

MACROECONOMIC DEVELOPMENTS REPORT

April 2013

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Abbreviations

CIF – cost, insurance and freight at the importer's border
CIS – Commonwealth of Independent States
CPI – Consumer Price Index
CSB – Central Statistical Bureau of Latvia
EC – European Commission
ECB – European Central Bank
EMU – Economic and Monetary Union
ESA 95 – European System of Accounts 1995
EU – European Union
EU15 – EU countries before 1 May 2004
EU27 – current EU countries
EURIBOR – Euro Interbank Offered Rate
FOB – free on board at the exporter's border
FCMC – Financial and Capital Market Commission
FRS – Federal Reserve System
GDP – gross domestic product
HICP – Harmonised Index of Consumer Prices
IMF – International Monetary Fund
JSC – joint stock company
MFI – monetary financial institution
NA – no answer
NI – no information
OECD – Organisation for Economic Cooperation and Development
OFI – other financial intermediary (other than an insurance corporation or a pension fund)
OMXR – NASDAQ OMX Riga index
PMI – Purchasing Managers' Index
PPI – Producer Price Index
RIGIBOR – Riga Interbank Offered Rate
Rosstat – Federal State Statistics Service of the Russian Federation
SEA – State Employment Agency
SJSC – state joint stock company
ULC – unit labour costs
ULCM – unit labour costs in manufacturing

Executive Summary

According to the latest IMF projections, the global economic growth in 2013 could be faster than in 2012, albeit falling somewhat behind the forecast made in October 2012. Likewise, higher growth momentum is also expected in almost all major trade partners of Latvia. Moreover, with the premium on debt securities of euro area peripheral countries declining, external risks have recently been mitigated somewhat. Nonetheless, those related to slower-than-expected growth in the euro area, the political situation in Italy, problems in Cyprus and the potential impact on the euro area from the lowered UK credit rating still persist.

Notwithstanding the unstable global growth and low total external market demand, the activity of commodity trade intensified in the fourth quarter of 2012, with exports reaching peaks in October and November of 2012. Latvian producers continued to reaffirm their sustained competitiveness with higher export market shares in total global imports of goods.

In the situation of brisker domestic economic activity due to export-generated income, the investment activity decreased and caused some moderation in the growth rate of goods imports in the second half of the year. Persistently low investment activity is likely to hamper the development of production and consolidation of business competitiveness in the long term. The inflow of foreign direct investment in Latvia is continuing, and it is a positive factor for Latvia's competitiveness; at the same time, however, the inflow of foreign direct investment in manufacturing moderated towards the close of 2012.

With the excess liquidity persisting, a further decline in the lats money market rates was observed in Latvia as they approached the euro rates. Nevertheless, in January and February, the movements of the money market indices no longer played a significant role in determining the lending and deposit rates. At the same time an improvement in the economic situation of exporting sectors resulted in a higher demand for corporate loans, at the same time encouraging also the credit institutions to step up lending to non-financial corporations, and the loan portfolio of this sector remained stable, with the quality of loans also improving. The annual rate of change for loans granted to non-financial corporations is projected to become positive in 2013. The household loan portfolio, however, will still proceed on a downward trend, with gradual repayments of household loans for house purchase continuing.

The Latvian economy continued to develop buoyantly in 2012, achieving the highest growth rate in the EU. At the beginning of 2013, investment had an important role in supporting growth. Further on, private consumption became dominant, whereas in the second half of the year net exports made a very significant positive contribution to the GDP growth.

The purchasing power of households continued to improve in 2012. This was inter alia reflected by the rising spending. However, several opposing factors currently exert their influence on consumption. On the one hand, an increasingly larger number of households confirm in surveys that their welfare is improving. On the other hand, the average temperatures this winter were considerably lower than the ones observed a year ago which translated into higher spending on heating.

Investment growth continued to decelerate in 2012. The slowdown in investment growth observed in the fourth quarter was primarily related to the fading of the resumed tendency to upgrade equipment and vehicle fleet, something which had been postponed during the crisis.

Manufacturing was a major positive contribution of the supply side to the annual GDP growth by sector in 2012, its growth being mainly driven by the expanding external demand. Although the declining output observed in January may be explained by the data volatility in

some subsectors of manufacturing, objective reasons lead to a conclusion that output in some subsectors will decline in 2013. Hence the forecasts of the overall manufacturing growth in 2013 are more subdued than in previous years.

The decline in the unemployment rate is in line with the forecasts. Unemployment is expected to continue on a gradual downward path in 2013. With the rate of jobseekers approaching its natural level, the future success in unemployment reduction will depend not only on the overall growth rate of the national economy but increasingly on the effectiveness of the employment programmes for specific groups of population and regions.

Moreover, the data do not confirm the hypothesis that unemployment is declining in Latvia only on account of individuals leaving the country. Quite on the contrary, the number of economically active population is increasing and the rate of economically active population to working-age population is expanding.

As regards the employment growth in Latvia, it is among the highest in the EU. All available statistical data sources of differing coverage present a similar picture, excluding the possibility that the labour market is recovering only under the impact of short-term and temporary factors. The majority of businesses project to increase rather than reduce the number of employees in all major sectors of the economy in the coming months.

In January and February 2013, the annual inflation continued to decelerate, reaching the lowest level since September 2010. The overall impact of the supply side factors on the inflation dynamics remained favourable, while the contribution of demand was still moderate, being reflected by negative annual core inflation.

The inflation data for January and February, the currently observed drop in oil prices and the expected Public Utilities Commission's decisions on the reduction of heating tariffs in Rēzekne and Riga from May and June 2013 respectively allow for quite significant (up to 1%) reduction of the average annual inflation assessment for 2013.

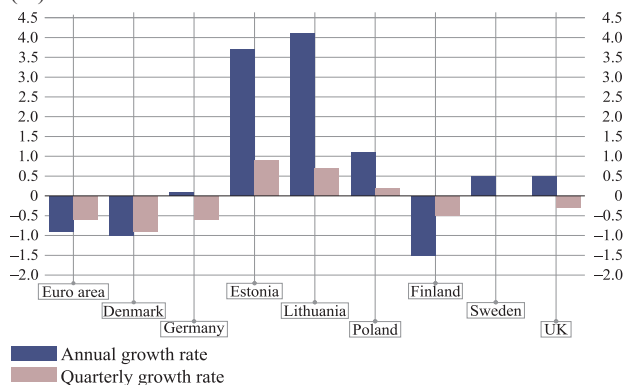
At the same time inflation in Latvia might rise from the current historical low due to an increase in electricity prices expected in the second half of the year. The assessment of the impact of food prices could also change in the middle of the year when the first estimates of the harvest of the new season are made available. On the other hand, the price monitoring campaign launched in 2013 might act as one of the factors preventing price rises in the remaining months of the year.

Table 1
GDP GROWTH IN LATVIA'S MAJOR TRADE PARTNERS
IN 2012 AND PROSPECTS FOR 2013
(%)

	2012	2013 ¹	2013 ²
Denmark	-0.6	1.2	NI
Sweden	0.8	2.2	NI
Finland	-0.2	1.3	NI
Germany	0.7	0.9	0.6
UK	0.3	1.1	1.0
Estonia	3.2	3.5	NI
Lithuania	3.6	3.0	NI
Poland	2.0	2.1	NI
Russia	3.4	3.8	3.7
Euro area	-0.6	0.2	-0.2
US	2.2	2.1	2.0
Total global economy	3.2	3.6	3.5

Sources: Eurostat, Rosstat, October 2012 (1) and January 2013 (2)
World Economic Outlook (IMF).

Chart 1.1
GDP ANNUAL AND QUARTERLY GROWTH RATE IN Q4
2012 IN LATVIA'S TRADE PARTNER COUNTRIES
(%)



1. External Sector and Exports

1.1 External economic environment

According to the latest IMF projections, the global economic growth in 2013 could be faster than in 2012, albeit falling somewhat behind the forecast made in October 2012. Likewise, higher growth momentum is expected in most trade partner countries of Latvia, with relatively stronger performance prospects for Lithuania, Estonia and Russia (see Table 1).

With the premium on debt securities of euro area peripheral countries declining, external risks have recently been mitigated. Nonetheless, those related to slower-than-expected growth in the euro area, the political situation in Italy, problems in Cyprus and the potential impact on the euro area from the lowered UK credit rating still persist.

The GDP growth in the euro area was negative in 2012, and the largest quarter-on-quarter deceleration in its pace was recorded for the fourth quarter (see Chart 1.1). Except neutral effects of government consumption and net exports, the contribution of almost all GDP components to its quarterly growth was negative. Even though the quarter-on-quarter contraction in Germany's GDP in the fourth quarter of 2012 could be assessed as particularly destructive, the recent improved confidence indicators suggest that the economy in Germany is returning to a more positive growth path.

The growth in Lithuania, which is Latvia's major trade partner, is still robust, and a 0.7% quarter-on-quarter GDP increase was recorded in the fourth quarter of 2012. The Lithuanian economy is positively driven by foreign trade. Formerly, the positive impact came from the rapid expansion of re-exporting, whereas presently, primarily owing to good harvest, exports of Lithuanian products are also increasing. Labour market situation has also taken a turn for the better. In the meantime, investment, which has been halted for quite a time now, gives rise to serious concerns about the further economic growth in Lithuania.

In Estonia in the fourth quarter, GDP grew by 0.9% quarter-on-quarter. While the increase lagged somewhat behind the expectations, the weak external demand posted most significant upside risks for the future economic growth. At the same time, higher

electricity prices may result in a loss of households' purchasing power and reduce the domestic demand somewhat.

The UK GDP declined by 0.3% in the fourth quarter. In part, this fall was spurred by one-off factors, yet overall, such a development was anticipated, as the recovery of the country's economy has been very fragile throughout 2012. Given the continuing weakness in the UK's recovery and growth outlook, *Moody's* downgraded the UK's government bond rating to Aa1. This move adversely impacts the economic growth expectations of the UK population and underpins depreciation of the British pound sterling.

In Russia, the economy is generally developing as expected. In early 2013, the growth continued to lose some momentum, which is confirmed by some year-on-year shrinkage in manufacturing and rising unemployment. With Russia's accession to the WTO, some tariffs were lowered or removed completely, which, in the near future, may have an adverse effect on Russia's trade balance. Meanwhile in January, the business sentiment indicators in manufacturing improved, with a likely effect of somewhat better economic outlook for the country.

In the fourth quarter of 2012, GDP in Poland picked up 0.2% quarter-on-quarter. Private consumption became weaker, the shrinkage in investment was not so pronounced, and net exports positively contributed to growth. Despite persistent and generally weak economic growth, some positive signs were surfacing. In January, retail trade data were better than expected, manufacturing was recovering, and business and consumer confidence indicators improved. The President of *Narodowy Bank Polski* has noted that the economy has most likely started to revive.

In the fourth quarter against the third quarter, the growth of Swedish GDP was unchanged, while in the third quarter an increase was still observed. It primarily reflected developments in the external sector. As around 40% of Swedish exports go to the euro area, the recession in the latter negatively affects the situation in Sweden as well. The data for the initial months of 2013 also support the assumption that so far the growth in Sweden has been weak.

In Finland, the fourth-quarter GDP contracted by 0.5% quarter-on-quarter as was primarily reflected by falling exports, investment and government consumption. The country raised its VAT rate with

1 January 2013, thus adversely impacting private consumption; it is expected, however, that together with stabilisation in income, Finland will also see private consumption gradually recovering.

The quarter-on-quarter GDP reduction in Denmark was 0.9% in the fourth quarter. It was underpinned by contracting private consumption and weakening external sector dynamics. In February 2013, however, the government of Denmark presented a plan to restore competitiveness and boost the economic growth, which foresees the opening of 150 000 new jobs by 2020. This could positively affect the overall sentiment in Denmark, yet the outlook for exports is still weak, since the growth in Denmark's major trade partners remains slow.

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

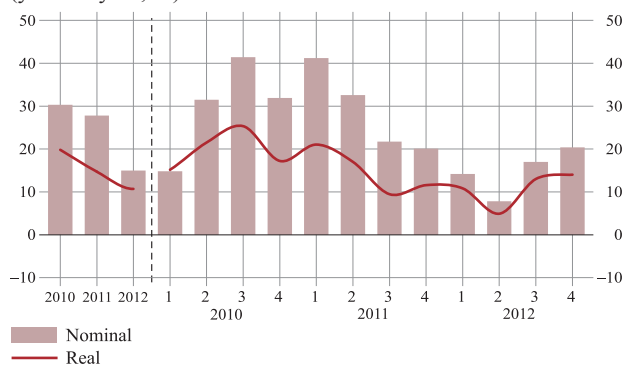
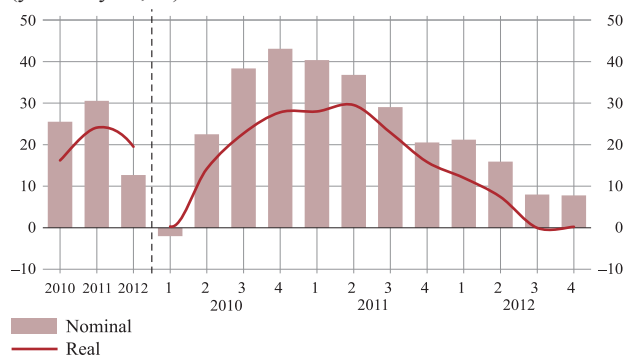


Chart 1.3
IMPORTS OF GOODS
(year-on-year; %)



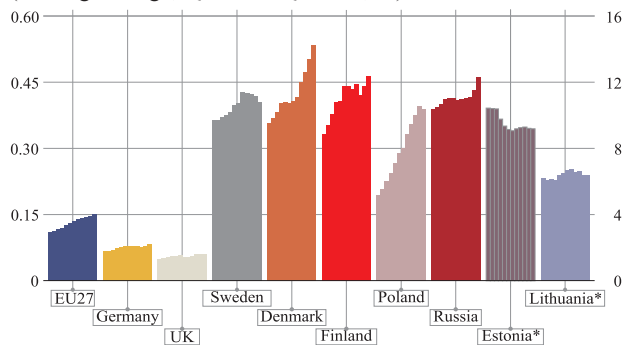
1.2 Latvia's competitiveness and commodity export growth

Notwithstanding the unstable global growth and low total external market demand, the activity of commodity trade intensified in the fourth quarter of 2012. With the export value reaching its peaks in October and November of 2012, the nominal value of exports posted a 21.0% year-on-year increase in the fourth quarter. The situation did not differ from the previous quarter: in the fourth quarter, the growth in commodity exports exceeded that in commodity imports both quarter-on-quarter and year-on-year (see Charts 1.2 and 1.3).

In the fourth quarter, Latvian producers continued to reaffirm their robust competitiveness with higher export market shares in total global imports of goods. Moderation in the economic activity of the EU countries notwithstanding, the trend of export market share growth in overall imports of the EU27 countries was preserved; the Baltic countries, where export market shares were contracting for the second consecutive quarter, and Sweden with its market shares contracting throughout the year, were the only exceptions. Meanwhile, market shares of the rest of major trade partners remained unchanged or continued to expand (see Chart 1.4).

The improvements in exporters' competitiveness were driven by diversification of both output and export markets as well as higher labour productivity and producers' value added. In the fourth quarter, vegetable and food products, machinery and mechanical appliances, electrical equipment accounted for the largest annual growth in commodity

Chart 1.4
LATVIA'S EXPORTS AGAINST MAJOR TRADE PARTNERS' IMPORTS
(moving average; Q1 2010–Q4 2012; %)



* Estonia and Lithuania – right-hand scale.

exports. A substantial increase in vegetable product exports was determined by rising grain prices in the global market and record-high harvests. However, it was the real exports that dominated in overall export growth in the reviewed quarter, with the former growing by 4.5% quarter-on-quarter and 14.5% year-on-year.

In the situation of brisker domestic economic activity due to export-generated income, the investment activity decreased and caused some moderation in the growth rate of goods imports in the second half of the year. It may be explained by entrepreneurs being hesitant regarding external-environment-related decisions. Meanwhile, a weaker import growth combined with decelerating investment is likely to hamper the development of production and consolidation of business competitiveness in the longer term.

Confidence indicators released by the EC suggest that the assessment of export order volume slightly deteriorated in January; in the first quarter of 2013, however, the respective indicators improved notably, while the self-assessment of producers' competitiveness deteriorated both domestically and in and outside the EU, which is indicative of exporters' full awareness of the growing competition.

The inflow of foreign direct investment in Latvia is continuing, and it is a positive factor for Latvia's competitiveness (see also Chapter 6). It should be noted, however, that due to the wait and see business stances with regard to external developments the inflow of foreign direct investment in manufacturing moderated towards the close of 2012. Consequently, foreign investment was primarily made in services providing branches, which require smaller fund investment than manufacturing enterprises. In some cases, the result is a larger number of new jobs, yet in a long-term perspective, it does not boost production and economic growth.

According to the information provided by the Investment and Development Agency of Latvia on foreign direct investment trends in the future, a number of positive decisions have been taken on investment in metalworking, engineering, electronic, logistic, food and other industries. The implementation of related projects will enhance the potential of the Latvian economy.

2. Financial Market Developments

2.1 Foreign financial markets

In the period from mid-December 2012 to mid-February 2013, the political and economic conditions in euro area peripheral countries improved due to determined implementation of the reform process in some of them and political consent obtained at the interstate level.

The ECB Outright Monetary Transactions Programme, announced in August and with its technical framework formulated in September 2012, has served for the financial market as security assurance; even though no bond buying has taken place under this programme as yet, it has enhanced market participants' confidence that in the event of a shock it would be possible to reduce the borrowing costs of problem-distressed euro area countries. A preliminary agreement has also been reached on establishing a single bank supervisory mechanism under the ECB; a bond (debt) buyback operation has been successfully conducted in Greece and ensured the disbursement of the next tranche of bailout funding to this country. Market participants' confidence in the euro area growth outlook was further strengthened by euro area banks repaying early (ahead of schedule) the ECB loans with 36-month maturity.

Nonetheless in February 2013, when market participants' anxiety concerning the parliamentary election results in Italy intensified, the situation in the European financial markets reversed. The discussions focused on Cyprus, its bail-out programme, the size of the needed financial support, and public debt sustainability measures. Following the election of a new president and the formation of a new cabinet in Cyprus in March, the postponed bail-out issue resurfaced with new force. Even though around 17 billion euro, which would be sufficient for bank recapitalisation in this small economy, in European context is a relatively small-scale rescue financing, its full disbursement would jeopardise the public debt sustainability. On 16 March 2013, the Cypriot authorities and international creditors succeeded in reaching a preliminary political agreement, foreseeing an upfront one-off stability levy applicable to all deposits, both made by residents and non-residents (as is known, citizen and company deposits from

Russia predominate) at Cyprus' credit institutions as a solution to the public debt sustainability problem. This preliminary agreement with international lenders, and the proposed levy on deposits in particular, set off a strong domestic wave of protests and international repercussions. Anxiety gripped market participants who thought that other euro area public debt distressed economies might follow suit, and trust in the financial and deposit insurance system deteriorated. Only few days passed, and the Cypriot parliament voted against the proposed terms of the European bailout, thus rejecting the agreement and arousing market participants' concerns about the country's potential plunge into bankruptcy. The impact of these developments in Cyprus on the global financial market was negative and particularly strong for the euro area market, where peripheral country bond yields soared, euro depreciated and stock price indices deteriorated, while the prices of safe assets went up. The stock prices plummeted in the Russian financial market as well. Finally on March 25, the President of Cyprus and the EU and IMF officials managed to reach a new deal on bail-out package terms for the Cypriot economy, which foresee the immediate shutting down of the Popular Bank of Cyprus, the second largest bank of Cyprus, while fully compensating (shifting to another bank) its deposits below 100 000 euro; in return, the amount of EU, ECB and IMF bail-out financing for Cyprus will be up to 10 billion euro. The banks in Cyprus reopened on 28 March.

Meanwhile, the dynamics in the US financial market was determined by the developments related to the US federal budget and positive economic performance confirming a gradual recovery of the housing and labour markets as well as the entire economy.

With market participants more often considering investing in risky assets, stock prices in global stock markets as well as yields on safer-deemed government securities in government securities markets tended to move up. Between 15 December 2012 and 15 February 2013, Japan's stock market price index *Nikkei 225* went up 29.0%, the respective US S & P 500 index increased by 10.6%, but Europe's stock market index *DJ EURO STOXX 50* picked up 3.6% (see Chart 2.1). The dynamics of yields on government securities differed across the peripheral countries of the euro area (see Chart 2.2). With the sovereign credit risk diminishing, government security yields were on a downward trend in Portugal, Ireland and Spain, while in Italy they elevated due to the augmenting political risk.

Chart 2.1
MAJOR WORLD STOCK PRICE INDICES AND GERMAN 10-YEAR GOVERNMENT BOND YIELDS

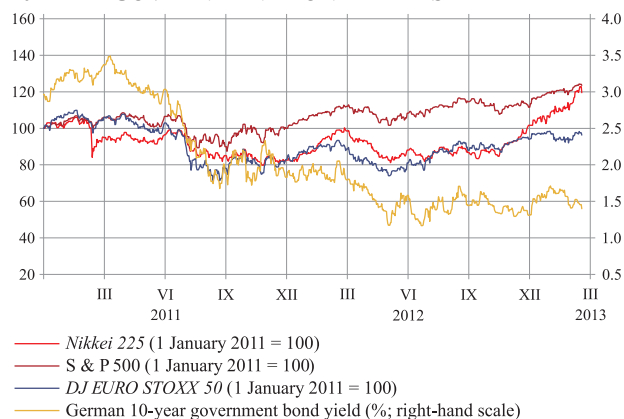


Chart 2.2
YIELD SPREADS BETWEEN 10-YEAR GOVERNMENT BONDS OF EURO AREA PERIPHERAL COUNTRIES AND GERMANY (percentage points)



Chart 2.3
BRENT OIL PRICE AND EXCHANGE RATE OF THE EURO AGAINST THE US DOLLAR

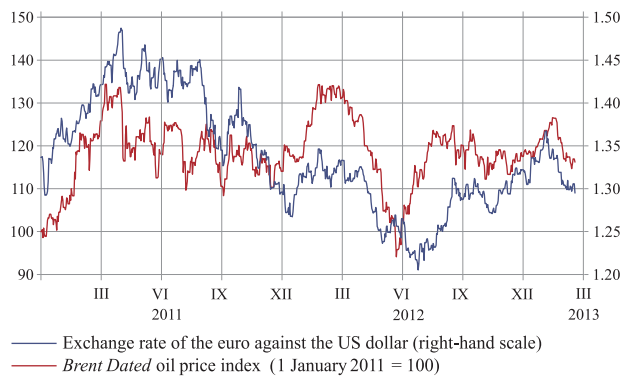
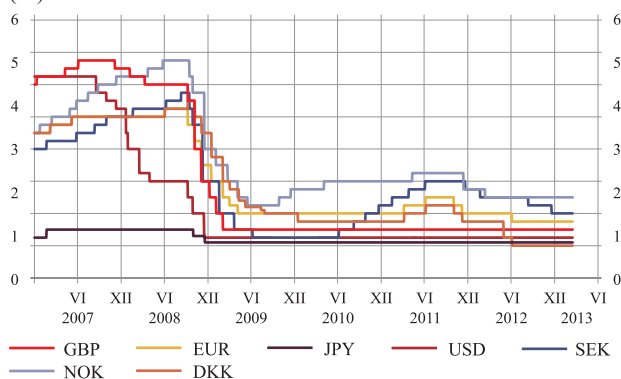


Chart 2.4
BASE RATES (%)



Between mid-December 2012 and mid-February 2013, the price of *Brent* crude oil was on an upward trend; later, however, it started to decline gradually. In the reference period overall, the price of *Brent* crude oil, though fluctuating within the range of 108 and 120 US dollars per barrel, remained almost unchanged year-on-year (see Chart 2.3). The rise in *Brent* crude oil price from December 2012 to early February 2013 was primarily on account of oil supply restrictions arising from geopolitical tensions whose effects were intensified by market participants' stronger optimism. Whereas the downward trend in the oil price since mid-February 2013 was determined by political uncertainty, weak economic performance in the EU peripheral countries, and slower-than-expected economic growth in China. In the medium term, market participants anticipate booming oil supplies from oil producers outside the OECD and consequential downward dynamics of *Brent* crude oil prices.

The prices of the rest of raw materials and food products were rising in the period between mid-December 2012 and mid-February 2013. Thus, for instance, with manufacturing of already existing output growing and innovative manufacturing expanding in China, the demand for various metals, including also precious ones, increased. Since mid-February 2013, however, the prices of other raw materials and food products, similar to oil prices, have been declining. These oil, raw material and food product price development trends determined a gradual moderation in inflationary pressures in the developed countries.

Most market participants had expected the ECB to hold its main refinancing rate unchanged at 0.75% in the reference period (see Chart 2.4), as the euro area inflation remained close to the ECB inflation target and provisional economic data suggested that the economic growth in the majority of core countries was reviving. Regarding the reference period from December 2012 to February 2013, market participants did not anticipate, at least as strongly as before, the ECB to lower the refinancing rate further. Moreover, the euro area credit institutions used the option of early repayment of financing borrowed under ECB December 2011 and March 2012 special longer-term refinancing operations with 36-month maturity. By March 2013, the euro area credit institutions are likely to have repaid the ECB a total of 235.8 billion euro or 23.1% of the amount allotted under these operations.

Due to the market participants' expectations about the

euro interest rate and liquidity shrinking in the market (in connection with early debt repayment to the ECB), EURIBOR started to rise in December 2012. As the situation in the euro area financial market turned out to be worse than expected, market participants deemed the lowering of euro refinancing rate as realistic again from the middle of February. As a result, EURIBOR started to go down once again, with risk-free market interest rates following suit in the reference period. Consequently, the spread between unsecured and risk-free euro money market interest rates remained stable between December 2012 and February 2013 and did not testify to tensions in the euro area interbank market.

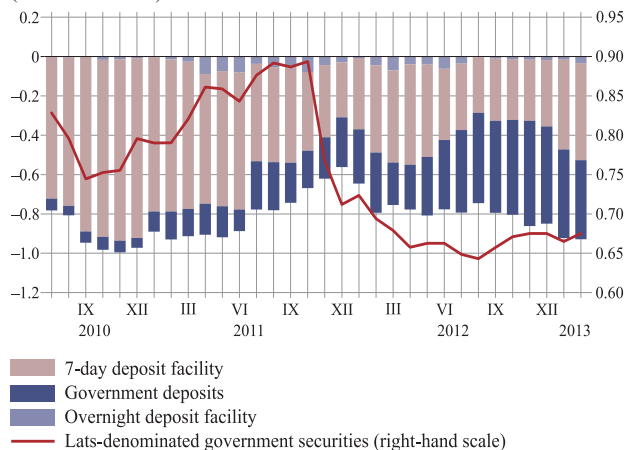
Against the US dollar, the euro was appreciating from mid-December 2012 to mid-February 2013, i.e. in the period when market participants' optimism about euro area economic growth prospects and inclination to obtain European assets increased, thus boosting the demand for euro. However, since the middle of February 2013, the euro has again started to depreciate, reflecting the concerns of market participants about the euro area development trends as evidenced by contracting European asset ratios in their asset portfolios. In line with the weakening demand for euro-denominated assets, the demand for the euro fell, while that for the other currencies strengthened.

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

In December 2012–February 2013 market participants sold foreign currency in the amount of 1.9 million lats (as per transaction date) to the Bank of Latvia. With the lats exchange rate to the euro moving away from the lower limit of the intervention band and approaching the central parity, foreign currency sale subsided in the next months. Demand for lats moderated on account of increasingly convincing signs of the prospective joining of the euro area and a decrease in currency in circulation following the household spending in December. Observations in other EU countries during the year before their joining the euro area suggest that a downward trend in currency in circulation could be expected in 2013.

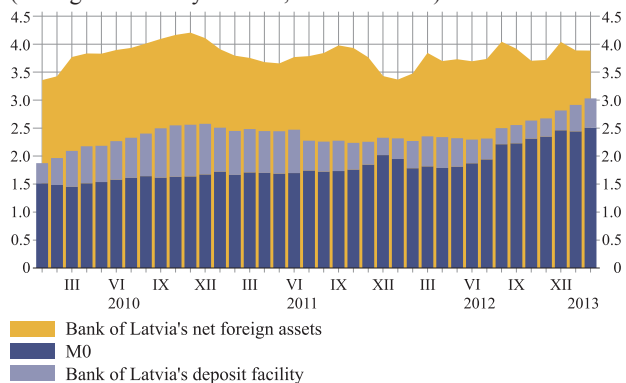
In the reporting period credit institution liquidity grew by 58.3 million lats on average as a result of a decrease in the average government lats deposit with the Bank of Latvia. Deposits of other financial institutions with the Bank of Latvia also contracted.

Chart 2.5
AVERAGE BALANCES OF THE BANK OF LATVIA'S
MONETARY OPERATIONS AND GOVERNMENT LATS
DEPOSITS
(billions of lats)



Payments to the Deposit Guarantee Fund were used for repaying its borrowing from the Treasury, thus increasing the government revenue in lats, and were used for covering the growing government expenditure at the close of the year. At the same time growth in currency in circulation, minimum reserve requirements for credit institutions and other international institution deposits in lats had a decreasing effect on the credit institution liquidity. The government continued to convert euro into lats in the foreign exchange market; nevertheless it saw higher expenditure at the end of the year. In January and February the redemption amount of government securities exceeded 150 million lats. At the same period currency in circulation also saw a more pronounced drop than in previous years, resulting in an increase in credit institution liquidity (see Charts 2.5 and 2.6).

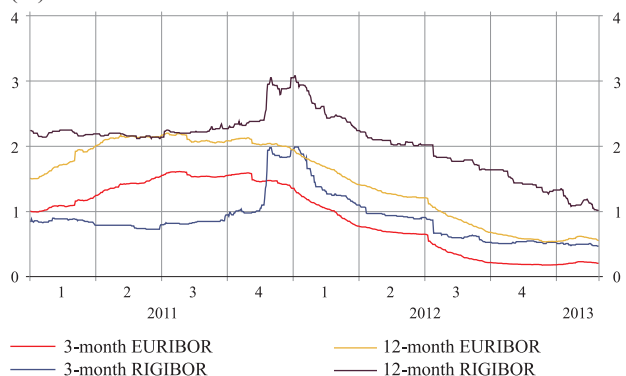
Chart 2.6
NET FOREIGN ASSETS, MONETARY BASE AND BANK
OF LATVIA DEPOSIT FACILITY
(average end-of-day balance; billions of lats)



The Bank of Latvia's overnight and 7-day deposit facility expanded by 38.1%, to 448.6 million lats on average. The average excess reserves expanded by 32.9% (to 121.1 million lats), but this amount was mostly concentrated in a small number of credit institutions. Credit institutions still had not resumed using the Bank of Latvia's liquidity-providing operations.

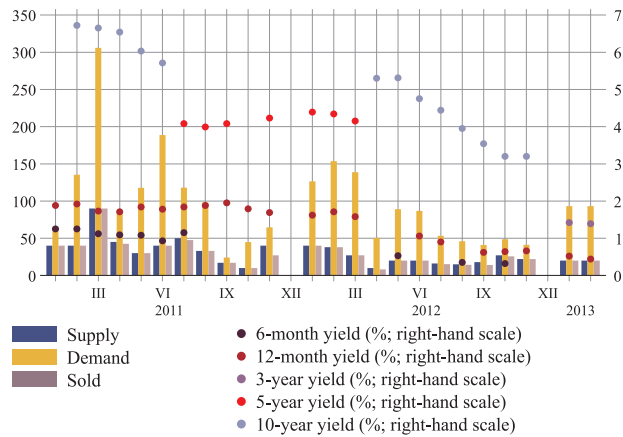
In the reporting period the Council of the Bank of Latvia resolved to leave the interest rates unchanged, recognising them to be appropriate for the national economy. The latest economic developments and estimates of future developments suggested that the medium-term risks to price stability were contained and inflation would remain low.

Chart 2.7
THE LATS AND EURO MONEY MARKET RATES
(%)



With the excess lats liquidity in the money market persisting, the weighted average interest rate on interbank overnight transactions shrank to 0.09% in December–February, down from 0.11% in September–November. Consequently, 3-month RIGIBOR declined from 0.54% to 0.51%, and 6-month RIGIBOR moved down from 1.11% to 0.86%. Further decline in the lats money market rates also resulted from the Bank of Latvia's September resolution on reducing the interest rates and Latvia's commitment to join the euro area. In the reporting period the spread between the 3-month RIGIBOR and EURIBOR was 0.30 percentage points (3 basis points smaller than in the previous reporting period; see Chart 2.7) and that of 6-month was 0.51 percentage points, recording a decline of 18 basis points.

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



2.3 Securities market

Primary auctions of 12-month Treasury bills and 3-year Treasury bonds were held in December 2012 – February 2013 (see Chart 2.8). Securities were supplied in the amount of 60.0 million lats; with demand 3.6 times exceeding supply, all securities were sold. The weighted average yield on 12-month Treasury bills fell from 0.67% to 0.44%. With the demand being high, the weighted average yield declined as a result of a larger-scale bond redemption in February providing credit institutions with additional funds for purchasing newly-issued securities. As regards 3-year government bonds, their auctions had not been held since August 2010 when the weighted average bond yield stood at 5.55%; at the auction in February it was a mere 1.39%.

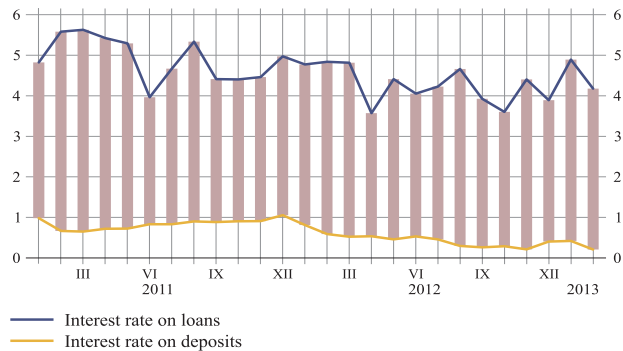
The quoted bid yield on Latvian government bonds denominated in US dollars and maturing in 2021 was 3.23% at the end of November, reaching 3.34% at the end of February. The quoted bid yield on the Latvian government eurobonds maturing in 2018 rose from 1.88% to 2.04% over the reporting period. The above rise was related to an increase in the bid rates on securities of the developed countries in December–February rather than a higher risk perception associated with Latvia. The continuously narrowing bid rate spreads also testified to that. At the end of February the spread between the bid yields on Latvian government bonds denominated in US dollars maturing in 2021 and the US government bonds of the same maturity narrowed to 184 basis points, and the spread between the bid yields on Latvian government eurobonds maturing in 2018 and German government bonds of the respective maturity was 164 basis points.

