

**MACROECONOMIC
DEVELOPMENTS
REPORT 2010**



FEBRUARY

MACROECONOMIC DEVELOPMENTS REPORT

February 2010

MACROECONOMIC DEVELOPMENTS REPORT
February 2010, No 2

© Latvijas Banka (Bank of Latvia), 2010

The source is to be indicated when reproduced.

Latvijas Banka
K. Valdemāra ielā 2A, Rīga, LV-1050, Latvia
Tel.: +371 6702 2300 Fax: +371 6702 2420
<http://www.bank.lv>
info@bank.lv

Contents

Abbreviations	3
Executive Summary	4
1. External Sector and Exports	6
1.1 External economic environment	6
1.2 Latvia's export competitiveness and developments in exports	9
2. Financial Market Developments	11
2.1 Global financial markets	11
2.2 The Bank of Latvia's operations and bank liquidity	12
2.3 Securities market	13
2.4 Interest rates	14
2.5 Money supply	16
3. Domestic Demand	19
3.1 Private consumption	20
3.2 Private investment	21
3.3 Government expenditure and budget	22
4. Aggregate Supply	26
4.1 Industry	26
4.2 Services	28
4.3 Labour market	29
5. Prices and Costs	31
6. Balance of Payments	34
7. Conclusions and Forecasts	36
7.1 Economic developments	36
7.2 Inflation	37
Statistics	38
Additional Information	82

Abbreviations

CIF – cost, insurance and freight at the importer's border
CIS – Commonwealth of Independent States
CPI – Consumer Price Index
CSB – Central Statistical Bureau of Latvia
EC – European Commission
ECB – European Central Bank
EU – European Union
EURIBOR – Euro Interbank Offered Rate
FOB – free on board at the exporter's border
FRS – Federal Reserve System
GDP – gross domestic product
HICP – Harmonised Index of Consumer Prices
IMF – International Monetary Fund
LIBOR – London Interbank Offered Rate
MFI – monetary financial institution
NA – no answer
OECD – Organisation for Economic Co-operation and Development
OFI – other financial intermediary (other than an insurance corporation or pension fund)
RIGIBID – Riga Interbank Bid Rate
RIGIBOR – Riga Interbank Offered Rate
SJSC – state joint stock company
Treasury – Treasury of the Republic of Latvia
UK – United Kingdom
US – United States of America
VAT – value added tax

Executive Summary

Amid the progressively improving economic situation in a number of countries, the outlook for overall global economic growth in 2010 and 2011 was revised upward in January 2010. Meanwhile, the downward risks related to the negative trends in the economy of Greece and Spain, which may potentially slow down the economic recovery in the euro area, had intensified.

As evidenced by the dynamics of real effective exchange rate of the lats, Latvian producers' competitiveness in foreign markets continued to improve. Following a relatively protracted rise *vis-à-vis* the major trade partners, the real effective exchange rate of the lats is currently depreciating relative to the euro area countries as well as Estonia and Lithuania. Moreover, it should be noted that the CPI-based dynamics of the real effective exchange rate of the lats does not fully capture the actual scope of adjustments in prices and competitiveness. This is also supported by the indicators based on unit labour costs and the producer price index, which point to a faster pace of deceleration.

Export growth has been on the rise for the last three quarters of 2009 and in December 2009, the export growth record was positive for the first time also in annual terms. The trade balance was on a general upward trend in the fourth quarter as well.

The domestic and foreign financial markets welcomed the ability of the Latvian government to reach an agreement on the 2010 budget plan and to prepare for its adoption by the Saeima of the Republic of Latvia in a timely manner. This had a positive effect on investors' confidence; all risk perception indices fell, triggering lower interest rates on funding for the Latvian government, non-financial corporations and households. Dropping money market interest rates translated into decreasing interest rates on loans in lats. Interest rates on loans in euro declined negligibly, yet it should be noted that they are currently at their historical low; hence further interest rate reductions are likely to be limited.

In the fourth quarter of 2009, the dynamics of money supply began to send signals about a gradual abating in the sharp economic downturn and certain stabilisation of the economy. M3 had expanded for the first time since the second quarter of 2008. In the banking sector, the sources of attracted financing are gradually changing, with strengthening of the deposit base, including a notable increase in non-resident non-bank deposits, restarting at the end of 2009. At the same time, liabilities to foreign banks shrank as a result of repayment of syndicated loans, and funding from foreign parent banks also contracted.

Overall, the banking sector maintained ample liquidity, albeit bank loans to households were contracting. Possible reasons for this include prudent bank lending amid deteriorating quality of credit portfolio and heightening uncertainty due to the approaching parliamentary elections. Consequently, notable acceleration in lending is unlikely to take place in the months to come.

Despite the low interest rates, the household debt burden continued to increase as income contracted. Given the banks' limited ability to restructure the problem loans, household interest rate payments temporarily decreased, although such alleviation of the payment burden is artificial and short-lived. In the fourth quarter, household disposable income was still shrinking due to diminishing employment and wages. With additional impact from precautionary savings, private consumption contracted at a faster pace than income.

Constrained lending and spare capacity underpinned weaker gross capital formation also in the fourth quarter. Public sector investment lost one fourth over the year. On account of the

tight budget, it cannot fully mitigate the business cycle by replacing private investment at the cycle's trough even despite the acquisition of the EU funding.

In line with the subdued domestic economic activity, tax collections continued on a downward trend, which was characteristic for all types of taxes, particularly so for the personal income tax. Deceleration in the latter markedly outpaced the rate of decline in overall tax collections. This shrinkage in tax revenues points to significant end-of-the-year cuts in employment and average wages and salaries; at the same time, it may well be indicative of expanding share of shadow economy.

Given the ongoing contractions in tax revenue, further cuts in public expenditure are vital. In the budget for 2010, expenditure is brought close to the actual level of public revenue, thus facilitating a move towards fiscal sustainability. In a longer term, the contribution of these budgetary adjustments will prove to be positive, while in the short term this fiscal consolidation has a decreasing effect on domestic consumption.

Amid the persisting weak domestic demand, exporting sectors attained a notable growth in the fourth quarter, with the manufacture of wood and articles of wood also recording resilient annual growth. Of late, export volumes have expanded in the majority of manufacturing branches, to an ever growing extent offsetting the negative impact of domestic demand and contributing to the overall growth within the manufacturing sector compared with the third quarter.

In the concluding months of 2009, the rise in registered unemployment was consistent with the projected level despite stabilising macroeconomic indicators; nevertheless, the pace decelerated somewhat at the beginning of 2010. According to regular EC survey data, a slower unemployment growth is likely for the next three months. Specifically, employment expectations have notably improved in manufacturing, to be explained by both its export orientation and the fact that sizable productivity improvements in manufacturing allowed the sector to close the gap between wages and productivity at a faster pace than in other sectors.

As a result of weak demand and falling production costs, consumer prices went on falling at the end of 2009 and beginning of 2010. In January 2010, prices were 3.1% down the level of the same period of the previous year. The fall was contained from being even steeper by supply factors, effects from the global oil prices on fuel prices in Latvia, and miscellaneous administrative decisions, including tax rate changes. On the supply side, a downward pressure on prices is persisting. These trends stemmed from the dropping unit labour costs for the third consecutive quarter, gradually renewing competitiveness of the Latvian economy. In recent months, inflation expectations remained in the positive territory and suggested that people did not anticipate any long-lived deflation.

The Bank of Latvia left its 2010 projections for real GDP (a decline of 2.5%) and inflation (an average price level downslide of 3.8%) unchanged. In 2010, the current account surplus in Latvia's balance of payments is going to increase further, to 11.3% of GDP.

1. External Sector and Exports

The external economic environment had been progressively improving, and the economic outlook for 2010 and 2011 of a number of Latvia's major trade partners was repeatedly revised upwards. Latvia's competitiveness indicators also improved. The current downward trend in exports is likely to halt over the year, and exports in several markets are expected to expand. This is evidenced by the data of December 2009 suggesting annual growth in exports after a longer break.

1.1 External economic environment

At the end of January, the IMF repeatedly revised upwards its projections for global growth in 2010 and 2011. Global GDP is expected to grow by 3.9% and 4.3% respectively (see Table 1). The IMF noted that compared with the previous two years when the economic and financial crises hit the overall pace of growth of the global economy was faster than projected in November 2009. The global rebound currently depends primarily on the fast recovery of emerging, mainly Asian, countries. Economic activity in the developed countries remained relatively subdued. To a great extent, it was largely on account of government support programmes. If the stimulus policy support were withdrawn too early, the exposure to the risk of a renewed recession may emerge. A further growth in the global economy would also depend on the dynamics of private demand across countries.

The results of the composite leading indicator (CLI) survey published by the OECD at the beginning of January signal acceleration in the economic recovery in many economies, including also major EU member states. So far, however, the recovery has been rather heterogeneous across countries and primarily concentrated in manufacturing. In January, producer survey indicators improved, yet no advance in services sector's confidence indicators has been observed, thus supporting the assumption that the euro area private sector demand has not yet recovered from the crisis. Economic activity in many European countries can also be subject to adverse effects of unprecedentedly severe and snowy weather in December and January in the region. Notwithstanding the signs of improving economic activity in the data

Table 1
GDP FORECASTS
(%)

	2009		2010		2011
	1	2	1	2	2
Russia	-7.5	-9.0	1.5	3.6	3.4
UK	-4.4	-4.8	0.9	1.3	2.7
Germany	-5.3	-4.8	0.3	1.5	1.9
Euro area	-4.2	-3.9	0.3	1.0	1.6
US	-2.7	-2.5	1.5	2.7	2.4
Total global economy	-1.1	-0.8	3.1	3.9	4.3

Sources: World Economic Outlook (IMF), October 2009 (1) and January 2010 (2).

of Germany's industry and exports, no signals about substantially recovering domestic demand can be discerned. Towards the end of the year, private consumption in France was relatively strong and positive. Compared with other major euro area economies, France stands out for a substantial rise in household consumption in December (+2.0% month-on-month), to be explained by a car sales boom at the end of the year. Hence, given the *ad hock* nature of the government measures in 2009, adjustments are to be expected in 2010.

In the fourth quarter of 2009, the UK managed to cope with the economic downturn, with GDP recording a 0.1% pickup quarter-on-quarter. There might be negative implications for retail trade and tourism activity from January snow storms and raised VAT rate. Survey data, however, are likely to support the transitory nature of unsatisfactory performance in January and a further potential improvement in the future.

In Sweden, available statistical data on the economic growth in the fourth quarter of 2009 suggested that a weak domestic economic activity still persisted. The foreign trade data point to similar trends. However, other business surveys demonstrate that in January the confidence indicator surpassed the threshold of 50 in all sectors, thus signalling a potentially better outlook. In Denmark, certain signs of improved domestic economic activity have gradually surfaced. In December, sales in cars expanded and retail trade turnover increased somewhat. Industrial production is likely to continue on an upward trend on account of a moderate rise in November and a more positive overall outlook for 2010.

As confirmed by strengthening domestic demand at the turn of the year, Poland outpaced other countries in the region in terms of economic growth. The government's ambitious budget deficit-reducing plan with 2012 as the target year for meeting the Maastricht criterion has been positively assessed. The Lithuanian plan for the economic recovery is based on budget-neutral measures (ensuring a better access to financing, more effective allocation of the EU funding, export promotion, and support to small and medium-sized enterprises). Lithuania is committed to meet the Maastricht fiscal criterion by 2012. Available data suggest that at the end of 2009, industrial production continued to contract, whereas retail trade turnover posted a month-on-month rise in December. According to the data of Estonia's

Ministry of Finance, in 2009, the budget revenue was better than expected, most likely an indication of Estonia succeeding in meeting the Maastricht budget deficit criterion. Likewise, Estonia took the lead in the EU in terms of the growth in industrial output orders in November.

Russia is coping with the crisis by taking advantage of the more favourable commodity price dynamics in the global market and strengthening external demand. Economists maintain that the government's essential monetary and fiscal stimulus for the economy is likely to yield an upturn in the domestic demand in 2010. Meanwhile, higher oil prices suggest that Russia's fiscal positions are improving and the financing of fiscal deficit does not present any problems. Inflation was at a record low, not observed since the 1990s. Consequently, the Bank of Russia was able to reduce interest rates to record lows as well. Economists believe that such supportive environment will trigger the revival of private demand, a major driver behind the Russian economic growth.

In recent months, Greece has been the focus of the world's attention. Prior to the global financial crisis, Greece was one of the EU countries with the largest public debt. In recent years, in order to deal with the negative effect of the crisis on the economy, the Greek government increasingly resorted to borrowing, thus boosting the public debt. As at the close of 2009 Greece's credit rating was lowered and market participants' concerns about the country's debt servicing ability mounted, debt interest rates rose sharply. The situation in Greece is serious, with fiscal deficit enormous and external debt substantial. Greece has to carry out a comprehensive consolidation whose plan was developed by the government and endorsed by the EC in early February. The ambitious set of measures provides for cutting the budget deficit (currently at 12.7% of GDP) to 3% of GDP in 2012. In order to achieve it, wages in the public sector should not be raised, taxes should go up, and the retirement age should increase. However, it is still to be seen how the Greek Parliament and the nation would accept the programme. Although analysts believe that Greece will succeed in consolidation on its own, there is a risk that the already elevated interest rates may soar further, amplify liquidity pressures and compel Greece to apply for external aid. So far, market participants have been quite sceptical about how the situation would evolve in Greece; this is clearly evidenced by the rising interest rates and credit default swaps.

Chart 1.1
LATVIA'S EXPORTS TO THE EURO AREA COUNTRIES AND UNDERLYING FACTORS

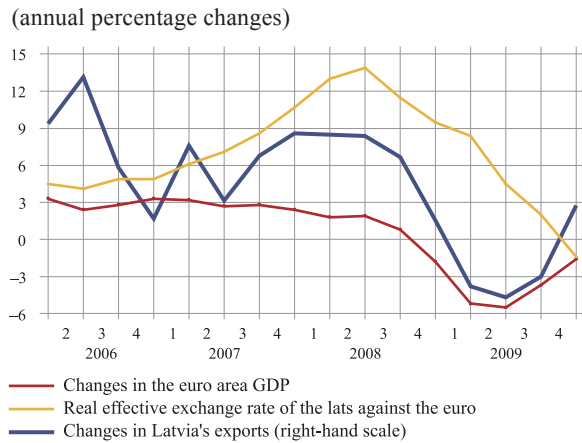


Chart 1.2
LATVIA'S EXPORTS TO ESTONIA AND LITHUANIA AND UNDERLYING FACTORS

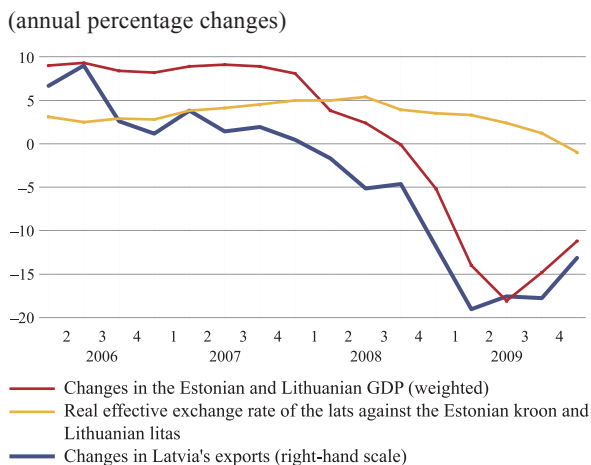
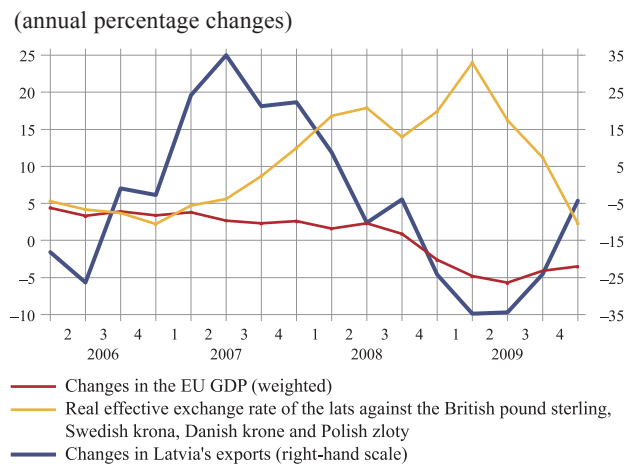


Chart 1.3
LATVIA'S EXPORTS TO THE EU COUNTRIES OUTSIDE THE EURO AREA AND UNDERLYING FACTORS



1.2 Latvia's competitiveness and developments in exports

In the fourth quarter, Latvia's competitiveness continued to improve and the export value increased. Quarter-on-quarter, the expansion in exports was observed for the last three quarters of 2009. Meanwhile in December, a positive annual export growth was recorded for the first time. A gradual upswing in both industrial production and exports underpinned higher volumes of imports of intermediate goods; nevertheless, the quarter's overall trade balance continued to improve.

The data available for October and November suggest that the share of Latvian exports in imports of many major trade partners (in particular Russia, Estonia and the UK) kept increasing compared with the third quarter. It was on account of the favourable relative price dynamics and, in part, exports structure.

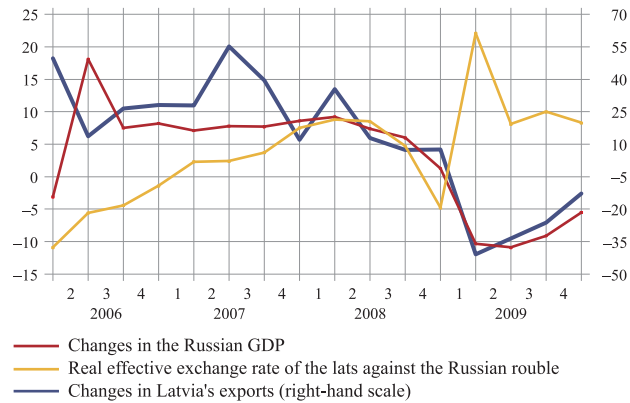
The dynamics of prices and costs *vis-à-vis* major trade partners was favourable, triggering positive changes in competitiveness. It was spurred by cost optimisation measures within the public and private sector companies and institutions, the progressively stabilising global economy as a factor restraining a further price fall in Latvia's trade partners, and the impact of nominal exchange rate, which resulted in higher or resilient inflation in countries like Russia, Poland and the UK.

The real effective exchange rate of the lats is currently down relative to euro area countries as well as Estonia and Lithuania (see Charts 1.1 and 1.2). If the current trends persist, this rate is most likely to go down also *vis-à-vis* other EU countries in the upcoming quarters (see Chart 1.3). It should be noted, however, that the dynamics of the CPI-based real effective exchange rate of the lats underestimates the actual scope of price adjustments due to the movements in indirect taxes (see Section 5).

This is supported by other competitiveness indicators as well. According to the Bank of Latvia's estimation, the largest drop was recorded for the unit labour cost-deflated real effective exchange rate of the lats, which was down 14.3% year-on-year in the third quarter of 2009 (time-lag data). In the meantime, the producer price-deflated real effective exchange rate of the lats, having peaked in January 2009, dropped 8.0% in December (to compare with a 6.8% decline in the CPI-deflated real effective exchange rate of the lats after a high in March).

Chart 1.4
LATVIA'S EXPORTS TO RUSSIA AND UNDERLYING FACTORS

(annual percentage changes)



If current trends remain unchanged, the substantial contraction in exports in 2009 is likely to be replaced by a rebound in exports to major trade partners as early as the first half of 2010 (see Charts 1.1–1.4). It is supported by the latest business survey data as well: business perceptions of competitiveness, export opportunities, and utilisation of production capacity are gradually improving, with the estimates for the first quarter of 2010 having returned from the negative to neutral or even positive territory.

The positive assessment by the EC and certain rating agencies may stabilise Latvia's positions in the eyes of potential investors when considering investment opportunities in the Latvian industry, including export-oriented production.

2. Financial Market Developments

Chart 2.1
LATVIA'S RISK PERCEPTION INDICATORS
(in basis points)

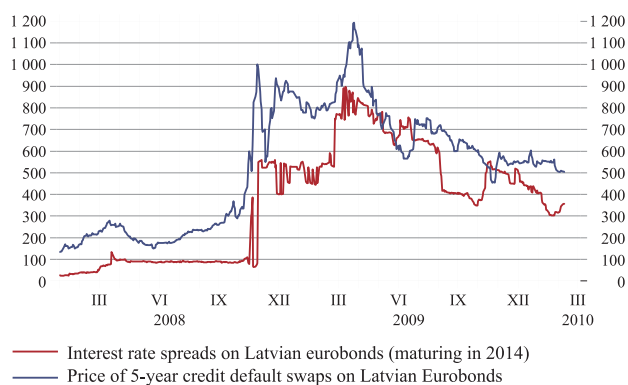
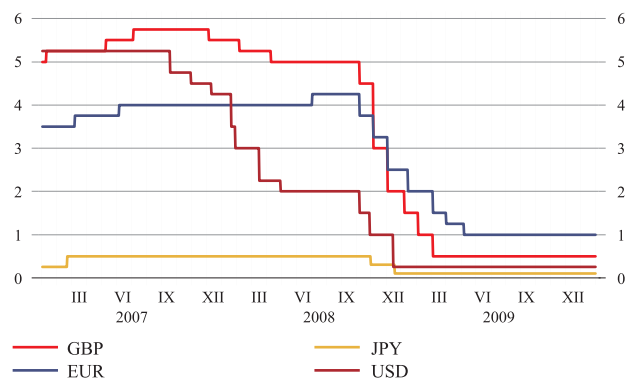


Chart 2.2
BASE RATES
(%)



On 1 December 2009, the Saeima of the Republic of Latvia adopted the law "On State Budget 2010". International institutions assessed Latvia's budget plan for 2010 positively; hence financial market sentiments improved substantially (see Chart 2.1).

2.1 Foreign financial markets

In the fourth quarter of 2009, the ECB left its key interest rate unchanged at 1.00%, considering that the lowest level has already been reached and further reductions would be ineffective. Meanwhile, other euro area indicators are not yet convincing enough to justify the raising of the key interest rate. The medium-term inflation trends remained subdued in the euro area. Despite improvements in some euro area economic and sentiment indicators, the economic outlook for the euro area is still fragile and various vulnerabilities exist. Also, the annual growth in loans to non-financial corporations in the euro area at the end of 2009 was negative, as the response of lending to the economic recovery is, as a rule, with a time lag. Market perceptions about eventual raises in the euro key interest rates became more cautious, with the relevant decision-making postponed to the fourth quarter of 2009.

The FRS and the Bank of Japan, both having brought their base rates down close to zero already in 2008, also resolved to leave them unchanged in the fourth quarter of 2009, at 0.25% and 0.1% respectively (see Chart 2.2). The FRS has reiterated that the US dollar base rates may remain low for an extended period. At the same time, the US monetary policy is gradually turning less expansionary. This is supported, for instance, by the FRS raising the discount rate in February 2010. Moreover, in the fourth quarter, the US decided to cut down the funding for agency debt purchases from 200 billion US dollars to 175 billion US dollars. Likewise, the FRS is in the process of gradually closing down the agency securities and debt purchase programmes, with their expiring date anticipated at the end of the first quarter of 2010. The FRS also resolved not to extend the closing dates of several other support facilities.

In the fourth quarter, monetary transactions and security purchases executed by central banks had a positive effect on money market liquidity. Banks

were offered almost unrestricted amounts of funding at low interest rates; secured and unsecured money market interest rates also remained low, while their spreads tended to narrow. The money market tensions have eased compared with the previous quarters, albeit are still somewhat stronger than prior to August 2007. It is evidenced by the spread between 3-month EURIBOR and EONIA Swap interest rates, which was 0.3 percentage point at the end of 2009 and 0.1 percentage point at the beginning of 2007. Speaking about the US dollar money market, the spread between 3-month LIBOR and Overnight Indexed Swap interest rates at the end of December was 0.1 percentage point, slightly above the early-2007 level.

In the first part of the fourth quarter in the US, with the global market participants becoming more optimistic and their risk appetites growing amid low interest rates, the US dollar tended to depreciate. The euro exchange rate, in turn, started to depreciate in December when markets were shocked by the news coming from Dubai and later Greece with regard to the high-level budget deficit and public debt of the latter.

2.2 The Bank of Latvia's operations and bank liquidity

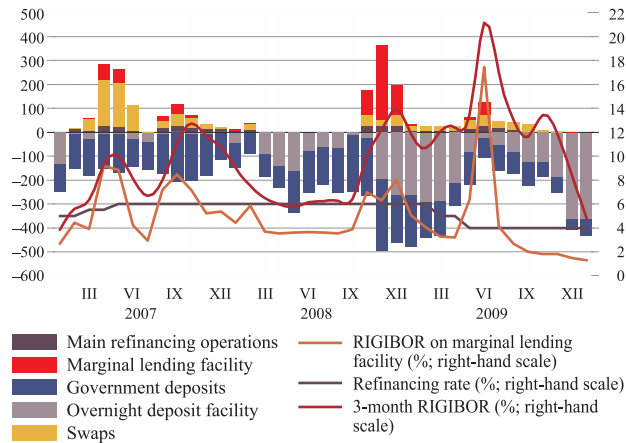
In the fourth quarter of 2009, the Bank of Latvia left its interest rates unchanged, with the refinancing rate at 4.0%, thus supporting the beginning of economic recovery.

In the fourth quarter, the average minimum reserve requirement for banks decreased by 2.3%, (in the previous quarter – by 6.1%), to 682.3 million lats. Total bank assets and liabilities have stabilised since August, leaving the contractions observed at the beginning of 2009 behind. Cash in circulation also became balanced in August, with the pace of decline decelerating in the coming months; overall, the average balance of currency in circulation shrank by 1.2%, to 768.5 million lats, in the fourth quarter. With the public spending up towards the close of the year, the average contraction in the government deposits with the Bank of Latvia was more dynamic (by 41.4%; to 58.8 million lats). In addition in December, the government converted larger amounts of euro to lats, thus expanding the lats supply in the market. These factors boosted bank liquidity by 80.3 million lats (in the previous quarter – by 113.8 million lats).

With liquidity becoming more ample, the balance of Bank of Latvia liquidity-providing operations (main

Chart 2.3
THE BANK OF LATVIA MARKET OPERATIONS AND INTEREST RATES

(in millions of lats)



refinancing operations, foreign exchange swaps, and marginal lending facility) shrank from 39.7 million lats in the third quarter to 3.0 million lats in the fourth quarter. The balance of overnight deposit facility increased from 86.3 million lats to 223.8 million lats. The average interest rate on main refinancing operations dropped from 5.23% to 4.0% and that on foreign exchange swaps from 6.24% to 4.0%, pointing to the absence of competition at these auctions (see Chart 2.3).

Surplus liquidity increased in the fourth quarter, amounting to a historic high at the end of 2009 (around 400 million lats). Nevertheless, banks adhered to prudent lending policies and built up provisions. In the months to come, if the Treasury goes on with converting euro to lats, the lats surplus liquidity could amplify. In addition, fiscal uncertainty is still lingering. It is not clear whether the cardinal tax changes in effect as of 2010 will meet the expectations, and budget expenditure for 2011 is to be further cut in line with the government commitments to international lenders. Finally, 2010 is the year of elections to the Saeima of the Republic of Latvia, an event associated with substantial uncertainty. These risks are most likely to discourage financial market participants from active use of surplus liquidity in the nearest future.

2.3 Securities market

The Treasury reduced the supply of government securities on the primary market. Their offer was worth 587.3 million lats in the third quarter and 319.0 million lats in the fourth quarter, with the Treasury attempting to lower costs of borrowing from the domestic market. The Treasury left the maturity periods of securities issuances unchanged (3, 6, and 12 months). In the fourth quarter, the bank demand for government securities at primary auctions amounted to 629.6 million lats, as bank interest in the government securities was on account of considerably lower level of interest rates in the fourth quarter. Hence securities worth 218.9 million lats were sold. The declining yield rates affected Latvia's international standing.

The stock of the Latvian government securities outstanding went down 5.9% (to 823.2 million lats). Cardinal changes in the government securities market are unlikely in the next 12 months. The stock of government securities outstanding might grow in view to the need of a gradual renewal of securities

market liquidity for the government to extend borrowing periods in the domestic market.

The LCD launched debt securities issuances in lats of three private issuers; at the same time, not a single debt securities issue was redeemed. As a result, private issuers' debt securities outstanding almost doubled (from 27.6 million lats to 52.9 million lats). All were short-term issuances (maturing in up to 6 months), and the issuers were *DnB NORD Bankas AB* (Lithuania) and *Nordea Bank AB* (Sweden). These developments support the assumption that the short-term debt securities market is coping with the crisis and re-establishing its credibility.

In the secondary market, NASDAQ OMX Riga, the bid yield on Treasury bonds maturing in 2019 remained unchanged, at 14.0%. The bid yield on mortgage bonds of the *SJSC Latvijas Hipotēku un zemes banka* maturing in 2013 declined from 15.0% to 13.0%. The bid yield on Latvian government Eurobonds maturing in 2018 increased from 7.16% to 8.16%. The spread *vis-à-vis* the German government bonds of equivalent maturities rose from 404 basis points to 498 basis points. In the future, however, a decrease in bid yields on Treasury bonds can be anticipated, for the existing bid yield on 9-year Treasury bonds (14.0%) appears inconsistent with the financial market situation currently characterised by a downward trend.

2.4 Interest rates

On the backdrop of lats increasing liquidity and easing risk perceptions, the lats average interest rate on the Latvian interbank money market's most liquid, i.e. overnight transactions, dropped from 2.05% in the third quarter to 1.09% in the fourth quarter (in the corresponding period of the previous year – 5.87%). This rate was almost consistent with the interest rate set by the Bank of Latvia on overnight deposit facility.

Easing risk perceptions underpinned the narrowing in interest rate spreads of the bank-quoted money market loans and deposits. The spread between RIGIBOR and RIGIBID on overnight transactions decreased from 120 basis points at the end of September to 62 basis points at the end of December. When in October tensions associated with the 2010 budget adoption again heightened somewhat, longer term money market interest rates rose; when the assurance about the 2010 budget complying with the

Chart 2.4
RIGIBOR (%)

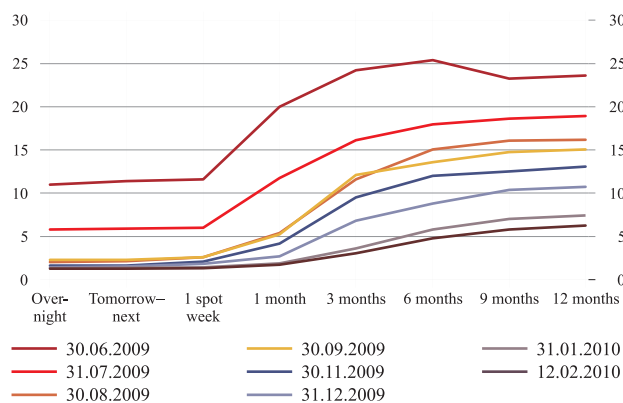


Chart 2.5
SHORT-TERM INTEREST RATES ON NEW LOANS IN LATS TO AND TERM DEPOSITS OF RESIDENTS (%)

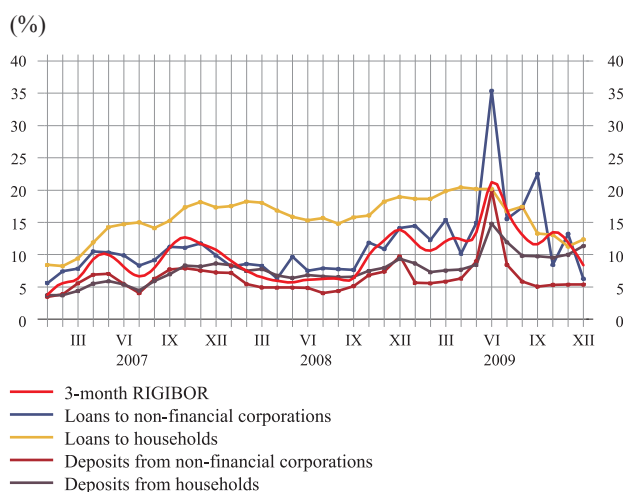
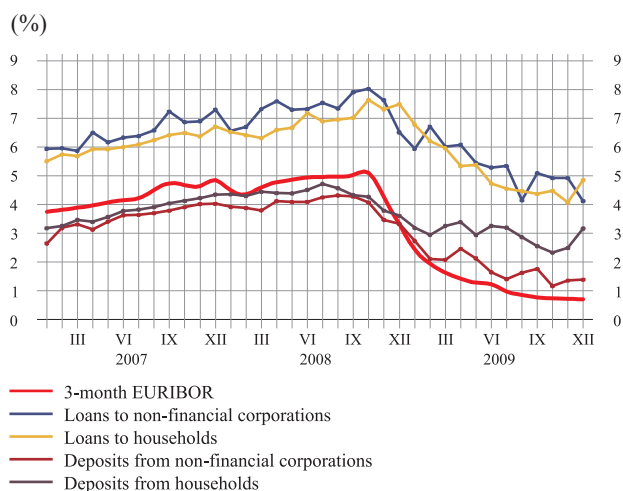


Chart 2.6
SHORT-TERM INTEREST RATES ON NEW LOANS IN EURO TO AND TERM DEPOSITS OF RESIDENTS (%)



commitments to international lenders strengthened, interest rates were gradually down, even to the pre-crisis levels. In the quarter overall, the spread between interest rates on 3-month loans and deposits narrowed from 420 basis points to 281 basis points. Initially, stabilisation primarily affected the interest rates of shorter term transactions, whereas in November and December a trend of flattening yield curve also for longer term transactions surfaced, to continue well into January 2010 (see Chart 2.4).

