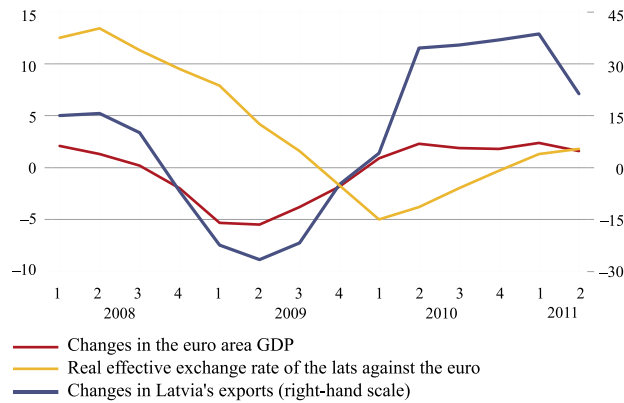
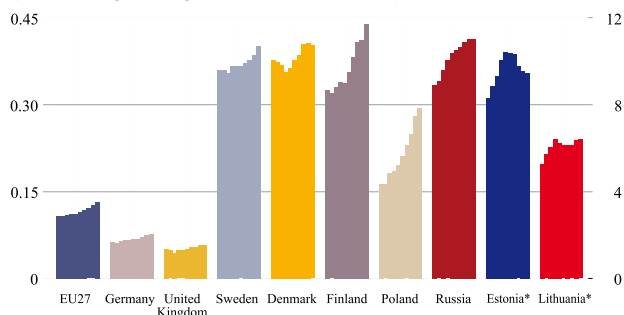


Chart 1.5
LATVIA'S EXPORTS TO RUSSIA AND UNDERLYING
FACTORS
(annual percentage changes)



Chart 1.6
LATVIA'S EXPORTS AGAINST MAJOR TRADE
PARTNERS' IMPORTS
(%; moving average; 2009 Q1–2011 Q1)



* Estonia and Lithuania (right-hand scale).

plastic products, oil products (Turkey, Afghanistan and Azerbaijan), motor transport vehicles and their parts (Afghanistan and China), energy and electrical equipment and parts (United Arab Emirates, Paraguay and China), production equipment (Kazakhstan), textile articles (Azerbaijan), wheat and meslin flour (Gambia, Thailand and Afghanistan), medicaments (Kazakhstan and Azerbaijan), and various products.

Although the EC confidence indicators point to slightly deteriorating export order assessment for August, both the volume of new export orders and competitiveness indicators, domestically and within the EU, improved in the third quarter. Entrepreneurs remain pessimistic about competitiveness outside the EU.

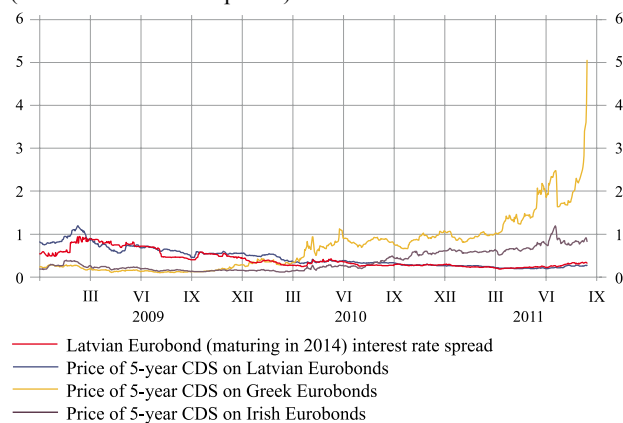
The value of commodity imports went up by 9.2% in the second quarter (31.8% annual rise). This rise continued to be driven by the growth in export-oriented manufacturing branches to a larger extent than by a more stable domestic market. The growth in imports was primarily associated with intermediate and capital goods, including raw materials and production equipment.

The outlook for Latvia's foreign trade in goods can be adversely affected by financial and economic problems in the US, Japan, the UK and the euro area. As a result and due to the base effect, the annual rate of export growth is likely to continue on a downward trend in the second half of the year. Nevertheless, the current dynamics of export market shares and the export structure, which has become more complicated during the crisis, suggest that in 2011 the contribution of exports to the economic growth is still likely to be substantial, even in the circumstances of falling external demand. The implementation of a number of large infrastructure projects can have an effect on the import and export ratio in several commodity groups as well. For instance, furniture orders for the new building of the National Library of Latvia are most likely to have an essential impact on the growth of wood industry, including shifts of resources to other domestic orders or exports. Likewise, the financing from the EU Cohesion Fund for the development and extension of infrastructure at the Riga International Airport could spur imports of certain construction materials or shift the respective exports into the domestic market.

2. Financial Market Developments

2.1 Foreign financial markets

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



The global financial markets were characterised by tensions from mid-July to mid-September. From end-July to early August, the financial market participants focused on discussing the high debt levels in the US and the EU peripheral countries. A negative surprise came from Standard & Poor's: the rating agency resolved to downgrade the US AAA rating by one notch. Most US economic performance indicators turned out to be weaker than expected. Meanwhile, the GDP growth in the euro area was slower than projected in the second quarter. In turn, market participants' worries about Greece's solvency and eventual negative insolvency spillover effects on the banks and economies of other countries were amplifying since mid-August (see Chart 2.1).

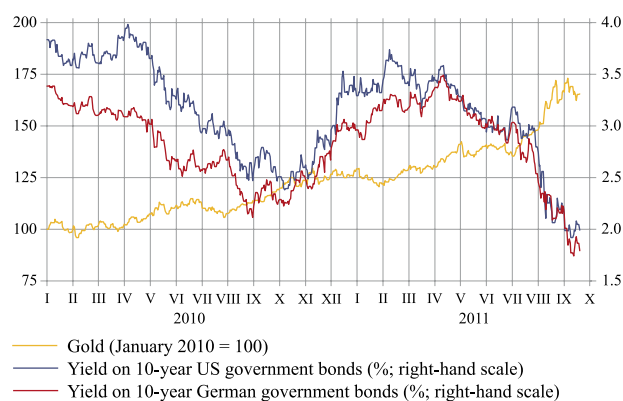
With mutual distrust and precaution ruling the market, banks were reluctant to engage in lending activities. The widening spreads of unsecured and risk-free money market interest rates evidenced that the market tension was intensifying. Some US money market funds cut their loans or lending periods for the banks of euro area countries with excessive sovereign debt levels.

The sales of most risky stock assets and the fear of political leaders' inability to address sovereign debt crises in Europe and the US, and of decelerating economic growth or even rebounding to recession triggered a drop in stock prices. The precautionary behaviour and risk aversion of market participants were supported by weaker-than-expected quarterly financial indicators released by companies. As a result, a particularly sharp price drop was observed for the European bank stocks, e.g. Dow Jones STOXX 600 Banks index contracted by 23.7%.

From mid-July to mid-September, the overall decline in Brent oil prices was marginal (from 118 to 115 US dollars per barrel). The price curve of oil futures contracts is with a downward slope at this point, thus indirectly pointing to an eventual further downside in the future.

As market participants were seeking to invest in safer assets, the demand for AAA-rated securities increased and gold prices hiked (see Chart 2.2). The

Chart 2.2
GOLD PRICE AND YIELDS ON LONG-TERM US AND GERMAN GOVERNMENT BONDS



yield on the 10-year German government bonds shrank by 0.8 percentage point (to 1.9%), while that on the respective US government bonds dropped 1.0 percentage point (to 2.0%). In early September, the price of gold reached its record high, at 1 900 US dollars per troy ounce. With the Swiss franc appreciating due to investor speculations, the Swiss National Bank felt forced to conduct exchange market interventions and to peg the Swiss franc to the euro at its minimum rate of 1.20 on 6 September.

Having raised the euro key rate in July, the ECB changed its stances afterwards. At its September meeting, the ECB Governing Council noted that the risks to price stability in the euro area are broadly balanced rather than to the upside. Also vis-à-vis June, the forecasts for GDP growth in the euro area underwent a downward revision in September. This seemed to signal a halt to the euro key rate hike cycle. Some analysts say that two key rate cuts consistently with financial instrument pricing are also possible. In the meantime, the financial market concerns about the ECB's role in the purchase programme of euro area periphery countries' sovereign bonds remain strong.

Speaking about the US economic outlook, at the end of August the FRS Chairman Ben Bernanke was expected to announce a third bond-buying programme (or another round of quantitative easing) for the US economy at the Economic Policy Symposium hosted by the Federal Reserve Bank of Kansas City. Market participants were disappointed, however, as no clear message was given.

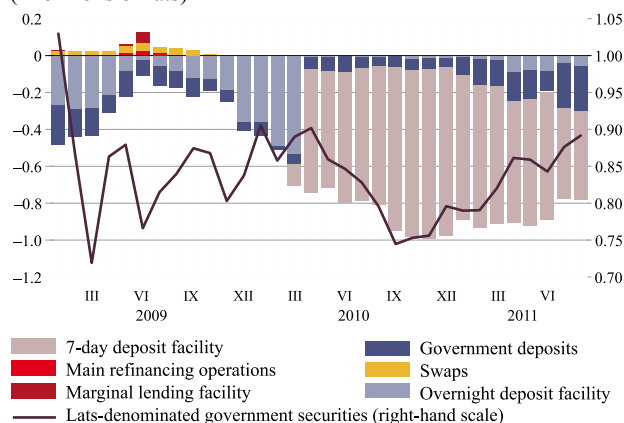
2.2 The Bank of Latvia's operations and bank liquidity

In June–August bank liquidity surplus declined. In August over May the government deposit with the Bank of Latvia grew by 54.0%, reaching a monthly average of 244.2 million lats. Since June the Treasury deposit in lats increased due to amendments in the Law on Bailiffs, providing for the opening of bailiff deposit accounts with the Treasury rather than with banks. In August currency in circulation averaged 1 007.5 million lats, posting a 6.0% increase in comparison with May. The rate of increase in currency in circulation was comparable with the economic growth rate, pointing to a rise in household spending. In August, the monthly average amount of bank reserve requirements contracted by 1.2% (to 682.2 million lats) in comparison with May as banks repaid the funds received before. As a result of the overall impact of the above three factors, bank liquidity shrank by

134.0 million lats. It is highly likely that in the coming 12 months bank liquidity will continue on its downward trend due to the above impact.

Bank liquidity also decreased on account of euro purchases for lats from the Bank of Latvia. Between June and August the Bank of Latvia bought lats for euro in foreign exchange spot transactions in the amount of 82.5 million lats (by settlement day) whereas in the first half of September these transactions amounted to 14.9 million lats. In the last months of the year the Treasury is expected to take more active participation in the domestic foreign exchange market, offering to purchase euro in exchange for lats, hence it is likely that banks will not buy euro from the Bank of Latvia.

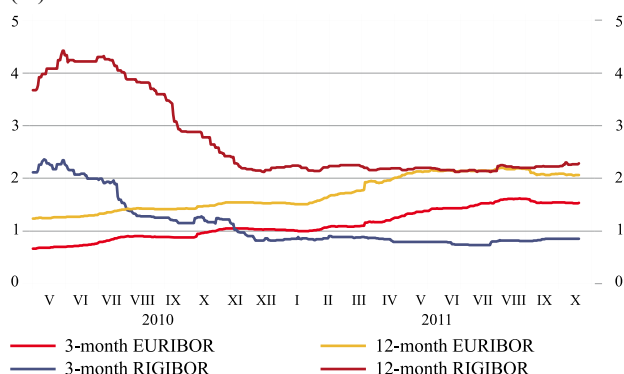
Chart 2.3
AVERAGE BALANCES OF THE BANK OF LATVIA'S MONETARY OPERATIONS AND GOVERNMENT LATS DEPOSITS
(in billions of lats)



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. In August, the Bank of Latvia's overnight and 7-day deposit facility averaged 536.9 million lats (29.4% lower than in May; see Chart 2.3), also suggesting that the excess liquidity of banks has decreased. Nevertheless, there was no demand in the main refinancing operations and foreign exchange swap auctions between June and August and no recourse to the marginal lending facility either.

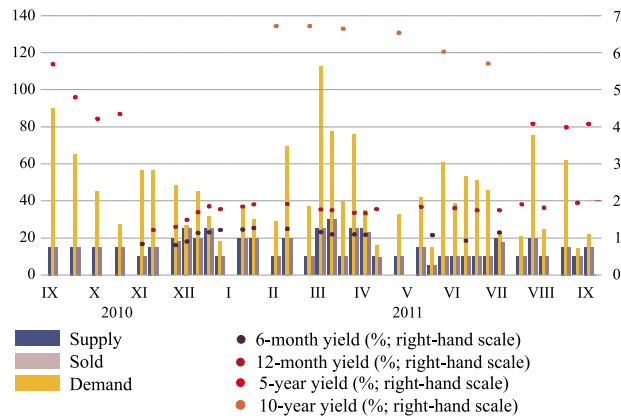
The lats money market rates remained low. The weighted average interest rate on interbank overnight transactions fluctuated around 0.3% whereas 3 and 6 month RIGIBOR rose slightly over the last few months, supported by the economic growth in Latvia and a rise in EURIBOR, caused by the forecasts on raising the key ECB interest rates. However, late August and early September saw increasing tensions on the euro area interbank market as a result of uncertainty around the government debt securities of Greece and other euro area countries reported on the balance sheets of many major European banks. Economic growth and inflation expectations moderated in the euro area, hence market participants no longer forecasted a rise in the key ECB interest rates and EURIBOR eased slightly. 3 and 6 month RIGIBOR still remained lower than the respective EURIBOR (see Chart 2.4).

Chart 2.4
SPREAD BETWEEN THE LATS AND EURO MONEY MARKET RATES
(%)



Money market rates in Latvia are not expected to rise substantially in the next 12 months. If the budget for 2012 is drafted without long delay and continues moving close to balance, and negative surprises related to the lats money market and bank liquidity should be minimal.

Chart 2.5
AUCTIONS OF LATS-DENOMINATED GOVERNMENT
DEBT SECURITIES
(in millions of lats)



2.3 Securities market

In June–August, the Treasury supplied government securities in the amount of 123.0 million lats on the primary market. The bid amount reached 404.7 million lats and the amount sold stood at 120.5 million lats. Investors' interest in Latvia's securities remained high. The average yield on 12-month Treasury bills was 1.84% in May, moving up to 1.95% at the last auction in August. The yield obviously rose on account of the sovereign debt crisis in the euro area: during the weeks with particularly high uncertainty the demand at government securities auctions in Latvia declined. In July the Latvian government issued a new 5-year bond issue, with the yield standing at 4.08%. In August it moved down to 3.99%, returning back to 4.08% in September again (see Chart 2.5).

On the NASDAQ OMX Riga secondary market the bid yield on long-term Treasury bonds with the longest maturity (maturing in 2021) shrank from 6.00% at the end of May down to 5.80% at the end of August. According to Bloomberg, the bid yield on Latvian Eurobonds maturing in 2018 also contracted from 4.97% at the end of May to 4.79% at the end of August. At the same time the spread vis-à-vis the benchmark widened from 229 basis points to 307 basis points: the yields on German government bonds declined more rapidly as the demand for high quality assets grew on account of the expanding sovereign debt crisis of peripheral euro area countries.

NASDAQ OMX Riga share price index OMXR depreciated by 3.1% between the end of May and August. The Baltic share price index OMXBGI depreciated by 7.0%, the European stock market index Dow Jones EURO STOXX 50 fell by 19.6% and the US stock market indices (DJIA, S & P 500, NASDAQ) moved down by 8%–9%. OMXR posted a more moderate decline owing to the relatively good overall economic and corporate indicators in Latvia.

2.4 Interest rates

Between May and August interest rates on loans to households for house purchase granted in euro reflected the minor increase in euro money market indices, while the spreads over the money market indices remained broadly unchanged. However, the spreads over the money market indices for loans to households for house purchase granted in lats posted a considerable fall of 0.9 percentage point, moving

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

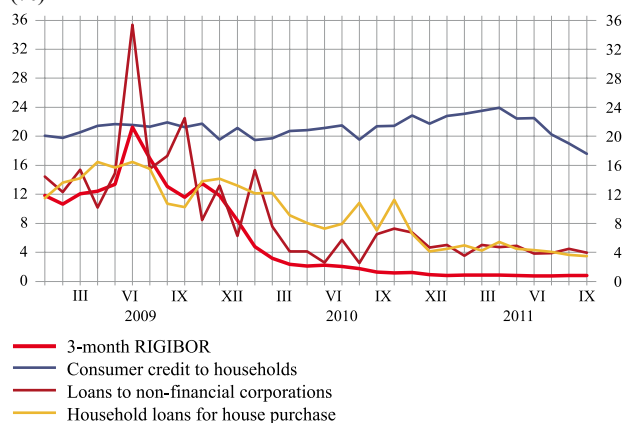
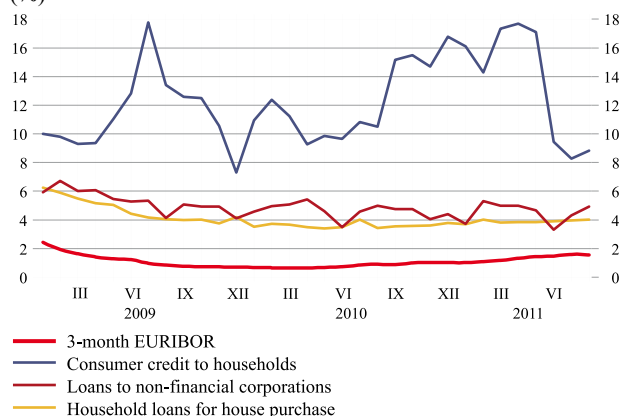


Chart 2.7
SHORT-TERM INTEREST RATES ON EURO LOANS (%)



closer to that on loans granted in euro. In view of the fact that currently most of the lats money market indices are considerably lower than euro money market indices, interest rates on loans to households for house purchase granted in lats became more favourable in comparison with those granted in euro. As a result, of new loans granted to households for house purchase, the share of those granted in lats expanded from 5.8% to 15.3%. Interest rates on new consumer credit granted to households both in lats and euro also followed a downward trend.

The floating interest rates and interest rates with the initial fixation period of up to 1 year on new loans granted to non-financial corporations in lats did not record essential changes (3.8% in May; 3.9% in August; see Chart 2.6). The moderate rise in interest rates was the result of the fact that a larger number of small size loans and a smaller number of large size loans as well as a relatively larger number of loans with an initial rate fixation period of over 3 months were granted in lats. The respective interest rate on loans granted to non-financial corporations in euro edged up by 0.3 percentage point (to 4.9%; see Chart 2.7), mostly on account of a rise in interest rates on euro loans exceeding 1 million euro granted to non-financial corporations.

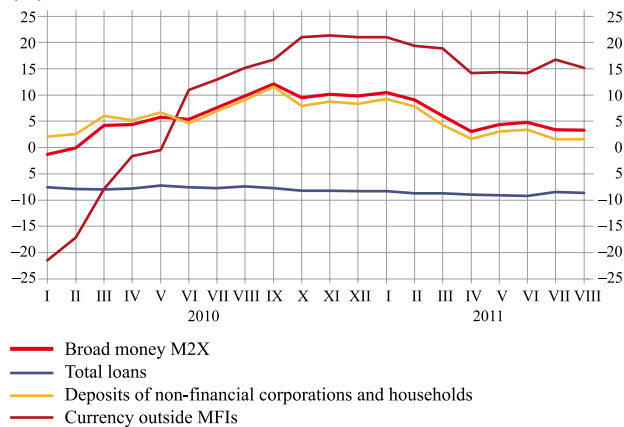
In June and July interest rates on new time deposits moved up owing to the annual marketing and promotional activities; nevertheless, even after a fall in August they remained slightly above the levels observed in May. The limited increase in interest rates on deposits could be attributed to the moderate rise in the respective money market indices as well as depositors' preference for longer-term deposits. Interest rates on deposits in lats remained below those in euro, but their spread no longer widened.

2.5 Money supply

The turmoils in the external markets and the uncertain domestic political and economic outlook notwithstanding, the overall situation in the Latvian economy, inter alia the financial markets, was stable. Despite the fact that the attitude towards savings in lats remained reserved and a moderate decrease in deposits received by banks and money supply was observed in June and July, the above indicators improved again in August.

In the first months of summer the demand for cash increased considerably on account of the start of the

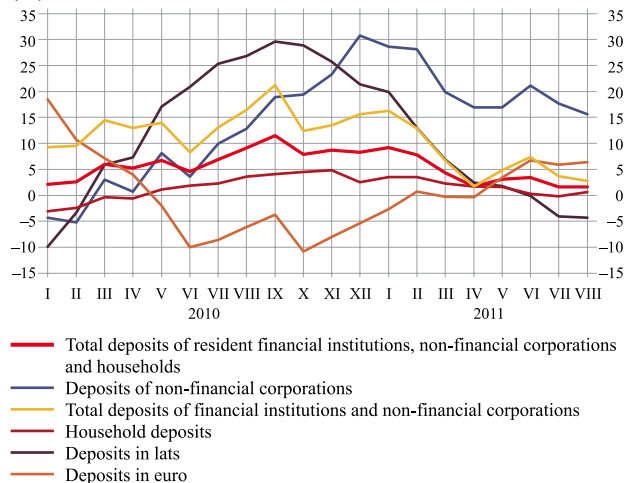
Chart 2.8
ANNUAL CHANGES IN MONETARY AGGREGATES (%)



summer holiday season, stabilising again in August; at the end of the summer currency outside MFIs exceeded the levels recorded in May by 6.8%. The annual rate of growth of currency in circulation rose from 14.3% in May to 15.2% in August.