At the end of February OMXR, *NASDAQ OMX Riga* share price index, was 3.0% higher than at the end of November, while in annual terms the increase was a mere 1.3%. On the major global stock exchanges the indices posted a higher average rate of increase during the reporting period. In this period the developments of the major global stock market indices had a less pronounced effect on the Latvian stock market due to its smaller scale and fewer investors.

2.4 Interest rates

In January and February, the movements of the money market indices no longer played a significant role in determining the lending and deposit rates. Most credit institutions left the bank margins applied on top of

Chart 2.9
SPREAD BETWEEN INTEREST RATES ON NEW LOANS
AND NEW DEPOSITS
(percentage points)



the money market indices to new loans granted to households or non-financial corporations unchanged.

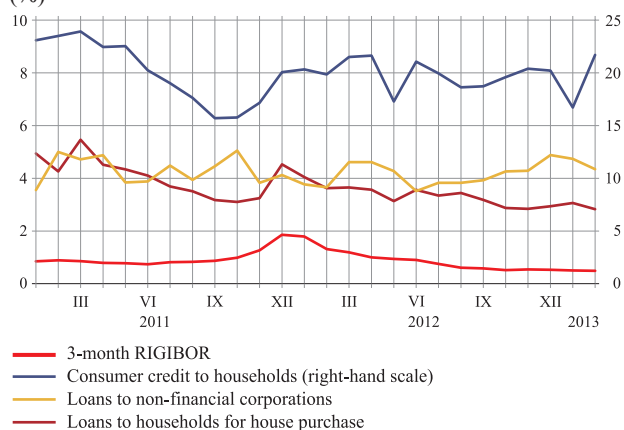
Nevertheless, in some lending segments the bank margins increased in January and February in comparison with the previous months. This suggested that either smaller credit institutions which often grant loans to higher-risk customers at higher interest rates have increased their activity in the particular market sub-segment, or some larger credit institutions have tightened their pricing conditions. With the interest rates on time deposits with MFIs declining and the respective lending rates growing, the spread between new MFI loans and new time deposits with MFIs widened to 4.0 percentage points in February (see Chart 2.9).

The interest rates on new euro loans granted to non-financial corporations lingered between 3% and 4%. Most of the new euro loans granted to non-financial corporations exceeded 1 billion euro (or an equivalent amount in lats). Due to this reason, the volatile rates on those loans were the primary drivers of the overall developments in the rates on new euro lending to non-financial corporations. The interest rates on new medium-sized (from 250 thousand euro to 1 million euro or an equivalent amount in lats) euro loans granted to non-financial corporations remained unchanged in January and February, whereas the respective rates on small-size loans (up to 250 thousand euro or an equivalent amount in lats) slightly increased. In both non-financial corporation lending sub-segments an upward pressure on the interest rates was exerted by the increased activity on the part of smaller credit institutions. This confirms that higher interest rates on new small and medium-sized loans granted to non-financial corporations are an indication of a higher risk profile associated with the new loans rather than of changes in the pricing conditions applied by credit institutions.

The interest rates on new lats loans granted to non-financial corporations were also characterised by volatility and were highly dependent on the interest rates on large-size loans. Most credit institutions did not change the bank margins on lending to non-financial corporations. Nevertheless, as some larger credit institutions re-focussed from one market sub-segment to another market sub-segment either decreasing or, as the case may be, increasing the interest rates on loans offered in the particular sub-segment, it affected the overall borrowing costs of non-financial corporations and the borrowing costs in each sub-sector of lending to non-financial corporations.

Chart 2.10

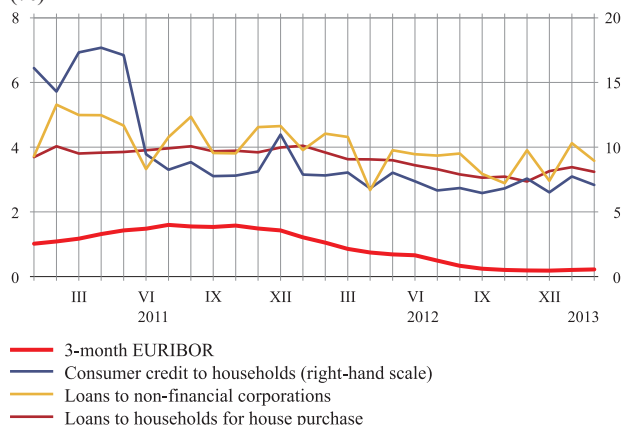
INTEREST RATES ON MFI SHORT-TERM LOANS IN LATS* (%)



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

Chart 2.11

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



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

In January and February, floating interest rates and interest rates with the initial rate fixation period of up to 1 year on new euro loans to households for house purchase lingered roughly around the level of December 2012. In the case of those particular loans, the bank margins above the 3-month EURIBOR were slightly higher in the period from December 2012 to February 2013 in comparison with the respective level of the previous year (by 0.3 percentage point; at 3.1 percentage points on average), as some major market players tightened their pricing conditions and the share of higher-risk loans in aggregate loans expanded.

The bank margin on the respective household loans for house purchase granted in lats remained stable (2.3 percentage points in February 2013; 2.4 percentage points in December 2012) and were narrower in comparison with the one applied to euro loans. At the same time, the interest rates on new loans with an initial interest rate fixation period of over 1 year granted to households for house purchase remained volatile which can be explained by the lack of depth in the particular market segment.

Following a dive in January, the interest rates on new consumer credit granted to households in lats with an initial interest rate fixation period of over 1 year returned to the level observed in the preceding months. The respective rates of euro loans, in turn, continued to fluctuate within the interval of 6%–8% (see Charts 2.10 and 2.11). Within the relatively shallow consumer credit segment, the interest rates on new loans were largely influenced by the changes in interest rates and the structure of new loans across various credit institutions.

The interest rates on new time deposits of non-financial corporations remained broadly unchanged: still close to zero. Considering the low level of the deposit rates, the amount of free liquidity placed by non-financial corporations on time deposits in January and February was again smaller than in the respective period of the previous year. In December 2012 and January 2013, the interest rate on new time deposits of households made in lats increased, as credit institutions offered better deposit terms and conditions to households and smaller credit institutions increased their household deposits: time deposits by households tend to be with longer maturities (6 months and 1 year) and normally have higher interest rates. In February, the impact of all the above-mentioned factors faded or disappeared and the interest rates on household deposits returned to a level slightly below the one observed in November 2012.

Chart 2.12
RESIDENT LOANS TO GDP
(%)

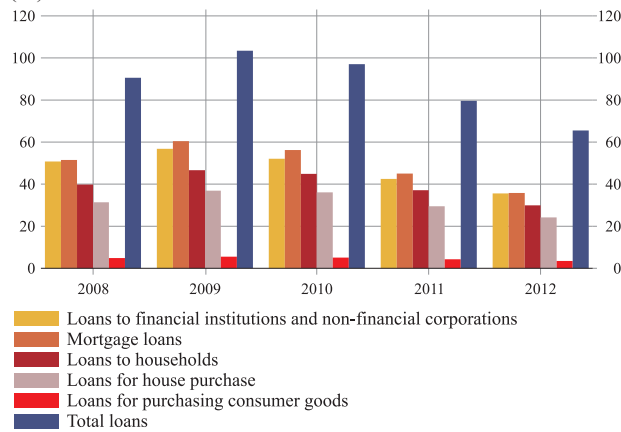


Chart 2.13
ANNUAL RATE OF CHANGE IN MONETARY
AGGREGATES
(%)

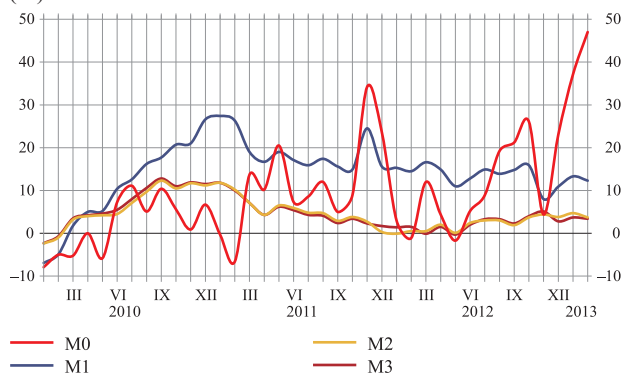
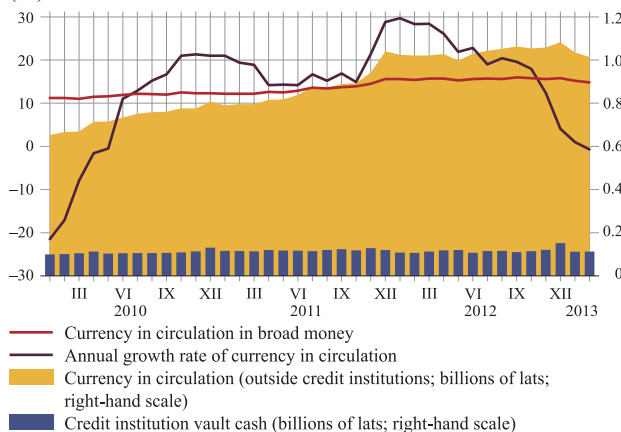


Chart 2.14
CURRENCY IN CIRCULATION
(%)



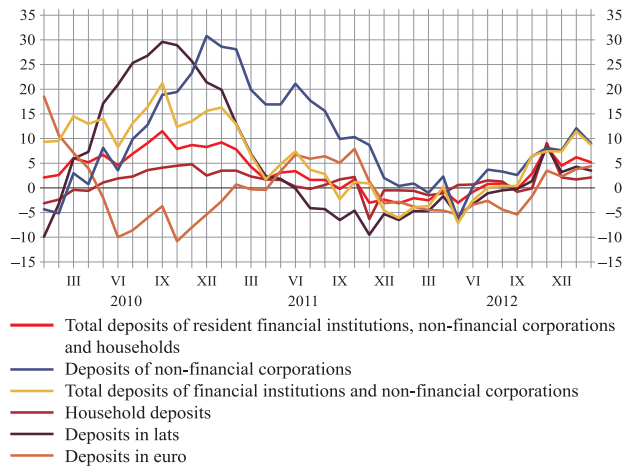
2.5 Money supply

In the first two months of 2013, the growth of the monetary aggregates remained broadly stable, reflecting the favourable macroeconomic developments and the stability of the financial markets. A slight drop in the money supply in January was followed by a moderate rise in February, largely resulting from an increase in deposits of non-financial corporations placed with credit institutions. The growth of deposits by non-financial corporations was supported by both the recovery of the domestic consumption as well as the income of well-performing export sectors. Household deposits were depleted because of increasing consumption, whereas the household preference for decreasing the proportion of currency holdings in their savings, possibly related to less uncertainty vis-à-vis the euro introduction prospects, supported an increase in those deposits. As a result, the demand for cash decreased considerably in the first two months of the year. An improvement in the economic situation of exporting sectors resulted in a higher demand for corporate loans, at the same time encouraging also the credit institutions to step up corporate lending. The loan portfolio of this sector remained stable. At the same time, the quality of loans improved. As a result of the GDP growth, the ratio of loans to GDP continued to decline reaching 65.5% (79.6% in 2011; see Chart 2.12).

Aggregate money supply totalled 6.9 billion lats in February, representing a 3.4% year-on-year increase (see Chart 2.13). M1, the most liquid component of money supply, continued to dominate in the broad money M3 and its annual growth rate reached 12.3% in February (see Chart 2.14 for the developments of currency in circulation). As the remuneration paid on deposits was negligible, the rise in deposits concentrated primarily in the overnight segment: overnight deposits grew by 2.8% in January and February. Deposits redeemable at notice also expanded by 4.3%, whereas deposits with an agreed maturity of up to two years contracted by 2.7%.

The annual growth rate of deposits made by resident financial institutions, non-financial corporations and households remained moderate at 5.2% in February. Euro deposits expanded, whereas the deposits made in lats contracted, with both annual rates still remaining similar (4.4% and 3.5% respectively; see Charts 2.15 and 2.16 for the developments in deposits). Against the background of growing deposits, the ratio of domestic deposits to loans increased from 56.0% in

Chart 2.15
ANNUAL RATE OF CHANGE IN RESIDENT DEPOSITS (%)



December 2012 to 56.9% in February 2013. At the same time, financing received from foreign parent banks continued to contract and the growth of non-resident non-MFI deposits decelerated (see Charts 2.17 and 2.18).

Chart 2.16
RESIDENT DEPOSIT DYNAMICS (billions of lats)

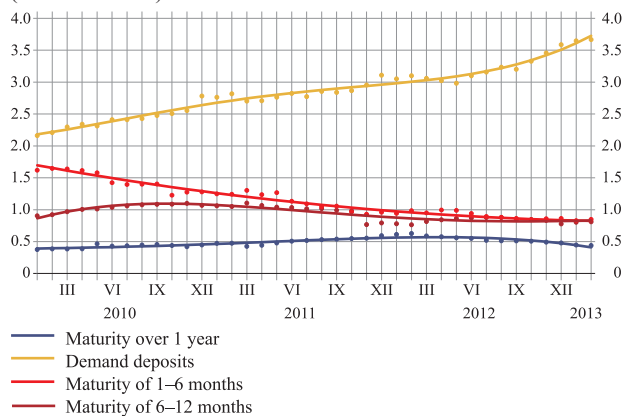


Chart 2.17
NON-MFI DEPOSIT DYNAMICS (in billions of lats)

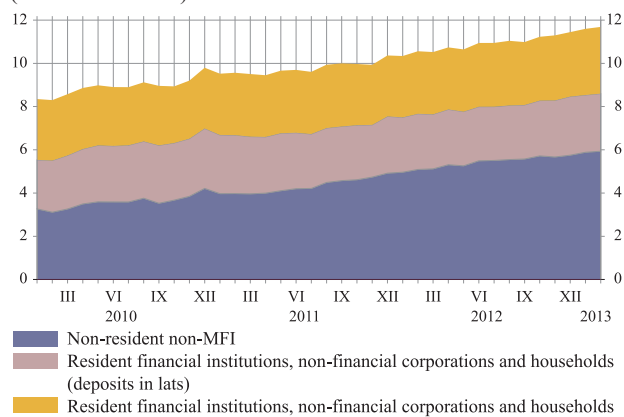


Chart 2.18

CREDIT INSTITUTION FOREIGN LIABILITIES
(billions of lats)

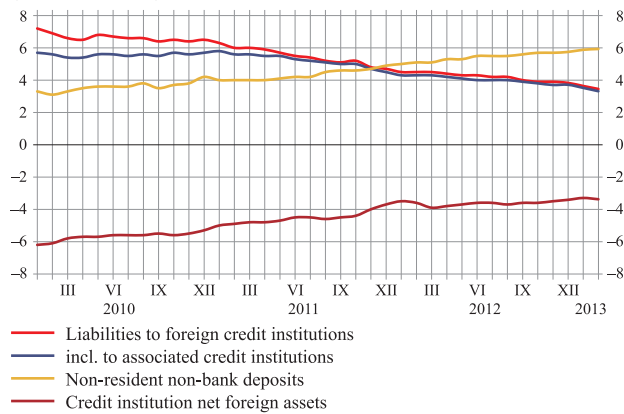


Chart 2.19

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

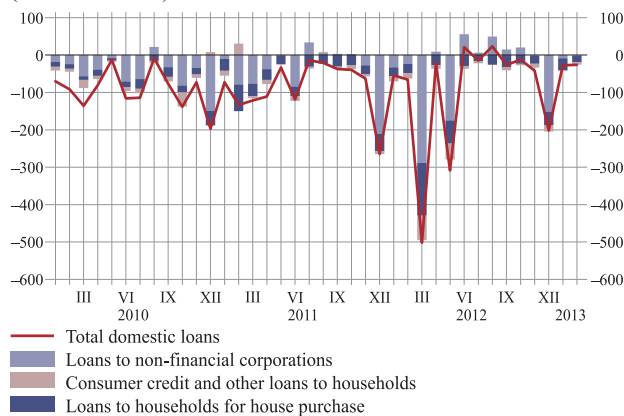
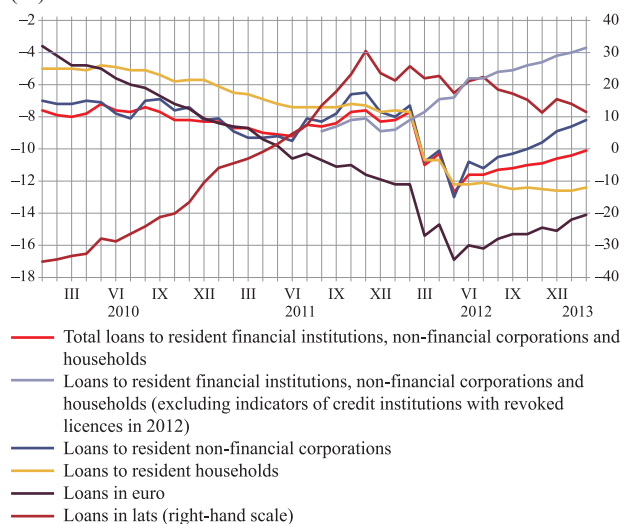


Chart 2.20

ANNUAL RATE OF CHANGE IN LOANS TO RESIDENTS
(%)

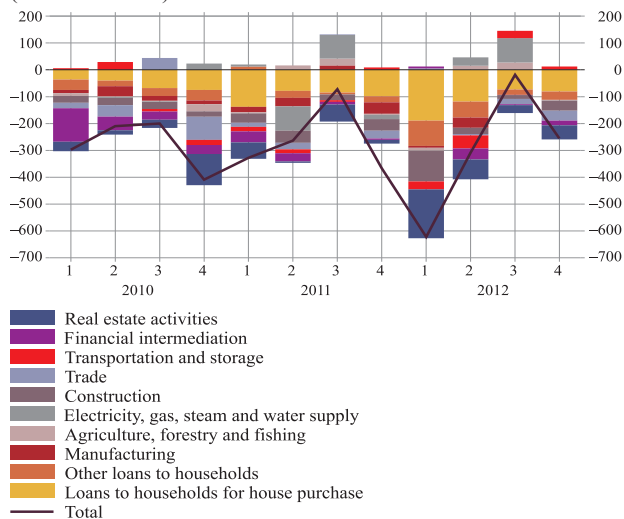


At the end of February, aggregate loans granted to residents had shrunk by 0.5% in comparison with the end of December (see Chart 2.19 for monthly changes in lending). The annual rate of decrease in resident loans continued to decelerate and dropped to 10.1% in February (or 3.7% when excluding credit institutions whose licences were revoked in 2012; see Chart 2.20). The loan portfolio shrank as a result of a decline in household loans (1.3% in two months). At the same time, loans granted to financial institutions and non-financial corporations grew by 0.1% during this period. Loans granted in euro continued on a downward trend, whereas the loan portfolios of other foreign currencies and the lats expanded. The proportion of the lats loans in the aggregate domestic loan portfolio was 13.9% in February.

Lending to manufacturing of fabricated metal products, water supply, wholesale, storage and financial services increased in the course of the most recent months. In January, a positive lending growth rate was demonstrated by agriculture and all its primary sub-sectors, some sub-sectors of manufacturing (manufacturing of wearing apparel, metals, fabricated metal products and paper), energy sector, water supply, transportation by land and other sectors (see Chart 2.21 for changes in the structure of the domestic loan portfolio).

The changes observed in money supply in January and February reflected the balanced development of the economy. Although household deposits could continue to shrink under the impact of certain factors, corporate accounts will receive further inflows generated by the domestic demand and persistently well-performing export sectors. Thus the aggregate money supply will continue to expand moderately in 2013. Moreover,

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



following the final decision about Latvia joining the euro area, an additional supporting factor for a rise in deposits will be the opportunity to convert non-cash currency into euro easier, at the same time decreasing the use of the cash currency. Movement towards joining the euro area will also gradually increase the role of the euro in the structure of money supply. For the time being, the demand for corporate loans, particularly for investment in exporting businesses, will increase. Credit institutions have also confirmed that such businesses can rightfully apply for loans; therefore, there is a potential for further recovery of corporate lending. As a result, the annual rate of change of corporate loans will most likely return to a positive territory in 2013. The household loan portfolio will proceed on a downward trend, with gradual repayments of household loans for house purchase continuing.

Table 2
MONETARY AGGREGATES
(quarterly figures are averages)

	Outstanding amount as percentage of M3	Annual growth rates (%)								
		2012							2013	
		2013 II	Q1	Q2	Q3	X	XI	XII	Q4	I
M1	70.9	15.5	12.9	14.5	15.9	8.0	10.9	11.6	13.3	12.3
Currency in circulation	14.8	28.8	23.6	19.7	18.0	12.4	4.1	11.5	1.0	-0.7
Overnight deposits	56.1	11.9	9.9	13.1	15.3	6.8	13.0	11.7	17.1	16.3
M2 – M1 (= other short-term deposits)	26.8	-20.9	-15.0	-16.2	-16.9	-3.5	-11.0	-10.5	-12.9	-13.7
Deposits with an agreed maturity of up to 2 years	23.5	-20.9	-15.1	-17.0	-17.9	-3.4	-12.0	-11.1	-15.5	-16.5
Deposits redeemable at notice of up to 3 months	3.3	-20.4	-14.7	-8.4	-7.0	-4.3	-1.7	-4.3	11.9	13.1
M2	97.7	0.3	1.5	2.6	3.7	4.4	3.8	4.0	4.7	3.7
M3 – M2 (= marketable instruments)	2.3	42.8	-28.1	25.3	27.9	53.5	-29.2	17.4	-29.1	-8.3
M3	100.0	0.9	1.1	3.0	4.0	5.1	2.8	4.0	3.7	3.4
Credit to residents		-8.2	-10.8	-11.0	-10.6	-10.0	-9.4	-10.0	-9.3	-9.6
Credit to general government		-12.3	-15.5	-15.5	-11.1	0.5	14.2	1.2	9.0	-2.5
Credit to the private sector		-8.0	-10.6	-10.8	-10.5	-10.5	-10.4	-10.5	-10.1	-9.9
Loans to the private sector		-9.0	-11.5	-11.4	-11.0	-10.9	-10.6	-10.8	-10.4	-10.1
Longer-term financial liabilities (excluding capital and reserves)		43.3	-18.5	-12.1	-4.6	-5.0	-53.2	-20.9	-52.4	-50.1

Source: the Bank of Latvia.

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

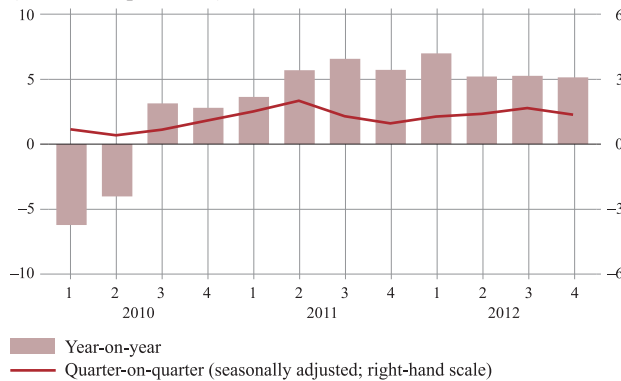
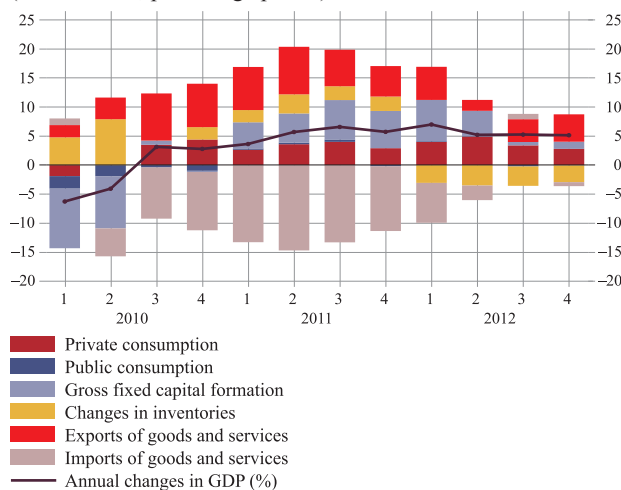


Chart 3.2
CONTRIBUTION TO ANNUAL CHANGES IN GDP
(demand side; percentage points)



3. Domestic Demand

The GDP of EU27 and the euro area contracted by 0.3% and 0.6% respectively, whereas the Latvian economy continued to develop buoyantly in 2012, achieving the highest growth rate in the EU (5.6%; see Chart 3.1). Just a year ago, with a roughly the same growth rate Latvia was the third fastest growing economy in the EU.

Exports, investment and private consumption contributed equally to GDP growth in 2012, yet their particular dynamics changed over the year. At the beginning of 2012, investment played an important role in supporting growth. Further on, private consumption became dominant, whereas in the second half of the year net exports made a very significant positive contribution to the GDP growth (see Chart 3.2).

In the fourth quarter, the leading position in terms of development was occupied by exports: its impressive growth rate of 8.4% contributed 4.7 percentage points to the GDP growth. Imports of goods and services expanded at a considerably lower rate in comparison with exports (by 1.0%); therefore, the positive contribution of net exports amounted to 4.0 percentage points.

Although the growth of private consumption at 4.2% was twice as low as that of exports, its contribution to the annual changes of the GDP was relatively large (2.8 percentage points) as consumption remained a sizeable component accounting for 69% of the real GDP.

The growth of the gross fixed capital formation decelerated in comparison with the beginning of the year, nevertheless contributing 1.2 percentage points to the GDP growth.

The negative contribution of inventories (-2.9 percentage points) still dampened the GDP growth significantly, yet the effect of the changes in inventories gradually faded.

3.1 Private consumption

The purchasing power of households continued to improve in 2012. This was inter alia reflected by the rising spending. Moreover, the private consumption growth accelerated notably in the second quarter. Retail trade followed a slightly different path in

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

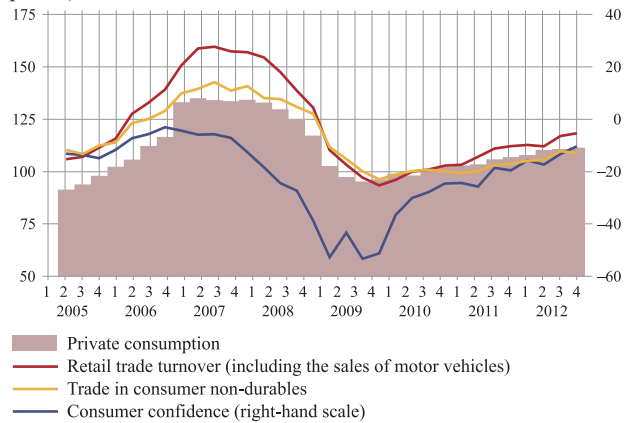


Chart 3.4
CHANGES IN GDP AND PRIVATE CONSUMPTION
(year-on-year; %)

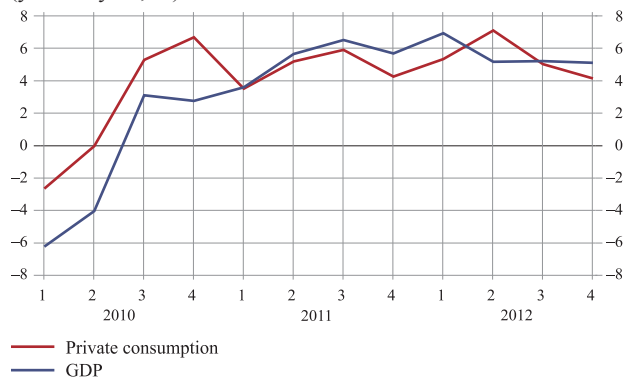
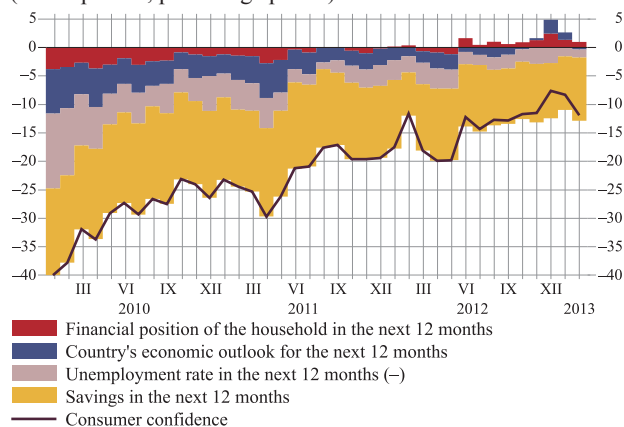


Chart 3.5
CONSUMER CONFIDENCE AND UNDERLYING FACTORS
(net responses; percentage points)



the course of the year: steeper growth of the sales volumes (particularly, of the demand for consumer non-durables) was observed with a one-quarter lag (i.e. in the third quarter; see Chart 3.3).

The growth of consumption decelerated slightly at the turn of the year. In the fourth quarter, consumption expanded by 0.6% quarter-on-quarter and by 4.2% year-on-year (see Chart 3.4). The growth could remain moderate also in the first quarter of 2013, although several opposing factors currently exert their influence on consumption.

With the average wage and salary as well as the income of self-employed and the employment numbers on a rise, the disposable income of households is also growing. An increasingly larger number of households confirm in surveys that their welfare is improving (see Chart 3.5). Nevertheless, the average temperatures this winter were considerably lower than the ones observed a year ago which translated into significantly higher spending on heating. The deterioration of the consumer and retail trade confidence in February was most likely directly related to the growing housing expenditure which had a negative effect on the purchasing power of households and their spending habits in points of sales, thereby dampening the profits earned by sales businesses.

The decline in the numbers of customers, however, does not apply to all points of sales. The demand for motor vehicles has been rising in the most recent months. In January and February, the number of cars newly registered with the Road Traffic Safety Department increased very significantly (see Chart 3.6). This increase was achieved primarily on account of cars registered in the ownership of physical persons and produced more than two years ago. Car purchases were financed mainly by previously-accumulated savings. The number of cars purchased on a basis of leasing agreements has also increased gradually in the course of the recent years. At the same time, households continue decreasing their debt obligations, hence further shrinking of loans, including loans for purchasing consumer goods, can be observed.

Low inflation will also act to support a more rapid recovery of consumption in 2013. Considering that the heating season will be over and the observed price rises are negligible, the increases in wages and salaries will result in an almost equal improvement of the purchasing power.

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

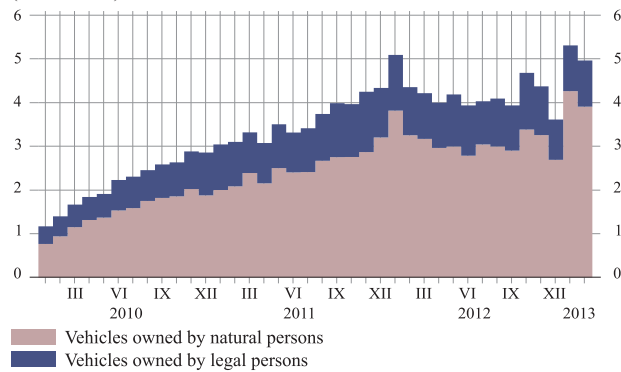


Chart 3.7
INDICATORS CHARACTERISING INVESTMENT
(2010 = 100; %)

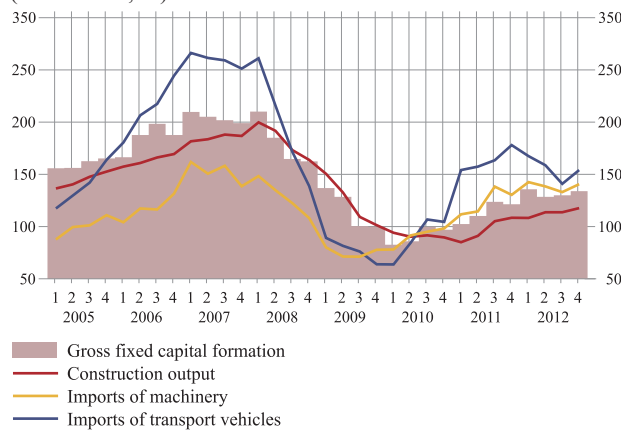
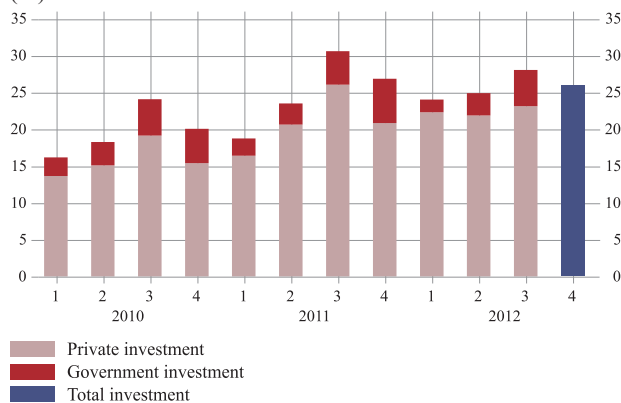


Chart 3.8
CONTRIBUTION OF PRIVATE AND GOVERNMENT
INVESTMENT TO GDP
(%)



3.2 Private investment

Investment growth continued to decelerate: in the fourth quarter of 2012, investment increased by 3.3% quarter-on-quarter and by 4.2% year-on-year. This should be viewed as a rather moderate growth rate in comparison with the beginning of 2012, when the quarterly rate amounted to 12.6% and the annual rate reached 39.0%.

The slowdown in investment growth was primarily related to the fading of the resumed tendency to upgrade equipment and vehicle fleet, something which had been postponed during the crisis. The imports of capital goods (mechanical appliances and electrical equipment as well as transport vehicles) contracted significantly (see Chart 3.7). Nevertheless, the imports of capital goods resumed growth in the fourth quarter.

The structure of non-financial investment suggests that the contribution of public administration and public services (education, health) expanded in the fourth quarter of 2012, the same as every year; nevertheless, it was smaller than in the previous year. Therefore, it can be concluded that private investment is growing at a higher pace (see Chart 3.8). Investment in transport and storage continues to grow dynamically (see Chart 3.9).

In the coming years, investment could increase, with its rate of growth even accelerating in 2013. This is already confirmed by the rising number of vehicle registrations in January and February. The financing conditions are also favourable: an impressive improvement of profits, relatively low borrowing rates, availability of EU funding. The planned introduction of the euro will also make the business environment more attractive to foreign investors.