The substantial drop in RIGIBOR was followed by the falls of 0.7 percentage point (to 20.8%) in the weighted average floating interest rate on new consumer credit in lats to households with an initial rate fixation period of up to one year, and 8.4 percentage points (to 8.0%) in the weighted average interest rate on loans to non-financial corporations (see Chart 2.5).

The drop in short-term loans to non-financial corporations was steeper than the decline in money market indices, as the number of large new loans extended at lower interest rates increased in the fourth quarter. Interest rates on short-term loans in lats replicated the previous quarter's trend and were considerably higher than the respective interest rates with a longer initial rate fixation period, likely associated with the market participants' expectations about stronger downward dynamics of the lats money market indices over longer horizons.

In contrast to the steep fall in lats money market interest rates, EURIBOR decreased somewhat more moderately. As a result, the weighted average interest rate on new short-term loans in euro to households for house purchase was down a mere 0.1 percentage point (to 4.0%), whereas the weighted average interest rate on loans to non-financial corporations declined by 0.3 percentage point (to 4.5%; see Chart 2.6). While MFIs continued along the path of prudent lending, financial resources-related costs soared and risks in the Baltic markets persisted, the bank margins over 3-month EURIBOR on the given short-term loans remained rather stable in the fourth quarter.

The interest rates on new loans to non-financial corporations and households with initial rate fixation period over one year tended to be higher than the short-term interest rates in the fourth quarter. This trend may be explained by MFI expectations about rising euro money market indices in the future when the euro area economy gradually recovers.

Chart 2.7
ANNUAL CHANGES IN MONETARY AGGREGATES (%)

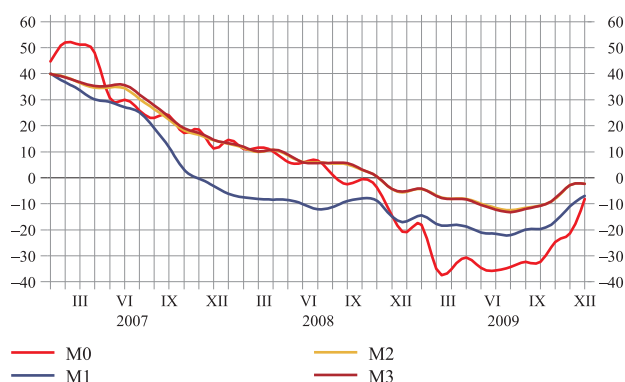


Chart 2.8
NON-PERFORMING LOANS AND SPECIFIC PROVISIONS
(in millions of lats)

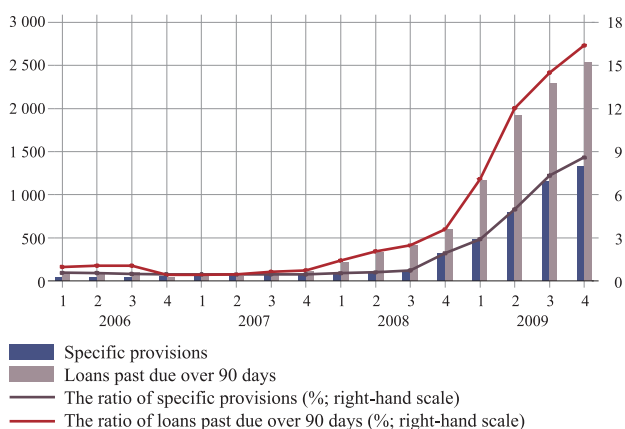
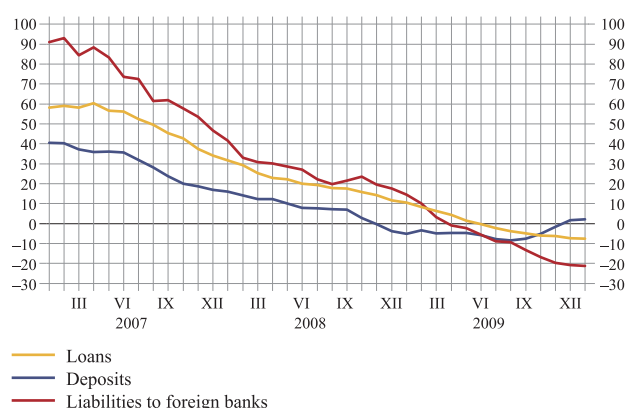


Chart 2.9
LOANS, DEPOSITS AND LIABILITIES TO FOREIGN BANKS
(annual percentage changes)



With 3-month RIGIBID decreasing by 1.7 percentage points (to 7.7%), the weighted average interest rate on time deposits of households in lats with a maturity of up to one year went down only 0.1 percentage point (to 10.6%), while the weighted average interest rate on time deposits of non-financial corporations in lats diminished by 1.1 percentage points (to 5.4%).

2.5 Money supply

In the fourth quarter, the dynamics of money supply began to reflect gradually the abating of steep economic downturn and progressive stabilisation of the macroeconomic situation; for the first time since the second quarter of 2008, M3 increased (see Chart 2.7). After the adoption of the state budget for 2010, uncertainty about further economic developments diminished, and the seasonal growth in public expenditure towards the end of the year made a positive contribution, along with attractive deposit rates, to the dynamics of monetary aggregates (see Section 3.3). The domestic demand was weak, and lending policies pursued by banks remained cautious due to credit portfolios' deteriorating quality. The share of overdue loans continued to expand, albeit at a slower pace, which might be an indication of potential stabilisation of their share in the overall bank credit portfolio (see Chart 2.8).

In the fourth quarter overall, a sizable growth in M3 and private sector deposits was recorded, with cash in circulation expanding somewhat and loans to the domestic private sector still modestly shrinking. The resilient financial market situation substantially boosted non-resident non-bank deposits (in contrast to 2.2% reduction in the third quarter). Meanwhile, another type of foreign financing contracted continuously: as a result of syndicated loan repayment, liabilities to foreign banks diminished and funding from parent banks abroad also decreased. The situation was much the same also in January 2010 and, somewhat plummeting supply of money in absolute terms due to seasonal factors notwithstanding, the annual rate of change in M3 and its components (deposits and currency) accelerated. The downward trends observed in the fourth quarter in lending and foreign bank financing persisted also in January (see Chart 2.9).

As a result of seasonally stronger consumption in December, currency outside MFIs increased by 4.3%. However, the rise in M3 by 4.6% was more driven by an expansion in deposits of resident financial

Chart 2.10
RESIDENT DEPOSIT DYNAMICS
(in millions of lats)

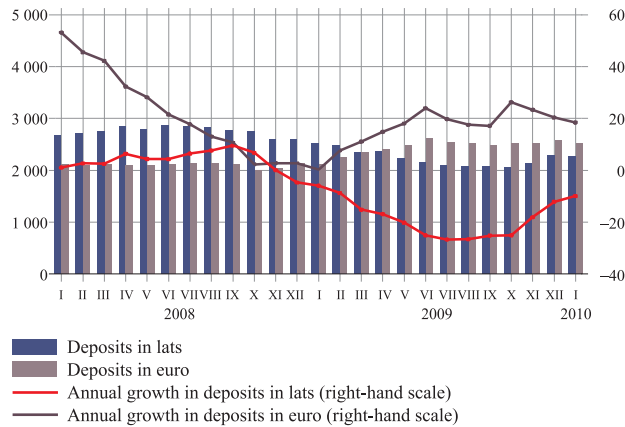
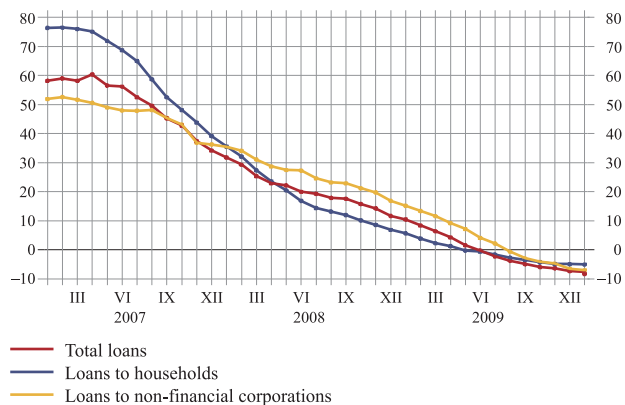


Chart 2.11
ANNUAL CHANGES IN LOAN BALANCES
(%)



institutions, non-financial corporations and households, with deposits with an agreed maturity of up to two years growing particularly fast (by 7.9%). In December, the annual growth in deposits turned positive (1.7%) for the first time since October 2008. In January 2010, an overall decrease was recorded for deposits in lats and euro as well as for non-financial corporations and households; nevertheless, the November level was notably exceeded, with annual growth in total deposits amounting to 2.1%. The inflow of funding from international lenders and its converting to lats to finance budget expenditure spurred a substantial acceleration of 10.5% in deposits in lats of non-financial corporations and households. The expansion in lats deposits was also driven by interest rates which amid deflation were attractive. Deposits in euro increased slower (by 3.7%), suggesting a reviving savings tendency. Deposits of non-financial corporations increased more buoyantly (by 8.9% *vis-à-vis* 3.4% of households), reflecting the seasonal consumption growth at the end of the year (see Chart 2.10).

Bank lending to the private sector continued to contract at an annual 7.3% rate. In the fourth quarter, also the shrinkage in lending to non-financial corporations was more pronounced (2.7% *vis-à-vis* 1.6% decrease in loans to households). Following a slight downside in loans to non-financial corporations and households in January, its annual rate of decline stood at 7.6% (see Chart 2.11).

Positive growth trends in non-financial corporation and household financing might be anticipated after the first signs of recovery in export-oriented sectors emerge. Moreover, the funding for business enhancement is less affected as the industrial credit portfolio remains stable, posting a 0.4% decrease in the third quarter, 0.1% increase in the fourth quarter, and 0.6% growth in January 2010.

Overall, monetary aggregates (see Table 2) increasingly support the real economic data on stabilisation of the Latvian economy. Cash in circulation is up again, and deterioration in the annual dynamics of change in M3 and deposits is abating or replaced by growth. There is a firm reason to anticipate that a stronger external demand, effective reform process, and timely budget planning for 2011 will trigger similar trends also in the bank lending dynamics.

Table 2
MONETARY VARIABLES
(quarterly figures are averages)

	Outstanding amount as percentage of M3 2009 XII	Annual growth rates							
		2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 X	2009 XI	2009 XII	2009 Q4
M1	50.7	-10.6	-16.3	-19.3	-21.2	-19.7	-16.8	-10.9	-15.8
Currency in circulation	11.4	0.9	-7.2	-19.3	-25.8	-29.7	-30.0	-23.0	-27.6
Overnight deposits	39.3	-14.0	-19.0	-19.3	-19.7	-16.2	-12.1	-6.7	-11.7
M2 – M1 (= other short-term deposits)	48.0	17.7	10.6	6.5	1.1	1.6	3.7	7.5	4.3
Deposits with an agreed maturity of up to 2 years	43.7	24.1	15.1	9.3	3.8	3.2	4.9	8.9	5.7
Deposits redeemable at notice of up to 3 months	4.3	-18.1	-17.3	-12.6	-18.4	-11.1	-6.3	-4.6	-7.3
M2	98.7	-0.3	-5.5	-8.7	-11.9	-10.6	-8.1	-2.8	-7.2
M3 – M2 (= marketable instruments)	1.3	7.1	-0.3	-27.1	-43.3	-21.4	3.3	3.2	-5.0
M3	100.0	-0.2	-5.5	-9.0	-12.5	-10.8	-7.9	-2.8	-7.2
Credit to residents		18.0	12.8	4.6	-1.1	-4.2	-7.6	-9.9	-7.2
Credit to general government		185.2	197.2	86.3	60.3	22.3	-38.8	-50.0	-22.2
Credit to the private sector		14.0	8.5	2.4	-2.9	-5.2	-5.6	-6.6	-5.8
Loans to the private sector		13.9	8.4	1.9	-3.6	-5.9	-6.3	-7.3	-6.5
Longer-term financial liabilities (excluding capital and reserves)		-26.1	-20.9	-18.5	-8.6	-0.7	-2.4	-8.4	-3.8

Source: the Bank of Latvia.

Chart 3.1
GDP GROWTH

(percentage changes; at constant prices)

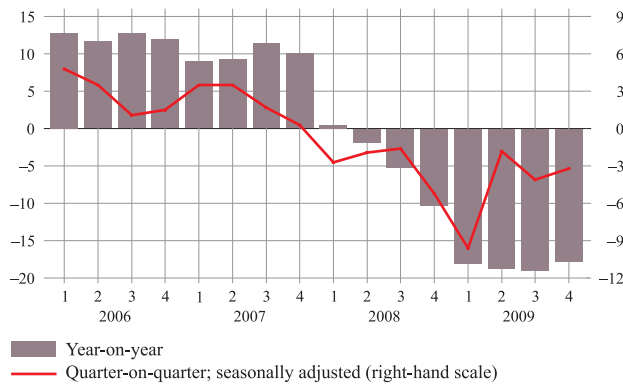


Chart 3.2
CONTRIBUTIONS TO GDP QUARTERLY GROWTH BY COMPONENT

(demand side; in percentage points)

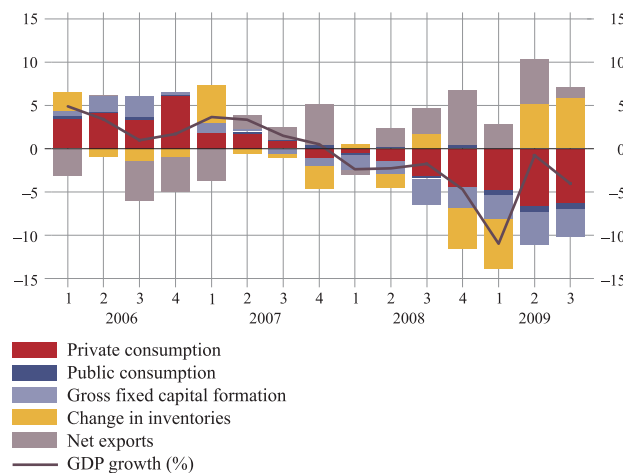
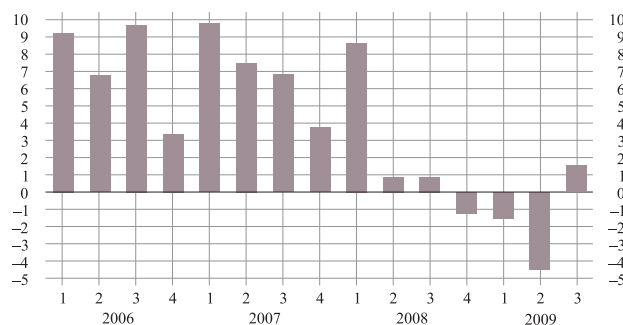


Chart 3.3
CHANGES IN INVENTORIES

(% of GDP)



3. Domestic Demand

According to the preliminary estimate of the CSB, real GDP contracted by 17.7% year-on-year and by 3.2% quarter-on-quarter in the fourth quarter (seasonally adjusted data). Consequently, both the annual and quarterly rates of decrease of the GDP had moderated towards the turn of the year in comparison with 19.3% and 4.0% respectively in the third quarter (see Chart 3.1). The trends and certain provisional data suggest that the decline of the GDP could be negligible in the first quarter of 2010, with the GDP remaining broadly unchanged quarter-on-quarter.

The weak and constantly shrinking domestic demand continued to be the main contributor to the GDP decrease in the fourth quarter. All the demand components contracted: private and public consumption as well as investment (particularly private investment). Real goods and services export growth strengthened in the fourth quarter as compared to the previous quarter when it was 1.0%. Nevertheless, the positive export developments still could not fully offset the fall of the domestic demand (see Chart 3.2).

Despite further shrinking of the domestic demand, higher demand for import-related intermediate goods required in the growing production for exports also helped to decelerate the decrease of the real imports. Yet export growth is not expected to be accompanied by a steep rise in imports, as the import growth will be limited by the persistently weak domestic demand and the changes in its structure, i.e. lower demand for luxury capital goods and durables that are mainly produced outside Latvia.

For the first time since the beginning of the contraction phase in the business cycle, changes in inventories resulted in a positive contribution of 0.1 percentage point to the GDP growth (see Chart 3.3). Considering the procyclical nature of inventories, this minor, albeit positive, contribution should be considered additional evidence signalling economic stabilisation and gradual resumption of growth.

Overall, the Bank of Latvia estimates that the economic downturn experienced in 2009 most likely was not as deep as suggested by the GDP data published by the CSB. From the beginning of the contraction phase in the business cycle, the share of the grey economy has increased against the backdrop of deteriorating financial performance and consumer

confidence as well as rising tax burden. That is confirmed by most methods of estimating the grey economy (see also Section 3.3). Nevertheless, the exact magnitude of changes is impossible to measure because of the very high level of dispersion of the results produced by various methods. Moreover, there is major restructuring underway in the economy. Construction output, where the proportion of the grey economy was previously the highest, has shrunk considerably. Changes of monetary aggregates were significantly affected by the tendencies and recent developments observed in the financial sector: changes in the preference for non-cash payments, financial market turbulences etc (see Section 2). Nevertheless, it suggests that once wider statistical data is collected to provide, *inter alia*, more accurate information on the proportion of the grey economy, the CSB could revise the GDP data significantly and reduce its rate of decline.

Chart 3.4
CHANGES IN GDP AND PRIVATE CONSUMPTION
(annual percentage changes)

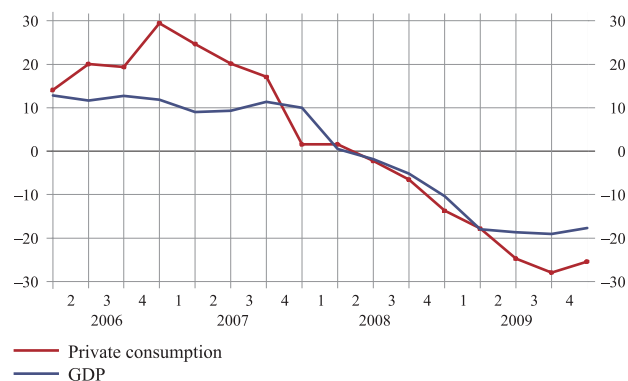
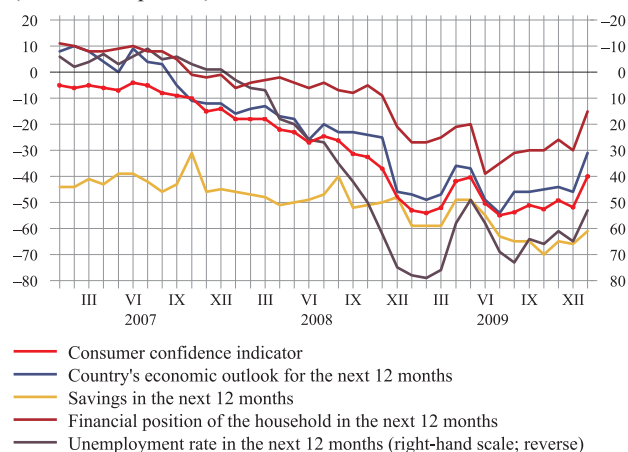


Chart 3.5
CONSUMER CONFIDENCE INDICATOR AND
UNDERLYING FACTORS
(% of net responses)



3.1 Private consumption

Disposable income of households continued to shrink in the fourth quarter; therefore, private consumption also followed a downward trend (see Chart 3.4). The marginal improvement of the household sentiment indicator in the fourth quarter could not decelerate the fall of the private consumption, as the indicator still remained low.

Although the private consumption continued to shrink considerably in the fourth quarter, its rate of decrease was still lower than that of the retail trade turnover, which can be explained by the impact of housing expenditure and notional rent (exposed to lower fluctuations) on deceleration of the private consumption. Despite plummeting energy prices, the share of housing expenditure in disposable income expanded from 13.1% in 2008 to 13.4% in 2009. The growth of the share of notional rent may be even more significant.

Contrary to the sluggish improvement at the turn of 2009, consumer confidence demonstrated major improvement in January 2010 (see Chart 3.5). At this juncture, it is hard to tell whether a more optimistic perception of households *vis-à-vis* the future developments in their budgets and the economy stems from a conviction that the lowest point of the economic downturn is past, or it has been significantly affected by the ruling of the Constitutional Court of the Republic of Latvia in

Chart 3.6
OVERALL HOUSEHOLD DEBT AND INTEREST PAYMENTS
(% of GDP)

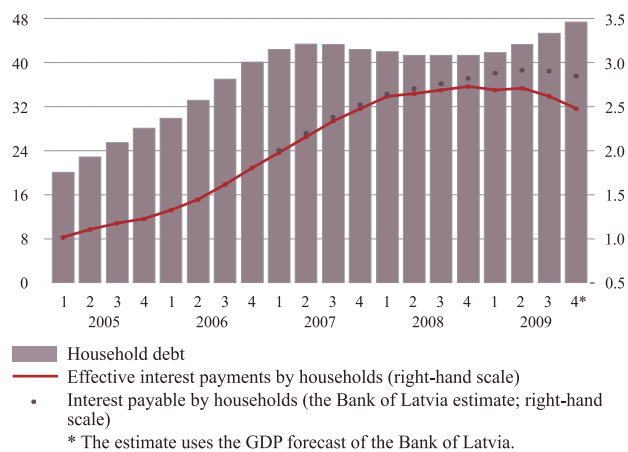
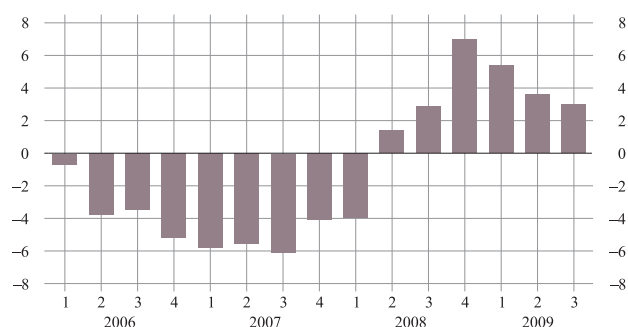


Chart 3.7
SAVINGS
(% of disposable income)



favour of pensioners, stating that the withheld part of the pensions will have to be reimbursed and no further withholding of pensions is allowed, or any other circumstances. Yet if it does prove to be a turning point in the direction of improvement for the consumer confidence and the positive changes are sustained, it could become a significant factor in decelerating the contraction of the private consumption and trade and changing the savings behaviour.

Accumulated household debt laying a huge burden on household budgets under the circumstances of shrinking incomes, in turn, will prevent the private consumption from resuming growth. Euro money market rates have already reached their historical lows and no further decline is expected in the nearest future. Therefore, the only legal way of easing the debt burden on households presently is restructuring of the debt payments. The pace of restructuring, however, has been insufficient so far; therefore, households are increasingly more often late with their interest payments (see Chart 3.6). This way the households can gain a short-lived improvement of their disposable income, yet it is not a sustainable solution and debt restructuring is inevitable.

It is difficult to estimate the overall effect of the household decisions concerning spending and savings as various groups of households tend to behave differently: some households spend the previous savings, while others, with the uncertainty persisting, continue to save for a "safety cushion" or earlier repayment of the debt. Yet despite the significant differences across households, the overall behaviour of the households remains procyclical, i.e. the cut-back on spending is stronger than the rate of decline of the income (see Chart 3.7). In the periods to come, it will be important to understand to what extent this procyclical model of behaviour is dictated by the uncertainty surrounding the future and to what extent it is caused by the awareness that the current shrinking of income will be long-lived and the return to the level of consumption observed in the years of rapid growth is impossible in the nearest future.

3.2 Private investment

Persistently subdued lending and reserves of spare capacity in manufacturing translated in a further decline of gross fixed capital formation in the fourth quarter. The drop continues to be more pronounced in new housing construction, whereas the activity in

Chart 3.8
PRIVATE INVESTMENT DYNAMICS
(% of GDP)

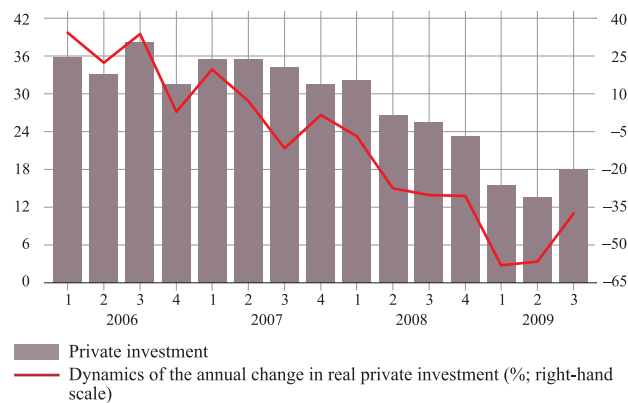
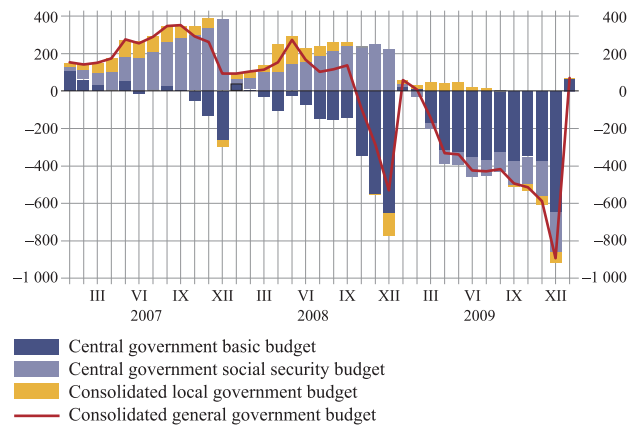


Chart 3.9
ACCUMULATED BALANCE OF THE CONSOLIDATED
GENERAL GOVERNMENT BUDGET BY SUB-BUDGET
(in millions of lats)



repairs and renovations segment has picked up. That is also confirmed by the statistics of building permits granted, showing that the share of authorised new construction projects in the total is shrinking. It is particularly true of apartment blocks, the category which also most often undergoes renovations to improve energy efficiency.

The contribution of private investment to GDP decreased to 16% in the first nine months of 2009, contracting two-fold both in the nominal and real terms in course of the year (see Chart 3.8). Public sector investment lost $\frac{1}{4}$ during the year: considering the tight budgetary constraints, it cannot fully mitigate the business cycle by substituting private investment in the trough of the cycle. Therefore, the overall investment is anticipated to continue on a downward path in 2010 and positive growth rates may only be expected at the end of 2010.

Nevertheless, provided that the positive trends observed in export-producing sectors continue or even strengthen, private investment in this sector may also grow more rapidly and earlier than currently expected, thereby speeding up the general economic recovery.

3.3 Government expenditure and budget

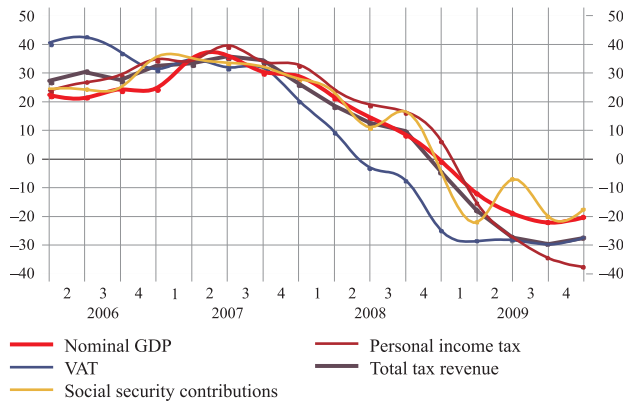
The deficit of the consolidated general government budget estimated on a cash flow basis amounted to 892.1 million lats or 6.7% of GDP in 2009.

Expenditure of the central government's basic budget exceeded the respective revenue by 643.8 million lats and was the main contributor to the deficit. Yet the expenditure of the central government budget was slightly lower than planned. Local governments also managed to cut back on their spending; therefore, the deficit of the local government budget at 59.1 million lats was considerably smaller than planned. The deficit soared in December as a result of additional funding granted by the government as well as underperformance against the foreign financial aid drawdown plan. The year 2010 began with a surplus of 61.9 million lats in the consolidated central government budget (see Chart 3.9). Expenditure of the central government budget was traditionally low in January, whereas the foreign financial aid and non-tax revenue was significant.

Revenue of the consolidated general government budget continued to shrink in the last months of 2009, with tax revenue contracting notably, albeit the rate of contraction stabilised. All tax groups recorded a

Chart 3.10
RATE OF CHANGE IN NOMINAL GDP AND SELECTED TAXES

(annual percentage change)

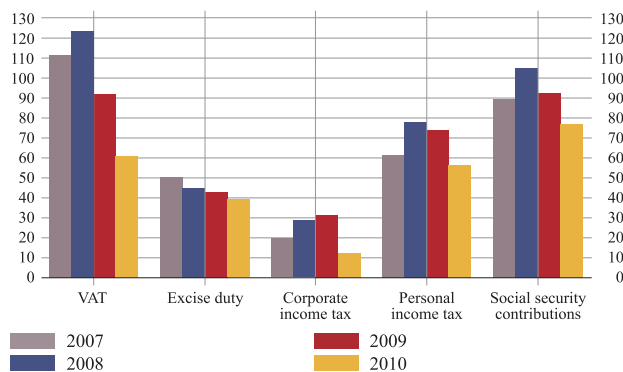


decline, yet the fall of personal income tax revenue was much steeper than that of the overall tax revenue. Such a fall mirrored a notable decrease of employment and average wage and salary towards the end of the year, but it could also signal the expansion of the grey economy. The decline of tax revenue was faster than that of the nominal GDP, thus the ratio of tax revenue to GDP decreased (see Chart 3.10).

Tax revenue continued to shrink also in January 2010, although the rate of decline stabilised (see Chart 3.11). The contraction of the personal income tax revenue against January 2009 was more notable than that of the VAT revenue (25% and 17% respectively). Considering the changes implemented in the legislation governing the personal income tax, this suggests that the decline of the officially declared compensation of employees has been steeper than that of the private consumption. Corporate income tax revenue continued to decrease strongly (by 57%), reflecting the fact that corporate profit had suffered a more pronounced decline in comparison with other GDP components.

