





# MACROECONOMIC DEVELOPMENTS REPORT

## January 2013

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# Contents

<b>Abbreviations</b>	<b>3</b>
<b>Executive Summary</b>	<b>4</b>
<b>1. External Sector and Exports</b>	<b>6</b>
1.1 External economic environment	6
1.2 Latvia's competitiveness and commodity export growth	8
<b>2. Financial Market Developments</b>	<b>10</b>
2.1 Foreign financial markets	10
2.2 The Bank of Latvia's operations and credit institution liquidity	12
2.3 Securities market	13
2.4 Interest rates	14
2.5 Money supply	16
<b>3. Domestic Demand</b>	<b>20</b>
3.1 Private consumption	20
3.2 Private investment	22
3.3 Government expenditure and budget	23
<b>4. Aggregate Supply</b>	<b>25</b>
4.1 Industry and construction	25
4.2 Services	27
4.3 Labour market	29
<b>5. Costs and Prices</b>	<b>33</b>
<b>6. Balance of Payments</b>	<b>37</b>
<b>7. Conclusions and Forecasts</b>	<b>39</b>
7.1 Economic developments	39
7.2 Inflation	40
<b>Statistics</b>	<b>42</b>
<b>Additional Information</b>	<b>94</b>

## 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  
SEA – State Employment Agency  
SJSC – state joint stock company  
ULC – unit labour costs  
ULCM – unit labour costs in manufacturing  
US – United States of America  
VAT – value added tax  
WTO – World Trade Organisation

## Executive Summary

With the global economic recovery still in progress, the pace of growth has lost some of its momentum. In October 2012, the IMF made downward revisions to the GDP growth projections for 2013 for almost all major trade partners of Latvia.

Latvia's foreign commodity trade displayed some forward dynamics due to competitiveness regained by producers during the recent crisis. In the third quarter, export growth exceeded that of imports both quarter-on-quarter and year-on-year. Moreover, Latvia's export market shares in global imports continued on an upward trend. The diversified structure of Latvian exports and a more buoyant export expansion in non-EU export partner countries support the offsetting, at least in part, of the weakening import demand in some EU countries.

The low external activity, however, has affected business and consumer confidence of Latvia as well. Confidence indicators for the fourth quarter suggest that the sentiments of Latvian producers have deteriorated regarding the changes in trends of produced and potential volumes of output, export order volumes and competitiveness abroad.

As regards the financial market sentiment, it gradually, albeit persistently, continued to improve. While in recent months a positive solution has been found to a number of euro-area-debt-crisis-related issues, the market participants' assessment of euro area risks has become more positive. Furthermore, market participants' concerns about the future of the euro area were dispelled by the ECB statement in September about the launching of the Outright Monetary Transactions Programme.

The improving sentiment in the global financial markets also affected the results of the Latvian government bond auction. The yields on the Latvian government bonds, denominated in lats, US dollars and euro, continued on a downward trend, confirming the success of the policy pursued by the Latvian government and the strengthening of the investors' confidence. The bond yield at the auction held in December reached a historic low since Latvia has been making public loans in international financial markets.

Lending rates also posted a further decrease. The dynamics of interest rates on MFI loans to and deposits from households and non-financial corporations was affected by a further decline in the lats and euro money market indices. The low currency risk premium of the lats as well as Latvia's orientation towards the euro area have facilitated the convergence of the interest rates on loans to non-financial corporations and households for house purchase in lats with those on loans granted in euro.

The improving economic status of businesses encouraged credit institutions to be more active in lending to non-financial corporations, and the loan portfolio granted to this sector continued to expand for several months, with the amount of new loans exceeding that of loan repayments.

In the third quarter, the GDP growth accelerated, strengthening Latvia's position as the fastest growing economy in the EU. In contrast to the second quarter when the largest contributor to the GDP growth was private consumption, in the third quarter it was exports of goods and services. Private consumption remained a major contributor to the GDP rise, with its growth accelerating during the most recent quarters. Moreover, the expansion of the share of consumer non-durables in the overall trade composition points to a potential improvement in the purchasing power of a larger part of population.

Following a notable improvement in June, consumer sentiment remained stable, demonstrating a slightly upward trend. Moreover, net responses concerning Latvia's

economic outlook for the next 12 months have returned to a positive territory for the first time since June 2007.

The deceleration of investment growth observed in the last half-year is mainly associated with the weakening 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. Following this adjustment, investment could be expected to recover, albeit at more moderate growth rates.

More accelerated economic growth than expected and the related budget revenue in 2012 resulted in a surplus of the consolidated general government budget estimated on a cash flow basis.

Broken down by sector, the major contribution to the GDP growth was provided by manufacturing whereas that of the construction and transport sectors contracted. As regards manufacturing, data for October suggest that the output volume still remains high in the sector, however, some adverse trends can be observed as well. An increasing volume of the produced output in manufacturing sub-sectors, a previous determinant of growth, gradually declined. Some subsectors of manufacturing faced lack of demand. Also in construction insufficient demand, however, still remained the most frequent reply to the question about the major restrictive factors for future business activities. As to the transport sector prospects, a lower growth rate will result from the limitations in Latvia's transport infrastructure and a less favourable global economic situation for international traffic.

The labour survey data confirmed that the actual unemployment rate had declined along with the registered unemployment rate. The rate of jobseekers shrank to a low since the end of 2008. Remuneration continued to rise; nevertheless, the wage increase was generally commensurate with the labour productivity growth, thus there was no reason for concern regarding the threat to price stability. Overall, the employment expectations of Latvian businesses have entered negative territory and are likely to affect the employment rate developments: the rise in the employment rate is expected to moderate in 2013.

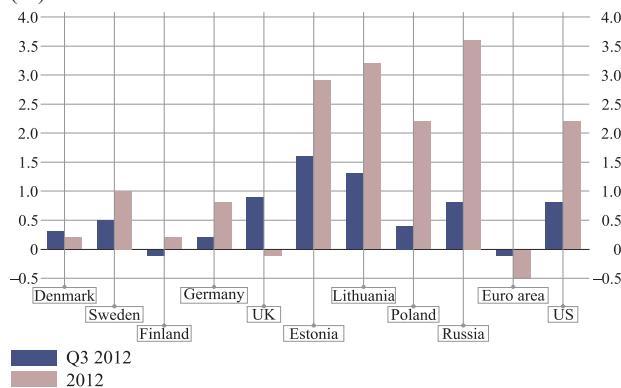
In September–December, the annual inflation remained low, with both the stabilisation of global resource prices and the domestic factors, e.g. the balanced dynamics of the average wage and salary and labour productivity contributing favourably. In 2013 the inflation rate could be even slightly lower than in 2012.

Table 1  
GDP FORECASTS  
(%)

	2012 <sup>1</sup>	2012 <sup>2</sup>	2012 <sup>3</sup>	2013 <sup>1</sup>	2013 <sup>2</sup>	2013 <sup>3</sup>
Denmark	0.5	n.i.	0.5	1.2	n.i.	1.2
Sweden	0.9	n.i.	1.2	2.3	n.i.	2.2
Finland	0.6	n.i.	0.2	1.8	n.i.	1.3
Germany	0.6	1.0	0.9	1.5	1.4	0.9
UK	0.8	0.2	-0.4	2.0	1.4	1.1
Estonia	2.0	n.i.	2.4	3.6	n.i.	3.5
Lithuania	2.0	n.i.	2.7	2.7	n.i.	3.0
Poland	2.6	n.i.	2.4	3.2	n.i.	2.1
Russia	4.0	4.0	3.7	3.9	3.9	3.8
Euro area	-0.3	-0.3	-0.4	0.9	0.7	0.2
US	2.1	2.0	2.2	2.4	2.3	2.1
Total global economy	3.5	3.5	3.3	4.1	3.9	3.6

Sources: April 2012 (1), July 2012 (2) and October 2012 (3) *World Economic Outlook* (IMF).