Chart 3.9

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

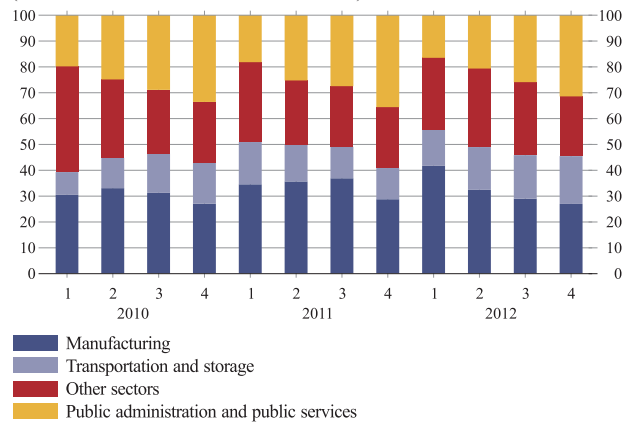


Chart 3.10

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

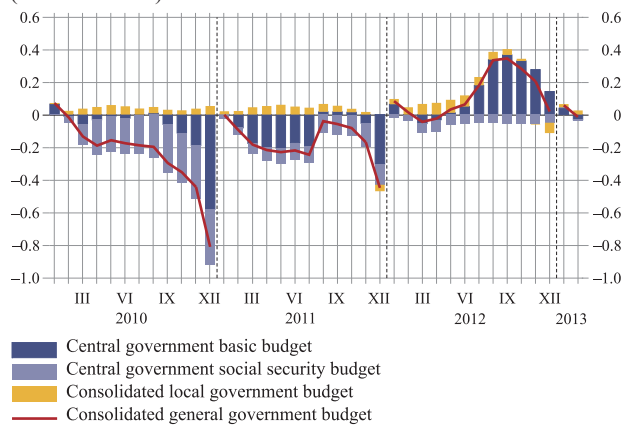
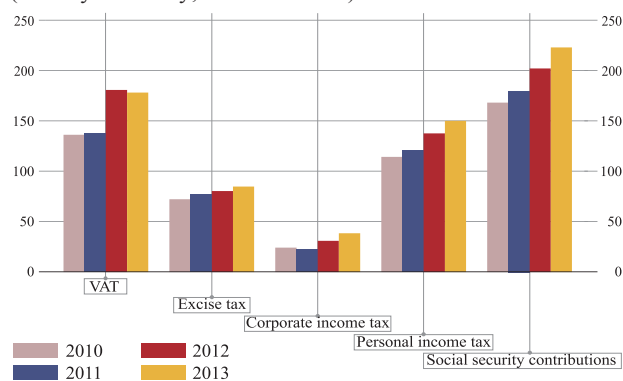


Chart 3.11

SELECTED TAX REVENUE
(January–February; millions of lats)



3.3 Government expenditure and budget

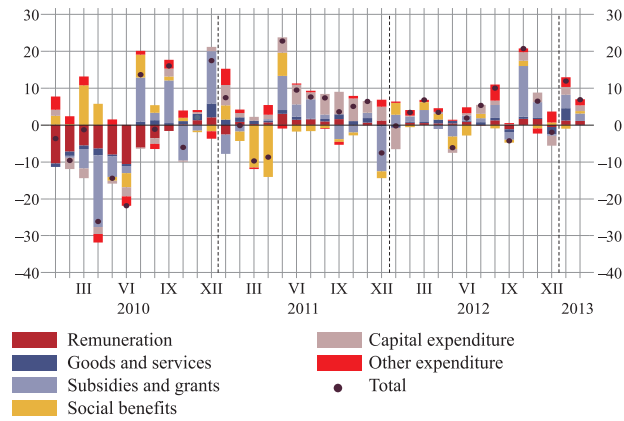
According to the official information by the Treasury, the deficit of the consolidated general government budget estimated on a cash flow basis amounted to 13.9 million lats or 0.1% of the forecast GDP in the first two months of 2013 (see Chart 3.10).

The consolidated general government budget revenue continued to grow in the first two months of 2013 (see Chart 3.11), increasing by 5.6% in comparison with the respective period of the previous year. Tax revenue expanded by 7.2%, primarily on account of the personal income tax and social insurance contribution collections (a rise of 9.0% and 10.3% respectively), confirming the continued strength of the economic development. The observed decline in the VAT collections by 1.4% year-on-year can be explained by the effects stemming from the reduction of the tax rate from 22% to 21%. Inflows of the EU funding (foreign financial assistance revenue) expanded by 3.6%.

In January and February 2013, the consolidated general government budget expenditure grew by 9.0% over the respective period of the previous year (see Chart 3.12). The increase was determined by a rise in non-capital expenditure by 7.6%, with both the current expenditure as well as expenditure on subsidies and grants contributing significantly at the beginning of 2013. Capital expenditure increased by 38.4% in the first two months of 2013 in comparison with the respective period of 2012, primarily on account of larger local government investment.

The general government debt stood at 5 781.5 million lats (35.4% of the GDP projected in 2013; 5 652.0 million lats at the end of 2012) at the end of

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



February 2013. The increase was primarily explained by changes in the applied methodology: short-term deposits of local governments and businesses with the Treasury were added to the general debt. Looking past the effect of methodology changes, the general government debt decreased by 81.2 million lats since December. The domestic debt shrank by 96.6 million lats as a result of maturing government securities, whereas the external debt grew by 15.3 million lats on account of the US dollar appreciation.

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

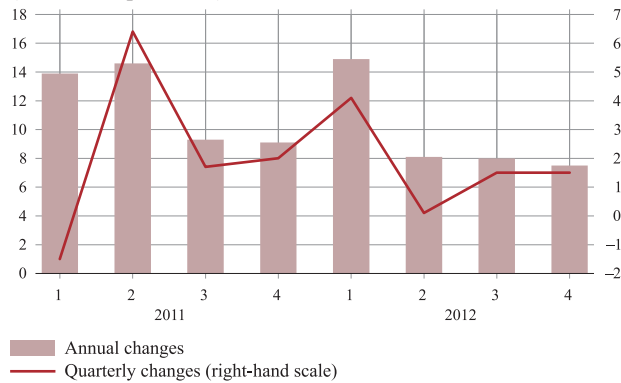


Chart 4.2
ANNUAL INDUSTRIAL OUTPUT CHANGES IN Q4 2012
(working-day adjusted; %)

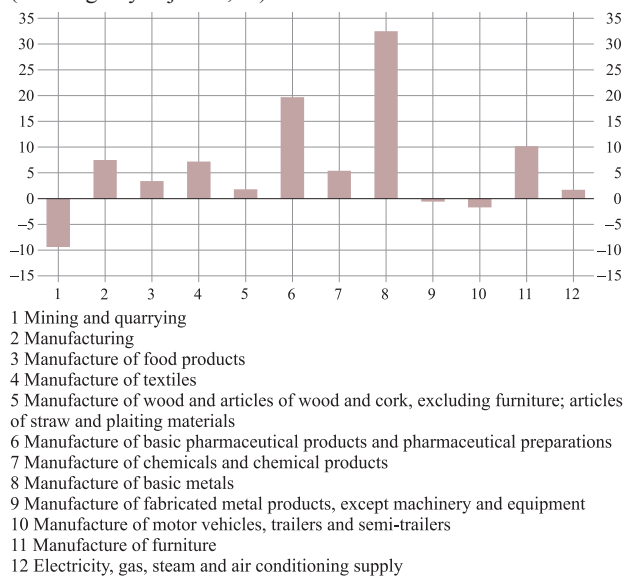
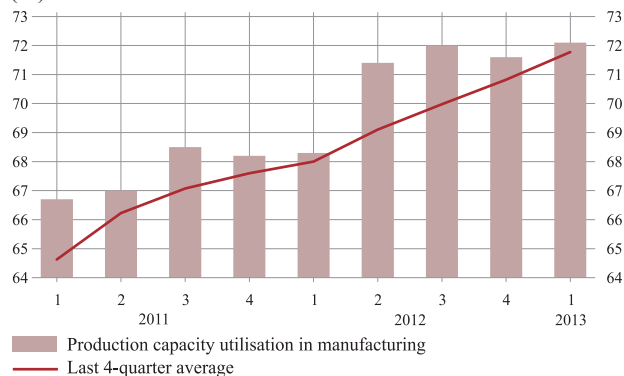


Chart 4.3
PRODUCTION CAPACITY UTILISATION IN MANUFACTURING
(%)



4. Aggregate Supply

4.1 Industry and construction

In the fourth quarter of 2012, the value added of manufacturing at constant prices recorded a year-on-year rise of 6.2%. At the same time, the value added of manufacturing (seasonally adjusted) increased in the fourth quarter by 1.3% in comparison with the previous quarter (see Chart 4.1). Hence in the fourth quarter manufacturing was one of the major positive contributors to the annual GDP growth in the breakdown by sector (0.8 percentage point), as was the case in the previous quarters.

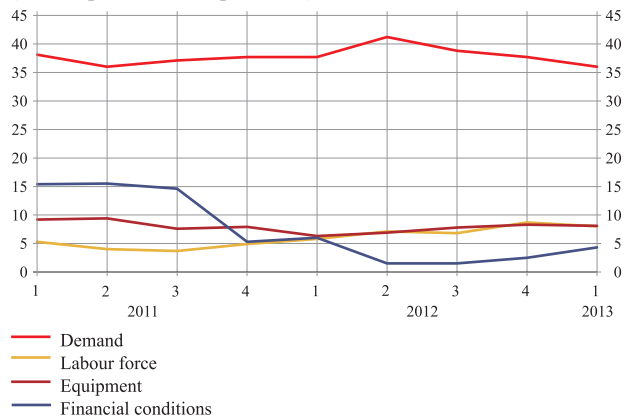
Expansion of manufacturing in the fourth quarter was attributable to a quarterly rise in the manufacturing of chemicals and chemical products (15.5%), basic pharmaceutical products and pharmaceutical preparations (16.6%), fabricated metal products (2.8%) as well as wood and articles of wood and cork (2.8%). At the same time, a declining volume of output in manufacturing of metals (7.4%), computers, electronic equipment and optical products (10.1%), motor vehicles, trailers and semi-trailers (8.5%) and repair and installation of machinery and equipment (3.6%) had an adverse impact on the increase in manufacturing (see Chart 4.2 for the annual changes in industrial output).

The turnover in manufacturing at current prices reported a year-on-year rise of 9.1% in the fourth quarter of 2012, of which an increase of 3.2% on the domestic market and that of 16.9% on the external market. This is again confirmed by the fact that expanding external demand is the major contributor to the manufacturing growth. It should be noted, however, that the increase in external demand is more moderate than the rise in manufacturing turnover, pointing to a higher competitiveness of Latvia's manufacturing and new markets.

Industrial confidence indicator aggregated by the EC for the fourth quarter was 1.7 points higher quarter-on-quarter. The above development was primarily attributable to a more positive assessment of the order volume by the manufacturers. At the same time, the assessment of stocks has remained negative (manufacturers point to insufficient stock levels), which, along with the assessment of the order volume, confirms a further growth of the sector.

Production capacity utilisation projected for the first quarter of 2013 rose to 72.1% (see Chart 4.3).

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



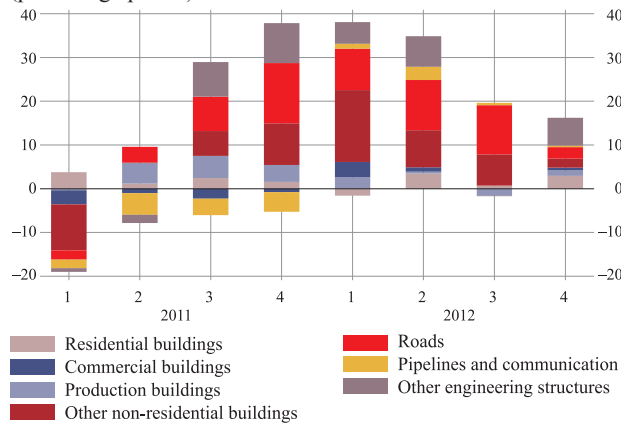
Situation differed notably by subsectors. Production capacity utilisation remained high in manufacturing of wearing apparel (74.6%), wood and articles of wood and cork (78.4%), fabricated metal products (72.3%) and furniture (74.5%). At the same time, low production capacity utilisation was observed in the manufacturing of beverages (58.9%), non-metallic mineral products (60.7%) and chemicals and chemical products (64.3%). A notable predictable fall in production capacity in manufacturing of metals has to be noted as well – from 77.9% in the fourth quarter of 2012 to 61.0% in the first quarter of 2013.

Businesses still reported the limited demand to be the major growth-restrictive factor (36.0% of the total number of respondents; see Chart 4.4) in the first quarter of 2013; however, the value of the above indicator persistently follows a downward path. Rather many respondents (29.0%) identified no substantial growth-hampering factors at the time. The above is the indicator's highest indication since the commencement of the data collection in 2004. A decreasing number of respondents pointed to labour shortage (8.0%) or technical problems (8.1%) and only 4.3% of respondents indicated access to funding to be the primary growth-restrictive factor.

The manufacturing data for January were negative. The output volume fell by 3.6% in comparison with December 2012, while the annual growth rate was close to zero. Such data contradict other industrial indicators slightly; hence the produced output volume in manufacturing is most likely expected to grow in the coming months. Although the declining output observed in January may be explained by the data volatility in some subsectors of manufacturing, objective reasons lead to a conclusion that output in some subsectors will decline in 2013.

The volume of output may decline in those sectors where output is related to the stagnating EU construction market (wood industry, manufacture of basic metals, etc.). The output of fabricated metal products and motor vehicles, trailers and semi-trailers is also likely to decline due to the stagnating EU automotive industry. The year is expected to be relatively favourable, as regards the manufacturing of food products, electrical equipment, chemical products, basic pharmaceutical products and pharmaceutical preparations and computers, electronic equipment and optical products. Hence substantial growth in manufacturing is still forecast in 2013 (about 5%), albeit more subdued than in the previous years.

Chart 4.5
CONTRIBUTION OF SOME TYPES OF CONSTRUCTION
TO THE ANNUAL CONSTRUCTION GROWTH AT
CURRENT PRICES
(percentage points)



In the fourth quarter, the value added of the construction sector recorded a year-on-year rise of 9.3%. A quarter-on-quarter increase in the value added of the construction sector was 3.5%. The contribution of the construction sector to the annual GDP growth was 0.6 percentage point. In the fourth quarter, construction output at current prices rose by 16.2% year-on-year. Engineering structures (9.3 percentage points), including the construction of motorways, streets and roads, ports and blocks of industrial buildings (see Chart 4.5), accounted for the major contribution to the annual increase. Construction of industrial production buildings, museums and libraries was the largest contributor to the segment of non-residential buildings (4.0 percentage points). At the same time, residential buildings contributed rather moderately (2.9 percentage points) to the expansion of construction, with the apartment houses accounting for the primary contribution.

The construction confidence indicator assessed by the EC deteriorated by 7.6 points in the fourth quarter. It was underpinned by a deteriorating assessment of the overall volume of orders and employment expectations. The construction confidence indicator deteriorated, most likely, on account of two factors. First, compared with the previous years, weather conditions of the current winter are very unfavourable for the performance of construction works. Second, the information about a smaller amount of funding that might be allocated for the road construction in the coming years was released in mass media. This is also confirmed by the replies of the builders to the survey question about the growth-restrictive factors: the lack of demand and weather conditions were mentioned as the main constraints in the fourth quarter of 2012.

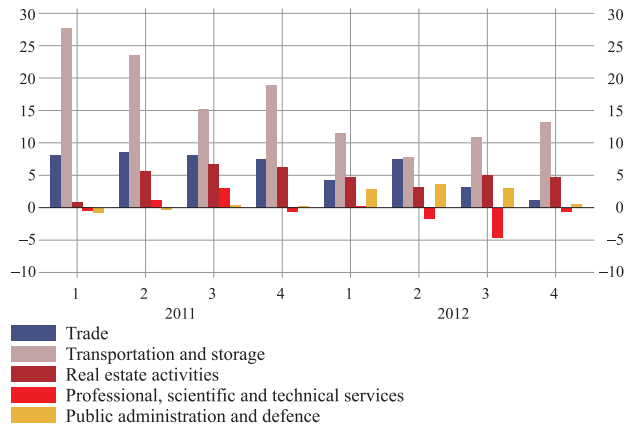
The construction confidence indicator improved somewhat in the first two months of 2013. Sector experts acknowledged that the construction sector will report growth in 2013, albeit lower than in 2012. Access to funding (both budget funding and EU funding) that has remained approximately the same as in the previous year supports the above trend. Thus, private funding will mostly contribute to the growth of the construction sector in 2013. Hence the segments of residential buildings and some non-residential buildings (industrial structures, commercial buildings and warehouses) should expand.

4.2 Services

In the fourth quarter, the value added of the services sector at constant prices recorded a year-

Chart 4.6
CHANGES IN VALUE ADDED OF MAIN TYPES OF SERVICES

(year-on-year; seasonally adjusted data; %)

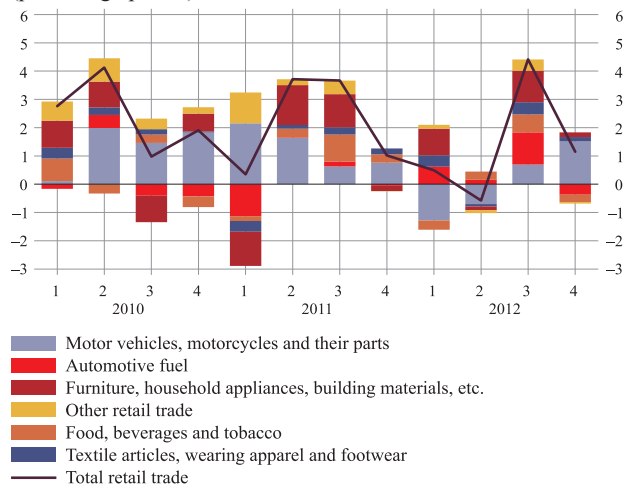


on-year increase of 4.1%. The overall contribution of the services sector to the annual GDP growth was 2.8 percentage points (see Chart 4.6 for the changes in the value added of the main types of services). Wholesale and retail trade (1.6 percentage points), information and communication services (0.4 percentage point) and professional, scientific and technical services (0.3 percentage point) accounted for the major positive contribution.

In the fourth quarter, retail trade turnover declined moderately quarter-on-quarter (by 0.5%), following the accelerated increase in the third quarter, while the annual rate of increase remained relatively high (6.7%). In the first half of the year the demand for motor vehicles shrank, whereas in the second half of the year the above sector resumed growth. Hence in the fourth quarter the overall retail trade turnover, including the sale of motor vehicles, expanded by 1.1% quarter-on-quarter (see Chart 4.7) and by 5.5% in comparison with the fourth quarter of 2011.

Chart 4.7
BREAKDOWN BY QUARTERLY CHANGES IN RETAIL TRADE

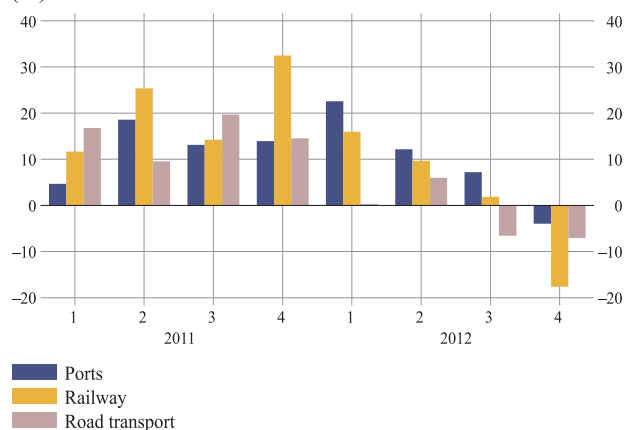
(percentage points)



In the fourth quarter, the value added of the transport and storage sector increased merely by 1.1% year-on-year (see Chart 4.8 for the annual changes in freight turnover in the major areas of transportation). The value added of the sector decreased by 0.9% quarter-on-quarter (seasonally adjusted data). Since the annual rate of increase moderated notably, the contribution of the transport and storage sector to Latvia's GDP growth also shrank substantially (to 0.1 percentage point). Such dynamics of the transport sector had already been projected, with low capacity of the sector and some problems associated with the lack of demand for the transportation services pointing to the above development.

Chart 4.8
ANNUAL CHANGES IN FREIGHT TURNOVER BY THE MAIN TYPES OF FREIGHT TRAFFIC

(%)



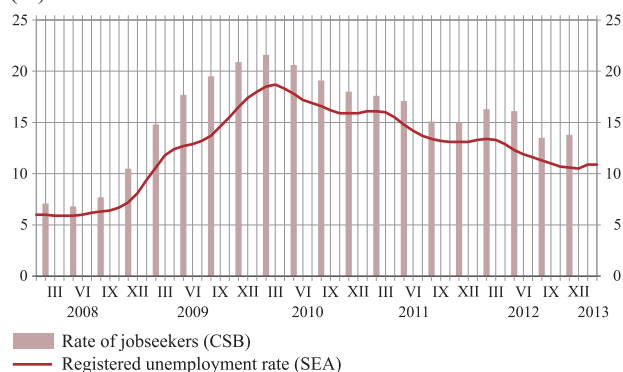
The volume of cargoes loaded and unloaded at Latvia's ports in the fourth quarter recorded an overall decline of 4.0% year-on-year. It was the first quarter confirming a negative annual growth rate since mid-2010. The shrinking volume of cargoes loaded and unloaded at Ventspils port (by 16.9%) was the primary driver of a negative annual rate of increase. Cargoes loaded and unloaded at Riga port also decreased moderately (2.6%), while the annual growth rate remained high at Liepāja port (54.7%).

The volume of freight transported by rail in the fourth quarter recorded a 17.6% year-on-year decrease. The overall drop in the volume of rail freight was attributable to the shrinking transportation to and from the ports by 17.8%. The volume of cargo transit also declined notably (45.3%).

In the fourth quarter, the volume of road transportation shrank by 7.1% year-on-year. This development was attributable to narrowing road transportation in domestic traffic (9.1%), while international traffic recorded an increase (4.0%). However, the share of domestic transportation was higher regarding the structure of road transportation, consequently the overall annual increase in road transportation remained negative. At the same time, the freight turnover, expressed as tonne-kilometres (the volume of transported freight multiplied by a distance in kilometres), picked up by 7.3%, suggesting that the distance of the transported freight increased substantially in the fourth quarter of 2012. The above data are likely to explain the difference between the growth rate of the rail freight volume and that of cargoes loaded and unloaded at ports (the volume of rail freight shrank more notably than that of cargoes loaded and unloaded at ports).

According to preliminary data for the first quarter of 2013, the annual rate of increase in the volume of cargoes loaded and unloaded at ports and that of rail freight has remained negative. This suggests that a decline in the demand for freight transportation in the region affected the performance of the sector at the beginning of 2013. In March, however, the freezing of the northern part of the Baltic Sea might contribute positively to the operation of ports, with some freight flows being diverted to Latvia's ports.

Chart 4.9
REGISTERED UNEMPLOYMENT RATE AND THAT OF
JOBSEEKERS
(%)



4.3 Labour market

Decline in unemployment was consistent with the Bank of Latvia's forecast: according to the CSB's labour survey data, the average rate of jobseekers was 14.9% of the economically active population in 2012 (a year-on-year decline of 1.3 percentage points). The annual decline was similar at the end of 2012 as well, with the rate of jobseekers reaching 13.8% (see Chart 4.9) in the fourth quarter. Unemployment is expected to continue on a gradual downward path in 2013. With the rate of jobseekers approaching its natural rate (the average 15-year rate of jobseekers amounts to 12.7%), the future success in reducing unemployment will depend not only on the overall economic growth rate, but also increasingly on the effectiveness of the employment programmes provided for particular groups of population and regions.

The degree of mismatch between the demand for and supply of labour has remained broadly unchanged in comparison with the period prior to the economic

Chart 4.10
BEVERIDGE CURVE: NUMBER OF UNEMPLOYED PERSONS REGISTERED WITH THE SEA AND THAT OF VACANCIES
(in thousands)

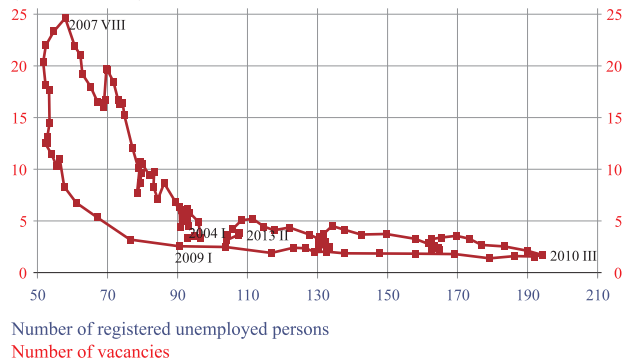


Chart 4.11
IMPACT OF THE DYNAMICS OF THE NUMBER OF ECONOMICALLY ACTIVE POPULATION ON THE RATE OF JOBSEEKERS

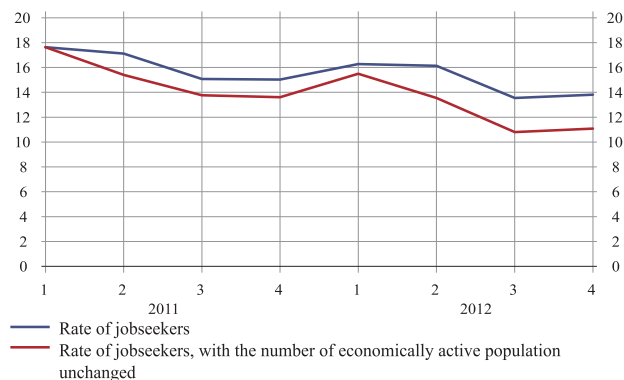
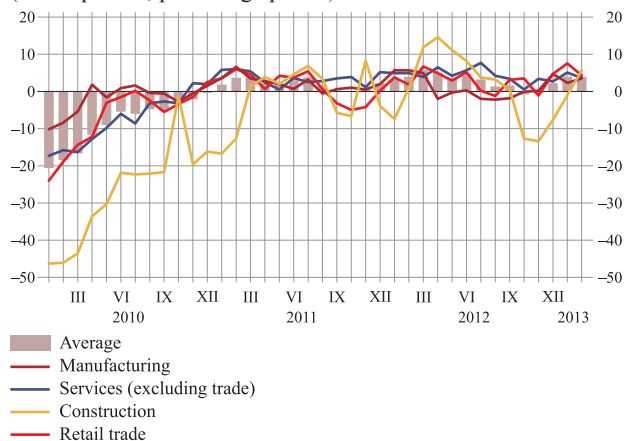


Chart 4.12
DATA FROM BUSINESS SURVEYS ON THE PROJECTED 3-MONTH EMPLOYMENT DYNAMICS
(net responses; percentage points)



overheating. The Beveridge curve, reflecting the job vacancy and unemployment ratio, gradually returns to the level of 2004 (see Chart 4.10).

Moreover, the data do not confirm the hypothesis that unemployment is declining in Latvia only on account of individuals leaving the country. Quite on the contrary, the number of economically active population increases and the rate of economically active population to working-age population is expanding. Although an increasing number of economically active population is a positive phenomenon and reflects the population's higher expectations for finding a job, it should be taken into account that the above leads to a deteriorating unemployment statistics in the short term. Had the number of economically active population not risen in the last two years, the rate of jobseekers would have been close to 11% currently (see Chart 4.11).

Employment growth in Latvia is among the highest in the EU. All statistical data sources of differing coverage that are available present a similar picture, excluding the possibility that the labour market is recovering only under the impact of short-term and temporary factors. Thus, for instance, according to the CSB's labour survey data, the number of the employed persons rose in the fourth quarter of 2012 by 25.6 thousand year-on-year. The State Revenue Service data point to a similar increase, which contrary to the labour survey excludes the grey economy: the number of employees paying their social security contributions has risen by 23.0 thousand over the year. The data of the national accounts also confirm the fact that the employment has grown on account of the number of employees: employees (22.3 thousand) accounted for the majority of the total rise in the number of employed persons (24.5 thousand over the year). According to the CSB's business survey data, the number of occupied posts was 36.5 thousand higher in the country in the fourth quarter of 2012 than a year ago, driven by the developments in private sector.

Employment expectations of businesses have improved notably over the last three months, rebutting the concerns that the process of new job creation might cease. The majority of businesses project an increase rather than a decrease in the number of employees in all major sectors of the economy in the coming months (see Chart 4.12).

In January 2013, the registered unemployment rate rose by 0.4 percentage point (to 10.9%) on account of short-term factors. The traditional indicator

Chart 4.13
ANNUAL CHANGES IN THE AVERAGE MONTHLY NOMINAL AND REAL WAGE FOR FULL-TIME JOB (%)



Chart 4.14
REAL WAGE AND SALARY AND LABOUR PRODUCTIVITY INDICES (Q1 2005 = 100; seasonally adjusted data)

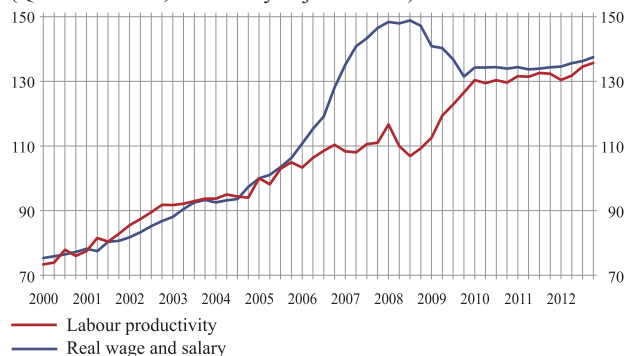
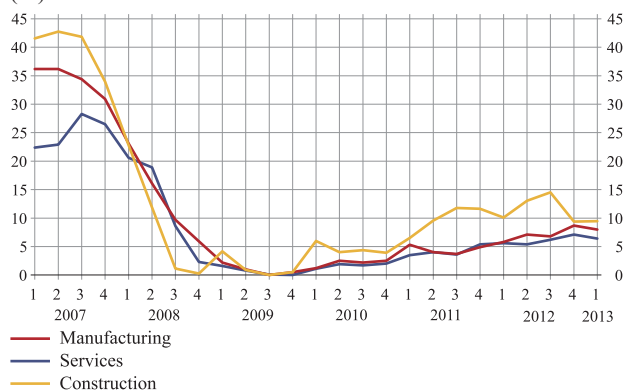


Chart 4.15
THE RATE OF BUSINESSES WHO FIND LABOUR SHORTAGE THE MAIN OBSTACLE FOR BUSINESS GROWTH (%)



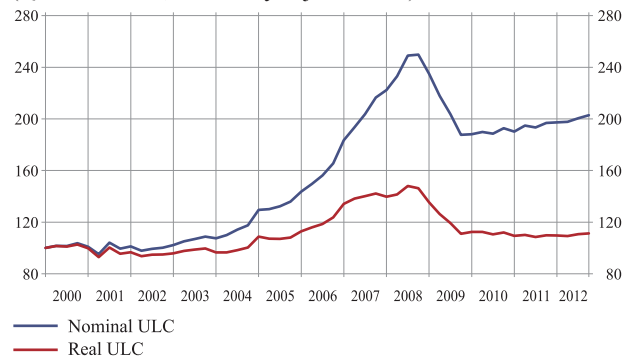
of seasonality in January (0.2 percentage point) was accompanied by the impact of legislative amendments: the disbursement of unemployment benefit was extended up to nine months irrespective of the length of service since January 2013, hence a number of individuals who had lost their job at the end of 2012 postponed the registering of the status of unemployed until the beginning of 2013. Uncommon decline in the registered unemployment rate in November and December 2012 (by 0.2 percentage point) also points to the impact of legislative amendments. In February, the registered unemployment rate stood at 10.9%, however, the above rate is expected to follow a downward path in spring and reach one-digit level during 2013.

The annual rate of increase in the average monthly gross wage and salary remained stable (4.0%) in the fourth quarter of 2012. However, the real net wage or the purchasing power of a wage rose ever more rapidly (by 2.5% over the year; see Chart 4.13). Declining inflation was the primary contributor to the above development.

Rising wages and salaries continue to be attributable to the labour productivity growth (see Chart 4.14), and hence no risks to price stability and economic competitiveness emerge. The EC data suggest that the number of businesses that single out the labour shortage as the main constraint for business growth has stabilised below 10% (see Chart 4.15). It is even less than in 2002–2004 and reflects a normal equilibrium situation, fostering investment inflows and at the same time also labour productivity growth rather than an accelerated further rise in wages instead of labour productivity growth due to the labour shortage.

Overall, a moderate increase in the average wage of the employed persons in 2012 (3.7%) was partly attributable to the fact that high unemployment rate contributed to higher output, since new employees were paid a lower wage than the average wage and salary of the enterprise, thus leading to a deteriorating average wage statistics. As unemployment rate is gradually moving closer to the natural rate of unemployment, businesses will find it more difficult to enhance employment rapidly and will have to channel more funds into the labour productivity growth fostering investment. This would also be the basis for a more buoyant rise in remuneration which might range between 4% and 5% in 2013, without creating a substantial inflationary pressure in the economy.

Chart 4.16
ULC INDEX
(Q1 2000 = 100; seasonally adjusted data)



The CSB has revised upwards the compensation of employees figure for the first half of 2012, while revising downwards the above figure for 2011. Hence ULC follow a gradual upward trend and are notably lower than in 2008 (see Chart 4.16).

Chart 5.1
CHANGES IN CPI BY COMPONENT
(percentage points)

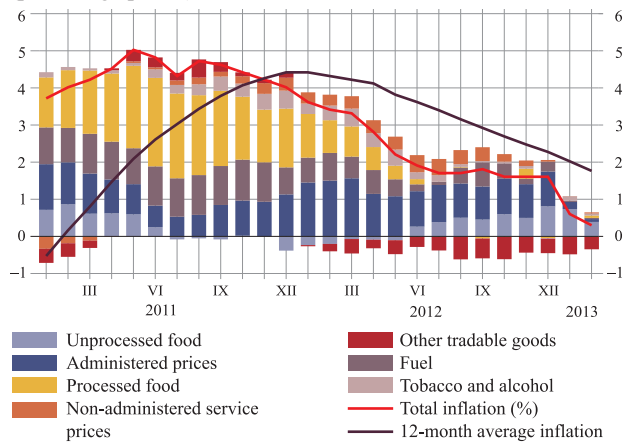
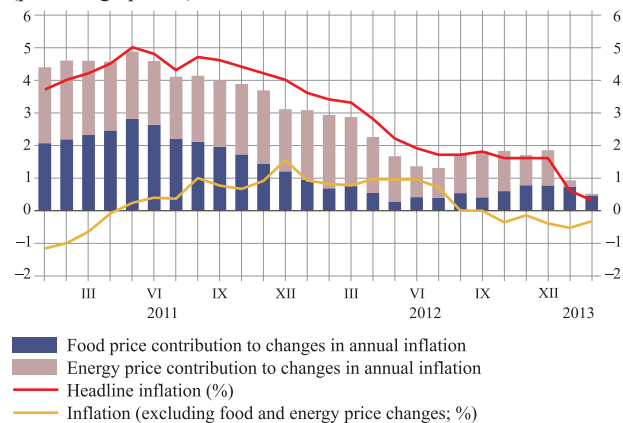


Chart 5.2
IMPACT OF ENERGY AND FOOD PRICE CHANGES ON ANNUAL CONSUMER PRICE INFLATION
(percentage points)



5. Costs and Prices

In January and February, annual inflation continued to decelerate, reaching the lowest level since September 2010 (0.3%; see Chart 5.1). The overall impact of the supply side factors on the inflation dynamics remained favourable, while the contribution of demand was still moderate and reflected by negative annual core inflation.