Chart 3.11
SELECTED TAX REVENUE IN JANUARY

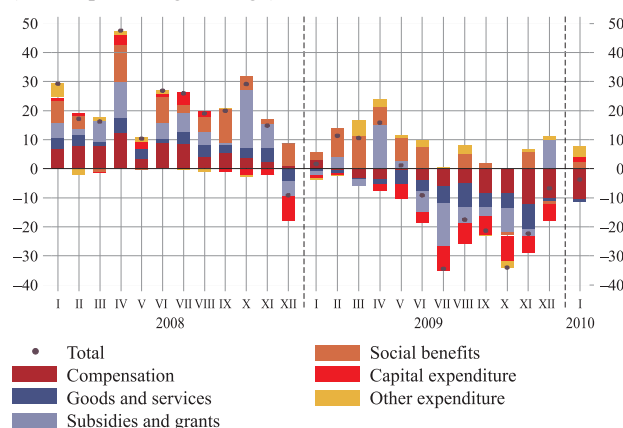
(in millions of lats)



From June 2009 onwards, almost all expenditure items of the consolidated general government budget report a decrease. Currently, the only increase is reported for social spending (*inter alia*, as a result of rapidly growing unemployment) and other expenditure due to the rising government debt service costs (see Chart 3.12). In the second half of 2009, several decisions to increase budgetary appropriations were made, whereby the government granted additional funding to projects co-financed from the EU funds, health care and implementation of the social security network measures. Consequently, the subsidy and grant expenditure increased in December. Therefore, the rate of decline of the overall expenditure in December was the lowest since June 2009.

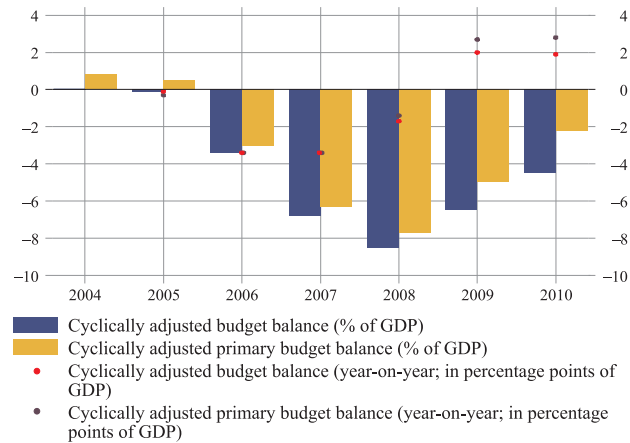
Chart 3.12
RATE OF CHANGE IN CONSOLIDATED GENERAL GOVERNMENT BUDGET EXPENDITURE

(annual percentage change)



According to the ruling of the Constitutional Court of the Republic of Latvia passed on 21 December 2009, the reduction of the old-age pensions stipulated in the amendments to the law "On State Budget 2009" constitutes a breach of the Constitution of the Republic of Latvia. Latvian government has decided to reimburse the withheld share of the old-age pensions amounting to 73.7 million lats in April 2010. Additional 110.9 million lats are required in 2010 to disburse the old-age pensions in full amount, thereby providing another boost to private consumption. Nevertheless, the measure will only

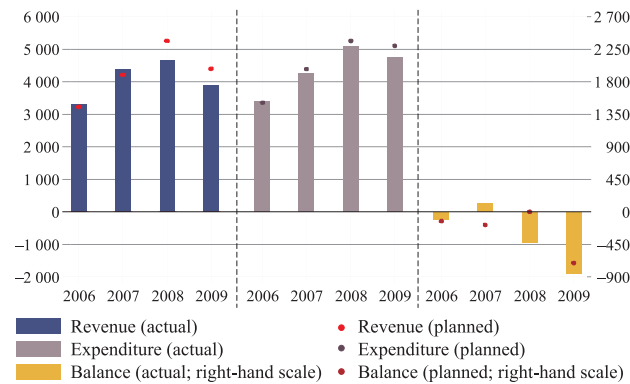
Chart 3.13
CYCLICALLY ADJUSTED BALANCE OF
CONSOLIDATED GENERAL GOVERNMENT BUDGET
(%)



have a temporary effect, as the given expenditure increase will have to be offset by cutting spending in other areas in the years to follow, which, in turn, will dampen the domestic consumption.

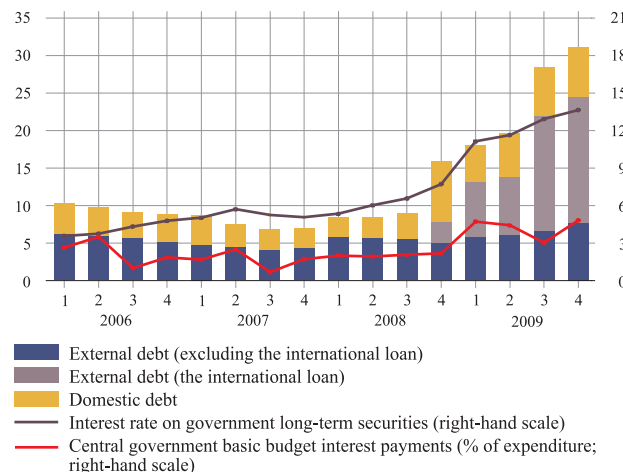
With the amendments to 2009 budget and adoption of 2010 budget, Latvia has taken significant steps to overcome the budgetary crisis by pushing the spending down to the level of the real income of the economy. The expansionary fiscal policy pursued in 3 preceding years has been replaced by a contractionary fiscal policy, as suggested by the improved cyclically-adjusted budgetary balance both inclusive and exclusive of the government debt service costs (see Chart 3.13).

Chart 3.14
PLANNED (START-OF-YEAR) AND ACTUAL (YEAR-END) CENTRAL GOVERNMENT BUDGET REVENUE, EXPENDITURE AND BALANCE
(in millions of lats)



In 2010, the budgetary balance was adjusted by 500 million lats or 4.2% of GDP through implementing measures that boosted the budgetary revenue by 260 million lats and cutting the consolidated general government budget expenditure by 240 million lats. Additional revenue collections are planned through raising the personal income tax rate and widening the tax base for the purposes of personal income tax, social insurance contributions and real estate tax. That will deplete the disposable income and have a negative effect on private consumption. Expenditure decreased primarily on account of government consumption: through reduction of spending on goods and services and compensation to employees. Social expenditure and capital expenditure contracted to a smaller extent, the former as a result of setting limits to the state social insurance benefits.

Chart 3.15
CENTRAL GOVERNMENT DEBT
(percentage of GDP)



Nevertheless, the analysis of 2010 budget should take into the account the potential difference between the revenue and expenditure planned at the beginning of the year and the real figures. In times of an economic downturn, for the last two years there has been a considerable underperformance in tax collections as compared to the plans and, although the central budget expenditure was reduced in the wake of shrinking tax revenue, the real deficit of the budget at the end of the year always turned out to be higher than initially planned (see Chart 3.14). This suggests that 2010 budget forecasts should also be viewed with caution.

Measures to adjust the budgetary balance will have a dampening effect on private consumption and government consumption. The former will be partly offset by disbursements of the withheld old-age pension amounts. Investment will be less affected by

these measures also because the budget contains provisions for funding to co-finance the EU funds projects. Nevertheless, these measures cannot fully offset the decline in private investment in the short-term (see Section 3.2). The long-term effect of the budget balance adjustment measures, however, will be positive, as they will support an improvement of Latvia's economic competitiveness.

The general government debt amounted to 4 265.1 million lats or 32.1% of GDP at the end of 2009, representing a 1 537.4 million lats increase year-on-year. The debt grew on account of the international loan disbursements received from the EC, IMF and the World Bank to stabilise the economy and restore growth (see Chart 3.15). Considering that the programme support period has been extended to the end of 2011, currently it is forecast that the level of government debt will not exceed 60% of GDP in 2010.

Chart 4.1
OUTPUT INDICES IN SOME MANUFACTURING
BRANCHES

(seasonally adjusted; 2005 = 100)

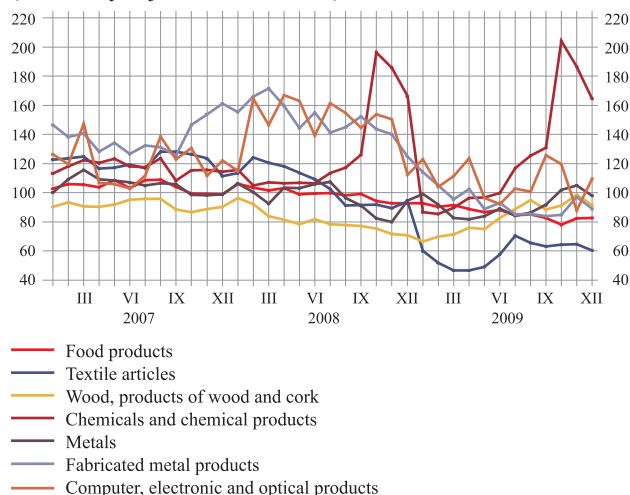


Chart 4.2
ANNUAL DYNAMICS OF MANUFACTURING OUTPUT
(at constant prices; %)

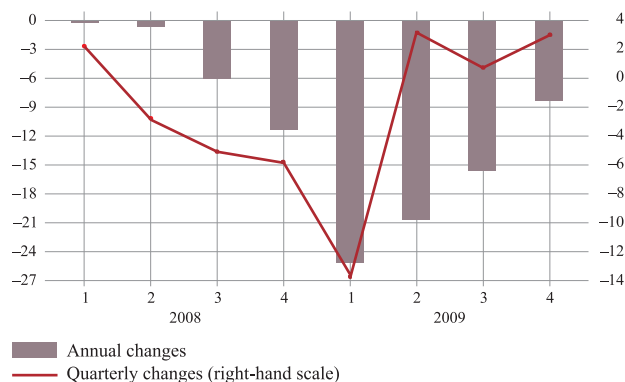
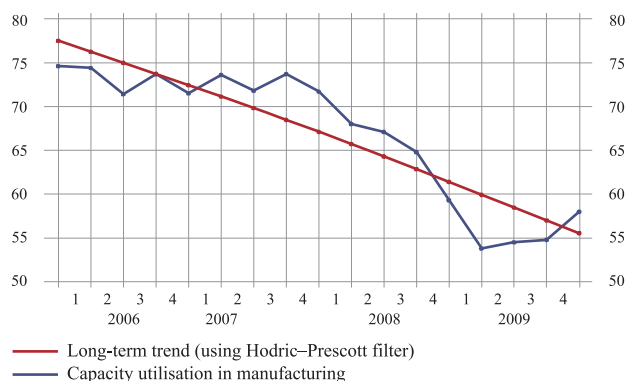


Chart 4.3
PRODUCTION CAPACITY UTILISATION IN
MANUFACTURING
(%)



4. Aggregate Supply

Latvia's economic downturn continued in the fourth quarter. It means that the Latvian economy continued to suffer from the negative effects of the exceptionally weak domestic demand despite the recovery trends observed in the global economy. This effect outweighed the positive development trends seen in some manufacturing sectors.

4.1 Industry

Considerable growth was observed in the export-producing sectors in the fourth quarter, while manufacture of wood and products of wood and cork also reported an increase on an annual basis (see Chart 4.1). Recently the share of exports has expanded in most manufacturing sectors, increasingly more compensating the negative contribution of the domestic demand to the sectoral growth and securing an overall quarter-on-quarter growth for the manufacturing sector (see Chart 4.2).

Following a rapid decline in the utilisation of production capacity at the beginning of the year, the use of production capacity gradually improved in the fourth quarter, although remaining very low (see Chart 4.3). At the end of the year, the lowest level was observed in manufacture of non-metallic mineral products and fabricated metal products. The level of capacity utilisation was slightly higher in manufacture of wood and products of wood and cork, chemicals and chemical products as well as manufacture of office machinery (see Chart 4.4).

Looking at the 2010 trends, it has to be noted that confidence indicators (see Chart 4.5), estimate of new export orders (see Chart 4.6) as well as the information about contracts already signed in several manufacturing companies with foreign partners suggest that the overall development of the sector may be viewed with some optimism. Nevertheless, it has to be noted that the negative effect of the domestic demand on the developments in manufacturing will remain strong in the first half of the year; therefore, the recovery of the sector is most likely to be gradual in 2010. A faster recovery may be expected in manufacture of wood and products of wood and cork, chemicals and chemical products, basic pharmaceutical products and preparations, and, provided that new foreign markets are successfully penetrated, also in manufacture of food products and in light industry. Although some companies of the

Chart 4.4
PRODUCTION CAPACITY UTILISATION IN
MANUFACTURING BRANCHES

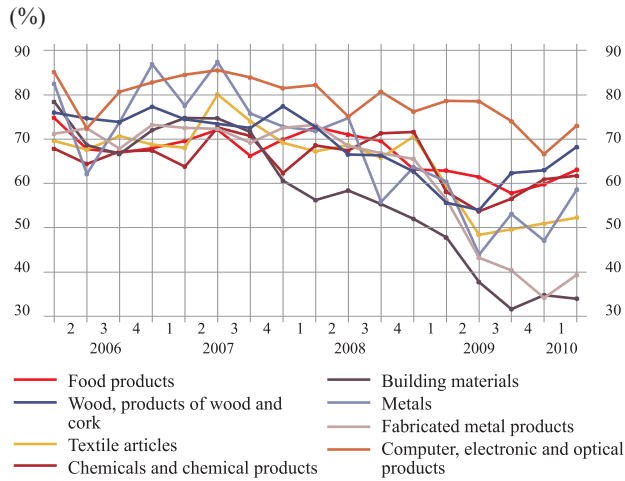


Chart 4.5
ECONOMIC SENTIMENT AND CONFIDENCE
INDICATORS

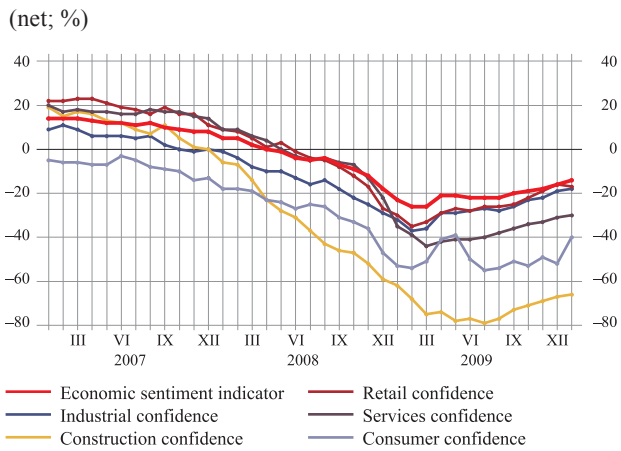


Chart 4.6
OUTPUT INDEX IN MANUFACTURING AND
CONFIDENCE INDICATORS

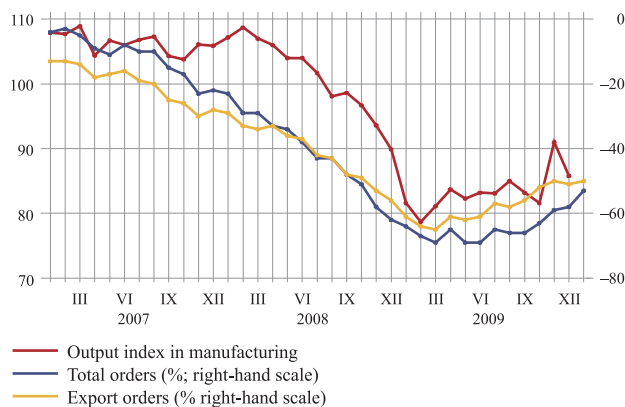


Chart 4.7
VALUE ADDED DYNAMICS IN SERVICES
(at constant prices; %)

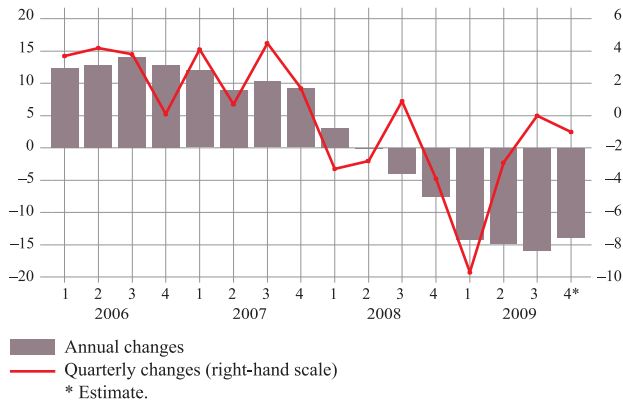


Chart 4.8
CONTRIBUTION TO REAL QUARTERLY RETAIL GROWTH
(in percentage points)

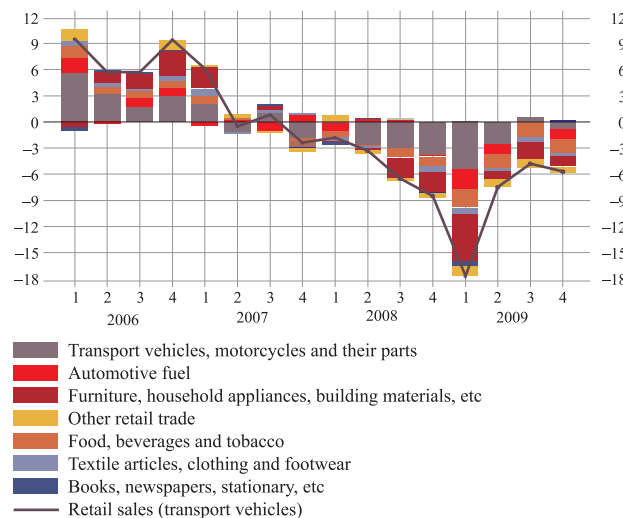
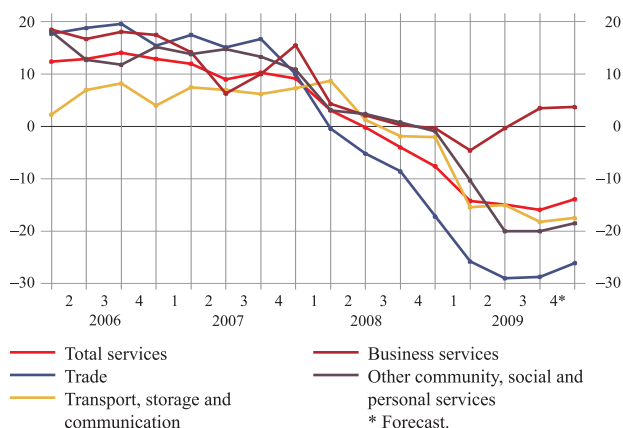


Chart 4.9
CHANGES IN MAIN TYPES OF SERVICES
(annual percentage changes)



engineering and metalworking as well as the electronic products sectors already operate quite successfully in export markets, only an overall production stabilisation can be expected in the first half of the year, whereas the second half could be marked by some growth.

4.2 Services

Construction and services sectors continued to shrink in the fourth quarter as a result of a subdued domestic demand (see Chart 4.7). Although construction confidence improved slightly in the fourth quarter and January 2010, it remains the lowest in comparison with other sectors due to the very serious deterioration experienced previously. As the construction development is fully dependent on the domestic demand, further significant downside can be expected in the sector in the first half of 2010, with any recovery starting only in the second half and positive quarterly development towards the end of the year.

Trade activity continued to deteriorate in the fourth quarter (see Chart 4.8). Against the backdrop of a high degree of uncertainty surrounding the future path of the economy and personal finances, sales continued to shrink on account of lower household income and increased caution (see Section 3.1). As a result, the overall retail turnover and car sales retreated to the level of the third quarter of 2004. Extreme prudence with regard to the future and related preference for making additional precautionary savings can be expected to persist until exports have resumed stable growth. It is most likely that only then can any significant reversal of the trends observed in retail trade be expected.

Some performance indicators of freight transportation suggest that transport growth remained on a downward path in the fourth quarter, with the overall performance weaker year-on-year. Against the background of the all-time-high achieved in freight transportation in the fourth quarter of 2008, the drop in freight transportation by rail through ports was significant. Sluggish economic activity resulted in a further decline of domestic freight transportation. Freight transit by road also posted a significant contraction year-on-year. Overall freight turnover in ports was also considerably lower than in the previous year. The main contributor to the fall was the sharp decline experienced in Ventspils port, where the volume of handled mineral fertilisers and oil products shrank notably.

Chart 4.10
REGISTERED UNEMPLOYMENT, NUMBER OF
VACANCIES AND UNEMPLOYED-PER-VACANCY
RATIO

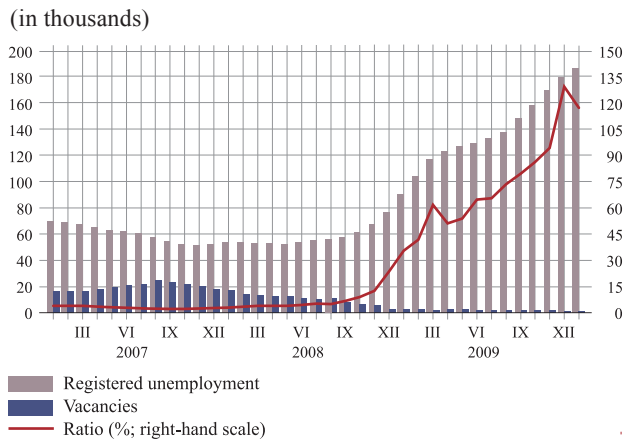


Chart 4.11
DECOMPOSITION OF REAL WAGE AND SALARY
FUND'S ANNUAL GROWTH BY ECONOMIC SECTOR
(Q3 of 2009; in percentage points)

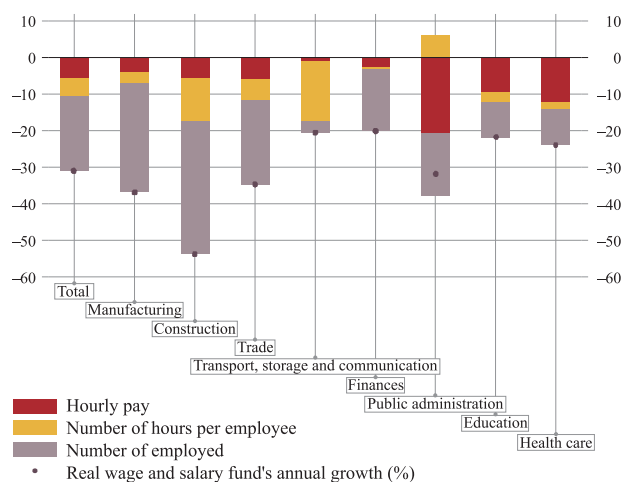
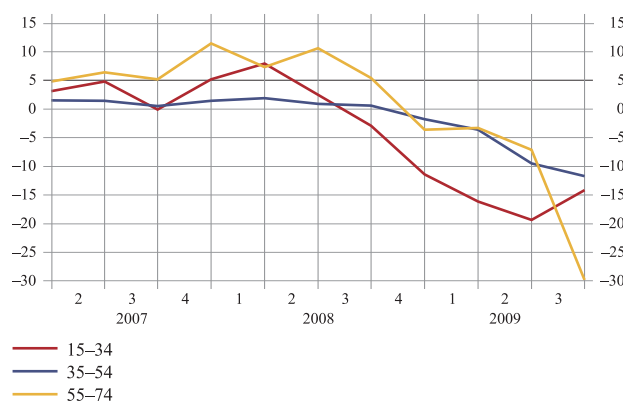


Chart 4.12
EMPLOYMENT CHANGES IN VARIOUS AGE-GROUPS
(annual percentage changes)



January confidence indicators suggest that freight transportation can expect some improvement of the situation in the first quarter. According to the survey results, auxiliary transport activities, including port operations and logistics, may anticipate particular improvements. Confidence indicators point to slightly better prospects also in transportation by road. Nevertheless, the improvements are more likely to be gradual, with positive development to be expected only in the second half of the year (see Chart 4.9).

4.3 Labour market

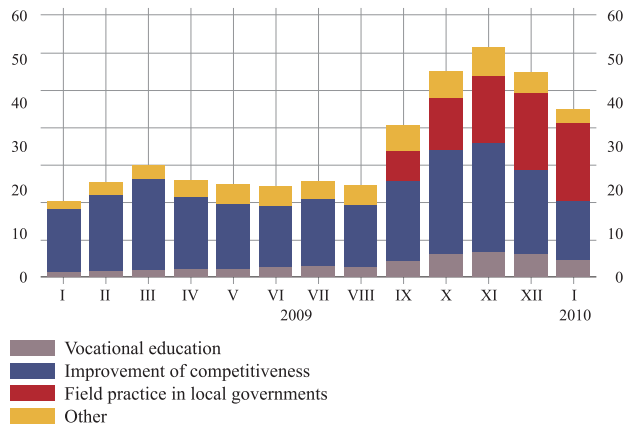
Regardless of the stabilisation of the macroeconomic indicators, registered unemployment continued to grow steadily in the last nine months of 2009 (0.9–1.0 percentage point per month), with a slightly lower rate recorded in January (0.6 percentage point) and the number of registered unemployed reaching 186 thousand or 16.6% of economically active population at the end of the month. The fact that the unemployed registering with the State Employment Agency from 2010 to 2012 and entitled to an unemployment benefit exceeding 350 lats will only receive half of the amount in excess of 350 lats was a contributor to the January slowdown. Because of this new rule, many jobseekers having lost their jobs at the end of 2009 did not postpone their registration with the State Employment Agency until next year.

CSB survey on job vacancies shows that the number of vacancies decreases at the same rate as the number of occupied posts. The ratio of job vacancies to the total number of posts remained at 0.3% or 2.0 thousand in the third quarter (see Chart 4.10). Public administration accounts for 3/4 of all job vacancies (mainly in specific institutions in the fields of public order, safety and law enforcement). The number of job vacancies registered with the State Employment Agency has been below 2.0 thousand already since the summer of 2009.

The 30.6% reduction in the real wage and salary fund was a result of cuts in both real hourly wage rate by 6.4% and weekly working hours as well as lay-offs. The steepest drop in hourly wage rate by 21.5% was again recorded for public administration, whereas the private sector adjusted the wage and salary fund primarily through lay-offs and shortening of the weekly working hours (see Chart 4.11).

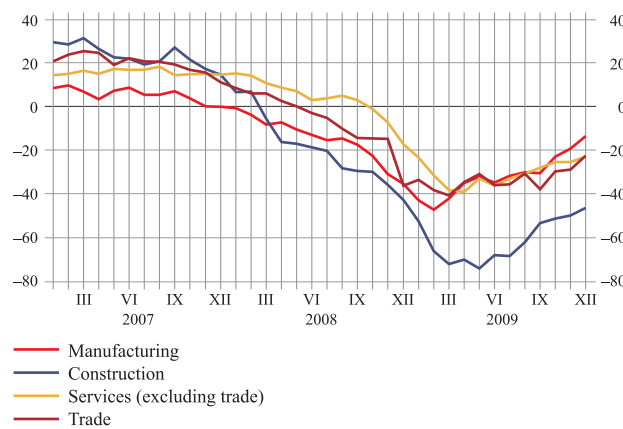
Although the reduction of pensions for working pensioners was short-lived and was discontinued by

Chart 4.13
NUMBER OF PERSONS INVOLVED IN ACTIVE
EMPLOYMENT MEASURES
(in thousands)



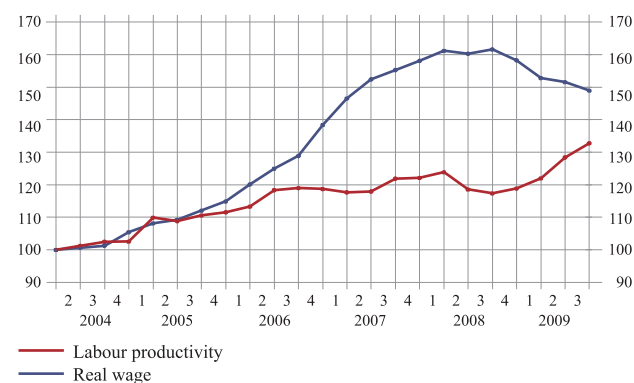
the ruling of the Constitutional Court of the Republic of Latvia, it has a permanent effect on employment, as the pensioners who left work in order to receive full pensions are not expected to re-enter the labour market. For instance, employment in the age group of 65–74 years shrank almost two-fold in the third quarter, which is 20 thousand or 2% of the economically active population. Yet the negative employment effect on the age group of 62 years and beyond is partly offset by the increase in the number of posts available for younger people (see Chart 4.12).

Chart 4.14
DATA FROM BUSINESS SURVEYS ON PROJECTED
3-MONTH EMPLOYMENT DYNAMICS
(net; %)



The number of unemployed involved in active employment measures exceeded 50 thousand in November 2009, slightly decreasing in the first two winter months (see Chart 4.13). The main innovation was field practice opportunities in local governments for the unemployed no longer entitled to an unemployment benefit. The programme is operational since September 2009 and 19 thousand unemployed have participated in it during the first four months. Yet according to unofficial information, the number of new jobs created within the new programme is smaller, as some local governments laid off less-skilled employees working for the minimum wage of 180 lats and hired the unemployed receiving a monthly grant of 100 lats financed by the European Social Fund.

Chart 4.15
CUMULATIVE LEVEL OF REAL WAGE AND SALARY
AND LABOUR PRODUCTIVITY
(seasonally adjusted data; Q1 of 2004 = 100)



The EC regular survey data suggest that unemployment growth can be expected to moderate in the next three months. Employment expectations have improved particularly strongly in manufacturing (see Chart 4.14). This could be related to both the sector's orientation towards exports as well as the fact that the strong labour productivity increase enabled manufacturing to close most of the gap between the wages and labour productivity accumulated in the previous years earlier than it happened in other sectors (see Chart 4.15).

Labour market forecasts remain unchanged. A gradual easing in unemployment is likely to start only after notable strengthening of the economic growth, i.e. in the second half of 2010 at the earliest. Employment can be expected to resume growth first in the export sectors. Unemployment growth will decelerate significantly already in the first half of 2010 in comparison with the end of 2009.

Wages and salaries will continue to decrease in 2010, albeit more modestly than in 2009. Average hourly wage could resume growth later in comparison with other labour costs, with the wages dropping to the level of 2007.