Chart 1.1  
GDP QUARTERLY GROWTH RATE IN Q3 2012 AND  
CONSENSUS ECONOMICS DECEMBER GDP GROWTH  
FORECAST FOR 2012  
(%)



# 1. External Sector and Exports

## 1.1 External economic environment

With global economic recovery still in progress, the pace of growth has lost some of its momentum. In advanced countries it is not strong enough to press down the unemployment levels, while in the developing world the pace is slowing down notably. The new IMF projections for 2013 released in October 2012 reflect somewhat downward-revised outlook for all countries, except Lithuania and Denmark (see Table 1). Similarly, the 2012 forecasts were subject to downward revisions for many countries as well.

The euro area GDP growth still lingered in the negative territory in the third quarter (see Chart 1.1). Quarter-on-quarter, exports and imports expanded, while government consumption and investment contracted. Private consumption did not change, however. The euro area GDP decelerated in the third quarter, as the unimpressive economic growth in Germany and France did not offset substantial GDP declines in the peripheral countries as well as in the Netherlands and Austria.

By contrast, the GDP growth recorded a 1.3% quarter-on-quarter pickup in the third quarter in Lithuania (third largest GDP growth in the EU after Latvia and Estonia). Retail trade increased at a slower pace than before. In addition, even though the capacities are almost fully utilised, investment has been on a downward trend for quite some time. Both private consumption and company costs are adversely impacted by heating bills at record-high levels. The demand for non-food products, the growth of which was the primary total demand driver in 2011, has substantially weakened.

Estonia recorded a 1.6% quarter-on-quarter GDP growth in the third quarter. As this progress exceeded expectations, *Eesti Pank* revised the 2012 GDP forecast up, to 2.9%. Yet, given a slower-than-anticipated strengthening of external demand in Estonia's major trade partners, the GDP projections for 2013 and 2014 have undergone downward revisions.

After the negative growth rates in three previous quarters, the UK recorded a positive GDP quarterly growth (0.9%) in the third quarter. This positive effect, however, was achieved, to a large extent, on

account of the London Olympics, and the business survey indicators suggest a sluggish economic advance in the fourth quarter. According to the Bank of England, a less dynamic economic recovery is likely to be determined by both growth trend uncertainties in the euro area and a more subdued progress in India, China and Brazil than expected.

In Russia in the third quarter, GDP picked up 0.8% quarter-on-quarter. The domestic demand remained on a rather elevated level, loans to consumers were expanding, and unemployment was on a downward trend; these positive developments were spurring the GDP growth in Russia. The main downside risks to the Russian economy remain to be associated with the oil price: if, supposedly, it goes downhill, Russia's budget revenue will contract and its economic development will decelerate.

Even though GDP in Poland showed some signs of improving in the third quarter, the overall economic trends of the country were negative. Manufacturing, retail trade and construction have recently decelerated. Private consumption is still weak, because income acceleration is sluggish, savings are at a record low, labour market is deteriorating, and the Poles working abroad send less money home. Likewise, consumer and business confidence indicators are invariably poor. In the near term, a potential acceleration in Germany's economic advance and reduced base rates might allegedly give a positive impetus to the Polish economy.

Sweden's GDP recorded a 0.5% quarter-on-quarter increase in the third quarter. Despite a relatively good overall purchasing power of the population, consumer confidence indicators are deteriorating. Along with the anticipations of a higher unemployment rate, the weakness of exports has an adverse effect on investment growth. Inflation pressures meanwhile remain subdued.

In Finland, the third quarter GDP dropped 0.1% quarter-on-quarter. Imports and investment shrank, whereas exports and private consumption grew. Real income increased sluggishly, and confidence indicators remain at their lows.

Denmark's GDP grew by 0.3% quarter-on-quarter in the third quarter. Private consumption is still weak despite record-low interest rates. It is in part associated with the housing bubble, which burst and left many people in debt and in angst over new spending. The unemployment level elevated more



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

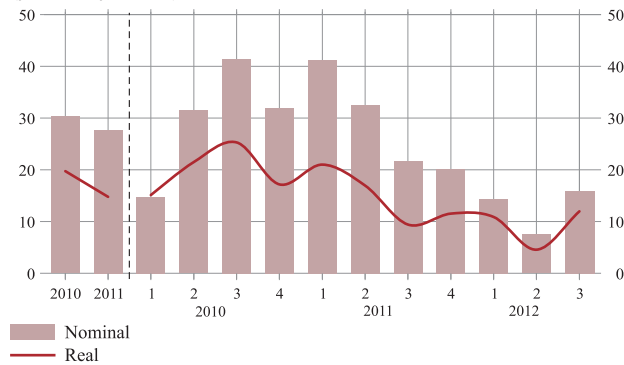
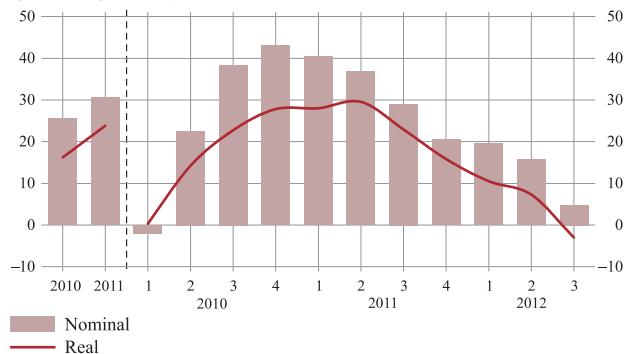


Chart 1.3  
IMPORTS OF GOODS  
(year-on-year; %)



than was previously expected. Consumer and business confidence indicators are likewise weak.

### 1.2 Latvia's competitiveness and commodity export growth

Notwithstanding the unstable global development and a generally low external demand, Latvia's foreign commodity trade displayed some forward dynamics primarily due to competitiveness regained by producers during the recent crisis. In the third quarter, export growth exceeded that of imports both quarter-on-quarter and year-on-year (see Charts 1.2 and 1.3).

The nominal value of goods exports grew by 16.2% year-on-year in the third quarter, while that of imports picked up 6.0%. The annual dynamics of real exports and imports of goods also differed substantially, with exports growing by 12.3% and imports falling by 1.9% in the third quarter. Real volumes of exports expanded for all commodity groups, except transport vehicles and products of chemical industry. On account of global grain price rises, both exports and imports of agricultural products, vegetable products including, recorded the highest year-on-year growth rates in the third quarter. In comparison with the second quarter, exports and imports of goods grew by 14.0% and 3.3% respectively in nominal terms and by 12.7% and 2.2% respectively in real terms.

In the meantime, export and import prices rose both year-on-year and quarter-on-quarter in the third quarter. Export prices went up by 3.5% and import prices by 8.1% over the year. During this period, export prices of food products, machinery and mechanical appliances, electrical equipment rose most rapidly, whereas year-on-year import price rises were the steepest for transport vehicles.

The terms of trade remained broadly unchanged in the third quarter. By sector, they were improving, for the second quarter in the run, for food products, products of the chemical and allied industries, machinery and mechanical appliances, electrical equipment, and deteriorating for transport vehicles, wood and animal products.