The annual rate of change of the broad money M3 gradually declined to 4.1% in August, down from 6.2% in May, whereas looking at the components of M3 the highest annual growth was reported for M1, the most liquid component of money supply (17.4%; see Chart 2.8). The increase in this particular monetary aggregate composed of demand deposits and currency in circulation still suggested that the market participants remained cautious towards making savings, as it was accompanied by a further decline in time deposits with the annual rate of decrease reaching 11.7% in August. Nevertheless, mostly short-term deposits recorded a decline whereas an increase in deposits with maturity of over one year observed already for five consecutive months (24.5% since March) pointed to a stable outlook of the economic growth in the medium term.

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



In June–August aggregate deposits by resident financial institutions, non-financial corporations and households contracted by 1.9%, whereas the annual growth of resident deposits shrank to 1.6%. With the positive impact of exports and private transfers offsetting the foreign currency outflows resulting from import growth, deposits in euro remained broadly unchanged, while US dollar and British pound sterling deposits even posted an increase. Deposits in lats, however, contracted by 5.3%, reflecting a trend of savings utilisation in the context of the high tax burden and inflation. In the last three months deposits of non-financial corporations and households contracted by 2.8% and 1.2% respectively (see Chart 2.9).

The funding base for banks remained broadly unchanged: the contribution of domestic deposits in financing loans granted to residents narrowed from 46.6% in May to 46.3% in August, along with a more pronounced decrease in the funds received from parent banks and an increase in non-resident non-bank deposits.

As the economic stabilisation processes strengthened the mutual confidence between businesses and banks, July saw a pick-up in corporate lending (for the first time after a period of long-standing decline) continue in August as well. Consumer credit also edged up somewhat whereas changes in the market

Chart 2.10
ANNUAL RATE OF CHANGE IN LOANS TO RESIDENTS (%)

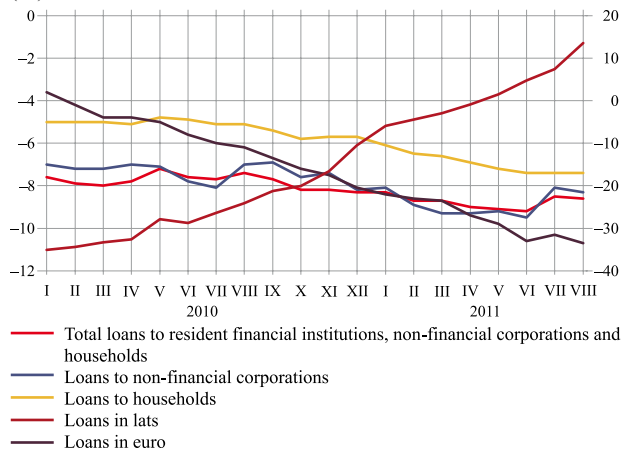


Chart 2.11
BANK LENDING SURVEY RESULTS: NET PERCENTAGE OF BANKS REPORTING INCREASED DEMAND (%)

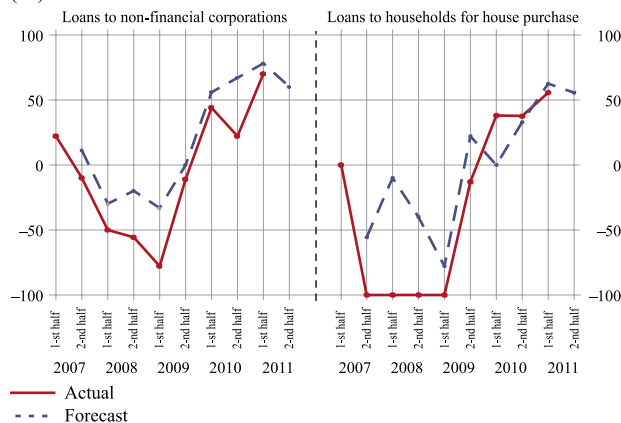
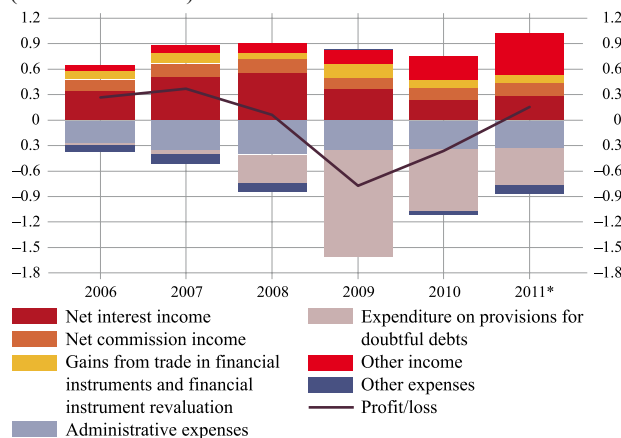


Chart 2.12
BANK INCOME AND EXPENDITURE STRUCTURE (in millions of lats)



* Annualised data of seven months of 2011.

and a fall in the lats interest rates accelerated the lats lending growth. Although stagnation in the lending market persisted, with lending in June still recording a substantial fall, the overall domestic loan portfolio posted a minimum decrease in July and August. Thus between June and August the decline of loans to the private sector moderated (1.3%) in comparison with the previous three months (2.2%; see Chart 2.10).

The loan portfolio development trends were determined by an increase in quality demand from customers as a result of improving corporate financial status and a gradual stabilisation of the situation of households (see Chart 2.11). Improvement in the bank financial performance (in the first months of the year banks gained profit again; see Chart 2.12) also allows for a gradual easing of lending terms and conditions (see Chart 2.13). The credit portfolio still contracted on account of the fact that the amount of repaid loans exceeded that of new loans; nevertheless, the rate of loan decrease in annual terms improved from -9.2% in June to -8.6% in August.

Income from exports and inflows of EU funding will stimulate money supply also in the future whereas it could be limited by the precautionary spending behaviour of non-financial corporations and households, as the uncertainty regarding the future fiscal consolidation processes persists, and by the deterioration of the current account of the balance of payments as a result of the growing imports. Some uncertainty is bound to persist in the domestic politics by the time a new government has been appointed; however, the gradual recovery of lending and stabilisation of money supply is a basis for further economic growth. This trend would be strengthened by the fiscal and economic policy continuity, quality drafting of the budget for 2012, as well as a strict commitment to refrain from raising taxes.

Chart 2.13

BANK LENDING SURVEY RESULTS: NET PERCENTAGE OF BANKS REPORTING TIGHTENING OF CREDIT STANDARDS (%)

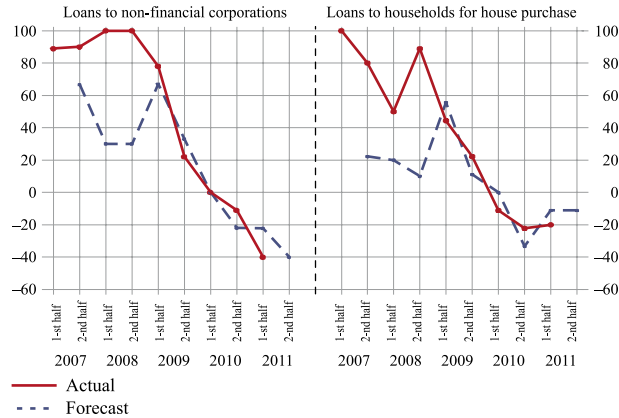


Table 2

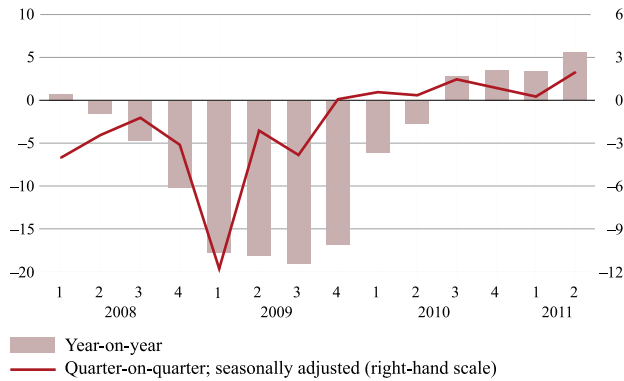
MONETARY AGGREGATES
(quarterly figures are averages)

	Outstanding amount as percentage of M3 2011 V	Annual growth rates								
		2010			2011					
		Q2	Q3	Q4	I	II	III	Q1	IV	V
M1	58.0	6.9	15.5	22.8	27.4	26.3	19.0	24.2	16.7	19.0
Currency in circulation	12.5	3.0	14.9	21.1	21.0	19.4	18.9	19.8	14.2	14.3
Overnight deposits	45.5	8.1	15.7	23.2	29.3	28.3	19.0	25.5	17.4	20.3
M2 – M1 (= other short-term deposits)	40.4	1.4	3.4	-1.3	-4.5	-6.8	-5.7	-5.7	-9.4	-7.5
Deposits with an agreed maturity of up to 2 years	36.7	4.0	5.3	-1.1	-5.2	-7.4	-6.6	-6.4	-10.6	-8.7
Deposits redeemable at notice of up to 3 months	3.7	-20.5	-13.4	-3.0	1.7	-1.2	4.0	1.5	4.5	5.8
M2	98.4	4.2	9.7	11.1	11.8	10.2	7.1	9.7	4.3	6.5
M3 – M2 (= marketable instruments)	1.6	50.1	72.7	33.4	12.7	2.0	7.8	7.5	5.0	-9.5
M3	100.0	4.8	10.5	11.5	11.8	10.0	7.1	9.6	4.3	6.2
Credit to residents		-7.5	-8.0	-7.8	-7.8	-8.2	-8.2	-8.1	-7.8	-8.0
Credit to general government		-16.7	-24.2	-11.8	-12.1	-13.2	-13.8	-13.0	2.0	3.9
Credit to the private sector		-7.1	-7.2	-7.7	-7.6	-7.9	-7.9	-7.8	-8.2	-8.5
Loans to the private sector		-7.5	-7.6	-8.2	-8.3	-8.7	-8.7	-8.6	-9.0	-9.1
Longer-term financial liabilities (excluding capital and reserves)		13.9	19.4	13.5	21.3	15.8	18.1	18.4	18.8	-17.9

Source: Bank of Latvia.

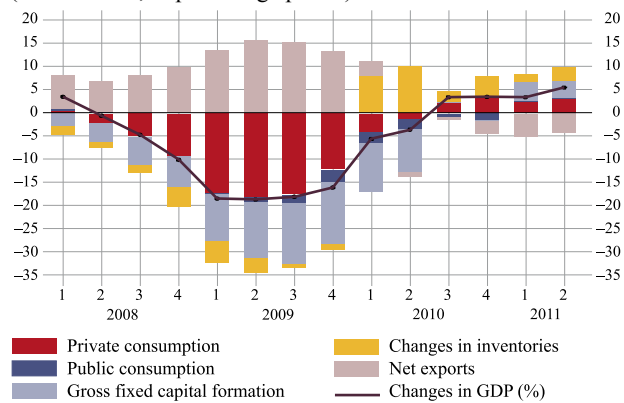
3. Domestic Demand

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



In the second quarter, GDP grew by 2.0% quarter-on-quarter (at constant prices; seasonally-adjusted data), with its rate of increase accelerating and bringing Latvia's economic growth to the leading positions among other European countries. The year-on-year growth of GDP amounted to 5.6% in the second quarter (see Chart 3.1), whereas the overall EU27 growth was much more moderate at 1.7%.

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



With the disposable income of households gradually increasing, private consumption also continued on an upward trend (see Chart 3.2). Moreover, rising employment led to an increase in the number of households with regular income, thereby stimulating an improvement in the demand for consumer non-durables in the middle of the year. Postponed consumption (using the previous savings once becoming more confident about the future) still has to be considered an important factor. Nevertheless, it cannot be viewed as a factor ensuring sustainable demand in a longer-term.

With capital investment expanding more notably, the overall level of investment increased significantly since the second half of 2010. Capacity utilisation margins tightened considerably in some industrial sectors already in 2010, thereby limiting the possibilities step up production in order to accommodate the strengthening demand for the outputs of those sectors. Therefore, new investment was an important and necessary pre-condition for further economic growth and improved productivity. Although overall investment followed an upward path in the first half of 2011 with notable growth reported in construction of new production buildings and warehouses, it still remained below the pre-crisis level and was insufficient for significant acceleration of the GDP growth.

Economic development of Latvia's main trade partners remained stable; moreover, the GDP growth in Lithuania and Estonia was significantly higher than expected in the second quarter. As a result, Latvia's real exports of goods and services continued to expand at a very high rate in the second quarter, increasing by 15.0% year-on-year. Nevertheless, the global economic developments overall contributed to rising uncertainty, dampening the optimism about the future sustainability of this trend. Growth is expected to decelerate also because of the higher base.

Chart 3.3
CHANGES IN PRIVATE CONSUMPTION AND RETAIL
TRADE TURNOVER
(year-on-year; %)

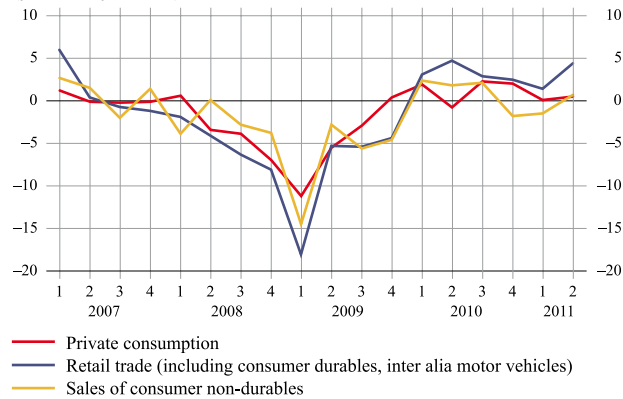
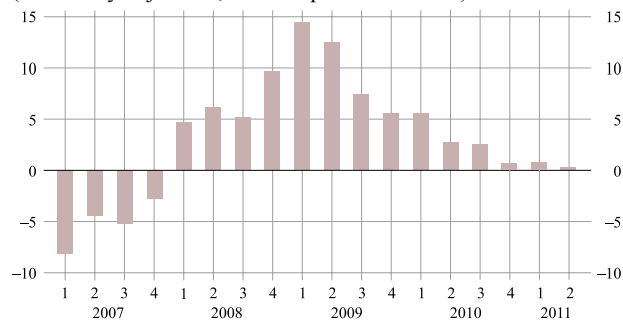
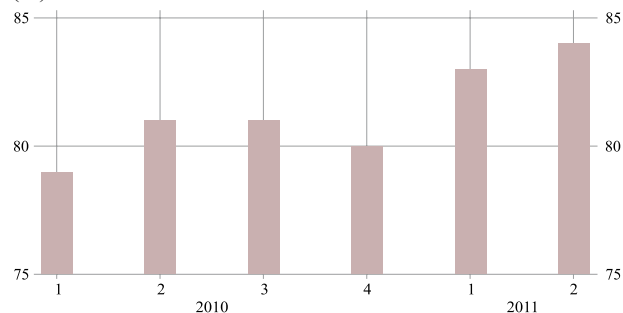


Chart 3.4
SAVINGS
(seasonally adjusted*; % of disposable income)



* As of Q1 2009, the Bank of Latvia estimates.

Chart 3.5
SHARE OF HOUSEHOLDS WITH NO FINANCIAL
SAVINGS
(%)



With exports growing, the demand for raw materials required for the production of goods also posted an increase thus boosting imports. In the second quarter, imports of goods and services rose by 22.1% year-on-year and its growth also accelerated. This acceleration was determined by more rapidly growing domestic demand, particularly the imports of capital goods required for investment.

3.1 Private consumption

Implemented tax raises and global price hikes (particularly higher food prices) continued to dampen the recovery of the purchasing power of households, which in combination with a higher base resulted in only a moderate annual increase of private consumption. Nevertheless, largely due to higher employment and improved consumer sentiment, this recovery is significant as confirmed also by other indicators characterising private consumption.

Private consumption developments and structure are well-characterised by retail trade turnover data. Contrary to the beginning of the year when trade expanded exclusively on account of the consumer durables, recent months were marked by higher demand also in the groups of consumer non-durables (see Chart 3.3). Demand for motor vehicles, furniture and household appliances was primarily determined by postponed consumption (using the previous savings once becoming more confident about the future). The growth of employment observed recently and the associated increase in the number of households with regular income, in turn, stimulated higher demand for consumer non-durables.

Part of households can afford purchases of durables because of their previously-accumulated savings, while another large part has made no savings or they have gradually dried out as suggested by the changes in aggregate savings (see Chart 3.4). Moreover, the results of the CSB survey show that approximately four fifths of households have no financial savings. This figure has increased from 79% in the first quarter of 2010 to 84% in the second quarter of 2011 (see Chart 3.5).

Replies to another question of this survey reveal a controversy: the number of respondents stating that their welfare has deteriorated within the last 12 months has decreased significantly (see Chart 3.6). Consumer confidence suggests both an improvement in the perception of household wealth and well as the

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

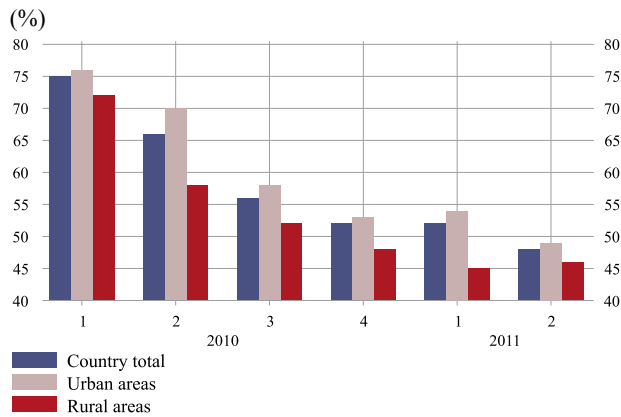


Chart 3.7
CONSUMER CONFIDENCE INDICATOR AND
UNDERLYING FACTORS
(net responses; in percentage points)

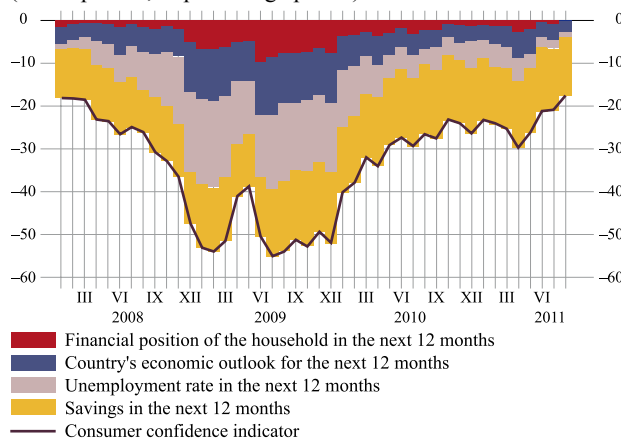
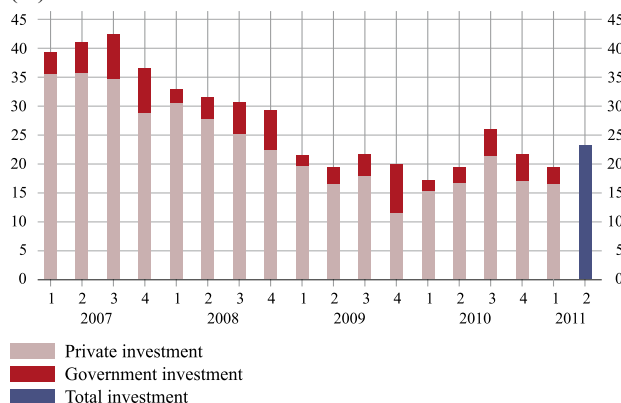


Chart 3.8
CONTRIBUTION OF PRIVATE AND GOVERNMENT
INVESTMENT TO GDP
(%)



situation in the economy, yet savings opportunities remain the most negatively viewed component of consumer confidence (see Chart 3.7).

3.2 Private investment

Since the middle of 2010, investment has been following a steep upward trend, with gross fixed capital formation retaining a very high annual growth rate in the second quarter (21.7%; see Chart 3.8). This growth is probably even more impressive than suggested by the current data. The data by businesses submitting quarterly statistical reports do not always fully reflect ongoing construction projects. Differences in business coverage may also cause problems with reflecting the contribution of capital goods imports to the gross fixed capital formation. Underestimated changes in fixed assets, in turn, may result in overestimated stocks which, adding more credibility and accuracy to the evaluation of the production side of GDP, is estimated as the difference between the GDP and other expenditure components. Later after data on a wider range of businesses (annual reports) are received, significant adjustments could be expected.

With investment growing strongly, its structure has also changed: investment inflows into industry, particularly in the sectors of electricity and gas supply and heating, as well as transport have increased. Such investment in productive capital lays a foundation for more sustainable economic growth. Construction of industrial production buildings and warehouses has expanded significantly (two-fold), alongside with more investment into industry and transports securing a higher value added for the construction sector.

Upgrades by international rating agencies announced in the recent quarters have played an important role in supporting the attractiveness of Latvia's business environment. The interest of foreign investors has grown: specifically foreign direct investment contributed significantly to the investment expansion observed in the first half of the year and its inflow into Latvia in the second quarter has remained broadly unchanged quarter-on-quarter. This may have served as an incentive for the domestic investors also to decide on new investment, as several significant investment projects or phases thereof were implemented in the second quarter with an intention to continue investment also in the quarters to follow.