Chart 5.1
CHANGES IN THE CPI BY COMPONENTS
(in percentage points)

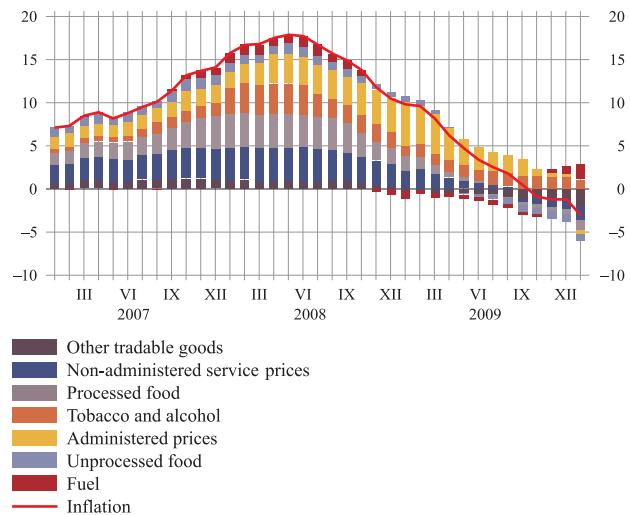


Chart 5.2
HICP INFLATION AND HICP INFLATION AT CONSTANT TAX RATES
(%)

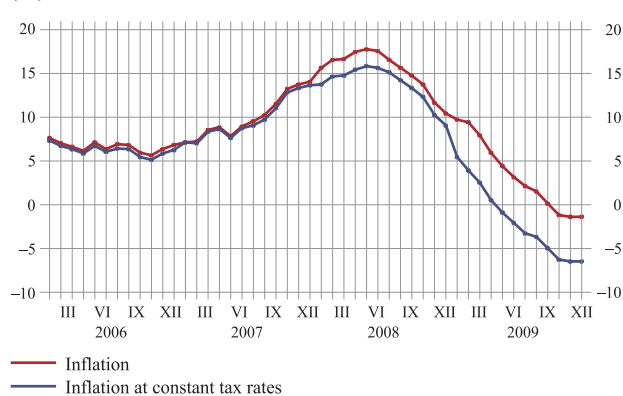
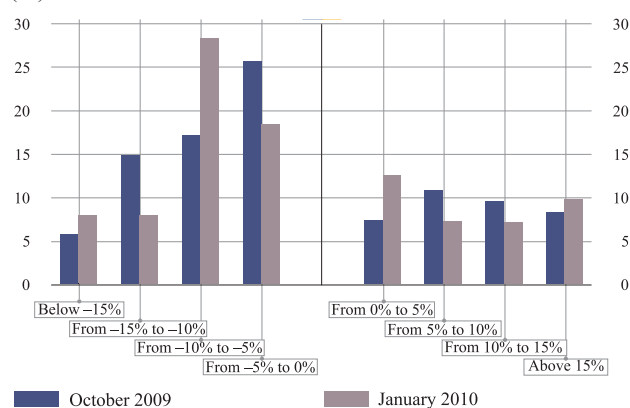


Chart 5.3
THE WEIGHTED BREAKDOWN OF ANNUAL GROWTH RATE BY CPI GROUPS
(%)



5. Prices and Costs

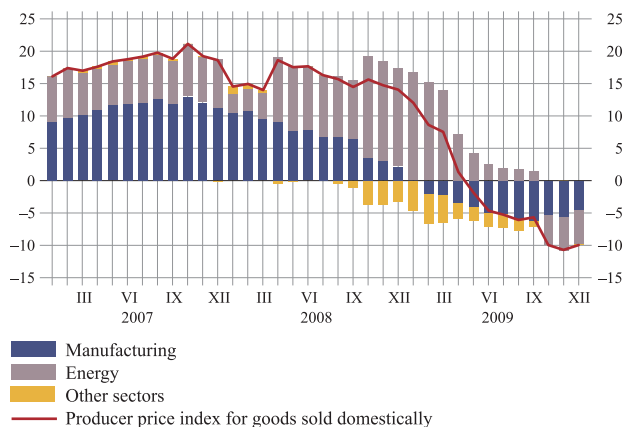
As a result of persistently weak demand and declining production costs, consumer prices continued to shrink in the fourth quarter of 2009 and at the beginning of 2010. In January, the prices were 3.1% lower year-on-year (see Chart 5.1), representing already a 4.4% decline in comparison with the peak reached in March 2009.

Nevertheless, this figure does not fully reflect the actual price adjustments that occurred during the last year. The price adjustment has been significantly dampened by the rise in indirect tax rates (see Chart 5.2), particularly by the decision to raise the VAT rate from January 2009. Based on the CSB estimates, looking beyond the effect of tax rate changes, the consumer prices reached the peak in October 2008. Consequently, in December 2009 the consumer prices had fallen already by 7.4%. It means that the CPI-based indicators of the real exchange rate of the lats understate the actual pace of improvement of the Latvian producers' competitiveness on the foreign markets (see Section 1.2).

Due to the subdued domestic demand, the overall price decrease was broadly-based and affected most of the prices on goods and services. In January, the prices on 62.1% of the goods included in the consumer goods basket were lower year-on-year (see Chart 5.3). This proportion has decreased slightly in comparison with October 2009, with fuel prices resuming growth. Yet for the majority of services and goods the prices continued to shrink. The prices of goods and services included in the core consumer price inflation experienced further significant decline, with the decrease of the annual core consumer price inflation totalling already 5.0% in January. With the administered energy tariffs continuing to shrink, the impact of administered prices on headline inflation also became negative in January. Nevertheless, supply-side factors, the pass-through of global oil prices to fuel prices in Latvia as well as various administrative decisions (including tax rate changes) prevented a steeper fall.

On the supply side, downward pressure on prices persists. Producer prices on domestically sold products continued to moderate in the fourth quarter of 2009 and were already 9.9% lower year-on-year in December (see Chart 5.4). Prices continued to shrink in manufacturing, particularly in manufacture of food

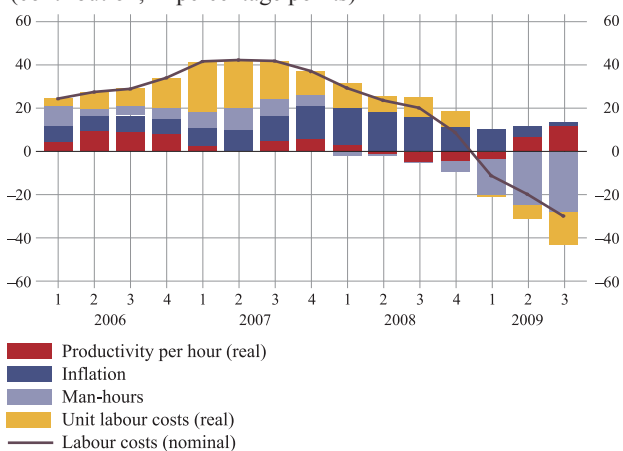
Chart 5.4
THE ANNUAL RATE OF CHANGE IN PRODUCER PRICE INDEX AND CONTRIBUTION OF ITS COMPONENTS
(in percentage points)



products, as well as in energy production. Overall, producer prices on the domestic market had already fallen by 10.8% in December 2009 as compared to the peak reached in October 2008. Producer prices for products sold on the domestic market continued down also in January 2010, with the month-on-month decrease amounting to 0.4%.

These developments were primarily supported by the unit labour costs decreasing for the third consecutive quarter, thereby gradually restoring Latvia's economic competitiveness. According to seasonally adjusted data, unit labour costs in manufacturing were already 15% lower in the third quarter of 2009 against the peak observed at the end of 2008. Unit labour costs are expected to continue on a downward trend in the coming years on account of an increase in labour productivity and shrinking wages and salaries.

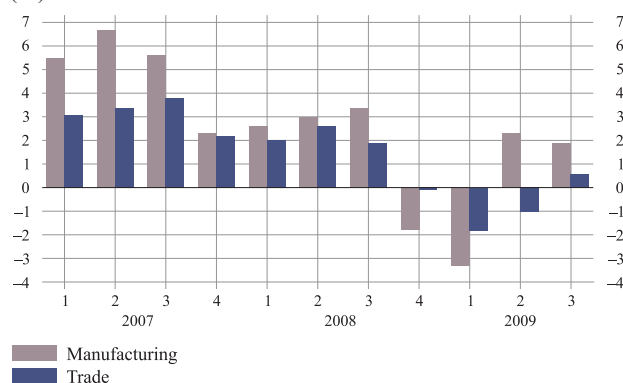
Chart 5.5
ANNUAL RATE OF CHANGE IN NOMINAL LABOUR COSTS AND ITS COMPONENTS
(contribution; in percentage points)



Labour productivity per hour worked was on a rise already for the second consecutive quarter in the third quarter of 2009. This is a leading indicator of the GDP which contributed largely to the fall of the unit labour costs (see Chart 5.5). Labour productivity is expected to improve also in the coming quarters, thereby playing a significant role in narrowing the gap between wages and labour productivity accumulated in the preceding years.

Following a sharp contraction and becoming negative at the end of 2008 and the beginning of 2009, earnings before tax in manufacturing and trade turned positive already in the third quarter of 2009 (see Chart 5.6). This suggests that the companies were able to start restructuring and benefit from the falling costs, at the same time cutting prices. Therefore, with the labour costs continuing to shrink and productivity improving, companies can be expected to be able to implement further price reductions.

Chart 5.6
PROFIT MARGINS
(%)



Administered prices, particularly administered energy tariffs, are likely to rebound in the nearest future, thereby dampening the fall of the overall consumer prices. The anticipated global energy prices developments will also have a role to play. The US Energy Information Agency forecasts that the recovery of the global economic activity in 2010 and 2011 will push up the global demand for oil. Because of the persisting excess oil production capacity, oil prices are more likely to edge up gradually (see Chart 5.7).

Following a substantial decline that started in mid-2008, 12-month inflation expectations of households

Chart 5.7
OIL PRICES ON GLOBAL MARKET
(USD/barrel)

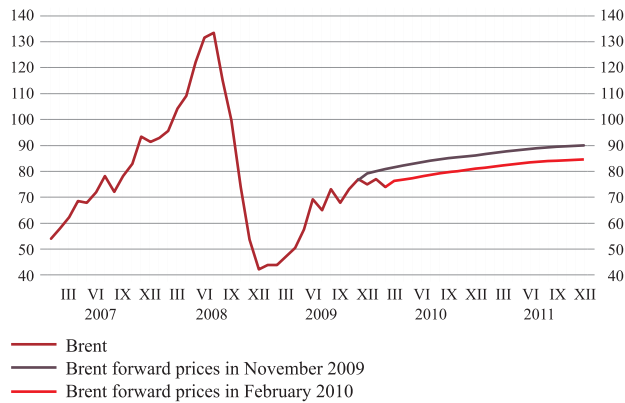
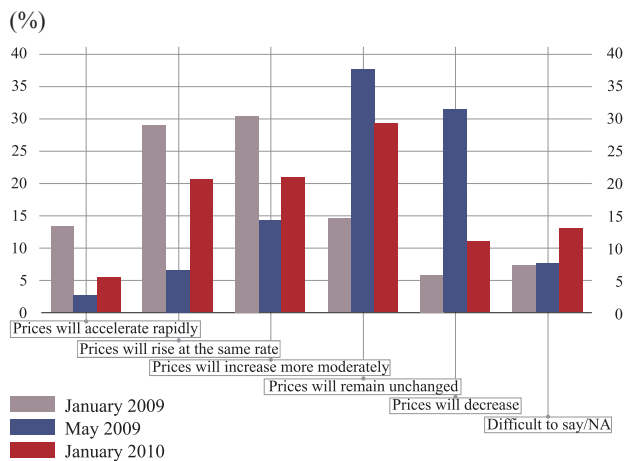


Chart 5.8
BREAKDOWN OF HOUSEHOLD EXPECTATIONS FOR
CONSUMER PRICE CHANGES IN THE NEXT 12
MONTHS



were broadly stable and even grew in the fourth quarter of 2009 (see Chart 5.8). The recent significant deterioration of the inflation expectations was affected by the perceived inflation which subsided against the backdrop of decelerating consumer price rise at the end of 2008 and a notable downturn in the economic activity. Over the year, the number of survey respondents selected for estimating inflation expectations who believe that the price level will remain unchanged or decrease over the next 12 months has grown considerably, although it is much lower in comparison with May, when the inflation expectations were negative. In recent months, inflation expectations have remained positive suggesting that households do not expect the price decline to be long-lived and the prices to contract substantially over the next 12 months.

Overall, it can be concluded that further deterioration of the economic activity will continue to exert a downward pressure on the level of consumer prices in the near future. The biggest contributors to the falling prices will be the rising unemployment as well as the shrinking overall household income and lower propensity to consume. Nevertheless, as the global oil prices resumed growth at the beginning of 2009, the fall of energy tariffs is likely to reverse into a steady price rise quite soon. Prices on administered services (in particular those related to social care) continued to climb in the fourth quarter and are also expected to soften the overall consumer price drop in the nearest future.

Chart 6.1
CURRENT ACCOUNT OF LATVIA'S BALANCE OF PAYMENTS AND ITS COMPONENTS

(in millions of lats)

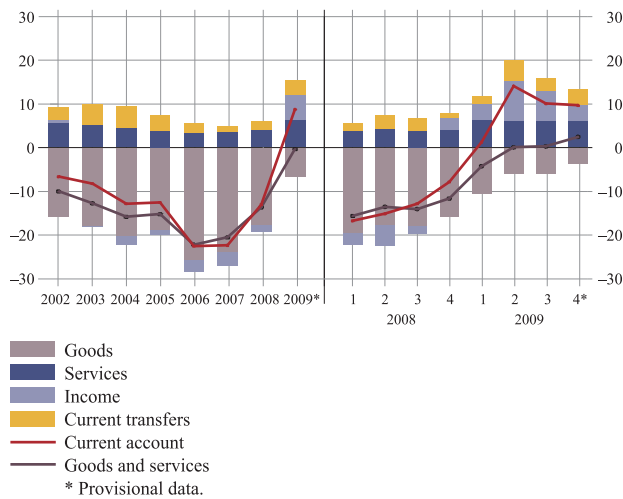


Chart 6.2
GOODS AND SERVICES BALANCE OF LATVIA'S FOREIGN TRADE AND CURRENT ACCOUNT

(% of GDP)

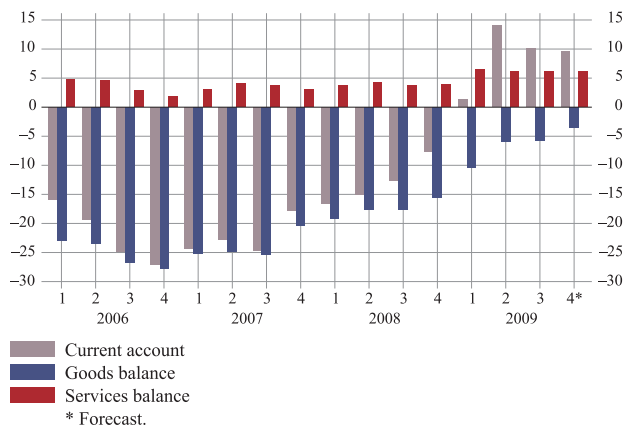
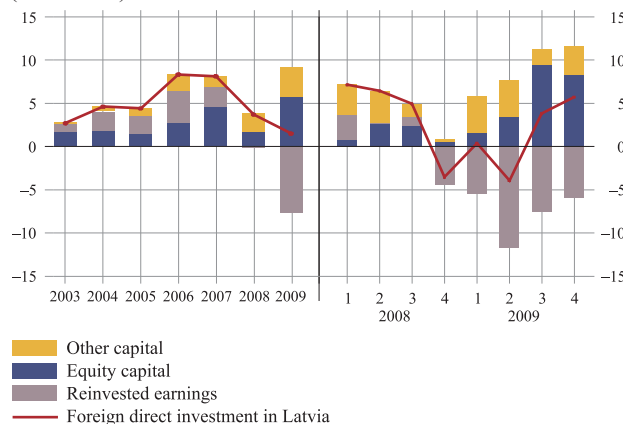


Chart 6.3
NET INFLOW OF FOREIGN DIRECT INVESTMENT IN LATVIA

(% of GDP)



6. Balance of Payments

According to provisional data, the surplus of the current account of Latvia's balance of payments totalled about 8.8% of GDP in 2009. That is a significant turning point in comparison with a 20% and higher current account deficit observed in Latvia in the years of buoyant economic growth (see Chart 6.1). Moreover, in the fourth quarter of 2009 the surplus of the current account already amounted to 9.7% of GDP, with a significant contributor being the excess of exports of goods and services over imports at 2.5% of GDP (see Chart 6.2).

In 2009, the government received financing for capital investment from the EU funds amounting to 2.3% of GDP, whereas foreign direct investment in Latvia totalled 1.5% of GDP, including 5.8% of GDP in the fourth quarter (see Chart 6.3). The fact that new capital inflows more than compensate the big losses points to investors' confidence in Latvia's longer-term economic growth.

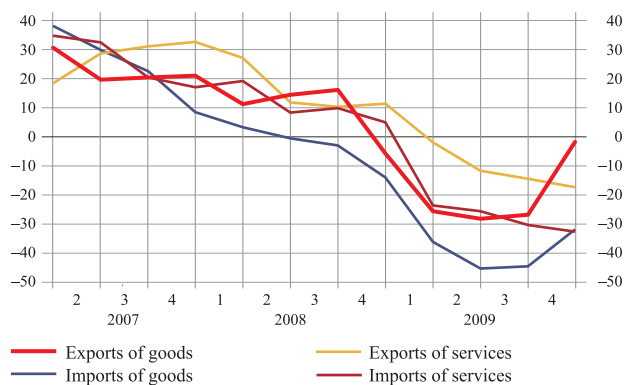
In December 2009 and in the fourth quarter overall, banks received liquidity from both local and foreign households and non-financial corporations. At the same time, liabilities to foreign banks decreased and short-term foreign assets expanded, whereas domestic credits continued to shrink. The tendency to place the free liquidity on short-term deposits abroad points to further existence of economic risks aggravated by the recent unpredictable and unfriendly tax policy changes.

The Bank of Latvia forecasts that the current account surplus will amount to 11.3% of GDP in 2010 and the overall excess over imports will reach 4.8% of GDP. The most notable improvement will be experienced in the first half of the year, with exports growing faster than imports, as well as under the impact of seasonal factors (see Chart 6.4). The main risks to this forecast are on the downside: with exports on a rise and renewed growth of domestic demand, the growth of imports may be faster than currently expected; increasingly tighter competition in freight transportation may compress the surplus of the balance of services; lower losses incurred by direct investment companies may have a negative effect on the surplus of the income account.

According to provisional data, Latvia's gross foreign debt remained broadly unchanged in nominal terms in the fourth quarter, decreasing from 20.6 billion lats to

Chart 6.4
EXPORT AND IMPORT GROWTH RATES OF GOODS
AND SERVICES

(annual percentage changes)



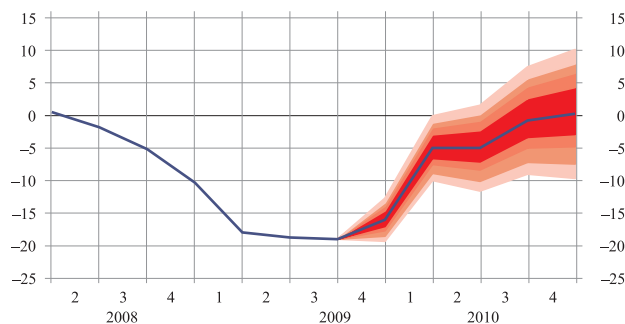
20.5 billion lats; nevertheless, as a result of deflation and contraction of the real GDP, it has grown to 155%. Yet it is slightly lower than, for instance, the IMF's September 2009 forecast. The ratio of foreign debt to GDP is expected to shrink starting from 2011 as a result of moderate economic growth, inflation and current account surplus.

7. Conclusions and Forecasts

7.1 Economic developments

Although the situation on foreign markets started to improve gradually at the end of 2009, plummeting domestic demand remained the main contributor to Latvia's economic development in the second half of 2009. GDP contracted by 17.5% in 2009. The positive trends that emerged in Latvia's economy in the second half of 2009 continued to strengthen also at the beginning of 2010. The forecast for 2010 remained unchanged, with the GDP decrease amounting to 2.5%.

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



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

The degree of uncertainty surrounding the GDP forecasts remains high. Downside and upside risks remain broadly balanced (see Chart 7.1). In addition to the still persisting upside risks (i.e. potentially higher export growth and faster economic stabilisation), a short-term rise of private consumption may be supported by the ruling of the Constitutional Court of the Republic of Latvia concerning old-age pensions and the related additional budgetary expenditure to ensure disbursements of the old-age pensions. Yet already next year, with the government implementing additional consolidation measures and offsetting this extra spending by expenditure cuts in other areas, this decision will reinforce the downside risks.

The growth of the downside risks is related to the negative economic development trends observed in Greece and Spain, as they may slow down the recovery of the euro area economy. Economic risks relating to high unemployment, falling household incomes, low lending, potential future raise of the key ECB rates and other budget deficit curbing measures persist.

Looking at the potential overhangs in the business cycle and trying to estimate the exact period of their occurrence, one has to bear in mind that the seasonal adjustment method provides that when a new observation becomes available the whole previous time series are adjusted accordingly. Consequently, overhangs are often detected with a delay. Latvia is not unique in this respect: most other countries identified the recession in their official statistics with a delay of about half a year, after revising the previous data. Identification of a trough in the

economy could have similar delays. According to the latest official statistics, the lowest point could be reached in the second quarter of 2010. Yet maybe already at the turn of the year it will be quite justified to conclude that it was reached already in the first quarter of 2010 or even the fourth quarter of 2009. Overall, the Bank of Latvia estimates that the economic downturn of the preceding years most likely was not as deep as suggested by the data published by the CSB.

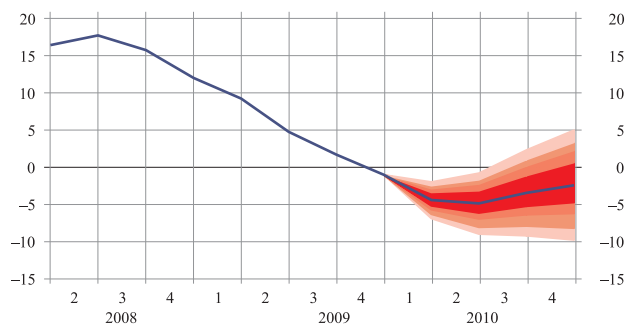
7.2 Inflation

The subdued domestic demand is expected to continue to push down the level of prices in the nearest future and, with the economic activity remaining sluggish, overall prices will continue to decline throughout 2010. Consumer prices are expected to decrease by an average of 3.8% in 2010. Over the medium-term, risks to the inflation outlook seem broadly balanced (see Chart 7.2).

Downside risks are primarily related to shrinking household incomes and high unemployment having further adverse effect on domestic demand. On the supply side, labour productivity improvement in combination with contracting real wage and salary will continue to compress the unit labour costs, thereby maintaining a downward pressure on prices.

Potential expansion of the grey economy poses upside risks; therefore, the actual fall in household income may be smaller than that suggested by the official statistical data. Additional upside risks relate to the global energy price developments. With the global economic activity recovering, the prices may grow significantly. Moreover, the share of energy prices in Latvia's basket of consumer goods has expanded significantly year-on-year in 2010, thereby strengthening the impact of energy price movements on the overall price index.

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



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

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.	Country Breakdown of MFI (excluding the Bank of Latvia) Selected Foreign Assets and Foreign Liabilities	52
13.	Maturity Profile 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 Euros	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 and counterparty)	76
25.	Foreign Exchange Transactions	76
26.	Monthly Averages of the Exchange Rates Set by the Bank of Latvia	77
27.	Weighted Average Exchange Rates (excluding non-cash items)	77
28.	Structure of Government Securities	77
29.	Auctions of Government Securities in the Primary Market	78
30.	The Bank of Latvia's Transactions in the Secondary Market for Government Securities	79
31.	Dynamics of Gross Domestic Product	79
32.	Changes in the Average Monthly Gross Wages and Salaries and Unemployment	79
33.	Latvian Foreign Trade Balance	80
34.	Main Export Goods of Latvia	80
35.	Main Import Goods of Latvia	81
36.	Latvian Foreign Trade Partners	81

1. MONETARY INDICATORS AND INTEREST RATES

	2008					2009				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
M1 ¹	-15.0	-8.1	-10.1	-8.9	-15.0	-10.9	-17.8	-21.0	-19.9	-10.9
M2 ¹	-4.4	9.9	6.1	5.2	-4.4	-2.8	-6.9	-9.9	-11.6	-2.8
M3 ¹	-4.3	10.1	5.9	5.6	-4.3	-2.8	-7.0	-10.4	-12.0	-2.8
M2X ¹	-3.9	8.7	5.3	5.3	-3.9	-1.9	-6.2	-8.3	-10.2	-1.9
Loans to resident financial institutions, non-financial corporations and households ¹	11.7	25.4	20.0	17.6	11.7	-7.3	6.4	-0.2	-4.9	-7.3
Deposits of resident financial institutions, non-financial corporations and households ¹	-3.9	12.4	7.8	7.0	-3.9	1.7	-5.0	-5.7	-7.6	1.7
Long-term interest rate for convergence assessment purposes ²	6.43	5.36	6.04	6.59	7.74	12.36	11.15	11.66	12.94	13.67
RIGIBOR (3-month loans) ³	8.0	7.7	5.9	6.3	12.0	13.2	11.6	16.0	13.9	11.2
Average yield on government bonds ⁴	6.3	5.9	6.5	6.9	-	-	-	-	-	-
OMX Riga ³	479.9	561.0	528.3	495.9	330.1	260.4	227.8	225.3	286.9	297.0

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M1 ¹	-8.0	-8.8	-15.0	-16.8	-14.4	-17.8	-18.2	-18.7	-21.0	-21.5	-22.1	-19.9	-19.7	-16.8	-10.9
M2 ¹	3.0	0.5	-4.4	-5.4	-4.3	-6.9	-8.1	-8.1	-9.9	-11.6	-12.5	-11.6	-10.6	-8.1	-2.8
M3 ¹	3.2	0.5	-4.3	-5.2	-4.2	-7.0	-8.2	-8.3	-10.4	-12.3	-13.2	-12.0	-10.8	-7.9	-2.8
M2X ¹	2.8	0.4	-3.9	-4.7	-3.6	-6.2	-6.3	-6.3	-8.3	-10.1	-11.1	-10.2	-8.9	-6.1	-1.9
Loans to resident financial institutions, non-financial corporations and households ¹	15.8	14.3	11.7	10.5	8.4	6.4	4.3	1.6	-0.2	-2.2	-3.7	-4.9	-5.9	-6.3	-7.3
Deposits of resident financial institutions, non-financial corporations and households ¹	2.9	-0.2	-3.9	-5.2	-3.3	-5.0	-4.6	-4.6	-5.7	-7.7	-8.4	-7.6	-5.2	-1.7	1.7
Long-term interest rate for convergence assessment purposes ²	6.60	7.60	9.03	10.64	11.50	11.32	11.15	11.09	12.75	12.75	12.81	13.27	13.51	13.75	13.75
RIGIBOR (3-month loans) ³	10.0	12.1	13.9	12.0	10.7	12.1	12.4	13.4	22.2	16.9	13.2	11.6	13.5	11.8	8.3
Average yield on government bonds ⁴	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OMX Riga ³	363.7	345.4	274.8	255.5	220.5	209.1	212.1	229.2	235.3	255.3	277.7	330.7	311.7	294.3	283.6

¹ Year-on-year changes (%).

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

³ Average of the period.

⁴ Weighted average primary market yields of 11-year government bonds.

2.a REAL SECTOR INDICATORS AND PRICES

	2008				2009					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Industrial output^{1,2}										
Increase/decrease ² (at constant prices; working day adjusted data; %)	-3.7	0.4	-0.4	-5.0	-9.9	-15.8	-22.2	-18.8	-15.0	-6.7
Cargoes loaded and unloaded at ports										
Turnover (in thousands of tons)	63 649	16 825	15 374	15 344	16 102	61 976	16 596	15 689	14 832	14 859
Increase/decrease ³ (%)	1.9	12.7	-6.6	-2.8	5.4	-2.6	-1.4	2.0	-3.3	-7.7
Retail trade turnover¹ (excluding retail trade at market-places)										
Turnover (at current prices; in millions of lats)	6 025.4	1 463.4	1 592.4	1 545.3	1 424.5	4 138.6	1 034.3	1 068.2	1 039.1	997.0
Increase/decrease ³ (at constant prices; %)	-11.1	-4.2	-7.6	-12.1	-19.5	-33.7	-32.6	-35.2	-33.9	-33.0
Unemployment rate (%)	7.0	4.9	4.9	5.3	7.0	16.0	10.7	11.5	13.2	16.0
Producer prices ¹ (increase/decrease compared with the previous period; %)	11.8	2.7	5.9	2.2	-0.7	-4.7	-3.0	-3.5	-1.6	-0.7
Consumer price inflation										
Year-on-year basis (%)	15.4	16.4	17.7	15.8	12.0	3.5	9.2	4.7	1.6	-1.1
Quarter-on-quarter basis (%)	x	5.2	3.9	1.1	1.4	x	2.6	-0.4	-1.9	-1.2
Financial surplus/deficit in the general government consolidated budget										
Surplus/deficit (in millions of lats)	-531.1	114.3	51.5	-29.9	-667.0	-892.1	-142.1	-283.1	-68.5	-398.4
Ratio to GDP (%)	3.3	3.0	1.2	0.7	15.9	x	4.3	8.3	2.1	x

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

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Industrial output^{1,2}															
Increase/decrease ³ (at constant prices; working day adjusted data; %)	-5.5	-10.9	-13.3	-21.2	-24.1	-25.1	-18.7	-19.2	-18.5	-17.3	-12.4	-15.2	-13.6	-2.4	-3.6
Cargoes loaded and unloaded at ports															
Turnover (in thousands of tons)	4 963	5 373	5 765	5 577	5 441	5 579	5 152	5 128	5 409	5 197	5 219	4 416	5 134	4 543	5 182
Increase/decrease ³ (%)	3.2	11.4	2.3	-0.9	-0.8	-2.4	0.7	-2.4	8.1	-5.5	10.0	-13.5	3.4	-15.5	-10.1
Retail trade turnover¹ (excluding retail trade at market-places)															
Turnover (at current prices; in millions of lats)	483.5	440.7	500.4	350.3	332.6	351.5	354.4	359.1	354.6	361.7	347.4	330.0	332.7	307.3	356.9
Increase/decrease ³ (at constant prices; %)	-19.6	-22.1	-17.0	-30.4	-34.8	-32.6	-37.1	-35.0	-33.4	-34.2	-33.4	-34.0	-32.5	-32.4	-34.0
Unemployment rate (%)	5.6	6.1	7.0	8.3	9.5	10.7	11.0	11.3	11.5	11.8	12.3	13.2	14.1	15.1	16.0
Producer prices ¹ (increase/decrease compared with the previous period; %)	1.0	-1.6	-0.6	-0.6	-1.4	-1.7	-0.9	-0.9	-1.7	-0.3	0.0	0.3	0.1	-1.7	0.4
Consumer price inflation															
Year-on-year basis (%)	13.8	11.8	10.5	9.8	9.6	8.2	6.2	4.7	3.4	2.5	1.8	0.5	-0.9	-1.2	-1.2
Month-on-month basis (%)	1.2	-0.4	-0.5	2.2	1.1	0.2	-0.4	-0.5	-0.5	-0.6	-1.0	-0.2	-0.2	-0.7	-0.5
Annual core inflation (%)	11.2	9.8	8.7	6.1	6.6	4.8	3.9	2.9	2.0	1.8	1.0	-0.4	-0.8	-1.6	-2.0
Financial surplus/deficit in the general government consolidated budget (in millions of lats)	-228.5	-192.8	-245.7	58.6	-51.8	-148.9	-190.8	-5.0	-87.3	-3.7	12.2	-77.0	-20.8	-73.6	-304.0

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.