So far the Latvian enterprises have managed to compete successfully with the producers from other countries by enlarging the existing market shares in major trade partner countries and, at the same time, by acquiring new export markets. Latvia's export market shares in global imports continued on an upward trend

Chart 1.4  
COUNTRY GOODS EXPORT SHARES IN GLOBAL EXPORTS  
(2002 = 100)

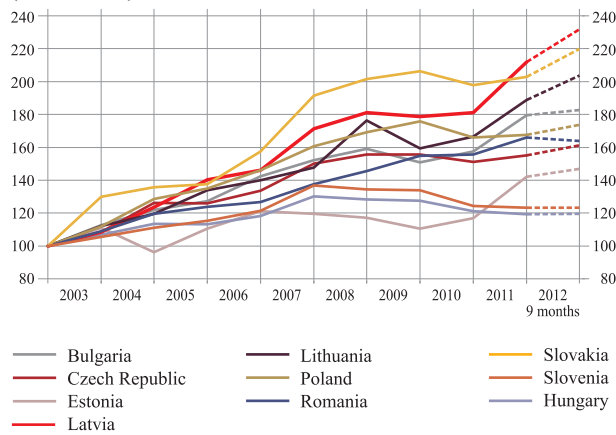
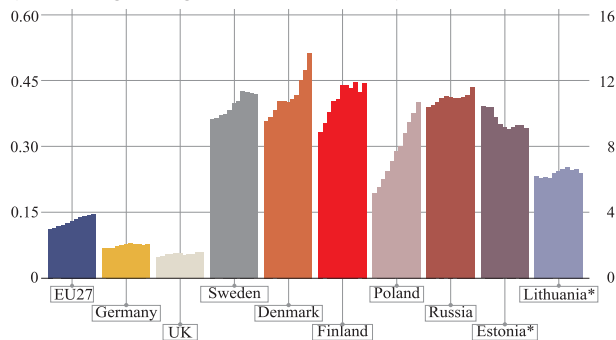


Chart 1.5  
LATVIA'S EXPORTS AGAINST MAJOR TRADE PARTNERS' IMPORTS  
(%; moving average; Q1 2010–Q3 2012)



\* Estonia and Lithuania – right-hand scale.

in the third quarter (see Chart 1.4), and even though the EU countries experienced some moderation of economic activity, this upward trend in overall imports of the EU27 economies was preserved, yet the dynamics of goods exports from major trade partners was dominated by distinctive developments (see Chart 1.5). In the third quarter, for instance, following the uplift in previous quarters, export market shares contracted in imports of other Baltic countries, while in Sweden this process was in progress for the third quarter in the run. By contrast, Latvia's market shares expanded notably in Denmark, Finland, Poland and Russia; those in Germany and the UK also grew. The shares of Latvian exports increased also in such rapidly emerging countries as India, China and some Asian economies (United Arab Emirates, Azerbaijan, Kazakhstan, etc.). The diversified structure of Latvian exports and a more buoyant export expansion in non-EU export partner countries support the offsetting, at least in part, of the weakening import demand in some EU countries.

In view of euro area economic development trends and the pessimistic consumer and business stances in major trade partner countries, a strong near-term improvement in external demand is not to be expected. The lingering euro area problems have affected business and consumer confidence in Latvia as well. Confidence indicators for the fourth quarter suggest that the sentiments of Latvian producers have deteriorated regarding the changes in trends of produced and potential volumes of output, export order volumes and competitiveness abroad. It should be acknowledged at the same time that the current situation and the future outlook for Latvia are assessed more optimistically by export-oriented producers than by those not involved in foreign trade.

## 2. Financial Market Developments

### 2.1 Foreign financial markets

While in recent months a positive solution has been found to a number of euro-area-debt-crisis-related issues, the market participants' assessment of euro area risks has become more positive. The formal inauguration of the European Stability Mechanism in October was vital for the market, with all the Member States managing to make the required capital payments according to accelerated schedule. The progress achieved in establishing a uniform supervision system of credit institutions (banking union) is an important driver of further euro area growth.

All euro area peripheral countries acted credibly with regard to the national budget plans and incorporated major austerity measures into them. A particular focus was on Greece whose debt crisis resolution efforts were rewarded with the release of the next tranche of bailout loans from the European Financial Stability Facility and the commitment of the Eurogroup to assist Greece in attaining a debt-to-GDP ratio substantially lower than 110% by 2022. With alleviated concerns about the Greek debt burden, the country's credit rating was markedly improved in December. In addition, market participants were calmed down by the granting, via the European Stability Mechanism, of financial assistance to Spain for the restructuring of its banking sector.

Furthermore, market participants' concerns about the future of the euro area were dispelled by the ECB statement in September about the launching of the Outright Monetary Transactions (OMTs) Programme. And even though government bond buying did not take place under this ECB programme, the market participants were prone to believe that the new programme would delegate stronger powers to the ECB to address the European debt crisis, and, as a result, the spread between bond yields of the euro area peripheral countries and core countries narrowed. Following the launch of the new programme, several euro area countries with high borrowing costs, e.g. Spain, borrowed from the market at lower costs and were able to effect the 2012 government financing needs independently (see Chart 2.1).

At the same time, uncertainty about how fiscal problems would be addressed and what their effects

Chart 2.1  
YIELD SPREADS BETWEEN 10-YEAR GOVERNMENT BONDS OF EURO AREA PERIPHERAL COUNTRIES AND GERMANY  
(percentage points)

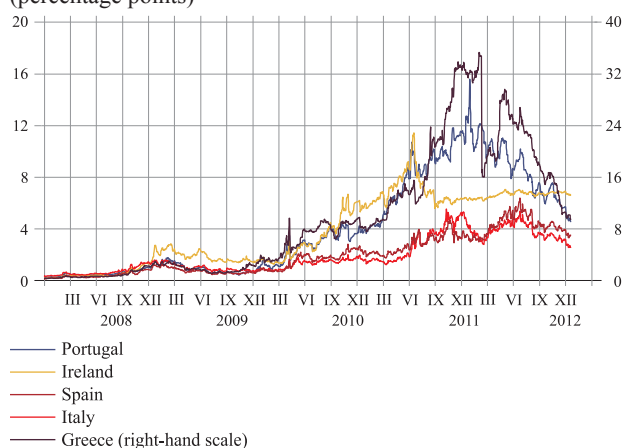
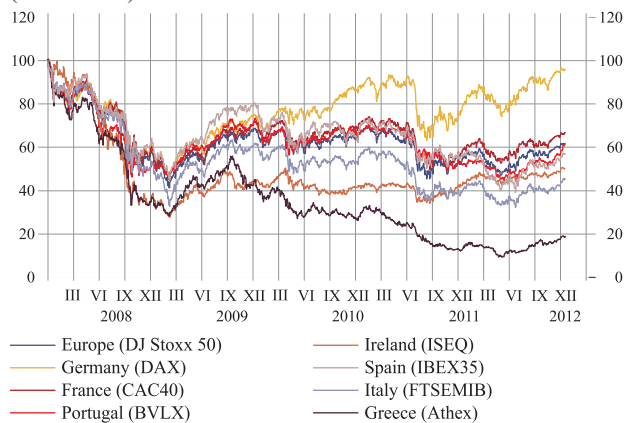




Chart 2.2  
EUROPEAN STOCK PRICE INDICES  
(2008 = 100)



on the future economic growth would be loomed large in the US financial market even into 2013. At the very start of the year, the US government managed to approve a preliminary plan for progressive raising of taxes, with its impact deemed less restrictive than previously anticipated. And even though the compromise reached is a temporary measure and in the near future the US government will have to find more complex solutions than budget cuts or lifting the debt ceiling, the initial market reaction signalled more optimism at the beginning of January.

As market participants' concerns about the future growth in the euro area peripheral countries diminished, the price of riskier assets in Europe tended to rise gradually, while those of risk-free assets were on a downward trend. Consequently in the reference period, the European stock price indices (see Chart 2.2) continued to increase, and since November the euro has stabilised against the US dollar. The US stock prices were volatile between September and December, yet overall, particularly due to uncertainty regarding the national monetary and fiscal policy trends after the US presidential election in November and intensifying anxiety of market participants regarding the fiscal situation and its effects on the country's further economic growth, their changes were not crucial. Following the above mentioned US government resolution at the beginning of January giving some respite for elaboration of more profound fiscal measures, prices on the US stock markets soared igniting similar price rises in other major stock markets of the world. Concerns about the economic development had their impact on the German and US government bond yields, which were volatile, yet with a somewhat upward trend in early 2013.