Chart 3.9
ACCRUED BALANCE OF THE GENERAL GOVERNMENT
CONSOLIDATED BUDGET BY SUB-BUDGETS
(in millions of lats)

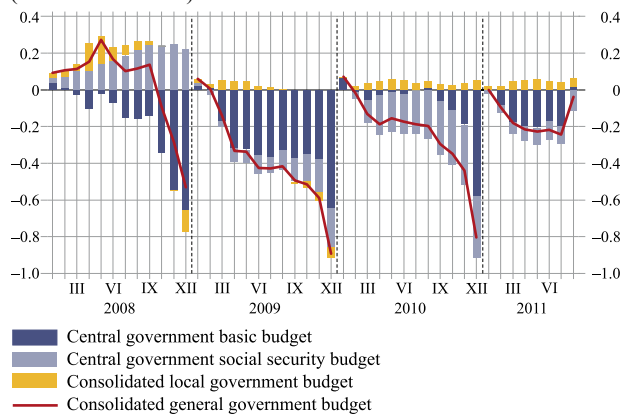


Chart 3.10
SELECTED TAX REVENUE
(January–August; in millions of lats)

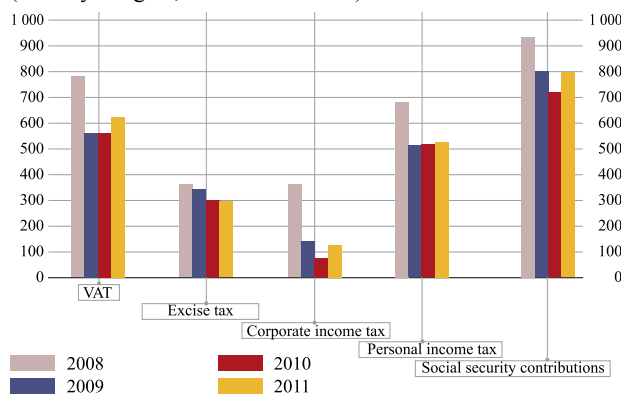
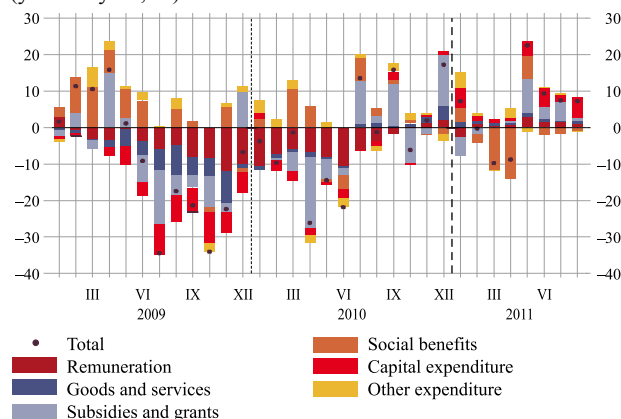


Chart 3.11
RATE OF CHANGE IN CONSOLIDATED GENERAL
GOVERNMENT BUDGET EXPENDITURE
(year-on-year; %)



3.3 Government expenditure and budget

According to the information officially released by the Treasury, in the first seven months of 2011 the deficit of the consolidated general government budget exceeded the figure reported in the respective period of the previous year by 57 million lats. The deficit increased on account of higher expenditure, particularly capital expenditure and expenditure on subsidies and grants, and a notable decrease in foreign financial assistance inflows on the revenue side in the period from January to July. The weak inflows of the foreign financial assistance can be explained by the gaps discovered by October 2010 mission of the EC in the management system of Latvia's Audit Authority, which resulted in suspension of the EU Cohesion Fund and ERDF payments. A decision to resume payments was taken on 4 August 2011 after the above gaps were closed. These EU payments improved the fiscal position of the general government budget considerably resulting in a 204.1 million lats surplus in the consolidated general government budget in August and considerably improving the overall fiscal position in the first eight months of 2011 (see Chart 3.9).

Nevertheless, the central government budget revenue in 2011 is higher than in the previous year even disregarding the received EU payments. Already from August 2010 onwards, every month an increase in tax revenue in comparison with the respective period of the previous year was observed. In January–August, tax revenue grew by 274.4 million lats or 12.8%. The highest growth was reported for revenue from social insurance contributions, VAT and corporate income tax (see Chart 3.10). The rise in the social insurance contributions in the second quarter was determined by both changes in legislation (employee rate was increased by 2 percentage points) as well as the strengthening of the labour market (for example, the wage bill increased by 8% year-on-year in the second quarter).

An increase was reported for almost all expenditure items of the consolidated general government budget. 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 on account of several other factors. Repayments of the withheld pensions in March and April 2010 increased the expenditure (base) of the first seven months of 2010 by 65.4

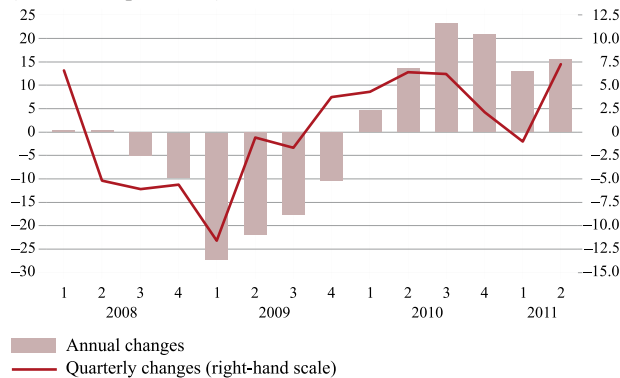
million lats. The declining unemployment had a major effect reducing the special employment budget spending by 38.2 million lats in the first seven months of 2011, whereas a decrease in the number of beneficiaries for maternity and paternity benefits and legislative changes supported a decline in the special disability, maternity and sicknesses budget spending by 29.0 million lats. Excluding the effect of pension repayments from the evaluation of expenditure changes in 2011, the spending of the first seven months of 2011 would have been relatively higher.

The general government debt stood at 5 354.5 million lats (39.2% of the GDP projected in 2011) at the end of July; in two months time, the debt grew by 260.9 million lats. The reason for the government debt expansion was primarily the 10-year Eurobonds issued by the Treasury in the amount of 500 million USD with a fixed annual income rate of 5.25% on 9 June 2011. Since May, the overall increase of the domestic debt of the central government of 17.6 million lats masked a rise in the medium-term and long-term government bonds (19.8 million lats and 11.7 million lats respectively) and a decline in the short-term debt of 13.2 million lats. This confirms gradual implementation of the Treasury's pre-set objective of increasing the average debt maturity.

4. Aggregate Supply

4.1 Industry and construction

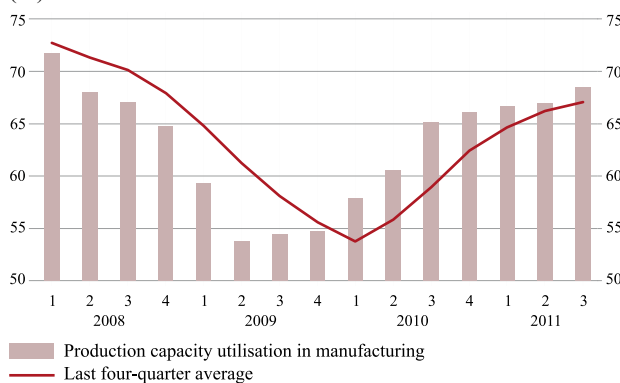
Chart 4.1
DYNAMICS OF MANUFACTURING OUTPUT
(at constant prices; %)



In the second quarter, manufacturing output increased by 7.2% quarter-on-quarter, reporting a year-on-year rise of 15.5% (see Chart 4.1). Manufacture of wood (the annual rate of increase in the second quarter – 11.7%), fabricated metal products (38.8%) and pharmaceutical preparations (23.1%) contributed most to the annual growth in manufacturing. Hence the second quarter is to be regarded as favourable for manufacturing, since the output has reached pre-crisis levels.

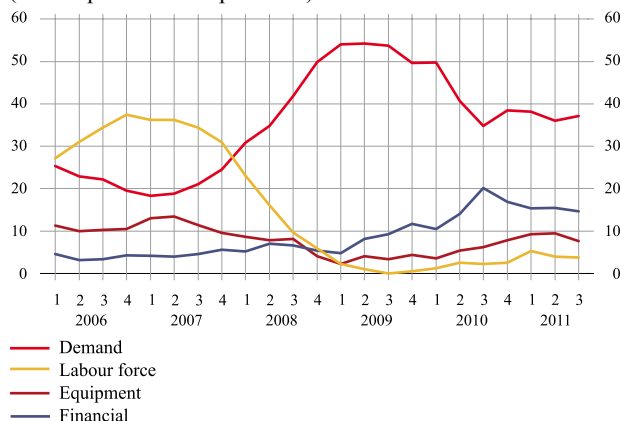
The EC confidence survey data suggest that the production capacity utilisation edged up to 68.5% in the third quarter (67.0% in the second quarter; see Chart 4.2); the situation, however, still differed considerably by sectors. Thus, for instance, production capacity utilisation reached 79.2% in manufacturing of metals, in manufacturing of wood and products of wood and cork (except furniture) it accounted for 75.6%, in manufacturing of textiles it was 69.8%, in that of food products – 66.7%, while in manufacturing of chemicals and chemical products it stood at 58.3% and in that of basic pharmaceutical products and pharmaceutical preparations – 49.9%.

Chart 4.2
PRODUCTION CAPACITY UTILISATION IN MANUFACTURING (%)



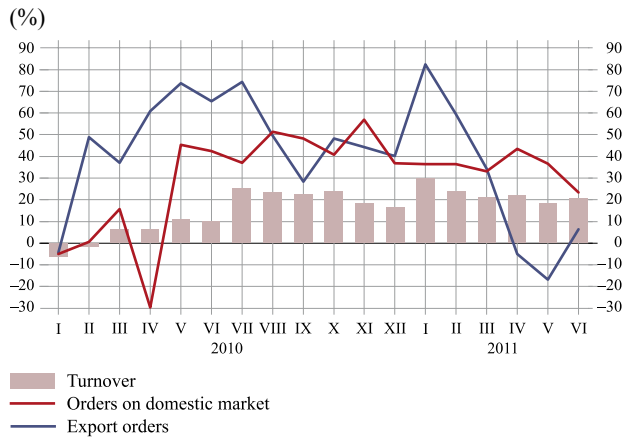
However, looking ahead, the fact that the industrial confidence indicator aggregated by the EC deteriorated by 2.4 points in the second quarter and fell by further 1.6 points in July and August, gives rise to concern. It was mainly attributable to a weaker assessment of both the past volume of output and the volume of output expected in the coming months (even a more negative outlook). Manufacturers have been reporting the limited demand as the major factor hampering further growth (see Chart 4.3).

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



In July, output growth in manufacturing continued to follow an upward trend. Although the rate of increase in manufacturing is gradually declining, manufacturing output is also expected to expand in the third quarter. The above development is supported by increasing volumes of new orders which should contribute to certain inertia in manufacturing. Meanwhile, manufacturing output is expected to moderate at the end of the year. This development will be on account of the problems in the external environment which are likely to affect the economies of Latvia's major trade partners and hence also their

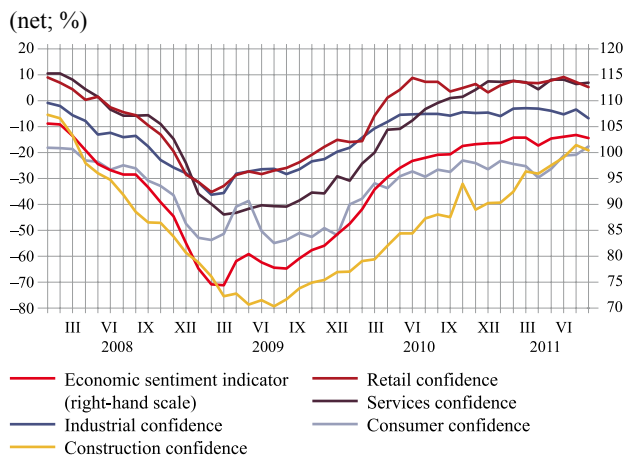
Chart 4.4
ANNUAL INCREASE IN TURNOVER AND NEW ORDERS
OF MANUFACTURING



demand for manufacturing output of Latvia (see Chart 4.4).

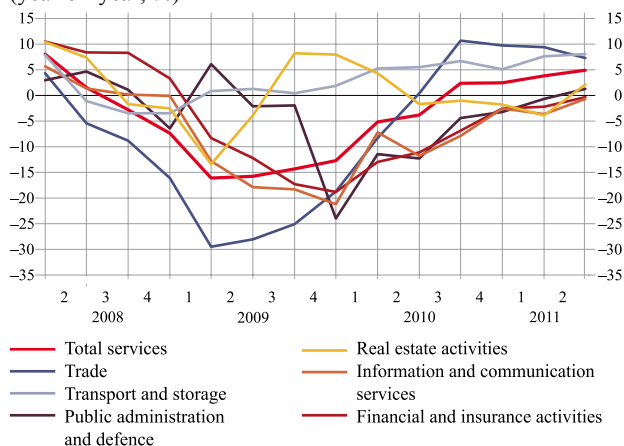
In the second quarter, the value added of the construction sector shrank by 0.9% year-on-year, while reporting a quarter-on-quarter growth of 9.0%. The above rise was attributable to the expansion of the volume of housing construction (13.1%), with that of construction of engineering structures increasing at a slower pace (by 3.7%). The volume of construction of residential buildings at constant prices picked up by 21.7% year-on-year. The construction of three or more apartment dwelling houses followed an upward path, while that of single dwelling houses and two apartment dwelling houses continued on a downside. The volume of construction of non-residential buildings rose by 11.0%.

Chart 4.5
ECONOMIC SENTIMENT AND CONFIDENCE
INDICATORS



The construction confidence indicator has improved by 5.3 points in the second quarter and by 17.6 points since the beginning of the year (the highest improvement of confidence indicator in Latvia; see Chart 4.5). However, the third quarter data already suggest a deterioration in confidence indicator, and the above in combination with the shrinking potential area planned in building permits confirms that a further acceleration of the construction output is not to be expected. Hence, the total area provided for in the building permits issued in the second quarter dropped by 53.6% year-on-year, with the capacity provided for in the building permits for the construction of production buildings and warehouses contracting very markedly.

Chart 4.6
CHANGES IN MAIN TYPES OF SERVICES
(year-on-year; %)

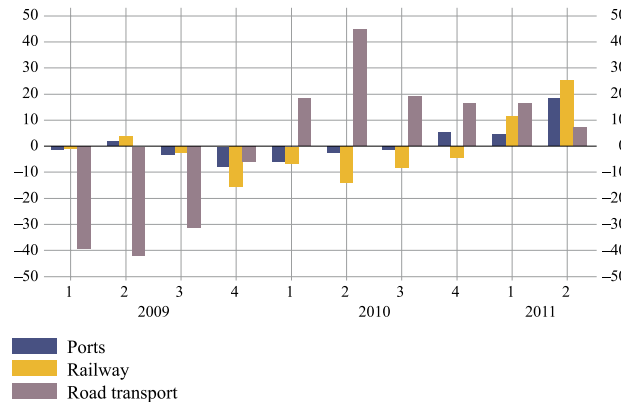


4.2 Services

In the second quarter, value added in the services sector at constant prices recorded a year-on-year increase of 4.9%. Transport and storage sector contributed most to the growth, with the value added expanding by 8.1% year-on-year (contribution to the annual growth – 1.1 percentage points). A very notable expansion of hospitality and catering sector (23.6%; 0.3 percentage point) was also observed. Negative annual growth rate was only recorded in the following sectors: education (value added shrank by 0.3%), information and communication services (0.7%) and financial and insurance activities (0.3%); however, the contribution of all three sectors has been neutral in annual growth (see Chart 4.6).

The second quarter was very favourable for the transport sector (see Chart 4.7). In the second quarter,

Chart 4.7
FREIGHT TURNOVER
(annual percentage changes; %)

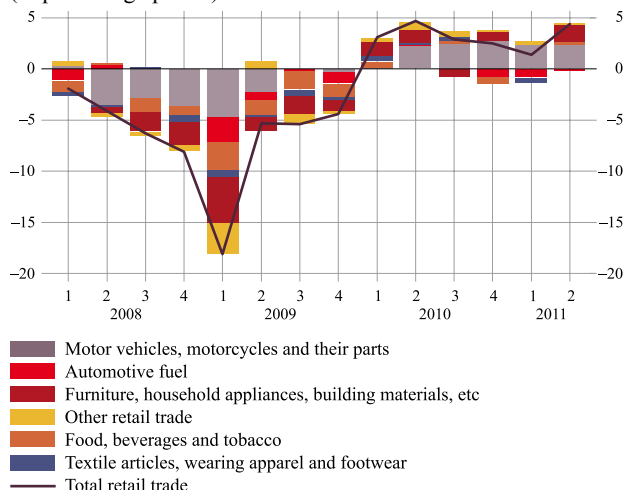


value added of the above sector recorded a year-on-year rise of 8.1%. The volume of cargoes loaded and unloaded at Latvia's ports contributed to the above development. Overall, cargoes loaded and unloaded at ports amounted to 18.1 million tons (a year-on-year increase of 18.6%). The growth was attributable to the expanding volume of cargoes loaded and unloaded at all major ports of Latvia (at Riga port – by 22.7%, at Ventspils port – by 14.4% and at Liepāja port – by 15.2%).

In the second quarter, the volume of rail freight rose by 25.4% in comparison with the respective period of the previous year. The increasing volume of freight transported to the ports (18.2%) as well as an accelerating volume of transit cargo transportation contributed to the above growth. In the second quarter, the volume of freight transportation by road rose by 7.2% year-on-year.

A positive development of the transport sector was attributable to a favourable economic development of Russia as well as problems encountered at its ports. At the beginning of the second quarter, frozen aquatoria of the ports and the resulting chaos caused problems to some ports of Russia. The above development contributed to the volumes of additional freight serviced at the ports of Latvia. Hence, according to provisional data for July and August (the volume of cargoes loaded and unloaded both at ports and by rail is still considered to be very high), some freight flows have become regular and will be directed through the ports of Latvia also in the future as these ports have proved the advantages of high quality standards over those of the ports of Russia.

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



After a relatively subdued performance of the trade sector at the beginning of the second quarter, a notable quarter-on-quarter increase of 4.4% and a year-on-year pickup of 11.6% followed. A buoyant expansion continued also in July, giving rise to hopes that the performance results will be positive in the third quarter (see Chart 4.8). The dynamics of retail sector is mainly driven by household consumption and saving habits (see Section 3.1), nonetheless, the success of the sector and official statistical data are also additionally affected by other factors, such as the grey economy and tourism activities.

Fuel trade statistics which shows a substantially different trend in the last few years in comparison with the dynamics of the sales of motor vehicles unveils large contribution of the grey economy. Sales of motor vehicles accelerated already for the

fifth consecutive quarter (the average quarterly rate of increase – 10%–13%). The annual growth rate amounted to 56.5% in the second quarter. At the same time, the volume of fuel trade decelerated three consecutive quarters (in the second quarter, a year-on-year fall of 11.4%). Part of the sales of motor vehicles is attributable to re-exports and thus may not be reflected in domestic transportation; however, the trends differ notably.

Tourists have also contributed to the development of the trade sector. In the second quarter, 287 thousand foreign visitors were serviced at the hotels and other tourist accommodations of Latvia (a year-on-year rise of 31.2%). The number of visitors from Russia has surged by 80%. Hotel industry, transportation and catering services are more substantially affected by the expenditures of travellers, albeit travellers also purchase fuel, food, souvenirs and other goods.

Overall, the favourable development of the services sectors in the first half of the year notwithstanding, improving confidence indicators have currently moderated (see Chart 4.9). This could also point to a shrinking growth rate in the second quarter, in particular, if prolonged uncertainty related to the further development of the national aviation company has an adverse effect.

Chart 4.9
CONFIDENCE INDICATORS OF INDIVIDUAL
SUB-SECTORS OF SERVICES
(surplus)

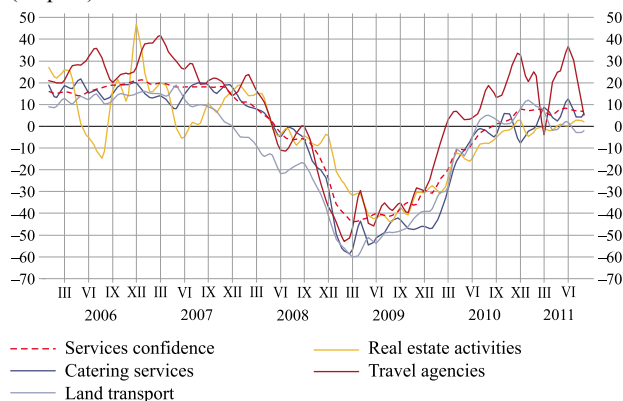
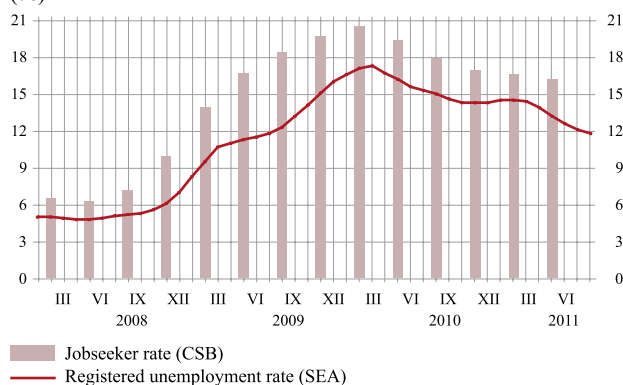


Chart 4.10
REGISTERED UNEMPLOYMENT AND JOBSEEKER
RATES
(%)



4.3 Labour market

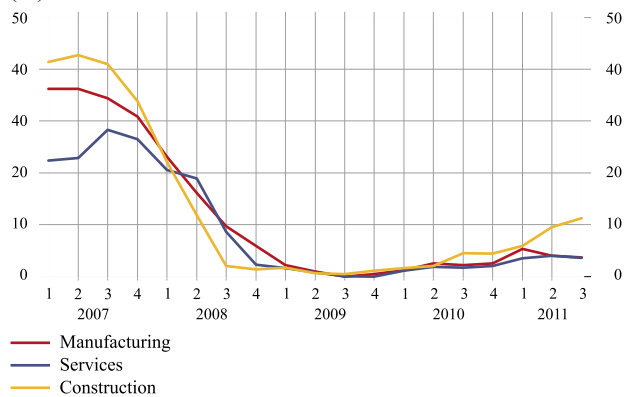
At the end of August, the registered unemployment rate declined to 11.8%, contracting by one third from the peak at the end of March 2010 (see Chart 4.10). In contrast to the trends of the previous year, a substantial drop in registered unemployment has also been observed in Latgale – it shrank to 20.0% at the end of August (for the first time over the past two years). According to the CSB business survey data, in Latgale, creation of new jobs has started later than in other regions of Latvia, albeit currently this process proceeds more smoothly than on average in the country. Moreover, a gradual restructuring of the programme of employing persons in municipal jobs (reduction of the grant of 100 lats to that of 80 lats as of July, reduction of the participation period from six months up to the time period until the end of November) had a dampening effect on the motivation to register with the SEA. It is particularly true of Latgale, where the above programme has gained the utmost responsiveness, since the average (official) net wage for full-time job in private sector only slightly exceeds 200 lats per month in this region.