3. MONETARY BASE

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Currency in circulation	1 037.0	1 044.5	1 018.1	949.7	922.2	833.4	846.6	825.1	758.5	767.1	756.7	748.7	745.6	739.5	788.2
Currency as percent of the monetary base	43.5	46.1	48.2	50.1	45.5	53.9	52.5	49.7	47.9	49.0	48.1	46.7	46.8	42.8	47.9
Deposits with the Bank of Latvia in lats	1 336.5	1 213.1	1 068.8	930.3	1 091.8	703.1	752.9	826.4	808.5	792.0	809.0	841.4	838.9	942.3	837.7
Deposits with the Bank of Latvia in foreign currencies	9.9	10.0	24.6	15.8	11.4	8.9	12.7	9.4	17.7	7.7	7.6	14.2	9.3	47.4	19.9
Deposits as percent of the monetary base	56.5	53.9	51.8	49.9	54.5	46.1	47.5	50.3	52.1	51.0	51.9	53.3	53.2	57.2	52.1
M0	2 383.4	2 267.6	2 111.5	1 895.9	2 025.4	1 545.3	1 612.2	1 660.9	1 584.8	1 566.8	1 573.3	1 604.3	1 593.8	1 729.2	1 645.8
Net foreign assets	2 888.3	2 367.1	2 332.3	2 246.8	2 845.8	2 355.0	2 136.3	2 090.8	1 967.3	2 873.9	3 158.4	3 209.3	3 169.8	3 338.0	3 313.1
Loans to MFIs	187.9	554.6	639.3	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4
Credit to central government (net)	-501.5	-448.0	-638.1	-713.9	-1 169.0	-535.6	-496.2	-540.3	-397.0	-1 308.3	-1 558.5	-1 563.8	-1 539.2	-1 496.0	-1 291.9
Other items (net)	-191.3	-206.1	-222.0	-232.4	-244.2	-528.4	-302.9	-251.9	-244.3	-253.7	-261.7	-266.3	-262.9	-258.0	-515.8
Total	2 383.4	2 267.6	2 111.5	1 895.9	2 025.4	1 545.3	1 612.2	1 660.9	1 584.8	1 566.8	1 573.3	1 604.3	1 593.8	1 729.2	1 645.8

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Monetary aggregates															
M3	6 277.7	6 141.0	6 039.5	5 942.1	5 985.0	5 872.7	5 940.1	5 895.9	5 829.2	5 717.7	5 654.7	5 614.4	5 598.4	5 654.3	5 873.1
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	97.3	79.2	70.2	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1
Debt securities issued with maturity of up to 2 years	4.5	4.5	4.4	3.1	3.1	3.2	1.3	1.7	1.7	1.7	1.7	0.9	0.9	0.9	0.9
M2	6 175.9	6 057.3	5 964.9	5 856.8	5 898.3	5 795.3	5 858.9	5 811.8	5 768.6	5 655.3	5 587.4	5 534.7	5 518.4	5 567.9	5 796.2
Deposits with agreed maturity of up to 2 years	2 324.5	2 299.5	2 356.1	2 447.7	2 464.3	2 459.2	2 530.8	2 472.5	2 490.0	2 424.8	2 422.1	2 377.2	2 399.3	2 411.8	2 565.2
Deposits redeemable at notice of up to 3 months	289.2	270.3	263.7	271.1	283.6	290.0	286.7	306.3	285.1	277.5	270.2	261.0	257.0	253.4	251.6
M1	3 562.2	3 487.5	3 345.1	3 138.0	3 150.4	3 046.2	3 041.3	3 033.0	2 993.5	2 953.0	2 895.2	2 896.5	2 862.1	2 902.6	2 979.3
Currency outside MFIs	912.4	913.2	866.1	832.2	803.9	726.6	725.6	718.7	661.0	664.9	658.3	651.5	641.8	639.6	667.3
Overnight deposits	2 649.8	2 574.3	2 479.0	2 305.9	2 346.5	2 319.6	2 315.7	2 314.3	2 332.4	2 288.1	2 236.9	2 244.9	2 220.3	2 263.1	2 312.0
Counterparts of monetary aggregates and longer-term financial liabilities															
Deposits of central government	555.6	812.1	1 354.2	1 398.9	1 884.9	1 418.2	1 362.9	1 202.3	1 059.1	1 973.2	2 221.2	2 244.3	2 181.4	2 140.2	1 932.2
Longer-term financial liabilities	2 428.9	2 432.5	2 306.1	2 361.7	2 350.6	2 289.8	2 248.3	2 337.5	2 174.1	2 274.0	2 224.7	2 165.8	2 141.9	2 106.7	2 224.4
Deposits with agreed maturity of over 2 years	147.4	145.6	165.9	166.4	165.0	163.9	169.2	168.3	159.8	162.1	162.2	163.2	162.6	159.5	159.3
Deposits redeemable at notice of over 3 months	0.1	0.1	0.1	0.1	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Debt securities issued with maturity of over 2 years	171.0	173.9	174.5	176.7	175.0	165.6	162.2	158.7	158.8	159.0	156.1	156.1	153.6	152.3	152.6
Capital and reserves	2 110.3	2 113.0	1 965.6	2 018.5	2 010.6	1 960.3	1 916.9	2 010.4	1 855.4	1 952.9	1 906.3	1 846.3	1 825.5	1 794.8	1 912.4
Credit to residents	15 276.5	15 656.0	15 831.7	15 785.9	15 555.4	15 065.2	15 057.1	14 986.9	14 865.1	14 849.7	14 771.1	14 712.2	14 627.3	14 467.6	14 269.7
Credit to general government	543.8	949.6	1 182.0	1 160.3	985.3	607.0	715.6	691.5	626.8	710.7	685.8	663.9	665.0	580.8	590.8
Credit to other residents	14 732.7	14 706.4	14 649.7	14 625.7	14 570.2	14 458.1	14 341.4	14 295.4	14 238.4	14 139.0	14 085.3	14 048.3	13 962.3	13 886.9	13 678.9
Loans	14 668.9	14 643.0	14 577.7	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9
Net external assets	-5 951.5	-6 184.8	-5 914.6	-5 871.3	-5 071.2	-5 139.9	-5 062.6	-4 976.7	-4 946.9	-3 976.0	-3 683.8	-3 571.1	-3 525.3	-3 333.2	-3 021.6
Other items (net)	62.8	85.5	217.3	212.0	263.8	344.6	443.2	574.5	855.7	908.8	986.7	1 116.6	1 180.2	1 233.3	1 218.5

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M1	3 577.3	3 501.6	3 296.5	3 189.4	3 206.3	3 094.6	3 072.9	3 042.4	2 928.6	2 885.2	2 866.3	2 898.5	2 874.4	2 914.0	2 935.6
M2	6 238.0	6 143.9	5 915.4	5 902.7	5 925.6	5 805.9	5 822.1	5 801.5	5 686.0	5 594.0	5 565.5	5 577.0	5 578.6	5 645.9	5 745.7
M3	6 337.8	6 229.9	5 992.3	5 991.2	6 014.5	5 881.4	5 903.6	5 882.7	5 748.5	5 655.5	5 632.3	5 655.1	5 656.7	5 736.2	5 820.4

6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ASSETS															
Loans to residents	187.9	554.6	639.3	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4
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	187.9	554.6	639.3	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4
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	3 116.5	2 542.6	2 734.4	2 566.0	3 132.0	2 379.2	2 149.0	2 115.4	1 984.4	2 886.0	3 169.7	3 227.8	3 186.3	3 382.1	3 384.6
Fixed assets	34.2	34.1	34.6	34.3	34.2	34.0	33.7	33.5	33.3	33.1	33.3	33.3	33.2	33.1	33.2
Remaining assets	2.3	2.8	5.4	5.1	4.0	4.0	3.9	6.1	3.3	4.7	6.3	2.8	4.3	4.1	2.0
Total	3 341.0	3 134.2	3 413.6	3 200.8	3 763.0	2 671.4	2 461.6	2 517.2	2 279.9	3 178.8	3 444.3	3 488.9	3 449.9	3 564.5	3 560.3
LIABILITIES															
Currency in circulation	1 037.0	1 044.5	1 018.1	949.7	922.2	833.4	846.6	825.1	758.5	767.1	756.7	748.7	745.6	739.5	788.2
Deposits of residents	1 852.1	1 675.0	1 734.1	1 665.9	2 274.7	1 519.1	1 317.3	1 377.5	1 223.6	2 109.5	2 376.5	2 420.8	2 387.8	2 486.0	2 409.6
Central government	501.5	448.0	638.1	713.9	1 169.0	535.6	496.2	540.3	397.0	1 308.3	1 558.5	1 563.8	1 539.2	1 496.0	1 291.9
Other residents	6.7	2.1	1.7	5.7	1.3	2.8	1.8	1.5	1.1	5.7	1.8	1.5	2.1	2.1	1.9
MFIs	1 343.9	1 224.9	1 094.3	946.3	1 104.4	980.6	819.3	835.8	825.5	795.5	816.2	855.5	846.5	987.9	1 115.7
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	218.8	233.7	242.3	257.8	264.2	273.4	261.7	266.2	275.4	283.7	290.5	296.6	296.4	288.4	287.7
External liabilities	228.2	175.5	402.1	319.2	286.1	24.1	12.7	24.6	17.1	12.1	11.2	18.5	16.6	44.1	71.5
Remaining liabilities	4.9	5.5	17.0	8.2	15.8	21.4	23.2	23.8	5.2	6.4	9.5	4.3	3.6	6.5	3.4
Total	3 341.0	3 134.2	3 413.6	3 200.8	3 763.0	2 671.4	2 461.6	2 517.2	2 279.9	3 178.8	3 444.3	3 488.9	3 449.9	3 564.5	3 560.3

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

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ASSETS															
Loans to residents	16 625.3	16 515.3	16 184.5	16 081.9	16 230.1	16 055.8	15 698.0	15 631.9	15 458.1	15 287.2	15 227.7	15 198.0	15 109.9	15 225.8	15 068.9
General government	160.8	170.6	168.1	163.1	164.7	164.8	158.9	158.8	158.6	160.7	159.1	156.8	157.7	157.5	156.5
Other residents	14 668.9	14 643.0	14 577.7	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9
MFIs	1 795.6	1 701.8	1 438.7	1 366.6	1 573.6	1 522.7	1 286.8	1 332.9	1 223.4	1 150.0	1 147.0	1 160.5	1 155.5	1 349.5	1 397.5
Holdings of securities other than shares issued by residents	428.2	823.6	1 057.6	1 040.6	866.1	487.8	597.2	568.9	506.6	584.2	559.9	540.8	539.3	454.8	467.2
General government	383.0	779.0	1 013.9	997.2	820.6	442.3	556.7	532.7	468.1	550.0	526.7	507.1	507.3	423.2	434.3
Other residents	0.6	0.7	0.6	0.6	0.6	0.7	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1
MFIs	44.6	44.0	43.1	42.8	44.9	44.8	40.1	35.8	38.4	34.1	33.1	33.6	31.9	31.5	32.9
Holdings of shares and other equity issued by residents	63.3	62.8	71.4	72.9	77.7	89.1	88.7	154.8	162.2	162.4	163.7	167.5	165.5	168.0	164.0
External assets	4 918.0	5 065.9	4 925.9	4 766.1	4 580.7	4 549.9	4 734.1	4 729.3	4 602.2	4 444.3	4 622.7	4 587.0	4 677.4	4 458.3	4 854.9
Fixed assets	190.8	195.8	196.7	195.4	194.1	166.3	164.9	162.4	166.9	164.8	160.0	158.4	156.4	154.6	148.5
Remaining assets	400.1	438.9	478.0	445.1	465.1	485.4	511.5	513.8	482.6	496.9	515.3	539.2	551.9	580.1	597.6
Total	22 625.7	23 102.3	22 914.1	22 602.0	22 413.9	21 834.2	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1
LIABILITIES															
Deposits of residents	5 909.9	6 129.1	6 322.9	6 291.4	6 443.4	6 655.3	6 635.1	6 419.6	6 326.9	6 170.7	6 088.0	6 034.9	5 991.9	6 094.7	6 211.4
Central government	54.1	364.1	716.1	685.0	715.8	882.6	866.7	662.0	662.1	664.9	662.8	680.5	642.3	644.1	640.2
Other residents	5 404.4	5 287.7	5 263.0	5 185.5	5 258.1	5 229.9	5 300.7	5 260.0	5 266.3	5 146.8	5 089.6	5 045.0	5 037.3	5 085.8	5 286.3
MFIs	451.4	477.3	343.7	420.9	469.5	542.8	467.7	497.6	398.5	359.0	335.6	309.4	312.4	364.8	284.9
Money market fund shares and units	97.3	79.2	70.2	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1
Debt securities issued	175.5	178.4	178.9	179.8	178.1	168.7	163.5	160.4	160.5	160.7	157.7	157.0	154.5	153.2	153.5
Capital and reserves	1 891.6	1 879.3	1 723.3	1 760.7	1 746.5	1 686.9	1 655.2	1 744.2	1 580.0	1 669.2	1 615.8	1 549.7	1 529.1	1 506.4	1 624.7
External liabilities	13 757.8	13 617.8	13 172.8	12 884.2	12 497.7	12 044.8	11 933.0	11 796.8	11 516.4	11 294.2	11 465.0	11 367.5	11 372.5	11 129.5	11 189.7
Remaining liabilities	793.6	1 218.5	1 446.1	1 403.8	1 464.5	1 204.3	1 327.7	1 557.7	1 735.8	1 784.4	1 857.1	2 002.8	2 073.3	2 072.2	2 045.7
Total	22 625.7	23 102.3	22 914.1	22 602.0	22 413.9	21 834.2	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ASSETS															
Loans to residents	14 829.7	14 813.6	14 745.8	14 715.2	14 656.5	14 533.1	14 411.2	14 299.0	14 234.7	14 137.2	14 080.6	14 037.5	13 954.4	13 876.3	13 671.4
General government	160.8	170.6	168.1	163.1	164.7	164.8	158.9	158.8	158.6	160.7	159.1	156.8	157.7	157.5	156.5
Other residents	14 668.9	14 643.0	14 577.7	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9
Holdings of securities other than shares issued by other residents	383.6	779.6	1 014.5	997.8	821.3	443.0	557.1	533.0	468.2	550.1	526.8	507.2	507.4	423.3	434.4
General government	383.0	779.0	1 013.9	997.2	820.6	442.3	556.7	532.7	468.1	550.0	526.7	507.1	507.3	423.2	434.3
Other residents	0.6	0.7	0.6	0.6	0.6	0.7	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of shares and other equity issued by other residents	63.3	62.8	71.4	72.9	77.7	89.1	88.7	154.8	162.2	162.4	163.7	167.5	165.5	168.0	164.0
External assets	8 034.5	7 608.5	7 660.3	7 332.2	7 712.6	6 929.0	6 883.1	6 844.7	6 586.6	7 330.3	7 792.4	7 814.8	7 863.7	7 840.4	8 239.5
Fixed assets	225.0	230.0	231.3	229.7	228.3	200.2	198.6	195.9	200.2	197.9	193.3	191.7	189.6	187.6	181.7
Remaining assets	277.8	310.4	331.4	332.7	350.9	382.5	394.3	413.6	388.5	399.4	423.2	444.8	452.5	484.3	478.9
Total	23 813.9	23 804.8	24 054.8	23 680.4	23 847.3	22 576.9	22 533.0	22 441.0	22 040.4	22 777.3	23 180.1	23 163.5	23 133.1	22 980.0	23 169.8
LIABILITIES															
Currency outside MFIs	912.4	913.2	866.1	832.2	803.9	726.6	725.6	718.7	661.0	664.9	658.3	651.5	641.8	639.6	667.3
Deposits of central government	555.6	812.1	1 354.2	1 398.9	1 884.9	1 418.2	1 362.9	1 202.3	1 059.1	1 973.2	2 221.2	2 244.3	2 181.4	2 140.2	1 932.2
Deposits of other general government and other residents	5 411.1	5 289.8	5 264.8	5 191.2	5 259.4	5 232.8	5 302.5	5 261.5	5 267.4	5 152.6	5 091.4	5 046.5	5 039.3	5 087.9	5 288.2
Money market fund shares and units	97.3	79.2	70.2	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1
Debt securities issued	130.9	134.5	135.8	137.0	133.3	123.9	123.4	124.6	122.1	126.5	124.6	123.4	122.6	121.7	120.6
Capital and reserves	2 110.3	2 113.0	1 965.6	2 018.5	2 010.6	1 960.3	1 916.9	2 010.4	1 855.4	1 952.9	1 906.3	1 846.3	1 825.5	1 794.8	1 912.4
External liabilities	13 986.0	13 793.3	13 574.9	13 203.4	12 783.8	12 068.9	11 945.7	11 821.4	11 533.5	11 306.3	11 476.2	11 386.0	11 389.0	11 173.6	11 261.2
Remaining liabilities	610.6	669.4	823.9	816.6	887.5	971.4	1 076.0	1 219.3	1 482.1	1 535.8	1 631.6	1 782.2	1 851.0	1 933.4	1 908.8
Excess of inter-MFI liabilities	-0.3	0.4	-0.7	0.6	0.3	0.7	0.2	0.5	0.6	4.4	4.8	4.5	3.4	3.2	3.1
Total	23 813.9	23 804.8	24 054.8	23 680.4	23 847.3	22 576.9	22 533.0	22 441.0	22 040.4	22 777.3	23 180.1	23 163.5	23 133.1	22 980.0	23 169.8

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

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
MFI reserves	1 468.5	1 356.3	1 246.2	1 063.9	1 222.6	1 087.5	940.3	942.2	923.0	894.1	911.1	949.1	946.8	1 084.3	1 233.0
Vault cash in national currency	124.6	131.3	151.9	117.6	118.3	106.8	121.1	106.4	97.5	102.2	98.4	97.1	103.8	99.9	120.8
Deposits with the Bank of Latvia	1 343.9	1 224.9	1 094.3	946.3	1 104.4	980.6	819.3	835.8	825.5	791.9	812.7	852.0	843.0	984.4	1 112.2
Foreign assets	4 918.0	5 065.9	4 925.9	4 766.1	4 580.7	4 549.9	4 734.1	4 729.3	4 602.2	4 444.3	4 622.7	4 587.0	4 677.4	4 458.3	4 854.9
Claims on the central government	467.8	870.8	1 105.4	1 081.5	905.0	526.7	641.2	617.1	552.5	634.4	611.1	591.5	591.7	508.0	519.1
Loans	84.8	91.8	91.5	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.8	84.8
Holdings of securities other than shares	383.0	779.0	1 013.9	997.2	820.6	442.3	556.7	532.7	468.1	550.0	526.7	507.1	507.3	423.2	434.3
Claims on the local government	76.0	78.8	76.6	78.7	80.2	80.3	74.5	74.4	74.2	76.3	74.7	72.3	73.3	72.8	71.8
Loans	76.0	78.8	76.6	78.7	80.2	80.3	74.5	74.4	74.2	76.3	74.7	72.3	73.3	72.8	71.8
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	1 032.0	1 013.9	954.3	931.4	908.4	879.1	846.4	826.5	806.3	777.1	806.2	832.0	814.2	821.2	729.6
Loans	983.6	965.8	897.3	875.7	849.6	813.1	780.9	695.5	676.0	647.2	677.2	702.3	686.6	690.9	624.9
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity	48.4	48.1	57.1	55.7	58.8	66.0	65.5	131.0	130.2	129.9	129.0	129.7	127.6	130.3	104.7
Claims on public non-financial corporations	345.2	342.1	381.2	377.4	389.3	383.0	376.7	383.8	382.9	382.9	382.5	392.5	390.5	396.6	395.7
Loans	345.2	342.1	381.2	377.4	389.3	383.0	376.7	383.8	382.9	382.9	382.5	392.5	390.5	396.6	395.7
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	6 923.4	6 917.4	6 911.8	6 931.6	6 912.3	6 864.7	6 812.3	6 808.3	6 792.2	6 746.2	6 684.9	6 638.0	6 604.4	6 548.1	6 465.4
Loans	6 907.9	6 902.1	6 896.8	6 913.8	6 892.8	6 841.0	6 788.7	6 784.1	6 760.1	6 713.5	6 650.1	6 600.1	6 566.5	6 510.3	6 406.0
Holdings of securities other than shares	0.6	0.7	0.6	0.6	0.6	0.7	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of shares and other equity	14.9	14.6	14.3	17.2	18.9	23.1	23.3	23.9	32.0	32.6	34.7	37.8	37.8	37.7	59.3
Claims on households	6 432.2	6 433.0	6 402.4	6 385.2	6 360.2	6 331.2	6 306.1	6 276.7	6 257.0	6 232.9	6 211.8	6 185.9	6 153.2	6 121.0	6 088.2
Loans	6 432.2	6 433.0	6 402.4	6 385.2	6 360.2	6 331.2	6 306.1	6 276.7	6 257.0	6 232.9	6 211.8	6 185.9	6 153.2	6 121.0	6 088.2
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	190.8	195.8	196.7	195.4	194.1	166.3	164.9	162.4	166.9	164.8	160.0	158.4	156.4	154.6	148.5
Other assets	275.5	307.5	326.1	327.6	346.9	378.5	390.4	407.6	385.1	394.7	416.9	442.0	448.1	480.2	476.8
Claims on resident MFIs	451.7	476.8	344.4	420.3	469.2	542.1	467.5	497.1	397.9	358.1	334.3	308.5	312.5	365.1	285.3
Holdings of MFI securities other than shares	44.6	44.0	43.1	42.8	44.9	44.8	40.1	35.8	38.4	34.1	33.1	33.6	31.9	31.5	32.9
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	22 625.7	23 102.3	22 914.1	22 602.0	22 413.9	21 834.2	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1

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

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Overnight deposits in lats	1 510.2	1 402.4	1 385.2	1 259.0	1 231.0	1 152.9	1 162.0	1 108.9	1 041.9	1 042.5	1 015.3	1 033.7	1 008.0	1 056.4	1 114.9
Financial institutions	34.6	37.3	51.3	43.7	45.4	49.5	53.0	54.6	49.5	51.5	36.5	36.0	43.5	46.3	38.8
Public non-financial corporations	74.0	93.4	111.9	84.8	91.8	82.6	85.6	72.9	65.3	66.7	60.9	74.6	67.2	75.9	70.4
Private non-financial corporations	619.7	575.0	556.4	502.3	477.4	463.3	441.0	431.7	390.3	403.7	418.0	421.0	410.8	431.3	448.2
Households	781.9	696.8	665.6	628.2	616.5	557.6	582.4	549.7	536.9	520.6	499.8	502.1	486.6	502.8	557.5
Time deposits in lats	1 133.8	1 103.6	1 141.8	1 180.1	1 166.4	1 115.3	1 141.3	1 057.7	1 048.3	1 000.3	1 007.6	984.2	994.3	1 016.4	1 119.6
Financial institutions	233.0	228.1	230.1	253.9	253.5	247.9	242.7	233.9	254.2	260.2	246.4	243.9	249.1	254.5	296.6
Public non-financial corporations	179.4	168.0	167.1	154.0	173.2	172.3	177.5	185.3	176.5	163.4	175.0	179.8	192.8	208.8	200.9
Private non-financial corporations	162.3	155.8	171.2	196.3	178.3	170.0	216.7	150.1	145.2	107.2	122.4	95.9	91.1	88.9	117.9
Households	559.2	551.6	573.4	575.9	561.4	525.1	504.4	488.4	472.4	469.5	463.8	464.5	461.3	464.2	504.2
Deposits redeemable at notice in lats	94.6	86.1	74.8	77.4	75.1	71.9	67.4	65.5	53.6	52.4	52.9	50.6	49.2	51.5	51.7
Financial institutions	1.1	1.1	1.1	1.0	0.9	0.9	0.7	0.7	0.8	0.8	1.9	0.8	0.8	1.5	3.9
Public non-financial corporations	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.5	0.7	0.7
Private non-financial corporations	10.5	9.6	5.9	8.6	9.1	12.9	10.6	9.9	7.5	7.6	7.2	7.4	7.1	7.8	8.0
Households	82.9	75.2	67.7	67.7	65.0	58.0	55.9	54.7	45.1	43.9	43.6	42.0	40.9	41.5	39.1
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	2 401.6	2 421.7	2 463.4	2 461.3	2 578.6	2 671.9	2 727.3	2 819.8	2 933.2	2 871.5	2 838.3	2 803.4	2 823.6	2 803.2	2 866.8
Financial institutions	87.8	93.7	111.0	123.9	152.3	181.1	193.7	234.9	274.2	275.3	281.2	302.5	329.7	340.3	380.6
Public non-financial corporations	19.7	31.9	32.0	41.7	33.7	33.2	35.9	58.3	51.6	45.2	43.8	29.1	62.2	52.8	50.6
Private non-financial corporations	611.1	628.6	683.2	661.2	734.3	730.9	746.0	753.2	777.5	737.2	727.1	703.0	677.5	668.6	663.6
Households	1 683.0	1 667.6	1 637.2	1 634.5	1 658.3	1 726.7	1 751.7	1 773.5	1 829.9	1 813.8	1 786.1	1 768.7	1 754.3	1 741.5	1 771.9
Deposits of central government	54.1	364.1	716.1	685.0	715.8	882.6	866.7	662.0	662.1	664.9	662.8	680.5	642.3	644.1	640.2
Overnight deposits in lats	1.7	1.6	9.9	1.1	1.3	1.4	6.1	1.3	3.7	3.5	4.8	7.2	5.6	8.9	7.2
Time deposits in lats	4.6	104.4	173.1	158.1	189.3	192.8	172.3	19.3	17.5	17.8	15.8	24.0	19.0	17.9	16.5
Deposits redeemable at notice and repos in lats	0	0	0	0	0	0	0	0	0	0	1.0	0	0.4	0.1	0
Foreign currency deposits	47.8	258.1	533.1	525.8	525.2	688.4	688.4	641.4	640.9	643.6	641.1	649.2	617.3	617.2	616.5
Deposits of local government	264.1	273.9	197.8	207.7	207.0	217.9	202.8	208.1	189.4	180.1	175.6	173.2	162.1	158.3	133.3
Overnight deposits in lats	191.1	210.4	136.9	148.0	144.5	156.2	140.5	150.5	121.2	121.2	119.6	116.7	103.6	102.3	73.3
Time deposits in lats	36.5	30.7	24.4	25.7	24.8	22.3	20.2	16.6	26.9	17.6	15.4	8.9	10.1	7.4	13.2
Deposits redeemable at notice and repos in lats	6.8	3.4	2.4	3.3	1.9	1.5	1.7	3.1	1.1	1.1	1.2	1.1	0.7	0.7	1.2
Foreign currency deposits	29.8	29.3	34.0	30.8	35.8	38.0	40.4	38.0	40.1	40.3	39.3	46.5	47.6	48.0	45.6
Transit funds	3.7	3.5	3.5	3.5	3.5	3.5	3.4	3.2	3.2	3.2	3.2	3.2	3.2	3.0	3.0
Foreign liabilities	13 757.8	13 617.8	13 172.8	12 884.2	12 497.7	12 044.8	11 933.0	11 796.8	11 516.4	11 294.2	11 465.0	11 367.5	11 372.5	11 129.5	11 189.7

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

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Liabilities to the Bank of Latvia	187.9	554.6	639.3	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4
Money market fund shares and units	97.3	79.2	70.2	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1
Debt securities issued	175.5	178.4	178.9	179.8	178.1	168.7	163.5	160.4	160.5	160.7	157.7	157.0	154.5	153.2	153.5
Capital and reserves	1 891.6	1 879.3	1 723.3	1 760.7	1 746.5	1 686.9	1 655.2	1 744.2	1 580.0	1 669.2	1 615.8	1 549.7	1 529.1	1 506.4	1 624.7
Residents	1 155.6	1 143.4	987.2	1 024.6	1 008.0	949.0	917.3	1 006.3	807.0	758.9	704.1	535.3	507.9	478.8	392.8
Retained earnings of the reporting year	220.5	217.0	71.9	9.0	-5.7	-48.2	-84.2	-142.9	-343.2	-396.6	-450.6	-573.5	-636.7	-713.0	-762.0
Non-residents	735.9	735.9	736.1	736.1	738.5	737.9	737.9	737.9	773.1	910.3	911.7	1 014.4	1 021.2	1 027.6	1 231.8
Provisions	188.0	224.7	394.9	430.5	474.7	589.1	651.3	741.5	1 020.1	1 105.1	1 178.8	1 334.9	1 417.2	1 507.1	1 526.7
Other liabilities (incl. subordinated liabilities)	414.1	435.7	408.5	374.5	393.6	357.4	398.0	450.8	453.7	421.1	440.1	439.7	426.8	416.9	375.7
Liabilities to resident MFIs	451.4	477.3	343.7	420.9	469.5	542.8	467.7	497.6	398.5	359.0	335.6	309.4	312.4	364.8	284.9
TOTAL LIABILITIES	22 625.7	23 102.3	22 914.1	22 602.0	22 413.9	21 834.2	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1
Memo items															
Trust assets	361.8	345.4	354.8	382.6	365.8	342.9	331.9	344.9	353.7	349.5	327.5	316.1	316.5	357.7	391.5
Foreign	224.1	211.1	228.3	253.1	236.2	215.2	201.3	215.6	228.4	225.5	204.0	207.8	208.1	251.2	282.7
Domestic	137.8	134.3	126.4	129.4	129.5	127.7	130.6	129.3	125.3	124.0	123.5	108.3	108.4	106.6	108.8
Trust liabilities	361.8	345.4	354.8	382.6	365.8	342.9	331.9	344.9	353.7	349.5	327.5	316.1	316.5	357.7	391.5
Foreign	295.2	282.2	295.7	321.5	308.2	285.7	273.2	286.3	295.9	293.2	270.6	257.9	257.6	300.6	335.4
Domestic	66.7	63.2	59.0	61.1	57.6	57.2	58.6	58.6	57.8	56.3	56.9	58.2	59.0	57.1	56.0

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			
2008										
X	912.4	2 430.6	1 244.4	1 095.1	91.1	2 709.6	1 862.5	665.0	182.1	6 052.6
XI	913.2	2 333.5	1 149.8	1 073.9	109.8	2 680.4	1 841.3	655.4	183.7	5 927.0
XII	866.1	2 308.0	1 072.0	1 104.8	131.2	2 757.3	1 871.9	705.4	180.0	5 931.4
2009										
I	832.2	2 136.6	1 030.1	1 004.7	101.8	2 841.2	1 876.1	786.2	178.9	5 809.9
II	803.9	2 183.8	1 045.0	1 029.3	109.5	2 867.3	1 856.2	821.8	189.3	5 855.0
III	726.5	2 140.9	1 008.2	1 036.0	96.7	2 871.2	1 859.2	820.5	191.5	5 738.6
IV	725.6	2 151.5	1 023.0	1 024.5	104.0	2 946.3	1 871.4	879.9	195.0	5 823.5
V	718.7	2 142.8	1 012.1	1 030.5	100.2	2 909.1	1 854.2	838.4	216.5	5 770.6
VI	661.0	2 187.7	1 053.5	1 044.4	89.8	2 889.2	1 830.9	854.6	203.7	5 737.9
VII	664.9	2 125.8	1 018.7	1 020.6	86.4	2 840.9	1 829.2	822.8	189.0	5 631.6
VIII	658.3	2 092.6	983.7	1 026.1	82.8	2 821.4	1 809.6	814.8	197.0	5 572.3
IX	651.5	2 096.1	999.7	1 011.3	85.1	2 775.7	1 777.7	799.1	198.9	5 523.4
X	641.8	2 082.5	985.1	1 019.1	78.3	2 792.7	1 757.9	790.4	244.4	5 517.0
XI	639.6	2 126.3	1 003.8	1 029.3	93.2	2 801.2	1 746.3	809.9	245.0	5 567.0
XII	667.3	2 206.2	1 094.9	1 026.6	84.7	2 946.8	1 777.8	931.0	238.0	5 820.3
	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					
2008										
X	-5 951.5	14 456.8	-275.9	6 432.2	7 955.3	345.2	-2 452.7	12 004.1	6 052.6	
XI	-6 184.8	14 570.1	-136.4	6 433.0	7 931.4	342.1	-2 458.3	12 111.8	5 927.0	
XII	-5 914.6	14 279.7	-370.0	6 402.4	7 866.1	381.2	-2 433.6	11 846.1	5 931.4	
2009										
I	-5 871.3	14 179.2	-446.4	6 385.2	7 863.0	377.4	-2 498.0	11 681.2	5 809.9	
II	-5 071.2	13 463.6	-1 106.6	6 360.2	7 820.7	389.3	-2 537.5	10 926.1	5 855.0	
III	-5 139.9	13 429.0	-1 029.1	6 331.2	7 743.9	383.0	-2 550.5	10 878.5	5 738.6	
IV	-5 062.6	13 491.4	-850.1	6 306.1	7 658.7	376.7	-2 605.3	10 886.1	5 823.5	
V	-4 976.7	13 576.4	-718.9	6 276.7	7 634.8	383.8	-2 829.1	10 747.3	5 770.6	
VI	-4 946.9	13 616.6	-621.7	6 257.0	7 598.4	382.9	-2 931.7	10 684.9	5 737.9	
VII	-3 976.0	12 696.4	-1 442.6	6 232.9	7 523.2	382.9	-3 088.8	9 607.6	5 631.6	
VIII	-3 683.8	12 374.4	-1 711.0	6 211.8	7 491.1	382.5	-3 118.3	9 256.1	5 572.3	
IX	-3 571.1	12 294.7	-1 753.6	6 185.9	7 469.9	392.5	-3 200.2	9 094.5	5 523.4	
X	-3 525.3	12 283.8	-1 678.5	6 153.2	7 418.6	390.5	-3 241.5	9 042.3	5 517.0	
XI	-3 333.2	12 169.2	-1 717.7	6 121.0	7 369.3	396.6	-3 269.0	8 900.2	5 567.0	
XII	-3 021.6	12 204.3	-1 474.6	6 088.2	7 195.0	395.7	-3 362.4	8 841.9	5 820.3	