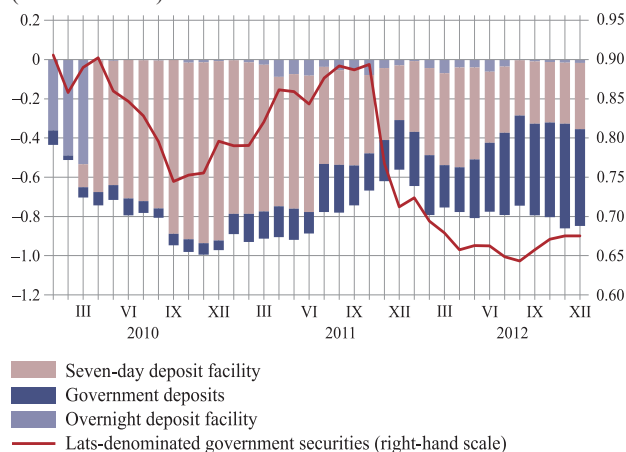
In the reference period, *Brent* crude oil prices fluctuated because of the effects of a number of opposite factors. The demand for oil was to be assessed as weak, consistent with the decelerating global economic progress, and possibly underlying an even stronger oil price drop; nevertheless, the restrictions in oil supply primarily due to the complex geopolitical situation in the Middle East have generated an opposite effect. In the future, with the demand for oil contracting even further and oil production capacity booming in some regions, oil prices are likely to fall. However, high risks of geopolitical turmoil still linger in the Middle East region.

The ECB did not change the already low rate on the main refinancing operations (0.75%) in the

reference period. A further reduction of interest rates is surrounded by uncertainty, because it is likely to result in negative rates on overnight deposit facility, unless it is resolved to narrow the corridor between the rates on main refinancing operations and overnight deposit facility. The ECB's low refinancing rate and impressive liquidity surplus in the short-term money market are the drivers behind declining interest rates in the euro money market. The FRS and the Bank of England have not changed their base rates (0%–0.25% and 0.5% respectively) either. In December, the FRS decided to hold the base rate unchanged, at 0.25%, expecting the US unemployment rate to go down to 6.5% or below, and inflation to linger at 2.5%. Likewise, after the completion of the maturity extension programme at the end of December 2012, the FRS decided to expand the third round of the quantitative easing programme by continuing to purchase not only agency mortgage-backed securities at a pace of about 40 billion US dollars per month but also purchasing longer-term Treasury securities initially at a pace of about 45 billion US dollars per month.

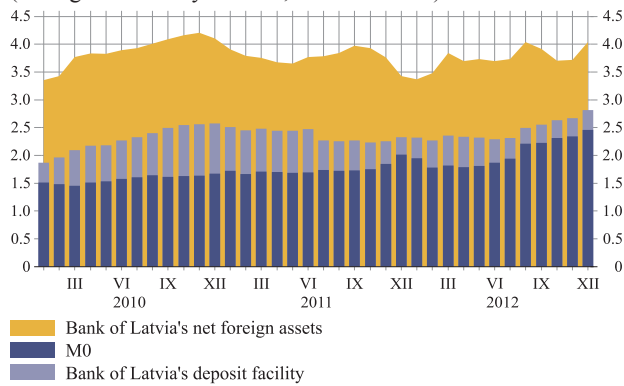
## 2.2 The Bank of Latvia's operations and credit institution liquidity

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

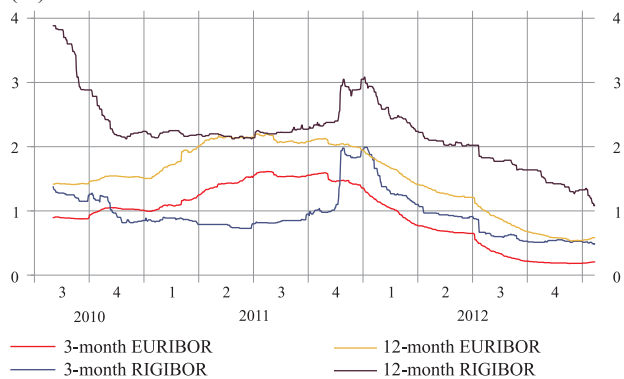


In October–December market participants sold foreign currency in the amount of 88.5 million lats (as per transaction date) to the Bank of Latvia, having an increasing effect on their liquidity, mostly on that of credit institutions. However, the amount sold in December was a mere 2.2 million lats, and in the first half of January no foreign exchange transactions with the Bank of Latvia were carried out. At the same time the credit institution liquidity decreased by 92.3 million lats on account of the following: increases in the average government lats deposit with the Bank of Latvia, the average outstanding amounts of currency in circulation and credit institution minimum reserves. The government continued to convert euro into lats and expanded the lats deposit with the Bank of Latvia to be able to finance its expenditure in the last few months of the year. In the first half of the year currency in circulation decreased, posting, however, relatively rapid growth in the summer months and in the second half of the year exceeding the levels reported in the first half (see Charts 2.3 and 2.4). The reserve requirements for credit institutions expanded as a result of an increase in the liabilities with maturity of up to 2 years; at the same time, those with maturity of over 2 years contracted. The reserve requirements rose on account of the rapid growth of

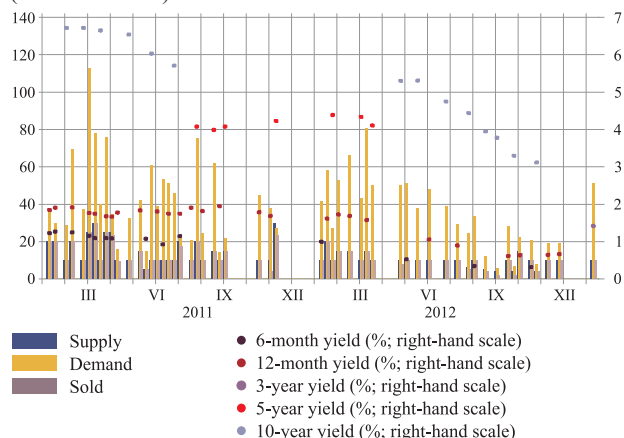
**Chart 2.4**  
NET FOREIGN ASSETS, MONETARY BASE AND BANK OF LATVIA DEPOSIT FACILITY  
(average end-of-day balance; billions of lats)



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



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



non-resident short-term deposits, while non-resident credit institutions continued to reduce the long-term financing of the Latvian credit institutions.

The average Bank of Latvia's overnight and 7-day deposit facility, used by credit institutions, increased by 1.9% (to 334.5 million lats) during the reporting period, and the average excess reserves expanded 1.8 times (to 106.8 million lats). Like in the previous period, credit institutions did not resort to the Bank of Latvia's liquidity-providing operations.

Following the reduction of interest rates on 24 September, the Bank of Latvia continued to monitor inflation developments in Latvia. The price level was stable, with a slight downward trend, therefore the Council of the Bank of Latvia left interest rates unchanged at its November meeting, in order that the monetary policy would meet the needs of the national economy and contribute to ensuring price stability.