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



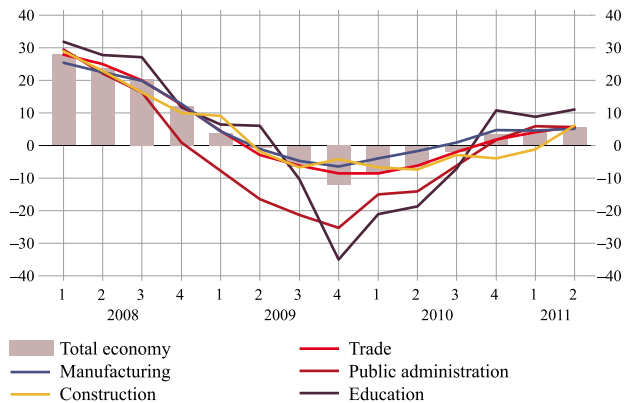
An increasing number of indicators point to the skills mismatch between part of the unemployed and business demand, pointing to high structural unemployment rate. The rate of persons exposed to a specific unemployment risk is increasing in the total number of unemployed registered with the SEA. For instance, the percentage of individuals who have general secondary education or lower education, persons of pre-retirement age and disabled persons registered with the SEA has moved up to 51.5%, 11.8% and 7.0% respectively, in July. Hence it becomes increasingly difficult for the businesses to find appropriate employees among the unemployed registered with the SEA. In August, the number of vacancies registered with the SEA almost reached the high of three years and was 27% higher than a year before (see Chart 4.11), while in summer months the number of unemployed who found a permanent job in a particular month recorded a mere 5% rise year-on-year (3.34%–3.50%).

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



Construction sector was the first sector facing the labour shortage already in summer. According to the CSB confidence survey data, labour shortage was singled out as the main obstacle for business growth by 16%–17% of the surveyed construction businesses (not adjusted for seasonal effects) in July and August. According to the EC estimates, the seasonally adjusted indicator stands at 11.3% (see Chart 4.12). The notable gap between the indicator of the years of economic overheating (it was above 40% in summer 2007) and current indicator notwithstanding, the upside dynamics is apparent (the above indicator was below 1% in summer 2009).

Chart 4.13
ANNUAL CHANGES IN GROSS NOMINAL HOURLY WAGE AND SALARY BY SECTOR (%)



On the one hand, demand for high-skilled construction workers is high. The number of occupied posts expanded faster in construction than the national economy average in the first half of the year. Latvian businesses compete with foreign companies for skilled labour; average wages have resumed growth in construction since spring 2010, and wage growth in the sector already exceeded that of the national economy average in the second quarter (see Chart 4.13). On the other hand, demand for low-skilled employees remains quite insignificant. For instance, in 2011 none of the construction companies have notified the SEA of the expected notable increase in employment (the SEA has, however, been notified of the rise in the number of shop-assistants on a timely basis); hence the construction businesses do not rely particularly on the unemployed registered with the SEA. The return of residents employed abroad to

Latvia may give the construction businesses some respite.

As regards the labour market condition by regions, it is evident that improved job opportunities are available in Riga and its vicinity. According to the CSB business survey data, Riga region covers two thirds of the occupied posts and about 80% of job vacancies. Hence, the proportion of job vacancies to the total number of jobs is relatively higher in Riga region. Nevertheless, it should be noted that the businesses recruit employees from the unemployed registered with the SEA more actively in regions than in Riga. Only 60% of job vacancies registered with the SEA are located in Riga region (less than the percentage of occupied posts – 67%).

According to the CSB labour survey data, in the second quarter, the actual unemployment rate or the rate of job seekers continued to decrease for the fifth consecutive quarter, reaching 16.2% of the economically active population. The number of employed rose by 30.5 thousand or 3.3% over the year, suggesting that the recovery of the economy would be impossible, if new jobs were not created in Latvia. The number of full-time employees recorded a more buoyant pickup of 3.7%, since an increasing number of individuals whose workload had decreased during the crisis started to work full time gradually.

The disparities of unemployment by education traditionally remain notable, basically pointing to the structural unemployment. Of the economically active population, only 7.7% are job seekers who have higher education, while this indicator stands at 27.2% among those who have elementary education. Moreover, it should be noted that only one third of individuals who have elementary education are economically active, thus only one fourth of working age individuals who have elementary education are employed. The above indicator stands at three fourths regarding those individuals who have higher education.

In the second quarter, the average monthly full-time wages continued to rise, with the increase reaching 5.5% over the year. The wage growth was slightly more dynamic in the public sector than in the private sector (7.0% and 5.0% respectively). The base effect is the main contributor to the above development, since wages in the public sector have declined more notably due to the fiscal consolidation in 2009 and 2010. For instance, the current wage rise regarding the individuals employed in education exceeds the

Chart 4.14
REAL WAGES AND SALARIES AND LABOUR
PRODUCTIVITY
(Q1 2000 = 100; seasonally adjusted data)

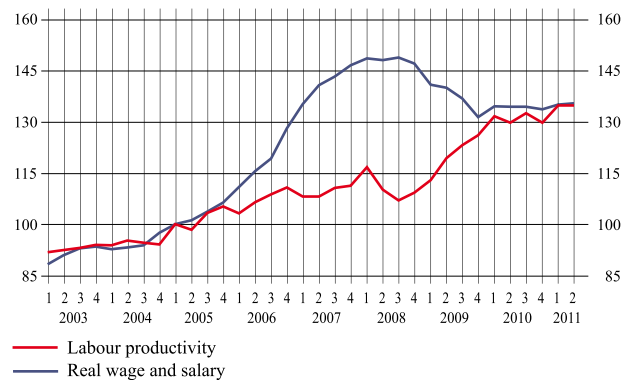
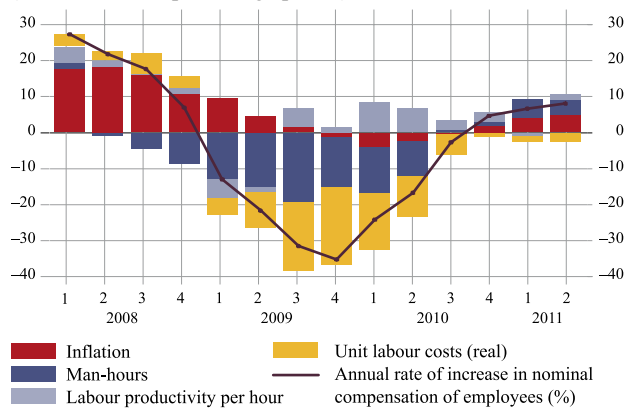


Chart 4.15
ANNUAL RATE OF INCREASE IN NOMINAL LABOUR
COSTS BY COMPONENT
(contribution; in percentage points)



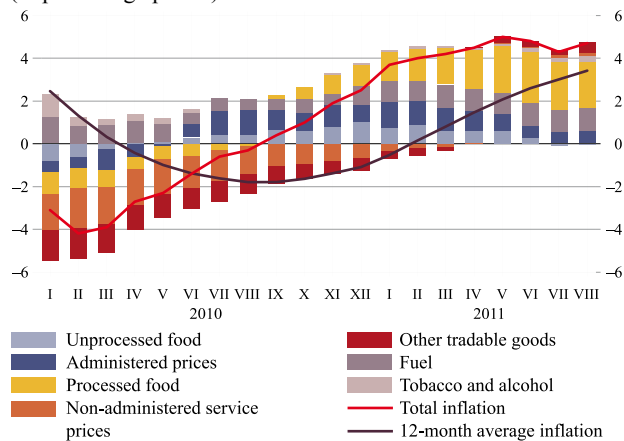
national economy average twice, mirroring a partial compensation paid in the 2010–1011 academic year for the teacher pay cuts carried out at the beginning of the 2009–2010 academic year.

The current wage increase poses no obstacles to the economic competitiveness. In view of the consumer price rise, an increase in real gross wages is still below the labour productivity growth. Hence there are no grounds to believe that the pickup in wages would be higher than the expanding labour productivity, as has been the case in the years of economic overheating (see Chart 4.14). The widening of the gap between the wages and productivity is also not to be expected over the coming quarters – the rise in nominal wage will decelerate against the backdrop of easing inflation, with the real wage and salary growth remaining consistent with the expansion of productivity.

Although the annual rate of increase in nominal unit labour costs has been positive for the third quarter in a row, the real unit labour costs continue on a downward path (see Chart 4.15). In the second quarter, the annual compensation of employees rose by 8.1%, mainly reflecting the number of hours worked and rising prices, and to a lesser extent – labour productivity growth.

5. Costs and Prices

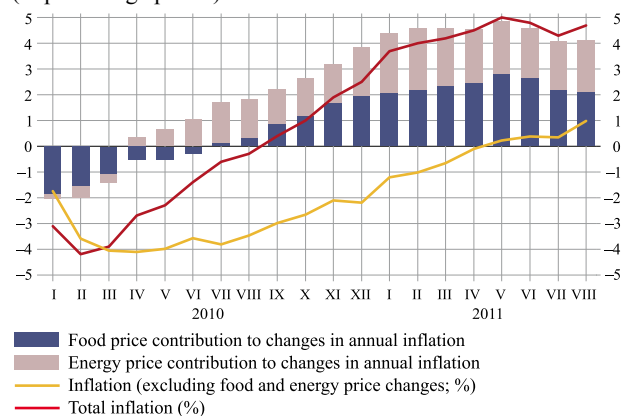
Chart 5.1
OVERALL CHANGES IN CPI (%) AND CHANGES BY COMPONENT
(in percentage points)



After reaching a peak in May, annual inflation overall decreased. In August, it increased somewhat; however, not exceeding the figure observed in May (see Chart 5.1). The average price level declined by 0.4% in July in comparison with May. Inflation eased on the backdrop of moderating pressure of the supply side factors, mainly reflecting the impact of the stabilisation of global prices, the prices of imported vegetables falling due to bacterial epidemics as well as the impact of seasonal factors. The pressure of the demand side factors on consumer prices was still relatively low.

Consumer prices did not post a more rapid decline on account of rising indirect tax rates. In June, the excise tax rates on fuel and alcohol, while in July, – on tobacco products and natural gas used for heating energy production were increased. Moreover, the reduced rate of value added tax on natural gas consumption was cancelled; consequently, this tax rate went up by 10 percentage points (to 22%). The impact of the increase in these interest rates on the consumer price rise within three months reached 0.4 percentage point. Overall, annual inflation, excluding the impact of the changes in tax rates, reached 2.5% (1.8 percentage points lower than the annual changes in the overall consumer price index).

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



Higher food and energy prices were the major contributors to annual inflation (4.1 percentage points). In August, annual consumer price inflation, excluding food and energy prices, stood at 1.0% (see Chart 5.2).

Food prices grew by 8.5% year-on-year. The prices of sugar, tea and coffee as well as oils and fats posted the more rapid increase (32.2%, 26.5% and 21.7% respectively). The impact of the rising food prices on inflation within the last months was significantly mitigated by the decline in vegetable prices triggered by the fact that vegetable consumption was related to diseases in several European countries; hence demand for vegetables contracted sharply in Europe resulting in lower prices of imported vegetables. Moreover, Russia's prohibition of imports of vegetables from the EU boosted domestic demand. In August, vegetable prices decreased by 29.8% year-on-year.

With the global energy prices stabilising, the impact of the rising energy prices on annual inflation eased.

Chart 5.3
ANNUAL PRICE CHANGES OF SERVICES AND GOODS (%)

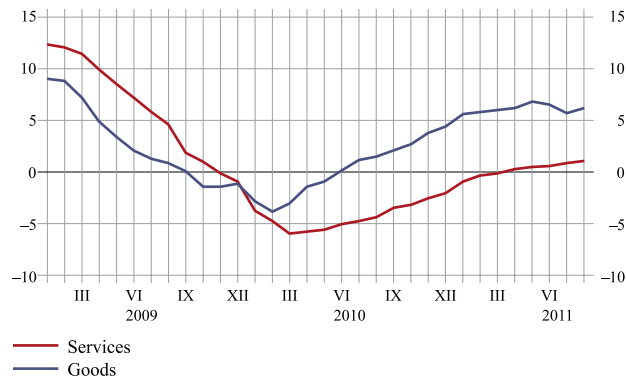


Chart 5.4
THE ANNUAL RATE OF CHANGE IN PPI AND CONTRIBUTION OF ITS COMPONENTS (in percentage points)

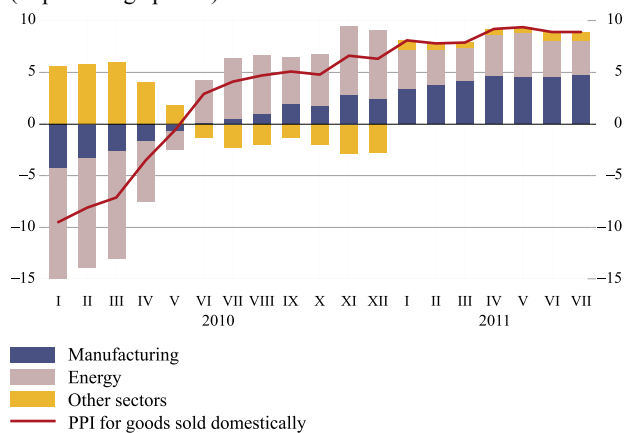


Chart 5.5
OIL PRICES ON GLOBAL MARKET (lats/barrel)



Fuel prices posted a moderate decrease (by 0.1%) in comparison with May; however, they recorded a 18.6% rise year-on-year, pushing overall annual inflation up by 1.1 percentage points. The rise in administered energy prices (26.7% year-on-year) was primarily underpinned by higher tariffs introduced by the JSC Latvenergo in April. Following the downward trend which started at the end of 2010, the sales price of natural gas started to increase again in May, with a nine-month lag against the global energy market developments and as a result of the rise in the tax rates. In August, the sales price of natural gas increased by 6.4% year-on-year but the heating tariffs declined by 2.5%. Overall, energy prices rose by 12.6% year-on-year, pushing annual inflation up by 2.0 percentage points.

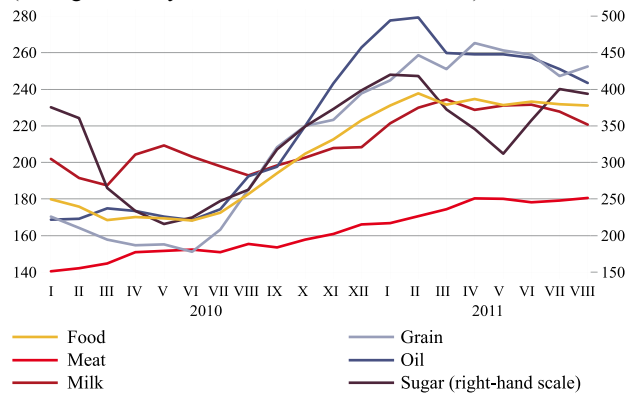
Non-administered services increased by 0.8% only year-on-year as a result of relatively low domestic demand. The prices of other tradable goods (except food and energy resources) went up by 2.0%, while the prices of goods overall – by more than 6% (see Chart 5.3).

The moderating pressure from production costs is reflected in producer price dynamics (see Chart 5.4). The prices of goods produced for domestic market grew by 2.8% over the past two months (to a significantly lower extent than at the beginning of 2011). The annual growth in prices decreased by 0.5 percentage point year-on-year (8.9%). Hikes in producer prices were still most affected by more expensive production of energy resources (by 8.6%) and costlier manufacture of food and wood (by 12.5% and 10.9% respectively).

Although supply of oil products does not signal any price increase, the US Energy Information Administration projects also further price stabilisation (see Chart 5.5). The pressure on rising prices is mainly eased by the contracting demand forecasts for oil products due to problems in the euro area.

Lower demand has also led to a downward pressure on the prices of raw materials and food; however, this notwithstanding, the prices for selected commodities rose slightly due to supply limitations. The UN Food and Agriculture Organisation projects the new grain harvest to be slightly poorer than expected mainly on account of unfavourable weather conditions in the US, yet better than in the previous year, particularly in Russia and Ukraine where prices have already started to fall with the new harvest arriving on the markets. Overall, since May the prices of grain have

Chart 5.6
GLOBAL FOOD PRICES
(average monthly indicator of 2002–2004 = 100)



dropped by 3%. The high prices of grain are sustained by rising prices of rice and corn. The prices of dairy products have decreased by 5.0% within the last three months. Information about a poorer harvest in Brazil has caused a rise in the prices of sugar (10% within three months; see Chart 5.6).

As the level of prices declined overall, including the rising food prices started to fall, inflation expectations of the Latvian population dropped also in July and August. However, although an increasingly smaller number of population (12.4%) expects that the growth in prices will accelerate ever more rapidly, a large part of population (38.3%) are sure that it will be close to the current one in the 12 months to come. As information on the stabilisation of global prices and the government's commitment to stop tax raises was heard over and over again, the number of population considering that the level of prices will go up at a slower rate, will not change or even will decline, has increased to 39.3%. However, overall inflation expectations are still relatively high (see Chart 5.7).

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

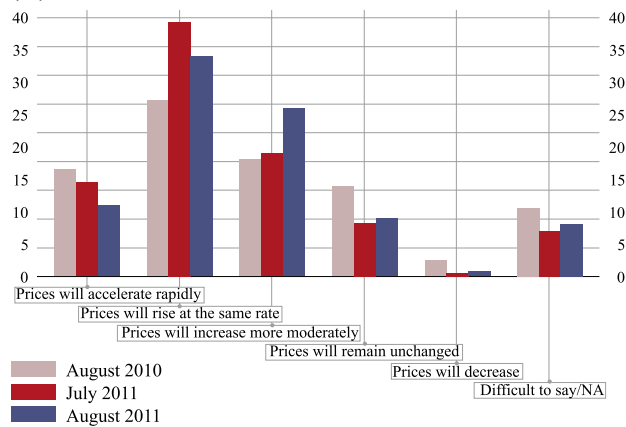
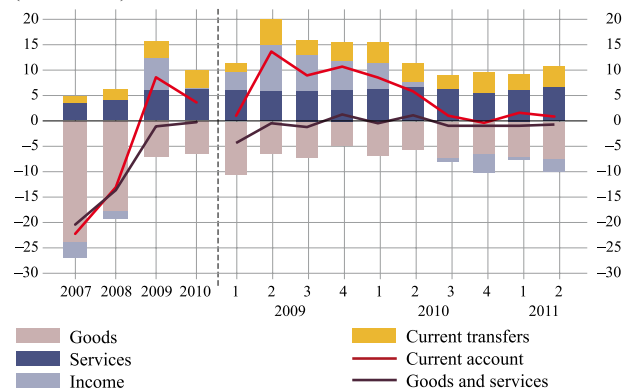


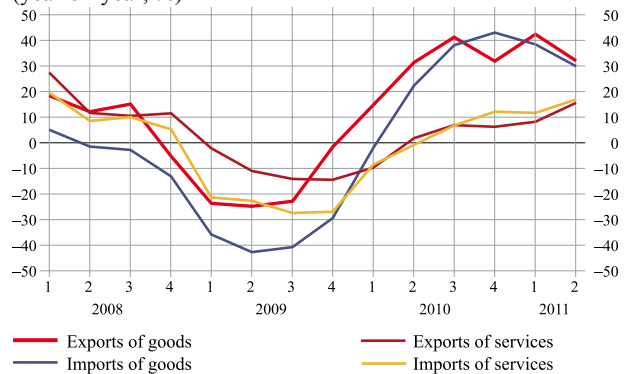
Chart 6.1
CURRENT ACCOUNT OF LATVIA'S BALANCE OF PAYMENTS AND ITS COMPONENTS (% of GDP)



6. Balance of Payments

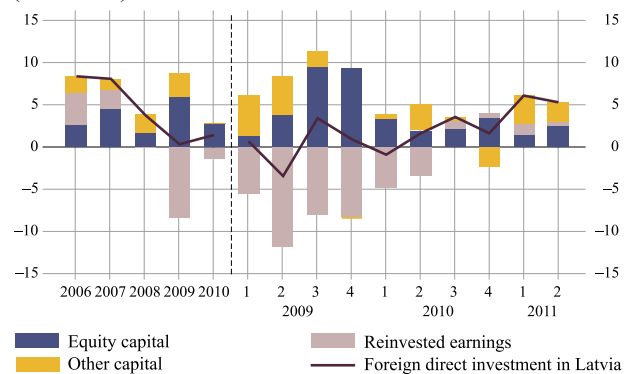
In the first half of the year, the current account surplus of the balance of payments decreased to 1.0% of GDP, whereas in July, the current account deficit was 160.0 million lats. In the first seven months of 2011, the dynamics of the current account on the trade balance side was mainly affected by individual larger purchases of investment goods in companies but on the income side – by the increase of foreign direct investment companies' reinvested earnings (see Chart 6.1). In the second quarter, exports of services increased notably (see Chart 6.2), including exports of transportation services amounted to a historical high; however, a part of growing surplus in services exports and services trade was also underpinned by one-off transactions, for example, the provision of individual design and engineering services.