Unusual for January, in the first month of the year monthly deflation (0.2%) instead of a consumer price rise was observed. January is mostly the month when either increases of indirect taxes or new tariff plans of goods and services with administered prices take effect, resulting in the price lists of goods and services offered for consumption of different other sectors reviewed due to cost pressures. This did not happen in January 2013, when not only the prices of the wearing apparel and footwear (as a result of seasonal sales) but also (unusual for January) those of natural gas and heating energy decreased (see Chart 5.2).

In January, the sales of the wearing apparel and footwear slightly exceeded the historically observed level, with the monthly decline in prices reaching 7.4%, thus suggesting that the contribution of demand on the rising prices of goods is still moderate. As the influence of this factor was less pronounced than usually in February, such price changes are probably related to the peculiarities of the regional market, i.e. in Estonia, February historically is already the month of the new seasonal goods with the typical price rise, while in Latvia seasonal sales is still in progress. Products from Estonia have already been sold on the Latvian market over a longer period time; however, this year most of the seasonal clearances in the Latvian market were made in January. The trading strategy is likely to have changed slightly also in autumn of 2012 as a result of the international trade chains of the wearing apparel entering the Latvian market.

At the same time, monthly deflation was driven by administrative prices in January as the average movements of oil product prices of the preceding nine months had facilitated lower natural gas and heating tariffs for consumers respectively. In February, heating tariffs declined further as the price of natural gas delivered to business customers (including many producers of heating energy) changes every month, but the natural gas price for household consumption has been set for half a year and was reduced more rapidly already in January.

Chart 5.3
OIL PRICES ON GLOBAL MARKET
(lats/barrel)

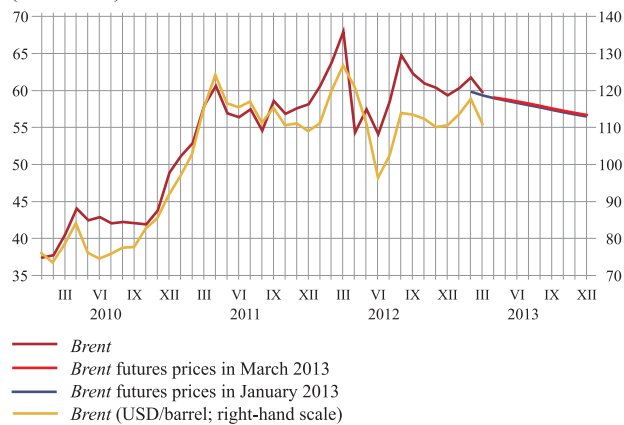
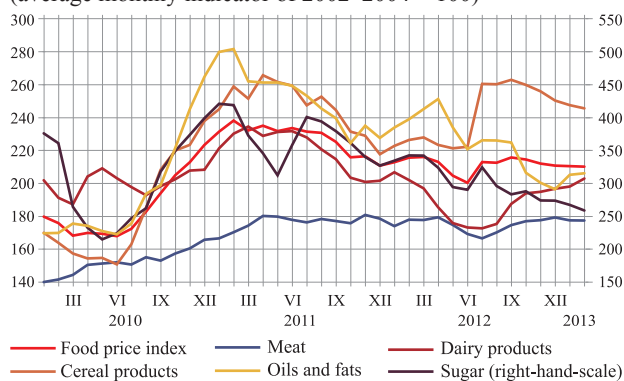


Chart 5.4
GLOBAL FOOD PRICES
(average monthly indicator of 2002–2004 = 100)



Following a temporary rise in February (it was partly triggered by the improving assessment of the economic growth in major global economies, for instance, China), global oil prices (see Chart 5.3) tend to return to a lower level. The average level of oil prices in the first two months of 2013 remained similar to that of the corresponding period of the previous year, but the value of the US dollar was lower than the average level observed in January and February 2012, and this helped to maintain a moderate price level of some energy resources in lats.

The average global price level of the main food and agricultural products (see Chart 5.4) has also recorded a downward trend since October 2012. The rising prices of dairy products and oils and fats (affected by the limited supply and harvesting difficulties caused by rain) are currently being offset by the falling prices of sugar (the decrease could persist according to the current assessment by the Food and Agriculture Organisation of the United Nations as sugar production has reported an increase not only in the traditional sugar-exporting countries) as well as the declining prices of cereal products, mainly wheat. The wheat price drop was triggered by the favourable new harvest forecasts in the US.

The price changes for services with non-regulated prices were not unusual. Following a drop in the prices of communication services observed in the fourth quarter of 2012, these prices did not start to return to the previous level due to competition, but a rise in the prices of tourism services (an increase of 4.8% in February) is evident quite often in this season and is related both to the willingness to enjoy the tourism offers in warm countries and the seasonal kinds of winter sports when weather conditions are stable and favourable for winter sports.

The cost factors already mentioned – moderate prices of resources and raw materials (i.e. mainly energy and food prices) allowed the producer price level to remain fairly stable, and the data for January and February suggest that the producer prices of goods sold on the domestic market and increasing at a lower rate than those of exported goods ensure domestic cost competitiveness, without triggering a rise in consumer prices. Data on the changes in the real effective producer price dynamics-based exchange rate of the lats provide evidence that the competitiveness of Latvian producers on the external market improved in 2012, although the dynamics of this ratio was less stable than the changes in the real effective consumer price dynamics-based exchange rate of the

Chart 5.5
HICP AND HICP AT CONSTANT TAX RATE
(January 2008 = 100)

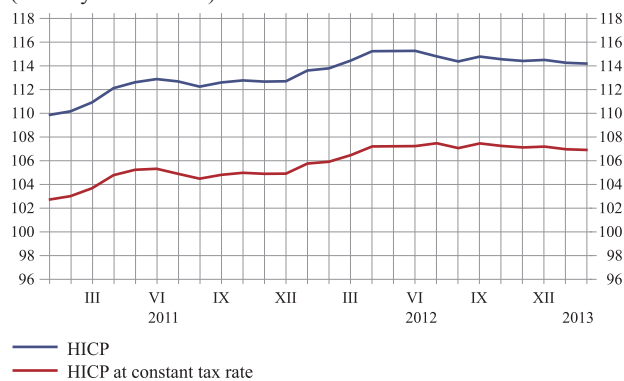
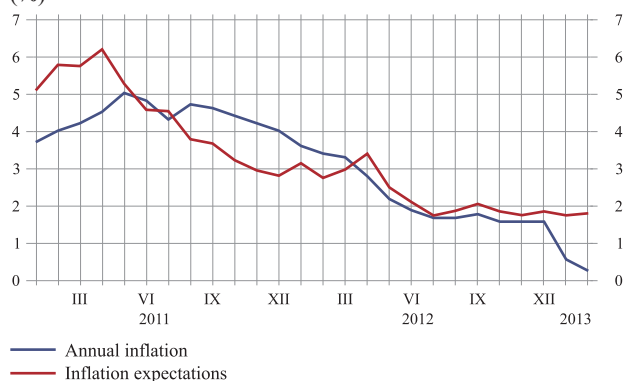


Chart 5.6
ANNUAL INFLATION AND INFLATION EXPECTATIONS
(%)



lats. However, a decrease in the production costs of energy resources determined by external factors as well as the domestic methodology for the calculation and determining of administered tariffs might have a positive effect on the cost competitiveness also in the first months of 2013.

The actual inflation data for January and February, the current drop in fuel prices and the expected Public Utilities Commission's decisions on a decline in heating tariffs in Rēzekne and Riga from May and June 2013 respectively, on the one hand, allow for significant reduction of the average inflation assessment in 2013; however, it is currently difficult to estimate the impact of some factors, and they can exert pressure on the price rise in the second half of the year (see Chart 5.5). This is mainly related to the indirect effect of the expected rise in electricity prices: the mandatory procurement component of electricity rates for business customers is expected to increase already in April, whereas for households – along with the possible liberalisation of the electricity market, in autumn. The amount of the mandatory procurement component announced in February had an effect on the consumer expectations: despite inflation abating, the expectations of households of a more moderate average price rise than in the preceding 12 months declined (Chart 5.6).

The assessment of the impact of food prices could also change in the middle of the year when the first estimates of the harvest of the new season (mainly grain and potatoes) are made available. The price monitoring campaign launched in anticipation of the introduction of the euro, with its first results already being published and available to consumers for comparison on the web site of the Ministry of Economics is one of additional factors that might temporarily prevent price rises in several popular consumer goods and services. By acquiring new data in the course of time, it will be possible to establish when the so called psychologically attractive (ending with 9) or convenient (ending with 0 and 5) prices in lats will tend to change to become psychologically attractive and convenient in euros.

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

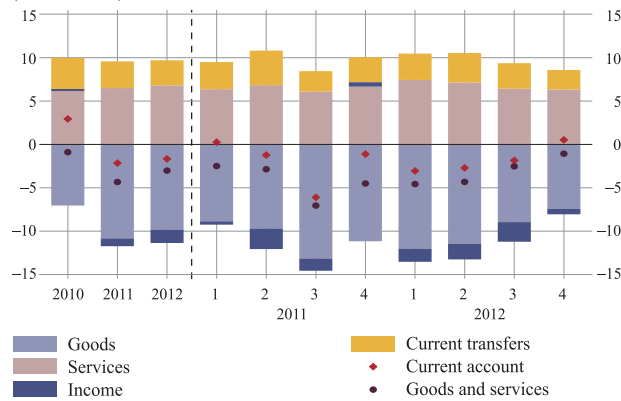


Chart 6.2
GROWTH RATE OF EXPORTS AND IMPORTS OF GOODS AND SERVICES (year-on-year; %)

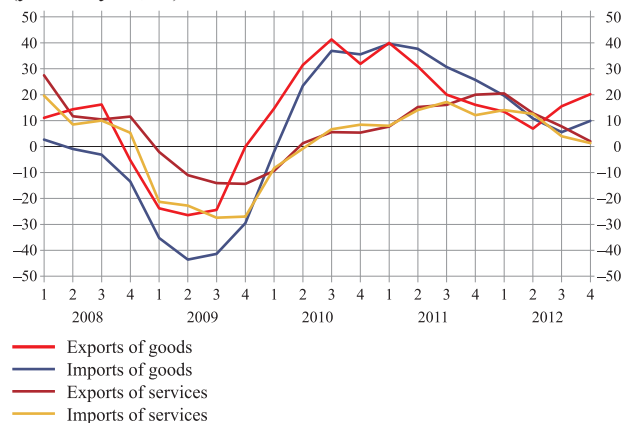
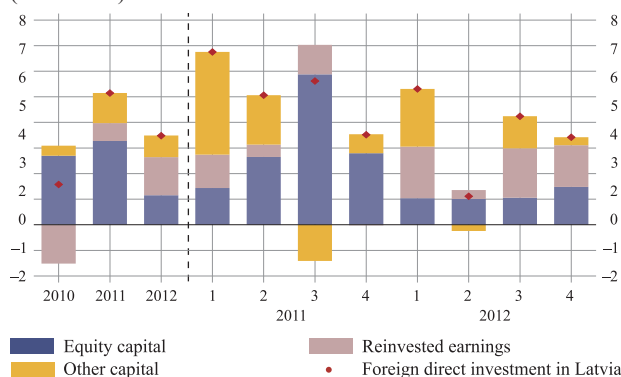


Chart 6.3
FOREIGN DIRECT INVESTMENT IN LATVIA (% of GDP)



6. Balance of Payments

The current account deficit of Latvia's balance of payments was 259.9 million lats or 1.7% of GDP in 2012 (see Chart 6.1). It was driven by a decline in foreign trade deficit in goods and services and the growing amount of current transfers received. Preliminary data for January 2013 suggest that the current account, in line with the forecast, still records a small deficit (36.5 million lats).

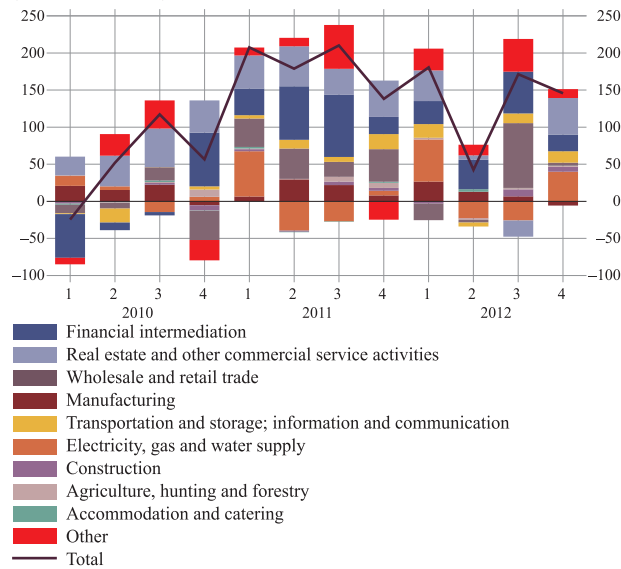
In 2012, the goods and services foreign trade deficit decreased, amounting to 467.3 million lats or 3.0% of GDP. Growth in exports of goods and services was more rapid than that in imports (see Chart 6.2). The increase in exports of goods was affected by one-off factors (a good grain harvest) and improved long-term competitiveness (a rise in labour productivity and producer value added). Exports of services also continued to grow. Although a downslide in transportation services was observed at the close of the year, exports of transportation services of all types have increased for the year overall. Rises were also recorded in information and computer, travel, construction and communication services provided to non-residents.

The deficit of the income account increased to 239.1 million lats or 1.5% of GDP in 2012. Against the background of the development of the Latvian economy, both the dividends received by foreign direct investors and reinvested earnings increased. At the same time, the flow of EU funds was the major factor affecting the increase of the surplus in the current transfers account (to 446.6 million lats or 2.9% of GDP) and the capital account (to 458.7 million lats or 3.0% of GDP) of Latvia's balance of payments. In 2012, overall 836.3 million lats were received from EU funds.

The financial account recorded a deficit of 216.6 million lats or 1.4% of GDP in 2012. The issue of the Latvian government bonds (2.25 billion US dollars) and the repayments of the IMF loan (810.5 million lats) contributed to major financial flows in this account. Although credit institutions continued repaying their long-term liabilities, their short-term liabilities grew, hence no net capital outflow was observed in the private sector.

In 2012, the inflows of foreign direct investment in Latvia amounted to 540.1 million lats (3.5% of GDP) including 145.6 million lats (3.4% of GDP; see Charts 6.3 and 6.4) in the fourth quarter. Already

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



in November 2012, the international rating agencies *Standard & Poor's* and *Fitch Ratings*, in February 2013 *Rating and Investment Information* and in March – *Moody's* raised Latvia's credit rating, thus pointing to the stable improvement of the economic situation and future foreign direct investment opportunities.

7. Conclusions and Forecasts

In 2012, Latvia's economic growth rate remained high despite the adverse developments observed in the global markets and major trade partner states. Thus, the concerns expressed previously about the potential slowdown in growth did not materialise.

In 2013, the economic development will still be affected by unfavourable external environment factors as a part of the euro area countries will be in recession in the first half of the year, whereas the stagnation of the construction sector in Europe will most likely unfavourably affect the Latvian manufacturers focusing on exports of building materials and their components. However, Latvian businesses have already proven capable of operating successfully even in unfavourable economic environment.

7.1 Economic developments

The real economy performance indicators of the euro area countries are still weak. In the fourth quarter of 2012, GDP decreased quarter-on-quarter in a large part of the euro area countries, including Germany, France, Italy and Spain. Thus, the euro area economy is still experiencing recession. The growth in the trade, manufacturing and construction sectors of the euro area was also negative in the fourth quarter of 2012. When assessing different confidence indicators, it is evident that the confidence indicators aggregated by the EC and the PMI are improving at the beginning of 2013; however, the index values are still below the long-term equilibrium values, thus pointing to recession in the euro area economy also at the beginning of 2013, although the negative growth rate is possibly declining.

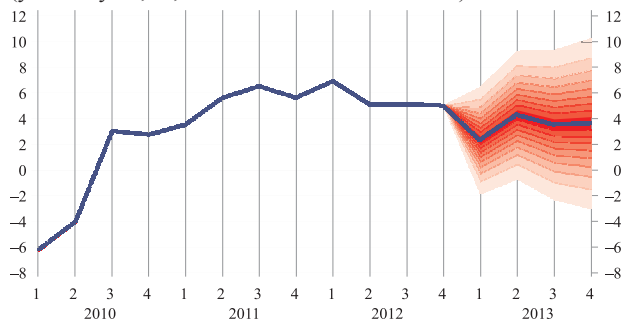
With respect to external environment risks, several other factors should be mentioned. The US debt ceiling problem still remains unresolved. At the same time, the improvement of the PMI in the developing countries could have a more positive impact on the global developments of the economic situation than expected.

The internal factors affecting Latvia's economic development have remained broadly unchanged during the last quarter. The contribution of trade and manufacturing to GDP increased at a somewhat faster rate than expected previously in the fourth

Chart 7.1

CHANGES IN GDP

(year-on-year; %; the Bank of Latvia forecast*)



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

quarter of 2012, while the data for January 2013 on manufacturing already introduced a negative adjustment. However, the Latvian business and consumer confidence indicators still remain quite high in January and February 2013, thus having a potentially favourable impact on consumption and investment.

Thus, the Bank of Latvia's GDP growth forecast for 2013 remains unchanged (3.6%; see Chart 7.1). This GDP growth still remains among the most accelerated in the EU in 2013, albeit slightly more subdued than in 2012. The GDP growth in the breakdown by sector is expected to be driven by further development of the trade sector that will be supported by the gradual improvement in the labour market conditions and a moderate rise in remuneration. Although some sub-sectors will most likely face production capacity constraints, while some others – lack of demand manufacturing on the whole will also contribute to the growth, albeit slightly less than in the previous years.

Risks to the national economic growth prospects in the medium-term can be considered balanced. Positive confidence indicators point to potentially higher growth rates of private consumption. At the same time, some flash confidence indicators suggest recession in some EU countries at the beginning of 2013, which might reduce foreign demand more than expected, thus also limiting the potential of export growth. Moreover, the negative views of businesses as to the developments in the euro area might hamper investments that are important for economic growth.

7.2 Inflation

At the beginning of 2013, annual inflation continued to decline, reaching the lowest level since September 2010. The overall impact of the supply side factors on the inflation dynamics remained favourable, while the contribution of demand was still moderate and reflected by negative core inflation.

The impact of global oil prices on the annual inflation in January and February was less pronounced than in the corresponding period of 2012. That was positively affected by the depreciation of the US dollar. The average global price level of the main food and agricultural products had decreased somewhat since October 2012 and was slightly lower year-on-year in the first months of 2013.

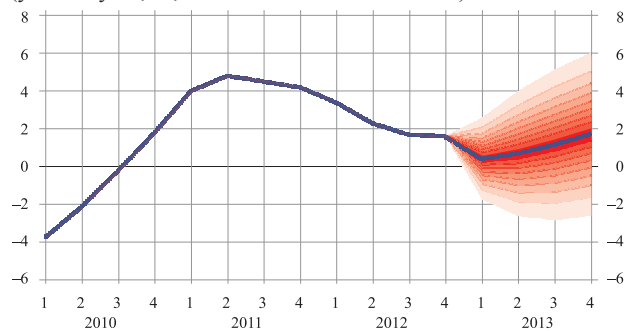
The inflation data for January and February, the currently observed relative stability of oil prices and

the expected Public Utilities Commission's decisions on the reduction of heating tariffs in Rēzekne and Riga from May and June 2013 respectively allow for quite significant (up to 1%) reduction of the average annual inflation assessment for 2013.

However, it should be noted that inflation in Latvia might rise from the current low due to rising electricity prices expected in the second half of the year. The assessment of the effects of food prices could also change in the middle of the year when the first estimates of the harvest of the new season (mainly grain and potatoes) are made available. On the other hand, the price monitoring campaign launched in 2013 (see <http://www.em.gov.lv/em/2nd/?cat=30844&lng=lv>) might act as one of the factors preventing price rises in the remaining months of the year.

Thus, the risks related to the forecast of the average inflation for 2013 seem currently balanced (see Chart 7.2).

Chart 7.2
 CPI CHANGES
 (year-on-year; %; the Bank of Latvia forecast*)



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

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1. MONETARY INDICATORS AND INTEREST RATES

	2011					2012				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
M1 ¹	15.6	19.0	17.1	15.6	15.6	10.9	16.6	12.8	14.8	10.9
M2 ¹	0.3	7.1	5.9	2.9	0.3	3.8	0.5	2.4	1.9	3.8
M3 ¹	1.7	7.1	5.4	2.4	1.7	2.8	-0.1	2.0	2.3	2.8
M2X ¹	1.5	6.0	4.8	1.9	1.5	4.5	1.3	2.3	2.6	4.5
Loans to resident financial institutions, non-financial corporations and households ¹	-8.3	-8.7	-9.2	-8.4	-8.3	-10.6	-11.0	-11.6	-11.2	-10.6
Deposits of resident financial institutions, non-financial corporations and households ¹	-2.4	4.3	3.4	-0.2	-2.4	4.5	-2.5	-0.8	-0.2	4.5
Long-term interest rate for convergence assessment purposes ²	5.91	6.01	6.23	5.62	5.76	4.57	5.45	5.11	4.35	3.36
RIGIBOR (3-month loans) ³	1.0	0.9	0.8	0.8	1.4	0.9	1.4	1.0	0.6	0.5
Average yield on government bonds	4.1 ⁴	6.7 ⁵	6.1 ⁵	4.1 ⁴	4.2 ⁴	4.9 ⁵	4.3 ⁴	5.2 ⁵	4.1 ⁵	3.1 ⁵
OMXR ³	407.2	421.0	420.0	409.0	379.3	383.9	388.3	379.4	382.8	384.7

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M1 ¹	14.9	24.5	15.6	15.3	14.5	16.6	14.9	11.0	12.8	14.9	13.9	14.8	15.9	8.0	10.9
M2 ¹	3.8	2.7	0.3	-0.1	0.5	0.5	2.0	0.1	2.4	3.0	3.0	1.9	3.7	4.4	3.8
M3 ¹	3.4	2.3	1.7	1.4	1.5	-0.1	1.5	-0.3	2.0	3.3	3.3	2.3	4.0	5.1	2.8
M2X ¹	3.4	0.1	1.5	1.0	1.7	1.3	3.0	0.2	2.3	3.4	3.6	2.6	5.1	8.9	4.5
Loans to resident financial institutions, non-financial corporations and households ¹	-7.7	-7.6	-8.3	-8.2	-7.7	-11.0	-10.3	-12.7	-11.6	-11.6	-11.3	-11.2	-11.0	-10.9	-10.6
Deposits of resident financial institutions, non-financial corporations and households ¹	1.7	-3.0	-2.4	-3.1	-2.1	-2.5	-0.5	-3.0	-0.8	0.8	0.9	-0.2	2.9	8.3	4.5
Long-term interest rate for convergence assessment purposes ²	5.62	5.73	5.93	5.74	5.45	5.15	5.10	5.15	5.07	4.67	4.45	3.92	3.52	3.32	3.24
RIGIBOR (3-month loans) ³	1.0	1.3	1.9	1.8	1.3	1.2	1.0	0.9	0.9	0.7	0.6	0.6	0.5	0.5	0.5
Average yield on government bonds	-	4.2 ⁴	-	4.4 ⁴	4.3 ⁴	4.1 ⁴	5.3 ⁵	5.3 ⁵	4.8 ⁵	4.4 ⁵	4.0 ⁵	3.6 ⁵	3.1 ⁵	-	-
OMXR ³	385.0	379.9	373.0	379.9	391.4	393.7	392.3	380.3	367.6	381.4	381.3	386.0	384.6	381.3	389.3

¹ Year-on-year changes (%).

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

³ Average of the period.

⁴ Weighted average primary market yield of 5-year government bonds.

⁵ Weighted average primary market yield of 10-year government bonds.

2.a REAL SECTOR INDICATORS AND PRICES

	2011				2012					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Industrial output¹										
Increase/decrease ² (at constant prices; working day adjusted data; %)	11.5	13.8	14.6	9.2	9.1	9.3	14.8	8.0	8.1	7.6
Cargoes loaded and unloaded at ports										
Turnover (thousands of tons)	68 821	16 345	18 105	16 532	17 838	75 193	20 032	20 309	17 722	17 129
Increase/decrease ² (%)	12.5	4.7	18.6	13.1	13.9	9.3	22.6	12.2	7.2	-4.0
Retail trade turnover¹										
Turnover (at current prices; millions of lats)	4 800.1	1 028.4	1 188.1	1 279.1	1 304.5	5 127.1	1 146.8	1 255.8	1 355.1 ³	1 369.4
Increase/decrease ² (at constant prices; %)	13.5	12.6	12.5	15.3	13.4	6.8	11.5	5.7	5.9 ³	5.0
Unemployment rate (%)	11.5	14.4	12.6	11.6	11.5	10.5	11.7	11.9	11.0	10.5
Producer prices ¹ (increase/decrease compared with the previous period; %)	7.7	2.0	3.9	1.4	-0.6	3.7	1.6	0.5	0.8	0.3
Consumer price inflation										
Year-on-year basis (%)	4.4	4.0	4.8	4.5	4.2	2.3	3.4	2.3	1.8	1.6
Quarter-on-quarter basis (%)	x	1.9	2.0	-0.1	0.3	x	1.1	0.9	-0.6	0.2
Financial surplus/deficit in the consolidated general government budget										
Surplus/deficit (millions of lats)	-444.9	-181.8	-35.5	159.8	-387.4	19.1	-43.9	106.3	279.0	-322.2
Ratio to GDP (%)	3.1	5.9	1.0	4.3	9.9		1.3	2.8	6.9	

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

² Year-on-year basis.

³ Data have been revised.

2.b REAL SECTOR INDICATORS AND PRICES

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Industrial output¹															
Increase/decrease ² (at constant prices; working day adjusted data; %)	6.0	12.1	9.6	17.6	11.3	15.4	8.5	7.4	8.1	7.2	12.6	4.4 ³	5.4	7.4	10.4
Cargoes loaded and unloaded at ports															
Turnover (thousands of tons)	5 887	5 801	6 150	6 999	5 800	7 233	7 082	6 910	6 317	5 913	5 894	5 915	5 337	5 825	5 967
Increase/decrease ² (%)	13.2	11.4	17.2	36.4	21.8	12.0	11.5	9.2	16.4	1.1	9.7	11.4	-9.3	0.4	-3.0
Retail trade turnover¹															
Turnover (at current prices; millions of lats)	426.3	409.0	469.1	378.2	364.1	404.4	397.1	423.5	435.2	452.5	462.7	439.9 ³	464.3	431.3	473.8
Increase/decrease ² (at constant prices; %)	14.5	13.5	12.5	16.4	10.3	8.3	5.8	4.5	6.8	7.2	6.5	4.1 ³	8.9	5.4	1.0
Unemployment rate (%)	11.5	11.5	11.5	11.7	11.8	11.7	12.9	12.3	11.9	11.6	11.3	11.0	10.7	10.6	10.5
Producer prices ¹ (increase/decrease compared with the previous period; %)	0	-0.5	-0.1	1.8	0.2	-0.4	0.9	-0.4	0.2	0.5	0.5	0	0.2	-0.2	0.2
Consumer price inflation															
Year-on-year basis (%)	4.4	4.2	4.0	3.6	3.4	3.3	2.8	2.2	1.9	1.7	1.7	1.8	1.6	1.6	1.6
Month-on-month basis (%)	0.2	0	0	0.8	0.1	0.6	0.6	-0.2	-0.1	-0.5	-0.3	0.5	0	-0.1	0
Annual core inflation (%)	3.3	3.1	3.6	2.5	1.9	1.7	1.6	1.1	0.5	0.3	-0.2	-0.3	-0.5	0.1	-0.6
Financial surplus/deficit in the consolidated general government budget (millions of lats)	-23.8	-85.7	-277.9	82.0	-68.1	-57.8	20.5	55.2	30.6	114.3	153.5	11.2	-63.1	-76.2	-182.9

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

² Year-on-year basis.

³ Data have been revised.

3. MONETARY BASE

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Currency in circulation	1 010.6	1 070.2	1 160.2	1 132.4	1 127.6	1 133.6	1 146.8	1 117.3	1 136.2	1 158.1	1 167.6	1 173.5	1 167.7	1 179.0	1 234.1
Currency as percent of the monetary base	55.2	45.7	53.5	63.2	63.5	60.8	61.8	60.3	59.2	56.2	52.9	52.0	50.5	48.2	46.3
Deposits with the Bank of Latvia in lats	794.1	1 189.1	865.1	562.3	578.4	649.4	625.8	597.2	616.0	626.2	621.2	676.9	676.4	708.9	866.3
Deposits with the Bank of Latvia in foreign currencies	27.4	81.0	143.7	98.4	71.1	82.6	81.6	137.8	167.6	275.7	417.7	404.9	466.6	555.7	567.2
Deposits as percent of the monetary base	44.8	54.3	46.5	36.8	36.5	39.2	38.2	39.7	40.8	43.8	47.1	48.0	49.5	51.8	53.7
M0	1 832.1	2 340.4	2 168.9	1 793.0	1 777.1	1 865.7	1 854.2	1 852.3	1 919.9	2 060.0	2 206.6	2 255.3	2 310.7	2 443.6	2 667.7
Net foreign assets	3 881.0	3 602.9	3 435.2	3 316.3	3 865.2	3 789.6	3 675.0	3 736.4	3 643.5	3 856.1	4 080.9	3 793.5	3 759.8	3 874.9	4 025.8
Loans to MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit to central government (net)	-1 361.3	-950.3	-737.1	-793.0	-1 240.6	-1 104.4	-1 066.7	-1 124.8	-1 064.8	-1 145.0	-1 161.1	-873.9	-766.7	-792.7	-761.2
Other items (net)	-687.5	-312.2	-529.1	-730.3	-847.4	-819.5	-754.1	-759.3	-658.8	-651.2	-713.3	-664.4	-682.4	-638.5	-597.0
Total	1 832.1	2 340.4	2 168.9	1 793.0	1 777.1	1 865.7	1 854.2	1 852.3	1 919.9	2 060.0	2 206.6	2 255.3	2 310.7	2 443.6	2 667.7

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Monetary aggregates															
M3	6 424.1	6 474.6	6 659.7	6 582.7	6 642.8	6 509.9	6 549.2	6 526.9	6 611.9	6 656.6	6 723.2	6 633.4	6 682.8	6 802.7	6 845.7
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	70.2	69.9	64.2	67.5	68.5	71.8	69.4	74.4	72.4	64.9	65.0	65.1	66.2	66.2	62.0
Debt securities issued with maturity of up to 2 years	20.6	20.6	133.1	133.1	107.4	0	0	0	0	50.5	51.0	50.2	50.0	72.8	77.7
M2	6 333.3	6 384.0	6 462.4	6 382.1	6 467.0	6 438.0	6 479.7	6 452.4	6 539.5	6 541.1	6 607.2	6 518.1	6 566.7	6 663.7	6 706.1
Deposits with an agreed maturity of up to 2 years	2 137.2	1 789.3	1 885.5	1 893.4	1 931.5	1 932.8	1 998.4	2 028.3	1 966.4	1 900.6	1 900.2	1 783.8	1 754.3	1 729.1	1 658.6
Deposits redeemable at notice of up to 3 months	225.7	222.5	219.5	196.7	199.0	201.3	202.0	207.5	211.9	209.5	208.3	208.8	209.9	212.9	215.7
M1	3 970.5	4 372.2	4 357.4	4 292.0	4 336.5	4 303.9	4 279.3	4 216.6	4 361.2	4 431.0	4 498.7	4 525.6	4 602.5	4 721.7	4 831.7
Currency outside MFIs	892.5	941.6	1 040.0	1 024.6	1 020.8	1 021.2	1 028.2	997.2	1 029.3	1 042.8	1 051.9	1 062.8	1 053.4	1 058.2	1 082.4
Overnight deposits	3 078.0	3 430.6	3 317.4	3 267.4	3 315.7	3 282.6	3 251.1	3 219.4	3 331.9	3 388.3	3 446.8	3 462.7	3 549.1	3 663.4	3 749.3
Counterparts of monetary aggregates and longer-term financial liabilities															
Deposits of central government	2 003.9	1 602.9	957.0	1 011.8	1 430.8	1 290.9	1 268.8	1 343.4	1 261.2	1 341.8	1 457.8	1 285.7	1 242.5	1 232.8	1 287.3
Longer-term financial liabilities	2 490.7	2 471.0	2 615.7	2 629.7	2 591.0	2 245.5	2 250.5	2 405.6	2 465.9	2 479.1	2 507.4	2 544.3	2 583.0	2 576.2	2 585.3
Deposits with an agreed maturity of over 2 years	257.2	261.7	258.3	257.7	258.8	230.4	230.7	227.7	233.3	231.0	238.7	244.9	246.0	247.5	250.6
Deposits redeemable at notice of over 3 months	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities issued with maturity of over 2 years	67.2	68.0	409.9	409.1	385.3	52.8	53.6	55.5	68.4	45.5	44.5	56.9	63.5	65.9	61.9
Capital and reserves	2 166.3	2 141.2	1 947.5	1 962.9	1 946.9	1 962.4	1 966.2	2 122.3	2 164.2	2 202.6	2 224.1	2 242.5	2 273.6	2 262.8	2 272.8
Credit to residents	12 611.3	12 484.7	12 194.3	12 158.6	12 093.6	11 586.7	11 556.3	11 228.6	11 281.9	11 248.8	11 278.4	11 269.5	11 278.7	11 233.4	11 051.1
Credit to general government	610.1	540.0	485.1	504.2	489.1	492.7	485.4	486.6	501.3	497.5	506.1	521.6	542.2	542.8	554.0
Credit to other residents	12 001.2	11 944.8	11 709.2	11 654.3	11 604.5	11 093.9	11 070.9	10 742.0	10 780.6	10 751.3	10 772.3	10 747.9	10 736.5	10 690.7	10 497.1
Loans	11 697.0	11 634.2	11 369.4	11 314.9	11 249.1	10 747.3	10 726.9	10 418.2	10 439.3	10 424.3	10 447.4	10 420.9	10 408.8	10 367.1	10 165.4
Net external assets	-543.8	-435.6	-224.8	-183.2	270.1	-131.4	-121.9	64.2	54.2	249.9	378.6	155.0	202.8	378.0	613.7
Other items (net)	1 148.8	1 500.7	1 737.1	1 751.1	1 699.0	1 409.1	1 365.8	1 017.0	997.1	1 021.2	968.7	961.2	973.0	999.7	946.4