With the excess lats liquidity in the money market persisting, the weighted average interest rate on interbank overnight transactions shrank to 0.10% in October–December, down from 0.20% in July–September. Consequently, 3-month RIGIBOR declined from 0.65% to 0.53%, and 6-month RIGIBOR moved down from 1.24% to 1.04%. It was the Bank of Latvia's September resolution on reducing the interest rates that made a more substantial impact on the decrease in the lats money market rates. Along with the continuous decrease in EURIBOR, the overall spread between 3-month RIGIBOR and EURIBOR widened somewhat, standing at 34 basis points, while that between 6-month RIGIBOR and EURIBOR narrowed to 67 basis points (see Chart 2.5).

## 2.3 Securities market

In October–December, like in the previous three months, the Treasury held primary auctions of 6-month and 12-month Treasury bills and 10-year Treasury bonds (see Chart 2.6). At Treasury securities auctions the demand exceeded the supply almost twice, and 97.1% of the supplied securities were sold. The average yield on 6-month Treasury bills at auctions edged down from 0.35% to 0.32% and that on 10-year Treasury bonds shrank from 3.30% to 3.20%, with that on 12-month Treasury bills increasing from 0.62% to 0.67%.

The bid rate of the Latvian government bonds, denominated in US dollars and maturing in 2021, was 3.56% at the end of September, moving down



to 3.09% at the end of December and standing close to the yield on domestic 10-year bonds. The bid rate on Latvian government bonds, denominated in euro and maturing in 2018, shrank from 2.78% to 1.70% in the reporting period. At the same time, the yields on US government 10-year bonds posted a rise, while German government long-term bonds dropped 13 basis points during the above period. The decline in Latvian bond yields was supported by both the upgrading of Latvia's sovereign credit rating by the credit rating agencies *Fitch Ratings* and *Standard & Poor's* in the first half of November, also assigning a positive rating outlook for Latvia, and the sound macroeconomic indicators.

On 5 December 2012 Latvia successfully issued 7-year bonds in the amount of 1.25 billion US dollars, with a coupon rate of 2.750% per year and a yield of 2.889%, a historic low since Latvia has been making public loans in international financial markets. The low interest rate resulted from the high demand exceeding 5 billion US dollars.

At the end of December OMXR, NASDAQ OMX Riga share price index, was 2.8% higher than at the end of September (in the previous reporting period the index grew by 3.2%). Businesses reported their 9-month results, with many of them still maintaining high corporate profits.

## 2.4 Interest rates

The dynamics of interest rates on MFI loans to and deposits from households and non-financial corporations continued to be affected by a further decline in the lats and euro money market indices which, with the indices approaching zero, was no longer so pronounced as in the previous reporting periods. The low currency risk premium of the lats as well as Latvia's orientation towards the euro area have facilitated the convergence of the interest rates on loans to non-financial corporations and households for house purchase in lats with those on loans granted in euro.

Interest rates on new loans to non-financial corporations stabilized at approximately 4% during the autumn months, but December saw a fall in those on loans granted in euro and medium size loans in lats. Interest rates on low size (up to 250 thousand euro or an equivalent in lats) and large size (over 1 million euro or an equivalent in lats) loans posted an upward trend. As regards interest rates on loans to non-financial corporations, some credit institutions

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



Chart 2.8  
INTEREST RATES ON MFI SHORT-TERM LOANS IN LATS (%)

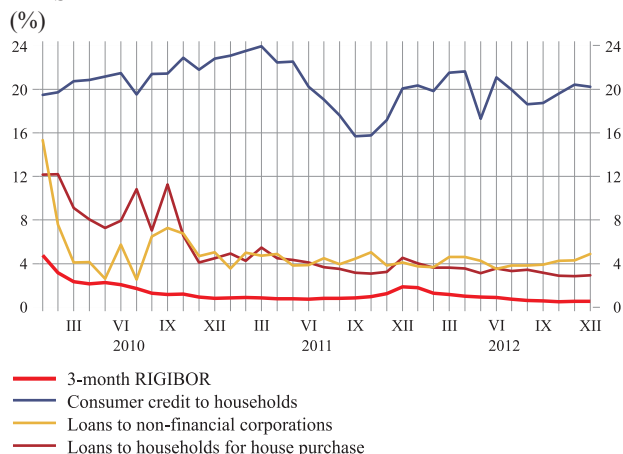
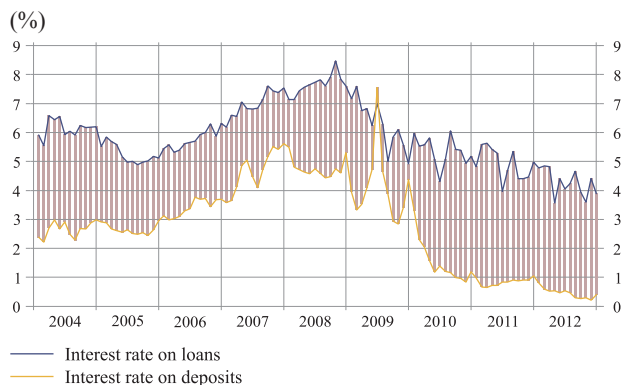


Chart 2.9  
SPREAD BETWEEN INTEREST RATES ON NEW LOANS AND NEW DEPOSITS (%)



apply strategies different from those used by others: in most cases credit institutions gradually reduce their spreads over the money market indices, but some of them have set their interest rates for each month at almost constant level, raising the margins over the money market indices by approximately the same amount as the money market indices decline.

Floating interest rates and interest rates with the initial rate fixation period of up to 1 year on new loans to households for house purchase continued on a downward trend on account of a decrease in money market indices. In September–December, credit institutions slightly reduced the margins over the money market indices for new loans to households for house purchase with short periods of initial rate fixation, while that for loans granted in euro remained almost unchanged in this period (except December). At the same time more volatile interest rates on new loans with an initial interest rate fixation period of over 1 year granted to households for house purchase persisted on account of the shallow market segment. Also, downward trends were not typical of the above interest rates as the credit institutions priced higher risk premia in them. Interest rates on new consumer credit granted to households in both lats and euro, with the initial interest rate fixation period of up to 1 year, posted a rise, with loans with a higher interest rate becoming dominant in new loans, as well as with the interest rates increasing in several major credit institutions (see Charts 2.7 and 2.8).

Interest rates on new time deposits received from non-financial corporations decreased in response to the downside in money market indices, approaching zero in several major credit institutions. In view of the low deposit rates, non-financial corporations placed a smaller share of their free funds in time deposits. In December 2011–November 2012, the interest rate on new time deposits of households in lats with a maturity of up to 1 year fell by 1.3 percentage points, reaching the level typical before the turbulences in the Latvian credit institution sector in late 2011. In December, the interest rate on new time deposits of households in lats saw a rise again, with credit institutions offering more favourable terms for deposits at the close of the year. The spread between the MFI interest rates on new loans and new deposits fluctuates around 3.5 percentage points (see Chart 2.9): it should be deemed high enough to ensure credit institution profitability.