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



The structure of current transfers remained broadly unchanged: the main contributor to the current transfers surplus was the inflows of the EU funding. Relatively small inflows of the EU funding were observed in the capital account by July. However, the budget revenue data suggest that renewed inflows of the EU Cohesion Fund and ERDF funds to Latvia suspended since October 2010 could be recorded already in the balance of payments data of August.

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



The financial account deficit decreased notably in comparison with the level of the two previous years. It was mainly underpinned by the decrease in the long-term liabilities of credit institutions. At the same time, direct investment and non-resident non-bank deposits were increasingly significant in the financing. In the first half of the year, the growing net direct foreign investment notably (more than 10 times) exceeded the indicator of the corresponding period of the previous year (by 371.9 million lats; 27.4 million lats in the first half of 2010) and amounted to 5.7% of GDP (see Chart 6.3). It was mostly going to energy, intermediation of trading, real estate, financial intermediation and manufacturing.

The improvement of the international credit rating enabled the Latvian government to borrow in the international market in June for the first time since the first quarter of 2008, issuing 10-year Eurobonds (in the amount of 500 million US dollars). The ability of the government to borrow in the market is a signal of easier availability of financing to other sectors as well.

In the near future, the goods trade balance will depend (on the one hand) on the global economic developments and their impact on the external demand and (on the other hand) stable import demand in the commodity groups related to such ongoing investment projects that are co-financed from the funds of the EU Cohesion Fund. These might be equipment, transport vehicles, some construction materials and metals. However, the one-off character of some import transactions conducted in June and July (they do not underlie a trend of sharp import growth) as well as the fact that a slower increase in exports could be attributable to a slower rise in income and consumption in Latvia that, in turn, will limit the import growth in both intermediate and consumer goods in the second half of the year and 2012, should be noted. As the pace of economic growth could decline slightly, the rise in the income account deficit is also likely to be moderate, – partly due to an increase in interest payments on loans and partly as a result of gradual growth in reinvested earnings of foreign direct investors. It is planned that the inflows of the EU funds in 2012 will be larger than in 2010 and 2011. Thus, the position of the current account could remain close to balance in the near future – with a small surplus in 2011 and a small deficit in 2012.

7. Conclusions and Forecasts

According to the data published by the CSB, Latvia's economic growth was much stronger than expected in the second quarter. The seasonally-adjusted GDP at constant prices grew by 2.0% quarter-on-quarter in the second quarter, thus the annual real GDP growth amounted to 5.6%. In comparison with the GDP flash estimate prepared by the CSB, the real growth of GDP was better in annual terms (by 0.3 percentage point), while it was worse in the quarterly terms (by 0.2 percentage point).

7.1 Economic developments

Uncertainty about the external developments continues to deepen due to several financially troubled European countries and their implemented fiscal consolidation measures. The situation in Greece still is particularly disturbing. As the case evolves, potential future development scenarios in other euro area countries, particularly in Italy and Spain, cause further concern. Further unfavourable economic developments in EU countries may significantly weaken Latvia's external demand, thereby exerting a negative effect on the economic growth.

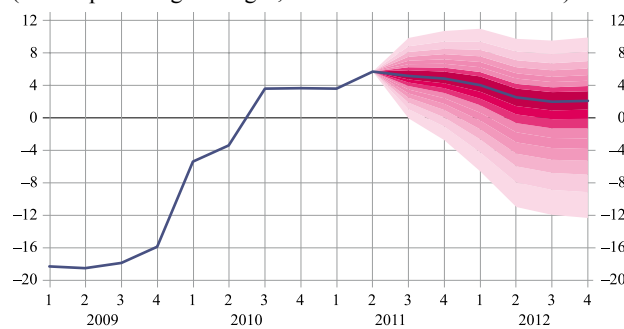
Although the industrial output is back to the pre-crisis level, various leading indicators suggest that the pessimism concerning the future outlook for the industrial production sector becomes stronger both globally as well as in the euro area and other Latvia's main trade partner countries; therefore, the industrial confidence indicators went down in all Latvia's trade partner countries in July and August. The OECD preliminary data released in August suggest that the economic activity continues to decelerate in most OECD member states as well as countries outside the OECD. Latvia's industrial confidence indicator is also deteriorating primarily due to the growing uncertainty surrounding the future development prospects.

Although an improvement in the labour market conditions is reflected also by the growing household consumption, additional downside risks to the economic development are caused by the strengthening tendency of the labour mismatch causing concerns about a potential rise of structural unemployment in Latvia. Moreover, despite some signs of gradual improvement in the public finances sector, lending remains sluggish and does not support

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).

a significant expansion in production capacities. As a consequence, the economy is still short of investment capital which could seriously slow Latvia's future economic growth.

To sum up, it has to be concluded that the economic development trends in the first half of the year were better than expected resulting in an upward adjustment of the 2011 GDP growth forecast (it is very likely that the economic growth will exceed 4% in 2011). At the same time, risks to the near-term and medium-term national economic growth prospects remain on the downside and are mainly related to the growing external uncertainties. As a result, growth is expected to remain subdued in 2012 (the current forecast is about 2.5%; see Chart 7.1).

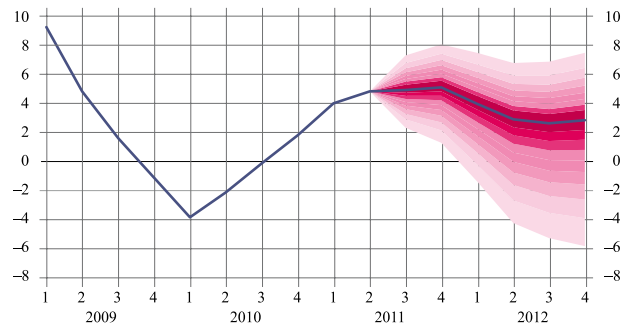
7.2 Inflation

Inflation movements clearly reflect the impact of the stabilisation observed in the global fuel and food prices, yet their future path still surrounded by a great deal of uncertainty. Despite downward adjustments in the US and euro area growth forecasts, the level of oil prices remains elevated. Food prices have stabilised at the moment, albeit at a very high level, with market participants awaiting data on the new crops.

No significant price rise can be expected in Latvia in the remaining months of 2011. On the one side, higher prices on public utility services in combination with the start of the heating season will dampen the demand for other goods and services, thereby preventing businesses from raising prices. On the other hand, the significant jump in the energy prices observed in the beginning of 2011 will still be reflected by the rising prices on natural gas as the gas prices are tied to the global movements of oil product prices of the preceding nine months; therefore, no significant decrease in inflation can be expected until the end of the year.

The downside risks to the inflation forecast relating mainly to the external economic environment have recently strengthened significantly. Firstly, the sovereign debt crisis in the US and euro area may have a negative impact on global growth and significantly dampen the external demand which, in turn, will slacken the economic activity and mitigate the upward pressure on prices in Latvia. Secondly, with the growth in major global economies decelerating the prices on raw materials, including energy and food, could decline, thereby adding to the downward

Chart 7.2
PCI 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).

pressure on prices in Latvia. Thirdly, the rising prices of goods of prime necessity (including food prices) in combination with the start of the heating season could result in contraction of demand. That would cause a decrease in demand for other goods and services and thereby exert a downward pressure on prices.

One of the upside risks to the inflation forecast in the recent months has been the observed steep rise in inflation expectations which may enable businesses to raise consumer prices more than justified by the growing costs. Moreover, the labour market conditions characterised by skills mismatch could create pressure on wages and thereby also induce higher prices.

The inflation forecast for 2011 remains broadly unchanged: a moderate consumer price rise (4.7% on average) is projected in Latvia. Considering the global economic development trends and the forecast lower economic activity in Latvia in 2012, the inflation forecast for 2012 has been adjusted downwards to 2.8%. The medium-term risks related to the inflation forecast are mainly on the downside (see Chart 7.2).

Statistics

List of tables

1.	Monetary Indicators and Interest Rates	40
2.ab	Real Sector Indicators and Prices	41
3.	Monetary Base	42
4.	Monetary Aggregates and Counterparts	43
5.	Seasonally Adjusted Monetary Aggregates	43
6.	The Bank of Latvia's Assets and Liabilities	44
7.	Aggregated Balance Sheet of MFIs (excluding the Bank of Latvia)	45
8.	Consolidated Balance Sheet of MFIs	46
9.ab	Aggregated Balance Sheet of MFIs (excluding the Bank of Latvia)	47
10.	Monetary Survey	50
11.ab	Foreign Assets and Liabilities of MFIs (excluding the Bank of Latvia)	51
12.	Selected Items in the Monthly Financial Position Report of MFIs (excluding the Bank of Latvia) by Group of Countries	52
13.	Maturity Profile of Deposits of Resident Financial Institutions, Non-Financial Corporations and Households (in lats and foreign currencies)	53
14.a	Deposits by Financial Institutions (in lats and foreign currencies)	54
14.b	Deposits by Non-Financial Corporations (in lats and foreign currencies)	55
14.c	Deposits by Households (in lats and foreign currencies)	56
14.d	Deposits by Government and Non-Residents (in lats and foreign currencies)	56
15.	Maturity Profile of Loans to Resident Financial Institutions, Non-Financial Corporations and Households (in lats and foreign currencies)	57
16.a	Loans to Financial Institutions and Non-Financial Corporations	57
16.b	Loans to Households	58
16.c	Loans to Government and Non-Residents	58
17.	Loans to Financial Institutions and Non-Financial Corporations in the National Economy	59
18.	Lending to Resident Financial Institutions, Non-Financial Corporations and Households	59
19.a	Holdings of Securities Other than Shares	60
19.b	Holdings of Shares and Other Equity	60
20.a	Currency Breakdown of Resident Deposits	61
20.b	Currency Breakdown of Non-Resident Deposits	61
20.c	Currency Breakdown of Loans to Residents	62
20.d	Currency Breakdown of Loans to Non-Residents	62
20.e	Currency Breakdown of Holdings of Resident Securities Other than Shares	63
20.f	Currency Breakdown of Holdings of Non-Resident Securities Other than Shares	63
20.g	Currency Breakdown of Debt Securities Issued by MFIs	64
21.a	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident Non-Financial Corporations and Households in Lats	64
21.b	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident Non-Financial Corporations and Households in Euro	67
21.c	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident Non-Financial Corporations and Households in US Dollars	70
22.	Lending in the Interbank Markets	74

23.a	Interest Rates in the Domestic Interbank Market	75
23.b	Interest Rates Set by the Bank of Latvia	75
23.c	Interest Rates in Bank of Latvia Tenders of Repurchase Agreements and Short-Term Currency Swap Contracts	76
24.	Principal Foreign Exchange Transactions (by type, counterparty and currency)	76
25.	Non-cash Foreign Exchange Transactions	77
26.	Monthly Averages of the Exchange Rates Set by the Bank of Latvia	77
27.	Weighted Average Exchange Rates (cash transactions)	78
28.	Structure of Government Securities	79
29.	Auctions of Government Securities in the Primary Market	80
30.	The Bank of Latvia's Transactions in the Secondary Market for Government Securities	80
31.	Dynamics of GDP	80
32.	Changes in the Average Monthly Wages and Salaries and Unemployment	81
33.	Latvian Foreign Trade Balance	81
34.	Main Export Goods of Latvia	82
35.	Main Import Goods of Latvia	82
36.	Latvian Foreign Trade Partners	83
37.	Convenience and Extended Credit, Revolving Loans and Overdraft to Resident Non-financial Corporations and Households	84
38.a	Loans to Resident Non-financial Corporations in the Breakdown by Residual Maturity and by Interest Rate Reset Period	84
38.b	Loans to Resident Households in the Breakdown by Residual Maturity and by Interest Rate Reset Period	85

1. MONETARY INDICATORS AND INTEREST RATES

	2010								2011							
		Q1	Q2	Q3	Q4	Q1	Q2									
M1 ¹	26.6	1.8	10.4	17.7	26.6	19.0	17.1									
M2 ¹	11.2	3.2	4.5	12.3	11.2	7.1	5.9									
M3 ¹	11.5	3.5	5.5	12.8	11.5	7.1	5.4									
M2X ¹	9.8	4.2	5.4	12.1	9.8	6.0	4.8									
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									
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									
Long-term interest rate for convergence assessment purposes ²	10.34	12.64	10.13	9.99	8.59	6.01	6.23									
RIGIBOR (3-month loans) ³	2.0	3.5	2.2	1.4	1.0	0.9	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									
OMXR ³	361.6	320.7	349.7	384.5	383.5	421.0	420.0									
	2010												2011			
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
M1 ¹	5.0	5.2	10.4	12.6	16.2	17.7	20.7	21.0	26.6	27.4	26.3	19.0	16.7	19.0	17.1	
M2 ¹	4.0	4.2	4.5	7.1	9.7	12.3	10.5	11.7	11.2	11.8	10.2	7.1	4.3	6.5	5.9	
M3 ¹	4.2	4.6	5.5	8.0	10.6	12.8	11.0	11.9	11.5	11.8	10.0	7.1	4.3	6.2	5.4	
M2X ¹	4.4	5.8	5.4	7.6	9.8	12.1	9.5	10.1	9.8	10.5	9.1	6.0	3.1	4.4	4.8	
Loans to resident financial institutions, non-financial corporations and households ¹	-7.8	-7.2	-7.6	-7.7	-7.4	-7.7	-8.2	-8.2	-8.3	-8.3	-8.7	-8.7	-9.0	-9.1	-9.2	
Deposits of resident financial institutions, non-financial corporations and households ¹	5.2	6.7	4.6	6.9	9.1	11.5	7.9	8.7	8.3	9.2	7.8	4.3	1.7	3.1	3.4	
Long-term interest rate for convergence assessment purposes ²	10.13	10.13	10.12	10.00	10.00	9.97	9.24	8.99	7.55	5.38	6.17	6.49	6.47	6.36	5.87	
RIGIBOR (3-month loans) ³	2.1	2.2	2.1	1.8	1.3	1.2	1.2	0.9	0.8	0.8	0.9	0.9	0.8	0.8	0.7	
Average yield on government bonds	5.9 ⁵	6.4 ⁵	-	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	
OMXR ³	351.0	349.0	349.1	358.1	397.4	398.0	394.8	371.1	384.7	410.5	426.2	426.1	418.6	412.8	428.9	

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	
Industrial output^{1,2}							
Increase/decrease ³ (at constant prices; working day adjusted data; %)	15.7	4.7	12.8	23.4	20.9	13.0	15.5
Cargoes loaded and unloaded at ports							
Turnover (in thousands of tons)	61 160	15 618	15 268	14 616	15 658	16 345	17 607
Increase/decrease ³ (%)	-1.3	-5.9	-2.7	-1.5	5.4	4.7	15.3
Retail trade turnover^{1,2}							
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	1 194.9
Increase/decrease ³ (at constant prices; %)	0.5	-13.0	-2.8	5.0	13.3	13.0	13.2
Unemployment rate (%)	14.3	17.3	15.6	14.6	14.3	14.4	12.6
Producer prices ¹ (increase/decrease compared with the previous period; %)	3.1	1.1	4.5	1.8	0	2.0	3.9
Consumer price inflation							
Year-on-year basis (%)	-1.1	-3.8	-2.1	-0.1	1.8	4.0	4.8
Quarter-on-quarter basis (%)	x	-0.2	1.3	0.1	0.6	1.9	2.0
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
Ratio to GDP (%)	6.3	4.7	1.3	3.6 ²	14.7 ²	6.0 ²	1.0

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					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Industrial output ^{1,2}																
Increase/decrease ³ (at constant prices; working day adjusted data;%)	10.7	14.8	12.7	24.3	22.6	23.1	27.2	16.3	18.8	12.3	13.9	12.7	17.1	12.0	17.5	
Cargoes loaded and unloaded at ports																
Turnover (in thousands of tons)	5 483	5 021	4 764	5 274	4 617	4 726	5 200	5 209	5 250	5 130	4 760	6 456	6 350	6 327	5 429	
Increase/decrease ³ (%)	6.4	-2.1	-11.9	1.5	-11.5	7.0	1.3	14.6	1.3	2.7	-7.9	18.4	15.8	26.0	14.0	
Retail trade turnover ¹																
Turnover (at current prices; in millions of lats)	344.6	354.8	356.3	370.4	372.0	367.4	372.5	360.4	417.0	326.2	331.3	374.7 ²	376.5	406.0	412.5	
Increase/decrease ³ (at constant prices; %)	-4.2	-2.7	-1.4	0.8	5.4	9.2	9.9	15.1	15.0 ²	10.6	15.7	12.9 ²	9.2	14.4	15.8	
Unemployment rate (%)	16.7	16.2	15.6	15.3	15.0	14.6	14.3	14.3	14.3	14.5	14.5	14.4	13.9	13.2	12.6	
Producer prices ¹ (increase/decrease compared with the previous period; %)	2.3	1.8	0.8	0.1	0.6	0.5	-0.5	-0.2	0.3	1.2 ²	0.7	0.8	2.3	1.0	0.5	
Consumer price inflation																
Year-on-year basis (%)	-2.7	-2.3	-1.4	-0.6	-0.3	0.4	1.0	1.9	2.5	3.7	4.0	4.2	4.5	5.0	4.8	
Month-on-month basis (%)	0.9	-0.1	0.4	0.2	-0.7	0.4	0.4	0.2	0.1	1.3	0.3	0.7	1.1	0.4	0.3	
Annual core inflation (%)	-4.4	-4.2	-3.6	-3.5	-3.3	-2.5	-1.5	-0.6	-0.3	1.1	1.5	2.0	2.8	3.7	4.1	
Financial surplus/deficit in the consolidated general government budget (in millions of lats)	-55.6	32.9	-18.4	-12.8	-9.4	-98.0	-55.9	-90.3	-362.7	-0.8	-92.9	-88.1	-33.1	-12.8	10.4	

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					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Currency in circulation	827.1	819.0	838.3	856.4	864.5	866.8	885.5	888.9	937.9	905.7	910.7	909.3	935.2	935.6	955.0	
Currency as percent of the monetary base	51.3	52.4	49.3	49.2	52.3	48.9	52.6	51.0	53.4	52.0	50.7	54.6	52.7	49.7	52.4	
Deposits with the Bank of Latvia in lats	770.3	730.2	837.8	869.9	773.5	887.8	777.4	839.0	797.3	819.1	868.3	737.3	818.1	922.6	842.2	
Deposits with the Bank of Latvia in foreign currencies	14.5	15.1	24.2	14.9	14.8	16.6	19.7	16.2	20.0	15.7	17.5	19.3	22.3	26.1	26.9	
Deposits as percent of the monetary base	48.7	47.6	50.7	50.8	47.7	51.1	47.4	49.0	46.6	48.0	49.3	45.4	47.3	50.3	47.6	
M0	1 611.8	1 564.2	1 700.4	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	
Net foreign assets	3 779.3	3 868.1	3 920.4	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	
Loans to MFIs	116.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Credit to central government (net)	-1 430.8	-1 421.5	-1 400.8	-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	
Other items (net)	-853.0	-882.4	-819.2	-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	
Total	1 611.8	1 564.2	1 700.4	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	

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; in millions of lats)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Monetary aggregates																
M3	6 189.6	6 165.4	6 147.4	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	
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Money market fund shares and units	98.4	99.9	98.1	97.5	103.2	94.6	92.3	88.7	81.4	83.4	84.1	85.4	82.7	81.1	75.7	
Debt securities issued with maturity of up to 2 years	0	12.4	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	6 091.3	6 053.1	6 028.7	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	
Deposits with an agreed maturity of up to 2 years	2 664.3	2 632.0	2 491.5	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	
Deposits redeemable at notice of up to 3 months	234.3	229.4	233.7	233.1	231.5	235.1	239.6	255.2	244.4	254.1	245.1	250.8	244.9	242.6	241.0	
M1	3 192.7	3 191.7	3 303.5	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	
Currency outside MFIs	713.9	715.3	733.6	750.8	758.5	760.1	776.6	775.5	807.4	790.1	795.8	795.6	815.6	817.7	838.1	
Overnight deposits	2 478.8	2 476.4	2 569.9	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	
Counterparts of monetary aggregates and longer-term financial liabilities																
Deposits of central government	2 146.3	2 168.8	2 199.6	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	
Longer-term financial liabilities	2 212.7	2 293.6	2 237.9	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	
Deposits with an agreed maturity of over 2 years	162.6	241.1	206.8	203.4	213.1	213.3	193.3	187.0	203.1	220.7	225.9	235.1	241.0	264.3	275.5	
Deposits redeemable at notice of over 3 months	0.1	0.1	0.1	0.1	0	0	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	
Debt securities issued with maturity of over 2 years	158.0	171.4	171.6	171.2	168.6	175.6	173.2	154.8	155.3	152.4	140.7	140.5	139.8	74.7	74.6	
Capital and reserves	1 892.0	1 880.9	1 859.4	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	
Credit to residents	13 897.0	13 868.4	13 767.7	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	
Credit to general government	583.3	554.2	553.8	543.1	516.7	503.1	518.8	530.2	563.8	564.2	558.7	572.5	594.9	575.6	573.6	
Credit to other residents	13 313.7	13 314.2	13 213.9	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	
Loans	13 136.5	13 124.0	13 007.8	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	
Net external assets	-1 893.8	-1 826.7	-1 720.4	-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	
Other items (net)	1 454.5	1 460.9	1 462.4	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	