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M1	4 004.6	4 375.3	4 282.5	4 303.6	4 336.8	4 355.9	4 296.9	4 252.7	4 332.6	4 390.2	4 472.2	4 543.6	4 631.8	4 736.8	4 733.4
M2	6 412.2	6 429.3	6 395.6	6 414.3	6 458.2	6 428.4	6 444.5	6 438.4	6 508.2	6 540.3	6 589.7	6 557.1	6 644.0	6 702.6	6 636.9
M3	6 508.4	6 519.3	6 600.3	6 613.1	6 632.6	6 499.1	6 515.4	6 509.2	6 579.8	6 658.0	6 701.7	6 675.1	6 763.6	6 843.4	6 782.9

6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ASSETS															
Loans to residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of securities other than shares issued by residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity issued by residents	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
External assets	3 924.3	3 642.2	3 507.5	3 350.7	3 891.7	3 813.9	3 709.1	3 818.0	3 685.2	3 965.2	4 115.0	3 818.3	3 786.5	3 892.9	4 053.5
Fixed assets	30.2	30.3	30.7	30.5	30.5	30.4	30.8	30.9	31.2	31.7	31.5	31.5	32.2	32.1	32.0
Remaining assets	1.4	1.2	1.0	1.1	1.1	1.1	1.2	1.2	1.0	0.8	0.9	0.9	0.7	0.8	0.9
Total	3 955.9	3 673.7	3 539.2	3 382.2	3 923.3	3 845.3	3 741.1	3 850.0	3 717.4	3 997.7	4 147.4	3 850.7	3 819.5	3 925.8	4 086.3
LIABILITIES															
Currency in circulation	1 010.6	1 070.2	1 160.2	1 132.4	1 127.6	1 133.6	1 146.8	1 117.3	1 136.2	1 158.1	1 167.6	1 173.5	1 167.7	1 179.0	1 234.1
Deposits of residents	2 592.4	2 274.6	1 977.5	1 868.3	2 416.0	2 308.9	2 223.6	2 311.7	2 196.9	2 375.9	2 587.9	2 292.0	2 261.2	2 364.5	2 460.3
Central government	1 361.3	950.3	737.1	793.0	1 240.6	1 104.4	1 066.7	1 124.8	1 064.8	1 145.0	1 161.1	873.9	766.7	792.7	761.2
Other residents	90.7	263.4	42.7	31.0	24.9	21.4	22.3	65.9	66.7	70.2	71.3	72.5	32.5	11.4	10.8
MFIs	1 140.4	1 061.0	1 197.7	1 044.4	1 150.5	1 183.1	1 134.6	1 121.0	1 065.4	1 160.7	1 355.5	1 345.7	1 462.0	1 560.3	1 688.3
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	306.6	286.7	327.2	344.3	350.5	354.5	334.5	336.8	340.6	351.6	356.0	358.0	361.4	362.3	362.0
External liabilities	43.3	39.3	72.4	34.3	26.6	24.3	34.1	81.6	41.7	109.1	34.0	24.8	26.7	18.1	27.7
Remaining liabilities	3.0	2.8	2.0	2.8	2.6	24.1	2.1	2.7	2.0	3.0	1.8	2.4	2.5	1.9	2.2
Total	3 955.9	3 673.7	3 539.2	3 382.2	3 923.3	3 845.3	3 741.1	3 850.0	3 717.4	3 997.7	4 147.4	3 850.7	3 819.5	3 925.8	4 086.3

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

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ASSETS															
Loans to residents	13 211.3	13 086.0	13 013.6	12 751.1	12 786.5	12 290.8	12 234.3	11 840.1	11 895.5	11 875.0	12 102.8	12 092.9	12 166.0	12 226.0	12 173.1
General government	63.4	64.0	64.3	65.1	64.7	64.2	63.8	64.1	64.7	64.9	69.4	68.5	70.5	70.6	73.0
Other residents	11 697.0	11 634.2	11 369.4	11 314.9	11 249.1	10 747.3	10 726.9	10 418.2	10 439.3	10 424.3	10 447.4	10 420.9	10 408.8	10 367.1	10 165.4
MFIs	1 450.9	1 387.8	1 580.0	1 371.0	1 472.6	1 479.4	1 443.6	1 357.8	1 391.5	1 385.8	1 586.0	1 603.4	1 686.6	1 788.4	1 934.7
Holdings of securities other than shares issued by residents	560.6	489.4	432.5	451.3	425.8	430.0	423.0	423.6	437.7	433.7	437.8	454.2	472.8	473.4	485.3
General government	546.7	476.0	420.8	439.1	424.4	428.6	421.6	422.5	436.6	432.6	436.7	453.1	471.7	472.2	481.0
Other residents	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	4.3
MFIs	13.7	13.2	11.5	11.9	1.2	1.1	1.1	1.0	0.9	0.9	0.9	0.9	1.0	1.0	0
Money market fund shares and units	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Holdings of shares and other equity issued by residents	303.9	310.4	339.6	339.1	355.1	346.3	343.6	323.7	341.1	326.9	324.7	326.8	327.5	323.4	327.4
External assets	5 493.5	5 713.1	6 066.5	6 048.6	6 103.9	5 997.1	6 096.5	6 020.3	6 314.9	6 201.3	6 217.4	6 081.6	6 232.8	6 186.8	6 323.3
Fixed assets	125.9	125.1	100.4	99.7	99.8	98.8	98.2	91.1	88.1	87.7	87.4	86.8	87.1	88.4	87.2
Remaining assets	671.7	677.2	657.0	621.1	690.1	691.5	718.5	530.6	507.6	519.8	491.4	483.2	475.7	462.2	523.7
Total	20 367.4	20 401.5	20 610.1	20 311.3	20 461.6	19 855.0	19 914.5	19 229.8	19 585.3	19 444.7	19 662.0	19 525.9	19 762.2	19 760.7	19 920.5
LIABILITIES															
Deposits of residents	6 513.1	6 374.7	6 197.3	6 088.0	6 147.8	6 062.3	6 124.1	6 071.3	6 200.6	6 080.8	6 249.8	6 297.4	6 426.6	6 513.2	6 635.9
Central government	642.7	652.7	219.9	218.8	190.2	186.5	202.1	218.6	196.4	196.8	296.7	411.8	475.9	440.1	526.2
Other residents	5 607.3	5 440.8	5 638.0	5 584.3	5 680.1	5 625.8	5 660.0	5 617.0	5 676.7	5 659.1	5 722.7	5 627.7	5 726.8	5 841.5	5 863.5
MFIs	263.1	281.2	339.4	284.9	277.6	250.1	262.0	235.7	327.4	224.9	230.4	257.8	224.0	231.6	246.2
Money market fund shares and units	70.6	70.3	64.5	67.9	68.8	72.2	69.8	74.8	72.8	65.3	65.4	65.5	66.6	66.5	62.4
Debt securities issued	87.8	88.6	543.0	542.2	492.7	52.8	53.6	55.5	68.4	96.0	95.5	107.0	113.5	138.7	139.6
Capital and reserves	1 859.7	1 854.5	1 620.2	1 618.5	1 596.4	1 607.9	1 631.6	1 785.4	1 823.6	1 851.0	1 868.1	1 884.6	1 912.2	1 900.5	1 910.8
External liabilities	9 918.3	9 751.5	9 726.6	9 548.1	9 699.0	9 918.1	9 893.5	9 692.5	9 904.2	9 807.5	9 919.8	9 720.1	9 789.8	9 683.7	9 735.5
Remaining liabilities	1 918.0	2 261.9	2 458.4	2 446.5	2 456.9	2 141.7	2 141.9	1 550.3	1 515.7	1 544.1	1 463.5	1 451.4	1 453.6	1 458.1	1 436.4
Total	20 367.4	20 401.5	20 610.1	20 311.3	20 461.6	19 855.0	19 914.5	19 229.8	19 585.3	19 444.7	19 662.0	19 525.9	19 762.2	19 760.7	19 920.5

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ASSETS															
Loans to residents	11 760.4	11 698.1	11 433.6	11 380.1	11 313.9	10 811.5	10 790.7	10 482.3	10 504.0	10 489.2	10 516.8	10 489.4	10 479.3	10 437.6	10 238.5
General government	63.4	64.0	64.3	65.1	64.7	64.2	63.8	64.1	64.7	64.9	69.4	68.5	70.5	70.6	73.0
Other residents	11 697.0	11 634.2	11 369.4	11 314.9	11 249.1	10 747.3	10 726.9	10 418.2	10 439.3	10 424.3	10 447.4	10 420.9	10 408.8	10 367.1	10 165.4
Holdings of securities other than shares issued by other residents	546.9	476.2	421.0	439.4	424.6	429.2	421.9	422.7	436.8	432.7	436.9	453.3	471.8	472.4	485.3
General government	546.7	476.0	420.8	439.1	424.4	428.9	421.6	422.5	436.6	432.6	436.7	453.1	471.7	472.2	481.0
Other residents	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	4.3
Holdings of shares and other equity issued by other residents	303.9	310.4	339.6	339.1	355.1	346.3	343.6	323.7	341.1	326.9	324.7	326.8	327.5	323.4	327.4
External assets	9 417.8	9 355.3	9 574.2	9 399.3	9 995.7	9 811.0	9 805.6	9 838.3	10 000.1	10 166.4	10 332.4	9 900.0	10 019.3	10 079.8	10 376.8
Fixed assets	156.1	155.4	131.1	130.2	130.3	129.2	129.0	122.0	119.2	120.2	118.9	118.3	119.3	120.5	119.2
Remaining assets	555.0	549.8	537.7	514.4	584.4	580.2	601.1	411.7	401.7	404.5	376.7	373.4	362.1	342.2	372.9
Total	22 740.2	22 545.2	22 437.3	22 202.4	22 804.0	22 107.4	22 091.9	21 600.6	21 802.9	21 939.9	22 106.3	21 661.2	21 779.4	21 775.9	21 920.0
LIABILITIES															
Currency outside MFIs	892.5	941.6	1 040.0	1 024.6	1 020.8	1 021.2	1 028.2	997.2	1 029.3	1 042.8	1 051.9	1 062.8	1 053.4	1 058.2	1 082.4
Deposits of central government	2 003.9	1 602.9	957.0	1 011.8	1 430.8	1 290.9	1 268.8	1 343.4	1 261.2	1 341.8	1 457.8	1 285.7	1 242.5	1 232.8	1 287.3
Deposits of other general government and other residents	5 698.0	5 704.2	5 680.7	5 615.2	5 705.0	5 647.2	5 682.3	5 683.0	5 743.5	5 729.3	5 794.0	5 700.2	5 759.3	5 853.0	5 874.3
Money market fund shares and units	70.2	69.9	64.2	67.5	68.5	71.8	69.4	74.4	72.4	64.9	65.0	65.1	66.2	66.2	62.0
Debt securities issued	74.1	75.4	531.5	530.3	491.5	51.7	52.5	54.6	67.5	95.1	94.5	106.1	112.5	137.7	139.6
Capital and reserves	2 166.3	2 141.2	1 947.5	1 962.9	1 946.9	1 962.4	1 966.2	2 122.3	2 164.2	2 202.6	2 224.1	2 242.5	2 273.6	2 262.8	2 272.8
External liabilities	9 961.6	9 790.9	9 799.0	9 582.5	9 725.5	9 942.3	9 927.5	9 774.1	9 945.9	9 916.6	9 953.8	9 744.9	9 816.5	9 701.8	9 763.1
Remaining liabilities	1 921.0	2 264.7	2 460.2	2 449.3	2 459.5	2 165.8	2 144.0	1 552.8	1 517.7	1 547.0	1 465.3	1 453.8	1 456.1	1 459.9	1 438.5
Excess of inter-MFI liabilities	-47.4	-45.7	-42.8	-41.7	-44.5	-45.9	-47.0	-1.1	1.3	-0.2	-0.1	0.1	-0.6	3.5	-0.1
Total	22 740.2	22 545.2	22 437.3	22 202.4	22 804.0	22 107.4	22 091.9	21 600.6	21 802.9	21 939.9	22 106.3	21 661.2	21 779.4	21 775.9	21 920.0

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

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
MFI reserves	1 258.5	1 189.7	1 315.4	1 149.6	1 254.8	1 295.5	1 253.2	1 241.1	1 172.3	1 276.1	1 471.2	1 456.4	1 576.3	1 681.1	1 840.1
Vault cash in national currency	118.1	128.6	120.2	107.8	106.8	112.4	118.6	120.1	106.9	115.3	115.7	110.7	114.3	120.8	151.8
Deposits with the Bank of Latvia	1 140.4	1 061.0	1 195.2	1 041.9	1 148.0	1 183.1	1 134.6	1 121.0	1 065.4	1 160.7	1 355.5	1 345.7	1 462.0	1 560.3	1 688.3
Foreign assets	5 493.5	5 713.1	6 066.5	6 048.6	6 103.9	5 997.1	6 096.5	6 020.3	6 314.9	6 201.3	6 217.4	6 081.6	6 232.8	6 186.8	6 323.3
Claims on the central government	546.7	476.0	420.6	439.0	424.2	428.4	421.4	422.3	436.4	432.4	436.5	452.9	472.6	473.5	483.1
Loans	0	0	0	0	0	0	0	0	0	0	0	0	1.1	1.5	2.2
Holdings of securities other than shares	546.7	476.0	420.6	439.0	424.2	428.4	421.4	422.3	436.4	432.4	436.5	452.9	471.5	472.0	480.8
Claims on the local government	63.4	64.0	64.4	65.3	64.9	64.3	64.0	64.3	64.8	65.1	69.6	68.7	69.5	69.2	71.0
Loans	63.4	64.0	64.3	65.1	64.7	64.2	63.8	64.1	64.7	64.9	69.4	68.5	69.4	69.1	70.8
Holdings of securities other than shares	0	0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Claims on the financial institutions	549.3	549.5	570.7	586.2	586.8	582.6	588.7	555.7	561.8	547.8	548.8	547.5	539.8	529.3	529.1
Loans	308.2	302.1	302.1	318.0	315.0	308.3	315.2	285.8	287.6	288.0	291.8	290.9	285.4	277.1	279.5
Holdings of securities other than shares	0	0	0	0	0	0.1	0.2	0	0	0	0	0	0	0	0
Holdings of shares and other equity	241.1	247.4	268.6	268.1	271.8	274.2	273.4	269.8	274.1	259.9	257.0	256.7	254.4	252.2	249.6
Claims on public non-financial corporations	453.7	443.3	434.9	430.4	431.7	430.6	436.7	430.5	487.4	494.1	501.1	500.8	499.5	503.2	504.5
Loans	453.7	443.3	434.9	430.4	431.7	430.6	436.7	430.5	487.4	494.1	501.1	500.8	499.5	503.2	502.0
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2.5
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	5 615.9	5 599.1	5 404.8	5 376.5	5 363.8	5 065.3	5 066.5	4 881.7	4 893.9	4 893.8	4 937.0	4 954.7	4 979.4	4 972.2	4 830.4
Loans	5 552.9	5 535.9	5 333.6	5 305.3	5 280.3	4 993.0	4 996.1	4 827.7	4 826.8	4 826.7	4 869.2	4 884.4	4 906.2	4 900.8	4 750.8
Holdings of securities other than shares	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.8
Holdings of shares and other equity	62.8	62.9	71.0	71.0	83.3	72.1	70.2	53.8	67.0	67.0	67.7	70.1	73.1	71.2	77.8
Claims on households	5 382.2	5 352.9	5 298.7	5 261.2	5 222.2	5 015.4	4 979.0	4 874.1	4 837.5	4 815.5	4 785.4	4 744.8	4 717.7	4 686.0	4 633.1
Loans	5 382.2	5 352.9	5 298.7	5 261.2	5 222.2	5 015.4	4 979.0	4 874.1	4 837.5	4 815.5	4 785.4	4 744.8	4 717.7	4 686.0	4 633.1
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	125.9	125.1	100.4	99.7	99.8	98.8	98.2	91.1	88.1	87.7	87.4	86.8	87.1	88.4	87.2
Other assets	553.6	548.5	537.0	513.4	583.3	579.1	599.8	410.5	400.6	404.5	375.7	372.6	361.4	341.5	372.0
Claims on resident MFIs	310.5	326.8	384.7	329.1	324.6	296.3	309.0	236.8	326.2	225.1	230.5	257.7	224.7	228.1	246.3
Holdings of MFI securities other than shares	13.7	13.2	11.5	11.9	1.2	1.1	1.1	1.0	0.9	0.9	0.9	0.9	1.0	1.0	0
Money market fund shares and units	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	20 367.4	20 401.5	20 610.1	20 311.3	20 461.6	19 855.0	19 914.5	19 229.8	19 585.3	19 444.7	19 662.0	19 525.9	19 762.2	19 760.7	19 920.5

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

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Overnight deposits in lats	1 662.1	1 670.2	1 821.3	1 733.3	1 754.8	1 715.9	1 731.4	1 667.6	1 695.8	1 742.4	1 761.3	1 758.1	1 828.4	1 903.6	2 025.7
Financial institutions	58.5	67.0	47.1	53.8	57.3	57.3	58.9	50.8	50.5	61.1	64.6	56.5	69.5	60.1	67.1
Public non-financial corporations	118.7	162.1	166.8	147.1	151.9	166.8	157.5	100.6	83.3	92.2	94.5	95.1	107.1	125.2	121.6
Private non-financial corporations	724.1	704.2	782.2	734.6	732.9	682.1	691.9	674.1	688.0	713.5	728.6	733.2	773.7	812.4	877.2
Households	760.8	737.0	825.1	797.7	812.6	809.7	823.1	842.1	874.0	875.5	873.6	873.3	878.1	905.9	959.8
Time deposits in lats	781.4	665.3	722.2	728.9	741.3	729.4	747.4	758.5	722.4	661.7	656.9	655.0	643.4	623.8	593.6
Financial institutions	170.2	154.3	146.7	144.9	141.8	141.3	140.1	137.3	137.6	118.1	118.7	135.5	118.8	118.1	108.3
Public non-financial corporations	138.0	90.4	87.0	76.8	76.3	90.8	92.1	102.2	98.1	75.6	76.8	67.5	79.5	73.2	87.9
Private non-financial corporations	100.9	107.8	103.2	105.8	117.4	117.5	133.4	134.1	113.0	95.6	90.3	82.3	77.0	76.0	70.7
Households	372.3	312.9	385.3	401.5	405.8	379.8	381.8	384.9	373.7	372.4	371.1	369.7	368.0	356.4	326.7
Deposits redeemable at notice in lats	81.1	81.3	84.4	78.6	79.5	80.8	81.4	83.0	84.3	86.2	87.2	87.4	88.1	90.7	93.7
Financial institutions	7.4	7.4	7.4	7.5	7.4	7.4	7.4	7.4	7.4	7.3	7.3	7.3	7.4	7.4	7.3
Public non-financial corporations	1.1	0.9	0.9	0.8	0.9	0.9	0.9	0.8	0.9	0.8	1.3	1.2	0.6	0.6	0.6
Private non-financial corporations	9.5	9.0	8.4	7.2	7.8	7.7	7.3	6.6	6.6	7.1	6.5	6.0	5.3	5.1	5.2
Households	63.2	63.9	67.7	63.1	63.4	64.8	65.9	68.2	69.5	71.0	72.1	72.9	74.9	77.6	80.6
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	2 829.3	2 777.2	2 818.3	2 835.4	2 892.5	2 876.0	2 867.9	2 876.4	2 948.7	2 946.9	2 987.5	2 908.5	2 949.9	3 007.9	2 980.0
Financial institutions	202.3	208.5	234.1	233.4	266.3	281.4	268.7	261.4	261.0	245.3	263.3	264.5	275.2	271.1	280.4
Public non-financial corporations	88.7	84.2	86.0	111.1	122.1	128.4	119.1	105.7	160.5	129.9	133.6	147.5	131.0	156.8	150.2
Private non-financial corporations	806.4	897.6	846.4	852.7	871.7	840.8	860.2	843.6	879.5	938.9	961.9	892.7	939.9	972.8	925.0
Households	1 731.8	1 586.8	1 651.7	1 638.2	1 632.3	1 625.4	1 619.9	1 665.7	1 647.6	1 632.7	1 628.7	1 603.8	1 603.7	1 607.2	1 624.5
Deposits of central government	642.7	652.7	219.9	218.8	190.2	186.5	202.1	218.6	196.4	196.8	296.7	411.8	475.9	440.1	526.2
Overnight deposits in lats	9.3	11.1	11.4	9.5	10.1	9.9	9.6	10.7	11.4	8.7	11.0	16.1	17.7	16.1	13.6
Time deposits in lats	65.1	68.2	88.3	86.8	90.0	86.0	80.7	82.0	55.4	57.5	61.1	57.4	57.0	50.7	52.6
Deposits redeemable at notice and repos in lats	0.3	0.3	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0
Foreign currency deposits	567.9	573.0	119.7	122.5	90.0	90.5	111.8	125.9	129.6	130.5	224.5	338.3	401.1	373.3	460.0
Deposits of local government	253.4	246.8	191.9	208.0	212.0	223.7	231.9	231.5	225.6	221.9	229.7	218.7	217.0	215.6	170.5
Overnight deposits in lats	170.8	179.2	130.5	143.0	148.9	161.8	163.1	158.7	155.2	154.0	156.0	148.9	145.0	145.4	106.6
Time deposits in lats	33.0	20.5	16.4	16.2	15.3	15.5	16.1	15.3	15.5	15.3	15.2	15.2	14.4	14.6	12.8
Deposits redeemable at notice and repos in lats	5.1	5.5	5.6	2.0	2.1	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.0
Foreign currency deposits	44.5	41.6	39.3	46.8	45.7	44.5	50.8	55.5	52.9	50.6	56.5	52.7	55.5	53.5	49.1
Transit funds	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

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

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Foreign liabilities	9 918.3	9 751.5	9 726.6	9 548.1	9 699.0	9 918.1	9 893.5	9 692.5	9 904.2	9 807.5	9 919.8	9 720.1	9 789.8	9 683.7	9 735.5
Liabilities to the Bank of Latvia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	70.6	70.3	64.5	67.9	68.8	72.2	69.8	74.8	72.8	65.3	65.4	65.5	66.6	66.5	62.4
Debt securities issued	87.8	88.6	543.0	542.2	492.7	52.8	53.6	55.5	68.4	96.0	95.5	107.0	113.5	138.7	139.6
Capital and reserves	1 859.7	1 854.5	1 620.2	1 618.5	1 596.4	1 607.9	1 631.6	1 785.4	1 823.6	1 851.0	1 868.1	1 884.6	1 912.2	1 900.5	1 910.8
Residents	385.7	380.5	146.2	144.4	134.0	204.6	220.2	406.3	443.1	454.4	471.6	488.0	512.2	500.5	493.4
Retained earnings of the reporting year	76.8	78.5	-175.2	-1.1	-6.6	37.3	54.6	72.5	78.7	90.0	105.7	119.3	140.5	128.3	122.4
Non-residents	1 473.9	1 473.9	1 474.0	1 474.1	1 462.3	1 403.3	1 411.4	1 379.1	1 380.5	1 396.5	1 396.5	1 396.5	1 400.0	1 400.0	1 417.4
Provisions	1 604.5	1 592.6	1 792.7	1 813.5	1 809.6	1 506.3	1 494.5	1 206.5	1 183.2	1 177.1	1 167.4	1 143.0	1 126.4	1 115.3	1 053.3
Other liabilities (incl. subordinated liabilities)	313.5	669.3	665.7	633.2	647.3	635.4	647.3	343.8	332.6	367.0	296.0	308.4	327.0	342.7	383.1
Liabilities to resident MFIs	263.1	281.2	339.4	284.9	277.6	250.1	262.0	235.7	327.4	224.9	230.4	257.8	224.0	231.6	246.2
TOTAL LIABILITIES	20 367.4	20 401.5	20 610.1	20 311.3	20 461.6	19 855.0	19 914.5	19 229.8	19 585.3	19 444.7	19 662.0	19 525.9	19 762.2	19 760.7	19 920.5
Memo items															
Trust assets	486.1	803.1	664.6	614.8	710.5	573.8	586.5	534.0	717.6	607.3	615.1	580.8	578.8	688.7	686.0
Foreign	395.3	458.5	537.6	501.9	604.1	471.7	486.9	434.8	624.6	516.4	523.2	489.1	484.7	612.1	611.5
Domestic	90.8	344.6	127.0	112.9	106.4	102.0	99.6	99.2	93.0	91.0	91.9	91.7	94.0	76.6	74.5
Trust liabilities	486.1	803.1	664.6	614.8	710.5	573.8	586.5	534.0	717.6	607.3	615.1	580.8	578.8	688.7	686.0
Foreign	434.0	489.8	572.4	538.3	639.1	507.5	524.5	475.0	660.3	552.6	560.9	527.5	523.4	633.2	636.1
Domestic	52.1	313.3	92.2	76.5	71.4	66.3	62.0	59.0	57.3	54.7	54.2	53.3	55.4	55.4	49.9

10. MONETARY SURVEY

(at end of period; millions of lats)

	Currency outside MFIs	Overnight deposits (resident)				Time deposits (resident)				Total (M2X)
		Households	Financial institutions and private non-financial corporations	Public non-financial corporations		Households	Financial institutions and private non-financial corporations	Public non-financial corporations		
2011										
X	892.5	2 866.6	1 335.7	1 387.7	143.2	2 487.3	1 592.3	691.7	203.3	6 246.4
XI	941.6	2 954.8	1 295.2	1 470.7	188.9	2 239.2	1 405.4	685.1	148.7	6 135.6
XII	1 040.0	3 109.2	1 442.7	1 475.4	191.1	2 336.9	1 487.0	700.2	149.7	6 486.1
2012										
I	1 024.6	3 051.4	1 415.1	1 462.5	173.8	2 324.9	1 485.4	677.5	162.0	6 400.9
II	1 020.8	3 100.3	1 417.0	1 499.8	183.5	2 367.7	1 497.1	702.8	167.8	6 488.9
III	1 021.2	3 058.9	1 423.3	1 434.6	200.9	2 343.3	1 456.3	700.9	186.0	6 423.4
IV	1 028.2	3 023.2	1 433.5	1 394.5	195.2	2 404.8	1 457.1	773.3	174.4	6 456.3
V	997.2	2 982.9	1 476.8	1 377.4	128.7	2 402.7	1 484.1	737.9	180.7	6 382.8
VI	1 029.3	3 100.3	1 520.2	1 422.6	157.5	2 350.7	1 444.5	720.9	185.3	6 480.4
VII	1 042.8	3 158.1	1 519.6	1 506.3	132.2	2 279.1	1 432.1	680.6	166.4	6 479.9
VIII	1 051.9	3 234.3	1 527.5	1 567.7	139.1	2 258.6	1 418.0	673.5	167.1	6 544.9
IX	1 062.8	3 202.3	1 533.4	1 511.5	157.4	2 206.7	1 386.3	666.4	154.0	6 471.8
X	1 053.4	3 327.6	1 556.8	1 600.0	170.8	2 182.3	1 367.9	666.9	147.5	6 563.2
XI	1 058.2	3 457.1	1 614.3	1 643.1	199.7	2 168.9	1 332.8	680.0	156.1	6 684.2
XII	1 082.4	3 586.6	1 712.4	1 692.3	181.9	2 106.4	1 279.1	648.9	178.4	6 775.4
	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					
2011										
X	-543.8	10 353.9	-1 647.2	5 382.2	6 165.2	453.7	-3 563.7	6 790.2	6 246.4	
XI	-435.6	10 635.1	-1 309.7	5 352.9	6 148.6	443.3	-4 063.9	6 571.2	6 135.6	
XII	-224.8	11 045.4	-663.8	5 298.7	5 975.6	434.9	-4 334.5	6 710.9	6 486.1	
2012										
I	-183.2	10 938.7	-715.6	5 261.2	5 962.7	430.4	-4 354.6	6 584.1	6 400.9	
II	270.1	10 450.8	-1 153.7	5 222.2	5 950.6	431.7	-4 232.1	6 218.7	6 488.9	
III	-131.4	10 072.1	-1 021.8	5 015.4	5 647.9	430.6	-3 517.4	6 554.7	6 423.4	
IV	-121.9	10 055.6	-1 015.3	4 979.0	5 655.2	436.7	-3 477.3	6 578.3	6 456.3	
V	64.2	9 653.7	-1 088.3	4 874.1	5 437.4	430.5	-3 335.1	6 318.6	6 382.8	
VI	54.2	9 795.0	-985.6	4 837.5	5 455.7	487.4	-3 368.8	6 426.2	6 480.4	
VII	249.9	9 685.1	-1 066.2	4 815.5	5 441.7	494.1	-3 455.0	6 230.1	6 479.9	
VIII	378.6	9 590.9	-1 181.4	4 785.4	5 485.8	501.1	-3 424.6	6 166.3	6 544.9	
IX	155.0	9 765.2	-982.7	4 744.8	5 502.3	500.8	-3 448.4	6 316.8	6 471.8	
X	202.8	9 819.2	-917.3	4 717.7	5 519.3	499.5	-3 458.8	6 360.4	6 563.2	
XI	378.0	9 785.1	-905.6	4 686.0	5 501.5	503.2	-3 478.8	6 306.3	6 684.2	
XII	613.7	9 593.3	-903.8	4 633.1	5 359.5	504.5	-3 431.6	6 161.7	6 775.4	

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

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Claims on MFIs	3 201.5	3 322.0	3 680.5	3 616.1	3 655.9	3 634.3	3 701.3	3 604.9	3 788.5	3 608.0	3 716.6	3 661.2	3 792.7	3 760.7	3 953.6
Loans															
Overnight	1 849.9	2 012.9	2 346.8	2 485.2	2 380.4	2 295.4	1 998.0	2 233.1	2 380.8	2 160.6	2 161.5	2 285.6	2 326.3	2 283.4	2 332.3
Short-term	828.8	788.6	736.4	523.8	665.3	676.5	1 020.1	665.0	852.6	883.5	981.2	802.1	877.0	859.8	1 010.0
Long-term	178.1	173.8	172.8	172.8	172.7	173.7	173.7	175.3	14.1	13.1	12.4	12.2	15.2	15.3	15.1
Redeemable at notice	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	13.7	13.1
Holdings of securities other than shares	303.7	305.6	383.4	393.2	396.2	447.5	468.3	490.2	499.8	509.4	520.1	519.8	518.7	532.9	527.4
Holdings of shares and other equity	0.4	0.4	0.4	0.5	0.7	0.6	0.6	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.1
Other claims	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	54.6	54.6	54.6
Claims on non-MFIs	2 080.5	2 177.7	2 091.8	2 165.8	2 146.0	2 094.5	2 110.2	2 090.8	2 225.9	2 256.1	2 217.7	2 160.1	2 163.2	2 174.8	2 115.0
Loans															
Short-term	458.5	533.2	494.8	540.1	563.7	464.5	456.1	432.4	448.9	447.7	466.8	455.3	459.1	484.3	471.2
Long-term	842.6	835.7	865.6	859.1	802.0	666.7	692.0	682.7	694.9	724.9	711.7	705.7	702.3	706.3	702.8
Holdings of securities other than shares															
Government	417.8	404.8	335.0	351.8	365.5	564.3	547.5	557.4	672.1	676.6	635.1	598.6	620.2	578.1	537.9
Private sector	298.7	340.4	332.4	350.0	343.7	330.4	341.8	352.5	344.1	338.6	339.2	325.2	320.5	342.1	337.5
Holdings of shares and other equity	28.4	29.3	29.6	30.4	36.7	37.8	42.2	35.2	33.4	36.0	32.5	31.9	31.9	34.8	34.5
Other claims	34.4	34.4	34.4	34.4	34.4	30.7	30.7	30.7	32.4	32.4	32.4	43.3	29.3	29.3	31.1
Vault cash in foreign currencies	72.1	65.0	112.8	87.0	82.2	71.6	74.0	113.8	74.3	90.3	74.2	75.9	76.1	70.1	76.9
Other assets															
Other assets	139.5	148.3	181.4	179.7	219.8	196.8	211.0	210.8	226.1	246.9	208.9	184.5	200.7	181.2	177.8
Total foreign assets	5 493.5	5 713.1	6 066.5	6 048.6	6 103.9	5 997.1	6 096.5	6 020.3	6 314.9	6 201.3	6 217.4	6 081.6	6 232.8	6 186.8	6 323.3
Memo items															
Trust assets	395.3	458.5	537.6	501.9	604.1	471.7	486.9	434.8	624.6	516.4	523.2	489.1	484.7	612.1	611.5

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

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Liabilities to MFIs															
Overnight	611.5	376.4	267.9	295.2	246.3	220.8	280.5	269.9	272.3	254.3	200.4	269.5	333.1	339.1	313.0
Short-term	190.7	115.7	272.8	168.6	185.8	208.8	226.8	213.5	440.4	480.9	666.0	564.0	545.9	511.8	552.2
Long-term	4 357.1	4 357.3	4 144.5	3 994.2	4 035.1	4 054.6	3 931.3	3 799.8	3 567.2	3 433.6	3 353.3	3 146.9	3 023.1	3 008.7	2 963.1
Redeemable at notice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From which liabilities to associated and affiliated MFIs	5 008.0	4 696.6	4 530.3	4 305.1	4 319.6	4 308.1	4 247.5	4 098.1	4 019.2	3 987.2	4 049.5	3 856.8	3 776.1	3 736.8	3 713.5
Non-MFI deposits															
Overnight	3 379.9	3 527.9	3 620.3	3 867.8	3 982.9	4 018.5	4 167.4	4 210.0	4 436.3	4 557.8	4 536.5	4 620.5	4 828.4	4 799.9	4 901.9
Short-term	541.1	564.5	608.1	449.4	439.6	444.2	498.2	458.5	467.1	388.8	400.6	375.6	341.1	324.3	326.9
Long-term	514.6	496.2	511.7	493.2	506.7	505.9	498.6	468.3	454.0	442.6	484.3	471.3	452.1	457.0	441.2
Redeemable at notice	180.0	149.8	179.1	152.7	161.7	151.6	145.5	122.4	134.9	118.7	127.8	107.3	97.0	87.3	81.8
Other liabilities															
Other liabilities ¹	143.4	163.8	122.3	127.1	141.0	313.7	145.1	150.1	132.0	130.7	150.9	164.9	169.2	155.5	155.5
Total foreign liabilities	9 918.3	9 751.5	9 726.6	9 548.1	9 699.0	9 918.1	9 893.5	9 692.5	9 904.2	9 807.5	9 919.8	9 720.1	9 789.8	9 683.7	9 735.5
Memo items															
Trust liabilities	434.0	489.8	572.4	538.3	639.1	507.5	524.5	475.0	660.3	552.6	560.9	527.5	523.4	633.2	636.1

¹ Including subordinated liabilities.