Chart 2.10  
ANNUAL RATE OF CHANGE IN MONETARY  
AGGREGATES  
(%)

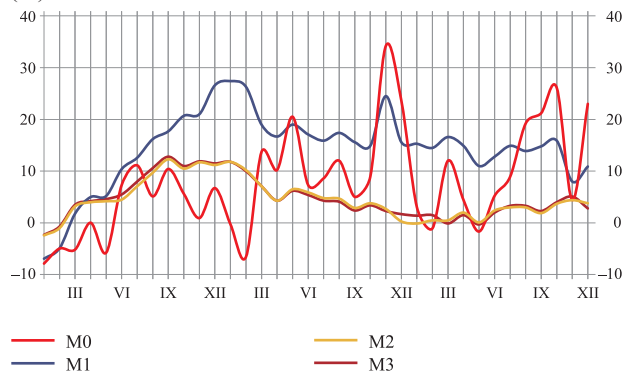


Chart 2.11  
CURRENCY IN CIRCULATION  
(%)

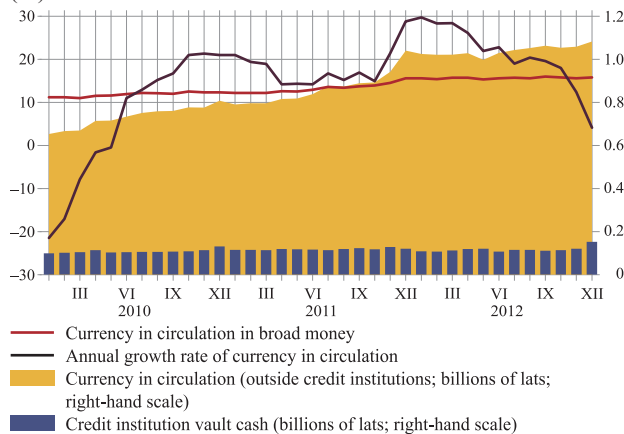
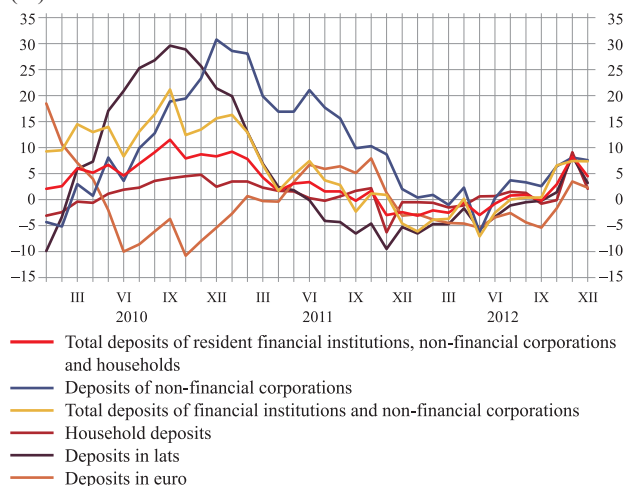


Chart 2.12  
ANNUAL RATE OF CHANGE IN RESIDENT DEPOSITS  
(%)



## 2.5 Money supply

In September–December, monetary indicators remained stable, reflecting the steady development of the Latvian economy lasting for more than two years. A slight decline in money supply in September was followed by a moderate rise in October–December, largely resulting from an increase in savings of non-financial corporations deposited with credit institutions. Company funds expanded on account of a substantial pickup in output and exports as well as growing private consumption due to improving consumer sentiment. The stable dynamics of household deposits despite the growing income in its turn testified to spending and its positive impact on the economic growth. However, higher spending on account of savings cannot ensure economic growth in the longer term. Following a seasonal hike, the demand for cash stabilised during the autumn months. The improving economic status of businesses encouraged credit institutions to be more active in lending to non-financial corporations, and the loan portfolio granted to this sector continued to expand in September–November, with the amount of new loans exceeding that of loan repayments.

In December total money supply reached a high (6.8 billion lats), demonstrating 2.8% growth year-on-year (see Chart 2.10). Of M3, its component M1, the most liquid one of money supply, continued to dominate, posting an annual growth rate of 10.9% in December (for the dynamics of currency in circulation, see Chart 2.11). Due to extremely low interest rates, deposits mostly expanded in the overnight deposit segment, in September–December growing by 8.8%, while deposits with an agreed maturity of up to 2 years decreased by 12.7%.

In the last few months the annual rate of change in deposits of resident financial institutions, non-financial corporations and households turned positive again (4.5% in December). Growth was recorded for both the lats and euro deposits, and in December their annual rates of increase were also positive (3.2% and 2.3% respectively; for the deposit dynamics, see Charts 2.12 and 2.13). With deposits expanding, the resident loan-to-deposit ratio rose from 52.6% in August to 56.0% in December. At the same time funds received from parent banks continued to contract and the non-resident non-MFI deposit growth moderated (see Chart 2.14).



Chart 2.13  
RESIDENT DEPOSIT DYNAMICS  
(billions of lats)

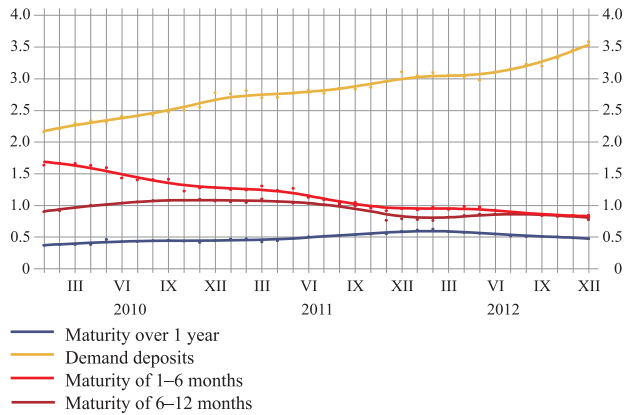


Chart 2.14  
CREDIT INSTITUTION FOREIGN LIABILITIES  
(billions of lats)

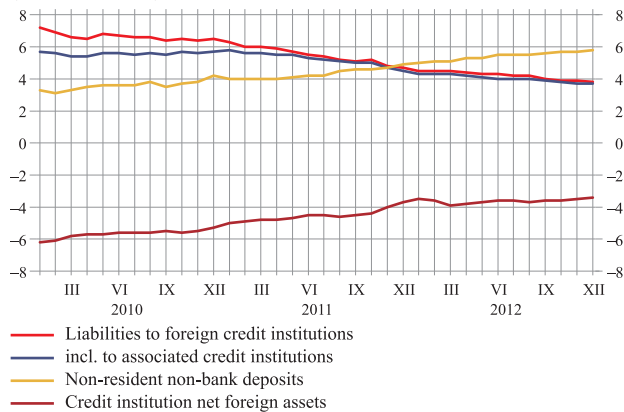
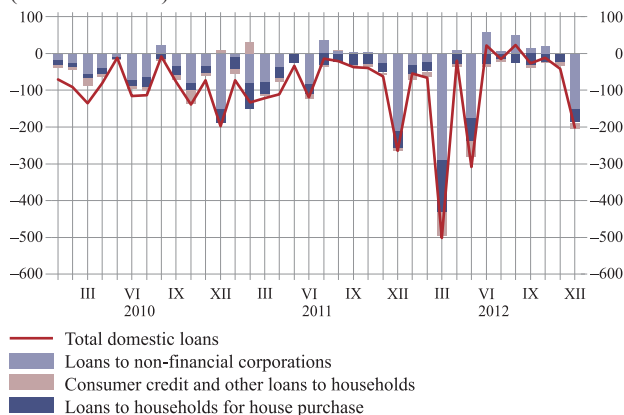
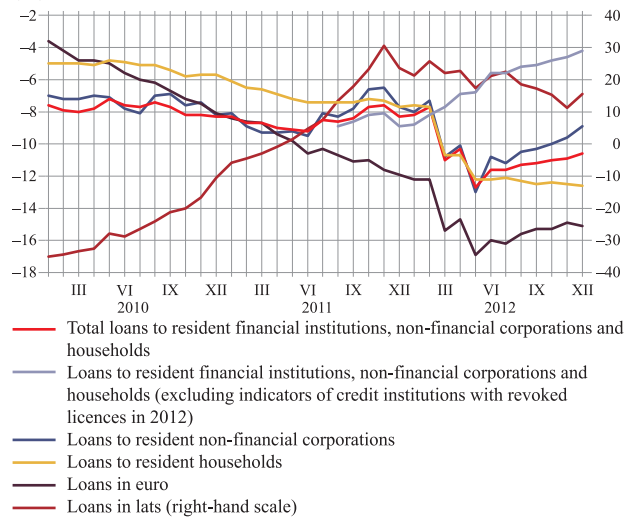


Chart 2.15  
MONTHLY CHANGE IN LOANS TO RESIDENT  
HOUSEHOLDS AND NON-FINANCIAL CORPORATIONS  
(millions of lats)



At the end of December total loans granted to residents decreased by 2.7% in comparison with August (for monthly changes in lending, see Chart 2.15). In the last four months their annual rate of decrease continued on a downward trend, standing at 10.6% in December (or 4.2%, excluding indicators of credit institutions with revoked licences in 2012; see Chart 2.16). The credit portfolio shrank on account of a 3.2% decline in loans granted to households in four months, mostly as a result of a fall in loans for house purchase. Loans to non-financial corporations, however, grew by 0.6% in September–November due to the granted commercial credit and industrial credit (see Chart 2.17), but in December the repayment of the short-term loans, mostly received in the previous months, posted a decrease. Loans granted in euro continued on a downward trend, whereas the loan portfolios of other foreign currencies and lats expanded. The share of loans granted in lats in the total domestic loan portfolio increased by 1.1 percentage points, to 13.6%.