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

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Claims on MFIs	2 587.8	2 787.6	2 801.8	2 610.5	2 467.5	2 481.6	2 690.6	2 743.2	2 657.2	2 479.3	2 719.3	2 685.0	2 812.1	2 643.6	2 983.3
Loans															
Overnight	1 487.9	1 765.5	1 497.7	1 456.6	1 382.2	1 381.7	1 467.2	1 543.4	1 626.8	1 331.7	1 492.2	1 491.3	1 721.5	1 525.6	1 539.9
Short-term	443.0	381.9	686.1	525.2	432.1	442.5	573.6	579.6	422.2	549.8	625.7	601.6	501.2	550.9	886.1
Long-term	46.9	43.9	40.8	40.3	57.2	69.6	69.5	66.2	65.4	58.7	56.4	53.3	52.4	52.1	55.5
Redeemable at notice	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.1
Holdings of securities other than shares	540.5	526.7	508.9	517.5	522.9	510.3	502.9	476.4	474.5	470.9	467.5	461.2	459.6	424.4	424.4
Holdings of shares and other equity	0.5	0.3	0.3	0.2	0.2	0.3	0.3	0.4	0.4	0.3	0.3	0.4	0.1	0.1	0.2
Other claims	68.9	69.1	67.9	70.6	72.7	77.1	77.1	77.1	67.8	67.8	77.1	77.1	77.1	90.1	77.2
Claims on non-MFIs	2 078.8	2 038.5	1 938.4	1 937.3	1 933.9	1 907.8	1 878.6	1 823.5	1 775.0	1 786.2	1 732.6	1 726.3	1 712.9	1 650.2	1 712.5
Loans															
Short-term	351.2	347.0	331.5	341.0	325.4	348.2	324.2	297.1	284.6	289.5	304.3	295.6	284.2	245.2	246.3
Long-term	1 275.2	1 276.0	1 176.6	1 200.3	1 225.5	1 157.3	1 150.8	1 124.0	1 102.3	1 088.1	1 049.4	1 048.1	1 056.8	1 044.5	1 095.3
Holdings of securities other than shares															
Government	157.4	126.5	192.0	149.2	144.3	176.0	185.6	193.0	180.0	202.6	180.7	180.6	172.7	164.4	160.3
Private sector	246.5	241.0	195.3	202.9	193.9	180.5	171.7	162.1	155.6	158.7	156.8	158.5	158.0	155.4	158.5
Holdings of shares and other equity	35.9	35.4	30.4	31.3	32.3	33.4	33.9	34.8	35.3	30.0	28.8	31.0	28.7	28.2	25.9
Other claims	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	17.2	17.2	12.5	12.5	12.5	12.5	26.3
Vault cash in foreign currencies	67.3	67.0	77.4	69.0	60.7	58.9	62.2	57.2	64.6	72.0	68.1	67.6	61.6	64.8	63.4
Other assets															
Other assets	184.2	172.8	108.3	149.3	118.6	101.4	102.6	105.4	105.4	106.8	102.8	108.1	90.8	99.7	95.7
Total foreign assets	4 918.0	5 065.9	4 925.9	4 766.1	4 580.7	4 549.9	4 734.1	4 729.3	4 602.2	4 444.3	4 622.7	4 587.0	4 677.4	4 458.3	4 854.9
Memo items															
Trust assets	224.1	211.1	228.3	253.1	236.2	215.2	201.3	215.6	228.4	225.5	204.0	207.8	208.1	251.2	282.7

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

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Liabilities to MFIs															
Overnight	437.0	384.6	417.7	465.9	387.2	306.8	240.9	351.6	183.9	269.6	357.1	251.3	225.4	170.5	170.5
Short-term	1 558.1	1 526.0	1 463.8	1 375.1	1 243.6	971.5	969.1	882.4	717.8	586.2	622.4	544.2	532.7	470.0	491.2
Long-term	7 379.4	7 449.9	7 425.0	7 308.9	7 212.1	7 186.1	7 148.1	7 034.1	7 164.6	7 006.4	7 003.6	7 100.8	7 030.7	6 878.6	6 712.6
Redeemable at notice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From which liabilities to associated and affiliated MFIs	7 128.5	7 198.9	7 219.0	7 094.3	6 786.1	6 634.5	6 532.8	6 450.8	6 390.3	6 244.1	6 290.6	6 199.4	6 180.0	5 858.3	5 892.0
Non-MFI deposits															
Overnight	2 669.4	2 788.2	2 312.9	2 270.5	2 155.1	2 126.4	2 088.6	2 020.3	1 945.7	1 863.0	1 810.6	1 746.8	1 828.8	1 884.0	1 927.9
Short-term	902.8	707.1	930.4	843.4	846.7	829.6	857.4	764.9	758.0	810.5	909.8	889.8	914.4	884.7	998.1
Long-term	117.1	111.1	107.2	102.0	95.0	64.8	65.0	116.4	111.4	112.5	112.8	115.4	118.0	119.4	154.1
Redeemable at notice	176.9	148.5	112.8	119.9	147.7	163.3	181.8	139.6	162.2	165.1	168.9	158.6	144.3	142.7	181.7
Other liabilities															
Other liabilities ¹	517.1	502.3	403.0	398.5	410.2	396.3	382.1	487.5	472.7	480.9	479.8	560.5	578.2	579.6	553.6
Total foreign liabilities	13 757.8	13 617.8	13 172.8	12 884.2	12 497.7	12 044.8	11 933.0	11 796.8	11 516.4	11 294.2	11 465.0	11 367.5	11 372.5	11 129.5	11 189.7
Memo items															
Trust liabilities	295.2	282.2	295.7	321.5	308.2	285.7	273.2	286.3	295.9	293.2	270.6	257.9	257.6	300.6	335.4

¹ Including subordinated liabilities.

12. COUNTRY BREAKDOWN OF MFI (EXCLUDING THE BANK OF LATVIA) SELECTED FOREIGN ASSETS AND FOREIGN LIABILITIES

(at end of period; in millions of lats)

	2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Foreign assets¹	4 498.6	4 950.4	4 855.0	4 848.5	4 490.9	4 537.6	4 519.4	4 791.6
EU	2 664.9	2 735.6	2 744.8	2 644.9	2 505.7	2 608.0	2 738.1	2 990.6
incl. EMU	1 323.3	1 413.4	1 507.3	1 198.6	1 094.6	1 033.8	1 161.1	1 453.0
Other countries and international institutions	1 833.7	2 214.8	2 110.2	2 203.6	1 985.3	1 929.7	1 781.3	1 800.9
Foreign liabilities²	12 233.8	13 114.9	13 595.4	13 172.8	12 044.8	11 516.4	11 367.5	11 189.7
EU	8 625.3	9 264.0	9 885.0	9 672.8	8 829.7	8 424.6	8 395.4	8 029.9
incl. EMU	3 320.4	3 821.5	4 272.0	3 810.6	3 454.2	3 189.1	3 305.9	3 118.6
Other countries and international institutions	3 608.5	3 850.9	3 710.4	3 500.0	3 215.1	3 091.8	2 972.1	3 159.8

¹ Excluding vault cash in foreign currencies.

² Excluding capital and reserves.

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)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Overnight deposits															
Amount	2 430.6	2 333.5	2 307.9	2 136.6	2 183.8	2 140.9	2 151.6	2 142.8	2 187.7	2 125.8	2 092.6	2 096.1	2 082.5	2 126.2	2 206.2
% ¹	47.3	46.5	45.5	42.8	43.2	42.7	42.2	42.4	43.1	42.9	42.6	43.0	42.7	43.2	42.7
Time deposits															
Maturity of 1–6 months															
Amount	1 071.0	1 064.9	1 165.0	1 228.7	1 256.1	1 244.1	1 314.9	1 252.0	1 285.0	1 268.1	1 271.8	1 265.5	1 301.8	1 316.0	1 436.2
% ¹	20.8	21.2	23.0	24.7	24.9	24.8	25.8	24.8	25.3	25.5	25.9	26.0	26.7	26.7	27.9
Maturity of 6–12 months															
Amount	924.8	916.8	891.7	918.9	915.0	928.7	931.2	938.6	928.1	901.1	891.4	862.5	846.3	849.7	875.1
% ¹	18.0	18.3	17.6	18.5	18.1	18.5	18.3	18.6	18.3	18.1	18.1	17.7	17.4	17.2	17.0
Long-term															
Amount	431.3	431.8	439.4	425.7	418.4	413.8	419.2	419.2	395.3	398.4	390.3	388.5	388.5	383.1	385.0
% ¹	8.4	8.6	8.7	8.6	8.3	8.3	8.2	8.3	7.8	8.0	7.9	8.0	8.0	7.8	7.5
Maturity of 1–2 years															
Amount	284.0	286.3	273.6	259.3	253.5	250.0	250.0	250.9	235.6	236.4	228.2	225.4	226.0	223.6	225.7
% ¹	5.5	5.7	5.4	5.3	5.0	5.0	4.9	5.0	4.6	4.7	4.6	4.6	4.6	4.5	4.4
Maturity of over 2 years															
Amount	147.3	145.5	165.9	166.4	164.9	163.9	169.1	168.3	159.8	162.0	162.2	163.2	162.6	159.5	159.3
% ¹	2.9	2.9	3.3	3.3	3.3	3.3	3.3	3.3	3.1	3.3	3.3	3.3	3.3	3.2	3.1
Deposits redeemable at notice															
Up to 3 months															
Amount	282.4	266.8	261.2	267.8	277.7	284.6	281.1	299.3	280.8	273.3	267.9	259.2	255.9	252.4	250.4
% ¹	5.5	5.3	5.2	5.4	5.5	5.7	5.5	5.9	5.5	5.5	5.5	5.3	5.2	5.1	4.9
Over 3 months															
Amount	0.1	0.1	0.1	0.1	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repos															
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	5 140.3	5 013.8	5 065.3	4 977.8	5 051.1	5 012.0	5 097.9	5 051.9	5 076.9	4 966.7	4 914.1	4 871.8	4 875.2	4 927.5	5 153.0

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

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

(at end of period; 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			
2008									
X	37.3	124.3	50.1	27.8	0.1	0	0	239.6	197.8
XI	41.0	125.1	50.1	27.3	0.1	0	0	243.5	195.3
XII	52.4	130.8	49.2	27.5	0.1	0	0	260.1	211.8
2009									
I	46.9	145.6	54.7	31.0	0.2	0	0	278.3	224.9
II	59.5	144.0	58.1	29.6	0.1	0	0	291.3	219.5
III	71.4	152.4	57.1	29.8	0.1	0	0	310.7	229.7
IV	68.0	155.1	57.8	29.5	0.1	0	0	310.5	228.9
V	75.9	163.4	56.8	28.9	0.1	0	0	325.2	222.0
VI	79.1	187.2	54.3	27.0	0.1	0	0	347.7	246.3
VII	76.3	192.1	49.6	28.0	0.1	0	0	346.1	249.5
VIII	63.3	175.5	47.5	28.4	0.1	0	0	314.8	222.7
IX	65.3	172.0	47.6	28.2	0.2	0	0	313.3	220.0
X	67.7	187.8	45.9	27.5	0.1	0	0	329.0	224.0
XI	67.5	188.5	47.2	27.3	0.0	0	0	330.6	227.5
XII	57.5	200.1	46.4	26.5	0.3	0	0	330.8	231.9
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			
2008									
X	36.9	63.9	4.9	10.1	1.1	0	0	117.0	70.9
XI	49.6	51.0	5.2	9.8	1.1	0	0	116.7	71.2
XII	60.5	56.9	5.1	9.9	1.1	0	0	133.5	70.8
2009									
I	56.0	71.2	6.1	9.9	1.0	0	0	144.2	73.7
II	59.9	84.5	5.7	9.9	0.8	0	0	160.8	80.3
III	68.6	79.8	5.4	14.0	0.8	0	0	168.6	68.6
IV	74.0	79.2	4.6	21.2	0.7	0	0	179.6	67.5
V	77.9	93.4	3.3	23.3	1.1	0	0	198.9	67.2
VI	76.3	125.1	3.1	25.4	0.9	0	0	230.9	58.1
VII	78.6	132.8	2.9	26.6	0.9	0	0	241.8	63.0
VIII	80.4	138.4	2.5	27.8	2.2	0	0	251.3	62.2
IX	89.7	145.9	2.3	29.0	2.9	0	0	269.9	60.6
X	98.0	160.1	2.9	30.0	2.9	0	0	294.0	69.3
XI	97.4	177.7	3.6	30.3	3.0	0	0	312.0	74.8
XII	113.8	236.1	3.3	30.5	5.4	0	0	389.0	107.3

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			
2008									
X	91.1	180.0	0.2	1.7	0.3	0	0	273.2	253.5
XI	109.8	181.5	0.2	1.7	0.3	0	0	293.5	261.6
XII	131.2	176.2	1.0	1.7	1.1	0	0	311.2	279.1
2009									
I	101.8	175.0	1.1	1.7	1.0	0	0	280.6	238.9
II	109.5	185.7	1.0	1.7	0.9	0	0	298.8	265.1
III	96.7	185.9	1.1	1.6	2.9	0	0	288.2	255.0
IV	104.0	189.5	1.1	1.6	2.8	0	0	299.1	263.2
V	100.2	211.0	1.1	1.6	2.8	0	0	316.6	258.3
VI	89.8	198.3	1.1	1.6	2.8	0	0	293.5	241.9
VII	86.4	183.5	1.1	1.6	2.7	0	0	275.4	230.2
VIII	82.8	191.6	1.1	1.6	2.7	0	0	279.8	236.0
IX	85.1	193.1	1.2	1.6	3.0	0	0	284.0	254.9
X	78.3	238.6	1.2	1.6	3.0	0	0	322.7	260.5
XI	93.2	239.1	1.2	1.6	3.2	0	0	338.2	285.4
XII	84.7	232.9	0.3	1.6	3.1	0	0	322.7	272.0
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			
2008									
X	1 020.9	331.2	18.3	11.9	21.2	0	0	1 403.6	792.4
XI	983.3	329.5	20.7	12.9	22.5	0	0	1 369.0	740.4
XII	991.9	381.1	13.7	13.0	16.9	0	0	1 416.7	733.5
2009									
I	901.8	419.8	14.3	13.1	19.3	0	0	1 368.3	707.2
II	909.9	441.2	15.2	12.9	19.8	0	0	1 399.0	664.7
III	895.9	427.9	15.6	12.4	25.3	0	0	1 377.1	646.2
IV	882.6	481.4	14.1	12.2	24.0	0	0	1 414.3	668.3
V	876.7	413.4	16.9	12.2	25.5	0	0	1 344.8	591.6
VI	889.0	373.9	19.8	12.5	25.2	0	0	1 320.4	543.0
VII	865.7	331.1	22.4	12.9	23.4	0	0	1 255.6	518.4
VIII	882.3	331.8	23.3	13.0	24.3	0	0	1 274.7	547.6
IX	856.4	313.3	23.0	12.1	22.5	0	0	1 227.3	524.3
X	853.4	275.3	24.3	12.1	21.3	0	0	1 186.5	509.0
XI	864.3	272.6	23.8	12.4	23.4	0	0	1 196.6	528.0
XII	855.3	310.9	26.8	12.2	32.5	0	0	1 237.8	574.2

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			
2008									
X	1 244.4	1 296.3	210.5	95.8	259.8	0	0	3 106.9	1 423.9
XI	1 149.8	1 294.6	210.1	93.7	242.8	0	0	2 991.1	1 323.6
XII	1 072.0	1 311.6	204.5	113.7	242.0	0	0	2 943.9	1 306.6
2009									
I	1 030.1	1 335.9	183.2	110.7	246.4	0	0	2 906.3	1 271.8
II	1 045.0	1 315.8	173.5	110.8	256.2	0	0	2 901.2	1 242.9
III	1 008.2	1 326.7	170.7	106.2	255.6	0	0	2 867.3	1 140.6
IV	1 023.0	1 340.8	172.4	104.7	253.5	0	0	2 894.4	1 142.7
V	1 012.2	1 309.3	172.7	102.3	269.8	0	0	2 866.3	1 092.8
VI	1 053.5	1 328.5	157.2	93.4	251.7	0	0	2 884.4	1 054.4
VII	1 018.7	1 329.6	160.4	93.0	246.2	0	0	2 847.9	1 034.1
VIII	983.7	1 325.8	153.8	91.4	238.6	0	0	2 793.4	1 007.3
IX	999.6	1 303.6	151.3	92.2	230.6	0.1	0	2 777.3	1 008.6
X	985.1	1 286.3	151.5	91.4	228.6	0.1	0	2 743.0	988.7
XI	1 003.8	1 287.8	147.7	87.9	222.8	0.1	0	2 750.1	1 008.6
XII	1 094.9	1 331.2	148.9	88.5	209.1	0.1	0	2 872.7	1 100.8

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	In lats	MFIs	Non-MFIs				
						General government	Other			
2008										
X	54.1	264.1	318.2	240.6	9 374.5	3 866.2	2.5	3 863.7	13 240.7	192.7
XI	364.1	273.9	638.0	350.6	9 360.5	3 755.0	2.4	3 752.6	13 115.5	152.4
XII	716.1	197.8	913.9	346.7	9 306.5	3 463.3	1.7	3 461.6	12 769.8	138.8
2009										
I	685.0	207.7	892.8	336.1	9 149.9	3 335.9	1.4	3 334.5	12 485.7	127.1
II	715.8	207.0	922.9	361.8	8 843.0	3 244.5	2.1	3 242.4	12 087.4	154.2
III	882.6	217.9	1 100.5	374.1	8 464.3	3 184.2	1.9	3 182.3	11 648.5	135.0
IV	866.7	202.8	1 069.5	340.7	8 358.1	3 192.8	2.0	3 190.8	11 550.9	153.2
V	662.0	208.1	870.1	190.8	8 268.1	3 041.2	2.2	3 039.0	11 309.3	161.9
VI	662.1	189.4	851.4	170.4	8 066.4	2 977.3	2.0	2 975.4	11 043.7	121.4
VII	664.9	180.1	845.0	161.1	7 862.2	2 951.2	2.4	2 948.7	10 813.3	120.0
VIII	662.8	175.6	838.3	157.9	7 983.0	3 002.1	2.5	2 999.7	10 985.2	138.1
IX	680.5	173.2	853.6	157.9	7 896.3	2 910.7	2.2	2 908.4	10 806.9	131.1
X	642.3	162.1	804.3	139.4	7 788.8	3 005.5	2.1	3 003.4	10 794.3	122.5
XI	644.1	158.3	802.4	137.3	7 519.2	3 030.7	2.3	3 028.4	10 549.9	85.1
XII	640.2	133.3	773.5	111.4	7 374.2	3 261.7	1.4	3 260.3	10 635.9	96.7

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

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Short-term															
Amount	1 790.2	1 772.0	1 787.1	1 789.2	1 801.6	1 743.6	1 730.4	1 728.5	1 748.0	1 720.9	1 752.3	1 818.3	1 818.5	1 801.9	1 804.7
% ¹	12.2	12.1	12.2	12.3	12.4	12.1	12.1	12.2	12.4	12.3	12.6	13.1	13.2	13.1	13.4
Maturity of 1–5 years															
Amount	4 038.5	3 961.5	3 901.4	3 927.2	3 946.4	3 919.7	3 856.6	3 794.7	3 683.0	3 647.6	3 582.0	3 502.5	3 445.4	3 341.4	3 245.0
% ¹	27.5	27.1	26.8	27.0	27.2	27.3	27.1	26.8	26.2	26.1	25.7	25.2	25.0	24.4	24.0
Maturity of over 5 years															
Amount	8 840.2	8 909.5	8 889.2	8 835.7	8 743.9	8 705.0	8 665.4	8 617.0	8 645.1	8 607.9	8 587.2	8 559.9	8 532.8	8 575.5	8 465.2
% ¹	60.3	60.8	61.0	60.7	60.4	60.6	60.8	61.0	61.4	61.6	61.7	61.7	61.8	62.5	62.6
Total loans	14 668.9	14 643.0	14 577.7	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9

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	In lats	Up to 1 year	In lats	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		
2008																
X	0.1	1.4	0.1	183.7	982.2	193.8	31.2	36.5	277.5	345.2	19.6	1 181.1	2 715.3	3 011.5	6 907.9	686.2
XI	0.1	1.4	0.1	199.3	964.5	193.3	22.3	31.4	288.4	342.1	19.6	1 156.0	2 690.2	3 055.9	6 902.1	694.1
XII	0	1.3	0.1	179.6	895.9	187.3	22.8	29.0	329.4	381.2	17.8	1 180.8	2 660.3	3 055.7	6 896.8	696.8
2009																
I	0.1	1.3	0.1	170.8	874.4	173.9	22.3	27.0	328.0	377.4	18.1	1 183.9	2 702.3	3 027.6	6 913.8	662.0
II	0.1	1.4	0.1	161.0	848.3	167.1	32.2	26.5	330.6	389.3	17.7	1 193.1	2 685.1	3 014.7	6 892.8	639.4
III	0	1.3	0.1	149.5	811.8	162.8	21.5	29.3	332.3	383.0	17.4	1 147.3	2 689.5	3 004.2	6 841.0	607.2
IV	0.1	1.4	0.1	136.3	779.5	154.7	19.8	24.5	332.4	376.7	15.8	1 146.4	2 654.0	2 988.4	6 788.7	588.6
V	0.1	1.3	0.1	61.6	694.1	98.1	14.2	35.3	334.3	383.8	16.0	1 213.6	2 593.9	2 976.7	6 784.1	599.0
VI	0.1	1.3	0.1	45.0	674.7	96.4	14.0	34.8	334.1	382.9	16.7	1 248.4	2 544.5	2 967.2	6 760.1	581.5
VII	0.1	1.3	0.1	44.5	645.9	79.4	6.7	34.4	341.7	382.9	15.8	1 227.2	2 516.2	2 970.1	6 713.5	544.4
VIII	0.1	1.3	0.1	72.6	675.8	92.9	6.0	34.0	342.4	382.5	15.3	1 225.6	2 470.2	2 954.4	6 650.1	493.2
IX	0.1	1.3	0.1	86.3	701.0	96.3	10.3	36.8	345.4	392.5	13.6	1 244.7	2 426.5	2 929.0	6 600.1	444.3
X	0	1.3	0	86.8	685.3	93.6	7.6	36.2	346.7	390.5	14.1	1 247.3	2 394.8	2 924.3	6 566.5	429.5
XI	0.5	1.8	0.1	95.7	689.1	89.9	8.6	36.7	351.3	396.6	12.1	1 220.0	2 359.1	2 931.2	6 510.3	393.0
XII	0	1.3	0	87.5	623.6	88.8	9.4	35.7	350.7	395.7	11.6	1 237.7	2 269.9	2 898.5	6 406.0	364.2

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			
2008														
X	799.8	266.0	251.3	282.5	5 066.0	74.3	384.3	4 607.4	566.4	53.8	215.9	296.7	6 432.2	826.2
XI	795.0	263.8	246.7	284.4	5 071.9	77.3	384.6	4 610.0	566.1	53.3	187.9	324.9	6 433.0	818.3
XII	793.1	265.8	238.8	288.4	5 054.5	87.4	383.8	4 583.3	554.8	50.6	177.1	327.1	6 402.4	808.2
2009														
I	787.9	266.7	231.7	289.5	5 047.4	94.7	389.8	4 562.9	549.9	50.7	170.0	329.3	6 385.2	791.8
II	782.2	264.7	225.3	292.2	5 036.2	104.4	391.3	4 540.5	541.8	46.1	168.2	327.6	6 360.2	772.1
III	782.8	267.2	217.7	298.0	5 008.3	107.4	389.8	4 511.1	540.0	50.7	162.5	326.8	6 331.2	758.5
IV	781.1	265.3	212.0	303.8	4 980.1	109.5	380.0	4 490.6	544.9	53.0	168.7	323.1	6 306.1	741.5
V	775.9	264.2	206.8	304.8	4 955.0	118.3	374.3	4 462.4	545.9	56.5	166.4	323.0	6 276.7	735.7
VI	764.4	261.1	201.5	301.7	4 953.6	122.4	382.5	4 448.7	539.1	57.0	165.5	316.5	6 257.0	719.5
VII	758.4	258.7	196.7	303.0	4 937.3	129.0	387.5	4 420.8	537.1	54.8	163.9	318.5	6 232.9	695.3
VIII	756.6	260.1	191.0	305.5	4 921.4	132.7	389.0	4 399.6	533.8	55.2	163.0	315.6	6 211.8	677.9
IX	750.3	259.0	187.3	304.0	4 890.8	156.9	371.4	4 362.5	544.7	61.1	153.8	329.8	6 185.9	661.9
X	740.8	254.8	180.1	305.9	4 872.3	157.3	369.4	4 345.6	540.0	64.6	148.4	327.0	6 153.2	646.5
XI	731.7	249.4	174.7	307.5	4 851.9	160.9	373.5	4 317.5	537.3	66.8	147.2	323.4	6 121.0	632.8
XII	716.8	241.5	166.5	308.8	4 828.6	155.0	376.8	4 296.9	542.7	73.6	146.9	322.2	6 088.2	614.6

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				
2008											
X	84.8	76.0	160.8	6.7	1 978.0	1 626.4	0.8	1 625.6	3 604.4	98.4	
XI	91.8	78.8	170.6	6.7	2 191.4	1 623.0	0.8	1 622.3	3 814.5	151.8	
XII	91.5	76.6	168.1	6.2	2 224.7	1 508.1	0.6	1 507.5	3 732.8	144.6	
2009											
I	84.4	78.7	163.1	5.9	2 022.2	1 541.3	0.6	1 540.7	3 563.5	108.4	
II	84.4	80.2	164.7	6.1	1 871.6	1 550.9	0.6	1 550.3	3 422.5	104.5	
III	84.4	80.3	164.8	5.7	1 894.0	1 505.4	0.6	1 504.9	3 399.4	134.1	
IV	84.4	74.5	158.9	5.7	2 110.4	1 475.0	0.6	1 474.5	3 585.4	123.9	
V	84.4	74.4	158.8	5.4	2 189.3	1 421.1	0.6	1 420.5	3 610.4	91.7	
VI	84.4	74.2	158.6	5.0	2 114.5	1 386.9	0.6	1 386.4	3 501.4	70.2	
VII	84.4	76.3	160.7	5.0	1 940.3	1 377.6	0.6	1 377.1	3 317.9	54.9	
VIII	84.4	74.7	159.1	3.7	2 174.4	1 353.7	0.6	1 353.2	3 528.1	81.2	
IX	84.4	72.3	156.8	3.5	2 146.3	1 343.7	0.6	1 343.1	3 490.0	166.7	
X	84.4	73.3	157.7	3.0	2 275.2	1 341.0	0.6	1 340.5	3 616.3	163.7	
XI	84.8	72.8	157.5	3.0	2 129.0	1 289.7	0.6	1 289.1	3 418.7	179.9	
XII	84.8	71.8	156.5	2.8	2 481.6	1 341.5	0.3	1 341.2	3 823.1	235.5	

17. LOANS TO FINANCIAL INSTITUTIONS AND NON-FINANCIAL CORPORATIONS IN THE NATIONAL ECONOMY¹

(at end of Q4 2009, 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	%	Incl. lats	%	Amount	%	Incl. lats	%	Amount	%	Incl. lats	%	Amount	%	Incl. lats	%
Total	2 762.8	100.0	287.5	100.0	2 013.3	100.0	114.2	100.0	2 652.2	100.0	62.9	100.0	7 428.3	100.0	464.6	100.0
A Agriculture, forestry and fishing	102.7	3.7	14.4	5.0	122.1	6.1	12.8	11.2	108.6	4.1	17.1	27.2	333.4	4.5	44.3	9.5
B Mining and quarrying	4.7	0.2	0.4	0.1	5.6	0.3	0.3	0.2	5.0	0.2	0.4	0.6	15.3	0.2	1.1	0.2
C Manufacturing	405.5	14.7	74.6	26.0	262.9	13.1	5.1	4.5	327.8	12.4	6.2	9.9	996.2	13.4	85.9	18.5
D Electricity, gas, steam and air conditioning supply	8.2	0.3	2.9	1.0	30.8	1.5	0.4	0.3	181.4	6.8	2.5	4.0	220.4	3.0	5.8	1.3
E Water supply; sewerage, waste management and remediation activities	4.4	0.2	2.6	0.9	9.7	0.5	1.5	1.3	16.9	0.6	0.6	0.9	31.0	0.4	4.7	1.0
F Construction	317.2	11.5	21.7	7.6	152.8	7.6	2.8	2.4	328.4	12.4	3.2	5.1	798.4	10.7	27.7	6.0
G Wholesale and retail trade; repair of motor vehicles and motorcycles	418.8	15.2	59.6	20.7	169.4	8.4	29.9	26.2	244.2	9.2	4.7	7.5	832.4	11.2	94.2	20.3
H Transportation and storage	94.5	3.4	11.6	4.0	135.4	6.7	1.0	0.9	188.7	7.1	0.4	0.6	418.6	5.6	13.0	2.8
I Accommodation and food service activities	13.3	0.5	1.9	0.7	17.0	0.8	4.3	3.8	22.8	0.9	0	0	53.1	0.7	6.2	1.3
J Information and communication	38.2	1.4	3.0	1.0	48.3	2.4	1.9	1.7	103.8	3.9	2.0	3.2	190.3	2.6	6.9	1.5
K Financial and insurance activities	306.8	11.1	50.4	17.5	333.3	16.6	43.7	38.3	53.7	2.0	0.1	0.2	693.8	9.3	94.2	20.3
L Real estate activities	939.9	34.0	22.9	8.0	622.3	30.9	4.9	4.3	856.4	32.3	23.0	36.6	2 418.6	32.6	50.8	10.9
M Professional, scientific and technical activities	14.1	0.5	2.3	0.8	9.4	0.5	0.8	0.7	12.0	0.5	0.2	0.3	35.5	0.5	3.3	0.7
N Administrative and support service activities	25.6	0.9	13.5	4.7	27.0	1.3	1.6	1.4	40.5	1.5	0.9	1.4	93.1	1.3	16.0	3.5
O Public administration and defence; compulsory social security	0.7	0	0.2	0.1	0.1	0	0	0	45.0	1.7	0.1	0.2	45.8	0.6	0.3	0.1
P Education	1.3	0	0.1	0	2.0	0.1	0.1	0.1	2.0	0.1	0	0	5.3	0.1	0.2	0
Q Human health and social work activities	5.0	0.2	0.3	0.1	10.1	0.5	0.6	0.5	9.1	0.3	0.7	1.1	24.2	0.3	1.6	0.3
R Arts, entertainment and recreation	14.2	0.5	1.2	0.4	14.9	0.7	0.8	0.7	19.8	0.8	0.2	0.3	48.9	0.7	2.2	0.5
S Other service activities	47.7	1.7	3.9	1.4	40.2	2.0	1.7	1.5	86.1	3.2	0.6	0.9	174.0	2.3	6.2	1.3

¹ As of the first quarter of 2008, the sectoral breakdown is given according to the revised statistical Classification of Economic Activities in the European Community (NACE Rev. 2).