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

(at end of period; millions of lats)

	Claims on MFIs			Loans to non-MFIs			Liabilities to MFIs			Deposits by non-MFIs		
	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions
2011												
X	2 099.3	1 233.8	757.6	647.2	373.7	654.0	4 338.5	1 940.2	820.8	1 209.8	412.1	3 405.8
XI	2 255.5	1 228.5	720.0	676.6	389.7	692.2	4 060.5	1 831.4	788.8	1 320.8	523.2	3 417.6
XII	2 352.4	1 350.4	903.8	619.1	348.0	741.2	3 921.2	1 756.0	763.9	1 288.2	425.2	3 630.9
2012												
I	2 402.2	1 289.1	779.7	651.5	374.8	747.7	3 690.4	1 751.2	767.5	1 379.0	432.0	3 584.0
II	2 417.9	1 183.0	800.6	651.9	374.6	713.8	3 778.8	1 794.8	688.4	1 533.0	580.9	3 557.8
III	2 365.6	1 246.8	780.1	531.2	320.8	600.1	3 738.4	1 746.0	745.9	1 540.5	579.5	3 579.8
IV	2 348.1	1 263.3	843.8	537.5	322.3	610.6	3 695.9	1 764.8	742.7	1 618.1	616.2	3 691.7
V	2 317.9	1 225.4	755.4	509.5	318.6	605.7	3 540.2	1 643.0	743.0	1 522.5	551.3	3 736.8
VI	2 434.3	1 200.5	813.1	535.1	342.6	608.7	3 516.3	1 705.1	763.5	1 609.2	602.6	3 883.1
VII	2 307.4	1 233.8	749.8	534.4	342.0	638.1	3 433.6	1 692.1	735.3	1 596.3	581.5	3 911.7
VIII	2 424.4	1 265.9	730.7	538.2	361.5	640.3	3 498.8	1 703.3	720.9	1 626.1	577.3	3 923.0
IX	2 283.1	1 226.5	816.9	533.3	360.6	627.7	3 300.7	1 661.1	679.7	1 751.2	669.7	3 823.6
X	2 389.6	1 352.6	828.9	532.8	364.6	628.7	3 261.9	1 694.2	640.2	1 745.8	619.1	3 972.8
XI	2 287.8	1 189.2	884.4	548.8	349.2	641.8	3 169.1	1 688.5	690.5	1 714.3	614.7	3 954.3
XII	2 380.9	1 225.2	989.6	549.3	351.4	624.7	3 144.9	1 705.1	683.4	1 727.4	640.3	4 024.4

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

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Overnight deposits															
Amount	2 866.6	2 954.8	3 109.2	3 051.3	3 100.3	3 058.9	3 023.3	2 982.9	3 100.3	3 158.1	3 234.4	3 202.4	3 327.5	3 457.1	3 586.6
% ¹	53.6	56.9	57.1	56.8	56.7	56.6	55.7	55.4	56.9	58.1	58.9	59.2	60.4	61.5	63.0
Time deposits															
Maturity of 1–6 months															
Amount	736.5	701.3	736.6	737.6	779.3	740.2	787.0	775.0	719.9	670.8	661.4	638.4	620.2	633.0	635.5
% ¹	13.8	13.5	13.5	13.7	14.3	13.7	14.5	14.4	13.2	12.3	12.0	11.8	11.2	11.3	11.2
Maturity of 6–12 months															
Amount	982.0	767.0	793.0	780.4	764.3	814.7	841.9	862.1	870.0	881.1	878.0	849.9	847.3	833.4	778.4
% ¹	18.3	14.8	14.6	14.5	14.0	15.1	15.5	16.0	16.0	16.2	16.0	15.7	15.4	14.8	13.7
Long-term															
Amount	548.2	553.9	593.4	612.2	627.3	589.0	575.9	560.0	551.0	519.8	513.0	511.6	506.9	491.7	479.0
% ¹	10.2	10.6	10.9	11.4	11.5	10.9	10.6	10.4	10.1	9.6	9.3	9.5	9.2	8.7	8.4
Maturity of 1–2 years															
Amount	291.1	292.2	335.1	354.4	368.5	358.7	345.1	332.3	317.8	288.8	274.3	266.8	260.9	244.2	228.4
% ¹	5.4	5.6	6.2	6.6	6.7	6.6	6.4	6.2	5.8	5.3	5.0	4.9	4.7	4.3	4.0
Maturity of over 2 years															
Amount	257.2	261.7	258.3	257.7	258.8	230.4	230.7	227.7	233.3	231.0	238.7	244.9	246.0	247.5	250.6
% ¹	4.8	5.0	4.7	4.8	4.7	4.3	4.3	4.2	4.3	4.2	4.3	4.5	4.5	4.4	4.4
Deposits redeemable at notice															
Up to 3 months															
Amount	220.6	216.9	213.8	194.7	196.8	199.4	200.1	205.5	209.9	207.5	206.2	206.8	207.8	210.8	213.7
% ¹	4.1	4.2	3.9	3.6	3.6	3.7	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.7	3.7
Over 3 months															
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
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	5 354.0	5 194.0	5 446.1	5 376.2	5 468.1	5 402.1	5 428.1	5 385.5	5 451.1	5 437.2	5 493.0	5 409.0	5 509.8	5 626.0	5 693.0

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; 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			
2011									
X	88.0	86.6	48.7	45.7	0.6	0	0	269.7	178.6
XI	107.4	69.8	47.4	48.6	0.8	0	0	274.1	174.0
XII	106.1	78.9	47.5	44.8	0.8	0	0	278.2	150.2
2012									
I	107.1	78.4	47.3	44.7	0.8	0	0	278.3	153.0
II	117.4	77.6	50.4	43.4	0.7	0	0	289.6	151.8
III	98.3	81.1	49.5	47.8	0.7	0	0	277.4	147.9
IV	79.3	92.0	47.2	47.8	0.7	0	0	267.0	152.0
V	88.0	102.3	42.8	52.2	0.7	0	0	286.1	143.8
VI	80.1	100.5	40.6	51.4	0.7	0	0	273.4	143.5
VII	94.7	97.2	33.5	50.4	0.7	0	0	276.5	138.8
VIII	105.8	100.8	33.2	49.6	0.7	0	0	290.1	142.5
IX	86.2	117.9	39.0	52.5	0.5	0	0	296.1	148.5
X	84.9	108.5	46.1	51.0	0.5	0	0	291.0	148.1
XI	82.3	117.9	47.8	51.5	0.5	0	0	300.0	138.0
XII	88.4	117.6	45.1	52.5	0.4	0	0	304.0	138.3
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			
2011									
X	55.2	32.5	12.3	60.7	8.1	0	0	168.8	57.5
XI	57.9	23.9	12.3	60.9	8.1	0	0	163.2	54.6
XII	45.4	28.0	12.3	61.6	9.8	0	0	157.1	51.0
2012									
I	48.9	28.6	12.3	61.6	10.0	0	0	161.3	53.2
II	48.3	49.0	14.3	61.8	9.9	0	0	183.3	54.7
III	78.3	44.9	13.7	63.1	9.9	0	0	209.9	58.1
IV	53.3	69.6	12.7	63.1	9.3	0	0	208.0	54.4
V	35.0	54.2	12.4	61.3	7.9	0	0	170.8	51.7
VI	41.2	60.8	11.8	61.3	7.9	0	0	183.0	51.9
VII	40.2	40.7	6.6	60.5	7.4	0	0	155.4	47.8
VIII	48.6	42.4	5.5	59.9	7.3	0	0	163.8	48.0
IX	55.0	40.2	4.8	60.2	7.3	0	0	167.6	50.8
X	58.5	51.1	2.6	60.3	7.4	0	0	179.9	47.6
XI	61.6	27.6	1.1	59.0	7.4	0	0	156.8	47.7
XII	64.8	26.7	1.1	59.1	7.3	0	0	159.1	44.4

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

(at end of period; millions of lats)

Public non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2011									
X	143.2	193.2	8.4	0.5	1.2	0	0	346.5	257.8
XI	188.9	134.2	12.9	0.5	1.1	0	0	337.6	253.4
XII	191.1	130.8	17.3	0.5	1.0	0	0	340.8	254.8
2012									
I	173.8	142.8	18.1	0	1.0	0	0	335.7	224.6
II	183.5	147.6	19.1	0	1.1	0	0	351.3	229.2
III	200.9	164.7	19.8	0	1.5	0	0	387.0	258.6
IV	195.2	153.0	19.8	0	1.6	0	0	369.6	250.5
V	128.7	155.0	23.9	0	1.7	0	0	309.3	203.7
VI	157.5	159.6	23.9	0	1.8	0	0	342.8	182.3
VII	132.2	146.7	17.7	0.1	1.9	0	0	298.6	168.6
VIII	139.1	146.9	17.5	0.1	2.5	0	0	306.2	172.6
IX	157.4	133.1	18.2	0.1	2.6	0	0	311.4	163.9
X	170.8	125.0	20.3	0.1	2.1	0	0	318.2	187.2
XI	199.7	138.1	15.8	0.1	2.2	0	0	355.8	199.0
XII	181.9	162.1	15.4	0.1	0.8	0	0	360.3	210.1
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			
2011									
X	1 244.5	315.7	38.5	20.2	22.2	0	0	1 641.0	834.5
XI	1 305.4	331.2	36.7	24.6	20.8	0	0	1 718.6	821.0
XII	1 323.8	340.7	36.5	20.6	18.6	0	0	1 740.3	893.9
2012									
I	1 306.5	320.9	36.3	18.9	17.8	0	0	1 700.4	847.7
II	1 334.1	322.8	34.7	19.1	19.0	0	0	1 729.7	858.0
III	1 258.0	316.7	34.0	20.6	18.9	0	0	1 648.2	807.3
IV	1 261.9	358.0	33.8	20.8	18.4	0	0	1 692.8	832.5
V	1 254.4	341.5	29.7	14.6	18.4	0	0	1 658.5	814.8
VI	1 301.2	321.6	27.5	16.8	20.0	0	0	1 687.1	807.6
VII	1 371.5	317.9	28.9	16.0	20.8	0	0	1 755.1	816.2
VIII	1 413.3	310.8	23.9	20.2	19.1	0	0	1 787.3	825.4
IX	1 370.4	280.1	21.4	23.5	18.7	0	0	1 714.2	821.5
X	1 456.5	278.2	20.3	24.3	16.7	0	0	1 796.0	856.0
XI	1 499.1	306.4	21.0	24.7	15.1	0	0	1 866.3	893.4
XII	1 539.1	278.5	21.0	24.7	14.8	0	0	1 878.1	953.1

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

(at end of period; 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				
2011										
X	1 335.7	1 090.5	183.2	130.1	188.4	0	0	2 928.0	1 196.2	
XI	1 295.2	909.2	182.9	127.1	186.1	0	0	2 700.6	1 113.8	
XII	1 442.7	951.2	221.5	130.8	183.5	0	0	2 929.8	1 278.1	
2012										
I	1 415.1	947.3	240.4	132.6	165.2	0	0	2 900.5	1 262.3	
II	1 417.0	946.7	249.8	134.4	166.2	0	0	2 914.2	1 281.8	
III	1 423.3	947.5	241.5	98.8	168.5	0	0	2 879.7	1 254.3	
IV	1 433.5	956.3	231.6	99.0	170.1	0	0	2 890.6	1 270.8	
V	1 476.8	984.2	223.4	99.6	176.8	0	0	2 960.9	1 295.2	
VI	1 520.3	947.4	213.9	103.8	179.4	0	0	2 964.8	1 317.1	
VII	1 519.6	949.4	202.0	103.9	176.7	0	0	2 951.7	1 318.9	
VIII	1 527.5	938.4	194.1	108.8	176.6	0	0	2 945.5	1 316.9	
IX	1 533.4	916.9	183.2	108.5	177.6	0	0	2 919.7	1 315.9	
X	1 556.8	904.8	171.6	110.4	181.1	0	0	2 924.7	1 320.9	
XI	1 614.3	876.5	158.5	112.2	185.7	0	0	2 947.1	1 339.9	
XII	1 712.4	828.9	145.8	114.1	190.4	0	0	2 991.6	1 367.1	

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

(at end of period; millions of lats)

	General government				Non-residents					
	Central government	Local government	In lats	In lats	MFIs	Non-MFIs			In lats	
						General government	Other			
2011										
X	642.7	253.4	896.0	283.7	5 159.3	4 615.6	2.1	4 613.5	9 774.8	168.0
XI	652.7	246.8	899.4	284.8	4 849.3	4 738.4	2.4	4 736.0	9 587.8	166.3
XII	219.9	191.9	411.8	252.8	4 685.2	4 919.2	10.4	4 908.8	9 604.3	145.6
2012										
I	218.8	208.0	426.9	257.6	4 458.0	4 963.0	6.2	4 956.9	9 421.0	159.6
II	190.2	212.0	402.2	266.4	4 467.2	5 090.8	7.7	5 083.1	9 558.0	97.0
III	186.5	223.7	410.1	275.2	4 484.2	5 120.3	7.8	5 112.5	9 604.5	112.6
IV	202.1	231.9	434.0	271.5	4 438.6	5 309.7	8.3	5 301.4	9 748.4	116.9
V	218.6	231.5	450.1	268.7	4 283.2	5 259.3	7.3	5 252.0	9 542.5	98.1
VI	196.4	225.6	422.0	239.5	4 279.9	5 492.3	2.5	5 489.8	9 772.2	117.0
VII	196.8	221.9	418.7	237.6	4 168.8	5 508.0	2.7	5 505.2	9 676.8	102.3
VIII	296.7	229.7	526.4	245.4	4 219.7	5 549.2	7.8	5 541.4	9 768.9	114.5
IX	411.8	218.7	630.5	239.5	3 980.4	5 574.8	2.8	5 572.0	9 555.2	118.7
X	475.9	217.0	692.8	236.2	3 902.0	5 718.6	8.2	5 710.4	9 620.7	139.1
XI	440.1	215.6	655.7	228.9	3 859.6	5 668.6	8.2	5 660.4	9 528.2	137.6
XII	526.2	170.5	696.7	187.5	3 828.2	5 751.7	10.9	5 740.9	9 580.0	162.4

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

(at end of period; millions of lats)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Short-term															
Amount	2 037.2	2 062.8	1 936.3	1 991.6	1 982.8	1 786.2	1 811.9	1 726.2	1 725.4	1 725.6	1 804.3	1 832.6	1 856.4	1 825.2	1 671.6
% ¹	17.4	17.7	17.1	17.6	17.6	16.6	16.9	16.6	16.5	16.6	17.3	17.6	17.8	17.6	16.4
Maturity of 1–5 years															
Amount	1 956.0	1 897.1	1 823.7	1 795.5	1 766.3	1 675.2	1 678.2	1 606.9	1 612.7	1 620.0	1 616.6	1 601.8	1 646.2	1 695.1	1 694.7
% ¹	16.7	16.3	16.0	15.9	15.7	15.6	15.6	15.4	15.5	15.5	15.5	15.4	15.8	16.4	16.7
Maturity of over 5 years															
Amount	7 703.9	7 674.2	7 609.4	7 527.8	7 500.1	7 285.9	7 236.8	7 085.0	7 101.3	7 078.8	7 026.5	6 986.5	6 906.2	6 846.8	6 799.1
% ¹	65.9	66.0	66.9	66.5	66.7	67.8	67.5	68.0	68.0	67.9	67.2	67.0	66.4	66.0	66.9
Total loans	11 697.0	11 634.2	11 369.4	11 314.9	11 249.1	10 747.3	10 726.9	10 418.2	10 439.3	10 424.3	10 447.4	10 420.9	10 408.8	10 367.1	10 165.4

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

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

(at end of period; millions of lats)

	Insurance corporations and pension funds			OFIs and financial auxiliaries			Public non-financial corporations				Private non-financial corporations					
	Up to 1 year		In lats	Up to 1 year		In lats	Up to 1 year	1–5 years	Over 5 years	In lats	Up to 1 year	1–5 years	Over 5 years	In lats		
2011																
X	0.1	0.1	0.1	119.9	308.1	40.8	15.8	40.5	397.5	453.7	8.5	1 426.5	1 380.6	2 745.8	5 552.9	579.2
XI	0.1	0.1	0.1	142.7	302.1	43.4	9.7	39.6	394.0	443.3	9.8	1 427.7	1 366.4	2 741.8	5 535.9	634.0
XII	0.5	0.5	0.5	143.1	301.7	45.7	6.0	39.0	390.0	434.9	9.7	1 311.4	1 299.3	2 722.9	5 333.6	608.8
2012																
I	0.8	0.9	0.6	161.0	317.2	57.1	5.8	38.3	386.3	430.4	10.2	1 315.0	1 292.7	2 697.6	5 305.3	623.3
II	0.1	0.1	0.1	162.5	314.9	58.1	4.5	32.6	394.6	431.7	17.1	1 300.1	1 283.2	2 697.0	5 280.3	659.0
III	0.1	0.1	0.1	161.2	308.2	59.6	4.4	33.9	392.2	430.6	17.1	1 166.6	1 212.1	2 614.4	4 993.0	629.9
IV	0.1	0.1	0.1	168.7	315.1	61.0	4.2	33.0	399.5	436.7	17.3	1 191.4	1 221.1	2 583.6	4 996.1	642.8
V	0.3	0.3	0.3	138.1	285.6	60.4	2.8	31.7	396.0	430.5	17.5	1 154.0	1 164.2	2 509.6	4 827.7	674.8
VI	0	0.1	0.1	141.4	287.6	60.6	2.8	31.1	453.5	487.4	17.8	1 154.1	1 181.6	2 491.1	4 826.8	710.3
VII	0.4	0.4	0.4	147.3	287.6	59.9	3.0	31.6	459.4	494.1	20.9	1 148.8	1 190.0	2 487.9	4 826.7	721.0
VIII	0.3	0.3	0.3	166.3	291.4	55.1	3.3	33.0	464.9	501.1	23.3	1 192.5	1 177.4	2 499.3	4 869.2	732.2
IX	0	0	0	167.2	290.8	53.5	3.6	32.7	464.6	500.8	25.7	1 222.1	1 173.0	2 489.3	4 884.4	750.0
X	0	0	0	162.2	285.4	53.8	3.3	31.9	464.4	499.5	27.8	1 255.2	1 218.5	2 432.5	4 906.2	763.5
XI	0	0	0	144.1	277.1	59.4	3.3	30.7	469.2	503.2	30.0	1 246.9	1 239.7	2 414.2	4 900.8	777.0
XII	0	0	0	144.6	279.5	62.6	10.2	30.0	461.8	502.0	38.1	1 100.4	1 246.0	2 404.4	4 750.8	780.3

16.b LOANS TO HOUSEHOLDS

(at end of period; millions of lats)

	Households													In lats
	Consumer credit				Lending for house purchase				Other lending					
	Up to 1 year	1–5 years	Over 5 years		Up to 1 year	1–5 years	Over 5 years		Up to 1 year	1–5 years	Over 5 years			
2011														
X	625.9	191.4	106.8	327.7	4 280.7	186.2	231.2	3 863.3	475.6	97.4	93.6	284.6	5 382.2	537.3
XI	624.9	192.0	105.3	327.6	4 256.8	196.4	218.6	3 841.8	471.1	94.3	91.8	285.0	5 352.9	539.9
XII	610.9	181.4	103.8	325.6	4 210.3	192.5	213.2	3 804.6	477.5	101.4	93.6	282.6	5 298.7	529.3
2012														
I	601.7	201.8	94.1	305.8	4 186.7	201.9	208.0	3 776.8	472.8	105.3	88.1	279.3	5 261.2	528.4
II	594.0	199.6	93.9	300.5	4 161.9	210.2	198.6	3 753.0	466.3	105.8	85.6	274.9	5 222.2	524.6
III	587.4	195.2	93.6	298.7	4 021.0	177.0	187.8	3 656.3	407.0	81.8	78.6	246.5	5 015.4	513.2
IV	583.4	193.8	93.0	296.5	3 993.9	171.9	185.9	3 636.1	401.7	81.8	75.9	244.1	4 979.0	509.7
V	571.9	193.4	89.1	289.4	3 931.6	167.9	180.1	3 583.6	370.6	69.8	73.1	227.7	4 874.1	490.6
VI	567.4	190.6	89.5	287.3	3 902.7	162.8	175.5	3 564.4	367.4	73.7	67.8	225.9	4 837.5	488.8
VII	565.2	190.0	90.6	284.6	3 886.8	162.7	174.2	3 549.8	363.5	73.3	65.3	225.0	4 815.5	490.6
VIII	564.9	190.8	92.2	281.9	3 861.0	181.1	153.9	3 525.9	359.5	70.0	65.6	223.9	4 785.4	494.3
IX	564.2	190.7	93.1	280.4	3 829.4	178.7	148.2	3 502.5	351.2	70.4	61.4	219.5	4 744.8	495.4
X	563.7	189.9	93.7	280.0	3 806.4	176.6	146.5	3 483.3	347.6	69.2	61.6	216.8	4 717.7	499.1
XI	554.8	186.9	92.7	275.3	3 785.0	176.0	165.2	3 443.9	346.1	68.1	62.7	215.4	4 686.0	499.7
XII	546.0	183.6	90.4	272.1	3 748.9	171.1	158.7	3 419.1	338.2	61.7	63.3	213.1	4 633.1	497.5

16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; millions of lats)

	General government				Non-residents						In lats
	Central government	Local government	In lats		MFIs	Non-MFIs			In lats		
						General government	Other				
2011											
X	0	63.4	63.4	3.7	2 856.9	1 301.1	0.1	1 301.0	4 158.1	263.8	
XI	0	64.0	64.0	4.0	2 975.5	1 368.9	0.1	1 368.8	4 344.3	262.7	
XII	0	64.3	64.3	4.7	3 256.1	1 360.3	0	1 360.3	4 616.5	301.5	
2012											
I	0	65.1	65.1	5.6	3 181.9	1 399.2	0	1 399.2	4 581.1	330.0	
II	0	64.7	64.7	5.3	3 218.5	1 365.7	0	1 365.7	4 584.2	283.4	
III	0	64.2	64.2	5.3	3 145.7	1 131.3	0	1 131.3	4 276.9	255.1	
IV	0	63.8	63.8	5.2	3 191.9	1 148.0	0	1 148.0	4 339.9	302.2	
V	0	64.1	64.1	5.6	3 073.3	1 115.1	0	1 115.1	4 188.4	294.5	
VI	0	64.7	64.7	6.0	3 247.4	1 143.9	0	1 143.9	4 391.3	279.2	
VII	0	64.9	64.9	6.7	3 057.2	1 172.6	0	1 172.6	4 229.7	283.0	
VIII	0	69.4	69.4	7.3	3 155.2	1 178.5	0	1 178.5	4 333.6	302.2	
IX	0	68.5	68.5	6.9	3 100.0	1 161.0	0	1 161.0	4 261.0	335.8	
X	1.1	69.4	70.5	8.6	3 218.5	1 161.4	0	1 161.4	4 379.9	319.7	
XI	1.5	69.1	70.6	9.3	3 172.2	1 190.6	0	1 190.6	4 362.8	298.5	
XII	2.2	70.8	73.0	10.3	3 370.5	1 174.0	0	1 174.0	4 544.5	316.3	

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

(at end of Q4 2012, millions of lats; structure, %)

	With residual maturity of up to 1 year				With residual maturity of over 1 and up to 5 years				With residual maturity of over 5 years				Total loans			
	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%
Total	1 914.8	100.0	352.2	100.0	2 543.2	100.0	392.4	100.0	1 070.2	100.0	136.0	100.0	5 528.2	100.0	880.6	100.0
A Agriculture, forestry and fishing	118.0	6.2	27.3	7.7	174.4	6.9	45.4	11.6	65.3	6.1	22.3	16.4	357.6	6.5	95.0	10.8
B Mining and quarrying	11.9	0.6	5.0	1.4	9.6	0.4	1.3	0.3	2.7	0.2	0	0	24.3	0.4	6.3	0.7
C Manufacturing	299.0	15.6	51.9	14.7	332.0	13.0	14.9	3.8	127.2	11.9	12.1	8.9	758.1	13.7	78.9	9.0
D Electricity, gas, steam and air conditioning supply	83.1	4.3	14.6	4.1	251.2	9.9	19.3	4.9	100.3	9.4	3.0	2.2	434.6	7.9	36.9	4.2
E Water supply; sewerage, waste management and remediation activities	10.2	0.5	7.3	2.1	17.9	0.7	5.1	1.3	31.9	3.0	7.8	5.7	60.0	1.1	20.2	2.3
F Construction	115.4	6.0	17.3	4.9	113.5	4.5	6.2	1.6	178.4	16.7	37.4	27.5	407.2	7.4	60.9	6.9
G Wholesale and retail trade; repair of motor vehicles and motorcycles	324.0	16.9	79.3	22.5	203.7	8.0	41.5	10.6	77.7	7.3	14.2	10.4	605.4	10.9	135.0	15.3
H Transportation and storage	75.9	4.0	28.6	8.1	191.1	7.5	14.1	3.6	102.5	9.6	0.7	0.5	369.5	6.7	43.4	4.9
I Accommodation and food service activities	32.9	1.7	4.8	1.4	65.2	2.6	2.2	0.6	22.3	2.1	1.1	0.8	120.5	2.2	8.1	0.9
J Information and communication	6.6	0.4	2.3	0.7	18.6	0.7	1.2	0.3	14.2	1.3	0.1	0.1	39.5	0.7	3.6	0.4
K Financial and insurance activities	118.3	6.2	13.1	3.7	180.1	7.1	48.5	12.4	16.5	1.5	0.6	0.4	315.0	5.7	62.2	7.1
L Real estate activities	613.8	32.1	63.3	18.0	894.2	35.2	179.4	45.7	265.1	24.8	31.2	23.0	1 773.0	32.1	273.9	31.1
M Professional, scientific and technical activities	5.5	0.3	1.9	0.5	7.2	0.3	1.8	0.5	7.1	0.7	0.2	0.2	19.7	0.3	3.9	0.4
N Administrative and support service activities	50.4	2.6	25.6	7.3	17.4	0.7	0.9	0.2	11.2	1.0	0.4	0.3	79.0	1.4	26.9	3.1
O Public administration and defence; compulsory social security	0.5	0	0	0	0.4	0	0.1	0	0	0	0	0	0.9	0	0.1	0
P Education	2.2	0.1	0.3	0.1	1.4	0	0.1	0	0.7	0.1	0	0	4.3	0.1	0.4	0
Q Human health and social work activities	6.8	0.4	2.3	0.7	11.1	0.4	3.1	0.8	2.7	0.2	1.5	1.1	20.6	0.4	6.9	0.8
R Arts, entertainment and recreation	10.0	0.5	1.6	0.5	6.3	0.2	0.9	0.2	9.9	0.9	1.0	0.7	26.2	0.5	3.5	0.4
S Other service activities	30.3	1.6	5.7	1.6	47.9	1.9	6.4	1.6	34.5	3.2	2.4	1.8	112.8	2.0	14.5	1.7

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

(at end of period; millions of lats)

	2011	2012			
	XII	III	VI	IX ¹	XII
Commercial credit	1 657.0	1 588.2	1 629.0	1 690.2	1 658.5
Industrial credit	2 019.4	1 943.1	1 805.6	1 846.9	1 756.5
Reverse repo	0.6	0.6	0.7	0.6	0.5
Financial leasing	23.5	23.3	26.6	28.6	30.8
Consumer credit	417.5	411.2	397.6	392.5	384.8
Mortgage loans	6 419.9	6 013.5	5 835.1	5 710.9	5 554.2
Factoring	2.3	2.3	1.8	1.8	1.8
Other credit	818.3	747.7	742.7	748.7	755.7
Total loans	11 358.5	10 730.0	10 439.2	10 420.2	10 142.8

¹ Data have been revised.

19.a HOLDINGS OF SECURITIES OTHER THAN SHARES

(at end of period; millions of lats)

	Securities other than shares								In lats	
	MFIs		General government		Other residents		Non-residents			
		incl. long-term		incl. long-term		incl. long-term		incl. long-term		
2011										
X	13.7	13.7	546.7	344.7	0.2	0.2	1 020.1	951.3	1 580.8	520.7
XI	13.2	13.2	476.0	289.5	0.2	0.2	1 050.8	997.5	1 540.2	455.6
XII	11.5	11.5	420.8	287.8	0.2	0.2	1 050.9	1 020.0	1 483.4	402.0
2012										
I	11.9	11.9	439.1	302.7	0.3	0.3	1 095.0	1 088.8	1 546.3	416.5
II	1.2	1.2	424.4	265.1	0.3	0.3	1 105.3	1 097.3	1 531.2	389.1
III	1.1	1.1	428.6	283.2	0.3	0.3	1 342.2	1 246.3	1 772.3	386.9
IV	1.1	1.1	421.6	287.0	0.3	0.3	1 357.6	1 294.2	1 780.6	375.9
V	1.0	1.0	422.5	292.7	0.2	0.2	1 400.0	1 339.9	1 823.6	369.7
VI	0.9	0.9	436.6	310.9	0.2	0.2	1 516.0	1 363.9	1 953.7	368.6
VII	0.9	0.9	432.6	312.8	0.2	0.2	1 524.6	1 367.4	1 958.3	364.1
VIII	0.9	0.9	436.7	315.8	0.2	0.2	1 494.4	1 360.0	1 932.2	369.0
IX	0.9	0.9	453.1	322.2	0.2	0.2	1 443.6	1 338.6	1 897.8	383.2
X	1.0	1.0	471.7	326.7	0.2	0.2	1 459.4	1 384.6	1 932.2	400.2
XI	1.0	1.0	472.2	327.4	0.2	0.2	1 453.1	1 387.9	1 926.5	398.4
XII	0	0	481.0	336.1	4.3	4.3	1 402.8	1 349.9	1 888.0	395.5

19.b HOLDINGS OF SHARES AND OTHER EQUITY

(at end of period; millions of lats)

	Shares and other equity				In lats	
	MFIs		Other residents	Non-residents		
2011						
X		0.4	303.9	103.8	408.1	223.1
XI		0.4	310.4	104.7	415.4	223.2
XII		0.4	339.6	105.0	444.9	238.6
2012						
I		0.4	339.1	105.8	445.3	238.6
II		0.4	355.1	112.4	467.9	250.9
III		0.4	346.3	109.6	456.3	235.9
IV		0.4	343.6	114.0	458.0	233.9
V		0.4	323.7	107.3	431.3	206.1
VI		0.4	341.1	107.2	448.7	219.2
VII		0.4	326.9	109.8	437.0	224.7
VIII		0.4	324.7	106.3	431.4	222.9
IX		0.4	326.8	116.7	443.9	225.3
X		0.4	327.5	116.7	444.6	223.9
XI		0.4	323.4	119.6	443.4	222.9
XII		0.4	327.4	121.3	449.1	233.1

20.a CURRENCY BREAKDOWN OF RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2011										
X	263.1	43.0	57.0	43.7	10.8	6 250.0	44.9	55.1	48.6	5.5
XI	281.2	36.8	63.2	55.4	5.6	6 093.5	44.3	55.7	48.4	6.1
XII	339.4	43.0	57.0	35.2	20.0	5 857.9	49.2	50.8	42.9	6.5
2012										
I	284.9	33.6	66.4	47.9	16.5	5 803.1	48.2	51.8	43.9	6.2
II	277.6	38.5	61.5	47.5	11.9	5 870.3	48.4	51.6	43.3	6.6
III	250.1	46.9	53.1	40.8	10.0	5 812.3	48.2	51.8	43.4	6.7
IV	262.0	45.1	54.9	41.4	10.4	5 862.1	48.3	51.7	43.2	6.9
V	235.7	52.3	47.7	35.8	9.7	5 835.7	47.6	52.4	43.7	6.9
VI	327.4	29.7	70.3	48.0	20.0	5 873.1	46.7	53.3	44.3	7.1
VII	224.9	34.5	65.5	42.3	21.4	5 855.9	46.6	53.4	43.9	7.5
VIII	230.4	32.4	67.6	39.2	26.5	6 019.4	45.7	54.3	44.4	7.9
IX	257.8	35.8	64.2	39.0	23.0	6 039.5	45.4	54.6	45.5	7.1
X	224.0	31.8	68.2	43.4	22.6	6 202.6	45.1	54.9	45.6	7.3
XI	231.6	31.1	68.9	36.3	30.8	6 281.7	45.3	54.7	45.1	7.3
XII	246.2	23.8	76.2	38.6	35.4	6 389.7	45.4	54.6	45.6	6.9

20.b CURRENCY BREAKDOWN OF NON-RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2011										
X	5 159.3	2.3	97.7	91.0	2.6	4 615.6	1.1	98.9	32.7	61.4
XI	4 849.3	2.4	97.6	91.1	2.3	4 738.4	1.0	99.0	31.8	61.6
XII	4 685.2	1.9	98.1	91.3	2.4	4 919.2	1.2	98.8	30.5	61.5
2012										
I	4 458.0	2.5	97.5	90.0	2.2	4 963.0	1.0	99.0	30.9	63.2
II	4 467.2	1.0	99.0	91.6	2.3	5 090.8	1.0	99.0	29.6	65.2
III	4 484.2	1.4	98.6	90.3	2.5	5 120.3	1.0	99.0	29.9	65.1
IV	4 438.6	1.5	98.5	89.6	3.2	5 309.7	0.9	99.1	29.8	64.7
V	4 283.2	1.0	99.0	90.0	3.3	5 259.3	1.1	98.9	29.6	64.4
VI	4 279.9	1.5	98.5	87.5	4.6	5 492.3	1.0	99.0	27.7	64.8
VII	4 168.8	1.1	98.9	88.5	3.7	5 508.0	1.0	99.0	28.0	66.1
VIII	4 219.7	1.1	98.9	88.1	4.1	5 549.2	1.2	98.8	27.8	66.3
IX	3 980.4	1.4	98.6	88.3	4.2	5 574.8	1.2	98.8	26.8	67.2
X	3 902.0	1.7	98.3	87.1	4.1	5 718.6	1.3	98.7	27.0	67.0
XI	3 859.6	1.7	98.3	87.1	3.9	5 668.6	1.3	98.7	28.0	66.1
XII	3 828.2	2.3	97.7	87.4	3.4	5 751.7	1.3	98.7	26.7	66.8

20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; millions of lats)	Structure (%)				
		In lats	In foreign currencies			incl. USD
				incl. EUR		
2011						
X	11 760.4	9.9	90.1	86.4	1.9	
XI	11 698.1	10.5	89.5	85.8	2.0	
XII	11 433.6	10.5	89.5	85.8	2.0	
2012						
I	11 380.1	10.8	89.2	85.2	1.9	
II	11 313.9	11.2	88.8	84.9	1.9	
III	10 811.5	11.3	88.7	84.7	1.9	
IV	10 790.7	11.5	88.5	84.5	2.0	
V	10 482.3	11.9	88.1	83.9	2.1	
VI	10 504.0	12.2	87.8	83.2	2.1	
VII	10 489.2	12.4	87.6	83.0	2.1	
VIII	10 516.8	12.5	87.5	83.0	2.1	
IX	10 489.5	12.7	87.3	82.8	2.1	
X	10 479.3	12.9	87.1	82.3	2.0	
XI	10 437.6	13.2	86.8	82.0	2.1	
XII	10 238.5	13.6	86.4	81.5	2.2	