Chart 2.16  
ANNUAL RATE OF CHANGE IN LOANS TO RESIDENTS (%)



In the last few months credit investment expanded in energy, crop and animal production, manufacture of food products, manufacture of wood, wholesale trade and several other sectors. In most of these sectors the annual growth rate of lending was also positive.

The last four months have seen generally positive trends that might also persist in 2013. The positive economic development and export growth as well as expanding personal income will ensure further growth in corporate deposits, also gradually stimulating accumulation of household savings. Following the seasonal hike at the end of the year, the demand for cash, in its turn, will considerably fall in 2013 as after the final decision on joining the euro area is approved, a substantial share of cash will definitely supplement the deposits of households and (to a lesser extent) non-financial companies with credit institutions. A rise in the free funds of businesses will enable them to invest more resources in the development and reduce the overall debt burden, as well as abstain from borrowing since the opportunity to receive loans is limited. At the same time further improvement in the loan-to-deposit ratio is expected, strengthening the financial stability as well.

Chart 2.17  
ANNUAL CHANGE IN LOANS TO RESIDENTS (millions of lats)

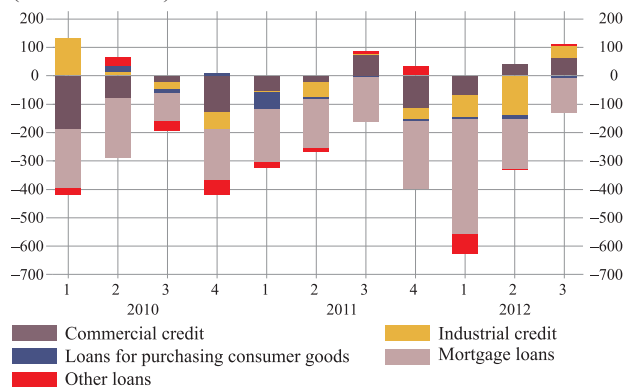
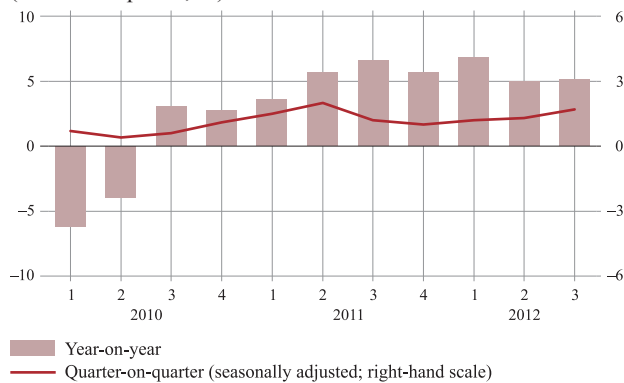


Table 2  
MONETARY AGGREGATES  
(quarterly figures are averages)

	Outstanding amount as percentage of M3	Annual growth rates (%)									
		2012									
		2012 XII	Q1	Q2	VII	VIII	IX	Q3	X	XI	XII
<b>M1</b>	70.6	15.5	12.9	14.9	13.9	14.8	14.5	15.9	8.0	10.9	11.6
Currency in circulation	15.8	28.8	23.6	19.0	20.4	19.6	19.7	18.0	12.4	4.1	11.5
Overnight deposits	54.8	11.9	9.9	13.7	12.1	13.5	13.1	15.3	6.8	13.0	11.7
M2 – M1 (= other short-term deposits)	27.4	-20.9	-15.0	-15.3	-14.5	-18.8	-16.2	-16.9	-3.5	-11.0	-10.5
Deposits with an agreed maturity of up to 2 years	24.2	-20.9	-15.1	-16.0	-15.1	-20.0	-17.0	-17.9	-3.4	-12.0	-11.1
Deposits redeemable at notice of up to 3 months	3.2	-20.4	-14.7	-9.0	-8.5	-7.8	-8.4	-7.0	-4.3	-1.7	-4.3
<b>M2</b>	98.0	0.3	1.5	3.0	3.0	1.9	2.6	3.7	4.4	3.8	4.0
M3 – M2 (= marketable instruments)	2.0	42.8	-28.1	23.9	25.2	26.8	25.3	27.9	53.5	-29.2	17.4
<b>M3</b>	100.0	0.9	1.1	3.3	3.3	2.3	3.0	4.0	5.1	2.8	4.0
<b>Credit to residents</b>		-8.2	-10.8	-11.1	-11.1	-10.8	-11.0	-10.6	-10.0	-9.4	-10.0
Credit to general government		-12.3	-15.5	-16.2	-17.3	-13.0	-15.5	-11.1	0.5	14.2	1.2
Credit to the private sector		-8.0	-10.6	-10.8	-10.8	-10.7	-10.8	-10.5	-10.5	-10.4	-10.5
Loans to the private sector		-9.0	-11.5	-11.6	-11.3	-11.2	-11.4	-11.0	-10.9	-10.6	-10.8
<b>Longer-term financial liabilities (excluding capital and reserves)</b>		43.3	-18.5	-15.5	-13.0	-7.7	-12.1	-4.6	-5.0	-53.2	-20.9

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



## 3. Domestic Demand

In the third quarter, the GDP growth accelerated, strengthening Latvia's position as the fastest growing economy in the EU. The quarter-on-quarter GDP growth amounted to 1.7% (see Chart 3.1), whereas the year-on-year increase was 5.2%.

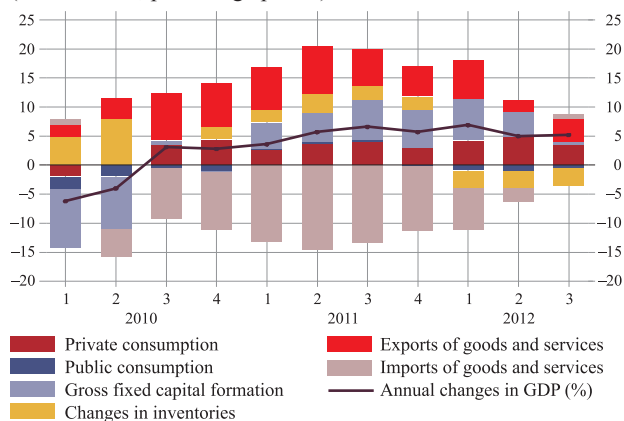
The largest contributor to the GDP growth in the previous quarter was private consumption, whereas in the third quarter it was exports of goods and services (see Chart 3.2). Decreasing imports also had a positive effect on the GDP.

Private consumption remained a major contributor to the GDP rise, with its growth accelerating during the most recent quarters. Moreover, the expansion of the share of consumer non-durables in the overall trade composition points to a potential improvement in the purchasing power of a larger part of population.