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

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Commercial credit	2 810.7	2 785.6	2 712.1	2 710.5	2 688.9	2 654.8	2 564.7	2 480.6	2 425.0	2 384.6	2 366.1	2 374.3	2 333.4	2 296.1	2 193.6
Industrial credit	1 785.9	1 811.2	1 863.1	1 860.8	1 851.8	1 836.4	1 836.7	1 840.3	1 846.7	1 834.9	1 842.8	1 838.7	1 840.4	1 843.5	1 840.8
Reverse repo	16.1	11.9	9.9	10.3	10.0	9.4	9.9	8.7	7.8	7.5	6.6	6.1	6.0	6.3	5.1
Financial leasing	18.4	17.9	18.3	17.9	17.6	17.2	16.6	16.2	15.8	15.4	14.9	14.0	13.4	15.5	15.3
Consumer credit	680.2	676.0	668.7	664.2	660.9	650.2	650.8	644.6	507.6	504.6	504.1	498.2	494.0	490.2	482.2
Mortgage loans	8 325.6	8 309.7	8 287.2	8 273.3	8 247.3	8 191.2	8 128.2	8 049.4	8 111.5	8 112.5	8 077.8	8 037.6	8 007.7	7 963.5	7 900.1
Factoring	6.5	6.2	6.1	6.0	5.7	5.5	5.1	4.9	4.8	4.7	4.5	4.4	4.2	4.1	3.9
Transit credit	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3
Other credit	1 025.1	1 023.9	1 011.9	1 008.6	1 009.1	1 003.2	1 039.9	1 095.0	1 156.5	1 111.9	1 104.3	1 107.2	1 097.2	1 099.3	1 073.5
Total loans	14 668.9	14 643.0	14 577.7	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9

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		
2008										
X	44.6	44.2	383.0	262.2	0.6	0.6	944.4	923.2	1 372.6	403.3
XI	44.0	43.5	779.0	259.6	0.7	0.7	894.2	874.8	1 717.8	801.1
XII	43.1	42.6	1 013.9	262.4	0.6	0.6	896.2	877.8	1 953.8	803.6
2009										
I	42.8	42.3	997.2	255.0	0.6	0.6	869.6	851.4	1 910.2	787.3
II	44.9	44.4	820.6	248.1	0.6	0.6	861.2	847.2	1 727.3	605.7
III	44.8	44.3	442.3	247.8	0.7	0.7	866.9	849.3	1 354.7	455.3
IV	40.1	40.1	556.7	249.4	0.4	0.4	860.1	840.4	1 457.3	565.4
V	35.8	35.8	532.7	254.1	0.3	0.3	831.4	807.9	1 400.3	541.3
VI	38.4	38.4	468.1	254.5	0.1	0.1	810.1	786.2	1 316.7	445.8
VII	34.1	34.1	550.0	250.4	0.1	0.1	832.3	809.5	1 416.5	493.6
VIII	33.1	33.1	526.7	254.3	0.1	0.1	805.0	782.9	1 365.0	469.6
IX	33.6	33.6	507.1	255.8	0.1	0.1	800.3	778.3	1 341.1	484.9
X	31.9	31.2	507.3	257.6	0.1	0.1	790.3	758.8	1 329.5	491.1
XI	31.5	31.3	423.2	261.7	0.1	0.1	744.3	711.7	1 199.0	435.5
XII	32.9	32.8	434.3	261.8	0.1	0.1	743.2	674.6	1 210.4	451.3

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			
2008						
X	0	63.3	117.8	181.1	121.4	
XI	0	62.8	117.4	180.1	121.2	
XII	0	71.4	111.2	182.6	119.6	
2009						
I	0	72.9	114.7	187.6	124.0	
II	0	77.7	117.6	195.3	129.0	
III	0	89.1	123.2	212.3	140.4	
IV	0	88.7	123.8	212.5	140.6	
V	0	154.8	124.8	279.7	207.9	
VI	0	162.2	120.8	283.0	214.9	
VII	0	162.4	115.4	277.8	220.2	
VIII	0	163.7	118.7	282.4	222.3	
IX	0	167.5	121.0	288.5	225.6	
X	0	165.5	118.4	283.9	224.7	
XI	0	168.0	130.8	298.9	240.2	
XII	0	164.0	129.5	293.5	192.5	

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	
2008										
X	639.3	60.8	39.2	26.1	12.0	5 458.5	54.6	45.4	37.9	6.7
XI	1 031.9	76.4	23.6	17.2	6.4	5 651.8	52.1	47.9	41.1	6.2
XII	982.9	60.4	39.6	33.1	6.5	5 979.2	49.3	50.7	45.1	5.0
2009										
I	1 016.2	63.3	36.7	31.2	5.2	5 870.5	48.6	51.4	45.6	5.2
II	1 062.3	59.2	40.8	34.4	6.2	5 973.9	47.5	52.5	47.0	5.0
III	797.1	66.2	33.8	25.5	8.0	6 112.5	44.4	55.6	50.2	4.8
IV	742.7	68.1	31.9	25.4	6.4	6 167.4	44.0	56.0	50.7	4.8
V	859.8	69.0	31.0	24.7	6.3	5 922.0	40.9	59.1	53.3	5.2
VI	657.4	57.2	42.8	30.3	12.4	5 928.3	39.0	61.0	55.7	4.7
VII	613.9	62.0	38.0	29.2	8.8	5 811.7	38.8	61.2	55.6	5.0
VIII	570.5	62.6	37.4	28.9	8.4	5 752.4	38.8	61.2	55.5	5.0
IX	534.4	64.4	35.6	26.2	9.4	5 725.5	38.9	61.1	55.3	5.2
X	538.5	65.1	34.9	26.2	8.7	5 679.5	38.6	61.4	56.0	4.7
XI	510.0	61.5	38.5	28.4	10.0	5 729.9	39.5	60.5	55.4	4.5
XII	425.3	64.7	35.3	25.7	9.2	5 926.5	40.5	59.5	54.4	4.4

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	
2008										
X	9 374.5	1.3	98.7	94.1	1.7	3 866.2	1.9	98.1	29.9	64.1
XI	9 360.5	1.0	99.0	94.3	2.1	3 755.0	1.7	98.3	27.4	66.8
XII	9 306.5	1.0	99.0	95.1	1.9	3 463.3	1.4	98.6	29.2	66.2
2009										
I	9 149.9	0.8	99.2	95.0	2.1	3 335.9	1.5	98.5	33.1	62.5
II	8 843.0	1.2	98.8	95.3	1.9	3 244.5	1.5	98.5	32.8	62.9
III	8 464.3	1.1	98.9	96.4	1.3	3 184.2	1.4	98.6	32.2	63.5
IV	8 358.1	1.3	98.7	96.3	1.1	3 192.8	1.4	98.6	32.5	63.3
V	8 268.1	1.3	98.7	96.9	0.8	3 041.2	1.9	98.1	33.7	61.2
VI	8 066.4	0.9	99.1	97.4	0.6	2 977.3	1.7	98.3	34.0	61.2
VII	7 862.2	0.8	99.2	97.6	0.5	2 951.2	1.9	98.1	33.7	61.5
VIII	7 983.0	0.9	99.1	97.3	0.7	3 002.1	2.2	97.8	35.9	59.5
IX	7 896.3	1.2	98.8	97.2	0.6	2 910.7	1.3	98.7	36.1	59.7
X	7 788.8	1.0	99.0	97.2	0.6	3 005.5	1.4	98.6	36.5	59.2
XI	7 519.2	0.6	99.4	97.3	0.9	3 030.7	1.4	98.6	36.1	58.5
XII	7 374.2	0.7	99.3	97.2	0.8	3 261.7	1.4	98.6	39.5	55.8

20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies			incl. USD
			incl. EUR			
2008						
X	14 829.7	11.7	88.3		85.0	2.6
XI	14 813.6	11.7	88.3		85.0	2.6
XII	14 745.8	11.6	88.4		85.2	2.4
2009						
I	14 715.2	11.2	88.8		85.6	2.5
II	14 656.5	10.9	89.1		85.8	2.6
III	14 533.1	10.7	89.3		86.2	2.4
IV	14 411.2	10.5	89.5		86.4	2.4
V	14 299.0	10.2	89.8		86.8	2.3
VI	14 234.7	10.0	90.0		87.1	2.3
VII	14 137.2	9.5	90.5		87.6	2.2
VIII	14 080.6	9.1	90.9		88.1	2.1
IX	14 037.5	8.7	91.3		88.5	2.1
X	13 954.4	8.5	91.5		88.7	2.1
XI	13 876.3	8.2	91.8		89.1	2.1
XII	13 671.4	7.9	92.1		89.2	2.1

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		
2008										
X	1 978.0	3.0	97.0	30.3	59.5	1 626.4	2.4	97.6	42.7	54.2
XI	2 191.4	5.2	94.8	27.9	60.6	1 623.0	2.3	97.7	41.7	55.3
XII	2 224.7	4.8	95.2	40.7	50.0	1 508.1	2.5	97.5	44.6	52.3
2009										
I	2 022.2	3.6	96.4	43.1	48.4	1 541.3	2.3	97.7	42.8	54.3
II	1 871.6	3.6	96.4	44.7	47.0	1 550.9	2.4	97.6	42.4	54.8
III	1 894.0	5.1	94.9	41.5	48.2	1 505.4	2.5	97.5	43.3	53.8
IV	2 110.4	4.1	95.9	43.8	48.2	1 475.0	2.6	97.4	43.6	53.3
V	2 189.3	2.0	98.0	54.2	39.1	1 421.1	3.4	96.6	44.6	51.5
VI	2 114.5	1.9	98.1	51.1	42.4	1 386.9	2.2	97.8	45.7	51.7
VII	1 940.3	1.3	98.7	51.2	42.3	1 377.6	2.1	97.9	46.3	51.1
VIII	2 174.4	2.4	97.6	49.8	43.1	1 353.7	2.2	97.8	46.5	50.7
IX	2 146.3	6.4	93.6	49.4	39.6	1 343.7	2.2	97.8	46.9	50.4
X	2 275.2	5.6	94.4	50.3	39.0	1 341.0	2.6	97.4	47.9	49.0
XI	2 129.0	6.8	93.2	44.5	43.7	1 289.7	2.7	97.3	48.0	48.8
XII	2 481.6	8.1	91.9	46.0	40.3	1 341.5	2.6	97.4	48.1	48.9

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		
2008											
X	44.6	24.9	75.1	69.0	6.1	383.6	96.9	3.1	3.1	0	
XI	44.0	23.9	76.1	69.9	6.2	779.6	98.7	1.3	1.3	0	
XII	43.1	24.5	75.5	69.6	5.9	1 014.5	76.1	23.9	23.9	0	
2009											
I	42.8	25.0	75.0	68.7	6.3	997.8	75.8	24.2	24.2	0	
II	44.9	23.5	76.5	70.3	6.2	821.3	70.5	29.5	29.5	0	
III	44.8	23.9	76.1	70.1	6.0	443.0	98.1	1.9	1.9	0	
IV	40.1	26.2	73.8	67.2	6.6	557.1	98.6	1.4	1.4	0	
V	35.8	21.4	78.6	71.5	7.1	533.0	98.5	1.5	1.5	0	
VI	38.4	20.2	79.8	73.4	6.4	468.2	91.8	8.2	8.2	0	
VII	34.1	23.0	77.0	71.0	6.0	550.1	86.8	13.2	13.2	0	
VIII	33.1	20.6	79.4	73.3	6.1	526.8	86.2	13.8	13.8	0	
IX	33.6	20.1	79.9	74.0	5.9	507.2	92.6	7.4	7.4	0	
X	31.9	23.5	76.5	70.3	6.2	507.4	92.6	7.4	7.4	0	
XI	31.5	22.7	77.3	71.1	6.2	423.3	98.2	1.8	1.8	0	
XII	32.9	21.8	78.2	76.2	2.0	434.4	98.2	1.8	1.8	0	

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		
2008											
X	540.5	1.1	98.9	53.9	42.7	403.9	3.7	96.3	27.1	59.1	
XI	526.7	1.1	98.9	54.8	42.0	367.5	4.1	95.9	27.3	57.7	
XII	508.9	1.1	98.9	58.6	38.3	387.3	3.9	96.1	21.5	66.7	
2009											
I	517.5	1.1	98.9	58.5	39.3	352.1	4.3	95.7	19.9	67.7	
II	522.9	1.1	98.9	57.6	40.2	338.2	3.2	96.8	21.4	67.2	
III	510.3	1.1	98.9	58.8	38.8	356.6	1.2	98.8	19.0	71.9	
IV	502.9	1.2	98.8	59.6	38.0	357.2	0	100.0	18.0	74.2	
V	476.4	1.8	98.2	59.5	37.7	355.1	0	100.0	18.0	74.2	
VI	474.5	1.8	98.2	60.0	37.3	335.6	0	100.0	19.0	73.1	
VII	470.9	1.8	98.2	62.5	34.8	361.4	0	100.0	17.0	76.0	
VIII	467.5	1.8	98.2	63.0	34.3	337.5	0	100.0	18.8	74.7	
IX	461.2	1.9	98.1	63.1	33.9	339.1	0	100.0	19.6	74.5	
X	459.6	3.1	96.9	63.2	32.6	330.7	0	100.0	19.5	74.3	
XI	424.4	3.0	97.0	66.6	29.2	319.8	0	100.0	22.6	71.5	
XII	424.4	4.1	95.9	65.0	29.6	318.8	0	100.0	22.2	71.7	

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
2008			
X	175.5	9.1	90.9
XI	178.4	9.0	91.0
XII	178.9	9.0	91.0
2009			
I	179.8	8.9	91.1
II	178.1	9.0	91.0
III	168.7	9.5	90.5
IV	163.5	9.8	90.2
V	160.4	10.0	90.0
VI	160.5	10.0	90.0
VII	160.7	10.0	90.0
VIII	157.7	8.3	91.7
IX	157.0	8.3	91.7
X	154.5	8.4	91.6
XI	153.2	8.5	91.5
XII	153.5	8.5	91.5

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	
2008											
X	1.25	7.49	8.75	7.61	4.71	–	2.61	6.82	8.86	x	–
XI	1.11	7.97	9.53	9.16	5.03	–	2.43	7.41	9.04	x	–
XII	0.93	9.37	10.76	10.16	5.43	–	1.59	9.74	11.12	x	–
2009											
I	0.97	8.67	10.70	11.22	4.65	–	1.12	5.66	10.56	x	–
II	0.95	7.29	10.12	9.50	4.67	–	1.15	5.57	8.74	x	–
III	0.91	7.55	9.65	9.05	4.75	–	0.79	5.85	9.37	x	–
IV	0.91	7.68	10.48	12.00	4.53	–	1.86	6.32	8.67	7.76	–
V	1.00	8.44	10.51	10.99	4.72	x	3.48	8.99	x	9.82	–
VI	0.97	14.80	11.71	9.40	5.48	x	2.64	19.98	11.07	x	–
VII	0.85	11.94	12.39	9.01	5.46	x	1.11	8.46	9.30	x	–
VIII	0.87	9.84	13.16	7.69	5.33	x	0.62	5.85	12.26	–	–
IX	0.96	9.75	12.09	12.12	4.51	x	0.57	5.08	10.67	x	–
X	0.97	9.55	12.27	9.27	4.54	x	0.61	5.34	11.03	6.37	–
XI	0.95	10.00	14.45	10.24	4.65	x	0.56	5.38	6.32	9.91	–
XII	1.12	11.35	13.32	10.21	4.43	x	0.47	5.39	12.50	6.48	–

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	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				
2008												
X	22.46	11.11	10.29	8.08	11.51	10.99	18.92	19.40	19.75	11.81	15.40	
XI	22.50	12.77	6.88	8.06	x	12.06	19.40	18.66	19.42	13.64	14.77	
XII	24.25	16.69	–	x	x	16.32	20.12	15.60	18.06	17.70	14.62	
2009												
I	24.49	11.48	15.14	x	11.86	11.40	20.08	24.55	22.35	12.21	15.54	
II	24.50	13.65	13.56	x	x	12.63	19.76	23.60	21.70	17.60	8.33	
III	22.74	14.23	8.56	x	x	12.24	20.55	24.18	22.45	21.63	10.01	
IV	22.73	16.46	7.64	x	x	12.35	21.44	23.13	22.56	19.40	11.42	
V	22.79	15.72	x	x	x	10.57	21.70	20.90	21.67	17.40	7.76	
VI	22.79	16.48	10.49	7.82	x	10.51	21.58	24.20	22.65	16.96	4.97	
VII	24.71	15.54	10.74	x	x	8.51	21.33	24.94	23.46	0.27	11.00	
VIII	23.05	10.70	8.03	7.83	x	8.51	21.94	25.29	23.74	5.33	14.65	
IX	24.41	10.25	9.47	x	x	8.74	21.27	24.49	23.30	0.14	7.88	
X	24.56	13.79	15.75	x	x	10.66	21.75	23.26	23.24	0.79	8.25	
XI	24.62	14.14	10.75	x	x	10.04	19.56	19.38	19.90	0.05	1.81	
XII	24.86	13.19	7.18	x	x	9.25	21.13	13.09	16.96	6.16	1.63	

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	Other loans up to 0.2 million euros by initial rate fixation		Other loans over 0.2 million euros and up to 1 million euros by initial rate fixation		Other loans over 1 million euros 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	
2008								
X	10.49	14.00	9.02	9.97	–	11.65	–	–
XI	14.00	13.49	9.99	13.61	x	x	x	x
XII	11.39	14.30	11.98	14.31	x	x	x	x
2009								
I	8.65	13.19	9.12	15.43	–	–	–	x
II	8.65	14.41	11.14	x	–	x	–	–
III	8.16	15.59	9.78	15.87	x	x	–	–
IV	11.00	13.50	9.13	8.93	x	x	–	–
V	14.76	17.42	9.02	x	–	x	–	–
VI	21.21	18.97	8.92	x	x	x	–	–
VII	12.34	18.56	8.95	x	x	14.89	–	–
VIII	8.81	17.31	x	–	x	–	–	–
IX	9.85	21.13	13.90	x	x	–	–	–
X	9.07	14.28	9.99	x	–	8.27	–	x
XI	12.17	13.01	10.90	x	x	x	–	–
XII	12.53	10.74	8.95	x	x	6.03	–	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		
2008										
X	1.25	8.04	5.62	4.71	–	2.61	7.56	5.58	–	–
XI	1.11	8.22	5.71	5.03	–	2.43	8.30	5.70	–	–
XII	0.93	8.68	8.14	5.43	–	1.59	10.32	6.24	–	–
2009										
I	0.97	8.77	8.51	4.65	–	1.12	9.87	6.29	–	–
II	0.95	8.85	8.30	4.67	–	1.15	9.79	6.26	–	–
III	0.91	8.89	8.36	4.75	–	0.79	8.94	6.59	–	–
IV	0.91	8.95	8.42	4.53	–	1.86	8.94	6.71	–	–
V	1.00	9.14	8.47	4.72	x	3.48	10.00	6.81	–	–
VI	0.97	10.31	8.55	5.48	x	2.64	17.67	7.06	–	–
VII	0.85	10.50	8.73	5.46	x	1.11	14.33	7.24	–	–
VIII	0.87	10.98	8.80	5.33	x	0.62	13.29	7.25	–	–
IX	0.96	10.97	8.88	4.51	x	0.57	11.27	6.12	–	–
X	0.97	10.96	8.79	4.54	x	0.61	10.85	6.08	–	–
XI	0.95	11.04	9.11	4.65	x	0.56	11.24	6.07	–	–
XII	1.12	11.40	9.26	4.43	x	0.47	10.60	5.94	–	–

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			With maturity			
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years	
2008										
X	21.39	8.86	8.43	21.42	17.46	10.38	10.68	9.63	8.03	
XI	22.52	9.49	9.25	21.48	17.49	10.87	13.25	11.32	8.79	
XII	24.05	10.99	10.42	23.00	17.70	11.13	12.86	13.03	10.09	
2009										
I	24.71	11.55	10.67	23.26	17.84	12.68	11.76	13.57	10.07	
II	22.69	11.13	10.44	23.33	18.13	12.88	10.87	13.25	9.56	
III	26.53	10.97	10.15	22.12	18.47	13.06	10.19	12.83	9.62	
IV	32.63	11.08	10.19	22.73	19.15	13.82	11.86	12.79	9.44	
V	15.57	11.57	10.58	22.75	19.23	13.82	14.62	13.73	10.01	
VI	23.34	12.31	11.71	22.84	19.63	14.08	21.10	17.96	12.00	
VII	23.02	12.97	11.82	23.91	19.71	16.46	13.47	17.47	11.99	
VIII	22.41	13.45	11.60	22.74	20.06	16.68	10.73	16.65	11.92	
IX	37.29	12.48	10.62	23.65	19.91	16.54	11.19	13.53	9.73	
X	35.92	11.98	10.17	23.67	20.05	16.45	10.33	12.52	9.18	
XI	41.22	11.43	9.99	23.52	20.20	16.32	12.53	12.21	8.84	
XII	35.80	11.34	9.59	23.48	20.12	15.97	12.79	10.02	8.55	

¹ Including bank overdraft.

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

(%)

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	
2008											
X	1.84	4.27	7.18	5.46	4.51	–	1.87	4.07	x	x	–
XI	1.65	3.79	6.23	6.05	4.56	–	1.39	3.47	5.48	6.62	–
XII	1.33	3.61	7.27	4.75	4.34	–	1.04	3.33	5.49	x	–
2009											
I	1.09	3.19	5.93	5.90	3.41	–	0.52	2.74	4.63	4.40	–
II	1.04	2.95	5.53	7.48	2.87	–	0.52	2.11	2.33	5.83	–
III	1.00	3.26	5.39	4.64	2.50	–	0.55	2.08	3.62	3.75	–
IV	1.00	3.39	6.33	5.53	2.39	–	0.39	2.46	3.45	4.94	–
V	1.02	2.94	5.29	6.14	2.16	x	0.49	2.13	3.01	x	–
VI	0.96	3.26	5.84	5.94	2.07	x	0.35	1.65	4.78	3.16	–
VII	0.90	3.20	6.55	7.37	2.01	x	0.32	1.41	2.31	x	–
VIII	0.96	2.87	6.20	6.22	1.95	x	0.28	1.63	3.05	2.76	–
IX	0.93	2.56	5.82	4.62	1.58	x	0.29	1.76	5.70	3.66	–
X	0.91	2.33	5.48	5.18	1.60	x	0.33	1.17	1.90	2.50	–
XI	0.91	2.49	6.17	6.15	1.62	x	0.37	1.36	3.23	4.30	–
XII	0.81	3.17	6.75	5.51	1.72	x	0.24	1.39	2.87	3.76	–

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 EUROS (CONT.)

(%)

2. Interest rates on loans to households (new business)												
	Bank overdraft 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				
2008												
X	11.77	7.26	6.78	6.94	8.01	9.60	10.23	8.82	9.66	11.12	9.79	
XI	11.35	7.12	6.72	5.60	8.10	7.11	10.71	9.45	10.48	7.47	9.10	
XII	11.14	6.47	7.01	7.13	7.41	6.66	10.24	13.15	12.84	9.84	7.85	
2009												
I	10.38	6.24	6.51	5.91	7.07	6.38	10.00	14.06	14.33	9.53	8.26	
II	9.89	5.91	6.64	6.21	7.22	6.10	9.79	12.67	14.18	7.39	19.83	
III	9.77	5.49	6.14	7.04	6.07	5.64	9.31	17.88	22.87	7.89	8.24	
IV	8.87	5.16	6.01	6.78	6.54	5.33	9.35	16.61	22.54	5.80	9.52	
V	8.52	5.04	5.74	7.23	6.20	5.23	11.02	16.46	17.66	7.03	6.62	
VI	8.06	4.42	5.11	5.82	6.10	4.61	12.83	19.32	24.79	5.37	9.01	
VII	7.88	4.16	5.87	7.03	6.61	4.45	17.77	19.70	24.23	5.86	7.43	
VIII	7.66	4.05	5.91	6.50	6.50	4.36	13.42	19.89	24.34	6.59	7.84	
IX	5.95	3.99	6.59	6.73	6.68	4.36	12.59	20.40	22.94	5.96	8.16	
X	6.12	4.01	5.47	6.88	6.70	4.33	12.49	20.68	23.23	6.82	7.17	
XI	7.26	3.77	6.02	7.40	6.33	4.10	10.57	20.27	23.32	5.71	10.82	
XII	5.64	4.21	6.09	7.57	6.48	4.50	7.31	20.86	13.25	6.10	5.38	

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 EUROS (CONT.)

(%)

3. Interest rates on loans to non-financial corporations (new business)								
	Bank overdraft ¹	Other loans up to 0.2 million euros by initial rate fixation		Other loans over 0.2 million euros and up to 1 million euros by initial rate fixation		Other loans over 1 million euros 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	
2008								
X	8.11	8.97	9.05	8.40	9.11	7.74		x
XI	7.64	9.11	8.27	8.55	10.03	7.46		x
XII	7.40	9.37	9.14	7.47	8.99	6.17		7.52
2009								
I	7.31	8.30	8.70	7.59	7.32	5.39		x
II	6.78	7.32	8.55	6.78	8.77	6.63		x
III	6.07	7.03	8.56	6.35	7.78	5.65		x
IV	6.75	6.86	8.85	5.85	x	6.02		4.63
V	6.62	7.37	8.96	6.34	x	5.15		x
VI	6.21	6.75	9.17	6.50	7.82	4.97		5.48
VII	5.50	6.56	8.29	6.03	7.32	4.99		x
VIII	5.69	6.71	8.46	5.80	7.87	3.73		4.85
IX	5.44	7.23	8.87	6.09	5.91	4.72		6.93
X	4.95	6.11	9.50	5.21	7.14	4.72		4.57
XI	4.82	7.01	9.04	7.08	x	4.47		x
XII	4.30	6.95	8.46	8.04	6.24	3.45		7.30

¹ End-of-period.

21.b WEIGHTED AVERAGE INTEREST RATES CHARGED BY MFIs IN TRANSACTIONS WITH RESIDENT NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS IN EUROS (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		
2008										
X	1.84	5.29	4.94	4.51	–	1.87	4.85	4.89	–	
XI	1.65	5.29	4.97	4.56	–	1.39	4.53	5.30	–	
XII	1.33	5.30	4.77	4.34	–	1.04	4.49	5.34	–	
2009										
I	1.09	5.20	4.73	3.41	–	0.52	4.24	5.34	–	
II	1.04	5.11	4.36	2.87	–	0.52	3.67	5.48	–	
III	1.00	4.94	4.37	2.50	–	0.55	3.43	5.48	–	
IV	1.00	4.80	4.48	2.39	–	0.39	3.67	5.48	–	
V	1.02	4.71	4.40	2.16	x	0.49	3.52	5.48	–	
VI	0.96	4.65	4.29	2.07	x	0.35	3.32	5.44	–	
VII	0.90	4.65	4.33	2.01	x	0.32	3.30	4.77	–	
VIII	0.96	4.61	4.48	1.95	x	0.28	3.49	4.66	–	
IX	0.93	4.57	4.43	1.58	x	0.29	3.42	4.60	–	
X	0.91	4.51	4.44	1.60	x	0.33	2.86	4.57	–	
XI	0.91	4.38	4.49	1.62	x	0.37	3.02	4.56	–	
XII	0.81	4.26	4.40	1.72	x	0.24	3.04	4.56	–	

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 EUROS (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			With maturity		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years
2008									
X	6.92	7.12	6.21	9.40	7.27	6.80	7.49	7.17	6.75
XI	8.19	7.01	6.09	9.20	7.23	6.70	7.20	7.19	6.57
XII	8.10	6.76	5.82	8.96	6.89	6.47	6.87	6.73	6.02
2009									
I	6.76	6.50	5.39	8.34	6.61	6.10	6.44	5.92	5.43
II	12.64	6.19	5.03	7.67	6.18	5.92	5.71	5.38	5.08
III	30.24	5.91	4.73	7.64	5.88	5.62	5.53	5.00	4.50
IV	14.16	5.68	4.45	7.35	5.67	5.38	5.35	4.68	4.27
V	11.00	5.58	4.22	6.98	5.51	5.21	5.13	4.57	3.99
VI	13.71	5.47	4.06	6.85	5.46	5.10	5.04	4.44	3.79
VII	11.61	5.45	3.94	7.00	5.48	5.01	5.34	4.40	3.84
VIII	9.14	5.37	3.84	6.98	5.54	4.95	4.82	4.33	3.57
IX	11.82	5.43	3.74	5.85	5.58	4.86	4.73	4.24	3.46
X	14.25	5.22	3.67	6.30	5.74	4.78	4.56	4.20	3.38
XI	24.08	5.21	3.62	6.92	5.82	4.75	4.62	4.20	3.36
XII	12.33	5.20	3.58	5.79	5.84	4.64	4.27	4.17	3.35

¹ 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	
2008											
X	0.48	2.10	7.11	4.55	3.12	x	0.61	1.47	x	-	-
XI	0.35	1.76	5.06	4.11	3.32	x	0.44	1.38	x	-	-
XII	0.45	2.32	5.84	5.15	2.64	x	0.35	0.71	x	-	-
2009											
I	0.31	2.02	5.75	5.67	2.26	x	0.23	0.64	-	-	-
II	0.29	1.31	4.52	4.93	1.63	x	0.26	0.44	-	-	-
III	0.28	1.30	4.79	4.97	1.52	x	0.28	0.48	x	-	-
IV	0.32	1.54	5.34	5.71	1.53	x	0.13	0.44	x	-	-
V	0.31	1.37	4.75	4.27	1.14	x	0.13	0.42	x	x	-
VI	0.30	1.90	5.68	5.62	1.47	x	0.12	0.39	x	x	-
VII	0.27	1.34	5.96	6.25	1.49	x	0.12	0.28	-	-	-
VIII	0.30	1.28	5.58	3.71	1.47	x	0.10	0.29	-	-	-
IX	0.24	1.95	5.85	5.17	1.32	x	0.11	0.22	-	-	-
X	0.26	1.46	6.13	5.11	1.34	x	0.11	0.25	x	-	-
XI	0.22	1.25	6.60	4.99	1.49	x	0.11	0.31	x	x	-
XII	0.25	1.68	6.71	5.80	1.47	x	0.11	0.32	x	x	-

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	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			
2008											
X	16.67	4.88	6.38	x	6.31	5.51	15.25	x	14.19	8.15	–
XI	15.49	5.37	x	x	x	5.73	17.89	x	17.95	4.91	x
XII	16.41	5.14	x	x	x	5.02	16.62	–	17.01	7.99	–
2009											
I	17.01	6.41	x	x	x	6.22	20.68	–	21.18	7.81	–
II	17.13	7.72	x	x	x	6.35	18.65	–	19.43	7.61	x
III	16.61	5.13	7.90	x	x	5.52	15.51	–	16.26	5.84	x
IV	13.66	5.33	x	5.88	x	5.24	21.16	x	22.06	5.21	11.86
V	13.10	6.18	x	x	x	4.48	21.03	–	22.02	5.33	x
VI	12.41	4.76	x	x	–	5.00	19.23	x	19.27	5.25	x
VII	15.21	4.83	x	–	x	4.38	14.67	–	15.31	5.19	x
VIII	15.92	5.33	7.29	x	x	4.79	16.32	x	16.49	4.66	x
IX	16.16	4.67	x	x	x	5.64	19.24	x	13.43	4.74	x
X	13.27	3.76	7.54	x	3.87	3.99	22.08	x	22.63	5.25	x
XI	13.59	8.45	x	–	x	4.08	20.40	x	20.88	4.74	x
XII	11.96	6.41	x	x	–	6.90	21.28	x	19.40	4.28	11.96

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	Other loans up to 0.2 million euros by initial rate fixation		Other loans over 0.2 million euros and up to 1 million euros by initial rate fixation		Other loans over 1 million euros 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	
2008								
X	7.18	8.85	x	x	–	9.15	–	–
XI	7.20	9.16	9.94	7.44	–	14.70	–	–
XII	6.94	8.97	x	x	–	–	–	–
2009								
I	7.08	17.52	x	8.18	–	–	–	–
II	7.09	6.34	–	7.20	–	–	–	–
III	7.47	13.86	x	9.06	x	–	x	–
IV	6.86	x	–	7.37	x	7.61	x	–
V	6.59	11.35	x	x	–	–	–	–
VI	6.61	10.28	–	8.90	–	x	–	–
VII	6.99	11.21	–	8.35	x	–	x	–
VIII	7.20	8.75	–	x	x	x	–	–
IX	7.45	9.18	x	8.26	x	2.88	–	–
X	7.03	7.99	–	x	–	x	–	–
XI	10.26	6.63	x	7.75	x	x	–	–
XII	6.91	3.84	x	9.55	–	x	x	–

¹ End-of-period.