20.d CURRENCY BREAKDOWN OF LOANS TO NON-RESIDENTS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2011										
X	2 856.9	8.5	91.5	26.7	58.2	1 301.1	1.6	98.4	45.1	49.1
XI	2 975.5	8.1	91.9	30.3	54.1	1 368.9	1.6	98.4	42.4	51.9
XII	3 256.1	8.6	91.4	31.8	49.8	1 360.3	1.6	98.4	40.7	53.4
2012										
I	3 181.9	9.7	90.3	30.1	54.0	1 399.2	1.5	98.5	41.2	53.0
II	3 218.5	8.1	91.9	28.1	58.6	1 365.7	1.6	98.4	41.2	53.7
III	3 145.7	7.4	92.6	28.7	58.2	1 131.3	2.1	97.9	35.7	59.7
IV	3 191.9	8.7	91.3	30.2	53.6	1 148.0	2.2	97.8	35.5	59.8
V	3 073.3	8.7	91.3	33.3	51.1	1 115.1	2.4	97.6	32.3	62.5
VI	3 247.4	7.8	92.2	35.8	48.9	1 143.9	2.3	97.7	32.8	62.0
VII	3 057.2	8.3	91.7	29.8	54.6	1 172.6	2.4	97.6	31.7	63.3
VIII	3 155.2	8.9	91.1	32.9	50.7	1 178.5	1.8	98.2	32.0	63.2
IX	3 100.0	10.1	89.9	30.1	52.2	1 161.0	1.8	98.2	31.5	63.9
X	3 218.5	9.3	90.7	33.5	49.5	1 161.4	1.8	98.2	31.9	63.6
XI	3 172.2	8.8	91.2	33.1	50.9	1 190.6	1.7	98.3	31.2	64.2
XII	3 370.5	8.8	91.2	34.1	49.6	1 174.0	1.7	98.3	30.7	64.8

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

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2011										
X	13.7	28.5	71.5	71.5	0	546.9	94.5	5.5	3.8	1.7
XI	13.2	29.3	70.7	70.7	0	476.2	94.9	5.1	3.0	2.1
XII	11.5	33.9	66.1	66.1	0	421.0	94.5	5.5	3.0	2.5
2012										
I	11.9	33.6	66.4	66.4	0	439.4	93.9	6.1	3.3	2.8
II	1.2	0	100.0	100.0	0	424.6	91.6	8.4	3.4	5.0
III	1.1	0	100.0	100.0	0	428.9	90.2	9.8	3.7	6.1
IV	1.1	0	100.0	100.0	0	421.9	89.1	10.9	3.8	7.1
V	1.0	0	100.0	100.0	0	422.7	87.5	12.5	4.1	8.4
VI	0.9	0	100.0	100.0	0	436.8	84.4	15.6	7.2	8.4
VII	0.9	0	100.0	100.0	0	432.7	84.1	15.9	7.4	8.5
VIII	0.9	0	100.0	100.0	0	436.9	84.5	15.5	7.5	8.0
IX	0.9	0	100.0	100.0	0	453.3	84.5	15.5	7.9	7.5
X	1.0	0	100.0	100.0	0	471.8	84.8	15.2	8.0	7.2
XI	1.0	0	100.0	100.0	0	472.4	84.3	15.7	8.4	7.3
XII	0	0	0	0	0	485.3	81.5	18.5	9.6	8.9

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

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2011										
X	303.7	0	100.0	27.7	69.0	716.5	0	100.0	34.4	62.3
XI	305.6	0	100.0	26.7	71.2	745.2	0	100.0	35.8	60.8
XII	383.4	0	100.0	32.7	65.2	667.4	0	100.0	30.2	65.8
2012										
I	393.2	0	100.0	31.0	66.9	701.8	0	100.0	22.7	73.5
II	396.2	0	100.0	36.0	61.9	709.2	0	100.0	20.9	75.3
III	447.5	0	100.0	29.9	68.9	894.7	0	100.0	17.2	80.4
IV	468.3	0	100.0	29.0	70.2	889.3	0	100.0	19.9	77.9
V	490.2	0	100.0	27.3	71.8	909.8	0	100.0	18.8	79.0
VI	499.8	0	100.0	26.4	72.2	1 016.2	0	100.0	16.9	80.7
VII	509.4	0	100.0	25.8	73.0	1 015.2	0	100.0	16.9	80.5
VIII	520.1	0	100.0	25.0	73.8	974.3	0	100.0	17.8	80.1
IX	519.8	0	100.0	25.0	73.8	923.8	0	100.0	18.0	79.9
X	518.7	0	100.0	26.7	72.1	940.6	0	100.0	18.5	79.2
XI	532.9	0	100.0	26.8	71.5	920.2	0	100.0	19.6	78.0
XII	527.4	0	100.0	25.7	72.7	875.3	0	100.0	18.6	78.9

20.g CURRENCY BREAKDOWN OF DEBT SECURITIES ISSUED BY MFIs

(at end of period)

	Outstanding amount (all currencies; millions of lats)	Structure (%)	
		In lats	In foreign currencies
2011			
X	87.8	10.1	89.9
XI	88.6	10.0	90.0
XII	543.0	3.2	96.8
2012			
I	542.2	3.2	96.8
II	492.7	1.7	98.3
III	52.8	0	100.0
IV	53.6	0	100.0
V	55.5	0	100.0
VI	68.4	0	100.0
VII	96.0	0	100.0
VIII	95.5	0	100.0
IX	107.0	0	100.0
X	113.5	0	100.0
XI	138.7	0	100.0
XII	139.6	0	100.0

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)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Deposits from households															
Overnight ¹	0.22	0.29	0.31	0.28	0.30	0.26	0.23	0.24	0.23	0.22	0.20	0.14	0.14	0.13	0.12
With agreed maturity															
Up to 1 year	0.61	1.52	1.84	1.54	1.12	1.40	1.40	1.13	1.16	1.20	1.08	1.00	0.88	0.62	1.10
Over 1 and up to 2 years	3.44	3.43	2.81	3.27	3.06	2.24	2.48	2.02	1.83	1.93	1.54	1.87	1.81	1.64	1.25
Over 2 years	4.98	4.83	3.87	4.36	3.46	3.49	2.93	3.26	2.50	3.04	3.29	3.61	3.67	3.70	3.80
Redeemable at notice ²															
Up to 3 months	0.37	0.27	0.28	0.24	0.23	0.22	0.21	0.21	0.18	0.15	0.14	0.13	0.13	0.13	0.13
Over 3 months	x	x	x	x	x	x	x	x	x	x	x	x	–	–	–
Deposits from non-financial corporations															
Overnight ¹	0.11	0.14	0.12	0.13	0.15	0.12	0.11	0.13	0.11	0.08	0.08	0.06	0.05	0.05	0.04
With agreed maturity															
Up to 1 year	0.43	0.42	0.31	0.39	0.40	0.34	0.31	0.31	0.34	0.20	0.11	0.08	0.10	0.08	0.12
Over 1 and up to 2 years	2.08	x	2.48	2.42	1.81	1.76	1.81	2.10	1.61	1.81	1.76	1.85	1.36	0.92	1.05
Over 2 years	2.05	1.00	2.60	1.97	x	x	x	1.74	2.78	2.13	2.87	1.67	1.26	1.61	1.06
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Households															
Overnight ¹	0.22	0.29	0.31	0.28	0.30	0.26	0.23	0.24	0.23	0.22	0.20	0.14	0.14	0.13	0.12
With agreed maturity															
Up to 2 years	2.47	2.34	2.21	2.13	2.09	2.09	2.09	2.06	2.02	1.98	1.93	1.89	1.86	1.79	1.49
Over 2 years	5.15	5.15	5.02	4.96	4.93	5.09	5.03	4.88	4.82	4.74	4.70	4.63	4.57	4.50	4.36
Redeemable at notice ²															
Up to 3 months	0.37	0.27	0.28	0.24	0.23	0.22	0.21	0.21	0.18	0.15	0.14	0.13	0.13	0.13	0.13
Over 3 months	2.16	x	x	x	x	x	x	x	x	x	x	x	x	-	-
Non-financial corporations															
Overnight ¹	0.11	0.14	0.12	0.13	0.15	0.12	0.11	0.13	0.11	0.08	0.08	0.06	0.05	0.05	0.04
With agreed maturity															
Up to 2 years	1.74	1.58	1.66	1.77	1.72	1.66	1.53	1.33	1.36	1.39	1.21	1.12	0.97	0.91	0.83
Over 2 years	3.62	3.53	3.42	3.16	2.69	2.23	2.22	2.06	2.25	2.49	2.45	2.38	2.26	2.24	2.17
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to households (new business)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	22.77	22.60	23.01	22.76	22.80	22.71	22.62	22.65	22.53	22.54	22.56	22.52	22.61	22.56	22.55
Extended credit card credit ¹	24.09	24.15	24.18	24.14	24.11	23.23	23.25	23.24	23.29	23.26	23.22	23.15	23.09	23.08	23.07
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.10	3.25	4.53	4.04	3.63	3.65	3.57	3.14	3.56	3.34	3.44	3.18	2.88	2.84	2.94
of wich with collateral or guarantees	3.03	3.24	4.46	3.80	3.50	3.56	3.66	3.13	3.56	3.28	3.37	3.01	2.88	2.81	2.99
Over 1 and up to 5 years	6.72	9.57	7.95	9.57	7.50	9.66	4.39	6.54	6.70	7.26	9.75	8.67	6.95	9.66	13.15
of wich with collateral or guarantees	5.94	7.29	6.27	x	6.00	8.93	3.75	5.86	5.91	x	7.59	6.94	5.55	7.27	x
Over 5 and up to 10 years	5.08	x	x	x	x	7.75	6.49	x	6.86	7.68	6.24	x	7.28	x	x
of wich with collateral or guarantees	5.08	x	x	x	x	8.70	x	x	x	9.13	x	x	7.28	x	x
Over 10 years	x	x	x	x	x	6.36	x	x	x	5.49	x	x	x	4.57	4.95
of wich with collateral or guarantees	x	x	x	x	x	6.17	x	x	–	x	x	x	x	4.02	4.52
Annual percentage rate of charge ²	3.59	3.69	4.88	4.56	4.10	4.44	3.89	3.73	4.06	3.87	4.12	3.68	3.20	3.23	3.25
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	15.76	17.16	20.07	20.34	19.85	21.50	21.63	17.29	21.07	19.96	18.62	18.72	19.59	20.40	20.21
of wich with collateral or guarantees	3.62	3.90	5.39	6.93	5.09	4.59	4.91	3.87	5.03	4.53	4.54	4.22	4.76	4.54	3.52
Over 1 year	14.09	13.41	12.18	15.70	16.46	17.04	18.67	17.44	17.54	17.56	17.78	15.92	14.31	16.12	13.84
of wich with collateral or guarantees	4.70	5.82	5.19	4.94	6.69	6.47	8.21	8.30	8.79	7.50	7.92	6.08	5.02	7.28	5.28
Annual percentage rate of charge ²	21.98	22.27	22.01	22.68	22.54	21.61	22.52	22.01	22.29	22.16	21.92	22.06	21.84	21.31	22.05
Other lending by initial rate fixation															
Floating rate and up to 1 year	4.72	4.87	6.03	7.24	6.37	7.25	6.95	7.29	6.49	7.79	12.93	7.89	6.15	7.26	6.87
Over 1 year	x	13.99	14.59	13.42	11.69	12.97	14.23	x	x	15.02	14.28	11.74	x	14.50	11.91

¹ End-of-period.

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

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

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	3.13	3.20	3.62	3.50	3.41	3.38	3.27	2.86	2.87	2.78	2.76	2.75	2.67	2.60	2.43
Extended credit card credit ¹	23.12	24.32	23.03	23.32	23.61	23.03	23.03	24.16	24.15	24.13	24.14	24.69	24.36	24.29	24.55
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	4.50	4.62	5.01	5.78	5.45	4.97	5.07	4.93	4.73	4.58	4.33	4.55	4.34	4.58	4.81
of wich with collateral or guarantees	4.86	4.99	5.20	5.71	5.22	5.01	4.61	4.76	4.69	4.43	4.20	4.47	4.14	4.38	4.66
Over 1 year	5.19	4.27	5.04	4.92	5.62	x	4.59	3.35	4.70	3.67	4.72	x	x	x	5.35
of wich with collateral or guarantees	5.06	4.24	5.00	x	x	x	x	3.44	x	3.57	x	x	x	x	5.59
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	3.82	4.33	4.65	x	x	5.25	4.03	4.62	5.21	5.35	4.89	4.98	4.86	3.41	3.46
of wich with collateral or guarantees	4.01	4.66	5.61	x	x	5.49	4.06	4.62	5.03	5.40	4.89	4.66	4.69	3.41	3.39
Over 1 year	x	–	x	x	x	x	x	x	x	x	x	x	x	x	x
of wich with collateral or guarantees	x	–	x	x	x	x	x	x	x	x	x	x	x	x	x
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	5.63	3.83	3.62	x	3.26	x	x	x	3.09	2.90	x	3.36	x	x	6.08
of wich with collateral or guarantees	5.52	3.84	3.69	–	x	x	x	x	5.26	3.38	x	3.70	x	x	x
Over 1 year	x	x	x	x	x	x	x	x	x	x	x	–	–	x	x
of wich with collateral or guarantees	x	x	x	x	–	x	x	x	x	x	x	–	–	–	–

¹ End-of-period.

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

(%)

5. Interest rates on loans (outstanding amounts)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	5.00	4.99	5.25	6.15	5.19	4.99	2.18	4.82	5.00	5.80	5.77	6.04	5.76	5.94	6.20
Over 1 and up to 5 years	4.38	4.52	4.95	4.91	4.94	5.12	5.03	4.94	4.95	4.90	4.80	4.81	4.72	4.94	4.96
Over 5 years	4.39	4.36	4.50	4.60	4.60	4.48	4.30	4.20	4.11	4.01	3.88	3.78	3.68	3.52	3.46
Consumer credit and other loans, with maturity ¹															
Up to 1 year ²	23.24	22.73	22.69	23.03	23.11	23.45	23.28	23.21	23.22	23.19	23.21	22.99	23.15	23.11	23.20
Over 1 and up to 5 years	18.88	18.69	18.62	18.00	18.03	18.08	18.00	17.62	17.49	17.46	17.38	17.38	17.31	17.26	17.29
Over 5 years	10.20	10.12	10.03	9.64	9.60	9.62	9.60	9.11	8.92	8.53	8.40	8.23	8.12	8.01	7.80
Loans to non-financial corporations															
With maturity ¹															
Up to 1 year ²	3.77	3.89	4.29	4.37	4.18	4.41	3.83	3.17	3.29	3.21	3.15	3.20	3.12	2.99	2.85
Over 1 and up to 5 years	4.37	4.36	4.32	4.41	4.36	4.55	4.35	4.28	4.39	4.35	4.16	4.27	4.12	4.06	4.11
Over 5 years	4.32	4.41	4.52	4.75	4.70	4.40	4.37	4.22	4.00	3.91	3.86	3.80	3.79	3.75	3.84

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

² Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Deposits from households															
Overnight ¹															
	0.59	0.59	0.56	0.38	0.38	0.34	0.35	0.35	0.28	0.27	0.20	0.14	0.14	0.13	0.12
With agreed maturity															
Up to 1 year	1.76	1.74	1.86	1.46	1.05	0.99	1.02	0.80	1.00	0.87	0.53	0.39	0.43	0.34	0.68
Over 1 and up to 2 years	3.34	3.95	3.32	3.45	3.13	2.39	2.39	2.22	2.12	1.96	2.08	2.07	2.09	1.63	1.95
Over 2 years	3.06	3.66	5.10	4.27	5.52	4.01	5.35	3.58	5.45	3.50	3.50	3.33	3.85	3.92	3.48
Redeemable at notice ²															
Up to 3 months	0.84	0.73	0.71	0.72	0.72	0.65	0.65	0.42	0.34	0.28	0.25	0.25	0.21	0.20	0.20
Over 3 months	x	x	x	x	x	x	x	x	x	x	x	-	-	-	-
Deposits from non-financial corporations															
Overnight ¹															
	0.59	0.46	0.42	0.22	0.23	0.22	0.19	0.19	0.19	0.21	0.12	0.12	0.08	0.07	0.08
With agreed maturity															
Up to 1 year	1.14	0.95	0.78	0.62	0.57	0.47	0.53	0.49	0.40	0.43	0.19	0.17	0.24	0.14	0.14
Over 1 and up to 2 years	3.29	2.10	2.86	1.84	1.98	2.23	2.38	1.56	1.70	1.31	1.33	x	1.19	0.62	0.89
Over 2 years	x	6.91	3.65	x	x	2.25	1.42	2.58	1.92	2.92	x	1.20	x	-	x
Repos															
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ End-of-period.

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Households															
Overnight ¹	0.59	0.59	0.56	0.38	0.38	0.34	0.35	0.35	0.28	0.27	0.20	0.14	0.14	0.13	0.12
With agreed maturity															
Up to 2 years	2.64	2.53	2.53	2.51	2.47	2.44	2.42	2.34	2.31	2.22	2.14	2.09	2.01	1.91	1.61
Over 2 years	6.06	6.10	6.06	6.03	5.99	4.82	4.79	4.74	4.75	4.74	4.68	4.63	4.62	4.56	4.36
Redeemable at notice ²															
Up to 3 months	0.84	0.73	0.71	0.72	0.72	0.65	0.65	0.42	0.34	0.28	0.25	0.25	0.21	0.20	0.20
Over 3 months	2.39	x	x	x	x	x	x	x	x	x	x	-	-	-	-
Non-financial corporations															
Overnight ¹	0.59	0.46	0.42	0.22	0.23	0.22	0.19	0.19	0.19	0.21	0.12	0.12	0.08	0.07	0.08
With agreed maturity															
Up to 2 years	2.11	1.97	1.88	1.84	1.81	1.70	1.66	1.61	1.54	1.37	1.33	1.26	1.04	0.85	0.75
Over 2 years	5.16	5.75	5.18	5.86	1.61	1.62	1.60	2.78	2.76	2.76	2.73	2.73	2.73	2.69	2.67
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to households (new business)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	5.68	5.56	6.07	5.53	5.27	5.11	5.01	4.92	4.90	4.86	4.78	4.63	4.47	4.48	4.61
Extended credit card credit ¹	30.69	30.62	30.75	31.77	31.34	23.85	24.06	24.05	23.93	23.69	23.80	23.67	23.81	23.93	23.84
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.89	3.84	3.99	4.04	3.84	3.63	3.62	3.60	3.44	3.32	3.16	3.06	3.09	2.94	3.26
of wich with collateral or guarantees	3.76	3.82	3.95	4.04	3.89	3.66	3.64	3.63	3.41	3.30	3.14	3.04	3.06	2.91	3.22
Over 1 and up to 5 years	5.28	6.35	5.35	5.47	5.54	5.53	5.51	4.78	5.83	4.63	4.66	4.68	5.11	5.15	4.77
of wich with collateral or guarantees	5.41	6.34	5.51	5.47	5.60	5.58	5.68	4.76	5.84	4.55	4.61	4.60	5.06	5.13	4.76
Over 5 and up to 10 years	6.50	6.07	4.35	5.87	4.96	x	4.79	5.46	x	x	x	6.15	7.03	6.49	x
of wich with collateral or guarantees	6.17	x	4.12	5.97	4.83	x	4.77	5.52	x	x	x	x	7.06	x	x
Over 10 years	5.13	4.73	x	x	x	5.27	5.09	x	x	x	x	x	x	x	5.93
of wich with collateral or guarantees	5.09	5.50	x	x	x	5.36	5.05	x	x	x	x	x	x	x	5.90
Annual percentage rate of charge ²	4.10	4.13	4.19	4.28	4.06	3.89	3.95	3.83	3.70	3.52	3.34	3.22	3.41	3.20	3.48
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	7.81	8.13	10.99	7.88	7.81	8.05	6.82	8.03	7.36	6.66	6.85	6.45	6.82	7.57	6.51
of wich with collateral or guarantees	5.12	4.75	x	x	x	4.43	4.59	x	x	x	x	x	x	x	4.22
Over 1 year	22.91	21.55	20.91	24.53	22.37	22.09	21.26	19.61	20.45	19.21	18.98	19.07	18.29	17.55	18.35
of wich with collateral or guarantees	12.62	12.36	11.68	13.44	12.91	10.10	9.44	11.00	10.29	8.47	8.52	8.77	8.19	7.78	8.67
Annual percentage rate of charge ²	15.58	17.51	21.14	16.48	18.32	18.66	18.50	19.77	18.94	18.26	18.92	17.84	17.78	18.65	18.30
Other lending by initial rate fixation															
Floating rate and up to 1 year	4.91	3.67	4.86	4.04	5.02	5.85	3.60	4.02	5.22	4.57	4.92	5.29	4.53	4.16	4.89
Over 1 year	4.71	x	4.73	3.68	7.45	8.03	8.31	x	x	x	5.51	7.07	6.67	x	4.16

¹ End-of-period.

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

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

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	4.49	4.56	4.68	4.40	4.41	4.51	3.98	3.91	3.92	3.82	3.83	3.86	3.71	4.28	3.42
Extended credit card credit ¹	24.84	25.43	24.68	24.90	24.30	23.34	23.35	23.59	23.90	23.25	23.01	24.64	24.62	23.42	23.74
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	5.40	5.53	5.53	4.70	5.08	4.89	4.66	4.14	4.52	4.79	4.20	3.61	3.97	3.93	3.96
of wich with collateral or guarantees	5.37	5.34	5.50	4.61	5.09	4.96	4.67	4.09	4.40	4.75	4.07	3.59	3.83	3.90	3.98
Over 1 year	4.57	5.54	4.94	4.89	6.13	6.18	5.74	5.00	x	4.39	x	4.52	4.39	x	3.88
of wich with collateral or guarantees	4.81	5.54	5.32	4.68	6.13	6.03	5.68	4.89	x	4.52	x	4.93	4.39	x	7.63
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	4.90	5.07	4.97	6.24	4.93	4.39	4.92	4.53	4.35	4.60	4.38	4.01	3.57	3.77	3.99
of wich with collateral or guarantees	5.06	5.11	5.00	6.52	4.75	4.38	4.89	4.48	4.37	4.51	4.34	4.03	3.49	3.84	3.97
Over 1 year	6.20	x	5.97	x	4.85	3.73	x	x	5.11	x	x	5.22	x	x	5.24
of wich with collateral or guarantees	5.86	x	6.73	x	x	x	x	x	x	x	x	6.44	x	x	x
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	3.58	4.41	4.54	3.60	4.31	4.26	2.31	3.82	3.72	3.59	3.70	3.01	2.73	3.94	2.82
of wich with collateral or guarantees	3.76	4.75	4.44	3.46	4.38	4.21	2.68	3.68	3.71	2.96	3.52	3.02	3.35	3.95	2.42
Over 1 year	x	x	3.79	x	5.60	x	x	x	x	x	5.38	3.46	4.92	x	3.71
of wich with collateral or guarantees	x	x	x	x	5.79	x	x	x	x	x	5.67	x	3.53	x	4.26

¹ End-of-period.

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

(%)

5. Interest rates on loans (outstanding amounts)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	6.57	22.35	22.68	2.99	21.40	25.58	4.04	25.49	21.25	7.72	21.19	20.89	2.85	20.81	5.02
Over 1 and up to 5 years	5.42	5.36	5.19	5.16	5.13	4.98	4.88	4.78	4.67	4.48	4.25	4.06	4.17	4.07	4.15
Over 5 years	3.82	3.80	3.77	3.71	3.62	3.50	3.37	3.28	3.21	3.09	3.00	2.90	2.80	2.72	2.67
Consumer credit and other loans, with maturity ¹															
Up to 1 year ²	7.24	7.35	6.78	8.56	8.75	9.36	10.18	9.25	9.06	9.13	9.32	9.16	9.33	9.45	9.75
Over 1 and up to 5 years	9.88	9.87	10.11	9.84	9.93	10.12	10.12	10.01	9.95	10.01	10.05	10.04	9.94	9.92	10.01
Over 5 years	5.70	5.70	5.71	5.26	5.21	5.06	4.95	4.84	4.74	4.65	4.56	4.48	4.39	4.32	4.28
Loans to non-financial corporations															
With maturity ¹															
Up to 1 year ²	5.29	5.49	5.46	5.22	5.27	4.81	4.38	4.36	4.28	4.06	4.40	3.93	3.84	4.43	3.58
Over 1 and up to 5 years	4.84	4.85	4.71	4.68	5.43	4.36	4.25	4.03	4.22	3.87	3.74	3.62	3.51	3.43	3.43
Over 5 years	3.96	3.90	3.77	3.69	3.62	3.47	3.39	3.24	3.22	3.18	3.11	3.08	3.00	2.95	2.93

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

² Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Deposits from households															
Overnight ¹	0.18	0.18	0.16	0.17	0.23	0.18	0.18	0.28	0.26	0.24	0.21	0.18	0.18	0.18	0.15
With agreed maturity															
Up to 1 year	0.51	0.70	0.95	0.52	0.43	0.42	0.39	0.41	0.52	0.43	0.31	0.34	0.27	0.25	0.52
Over 1 and up to 2 years	3.05	2.92	2.50	2.89	2.37	1.77	1.43	1.59	1.43	1.80	1.92	1.05	1.58	1.52	2.05
Over 2 years	4.52	4.26	3.74	3.27	3.20	1.96	3.64	3.61	3.70	3.03	3.49	3.76	4.44	3.56	3.65
Redeemable at notice ²															
Up to 3 months	0.30	0.28	0.28	0.27	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.21	0.21	0.21
Over 3 months	x	x	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits from non-financial corporations															
Overnight ¹	0.05	0.12	0.05	0.06	0.07	0.05	0.08	0.06	0.08	0.09	0.12	0.07	0.08	0.09	0.07
With agreed maturity															
Up to 1 year	0.26	0.18	0.34	0.16	0.21	0.19	0.15	0.14	0.13	0.14	0.15	0.11	0.13	0.12	0.15
Over 1 and up to 2 years	-	-	x	x	-	-	x	-	-	-	-	-	-	-	-
Over 2 years	-	x	-	x	-	-	-	x	-	-	-	x	-	-	-
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ End-of-period.

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Households															
Overnight ¹	0.18	0.18	0.16	0.17	0.23	0.18	0.18	0.28	0.26	0.24	0.21	0.18	0.18	0.18	0.15
With agreed maturity															
Up to 2 years	1.81	1.64	1.60	1.57	1.48	1.50	1.49	1.42	1.41	1.38	1.35	1.33	1.27	1.24	1.12
Over 2 years	4.37	4.31	4.21	4.12	4.07	4.03	4.01	4.00	3.96	3.86	3.70	3.50	3.38	3.30	3.19
Redeemable at notice ²															
Up to 3 months	0.30	0.28	0.28	0.27	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.21	0.21	0.21
Over 3 months	1.01	x	–	–	–	–	–	–	–	–	–	–	–	–	–
Non-financial corporations															
Overnight ¹	0.05	0.12	0.05	0.06	0.07	0.05	0.08	0.06	0.08	0.09	0.12	0.07	0.08	0.09	0.07
With agreed maturity															
Up to 2 years	0.91	0.83	0.83	0.81	0.55	0.51	0.62	0.74	0.77	0.80	0.71	0.56	0.56	0.44	0.38
Over 2 years	3.98	3.98	3.98	3.58	3.58	3.58	3.58	3.58	3.55	3.55	3.55	3.55	3.57	3.53	3.53
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to households (new business)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	9.56	9.84	7.51	8.22	8.11	7.46	7.16	7.27	7.22	7.18	7.26	6.78	7.32	7.47	7.57
Extended credit card credit ¹	24.94	25.20	24.88	25.30	25.65	25.27	24.86	24.96	24.94	24.75	24.78	25.22	25.04	25.66	25.92
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.13	3.32	2.48	3.57	3.50	2.67	2.43	3.25	3.20	2.54	3.19	4.20	4.02	2.50	2.46
of wich with collateral or guarantees	2.84	3.03	2.48	3.78	3.50	2.67	2.63	3.09	3.17	3.10	3.32	4.19	3.93	2.16	2.91
Over 1 and up to 5 years	–	–	x	–	x	x	x	x	5.82	5.79	x	x	–	–	–
of wich with collateral or guarantees	–	–	–	–	x	x	x	x	x	x	x	x	–	–	–
Over 5 and up to 10 years	–	–	x	x	x	x	–	–	x	x	1.20	x	x	x	x
of wich with collateral or guarantees	–	–	x	x	x	x	–	–	x	x	x	–	x	–	x
Over 10 years	x	x	–	x	–	x	–	–	–	x	–	–	–	x	–
of wich with collateral or guarantees	x	x	–	x	–	–	–	–	–	x	–	–	–	x	–
Annual percentage rate of charge ²	3.31	3.38	2.50	3.63	3.63	3.24	2.69	3.27	3.49	4.28	2.94	4.22	4.29	3.54	2.66
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	14.22	16.94	19.31	x	x	15.54	15.03	13.57	x	16.95	8.39	15.99	12.43	x	17.92
of wich with collateral or guarantees	x	x	x	–	–	x	x	x	–	x	x	x	x	x	x
Over 1 year	x	–	–	–	–	x	x	–	x	–	–	–	x	x	–
of wich with collateral or guarantees	–	–	–	–	–	x	–	–	–	–	–	–	x	–	–
Annual percentage rate of charge ²	17.60	15.66	20.86	16.73	20.91	14.31	18.34	14.33	17.84	20.68	12.25	18.63	18.25	15.00	14.37
Other lending by initial rate fixation															
Floating rate and up to 1 year	x	x	x	5.14	4.20	4.46	4.64	7.26	4.35	4.65	14.59	6.84	x	6.37	4.83
Over 1 year	x	–	x	–	x	x	–	x	–	x	–	–	x	–	x

¹ End-of-period.

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

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

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	4.04	4.24	4.46	4.56	4.80	4.70	4.35	3.97	3.89	3.90	3.73	3.64	3.65	3.72	3.73
Extended credit card credit ¹	14.23	36.80	22.24	16.76	13.34	10.56	16.24	15.63	18.04	18.05	20.12	19.56	13.94	17.66	15.94
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	x	x	9.01	x	5.88	4.95	x	2.00	3.04	x	5.36	x	x	x	x
of wich with collateral or guarantees	–	x	x	x	7.11	6.56	x	x	x	x	x	x	x	x	x
Over 1 year	–	–	x	–	x	x	–	x	–	x	–	–	x	–	–
of wich with collateral or guarantees	–	–	x	–	x	x	–	x	–	x	–	–	x	–	–
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	–	x	x	x	x	x	x	–	x	x	x	x	x	x
of wich with collateral or guarantees	x	–	x	–	x	x	x	x	–	x	x	x	x	x	x
Over 1 year	x	x	x	–	x	x	–	x	x	x	x	–	–	–	–
of wich with collateral or guarantees	–	x	–	–	x	–	–	x	x	x	x	–	–	–	–
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	x	x	x	–	x	–	x	x	x	x	x	–	x	7.77
of wich with collateral or guarantees	x	x	x	x	–	x	–	x	x	–	x	x	–	x	7.77
Over 1 year	–	–	–	x	–	–	–	–	–	–	–	–	x	–	x
of wich with collateral or guarantees	–	–	–	–	–	–	–	–	–	–	–	–	x	–	x

¹ End-of-period.

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

(%)

5. Interest rates on loans (outstanding amounts)															
	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	2.37	2.41	2.23	1.83	1.79	1.83	1.93	1.96	1.91	2.51	2.35	5.06	2.05	2.19	1.97
Over 1 and up to 5 years	3.96	3.95	3.92	4.27	4.77	4.77	4.72	5.11	5.29	5.38	5.46	5.71	5.63	5.50	5.57
Over 5 years	2.95	2.98	3.01	3.07	3.09	3.02	2.99	3.00	2.98	3.03	3.02	3.02	3.00	2.94	2.91
Consumer credit and other loans, with maturity¹															
Up to 1 year ²	14.21	13.11	13.53	14.14	13.89	10.55	10.58	9.66	11.22	11.13	10.20	10.55	11.35	10.98	9.50
Over 1 and up to 5 years	10.87	7.21	10.96	10.87	10.85	10.84	10.83	11.05	7.97	7.73	11.40	7.33	7.39	7.30	7.31
Over 5 years	4.00	4.02	4.16	4.22	4.24	4.23	4.17	4.09	4.02	4.02	4.01	4.00	3.96	3.90	3.93
Loans to non-financial corporations															
With maturity¹															
Up to 1 year ²	4.74	4.94	5.15	5.15	5.49	5.36	4.96	4.57	4.49	4.52	4.39	4.11	4.13	4.35	4.66
Over 1 and up to 5 years	5.24	5.20	5.03	5.37	5.50	5.33	5.35	5.15	5.26	5.55	5.85	5.81	5.73	5.21	5.23
Over 5 years	5.16	5.15	5.32	5.30	5.21	5.30	5.21	5.17	5.12	4.92	4.48	4.06	4.36	4.67	5.79

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

² Including bank overdraft.