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; in millions of lats)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
M1	3 212.0	3 192.0	3 231.9	3 266.4	3 333.0	3 417.3	3 468.7	3 539.4	3 716.0	3 773.6	3 839.3	3 745.2	3 761.6	3 803.4	3 770.1	
M2	6 042.8	6 023.6	5 967.5	6 020.7	6 118.2	6 259.6	6 191.0	6 301.7	6 371.9	6 426.7	6 439.9	6 390.1	6 301.9	6 405.3	6 325.4	
M3	6 139.5	6 138.0	6 086.9	6 141.1	6 240.6	6 378.5	6 308.6	6 415.1	6 473.9	6 529.5	6 542.9	6 498.7	6 402.7	6 507.8	6 420.3	

6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; in millions of lats)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
ASSETS																
Loans to residents	116.3	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	116.3	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	3 821.6	3 917.5	3 938.7	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	
Fixed assets	32.3	32.1	31.9	32.0	31.8	31.7	31.5	31.3	31.0	30.8	30.6	30.5	30.4	30.2	30.0	
Remaining assets	2.7	1.2	1.2	1.2	1.3	1.4	1.2	1.2	1.7	1.1	1.5	1.8	1.7	1.8	1.6	
Total	3 972.9	3 950.7	3 971.8	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	
LIABILITIES																
Currency in circulation	827.1	819.0	838.3	856.4	864.5	866.8	885.5	888.9	937.9	905.7	910.7	909.3	935.2	935.6	955.0	
Deposits of residents	2 830.6	2 803.8	2 830.5	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	
Central government	1 430.8	1 421.5	1 400.8	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	
Other residents	3.0	3.6	4.0	11.2	20.2	40.2	49.3	56.3	56.7	63.7	68.0	72.4	79.6	79.5	80.0	
MFIs	1 396.8	1 378.6	1 425.7	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	
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capital and reserves	268.4	275.3	281.6	286.1	299.0	298.6	294.8	294.4	296.6	282.7	284.0	286.6	274.9	286.6	287.6	
External liabilities	42.3	49.4	18.3	21.2	29.5	36.0	55.2	64.7	42.6	37.7	10.0	19.0	30.4	26.4	26.7	
Remaining liabilities	4.6	3.3	3.1	2.3	2.8	2.7	2.8	3.3	2.3	2.8	2.9	24.8	14.2	2.7	2.8	
Total	3 972.9	3 950.7	3 971.8	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	

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

(at end of period; in millions of lats)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
ASSETS																
Loans to residents	14 844.8	14 860.0	14 695.0	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	
General government	66.8	66.9	67.8	66.3	65.7	65.1	66.0	65.6	64.6	65.7	64.9	63.2	63.1	61.1	60.3	
Other residents	13 136.5	13 124.0	13 007.8	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	
MFIs	1 641.4	1 669.1	1 619.5	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	
Holdings of securities other than shares issued by residents	545.8	512.4	510.4	500.4	471.9	459.5	474.5	486.4	520.8	519.1	513.0	528.3	550.0	529.9	528.8	
General government	516.5	487.3	486.0	476.8	451.0	437.9	452.8	464.7	499.2	498.5	493.9	509.3	531.9	514.4	513.4	
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	0.1	
MFIs	29.3	25.1	24.2	23.5	20.9	21.5	21.6	21.7	21.5	20.5	19.0	18.9	18.1	15.4	15.4	
Money market fund shares and units	x	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	177.1	190.2	206.0	207.6	211.3	211.3	219.4	225.7	246.5	248.4	250.4	255.9	256.5	258.2	257.4	
External assets	4 829.3	4 804.5	4 765.9	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	
Fixed assets	134.0	106.0	93.9	92.8	91.4	90.2	120.5	119.0	121.0	118.4	117.6	117.4	116.9	127.5	126.3	
Remaining assets	609.0	601.1	609.9	599.9	630.7	622.4	623.1	634.3	658.2	647.6	647.6	628.6	662.9	662.7	661.0	
Total	21 140.1	21 074.5	20 881.5	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	
LIABILITIES																
Deposits of residents	6 497.9	6 605.7	6 492.1	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	
Central government	715.5	747.2	798.8	699.2	722.2	723.0	722.2	721.6	711.7	683.5	684.6	674.5	678.7	679.4	676.9	
Other residents	5 537.0	5 575.4	5 497.9	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	
MFIs	245.4	283.0	195.3	294.7	195.8	239.5	261.7	258.5	285.6	313.5	372.7	377.3	481.7	235.8	222.5	
Money market fund shares and units	98.4	100.3	98.5	97.9	103.6	94.9	92.7	89.1	81.8	83.8	84.5	85.8	83.0	81.5	76.1	
Debt securities issued	158.0	183.8	192.2	191.8	189.2	196.2	193.8	175.4	175.9	173.1	161.4	161.2	160.4	95.3	95.2	
Capital and reserves	1 623.6	1 605.7	1 577.9	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	
External liabilities	10 502.3	10 499.3	10 406.6	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	
Remaining liabilities	2 259.8	2 079.8	2 114.2	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	
Total	21 140.1	21 074.5	20 881.5	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	

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; in millions of lats)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
ASSETS																
Loans to residents	13 203.3	13 190.9	13 075.5	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	
General government	66.8	66.9	67.8	66.3	65.7	65.1	66.0	65.6	64.6	65.7	64.9	63.2	63.1	61.1	60.3	
Other residents	13 136.5	13 124.0	13 007.8	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	
Holdings of securities other than shares issued by other residents	516.5	487.4	486.1	476.9	451.1	438.0	452.9	464.7	499.3	498.5	493.9	509.4	531.9	514.5	513.4	
General government	516.5	487.3	486.0	476.8	451.0	437.9	452.8	464.7	499.2	498.5	493.9	509.3	531.9	514.4	513.4	
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	0.1	
Holdings of shares and other equity issued by other residents	177.1	190.2	206.0	207.6	211.3	211.3	219.4	225.7	246.5	248.4	250.4	255.9	256.5	258.2	257.4	
External assets	8 650.9	8 721.9	8 704.5	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	
Fixed assets	166.4	138.2	125.8	124.8	123.2	121.9	152.0	150.3	152.0	149.2	148.2	147.8	147.3	157.7	156.4	
Remaining assets	498.6	498.4	506.6	495.4	526.0	517.1	515.4	522.1	529.4	533.0	534.2	516.7	545.0	546.7	545.7	
Total	23 212.8	23 227.0	23 104.5	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	
LIABILITIES																
Currency outside MFIs	713.9	715.3	733.6	750.8	758.5	760.1	776.6	775.5	807.4	790.1	795.8	795.6	815.6	817.7	838.1	
Deposits of central government	2 146.3	2 168.8	2 199.6	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	
Deposits of other general government and other residents	5 540.0	5 579.1	5 501.9	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	
Money market fund shares and units	98.4	99.9	98.1	97.5	103.2	94.6	92.3	88.7	81.4	83.4	84.1	85.4	82.7	81.1	75.7	
Debt securities issued	128.7	158.8	168.0	168.3	168.3	174.7	172.2	153.7	154.4	152.5	142.3	142.2	142.3	79.9	79.8	
Capital and reserves	1 892.0	1 880.9	1 859.4	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	
External liabilities	10 544.7	10 548.6	10 424.9	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	
Remaining liabilities	2 148.0	2 083.1	2 117.3	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	
Excess of inter-MFI liabilities	0.7	-7.5	1.6	106.5	3.8	0.3	3.4	3.8	4.9	3.3	0.8	0.2	0	10.5	-7.5	
Total	23 212.8	23 227.0	23 104.5	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	

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

(at end of period; in millions of lats)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
MFI reserves	1 506.4	1 482.3	1 526.4	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	
Vault cash in national currency	113.1	103.7	104.7	105.7	106.0	106.7	108.9	113.4	130.6	115.6	114.9	113.7	119.6	117.8	116.9	
Deposits with the Bank of Latvia	1 393.2	1 378.6	1 421.7	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	
Foreign assets	4 829.3	4 804.5	4 765.9	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	
Claims on the central government	520.3	491.2	489.6	479.9	454.0	441.0	456.0	467.8	502.3	501.5	496.9	512.4	534.9	514.4	513.4	
Loans	3.9	3.9	3.6	3.1	3.1	3.1	3.1	3.1	3.0	3.0	3.0	3.0	3.1	0	0	
Holdings of securities other than shares	516.5	487.3	486.0	476.8	451.0	437.9	452.8	464.7	499.2	498.5	493.9	509.3	531.9	514.4	513.4	
Claims on the local government	62.9	63.0	64.2	63.2	62.6	62.1	62.9	62.5	61.5	62.7	61.8	60.2	60.0	61.1	60.3	
Loans	62.9	63.0	64.2	63.2	62.6	62.1	62.9	62.5	61.5	62.7	61.8	60.2	60.0	61.1	60.3	
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	627.8	654.4	641.6	630.7	622.2	615.0	622.4	616.5	610.5	594.4	581.7	574.5	541.0	533.4	534.7	
Loans	484.9	490.1	469.8	457.5	448.9	442.0	441.2	429.1	411.6	393.8	379.8	374.1	340.8	333.2	336.6	
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	142.9	164.3	171.7	173.2	173.3	173.0	181.2	187.4	198.9	200.6	201.9	200.5	200.2	200.3	198.1	
Claims on public non-financial corporations	407.2	409.4	407.7	410.8	414.4	418.6	425.9	450.9	474.5	476.1	470.8	470.2	472.2	474.0	452.6	
Loans	407.2	409.4	407.7	410.8	414.4	418.6	425.9	450.9	474.5	476.1	470.8	470.2	472.2	474.0	452.6	
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	6 291.4	6 272.9	6 212.5	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	
Loans	6 257.1	6 246.9	6 178.2	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	
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	0.1	
Holdings of shares and other equity	34.2	25.9	34.3	34.4	38.0	38.3	38.3	38.3	47.6	47.8	48.5	55.5	56.3	57.9	59.3	
Claims on households	5 987.3	5 977.6	5 952.1	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	
Loans	5 987.3	5 977.6	5 952.1	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	
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Fixed assets	134.0	106.0	93.9	92.8	91.4	90.2	120.5	119.0	121.0	118.4	117.6	117.4	116.9	127.5	126.3	
Other assets	495.9	497.2	505.2	494.2	524.7	515.7	514.2	520.9	527.6	531.9	532.7	514.9	543.3	544.9	544.0	
Claims on resident MFIs	248.2	290.5	197.8	195.8	195.5	242.6	261.8	258.2	284.3	313.7	371.9	377.1	481.7	235.8	240.5	
Holdings of MFI securities other than shares	29.3	25.1	24.2	23.5	20.9	21.5	21.6	21.7	21.5	20.5	19.0	18.9	18.1	15.4	15.4	
Money market fund shares and units	x	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	21 140.1	21 074.5	20 881.5	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	

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

(at end of period; in millions of lats)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Overnight deposits in lats	1 258.2	1 285.7	1 352.4	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	
Financial institutions	81.4	82.8	86.7	88.7	88.6	88.2	87.3	83.5	106.2	106.5	105.8	89.2	66.8	60.3	61.4	
Public non-financial corporations	79.4	83.5	93.6	93.5	84.2	67.8	83.8	81.8	87.1	106.9	131.8	99.1	113.6	98.1	99.8	
Private non-financial corporations	471.4	496.6	502.3	524.8	566.9	601.3	599.9	616.3	698.8	659.8	673.1	638.7	643.3	692.8	702.9	
Households	625.9	622.7	669.8	682.5	669.7	682.5	692.0	712.9	770.5	746.5	770.2	754.6	767.6	762.4	764.1	
Time deposits in lats	1 226.1	1 269.5	1 181.1	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	
Financial institutions	280.3	284.3	293.1	294.7	293.7	306.1	307.9	302.0	283.7	294.7	257.5	244.7	221.8	215.6	222.7	
Public non-financial corporations	275.0	284.4	208.3	206.6	218.7	244.3	213.8	199.7	155.2	159.6	153.5	174.0	177.2	194.5	133.8	
Private non-financial corporations	178.1	188.3	181.5	175.9	150.7	136.0	134.5	152.2	165.5	135.7	111.1	148.2	124.5	152.2	133.9	
Households	492.7	512.4	498.2	496.0	494.1	487.3	454.4	440.7	426.9	420.7	413.8	405.7	398.8	393.8	380.6	
Deposits redeemable at notice in lats	58.9	57.4	58.6	62.6	65.4	67.8	71.7	80.7	80.8	86.8	86.8	95.3	90.8	90.9	89.7	
Financial institutions	5.3	5.6	5.9	6.4	7.5	7.5	8.1	7.2	7.2	7.3	7.2	7.2	7.2	7.2	7.5	
Public non-financial corporations	0.8	1.1	1.1	1.1	1.0	1.2	1.5	1.5	1.2	1.2	1.2	1.1	1.1	1.3	1.1	
Private non-financial corporations	11.2	8.3	7.1	8.7	9.0	9.8	10.7	15.3	16.0	19.2	16.9	16.7	12.9	12.4	11.8	
Households	41.6	42.5	44.5	46.4	47.9	49.3	51.4	56.7	56.4	59.1	61.5	70.2	69.6	70.0	69.4	
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Foreign currency deposits of residents	2 822.4	2 776.3	2 720.7	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	
Financial institutions	396.5	322.2	317.6	324.0	325.8	340.2	190.8	186.4	199.0	198.4	222.9	223.4	219.1	228.4	234.8	
Public non-financial corporations	67.6	92.1	44.4	43.5	52.1	55.8	61.0	84.7	114.5	119.8	118.2	124.7	119.3	118.7	107.1	
Private non-financial corporations	642.5	641.8	633.3	628.2	670.4	680.3	697.1	740.5	802.4	826.0	857.5	853.6	825.2	829.3	833.7	
Households	1 715.8	1 720.2	1 725.3	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	
Deposits of central government	715.5	747.2	798.8	699.2	722.2	723.0	722.2	721.6	711.7	683.5	684.6	674.5	678.7	679.4	676.9	
Overnight deposits in lats	5.1	5.9	5.6	6.7	8.0	8.3	10.5	11.7	15.3	13.0	16.7	12.3	13.3	10.4	13.7	
Time deposits in lats	14.0	22.8	38.3	35.9	35.6	44.4	42.3	39.8	31.7	33.4	29.8	28.2	31.7	35.6	34.9	
Deposits redeemable at notice and repos in lats	0	0	0.1	0.6	0.6	0.6	0.6	0.7	0.1	0.2	0.1	0.3	0.6	0.6	0.4	
Foreign currency deposits	696.4	718.5	754.8	655.9	678.0	669.7	668.8	669.4	664.6	636.9	637.9	633.7	633.1	632.8	628.0	
Deposits of local government	171.5	186.6	185.0	186.7	201.0	200.6	204.6	218.4	202.0	206.2	211.4	231.9	241.7	256.1	245.3	
Overnight deposits in lats	100.3	122.7	120.5	121.6	136.7	134.3	136.0	147.7	140.4	131.3	136.5	154.9	165.3	177.6	168.5	
Time deposits in lats	18.3	10.9	10.2	11.3	11.4	14.7	19.9	20.2	16.2	28.3	29.0	30.1	30.2	30.5	28.8	
Deposits redeemable at notice and repos in lats	1.9	2.7	4.7	4.3	4.0	4.9	4.6	5.6	3.1	4.3	2.2	3.7	4.0	4.4	5.9	
Foreign currency deposits	51.0	50.3	49.7	49.5	48.8	46.7	44.1	45.0	42.2	42.3	43.7	43.1	42.1	43.6	42.1	
Transit funds	3.0	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					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Foreign liabilities	10 502.3	10 499.3	10 406.6	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	
Liabilities to the Bank of Latvia	116.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Money market fund shares and units	98.4	100.3	98.5	97.9	103.6	94.9	92.7	89.1	81.8	83.8	84.5	85.8	83.0	81.5	76.1	
Debt securities issued	158.0	183.8	192.2	191.8	189.2	196.2	193.8	175.4	175.9	173.1	161.4	161.2	160.4	95.3	95.2	
Capital and reserves	1 623.6	1 605.7	1 577.9	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	
Residents	378.5	343.0	313.0	272.1	356.8	357.0	354.0	356.7	337.9	365.8	338.1	345.5	354.9	345.4	356.8	
Retained earnings of the reporting year	-173.6	-203.1	-244.7	-297.7	-293.0	-307.4	-314.0	-311.1	-339.4	13.4	21.6	36.3	58.6	61.7	68.8	
Non-residents	1 245.1	1 262.7	1 264.9	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	
Provisions	1 742.8	1 777.5	1 816.0	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	
Other liabilities (incl. subordinated liabilities)	397.7	302.3	298.4	251.0	317.2	346.6	307.2	324.7	308.8	305.3	325.1	306.7	304.7	310.6	337.6	
Liabilities to resident MFIs	245.4	283.0	195.3	294.7	195.8	239.5	261.7	258.5	285.6	313.5	372.7	377.3	481.7	235.8	222.5	
TOTAL LIABILITIES	21 140.1	21 074.5	20 881.5	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	
Memo items																
Trust assets	387.5	375.8	533.5	414.5	424.0	439.1	446.9	472.7	408.5	558.5	365.2	392.4	377.6	403.0	445.5	
Foreign	295.5	307.8	452.4	330.4	347.1	370.9	375.7	404.8	338.7	490.4	296.4	311.1	298.6	316.9	367.4	
Domestic	92.0	68.0	81.1	84.1	76.9	68.2	71.2	67.9	69.7	68.1	68.9	81.3	79.0	86.1	78.1	
Trust liabilities	387.5	375.8	533.5	414.5	424.0	439.1	446.9	472.7	408.5	558.5	365.2	392.4	377.6	403.0	445.5	
Foreign	316.5	308.7	473.8	354.0	368.6	382.4	391.9	417.5	352.6	504.4	310.5	336.3	322.9	348.2	391.5	
Domestic	71.0	67.1	59.8	60.5	55.4	56.7	55.0	55.2	55.9	54.0	54.8	56.2	54.7	54.9	54.0	

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										
IV	713.9	2 339.7	1 149.5	1 102.4	87.8	3 025.9	1 726.5	964.3	335.1	6 079.5
V	715.3	2 313.4	1 162.4	1 052.8	98.2	3 075.4	1 735.4	977.1	362.9	6 104.1
VI	733.6	2 410.9	1 242.0	1 062.7	106.2	2 901.9	1 695.8	964.9	241.2	6 046.5
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
	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										
IV	-1 893.8	11 579.2	-1 734.5	5 987.3	6 919.2	407.2	-3 605.9	7 973.3	6 079.5	
V	-1 826.7	11 513.0	-1 801.2	5 977.6	6 927.2	409.4	-3 582.2	7 930.8	6 104.1	
VI	-1 720.4	11 383.1	-1 830.8	5 952.1	6 854.1	407.7	-3 616.2	7 766.9	6 046.5	
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	

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

(at end of period; in millions of lats)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Claims on MFIs	2 820.6	2 660.5	2 617.6	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	2 982.9	
Loans																
Overnight	1 559.7	1 418.5	1 588.5	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	1 962.3	
Short-term	800.9	794.7	622.5	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	
Long-term	56.7	57.9	32.1	32.1	29.7	29.9	31.1	34.0	25.8	26.9	27.5	189.3	188.5	191.9	191.4	
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	325.7	311.7	296.4	287.2	314.3	292.1	298.7	293.5	299.9	328.0	296.0	308.6	296.5	292.1	239.2	
Holdings of shares and other equity	0.3	0.4	0.8	0.4	0.5	0.5	0.6	0.7	0.7	2.2	0.6	0.7	0.7	0.6	0.5	
Other claims	77.2	77.2	77.2	77.2	62.2	62.2	57.5	57.5	56.5	51.7	51.7	51.7	51.7	40.5	40.5	
Claims on non-MFIs	1 840.8	1 936.8	1 955.7	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	
Loans																
Short-term	324.1	389.9	397.0	443.4	471.8	430.5	411.3	451.8	471.8	427.1	424.9	437.4	436.2	459.7	434.9	
Long-term	1 077.8	1 056.9	1 057.1	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	
Holdings of securities other than shares																
Government	243.9	270.6	279.1	311.3	304.3	297.3	283.4	339.0	374.1	389.5	446.5	452.4	461.8	493.5	488.4	
Private sector	138.5	164.6	167.4	156.4	161.1	164.2	164.7	166.9	165.5	184.5	184.4	214.4	198.2	200.9	212.4	
Holdings of shares and other equity	27.3	25.6	25.9	25.3	26.1	25.4	25.4	22.9	21.0	20.4	21.6	21.6	19.2	19.7	23.9	
Other claims	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2	28.7	29.0	31.0	31.0	33.7	33.7	33.7	
Vault cash in foreign currencies	67.8	75.7	74.1	70.0	81.6	64.1	68.9	66.9	76.2	68.2	69.5	63.5	66.5	68.5	69.2	
Other assets																
Other assets	100.1	131.5	118.5	95.6	111.7	109.9	143.2	131.4	128.0	118.5	127.6	119.8	121.4	120.8	118.3	
Total foreign assets	4 829.3	4 804.5	4 765.9	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	
Memo items																
Trust assets	295.5	307.8	452.4	330.4	347.1	370.9	375.7	404.8	338.7	490.4	296.4	311.1	298.6	316.9	367.4	

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

(at end of period; in millions of lats)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Liabilities to MFIs																
Overnight	362.1	342.7	396.5	413.7	451.9	563.9	709.6	653.5	446.5	528.1	593.2	653.3	701.2	786.4	649.9	
Short-term	439.8	552.5	738.5	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	
Long-term	5 676.9	5 881.0	5 561.9	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	
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	5 356.4	5 581.8	5 648.0	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	
Non-MFI deposits																
Overnight	2 306.0	2 340.9	2 353.8	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	
Short-term	750.7	746.1	687.2	626.2	689.3	611.4	625.9	682.9	747.6	634.3	604.2	573.5	581.5	542.1	540.0	
Long-term	267.8	335.3	378.8	388.7	385.8	425.9	450.1	456.9	442.8	444.1	450.7	458.1	466.3	494.3	483.8	
Redeemable at notice	171.6	172.4	170.2	161.4	178.9	170.1	221.5	169.5	183.0	154.6	154.5	164.3	155.3	147.2	163.7	
Other liabilities																
Other liabilities ¹	527.4	128.5	119.6	122.7	153.1	138.9	138.0	151.9	139.2	163.3	134.8	141.5	177.2	138.3	126.6	
Total foreign liabilities	10 502.3	10 499.3	10 406.6	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	
Memo items																
Trust liabilities	316.5	308.7	473.8	354.0	368.6	382.4	391.9	417.5	352.6	504.4	310.5	336.3	322.9	348.2	391.5	

¹ Including subordinated liabilities.