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

(%)

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		
2008										
X	0.48	3.99	5.30	3.12	x	0.61	3.38	4.97	–	–
XI	0.35	4.06	5.30	3.32	x	0.44	3.51	4.97	–	–
XII	0.45	3.98	5.32	2.64	x	0.35	2.11	4.99	–	–
2009										
I	0.31	3.82	4.83	2.26	x	0.23	2.03	5.01	–	–
II	0.29	3.70	4.93	1.63	x	0.26	1.82	5.30	–	–
III	0.28	3.72	4.93	1.52	x	0.28	1.75	5.30	–	–
IV	0.32	3.68	4.93	1.53	x	0.13	1.92	5.30	–	–
V	0.31	3.73	4.91	1.14	x	0.13	1.75	5.31	–	–
VI	0.30	3.80	4.91	1.47	x	0.12	1.80	4.07	–	–
VII	0.27	3.84	4.91	1.49	x	0.12	1.70	4.08	–	–
VIII	0.30	3.82	4.88	1.47	x	0.10	1.79	4.08	–	–
IX	0.24	3.87	4.88	1.32	x	0.11	1.12	4.10	–	–
X	0.26	3.68	4.86	1.34	x	0.11	1.37	4.10	–	–
XI	0.22	3.54	4.85	1.49	x	0.11	1.71	4.32	–	–
XII	0.25	3.60	4.84	1.47	x	0.11	1.59	4.38	–	–

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			With maturity		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years
2008									
X	10.61	6.70	5.64	9.93	7.68	5.35	6.96	7.21	6.89
XI	11.43	6.63	5.57	9.33	7.35	4.98	6.99	7.07	6.88
XII	8.93	7.01	5.22	9.45	7.36	4.90	6.62	6.93	6.75
2009									
I	11.35	6.21	4.66	9.26	6.98	4.68	5.21	5.58	5.45
II	8.89	5.91	4.46	9.61	7.16	4.53	5.24	5.45	5.51
III	8.22	5.84	4.29	9.87	6.71	4.48	5.20	5.39	5.42
IV	9.92	5.92	4.22	9.86	6.72	4.52	5.14	5.51	5.37
V	7.03	5.77	4.07	10.01	6.62	4.50	5.57	5.30	5.37
VI	6.96	5.64	3.93	9.90	6.40	4.46	5.35	5.41	5.19
VII	7.97	6.01	3.79	9.86	6.15	4.64	5.05	5.39	5.14
VIII	5.37	6.01	3.69	9.48	6.76	4.37	5.38	6.07	4.99
IX	5.37	6.01	3.58	9.64	8.09	4.38	5.44	5.80	5.03
X	5.98	5.96	3.47	8.90	7.84	4.34	5.85	5.82	5.05
XI	5.52	5.96	3.40	8.87	6.46	4.30	6.13	5.87	5.07
XII	5.56	6.08	3.33	8.10	8.21	4.19	6.49	5.01	4.70

¹ Including bank overdraft.

22. LENDING IN THE INTERBANK MARKETS

(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		
2008											
X	733.9	306.3	2.3	1.6	1 044.1	1 697.2	565.5	–	–	2 262.7	3 306.8
XI	652.7	400.0	1.8	4.1	1 058.6	1 135.4	630.0	–	–	1 765.4	2 824.0
XII	844.1	207.3	–	–	1 051.4	1 398.9	515.1	–	–	1 914.0	2 965.4
2009											
I	1 242.9	215.2	14.8	5.0	1 477.9	1 284.8	368.1	–	–	1 652.9	3 130.8
II	1 025.1	383.0	–	–	1 408.1	1 518.6	244.1	–	–	1 762.7	3 170.8
III	1 110.0	339.3	12.7	–	1 462.0	2 075.9	402.6	10.9	–	2 489.4	3 951.4
IV	1 203.3	319.0	22.0	0.2	1 544.5	1 441.6	434.8	0.3	0	1 876.7	3 421.2
V	1 341.2	243.5	–	–	1 584.7	1 570.8	447.6	14.0	–	2 032.4	3 617.1
VI	553.5	187.4	2.4	–	743.3	1 504.1	468.3	4.1	–	1 976.5	2 719.8
VII	601.5	122.2	5.2	0.3	729.2	1 348.7	207.4	6.5	7.0	1 569.6	2 298.8
VIII	393.4	183.2	12.5	–	589.1	1 132.2	215.0	–	–	1 347.2	1 936.3
IX	294.8	53.0	17.0	–	364.8	1 149.6	204.5	5.4	–	1 359.5	1 724.3
X	210.3	72.7	0.3	–	283.3	1 009.0	208.2	0.4	0.8	1 218.4	1 501.7
XI	378.1	159.8	10.0	0.8	548.7	917.6	228.7	–	1.4	1 147.7	1 696.4
XII	220.3	68.8	17.0	3.5	309.6	1 403.4	196.6	–	0.5	1 600.5	1 910.1
	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		
2008											
X	18 818.1		762.7		34.4		26.7			19 641.9	22 948.7
XI	13 851.3		1 439.8		10.2		3.5			15 304.8	18 128.8
XII	15 914.2		651.7		20.2		28.6			16 614.7	19 580.1
2009											
I	14 763.2		1 578.9		2.0		4.2			16 348.3	19 479.1
II	18 260.4		690.5		4.7		152.4			19 108.0	22 278.8
III	19 484.2		785.9		22.7		3.5			20 296.3	24 247.7
IV	20 611.1		1 068.0		47.5		3.0			21 729.6	25 150.8
V	18 878.9		899.4		24.7		2.8			19 805.8	23 422.9
VI	18 505.6		2 215.2		47.9		2.2			20 770.9	23 490.7
VII	21 695.8		729.7		77.0		151.4			22 653.9	24 952.7
VIII	19 592.6		781.7		50.3		1.5			20 426.1	22 362.4
IX	21 286.1		716.3		60.5		2.5			22 065.4	23 789.7
X	22 812.8		528.8		184.6		12.0			23 538.2	25 039.9
XI	17 747.4		571.6		121.0		290.3			18 730.3	20 426.7
XII	18 369.8		1 149.0		27.8		132.4			19 679.0	21 589.1

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2008			2009												
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Weighted average interest rates on loans in lats																
Overnight	6.4	5.0	5.4	3.5	3.2	2.3	3.0	4.7	21.6	2.6	1.9	1.2	1.1	1.1	1.0	
Up to 1 month	6.7	4.8	6.6	3.7	3.5	2.5	2.6	5.9	24.4	3.1	2.3	1.7	1.8	1.5	1.2	
1–3 months	8.0	7.7	–	10.2	–	7.0	8.5	–	32.9	13.2	10.7	8.1	10.7	9.5	7.4	
Over 3 months	8.8	8.2	–	9.0	–	–	8.0	–	–	10.0	–	–	–	8.9	4.8	
Weighted average interest rates on loans in foreign currencies																
Overnight	3.0	2.5	2.2	1.4	0.8	0.8	0.6	0.6	0.6	0.3	0.3	0.3	0.3	0.3	0.3	
Up to 1 month	3.6	2.6	1.9	1.5	1.0	0.8	0.7	0.7	0.6	0.4	0.4	0.8	0.5	0.3	0.3	
1–3 months	–	–	–	–	–	1.2	3.0	1.2	1.6	1.0	–	0.6	4.0	–	–	
Over 3 months	–	–	–	–	–	–	4.8	–	–	4.2	–	–	3.0	8.0	0.9	

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			Marginal deposit facility rate with the Bank of Latvia	
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	–	–	–		–

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

(% per annum)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Main refinancing operation with maturity 7 days average interest rate	7.1	6.9	8.6	6.2	6.0	5.6	5.5	6.7	12.9	4.5	4.1	–	4.0	4.0	–
Weighted average interest rate on short-term currency swaps	6.7	8.2	9.5	6.1	6.0	5.7	5.7	7.8	31.6	5.3	4.0	4.0	4.0	–	–

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

(in millions of lats)

	2009											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Type of transaction												
Spot exchange contracts	66 443.9	64 598.2	65 075.0	48 606.9	43 921.2	57 022.4	58 442.1	52 025.5	57 773.1	58 823.7	58 086.3	63 526.7
Forward exchange contracts	2 286.6	598.1	703.4	581.3	481.7	514.6	740.0	482.0	368.8	261.2	312.8	391.5
Currency swap arrangements	93 175.9	93 977.6	98 936.9	92 446.2	83 440.7	96 762.5	96 747.9	83 352.5	83 364.7	91 126.5	72 999.1	78 203.4
Counterparties												
Resident MFIs	10 517.5	10 679.5	11 909.8	10 199.4	9 673.9	13 713.4	20 601.2	17 240.0	13 127.7	10 275.6	9 595.3	10 001.3
Resident non-MFIs (except households)	3 364.8	2 684.4	5 627.5	1 954.3	2 144.1	1 945.6	1 805.5	1 644.0	1 634.7	2 256.9	1 920.4	1 875.5
Non-resident MFIs	70 264.5	72 486.3	73 987.2	61 828.7	53 263.9	67 073.0	58 987.0	52 216.9	60 926.7	71 555.5	58 683.9	63 153.9
Non-resident non-MFIs (except households)	77 759.7	73 323.8	73 190.9	67 652.1	62 761.5	71 567.4	74 536.2	64 759.0	65 817.6	66 123.5	61 198.5	67 094.2
Households	1 508.5	1 219.1	2 179.8	1 442.5	814.5	1 274.0	1 618.8	875.7	683.3	792.1	1 075.7	1 210.6

¹ Amounts are translated in lats by applying Bank of Latvia exchange rates as set on the last day of the month.

25. FOREIGN EXCHANGE TRANSACTIONS¹

(in millions of lats)

	2009											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
USD												
Amount	73 558.5	71 788.5	74 898.3	61 680.0	55 129.6	66 596.2	67 609.3	59 737.8	62 343.8	66 225.1	58 505.5	63 737.0
% ²	44.8	44.6	44.1	42.7	42.4	42.6	42.9	43.3	43.5	43.7	43.7	44.4
EUR												
Amount	59 777.2	62 130.1	65 995.4	59 340.1	53 662.9	61 489.4	58 535.3	51 350.6	51 145.0	56 637.9	48 541.9	50 448.1
% ²	36.4	38.6	38.9	41.1	41.3	39.4	37.2	37.3	35.6	37.4	36.2	35.2
RUB												
Amount	20 259.6	14 922.5	15 624.3	13 636.8	10 203.8	14 691.1	14 902.1	13 096.1	15 553.3	12 580.6	13 587.9	14 415.2
% ²	12.3	9.3	9.2	9.4	7.9	9.4	9.5	9.5	10.8	8.3	10.1	10.0
Other currencies												
Amount	10 731.0	12 105.0	13 241.4	9 758.6	10 892.7	13 370.8	16 429.3	13 646.4	14 430.1	16 195.2	13 337.3	14 850.7
% ²	6.5	7.5	7.8	6.8	8.4	8.6	10.4	9.9	10.1	10.6	10.0	10.4
Total	164 326.3	160 946.1	169 759.4	144 415.5	129 889.0	156 147.5	157 476.0	137 830.9	143 472.2	151 638.8	133 972.6	143 451.0

¹ Amounts are translated in lats by applying the weighted average rate calculated from the respective buying and selling rates.

² As percent of the total.

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

(LVL vs foreign currency)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
EUR	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028
USD	0.5247	0.5523	0.5224	0.5241	0.5488	0.5394	0.5331	0.5182	0.5012	0.4991	0.4934	0.4831	0.4745	0.4709	0.4808
GBP	0.8937	0.8522	0.7833	0.7597	0.7893	0.7659	0.7823	0.7939	0.8187	0.8169	0.8166	0.7902	0.7670	0.7820	0.7822
100 JPY	0.5221	0.5706	0.5721	0.5803	0.5979	0.5530	0.5395	0.5373	0.5191	0.5283	0.5199	0.5276	0.5268	0.5273	0.5374

27. WEIGHTED AVERAGE EXCHANGE RATES (EXCLUDING NON-CASH ITEMS)

(LVL vs foreign currency)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
EUR															
Buy	0.705	0.706	0.705	0.701	0.701	0.706	0.705	0.700	0.698	0.695	0.695	0.698	0.704	0.704	0.703
Sell	0.712	0.714	0.713	0.708	0.710	0.712	0.713	0.710	0.708	0.703	0.703	0.706	0.712	0.711	0.709
USD															
Buy	0.529	0.554	0.520	0.529	0.547	0.545	0.534	0.515	0.501	0.493	0.488	0.480	0.475	0.472	0.481
Sell	0.534	0.560	0.527	0.532	0.553	0.546	0.539	0.521	0.504	0.498	0.493	0.486	0.480	0.477	0.484
GBP															
Buy	0.891	0.846	0.761	0.757	0.784	0.759	0.780	0.792	0.806	0.803	0.801	0.780	0.763	0.778	0.777
Sell	0.904	0.860	0.783	0.770	0.798	0.778	0.795	0.806	0.822	0.816	0.816	0.794	0.778	0.792	0.787
100 JPY															
Buy	0.494	0.523	0.562	0.540	0.577	0.540	0.533	0.516	0.503	0.497	0.486	0.509	0.507	0.509	0.520
Sell	0.529	0.624	0.573	0.608	0.599	0.567	0.542	0.544	0.543	0.539	0.519	0.531	0.522	0.534	0.538

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; in millions of lats)

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Stock of government securities outstanding	558.1	1 009.3	1 045.8	1 030.2	867.2	719.5	863.2	879.6	766.5	815.2	839.3	874.9	868.0	803.3	823.2
Residents	540.1	991.3	1 027.8	1 012.2	849.8	702.7	847.2	863.7	751.4	800.1	823.5	858.7	851.6	785.4	800.2
Bank of Latvia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other MFIs	376.2	799.8	807.9	783.2	610.7	455.2	565.8	539.8	439.3	490.9	468.7	481.4	478.2	426.0	439.7
Public non-financial corporations	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	26.6	0.4
Private non-financial corporations	57.5	68.0	86.7	85.4	85.7	83.9	94.3	124.3	115.3	109.3	117.4	133.5	124.8	83.5	78.8
Other	106.3	123.4	133.1	143.5	153.3	163.5	187.0	199.5	196.7	199.8	237.3	243.7	248.5	249.3	281.3
Non-residents	18.0	18.0	18.0	18.0	17.4	16.8	16.0	15.9	15.1	15.1	15.8	16.2	16.4	17.9	23.0
MFIs in the OECD countries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs in the other countries	14.9	14.9	14.9	14.9	14.3	14.3	13.5	13.5	12.7	12.7	13.4	13.8	14.0	15.5	18.8
Non-financial corporations	3.0	3.0	3.0	3.0	3.0	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Other	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0	0	1.8

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q4 2009)

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					
07.10.	3	8 000	3 539	1 039	10.226
07.10.	6	8 000	–	–	–
07.10.	12	8 000	4 670	1 000	12.836
28.10.	3	4 000	5 500	500	10.228
28.10.	6	4 000	4 225	4 000	12.527
28.10.	12	4 000	1 280	1 030	12.798
04.11.	3	12 000	3 500	3 500	10.228
04.11.	6	8 000	11 875	8 000	12.555
04.11.	12	4 000	4 000	1 500	12.608
11.11.	3	8 000	15 750	5 000	9.849
11.11.	6	8 000	16 530	7 000	12.468
11.11.	12	8 000	6 035	3 400	12.474
16.11.	3	8 000	18 100	7 400	8.934
16.11.	6	8 000	18 337	7 437	12.106
16.11.	12	8 000	15 821	6 771	12.223
25.11.	3	12 000	38 975	12 000	7.934
25.11.	6	12 000	36 980	12 000	11.252
25.11.	12	8 000	24 350	5 000	11.466
02.12.	3	12 000	37 100	12 000	7.123
02.12.	6	12 000	28 080	12 000	10.113
02.12.	12	12 000	24 100	12 000	10.272
09.12.	3	12 000	25 200	12 000	6.284
09.12.	6	12 000	26 300	7 700	9.465
09.12.	12	12 000	13 200	6 700	9.689
16.12.	3	12 000	13 500	6 000	5.732
16.12.	6	12 000	13 925	4 300	8.850
16.12.	12	12 000	4 000	2 000	9.286
Primary placement of government securities via outright sales of securities					
01.10.	3	3 000	1 305	1 305	10.228
01.10.	6	3 000	2 807	2 807	12.631
01.10.	12	3 000	–	–	–
08.10.	3	2 000	1 500	1 500	10.226
08.10.	12	2 000	200	200	12.836
29.10.	3	1 000	2 000	1 000	10.228
29.10.	6	1 000	1 000	1 000	12.527
29.10.	12	1 000	1 250	1 000	12.798
05.11.	3	3 000	400	400	10.228
05.11.	6	2 000	5 000	2 000	12.555
05.11.	12	1 000	3 000	1 000	12.608
12.11.	3	2 000	8 700	2 000	9.849
12.11.	6	2 000	8 670	2 000	12.468
12.11.	12	2 000	5 955	2 000	12.474
17.11.	3	2 000	8 250	2 000	8.934
17.11.	6	2 000	10 712	2 000	12.106
17.11.	12	2 000	10 120	2 000	12.223
26.11.	3	3 000	20 500	3 000	7.934
26.11.	6	3 000	19 715	3 000	11.252
26.11.	12	2 000	12 000	2 000	11.466
03.12.	3	3 000	18 000	3 000	7.123
03.12.	6	3 000	15 500	3 000	10.113
03.12.	12	3 000	12 500	3 000	10.272
10.12.	3	3 000	15 000	3 000	6.284
10.12.	6	3 000	12 000	3 000	9.465
10.12.	12	3 000	7 200	3 000	9.689
17.12.	3	3 000	7 000	3 000	5.732
17.12.	6	3 000	1 425	1 425	8.850
17.12.	12	3 000	3 000	3 000	9.286

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

(in millions of lats)

	2008			2009												
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Securities purchased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

31. DYNAMICS OF GROSS DOMESTIC PRODUCT¹

	2008					2009				
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
At current prices; in millions of lats	16 274.5	3 757.8	4 162.5	4 167.5	4 186.7	x	3 311.1	3 398.0	3 247.9	x
At constant prices ² ; in millions of lats	8 296.1	1 888.8	2 081.8	2 154.6	2 170.8	x	1 548.9	1 692.0	1 744.8	x
Annual growth rate (%)	-4.6	0.5	-1.8	-5.2	-10.3	x	-18.0	-18.7	-19.0	-17.7 ³
Gross value added	-2.9	2.7	-0.3	-4.3	-8.2	x	-16.2	-16.9	-17.1	x
Goods-producing sector	-4.0	1.3	-0.7	-5.2	-9.9	x	-22.4	-22.3	-20.4	x
Services sector	-2.5	3.1	-0.2	-4.0	-7.6	x	-14.2	-14.9	-15.9	x

¹ Data have been revised.

² Chain-linked; average prices in 2000.

³ Flash estimate of CSB.

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

	2008			2009											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Average wages and salaries															
LVL per month	489	486	526	471 ¹	464	475	470 ¹	470 ¹	482 ¹	483	450	433	429	426	464
Year-on-year changes (%)	115.8	111.5	109.5	105.5 ¹	103.4 ¹	102.3 ¹	100.2 ¹	99.4 ¹	98.3 ¹	95.8	95.0 ¹	89.9	87.8	87.5	88.3
Real wage index (year-on-year basis; %)	103.6	101.6	101.0	98.5	96.7 ¹	97.0	97.0 ¹	97.6 ¹	97.9 ¹	94.0	93.9 ¹	90.0	88.9	89.0	89.8
Number of registered unemployed persons															
At end of month	61 049	67 065	76 435	90 436	103 731	116 768	123 127	126 595	129 269	132 519	137 586	147 754	157 897	169 236	179 235
Year-on-year changes (%)	116.5	129.8	146.1	169.6	194.1	221.1	232.8	242.5	239.3	239.0	244.2	256.3	258.6	252.3	234.5

¹ Data have been revised.

33. LATVIAN FOREIGN TRADE BALANCE¹

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

	2008					2009				
	Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3 ¹	Q4		
Exports	4 428.9	1 074.5	1 138.6	1 183.2	1 032.6	3 571.6	815.3	851.6	910.5	994.1
Imports	7 527.7	1 876.5	1 934.5	1 983.0	1 733.7	4 633.7	1 201.8	1 104.4	1 154.7	1 172.8
Balance	-3 098.7	-802.0	-795.9	-799.7	-701.1	-1 062.1	-386.5	-252.8	-244.2	-178.6

	2008			2009											
	X	XI	XII	I	II	III	IV ¹	V ¹	VI ¹	VII ¹	VIII ¹	IX ¹	X	XI	XII
Exports	406.7	323.4	302.5	257.3	263.7	294.4	279.2	277.1	295.3	273.4	284.7	352.4	355.0	323.3	315.8
Imports	673.7	532.2	527.8	398.5	386.0	417.3	378.6	359.2	366.6	373.2	374.0	407.5	396.4	390.9	385.5
Balance	-267.0	-208.8	-225.3	-141.2	-122.3	-122.9	-99.3	-82.2	-71.3	-99.8	-89.3	-55.1	-41.3	-67.6	-69.7

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2008		2009															
			Q1				Q2 ¹				Q3 ¹				Q4			
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%				
Total	4 428.9	100.0	3 571.6	100.0	815.3	100.0	851.6	100.0	910.5	100.0	994.1	100.0						
Agricultural and food products	749.5	16.9	669.2	18.7	143.1	17.6	156.5	18.4	166.8	18.3	202.8	20.4						
Mineral products	184.0	4.1	196.1	5.5	33.5	4.1	54.8	6.4	47.1	5.2	60.6	6.1						
Products of the chemical and allied industries	371.4	8.4	305.8	8.6	74.6	9.2	80.7	9.5	66.6	7.3	83.9	8.4						
Plastics and articles thereof; rubber and articles thereof	126.3	2.8	102.9	2.9	22.0	2.7	25.2	3.0	27.9	3.1	27.8	2.8						
Wood and articles of wood	735.0	16.6	584.7	16.4	126.1	15.5	132.2	15.5	154.6	17.0	171.9	17.3						
Pulp of wood; paper and paperboard	69.9	1.6	64.2	1.8	14.2	1.7	14.5	1.7	17.0	1.9	18.4	1.9						
Textiles and textile articles	242.8	5.5	177.4	5.0	47.1	5.8	43.1	5.1	45.9	5.0	41.2	4.1						
Articles of stone, plaster, cement, glassware and ceramic products	88.1	2.0	72.0	2.0	16.6	2.0	18.2	2.1	19.0	2.1	18.2	1.8						
Base metals and articles of base metals	738.9	16.7	456.2	12.8	116.7	14.3	107.5	12.6	107.6	11.8	124.3	12.5						
Machinery and mechanical appliances; electrical equipment	553.7	12.5	497.1	13.9	116.8	14.3	114.7	13.5	135.9	14.9	129.7	13.0						
Transport vehicles	326.5	7.4	248.0	6.9	58.4	7.2	63.7	7.5	69.2	7.6	56.7	5.7						
Miscellaneous manufactured articles	154.4	3.5	118.9	3.3	26.6	3.3	25.4	3.0	29.0	3.2	37.9	3.8						
Other goods	88.4	2.0	79.1	2.2	19.6	2.3	15.1	1.7	23.9	2.6	20.7	2.2						

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2008		2009									
	Millions of lats	%	Millions of lats	%	Q1		Q2 ¹		Q3 ¹		Q4	
					Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	7 527.7	100.0	4 633.7	100.0	1 201.8	100.0	1 104.4	100.0	1 154.7	100.0	1 172.8	100.0
Agricultural and food products	1 032.7	13.7	836.0	18.0	199.6	16.6	209.8	19.0	213.8	18.5	213.1	18.2
Mineral products	1 171.2	15.6	811.1	17.5	238.4	19.8	166.5	15.1	192.6	16.7	213.6	18.2
Products of the chemical and allied industries	732.8	9.7	554.9	12.0	150.0	12.5	136.8	12.4	132.0	11.4	136.1	11.6
Plastics and articles thereof; rubber and articles thereof	356.3	4.7	235.1	5.1	48.4	4.0	58.4	5.3	65.4	5.7	62.8	5.4
Wood and articles of wood	139.9	1.9	65.5	1.4	15.5	1.3	15.6	1.4	17.4	1.5	17.1	1.5
Pulp of wood; paper and paperboard	180.1	2.4	134.0	2.9	30.8	2.6	32.7	3.0	34.3	3.0	36.2	3.1
Textiles and textile articles	303.4	4.0	220.5	4.8	60.1	5.0	47.1	4.3	63.7	5.5	49.7	4.2
Articles of stone, plaster, cement, glassware and ceramic products	157.8	2.1	97.3	2.1	21.8	1.8	22.9	2.1	27.1	2.3	25.5	2.2
Base metals and articles of base metals	775.2	10.3	375.8	8.1	96.0	8.0	94.2	8.5	90.6	7.8	95.1	8.1
Machinery and mechanical appliances; electrical equipment	1 374.0	18.3	726.2	15.7	181.5	15.1	167.5	15.2	186.1	16.1	191.0	16.3
Transport vehicles	807.8	10.7	297.7	6.4	85.5	7.1	82.5	7.5	64.2	5.6	65.5	5.6
Miscellaneous manufactured articles	227.3	3.0	111.6	2.4	30.5	2.5	27.9	2.5	24.8	2.1	28.5	2.4
Other goods	269.3	3.6	168.0	3.6	43.7	3.7	42.5	3.7	42.7	3.8	38.6	3.2

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2008			2009						
	Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	4 428.9	7 527.7	-3 098.7	100.0	100.0	3 571.6	4 633.7	-1 062.1	100.0	100.0
EU15 countries	1 618.6	3 061.4	-1 442.8	36.5	40.7	1 264.5	1 722.0	-457.5	35.4	37.2
EU27 countries	3 245.4	5 716.5	-2 471.1	73.3	75.9	2 555.5	3 464.7	-909.2	71.6	74.8
incl. Germany	358.4	981.7	-623.2	8.1	13.0	312.0	538.5	-226.5	8.7	11.6
Sweden	293.4	332.6	-39.3	6.6	4.4	217.8	164.0	53.8	6.1	3.5
UK	166.7	107.9	58.8	3.8	1.4	116.5	61.5	55.0	3.3	1.3
Finland	137.4	330.8	-193.5	3.1	4.4	103.0	167.9	-64.9	2.9	3.6
Denmark	202.1	218.0	-15.9	4.6	2.9	148.8	123.5	25.3	4.2	2.7
Netherlands	103.9	273.7	-169.8	2.3	3.6	95.4	185.4	-90.0	2.7	4.0
Lithuania	739.8	1 241.4	-501.7	16.7	16.5	576.5	788.8	-212.3	16.1	17.0
Estonia	621.7	535.7	86.0	14.0	7.1	502.1	353.6	148.5	14.1	7.6
Poland	165.5	540.7	-375.2	3.7	7.2	133.5	393.9	-260.4	3.7	8.5
CIS	664.0	1 196.3	-532.3	15.0	15.9	498.6	746.4	-247.8	14.0	16.1
incl. Russia	442.2	801.3	-359.1	10.0	10.6	316.6	505.7	-189.1	8.9	10.9
Other countries	519.6	614.9	-95.3	11.7	8.2	517.5	422.6	94.9	14.4	9.1
incl. USA	65.4	73.3	-7.9	1.5	1.0	58.7	40.7	18.0	1.6	0.9
Norway	114.0	57.6	56.4	2.6	0.8	94.8	67.4	27.4	2.7	1.5
China	12.9	174.8	-161.9	0.3	2.3	11.1	99.5	-88.4	0.3	2.1

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 Eurostat and central banks and national statistical authorities (Charts 1.1–1.4), Reuters (Charts 2.1, 2.2 and 5.7), the Bank of Latvia (Charts 2.3, 2.5, 2.7, 2.9–2.11, 3.6, 5.1, 5.8, 6.1–6.4, 7.1 and 7.2), ECB (Chart 2.6), Financial and Capital Market Commission (Chart 2.8), CSB (Charts 3.1–3.5, 3.7–3.9, 4.1–4.15, 5.2–5.7, 6.1, 6.2, 7.1 and 7.2) and Ministry of Finance of the Republic of Latvia (Charts 3.10–3.15).

Data sources for tables are the Bank of Latvia (Tables 1, 3–28 and 30), NASDAQ OMX Riga (Table 1), Ministry of Finance (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 Website for the "Regulation for Compiling Monthly Financial Position Report of Monetary Financial Institutions and Its Appendices" approved by the Bank of Latvia Council's Resolution No. 88/7 of 12 July 2001), based on the ECB Regulation concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13).

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 RSE 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 January 2004, the Bank of Latvia introduced new methodology for interest rate statistics (see the Bank of Latvia Website for the "Regulation for Compiling Interest Rate Reports" approved by the Bank of Latvia Council's Resolution No. 102/3 of 15 May 2003). Using this methodology, banks, branches of foreign banks and 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. The previously applied interest rate statistics methodology was effective since May 1997. Introduction of the new methodology enabled harmonisation of the interest rate statistics with the ECB requirements laid down in Regulation 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. The interest rate statistics provide considerably wider information on macroeconomic development and structural changes; nevertheless, the statistical information does not directly compare with the one published previously, as the methodology for preparing it has changed considerably.

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 Website for the "Regulation for Compiling the 'Report on Money Market Transactions' " approved by the Bank of Latvia Council's Resolution No. 104/3 of 17 July 2003).

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 Website for the "Regulation for Purchasing and Selling Cash Foreign Currency" approved by the Bank of Latvia Council's Resolution No. 125/6 of 14 March 2006 (as of June 2009 replaced by the Bank of Latvia's Regulation No. 36 "Regulation for Purchasing and Selling Cash Foreign Currency" of 13 May 2009) and the "Report on Foreign Currency Purchases and Sales" approved by the Bank of Latvia Board's Resolution No. 259/8 of 24 April 1997. The major transactions in buying and selling foreign currency (Table 24) comprise the cash and non-cash transactions conducted by MFIs (excluding the Bank of Latvia), reported by transaction type and partner, presenting transactions with households separately. Transactions in buying and selling foreign currency (Table 25) comprise the cash and non-cash transactions conducted by MFIs and currency exchange bureaus, reported by major currency.

Exchange rates set by the Bank of Latvia (Table 26) are reported as monthly mathematical averages. Weighted average exchange rates (excluding non-cash payments; Table 27) are reported based on the information provided by MFIs (excluding the Bank of Latvia) and currency exchange bureaus.