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

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

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
In lats															
Loans up to an amount of 0.25 million euro	4.79	4.87	5.24	5.94	5.35	5.40	4.61	4.94	4.82	4.67	4.25	4.48	4.23	4.53	4.74
of wich with collateral or guarantees	4.62	4.73	5.05	5.72	5.18	5.32	4.53	4.73	4.75	4.48	4.11	4.34	3.96	4.37	4.50
Loans over an amount 0.25 million euro and up to 1 million euro	x	4.04	4.48	x	x	5.25	3.94	3.86	4.92	4.38	4.01	4.87	4.11	3.17	3.48
of wich with collateral or guarantees	x	4.17	4.48	x	x	5.49	3.98	3.86	4.67	4.43	3.95	4.54	4.11	3.17	3.39
Loans over 1 million euro	5.52	3.96	3.24	x	x	x	4.49	x	2.85	2.90	2.93	x	x	4.86	x
of wich with collateral or guarantees	5.52	x	3.24	–	x	x	4.49	x	4.22	3.38	x	x	x	5.10	x
In euro															
Loans up to an amount of 0.25 million euro	5.12	5.56	5.40	3.90	5.08	4.87	4.60	4.10	4.64	5.07	3.83	3.62	3.93	3.87	4.11
of wich with collateral or guarantees	5.02	5.33	5.34	3.86	5.08	4.90	4.59	4.01	4.53	5.06	3.79	3.58	3.82	3.83	4.04
Loans over an amount 0.25 million euro and up to 1 million euro	4.65	5.05	4.80	5.22	4.74	4.44	4.68	4.64	4.71	4.71	4.50	4.02	3.45	3.61	4.11
of wich with collateral or guarantees	4.66	5.10	4.92	5.34	4.72	4.44	4.63	4.56	4.70	4.80	4.49	4.04	3.33	3.69	4.02
Loans over 1 million euro	3.57	4.34	4.55	3.11	3.82	4.14	2.14	3.70	3.97	3.41	3.58	2.87	2.65	3.77	2.80
of wich with collateral or guarantees	3.68	4.71	4.41	2.82	3.72	4.06	2.47	3.50	4.03	3.47	3.34	2.87	3.26	3.77	2.37
In US dollars															
Loans up to an amount of 0.25 million euro	x	x	x	x	7.97	5.56	x	x	x	x	x	x	x	x	x
of wich with collateral or guarantees	–	–	x	x	x	5.56	–	x	x	–	x	x	–	x	x
Loans over an amount 0.25 million euro and up to 1 million euro	x	–	x	x	x	x	x	x	–	x	x	5.50	x	x	x
of wich with collateral or guarantees	x	–	x	–	x	x	x	x	–	x	x	x	x	x	x
Loans over 1 million euro	x	3.95	x	x	–	–	–	–	x	–	x	x	–	x	7.13
of wich with collateral or guarantees	x	x	x	x	–	–	–	–	x	–	x	x	–	x	7.13

22. LENDING IN THE INTERBANK MARKETS

(transactions; millions of lats)

	Loans to resident MFIs											
	In lats					In foreign currencies						
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2011												
X	212.6	166.4	0.1	3.0	382.1	1 067.8	165.8	–	–	1 233.6	1 615.7	
XI	302.8	113.6	3.0	–	419.4	792.6	188.4	2.2	1.2	984.4	1 403.8	
XII	1 111.5	112.5	13.0	–	1 237.0	832.0	215.5	0.3	–	1 047.8	2 284.8	
2012												
I	779.2	28.6	2.6	5.5	815.9	971.9	330.5	–	–	1 302.4	2 118.3	
II	671.6	33.2	20.0	12.0	736.8	1 047.6	125.4	0.3	0.1	1 173.4	1 910.2	
III	710.2	33.5	1.0	1.0	745.7	589.7	120.5	0.1	–	710.3	1 456.0	
IV	603.6	60.6	6.6	5.0	675.8	451.0	139.1	0.3	–	590.4	1 266.2	
V	572.6	31.3	6.0	–	609.9	395.1	153.2	–	–	548.3	1 158.2	
VI	406.3	29.4	2.0	–	437.7	1 242.4	79.2	0.3	1.0	1 322.9	1 760.6	
VII	553.9	37.7	0.1	–	591.7	1 138.9	113.1	–	–	1 252.0	1 843.7	
VIII	754.1	29.6	–	–	783.7	1 579.9	158.9	0	–	1 738.8	2 522.5	
IX	543.2	33.1	18.7	0.5	595.5	675.3	125.1	7.4	–	807.8	1 403.3	
X	475.3	23.4	7.1	–	505.8	1 009.3	165.3	–	–	1 174.6	1 680.4	
XI	477.6	51.2	3.0	–	531.8	1 173.5	176.5	–	4.0	1 354.0	1 885.8	
XII	339.0	42.0	–	0.5	381.5	1 051.9	167.1	4.0	–	1 223.0	1 604.5	
	Loans to non-resident MFIs										Total loans	
	Overnight	Up to 1 month	1–3 months	Over 3 months								
2011												
X	24 523.2	1 524.3	114.2	42.1	26 203.8	27 819.5						
XI	22 675.8	1 370.5	33.8	28.1	24 108.2	25 512.0						
XII	29 255.2	1 719.4	65.2	31.1	31 070.9	33 355.7						
2012												
I	33 585.8	1 245.3	57.1	51.3	34 939.5	37 057.8						
II	32 170.3	1 434.3	107.7	29.4	33 741.7	35 651.9						
III	34 120.7	1 441.1	18.4	66.7	35 646.9	37 102.9						
IV	27 346.0	2 274.8	99.5	1.6	29 721.9	30 988.1						
V	29 258.2	1 483.9	13.8	17.8	30 773.7	31 931.9						
VI	28 648.4	1 437.5	119.4	34.0	30 239.3	31 999.9						
VII	22 623.2	1 409.6	37.6	19.6	24 090.0	25 933.7						
VIII	24 397.0	1 427.6	8.0	64.9	25 897.5	28 420.0						
IX	18 455.3	910.2	260.4	23.8	19 649.7	21 053.0						
X	23 274.4	1 362.8	17.7	15.1	24 670.0	26 350.4						
XI	20 294.9	1 367.2	7.6	12.8	21 682.5	23 568.3						
XII	19 114.4	1 101.7	74.3	11.7	20 302.1	21 906.6						

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Weighted average interest rates on loans in lats															
Overnight	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.1	0.1	0.1	0.1
Up to 1 month	0.3	0.4	0.5	0.6	0.5	0.4	0.4	0.5	0.4	0.4	0.3	0.2	0.2	0.2	0.2
1–3 months	0.3	1.1	1.7	1.1	1.0	1.5	0.7	0.5	1.0	0.4	–	0.3	0.3	0.7	–
Over 3 months	1.2	–	–	1.7	1.3	1.3	1.0	–	–	–	–	1.0	–	–	0.1
Weighted average interest rates on loans in foreign currencies															
Overnight	0.7	0.5	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Up to 1 month	0.9	0.7	0.4	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.1	0.1	0.1	0.1	0.1
1–3 months	–	1.4	0.2	–	0.2	0.3	0.1	–	0.2	–	0.2	0.2	–	–	0.4
Over 3 months	–	2.3	–	–	1.7	–	–	–	1.1	–	–	–	–	0.8	–

23.b INTEREST RATES SET BY THE BANK OF LATVIA

(% per annum)

Effective date (dd.mm.yyyy)	Bank of Latvia refinancing rate	Lombard rates			Interest rates on time deposits		
		Up to the 10th day	11th–20th day	Over 20 days	7-day deposits	14-day deposits	
17.03.2000	3.5	5.5	6.5	7.5	1.5	1.75	
19.11.2001	–	–	–	–	3.0	3.25	
17.05.2002	–	–	–	–	2.5	2.75	
16.09.2002	3.0	5.0	6.0	7.0	2.0	2.25	
11.03.2004	3.5	–	–	–	–	–	
12.11.2004	4.0	–	–	–	–	–	
15.07.2006	4.5	5.5	6.5	7.5	–	–	
17.11.2006	5.0	6.0	7.0	8.0	–	–	
		Bank of Latvia marginal lending facility rate			Deposit facility rate with the Bank of Latvia (overnight deposits)		
24.03.2007	5.5			6.5		2.0	
18.05.2007	6.0			7.5		–	
24.02.2008	–			–		3.0	
		To credit institutions that have used the facility no more than 5 working days within the previous 30 day period	To credit institutions that have used the facility 6–10 working days within the previous 30 day period	To credit institutions that have used the facility more than 10 working days within the previous 30 day period			
09.12.2008	–	7.5	15.0	30.0		–	
24.01.2009	–	–	–	–		2.0	
24.03.2009	5.0	–	–	–		1.0	
24.05.2009	4.0	–	–	–		–	
		Deposit facility rate with the Bank of Latvia					
		Overnight deposits		7-day deposits			
24.03.2010	3.5	–	–	–	0.5	1.0	
24.07.2010	–	–	–	–	0.375	0.5	
24.11.2010	–	–	–	–	0.25	0.375	
24.03.2012	–	5.0	10.0	15.0	–	–	
24.07.2012	3.0	4.0	7.0	10.0	0.1	0.125	
24.09.2012	2.5	3.0	6.0	9.0	0.05	0.075	

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

(% per annum)

	2011			2012												
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Main refinancing operation with maturity 7 days average interest rate	-	-	3.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Weighted average interest rate on short-term currency swaps	-	-	3.5	-	-	-	-	-	-	-	-	-	-	-	-	-

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

(millions of lats)

	2012											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Type of transaction												
Spot exchange transactions	21 732.7	23 864.7	26 231.6	22 706.6	26 075.0	21 324.6	26 686.6	27 988.4	30 733.3	32 272.4	29 128.7	23 204.4
Forward exchange contracts	454.7	334.6	402.3	320.9	348.7	386.8	396.7	449.8	375.7	315.8	410.2	714.0
Currency swap arrangements	23 783.4	25 676.9	30 060.8	31 561.8	38 531.2	40 220.2	42 063.4	50 062.3	43 422.6	48 919.5	43 290.0	39 273.8
Counterparties												
Resident MFIs	3 579.7	3 059.2	3 536.1	3 084.6	3 882.6	4 457.0	3 333.3	6 989.6	6 522.9	7 411.2	6 263.0	3 603.8
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	289.8	237.2	507.2	275.4	305.2	306.3	305.1	293.3	326.3	327.3	294.0	307.1
Resident government, non-financial corporations and non-profit institutions serving households	838.2	1 070.5	1 184.9	926.3	1 083.5	932.2	840.1	857.3	815.2	972.1	906.0	1 038.8
Non-resident MFIs	24 441.7	26 775.4	30 816.8	31 274.6	37 293.8	37 524.5	40 543.2	45 710.9	42 587.7	47 995.8	44 145.3	39 074.6
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	1 784.4	1 556.6	903.7	1 283.3	1 052.8	1 076.4	871.6	749.3	505.8	633.7	647.0	659.0
Non-resident government, non-financial corporations and non-profit institutions serving households	12 018.6	13 021.3	14 188.3	12 737.6	15 727.6	12 912.5	16 994.5	17 254.4	17 933.0	19 133.1	16 148.6	14 466.8
Households	3 018.3	4 156.0	5 557.6	5 007.4	5 609.4	4 722.7	6 258.9	6 645.6	5 840.7	5 034.3	4 425.0	4 042.2
Currencies												
Total in all currencies	45 970.8	49 876.3	56 694.7	54 589.2	64 954.8	61 931.5	69 146.7	78 500.5	74 531.6	81 507.6	72 828.9	63 192.2
incl. lats for euro	5 685.2	4 677.7	5 009.3	4 109.5	4 812.1	5 487.8	5 669.3	7 306.9	6 560.8	6 618.7	10 970.5	8 985.4
incl. lats for US dollars	605.2	606.3	584.8	426.5	469.1	515.6	477.1	280.3	555.8	712.0	352.3	282.7
incl. lats for other currencies	80.7	86.2	91.0	65.8	90.0	83.2	87.6	100.3	68.7	84.2	74.5	78.2

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

25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS¹

(millions of lats)

	2012												
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
EUR for LVL²													
Amount	5 628.7	4 633.5	4 960.1	4 073.0	4 763.0	5 425.4	5 595.1	7 216.4	6 485.8	6 539.6	10 853.8	8 891.0	
% ³	12.3	9.3	8.8	7.5	7.3	8.8	8.1	9.2	8.7	8.0	14.9	14.1	
USD for LVL²													
Amount	597.2	599.1	570.9	413.4	434.0	495.4	457.0	268.8	545.6	689.9	339.9	271.0	
% ³	1.3	1.2	1.0	0.8	0.7	0.8	0.7	0.4	0.7	0.8	0.5	0.4	
Other currencies for LVL²													
Amount	71.6	79.2	83.0	57.2	80.2	70.7	71.6	87.8	59.7	74.5	65.5	68.9	
% ³	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
USD for EUR													
Amount	18 319.9	22 002.1	27 757.5	29 141.0	35 584.9	32 539.5	38 723.1	43 904.9	41 993.1	46 707.5	37 984.4	31 461.8	
% ³	39.9	44.2	49.0	53.4	54.9	52.6	56.1	56.0	56.4	57.4	52.3	49.9	
GBP for EUR													
Amount	589.5	660.7	787.6	706.7	824.1	832.6	909.0	853.8	1 173.2	1 713.4	1 432.6	689.7	
% ³	1.3	1.3	1.4	1.3	1.3	1.3	1.3	1.1	1.6	2.1	2.0	1.1	
Other currencies (except LVL) for EUR													
Amount	4 015.3	3 790.3	3 111.7	2 799.2	3 553.7	5 376.6	5 548.3	3 742.5	3 678.8	3 881.0	3 441.7	2 783.2	
% ³	8.7	7.6	5.5	5.1	5.4	8.7	8.0	4.8	4.9	4.8	4.7	4.4	
RUB for USD													
Amount	4 661.6	4 803.3	4 906.2	4 345.1	4 333.1	3 689.0	4 518.8	7 479.6	6 451.6	6 915.2	6 471.0	9 273.6	
% ³	10.2	9.6	8.7	8.0	6.7	6.0	6.5	9.5	8.7	8.5	8.9	14.7	
GBP for USD													
Amount	4 746.1	3 998.2	6 611.1	6 702.9	6 794.4	5 978.4	5 718.6	5 758.9	4 869.4	4 831.1	3 983.9	3 387.1	
% ³	10.3	8.0	11.7	12.3	10.5	9.7	8.3	7.4	6.5	5.9	5.5	5.4	
SEK for USD													
Amount	32.7	11.4	23.7	19.0	51.6	53.6	135.9	23.9	30.4	52.9	72.7	21.6	
% ³	0.1	0	0	0	0.1	0.1	0.2	0	0	0.1	0.1	0	
Other currencies (except LVL and EUR) for USD													
Amount	6 488.5	8 352.1	6 863.3	5 059.5	7 526.3	6 231.5	6 318.4	7 387.1	7 344.5	8 417.3	5 774.6	4 188.6	
% ³	14.1	16.8	12.1	9.3	11.6	10.1	9.2	9.4	9.9	10.4	7.9	6.7	
Other currencies (except LVL, EUR and USD) for other currencies													
Amount	746.1	887.9	948.4	1 214.1	915.4	1 143.7	1 040.6	1 662.1	1 805.2	1 574.2	2 270.7	2 040.3	
% ³	1.6	1.8	1.7	2.2	1.4	1.8	1.5	2.1	2.5	1.9	3.1	3.2	

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

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

³ As percentage of the total.

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

(LVL vs foreign currency)

	2011			2012											
	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	0.5137	0.5180	0.5328	0.5449	0.5320	0.5319	0.5334	0.5468	0.5603	0.5707	0.5679	0.5484	0.5421	0.5478	0.5361
GBP	0.8074	0.8191	0.8315	0.8446	0.8397	0.8412	0.8525	0.8732	0.8710	0.8893	0.8916	0.8809	0.8717	0.8748	0.8652
100 JPY	0.6705	0.6679	0.6845	0.7076	0.6808	0.6453	0.6534	0.6841	0.7069	0.7218	0.7218	0.7013	0.6875	0.6783	0.6421

27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)

(LVL vs foreign currency)

	2012											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
EUR												
Buy	0.6942	0.6942	0.6943	0.6947	0.6922	0.6913	0.6901	0.6913	0.6928	0.6914	0.6917	0.6915
Sell	0.6995	0.6991	0.6991	0.7006	0.6991	0.6983	0.6974	0.6972	0.6971	0.6968	0.6977	0.6976
USD												
Buy	0.5381	0.5257	0.5259	0.5278	0.5419	0.5520	0.5618	0.5580	0.5376	0.5334	0.5392	0.5273
Sell	0.5432	0.5295	0.5291	0.5316	0.5463	0.5587	0.5666	0.5634	0.5425	0.5383	0.5437	0.5324
GBP												
Buy	0.8286	0.8239	0.8255	0.8378	0.8554	0.8515	0.8690	0.8710	0.8610	0.8517	0.8481	0.8427
Sell	0.8418	0.8367	0.8368	0.8499	0.8688	0.8647	0.8820	0.8828	0.8730	0.8645	0.8676	0.8577
100 JPY												
Buy	0.6654	0.6495	0.6206	0.6427	0.6548	0.6722	0.7039	0.6835	0.6545	0.6392	0.6489	0.5860
Sell	0.7142	0.6606	0.6486	0.6435	0.6822	0.6936	0.6893	0.6966	0.6888	0.6917	0.6597	0.6256
SEK												
Buy	0.0777	0.0783	0.0773	0.0766	0.0755	0.0763	0.0794	0.0824	0.0805	0.0797	0.0796	0.0789
Sell	0.0797	0.0798	0.0790	0.0795	0.0787	0.0789	0.0816	0.0845	0.0826	0.0813	0.0811	0.0807
RUB												
Buy	0.0168	0.0178	0.0178	0.0179	0.0174	0.0167	0.0171	0.0172	0.0170	0.0171	0.0169	0.0170
Sell	0.0172	0.0181	0.0181	0.0181	0.0178	0.0170	0.0174	0.0178	0.0173	0.0174	0.0173	0.0173
CHF												
Buy	0.5713	0.5731	0.5709	0.5718	0.5722	0.5706	0.5711	0.5715	0.5680	0.5670	0.5695	0.5680
Sell	0.5828	0.5822	0.5817	0.5832	0.5830	0.5843	0.5827	0.5814	0.5793	0.5785	0.5803	0.5789

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; millions of lats)

	2012											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Stock of government securities outstanding	723.6	694.0	679.0	657.5	662.7	662.6	648.7	643.0	657.3	670.9	675.1	675.1
Residents	706.6	678.7	662.8	641.3	646.5	646.1	632.0	625.7	639.7	651.5	655.9	654.5
Non-financial corporations	63.6	61.4	49.0	39.0	33.9	31.9	25.3	23.4	20.9	20.9	20.9	20.8
Credit institutions	397.6	380.2	374.0	361.8	356.0	352.7	348.6	348.6	360.0	371.2	363.7	364.5
Money market funds	10.6	8.5	10.8	12.3	11.0	11.4	10.2	13.6	13.8	18.8	23.6	21.5
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	67.4	63.6	63.6	64.6	76.6	73.4	71.3	71.3	71.5	72.5	72.5	72.5
Financial auxiliaries	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Insurance corporations and pension funds	160.2	157.5	157.8	155.9	160.6	168.5	168.2	159.9	164.4	159.0	166.1	166.1
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	2.5	2.8	2.9	3.0	3.1	2.7	2.9	3.4	3.5	3.5	3.5	3.5
Non-profit institutions serving households	4.6	4.6	4.6	4.6	5.2	5.4	5.4	5.4	5.5	5.5	5.5	5.5
Non-residents	17.0	15.3	16.2	16.2	16.2	16.5	16.7	17.3	17.6	19.4	19.2	20.6
Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	13.1	11.3	12.1	12.1	12.1	12.2	12.3	12.1	12.4	12.4	13.9	13.9
Money market funds	0	0	0	0	0	0	0	0	0	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0	0	0	0	0	0	0
Financial auxiliaries	3.9	4.0	4.1	4.1	4.1	4.3	4.4	5.2	5.2	7.0	5.3	6.7
Insurance corporations and pension funds	0	0	0	0	0	0	0	0	0	0	0	0
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	0	0	0	0	0	0	0	0	0	0	0	0
Non-profit institutions serving households	0	0	0	0	0	0	0	0	0	0	0	0

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q4 2012)

Date (dd.mm.)	Initial maturity (months)	Supply (thousands of lats)	Demand (thousands of lats)	Purchase (thousands of lats)	Weighted average discount rate (%)
Competitive multi-price auctions					
03.10.	12	12 000	20 900	12 000	0.635
24.10.	6	8 000	15 550	8 000	0.314
31.10.	120	2 000	5 590	2 000	3.119 ¹
14.11.	12	8 000	14 550	8 000	0.645
28.11.	12	8 000	17 000	8 000	0.663
Primary placement of government securities via outright sales of securities					
04.10.	12	3 000	1 600	1 600	0.635
25.10.	6	2 000	5 000	2 000	0.314
01.11.	120	2 000	2 540	2 000	3.119 ¹
15.11.	12	2 000	4 600	2 000	0.645
29.11.	12	2 000	2 500	2 000	0.663

¹ Weighted average yield.

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

(millions of lats)

	2011			2012											
	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
Securities sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

31. DYNAMICS OF GDP

	2011					2012				
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
At current prices; millions of lats	14 275.2 ²	3 073.0	3 532.0	3 741.5	3 928.7 ²	15 520.5	3 403.1	3 818.6	4 042.4	4 256.4
At constant prices ¹ ; millions of lats	7 092.3	1 517.1	1 750.7	1 888.9	1 935.6	7 488.0	1 623.0	1 841.8	1 988.0	2 035.1
Annual growth rate (%)	5.5	3.6	5.7	6.6	5.7	5.6	7.0	5.2	5.2	5.1
Gross value added	5.5	4.4	5.8	6.3	5.4	5.2	6.3	5.1	5.1	4.6
Goods-producing sector	8.0	5.2	7.9	9.4	8.8	8.5	12.4	10.1	6.9	5.8
Services sector	4.6	4.1	5.1	5.0	4.2	4.0	4.2	3.3	4.4	4.1

¹ Chain-linked; average prices in 2000.

² Data have been revised.

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

	2011			2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Average gross wages and salaries															
LVL per month	461	464	500	464	459	475	479	478	485	494 ¹	485	470	486	477	513
Year-on-year changes (%)	104.0	105.1	104.5	103.8	104.5 ¹	102.7	104.0 ¹	103.6	103.5	104.7 ¹	103.4 ¹	102.4 ¹	105.3	102.8	102.6
Real net wage index (year-on-year basis; %)															
	99.9	101.1	100.8	100.4	101.3 ¹	99.6 ¹	101.3	101.6 ¹	101.9	103.1	101.9 ¹	100.6	103.7	101.3	100.8
Number of registered unemployed persons															
At end of month	130 541	130 240	130 296	132 575	133 413	132 158	127 783	121 994	117 606	114 689	111 542	108 322	105 670	104 414	104 052
Year-on-year changes (%)	80.3	80.5	80.2	80.6	80.9	80.9	80.9	81.5	82.6	83.3	83.1	82.3	80.9	80.2	79.9

¹ Data have been revised.

33. LATVIAN FOREIGN TRADE BALANCE

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

	2011					2012					
	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4			
Exports	5 998.5	1 328.5	1 490.0	1 570.3	1 609.7	6 898.0	1 517.7	1 605.8	1 837.0	1 937.5	
Imports	7 719.1	1 658.2	1 854.5	2 094.7	2 111.7	8 697.1	2 009.1	2 149.6	2 262.8	2 275.6	
Balance	-1 720.6	-329.7	-364.5	-524.4	-502.0	-1 799.1	-491.4	-543.8	-425.8	-338.1	

	2011			2012											
	X	XI	XII	I ¹	II ¹	III ¹	IV ¹	V ¹	VI ¹	VII ¹	VIII ¹	IX ¹	X	XI	XII
Exports	560.4	544.6	504.7	473.3	491.3	553.0	506.8	557.9	541.0	554.6	631.4	650.9	686.9	696.5	554.1
Imports	742.6	707.2	662.0	634.9	648.8	725.3	698.1	723.2	728.3	739.2	777.5	746.2	832.4	759.8	683.4
Balance	-182.2	-162.5	-157.3	-161.6	-157.5	-172.3	-191.3	-165.3	-187.3	-184.6	-146.1	-95.2	-145.5	-63.3	-129.3

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2011		2012									
	Millions of lats	%	Millions of lats	%	Q1 ¹		Q2 ¹		Q3 ¹		Q4	
					Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	5 998.5	100.0	6 898.0	100.0	1 517.7	100.0	1 605.8	100.0	1 837.0	100.0	1 937.5	100.0
Agricultural and food products	982.3	16.4	1 405.9	20.4	251.2	16.6	264.1	16.4	382.0	20.8	508.6	26.3
Mineral products	548.6	9.1	617.6	9.0	133.7	8.8	145.0	9.0	175.9	9.5	163.0	8.4
Products of the chemical and allied industries	443.6	7.4	437.8	6.3	95.3	6.3	106.5	6.6	113.2	6.2	122.8	6.3
Plastics and articles thereof; rubber and articles thereof	186.5	3.1	208.2	3.0	43.6	2.9	53.6	3.3	58.9	3.2	52.1	2.7
Wood and articles of wood	1 010.1	16.8	1 045.1	15.2	256.9	16.9	272.4	17.0	252.9	13.8	262.9	13.6
Pulp of wood; paper and paperboard	128.5	2.1	139.3	2.0	32.5	2.1	32.8	2.0	37.5	2.0	36.5	1.9
Textiles and textile articles	242.8	4.0	273.9	4.0	62.5	4.1	64.4	4.0	74.8	4.1	72.2	3.7
Articles of stone, plaster, cement, glassware and ceramic products	114.2	1.9	131.0	1.9	28.5	1.9	32.1	2.0	36.8	2.0	33.6	1.7
Base metals and articles of base metals	868.0	14.5	966.6	14.0	249.9	16.5	238.9	14.9	264.3	14.4	213.5	11.0
Machinery and mechanical appliances; electrical equipment	763.1	12.7	942.3	13.7	193.5	12.7	214.4	13.4	248.0	13.5	286.4	14.8
Transport vehicles	401.7	6.7	363.8	5.3	86.5	5.7	92.3	5.8	91.7	5.0	93.3	4.8
Miscellaneous manufactured articles	153.4	2.6	182.5	2.6	39.7	2.6	43.5	2.7	49.0	2.7	50.3	2.6
Other goods	155.7	2.7	184.0	2.6	43.9	2.9	45.8	2.9	52.0	2.8	42.3	2.2

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2011 ¹		2012									
					Q1 ¹		Q2 ¹		Q3 ¹		Q4	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	7 719.1	100.0	8 697.1	100.0	2 009.1	100.0	2 149.6	100.0	2 262.8	100.0	2 275.6	100.0
Agricultural and food products	1 165.7	15.1	1 343.2	15.5	300.6	15.0	329.3	15.3	352.7	15.6	360.6	15.8
Mineral products	1 337.9	17.3	1 563.6	18.0	388.0	19.3	367.0	17.1	407.8	18.0	400.8	17.6
Products of the chemical and allied industries	736.8	9.5	769.1	8.8	182.9	9.1	194.4	9.0	188.0	8.3	203.8	9.0
Plastics and articles thereof; rubber and articles thereof	416.2	5.4	454.2	5.2	98.1	4.9	115.7	5.4	125.7	5.5	114.7	5.0
Wood and articles of wood	115.3	1.5	141.7	1.6	31.0	1.5	34.2	1.6	35.8	1.6	40.7	1.8
Pulp of wood; paper and paperboard	189.4	2.5	190.7	2.2	42.3	2.1	44.3	2.1	49.0	2.2	55.1	2.4
Textiles and textile articles	328.1	4.3	361.5	4.2	85.6	4.3	83.9	3.9	100.3	4.4	91.7	4.0
Articles of stone, plaster, cement, glassware and ceramic products	126.8	1.7	138.8	1.6	26.2	1.3	35.7	1.7	39.6	1.8	37.3	1.6
Base metals and articles of base metals	843.7	10.9	911.4	10.5	226.2	11.3	256.9	11.9	219.8	9.7	208.5	9.2
Machinery and mechanical appliances; electrical equipment	1 337.1	17.3	1 576.4	18.1	357.6	17.8	368.0	17.1	413.7	18.3	437.1	19.2
Transport vehicles	688.8	8.9	730.6	8.4	155.2	7.7	201.4	9.4	179.4	7.9	194.6	8.6
Miscellaneous manufactured articles	154.9	2.0	183.4	2.1	38.7	1.9	45.5	2.1	49.8	2.2	49.4	2.2
Other goods	278.5	3.6	332.5	3.8	76.7	3.8	73.3	3.4	101.2	4.5	81.3	3.6

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2011					2012				
	Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	5 998.5	7 719.1	-1 720.6	100.0	100.0	6 898.0	8 697.1	-1 799.1	100.0	100.0
EU15 countries	2 394.3	2 954.4	-560.1	39.9	38.3	2 622.9	3 194.4	-571.5	38.0	36.7
EU27 countries	4 347.7	5 927.0	-1 579.3	72.5	76.8	4 772.8	6 701.2	-1 928.4	69.2	77.0
incl. Germany	496.4	935.5	-439.1	8.3	12.1	529.1	994.9	-465.8	7.7	11.4
Sweden	380.5	295.6	84.9	6.3	3.8	358.6	295.8	62.8	5.2	3.4
UK	183.1	135.6	47.5	3.1	1.8	225.3	140.7	84.6	3.3	1.6
Finland	184.3	355.6	-171.3	3.1	4.6	191.7	399.7	-208.0	2.8	4.6
Denmark	201.4	172.4	29.0	3.4	2.2	273.0	198.6	74.4	4.0	2.3
Netherlands	136.9	277.7	-140.8	2.3	3.6	184.2	286.4	-102.2	2.7	3.3
Lithuania	1 086.7	1 449.6	-362.9	18.1	18.8	1 112.3	1 721.9	-609.6	16.1	19.8
Estonia	818.3	574.9	243.4	13.6	7.4	888.7	663.1	225.6	12.9	7.6
Poland	351.9	624.9	-273.0	5.9	8.1	416.8	741.4	-324.6	6.0	8.5
CIS	875.7	1 128.0	-252.3	14.6	14.6	1 072.1	1 321.2	-249.1	15.5	15.2
incl. Russia	633.6	659.1	-25.5	10.6	8.5	793.4	828.3	-34.9	11.5	9.5
Other countries	775.1	664.1	111.0	12.9	8.6	1 053.1	674.7	378.4	15.3	7.8
incl. USA	71.5	54.3	17.2	1.2	0.7	77.2	66.1	11.1	1.1	0.8
Norway	142.9	65.9	77.0	2.4	0.9	182.8	49.1	133.7	2.7	0.6
China	27.9	206.9	-179.0	0.5	2.7	32.8	245.3	-212.5	0.5	2.8

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

(at end of period; millions of lats)

	Non-financial corporations						Households					
	In lats			In euro			In lats			In euro		
	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit
2011												
X	197.0	1.0	1.5	529.1	0.2	0.1	59.5	24.8	107.4	19.5	2.2	2.9
XI	207.8	1.3	1.2	517.0	0.2	0.1	59.2	25.3	105.8	21.5	2.2	2.8
XII	188.0	1.1	1.3	489.9	0.2	0.1	56.5	19.9	103.5	18.6	2.0	2.7
2012												
I	193.6	1.0	1.3	485.9	0.2	0.1	56.9	20.3	103.7	18.7	2.1	2.6
II	201.1	1.0	1.2	475.6	0.2	0.1	54.6	19.8	103.5	18.1	1.9	2.7
III	201.7	1.0	1.1	488.6	0.2	0.1	54.1	16.5	103.3	18.4	1.3	2.7
IV	204.8	1.0	1.2	496.4	0.2	0.1	53.2	16.3	102.2	18.2	1.4	2.6
V	237.5	1.0	1.0	472.6	0.2	0.1	52.5	16.5	101.5	18.2	1.4	2.5
VI	235.4	0.9	1.0	464.8	0.3	0.1	51.0	16.2	99.7	18.1	1.3	2.5
VII	237.0	0.9	1.0	455.8	0.2	0.1	50.8	16.1	99.2	17.8	1.4	2.5
VIII	239.6	0.9	1.0	460.5	0.2	0.1	51.2	16.1	99.2	17.6	1.3	2.5
IX	242.9	0.9	1.0	472.9	0.2	0.1	51.2	16.0	98.7	17.4	1.3	2.5
X	251.7	1.0	0.9	501.1	0.3	0.1	50.5	15.9	98.6	17.2	1.3	2.6
XI	263.1	0.8	0.9	485.5	0.2	0.1	49.4	15.7	97.3	16.5	1.2	2.5
XII	267.8	0.9	0.9	451.9	0.2	0.1	47.9	14.1	95.7	14.5	1.2	2.4

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

(at end of period; millions of lats)

	In lats						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years
2011												
XII	387.7	38.7	267.9	363.9	83.5	156.6	3 903.5	742.0	2 401.3	3 662.4	1 076.1	2 188.8
2012												
III	406.5	43.4	302.8	381.8	74.3	191.0	3 650.1	745.8	2 321.2	3 432.2	977.1	2 131.6
VI	460.4	49.0	306.3	431.9	108.5	193.8	3 469.8	726.7	2 281.5	3 213.9	894.9	2 044.9
IX	496.6	52.0	343.4	464.9	107.2	224.4	3 437.0	754.2	2 240.3	3 185.2	913.1	2 006.1
XII	515.2	51.4	363.2	485.6	111.4	239.1	3 356.1	711.7	2 215.0	3 125.9	887.3	1 991.0

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

(at end of period; millions of lats)

	In lats						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years
2011												
XII	351.3	34.3	117.3	333.1	65.1	128.0	4 304.0	261.9	3 331.1	4 246.2	396.7	3 485.2
2012												
III	332.2	33.9	119.1	314.2	49.0	132.0	4 078.9	245.9	3 266.2	4 025.0	313.1	3 393.2
VI	319.5	36.1	120.1	302.4	47.0	134.1	3 943.8	235.6	3 176.8	3 890.0	307.1	3 259.9
IX	327.6	34.6	135.0	309.7	50.7	147.1	3 836.5	204.1	3 107.5	3 797.3	301.6	3 158.9
XII	336.3	33.2	158.2	317.8	52.2	168.2	3 746.0	157.4	3 118.4	3 705.6	248.2	3 167.7

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, FCMC, NASDAQ OMX Riga and Bank of Latvia.

Data sources for charts are EC (Charts 1.1, 1.4, 3.5, 4.3, 4.4, 4.12, 4.15. and 5.6), CSB (Charts 1.2–1.4, 2.12, 3.1–3.4, 3.7–3.9, 4.1, 4.2, 4.5–4.9, 4.11, 4.13, 4.14, 4.16, 5.1, 5.2, 5.5 and 5.6), Bloomberg (Charts 2.1–2.4), the Bank of Latvia (Charts 2.5–2.7, 2.9–2.21, 4.11, 4.12, 4.14, 4.16, 5.1, 5.2, 6.1–6.4, 7.1 and 7.2), Reuters (Charts 2.7 and 5.3), Treasury (Charts 2.8 and 3.10–3.12), Road Traffic Safety Directorate (Chart 3.6), SEA (Charts 4.9 and 4.10) and Food and Agriculture Organisation of the United Nations (Chart 5.4).

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

Details may not add because of rounding-off.

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

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

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

Money and banking sector

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

In the publication, the following terms have been used:

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

Non-MFIs – entities other than MFIs.

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

OFIs – financial corporations that are primarily engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and close substitutes for deposits

from their customers other than MFIs, or insurance technical reserves. OFIs are corporations engaged in lending (e.g. financial leasing companies, factoring companies, export/import financing companies), investment funds, investment brokerage companies, financial vehicle corporations, financial holding corporations, and venture capital corporations. OFIs data include also financial auxiliaries' data.

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

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

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

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

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

- 1) 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. When seasonally adjusting the time series, DEMETRA + Version 1.0.21605 of the programme is used. The following monetary aggregates are calculated and published:

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

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

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

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

Interest rates

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

Introduction of the new methodology enabled harmonisation of the interest rate statistics with the ECB requirements laid down in Regulation (EC) No. 290/2009 of the ECB of 31 March 2009 amending Regulation (EC) No. 63/2002 (ECB/2001/18) concerning statistics on interest rates applied by monetary financial institutions to deposits and loans vis-à-vis households and non-financial corporations (ECB/2009/7). The interest rate statistics provide considerably wider information on macroeconomic development and structural changes.

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

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

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

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

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

Foreign exchange and exchange rates

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

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