12. SELECTED ITEMS IN THE MONTHLY FINANCIAL POSITION REPORT OF MFIs (EXCLUDING THE BANK OF LATVIA) BY GROUP OF COUNTRIES¹

(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												
VI	1 690.0	794.5	553.2	667.9	402.2	786.2	6 044.4	2 432.4	652.5	877.4	381.2	2 712.7
VII	1 688.5	836.5	525.9	724.0	393.1	751.8	6 104.6	2 569.9	524.4	970.6	459.4	2 617.8
VIII	1 655.9	828.1	629.3	769.2	397.4	760.1	5 965.6	2 529.4	585.5	1 050.8	485.9	2 709.4
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

¹ Data have been revised.

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					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Overnight deposits																
Amount	2 339.7	2 313.4	2 410.9	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	
% ¹	43.6	42.9	45.4	45.4	45.3	45.6	47.6	47.7	49.9	49.8	50.4	48.8	49.7	49.8	51.4	
Time deposits																
Maturity of 1–6 months																
Amount	1 402.3	1 371.7	1 205.7	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	
% ¹	26.2	25.5	22.7	22.2	22.1	21.8	18.9	19.3	18.7	18.1	18.0	19.2	18.3	18.6	16.3	
Maturity of 6–12 months																
Amount	1 004.5	1 011.9	1 038.0	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	18.7	18.8	19.5	20.0	20.1	20.0	20.7	20.5	19.1	19.1	18.8	19.9	19.5	18.7	18.8	
Long-term																
Amount	386.6	465.1	429.1	434.0	446.2	454.5	438.7	419.7	447.7	473.0	474.5	426.0	443.0	478.9	507.2	
% ¹	7.2	8.6	8.1	8.2	8.3	8.4	8.3	7.8	8.0	8.5	8.5	7.7	8.1	8.6	9.2	
Maturity of 1–2 years																
Amount	224.1	224.0	222.3	230.7	233.2	241.2	245.4	234.4	244.6	252.4	248.6	190.9	202.0	214.6	231.7	
% ¹	4.2	4.1	4.2	4.3	4.3	4.4	4.7	4.4	4.4	4.5	4.4	3.4	3.7	3.9	4.2	
Maturity of over 2 years																
Amount	162.5	241.1	206.7	203.3	213.0	213.3	193.3	185.3	203.1	220.6	225.9	235.1	241.0	264.3	275.5	
% ¹	3.0	4.5	3.9	3.8	4.0	3.9	3.7	3.5	3.6	4.0	4.0	4.2	4.4	4.8	5.0	
Deposits redeemable at notice																
Up to 3 months																
Amount	232.3	226.6	229.0	228.8	227.3	230.1	234.9	249.5	241.2	249.6	242.8	247.0	240.9	238.1	235.1	
% ¹	4.3	4.2	4.3	4.3	4.2	4.2	4.5	4.7	4.3	4.5	4.3	4.4	4.4	4.3	4.3	
Over 3 months																
Amount	0.1	0.1	0.1	0.1	0	0	0	0	0	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	5 365.5	5 388.8	5 312.9	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	

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									
IV	94.8	216.7	30.6	31.2	0.4	0	0	373.8	283.3
V	93.2	226.4	28.9	32.1	0.5	0	0	381.2	291.7
VI	91.8	223.3	28.9	32.3	0.4	0	0	376.7	294.4
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
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									
IV	138.8	207.8	6.3	29.1	7.5	0	0	389.6	83.6
V	61.6	210.3	6.6	29.5	5.6	0	0	313.6	80.9
VI	62.6	218.7	8.7	30.8	5.9	0	0	326.7	91.4
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

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									
IV	87.8	329.8	1.9	1.5	1.9	0	0	422.8	355.3
V	98.2	319.8	2.2	38.8	2.1	0	0	461.1	369.0
VI	106.2	236.9	0.7	1.5	2.1	0	0	347.4	303.0
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
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									
IV	868.8	362.2	32.1	13.4	26.8	0	0	1 303.3	660.8
V	897.9	366.9	33.6	13.4	23.2	0	0	1 335.1	693.2
VI	908.3	353.0	26.7	15.0	21.3	0	0	1 324.2	690.9
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

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

(at end of period; in millions of lats)

	Households								
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2010									
IV	1 149.5	1 290.2	153.2	87.3	195.8	0.1	0	2 876.0	1 160.2
V	1 162.4	1 260.1	152.7	127.3	195.3	0.1	0	2 897.8	1 177.6
VI	1 242.0	1 211.8	157.4	127.1	199.4	0	0	2 937.8	1 212.5
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

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

(at end of period; in millions of lats)

	General government				Non-residents				In lats	
	Central government	Local government	In lats		MFIs	Non-MFIs	General government	Other		
2010										
IV	715.5	171.5	887.0	139.6	6 478.8	3 496.1	2.2	3 493.9	9 974.9	135.4
V	747.2	186.6	933.8	165.0	6 776.1	3 594.7	2.2	3 592.5	10 370.8	159.6
VI	798.8	185.0	983.9	179.4	6 696.9	3 590.1	2.0	3 588.1	10 287.0	149.3
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

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					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Short-term																
Amount	1 777.8	2 152.6	2 146.6	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	13.5	16.4	16.5	17.2	17.6	17.8	17.5	17.0	16.6	16.7	16.8	16.6	16.7	16.7	17.0	
Maturity of 1–5 years																
Amount	3 098.2	2 711.8	2 670.5	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	23.6	20.7	20.5	19.7	19.4	19.1	19.7	19.9	18.9	18.8	18.3	18.0	17.9	18.1	17.3	
Maturity of over 5 years																
Amount	8 260.5	8 259.6	8 190.6	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	
% ¹	62.9	62.9	63.0	63.1	63.0	63.1	62.8	63.1	64.5	64.5	64.9	65.4	65.4	65.2	65.7	
Total loans	13 136.5	13 124.0	13 007.8	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	

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																
IV	0	1.3	0	69.6	483.6	71.3	6.4	47.8	352.9	407.2	11.1	1 252.0	2 189.6	2 815.5	6 257.1	347.2
V	0.3	1.8	0.3	154.9	488.3	68.3	22.7	32.7	354.0	409.4	11.8	1 484.4	1 905.4	2 857.2	6 246.9	384.8
VI	0	1.5	0	151.3	468.3	64.0	20.8	31.9	355.0	407.7	10.7	1 481.5	1 873.4	2 823.3	6 178.2	362.5
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

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														
IV	715.5	231.4	159.7	324.4	4 775.7	147.9	375.0	4 252.7	496.1	70.5	126.9	298.8	5 987.3	582.2
V	675.8	232.9	116.4	326.5	4 768.4	178.7	322.7	4 267.0	533.4	78.6	139.2	315.6	5 977.6	579.2
VI	666.8	228.9	112.0	325.9	4 752.3	182.9	330.5	4 238.9	533.0	81.2	138.1	313.7	5 952.1	570.0
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

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										
IV	3.9	62.9	66.8	2.7	2 417.5	1 401.9	0.3	1 401.5	3 819.3	249.7
V	3.9	63.0	66.9	2.6	2 271.2	1 446.7	0.3	1 446.4	3 717.9	249.1
VI	3.6	64.2	67.8	2.4	2 243.2	1 454.1	0.3	1 453.8	3 697.3	282.8
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

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

(at end of Q2 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	2 321.2	100.0	264.9	100.0	2 162.6	100.0	216.5	100.0	1 812.9	100.0	37.9	100.0	6 296.7	100.0	519.3	100.0
A Agriculture, forestry and fishing	121.9	5.3	18.8	7.1	112.1	5.2	16.7	7.7	72.4	4.0	14.5	38.3	306.5	4.9	50.0	9.6
B Mining and quarrying	12.2	0.5	0.9	0.3	7.2	0.3	0.8	0.4	3.9	0.2	0	0	23.3	0.4	1.7	0.3
C Manufacturing	321.9	13.9	43.4	16.4	269.2	12.5	5.7	2.6	265.1	14.6	5.3	14.0	856.2	13.6	54.4	10.5
D Electricity, gas, steam and air conditioning supply	8.3	0.4	2.5	1.0	171.0	7.9	3.8	1.8	59.6	3.3	1.0	2.6	238.8	3.8	7.3	1.4
E Water supply; sewerage, waste management and remediation activities	6.6	0.3	4.2	1.6	8.9	0.4	1.0	0.5	19.6	1.1	0.5	1.3	35.0	0.6	5.7	1.1
F Construction	232.9	10.0	21.8	8.2	129.7	6.0	3.7	1.7	253.9	14.0	2.5	6.6	616.5	9.8	28.0	5.4
G Wholesale and retail trade; repair of motor vehicles and motorcycles	360.8	15.5	50.0	18.9	173.3	8.0	42.2	19.5	154.6	8.5	3.3	8.7	688.7	10.9	95.5	18.4
H Transportation and storage	75.8	3.3	10.7	4.1	169.5	7.8	1.1	0.5	135.3	7.5	0.3	0.8	380.6	6.0	12.1	2.3
I Accommodation and food service activities	36.2	1.6	3.4	1.3	59.1	2.7	3.4	1.6	69.2	3.8	1.5	3.9	164.5	2.6	8.3	1.6
J Information and communication	37.2	1.6	27.6	10.4	23.0	1.1	0.3	0.1	5.7	0.3	0	0	65.9	1.0	27.9	5.4
K Financial and insurance activities	189.8	8.2	37.1	14.0	166.6	7.7	10.9	5.0	27.5	1.5	0.1	0.3	383.9	6.1	48.1	9.3
L Real estate activities	822.1	35.4	23.5	8.9	751.9	34.8	106.1	49.0	585.3	32.3	6.0	15.8	2 159.3	34.3	135.6	26.1
M Professional, scientific and technical activities	7.1	0.3	1.3	0.5	20.4	0.9	15.8	7.3	7.1	0.4	0.1	0.3	34.6	0.6	17.2	3.3
N Administrative and support service activities	35.6	1.5	15.1	5.7	30.6	1.4	1.4	0.6	22.1	1.2	0.3	0.8	88.4	1.4	16.8	3.3
O Public administration and defence; compulsory social security	0.4	0	0.1	0	0.2	0	0	0	52.7	2.9	0.1	0.3	53.2	0.8	0.2	0
P Education	2.7	0.1	0.1	0	1.2	0.1	0.1	0.1	1.0	0.1	0	0	5.0	0.1	0.2	0
Q Human health and social work activities	7.6	0.3	0.3	0.1	6.4	0.3	0.5	0.2	6.8	0.4	0.7	1.8	20.8	0.3	1.5	0.3
R Arts, entertainment and recreation	15.1	0.6	0.9	0.3	4.9	0.2	0.6	0.3	23.1	1.3	1.1	2.9	43.1	0.7	2.6	0.5
S Other service activities	27.0	1.2	3.2	1.2	57.4	2.7	2.4	1.1	48.1	2.6	0.6	1.6	132.5	2.1	6.2	1.2

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

(at end of period; in millions of lats)

	2010				2011	
	IV	Q2 ¹	Q3	Q4	Q1	Q2
Commercial credit	1 963.3	1 919.0	1 898.0	1 770.4	1 716.8 ²	1 699.4
Industrial credit	2 192.1	2 194.5	2 170.8	2 112.0	2 108.4 ²	2 053.4
Reverse repo	2.7	3.9	1.0	1.3	1.4	0.9
Financial leasing	11.7	11.2	13.4	14.0	17.9 ²	17.4
Consumer credit	498.0	496.2	481.7	491.7	433.0	426.7
Mortgage loans	7 583.2	7 459.7	7 361.2	7 180.7	6 991.9 ²	6 817.3
Factoring	0.5	0.5	0.4	0.4	0.5	0.6
Transit credit	0.3	x	x	x	x	x
Other credit	884.7	908.3	875.2	822.9	797.9 ²	775.3
Total loans	13 136.5	12 993.2	12 801.7	12 393.5	12 067.8²	11 791.0

¹ Starting with June 2010, the data source is the Bank of Latvia's Credit Register providing end-of-quarter data.

² 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										
IV	29.3	29.3	516.5	286.6	0.1	0.1	708.1	551.5	1 253.9	519.2
V	25.1	25.1	487.3	247.7	0.1	0.1	747.0	610.8	1 259.4	490.0
VI	24.2	24.2	486.0	249.7	0.1	0.1	742.8	613.5	1 253.2	489.5
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

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						
IV		0	177.1	134.0	311.1	201.2
V		0.4	190.2	132.4	322.9	214.5
VI		0.4	206.0	133.2	339.6	222.7
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

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										
IV	361.8	72.7	27.3	21.2	5.1	6 252.5	42.9	57.1	51.8	4.6
V	283.0	55.0	45.0	35.7	8.7	6 322.7	43.9	56.1	50.5	4.9
VI	195.3	55.1	44.9	37.0	7.8	6 296.7	44.0	56.0	50.1	5.1
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

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										
IV	6 478.8	1.0	99.0	96.5	0.9	3 496.1	1.9	98.1	34.4	60.0
V	6 776.1	1.5	98.5	95.8	1.3	3 594.7	1.7	98.3	34.5	60.2
VI	6 696.9	1.3	98.7	95.9	1.3	3 590.1	1.7	98.3	34.8	59.5
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

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						
IV	13 203.3	7.7	92.3	89.1		2.4
V	13 190.9	7.9	92.1	88.8		2.6
VI	13 075.5	7.7	92.3	88.9		2.6
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

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										
IV	2 417.5	8.9	91.1	38.4	46.9	1 401.9	2.5	97.5	43.7	53.4
V	2 271.2	9.5	90.5	36.9	47.1	1 446.7	2.4	97.6	42.1	55.1
VI	2 243.2	10.9	89.1	35.5	46.7	1 454.1	2.7	97.3	41.4	55.5
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	2 702.6	9.2	90.8	30.2	54.0	1 335.3	1.6	98.4	45.2	50.6

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											
IV	29.3	24.8	75.2	72.7	2.5	516.5	98.1	1.9	1.9	0	
V	25.1	29.1	70.9	67.7	2.5	487.4	98.1	1.9	1.9	0	
VI	24.2	29.9	70.1	66.7	3.4	486.1	98.2	1.8	1.8	0	
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	

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											
IV	325.7	1.6	98.4	54.4	42.7	382.4	0	100.0	34.5	61.0	
V	311.7	1.5	98.5	46.9	34.8	435.3	0	100.0	32.4	68.2	
VI	296.4	1.6	98.4	45.3	51.5	446.5	0	100.0	34.3	61.9	
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	

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				
IV		158.0	8.2	91.8
V		183.8	8.3	91.7
VI		192.2	7.9	92.1
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

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											
IV	0.58	4.12	6.83	6.07	1.90	x	0.33	1.24	6.35	x	–
V	0.58	3.22	6.42	5.36	1.77	x	0.28	0.97	4.53	4.18	–
VI	0.64	3.36	6.33	6.13	1.82	x	0.29	1.01	3.84	4.27	–
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	–

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													
IV	24.19	x	x	8.04	x	8.20	x	9.02	20.86	22.56	22.19	9.61	4.02
V	24.14	x	x	7.26	x	x	x	7.65	21.17	22.64	22.23	8.59	14.94
VI	x	18.82	21.47	7.95	x	–	x	9.16	21.49	23.59	19.98	6.87	15.31
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	x	16.62	23.93	4.23	7.63	–	x	4.55	22.10	18.46	22.05	5.03	11.79

¹ End-of-period.

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

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

(%)

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									
IV	6.32	x	x	10.78	x	x	x	x	x
V	6.13	x	x	11.37	x	x	–	x	x
VI	x	4.26	15.91	9.25	7.86	–	5.12	x	9.40
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	x	3.13	23.30	6.70	6.67	4.34	x	x	–

¹ End-of-period.

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

(%)

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									
IV	0.58	9.49	9.26	1.90	x	0.33	5.38	6.18	–
V	0.58	9.11	9.56	1.77	x	0.28	4.24	6.26	–
VI	0.64	8.32	11.16	1.82	3.65	0.29	4.03	5.94	–
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	–

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									
IV	52.23	7.25	6.44	22.83	19.76	11.37	6.36	5.32	5.47
V	51.96	6.87	6.23	23.38	20.03	11.26	6.10	4.71	5.24
VI	7.71	7.07	6.17	22.63	18.25	10.35	5.65	5.49	5.05
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	1.86	5.62	4.99	24.54	20.25	8.97	3.88	4.56	4.34

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

² Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)											
	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											
IV	0.52	1.75	4.22	5.19	1.03	x	0.20	1.11	4.32	3.01	–
V	0.52	1.45	4.66	4.72	0.98	x	0.19	0.74	2.63	1.79	–
VI	0.54	1.86	4.55	4.12	0.99	x	0.24	0.84	3.04	x	–
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	0.56	1.82	3.47	3.69	0.71	x	0.56	1.23	3.66	x	–

¹ End-of-period.

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

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

(%)

2. Interest rates on 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													
IV	4.59	x	x	3.48	5.77	7.42	6.41	4.14	9.28	21.72	21.32	4.99	x
V	9.12	x	x	3.40	6.67	6.89	6.32	3.95	9.86	23.22	22.30	5.41	9.23
VI	x	5.95	20.60	3.48	6.45	5.46	4.39	4.46	9.64	18.55	25.37	5.46	6.59
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	x	11.39	30.61	3.93	6.15	5.89	3.52	4.09	18.05	29.38	18.74	5.81	3.17

¹ End-of-period.

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

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

(%)

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									
IV	3.76	x	x	6.91	9.91	11.46	4.53	4.30	6.58
V	3.87	x	x	5.90	8.52	6.59	7.16	4.16	x
VI	x	4.42	11.15	7.12	14.22	5.35	5.19	2.94	x
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	x	5.57	25.88	5.92	9.17	5.40	5.31	2.98	4.48

¹ End-of-period.

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

(%)

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									
IV	0.52	3.84	4.40	1.03	x	0.20	2.39	3.96	–
V	0.52	3.78	4.57	0.98	x	0.19	2.35	5.41	–
VI	0.54	3.63	6.20	0.99	2.13	0.24	2.32	3.91	–
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	0.56	2.78	5.97	0.71	2.64	0.56	2.00	4.92	–

¹ End-of-period.

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

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

(%)

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										
IV	17.59	5.25	3.70	4.96	6.54	5.26	3.96	4.21	3.36	
V	20.58	5.20	3.68	8.32	6.60	5.23	4.02	4.14	3.37	
VI	7.95	5.12	3.69	11.21	6.84	5.17	4.70	4.10	3.35	
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	4.55	5.33	3.72	9.88	8.86	5.48	5.60	4.71	3.84	

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

² Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)												
	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												
IV	0.29	1.24	4.72	5.60	1.44	x	0.09	0.39	–	–	–	–
V	0.25	1.04	4.97	5.43	1.40	x	0.06	0.34	x	x	–	–
VI	0.26	1.47	4.70	4.55	2.28	x	0.15	0.65	x	x	–	–
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	0.20	0.48	2.82	3.34	0.30	x	0.07	0.12	–	–	–	–

¹ End-of-period.

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

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

(%)

2. Interest rates on 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													
IV	12.63	x	x	3.39	x	x	x	3.62	20.82	–	22.26	5.26	x
V	14.19	x	x	5.13	11.07	x	x	4.09	20.91	–	22.12	5.82	x
VI	x	13.74	18.72	5.27	–	x	x	4.77	18.49	–	15.02	5.49	x
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	x	20.98	25.03	3.02	–	–	–	3.23	x	–	20.62	5.02	x

¹ End-of-period.

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

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

(%)

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									
IV	6.85	x	x	6.47	x	x	x	x	–
V	6.23	x	x	4.61	x	x	–	x	x
VI	x	7.20	13.05	8.41	5.45	6.19	–	2.08	x
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	x	7.53	21.14	6.77	–	4.62	–	3.57	–

¹ End-of-period.

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

(%)

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									
IV	0.29	3.31	4.84	1.44	x	0.09	2.09	4.39	–
V	0.25	3.22	4.88	1.40	x	0.06	2.27	3.33	–
VI	0.26	3.17	4.82	2.28	1.08	0.15	1.94	4.05	–
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	0.20	2.06	4.58	0.30	1.01	0.07	0.64	4.05	–

¹ End-of-period.

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

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

(%)

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									
IV	8.60	5.74	3.46	8.84	8.78	4.24	5.68	5.31	5.46
V	10.54	4.11	3.58	9.79	9.34	4.23	5.96	5.37	5.66
VI	8.89	4.40	3.62	11.41	9.26	4.21	6.20	4.79	5.77
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	2.90	3.83	2.97	13.22	7.61	4.24	5.90	4.98	5.26

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

² Including bank overdraft.

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												
IV	401.9	32.8	–	0.5	435.2	1 235.5	52.0	–	–	1 287.5	1 722.7	
V	491.1	106.2	5.0	–	602.3	1 240.7	117.1	–	–	1 357.8	1 960.1	
VI	439.7	80.1	5.0	–	524.8	1 006.3	132.3	–	0.5	1 139.1	1 663.9	
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	
	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												
IV	26 151.0		965.9		195.2		16.7		27 328.8		29 051.5	
V	23 658.5		1 986.1		34.1		6.2		25 684.9		27 645.0	
VI	22 912.3		1 888.8		122.9		1.4		24 925.4		26 589.3	
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	

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2010										2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Weighted average interest rates on loans in lats																
Overnight	0.9	0.8	0.9	0.9	0.5	0.5	0.5	0.5	0.2	0.3	0.3	0.2	0.3	0.3	0.2	
Up to 1 month	0.9	0.9	0.8	0.8	0.6	0.6	0.5	0.4	0.2	0.4	0.2	0.3	0.4	0.4	–	
1–3 months	–	1.1	1.3	0.8	–	0.6	0.7	0.4	0.6	–	–	0.5	–	0.5	0.4	
Over 3 months	5.0	–	–	–	–	–	–	–	–	–	–	–	1.5	1.5	–	
Weighted average interest rates on loans in foreign currencies																
Overnight	0.3	0.3	0.2	0.3	0.3	0.3	0.6	0.5	0.4	0.4	0.5	0.5	0.7	0.9	0.9	
Up to 1 month	0.3	0.2	0.3	0.3	0.3	0.4	0.5	0.6	0.4	0.3	0.4	0.5	0.2	0.4	0.5	
1–3 months	–	–	–	0.4	0.3	0.2	0.9	0.3	–	–	0.7	2.0	–	–	1.7	
Over 3 months	–	–	0.8	–	–	–	3.6	–	1.1	–	–	–	–	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					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
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						
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI		
Type of transaction														
Spot exchange transactions	32 551.1	35 761.3	39 165.3	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		
Forward exchange contracts	321.4	411.2	346.6	266.0	294.3	304.0	323.4	253.5	706.2	496.2	596.9	706.9		
Currency swap arrangements	39 179.7	43 151.1	39 768.2	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		
Counterparties														
Resident MFIs	3 534.2	5 621.7	5 127.2	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		
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	540.4	647.8	708.1	507.3	419.5	793.3	545.2	350.1	404.5	338.5	521.1	357.9		
Resident government, non-financial corporations and non-profit institutions serving households	1 260.7	1 254.6	1 008.8	1 013.1	969.4	1 154.9	955.7	906.4	1 136.4	967.9	1 170.9	1 328.2		
Non-resident MFIs	35 193.0	37 104.8	37 367.4	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		
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	5 898.6	6 917.0	5 098.8	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		
Non-resident government, non-financial corporations and non-profit institutions serving households	22 242.8	24 350.7	27 036.8	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		
Households	3 382.5	3 427.0	2 932.9	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		
Currencies														
Total in all currencies	72 052.2	79 323.6	79 280.1	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		
incl. lats for euro	11 933.1	12 907.5	11 409.3	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		
incl. lats for US dollars	1 092.6	2 008.2	1 355.6	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		
incl. lats for other currencies	78.0	298.1	178.1	115.8	169.2	180.2	143.5	141.6	230.6	126.6	214.1	136.0		

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						
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
EUR for LVL²													
Amount	11 944.3	12 942.3	11 451.9	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	
% ³	16.6	16.3	14.4	14.7	12.9	12.4	15.9	14.1	10.8	17.5	18.1	17.1	
USD for LVL²													
Amount	1 100.9	1 958.7	1 421.5	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	
% ³	1.5	2.5	1.8	1.7	1.5	1.2	1.8	1.6	1.7	2.3	2.8	1.5	
Other currencies for LVL²													
Amount	65.1	281.6	176.0	107.7	157.3	165.6	138.2	133.8	225.7	119.9	202.7	126.0	
% ³	0.1	0.4	0.2	0.1	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.2	
USD for EUR													
Amount	29 311.4	31 083.8	29 431.0	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	
% ³	40.7	39.2	37.1	42.7	42.5	47.1	43.7	45.1	43.0	39.3	37.9	37.2	
GBP for EUR													
Amount	636.9	743.3	688.8	486.0	191.6	157.6	377.7	240.0	595.3	162.7	183.2	192.8	
% ³	0.9	0.9	0.9	0.7	0.2	0.2	0.7	0.4	0.7	0.3	0.3	0.3	
Other currencies (except LVL) for EUR													
Amount	1 967.6	2 074.8	2 551.9	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	
% ³	2.7	2.6	3.2	2.0	3.5	3.2	3.5	3.3	3.9	3.1	2.9	3.1	
RUB for USD													
Amount	18 057.7	19 050.2	21 255.7	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	
% ³	25.1	24.0	26.8	21.6	22.6	22.5	16.4	14.8	14.5	16.8	15.0	19.3	
GBP for USD													
Amount	2 835.9	2 979.0	2 993.9	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	
% ³	3.9	3.8	3.8	4.3	4.6	3.3	5.0	6.4	7.9	5.2	8.4	6.8	
SEK for USD													
Amount	1 439.1	1 548.3	1 675.9	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	
% ³	2.0	2.0	2.1	2.2	2.0	2.3	2.7	2.6	2.1	2.0	2.0	1.7	
Other currencies (except LVL and EUR) for USD													
Amount	3 367.0	5 146.9	6 284.9	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	
% ³	4.7	6.4	7.9	8.7	8.9	6.3	8.8	9.5	13.6	11.8	10.8	11.8	
Other currencies (except LVL, EUR and USD) for other currencies													
Amount	1 333.0	1 483.5	1 455.0	976.7	868.4	996.8	720.1	1 201.6	1 201.2	980.9	1 008.9	680.9	
% ³	1.8	1.9	1.8	1.3	1.1	1.3	1.3	2.0	1.5	1.5	1.5	1.0	

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					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI			
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	0.5231	0.5564	0.5739	0.5535	0.5441	0.5408	0.5068	0.5126	0.5324	0.5276	0.5142	0.5031	0.4881	0.4885	0.4886			
GBP	0.8009	0.8194	0.8445	0.8431	0.8527	0.8407	0.8031	0.8204	0.8307	0.8298	0.8296	0.8135	0.7967	0.7996	0.7949			
100 JPY	0.5609	0.6031	0.6290	0.6310	0.6357	0.6403	0.6177	0.6233	0.6368	0.6391	0.6230	0.6165	0.5854	0.6016	0.6066			

27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)

(LVL vs foreign currency)

	2010						2011					
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
EUR												
Buy	0.7023	0.7019	0.7033	0.7036	0.7038	0.7037	0.6983	0.6986	0.7017	0.7038	0.7035	0.7030
Sell	0.7088	0.7089	0.7093	0.7097	0.7103	0.7094	0.7042	0.7046	0.7078	0.7098	0.7099	0.7101
USD												
Buy	0.5522	0.5418	0.5390	0.5071	0.5153	0.5324	0.5231	0.5106	0.5010	0.4866	0.4906	0.4888
Sell	0.5569	0.5467	0.5442	0.5126	0.5207	0.5366	0.5279	0.5154	0.5062	0.4918	0.4952	0.4935
GBP												
Buy	0.8347	0.8466	0.8323	0.7967	0.8164	0.8240	0.8174	0.8189	0.8026	0.7903	0.7967	0.7877
Sell	0.8476	0.8586	0.8480	0.8115	0.8298	0.8359	0.8330	0.8313	0.8186	0.8054	0.8103	0.8010
100 JPY												
Buy	0.6228	0.6127	0.6240	0.6154	0.6033	0.6285	0.6168	0.5951	0.6098	0.5765	0.5856	0.5812
Sell	0.6368	0.6440	0.6477	0.6373	0.6326	0.6343	0.6475	0.6317	0.6213	0.5995	0.6053	0.5988
SEK												
Buy	0.0730	0.0738	0.0753	0.0751	0.0749	0.0770	0.0772	0.0785	0.0783	0.0776	0.0779	0.0764
Sell	0.0746	0.0753	0.0766	0.0767	0.0762	0.0778	0.0792	0.0800	0.0806	0.0792	0.0794	0.0783
RUB												
Buy	0.0179	0.0178	0.0175	0.0166	0.0165	0.0171	0.0171	0.0174	0.0175	0.0172	0.0175	0.0174
Sell	0.0184	0.0182	0.0178	0.0170	0.0169	0.0175	0.0174	0.0178	0.0180	0.0177	0.0178	0.0178
CHF												
Buy	0.5155	0.5210	0.5296	0.5197	0.5197	0.5472	0.5430	0.5326	0.5399	0.5386	0.5568	0.5744
Sell	0.5283	0.5261	0.5437	0.5288	0.5279	0.5557	0.5503	0.5453	0.5514	0.5461	0.5661	0.5877

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; in millions of lats)

	2010						2011					
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Stock of government securities outstanding	828.4	795.6	744.6	752.6	755.5	795.8	790.1	790.5	820.6	861.3	859.0	843.3
Residents	807.4	773.2	726.1	731.3	739.5	777.5	774.4	774.5	804.8	845.5	841.0	826.1
Non-financial corporations	0.2	0.1	0.1	0.6	1.3	0.9	0.9	1.2	1.3	3.7	56.2	56.1
Credit institutions	458.7	431.7	420.5	433.0	442.2	476.3	473.1	465.4	477.1	500.6	482.3	475.2
Money market funds	16.3	14.9	8.2	7.4	8.4	10.1	7.8	11.2	13.9	13.6	12.4	12.4
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	81.2	81.2	80.4	80.6	81.1	80.0	72.9	71.2	72.2	76.2	54.5	56.7
Financial auxiliaries	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5
Insurance corporations and pension funds	244.8	239.1	210.8	203.8	200.5	201.9	198.7	197.1	199.9	196.2	228.6	218.7
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	1.3	1.3	1.2	1.0	1.1	3.4	16.1	23.7	35.7	50.3	2.1	2.1
Non-profit institutions serving households	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.2	4.2	4.4	4.4	4.4
Non-residents	21.0	22.4	18.5	21.3	16.0	18.3	15.7	16.0	15.8	15.8	18.0	17.2
Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	5.2	7.0	5.3	5.2	4.9	8.3	8.3	8.8	9.6	9.6	11.9	11.4
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	15.7	15.3	13.1	16.0	11.0	9.9	7.3	7.1	6.1	6.1	6.1	5.8
Insurance corporations and pension funds	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	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

(Q2 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					
06.04.	6	4 000	3 000	3 000	1.080
06.04.	12	16 000	24 880	16 000	1.642
13.04.	12	8 000	14 300	8 000	1.749
27.04.	120	8 000	21 684	8 000	6.542 ¹
11.05.	12	12 000	29 720	12 000	1.808
18.05.	6	4 000	13 900	4 000	1.074
25.05.	120	8 000	40 675	8 000	6.031 ¹
01.06.	12	8 000	32 180	8 000	1.776
08.06.	6	8 000	43 300	8 000	0.930
15.06.	12	8 000	41 410	8 000	1.715
29.06.	120	8 000	28 538	8 000	5.705 ¹
Primary placement of government securities via outright sales of securities					
07.04.	6	1 000	–	–	–
07.04.	12	4 000	7 000	4 000	1.642
14.04.	12	2 000	1 600	1 600	1.749
28.04.	120	2 000	11 000	2 000	6.542 ¹
12.05.	12	3 000	12 250	3 000	1.808
19.05.	6	1 000	1 000	1 000	1.074
26.05.	120	2 000	20 261	2 000	6.031 ¹
02.06.	12	2 000	6 500	2 000	1.776
09.06.	6	2 000	10 000	2 000	0.930
16.06.	12	2 000	9 500	2 000	1.715
30.06.	120	2 000	17 281	2 000	5.705 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					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
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	
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	
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	
Annual growth rate (%)	–0.3	–5.5	–3.5	3.5	3.6	3.5	5.6	
Gross value added	–0.3	–5.7	–3.8	3.3	3.8	4.3	5.8	
Goods-producing sector	0.9	–7.1	–3.8	5.5	7.6	5.9	8.0	
Services sector	–1.0	–5.2	–3.8	2.4	2.5	3.8	4.9	

¹ Chain-linked; average prices in 2000.

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

	2010									2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I ¹	II ¹	III ¹	IV	V	VI
Average gross wages and salaries															
LVL per month	442	443	447	456	445	442	443	442	479	448	440	464	461	463	481
Year-on-year changes (%)	94.1	94.3	92.7	94.4	98.8	102.0	103.2	103.7	103.1	104.8	103.3	105.2	104.3	104.5	107.7
Real net wage index (year-on-year basis; %)	91.9	91.7	89.2	92.0	95.9	98.4	98.7	98.3	97.2	100.6	98.8	100.5	99.3	99.0	102.4
Number of registered unemployed persons															
At end of month	189 881	183 476	176 879	173 301	169 676	165 386	162 497	161 816	162 463	164 551	164 880	163 454	157 857	149 600	142 428
Year-on-year changes (%)	154.2	144.9	136.8	130.8	123.3	111.9	102.9	95.6	90.6	88.3	85.9	84.1	83.1	81.5	80.5

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			
Exports	4 694.9		940.7		1 123.9		1 289.9		1 340.4			1 340.2			1 486.2
Imports	5 911.8		1 181.2		1 355.4		1 623.1		1 752.1			1 636.5			1 762.7
Balance	-1 216.9		-240.5		-231.5		-333.2		-411.7			-296.3			-276.5
	2010 ¹									2011					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I ¹	II ¹	III ¹	IV	V	VI
Exports	378.9	377.8	367.2	393.5	421.0	475.4	457.9	443.6	438.9	410.4	426.1	503.7	483.5	524.5	478.2
Imports	431.4	470.0	454.0	509.6	544.2	569.3	551.5	562.8	637.8	478.7	520.7	637.1	560.6	623.5	578.6
Balance	-52.5	-92.2	-86.8	-116.1	-123.2	-93.9	-93.6	-119.2	-198.9	-68.3	-94.6	-133.4	-77.1	-99.0	-100.4

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2010 ¹		2011			
			Q1 ¹		Q2	
	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	4 694.9	100.0	1 340.2	100.0	1 486.2	100.0
Agricultural and food products	830.0	17.7	203.3	15.2	201.9	13.6
Mineral products	284.5	6.1	95.3	7.1	151.1	10.2
Products of the chemical and allied industries	349.2	7.4	112.4	8.4	141.1	9.5
Plastics and articles thereof; rubber and articles thereof	154.9	3.3	39.2	2.9	44.0	3.0
Wood and articles of wood	891.2	19.0	237.4	17.7	281.6	18.9
Pulp of wood; paper and paperboard	97.2	2.1	28.5	2.1	28.9	1.9
Textiles and textile articles	207.4	4.4	60.5	4.5	56.9	3.8
Articles of stone, plaster, cement, glassware and ceramic products	86.3	1.8	25.0	1.9	32.7	2.2
Base metals and articles of base metals	650.7	13.9	221.0	16.5	218.3	14.7
Machinery and mechanical appliances; electrical equipment	609.9	13.0	161.3	12.0	172.4	11.6
Transport vehicles	284.0	6.0	85.7	6.4	93.0	6.3
Miscellaneous manufactured articles	134.7	2.9	31.8	2.4	35.7	2.4
Other goods	114.9	2.4	38.8	2.9	28.6	1.9

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2010 ¹		2011			
			Q1 ¹		Q2	
	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	5 911.8	100.0	1 636.5	100.0	1 762.7	100.0
Agricultural and food products	963.6	16.3	246.9	15.1	247.2	14.0
Mineral products	907.5	15.4	288.5	17.6	306.1	17.4
Products of the chemical and allied industries	663.0	11.2	176.3	10.8	205.1	11.6
Plastics and articles thereof; rubber and articles thereof	333.2	5.6	84.2	5.1	104.2	5.9
Wood and articles of wood	96.2	1.6	25.4	1.6	30.7	1.7
Pulp of wood; paper and paperboard	165.0	2.8	42.0	2.6	45.5	2.6
Textiles and textile articles	269.0	4.6	76.6	4.7	67.1	3.8
Articles of stone, plaster, cement, glassware and ceramic products	99.7	1.7	22.1	1.3	31.2	1.8
Base metals and articles of base metals	605.8	10.2	198.2	12.1	207.7	11.8
Machinery and mechanical appliances; electrical equipment	972.3	16.4	250.8	15.3	275.9	15.7
Transport vehicles	423.9	7.2	135.5	8.3	156.8	8.9
Miscellaneous manufactured articles	142.4	2.4	34.6	2.1	36.9	2.1
Other goods	270.2	4.6	55.4	3.4	48.3	2.7

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2010 ¹					2011									
						Q1 ¹					Q2				
	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	4 694.9	5 911.8	-1 216.9	100.0	100.0	1 340.2	1 636.5	-296.3	100.0	100.0	1 486.2	1 762.7	-276.5	100.0	100.0
EU15 countries	1 639.2	2 258.0	-618.8	34.9	38.2	449.6	636.4	-186.8	33.5	38.9	493.0	672.7	-179.7	33.2	38.2
EU27 countries	3 363.5	4 407.1	-1 043.6	71.6	74.6	980.4	1 208.8	-228.4	73.2	73.9	1 079.7	1 326.7	-247.0	72.6	75.3
incl. Germany	409.6	680.1	-270.5	8.7	11.5	118.4	187.1	-68.7	8.8	11.4	118.6	223.0	-104.4	8.0	12.7
Sweden	295.5	209.9	85.6	6.3	3.6	92.0	66.9	25.1	6.9	4.1	95.4	66.0	29.4	6.4	3.7
UK	164.7	93.7	71.0	3.5	1.6	41.9	41.4	0.5	3.1	2.5	48.0	29.7	18.3	3.2	1.7
Finland	148.4	290.0	-141.6	3.2	4.9	37.4	80.3	-42.9	2.8	4.9	54.6	89.3	-34.7	3.7	5.1
Denmark	181.7	135.4	46.3	3.9	2.3	45.9	38.7	7.2	3.4	2.4	47.6	39.2	8.4	3.2	2.2
Netherlands	105.8	234.0	-128.2	2.3	4.0	27.5	63.4	-35.9	2.1	3.9	33.4	60.3	-26.9	2.2	3.4
Lithuania	762.2	1 008.1	-245.9	16.2	17.1	233.9	277.0	-43.1	17.5	16.9	256.5	316.5	-60.0	17.3	18.0
Estonia	633.0	422.9	210.1	13.5	7.2	191.6	102.9	88.7	14.3	6.3	215.4	126.1	89.3	14.5	7.2
Poland	232.4	465.6	-233.2	5.0	7.9	77.3	120.5	-43.2	5.8	7.4	79.4	132.8	-53.4	5.3	7.5
CIS	707.6	899.7	-192.1	15.1	15.2	185.0	294.3	-109.3	13.8	18.0	219.3	275.5	-56.2	14.8	15.6
incl. Russia	497.1	591.8	-94.7	10.6	10.0	130.6	202.4	-71.8	9.7	12.4	155.2	135.1	20.1	10.4	7.7
Other countries	623.8	605.0	18.8	13.3	10.2	174.8	133.4	41.4	13.0	8.1	187.2	160.5	26.7	12.6	9.1
incl. USA	65.7	33.5	32.2	1.4	0.6	15.3	10.2	5.1	1.1	0.6	16.4	15.2	1.2	1.1	0.9
Norway	131.1	62.0	69.1	2.8	1.0	32.1	7.7	24.4	2.4	0.5	36.3	13.0	23.3	2.4	0.7
China	17.6	151.9	-134.3	0.4	2.6	5.4	43.4	-38.0	0.4	2.7	7.3	45.9	-38.6	0.5	2.6

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												
VI	178.7	1.2	1.9	476.0	0.2	0.2	58.2	24.6	120.6	26.5	2.1	3.5
VII	154.9	1.1	2.2	469.7	0.2	0.2	42.3	24.3	121.0	25.6	2.4	3.5
VIII	145.7	1.1	2.1	411.7	0.2	0.2	42.4	24.9	120.1	13.2	2.1	3.4
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

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												
VI	181.5	62.5	76.3	160.0	50.9	69.8	4 776.1	876.1	2 951.4	4 309.4	1 032.1	2 793.7
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

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												
VI	339.3	28.2	62.9	328.3	73.6	70.1	4 913.0	284.4	3 325.5	4 819.3	465.3	3 373.6
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

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 the Bank of Latvia (Charts 1.1–1.5, 2.3, 2.4, 2.6–2.13, 3.4, 6.1–6.3, 7.1 and 7.2), CSB (Charts 1.1–1.6, 3.1–3.6, 3.8, 4.1, 4.2, 4.4, 4.6–4.8, 4.10, 4.13, 4.14 and 5.1–5.4), Reuters (Charts 2.1, 2.2 and 5.5), Treasury (Charts 2.3, 2.5 and 3.9–3.11), ECB (Charts 2.4 and 2.7), Financial and Capital Market Commission (Chart 2.12), EC (Charts 3.7, 4.3, 4.5, 4.9, 4.12 and 5.7), SEA (Charts 4.10 and 4.11) and the UN Food and Agriculture Organisation (Chart 5.6).

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.