Despite a slow-down reported in comparison with the previous quarters, gross fixed capital formation still made an additional contribution to growth.

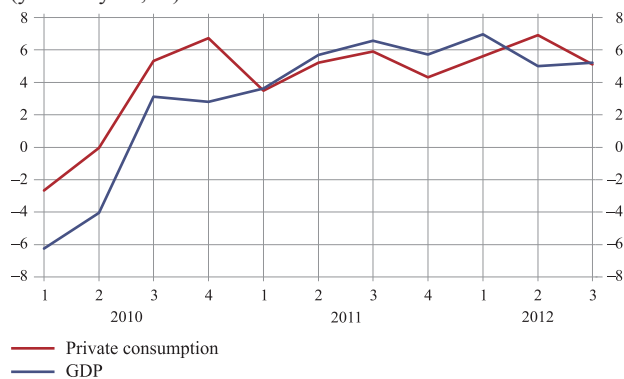
The negative contribution from inventories continued to weigh down on the GDP growth: due more stable demand, less goods are accumulated in warehouses and trading is more active.

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



### 3.1 Private consumption

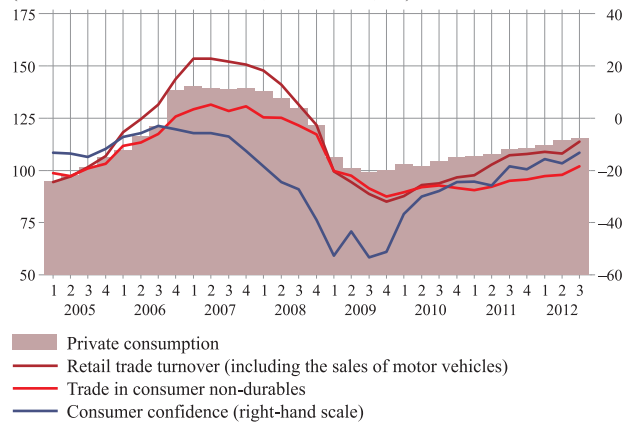
Chart 3.3  
CHANGES IN GDP AND PRIVATE CONSUMPTION  
(year-on-year; %)



The purchasing power of the population continued to improve in 2012, as reflected also by the growing spending. Moreover, private consumption accelerated considerably in the middle of the year (see Chart 3.3). In the third quarter, consumption expanded by 5.1% year-on-year. An improvement in the purchasing power of a larger part of the population is also confirmed by the trade data pointing to a steeper rise in demand for consumer non-durables than was previously observed for consumer durables (see Chart 3.4 for the indicators characterising consumption).



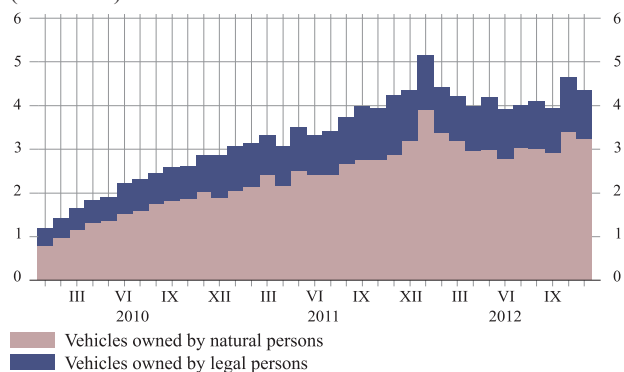
Chart 3.4  
INDICATORS CHARACTERISING CONSUMPTION  
(consumer confidence, net; 2005=100;%)



The overall trade composition shows that the contribution of the demand for consumer durables expanded again in September and October. This is confirmed by both the trade data as well as the statistics on motor vehicles newly-registered with the Road Traffic and Safety Department, suggesting that the increase in the number of registrations has accelerated, with most of it being attributable to the number of cars registered in the ownership of natural persons (see Chart 3.5).

Following a notable improvement in June, consumer sentiment remained stable, demonstrating a slightly upward trend (see Chart 3.6). Moreover, net responses concerning Latvia's economic outlook for the next 12 months have returned to a positive territory for the first time since June 2007.

Chart 3.5  
NUMBER OF VEHICLES NEWLY-REGISTERED WITH  
THE ROAD TRAFFIC SAFETY DEPARTMENT  
(thousands)



Other population surveys also pointed to the improvement of the situation and an increase in positive responses in 2012. In survey No 54 carried out by "DNB Latvijas barometrs", 57% of respondents admitted that the year 2012 had been successful rather than unsuccessful. 30% of respondents believed in the opposite. The views on expectations concerning 2013 are even better: the ratio of positive responses to the negative ones has become ever more significant. 40% of the respondents were confident or hopeful that 2013 would be more successful, while pessimistic views were expressed by merely 5% of the respondents.

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

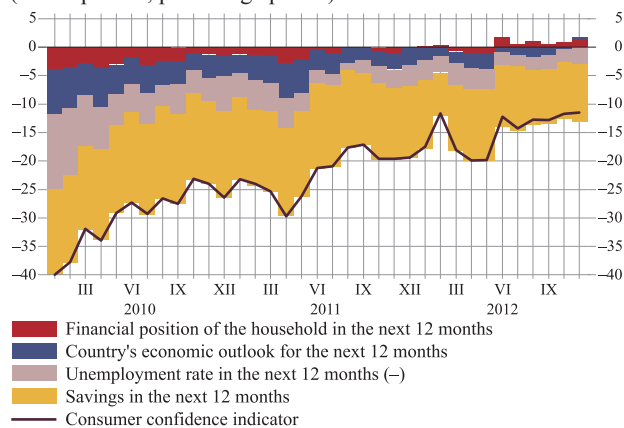


Chart 3.7  
INDICATORS CHARACTERISING INVESTMENT  
(at constant prices; 2005=100; %)

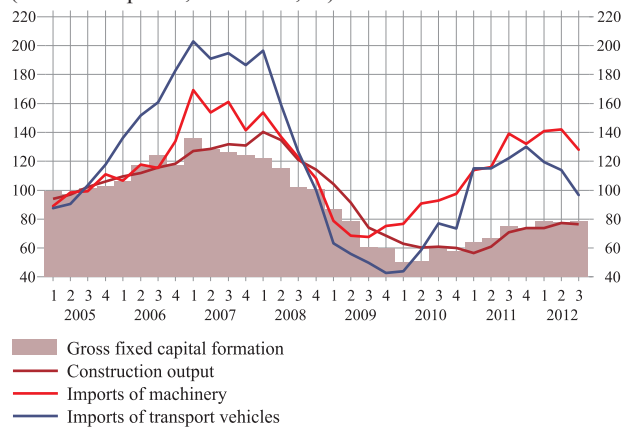


Chart 3.8  
CONTRIBUTION OF PRIVATE AND GOVERNMENT  
INVESTMENT TO GDP  
(%)

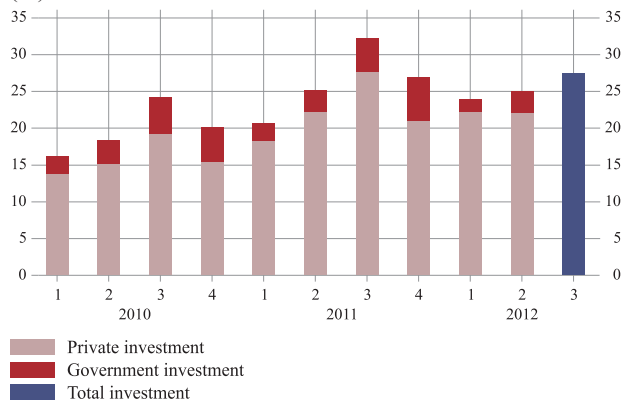
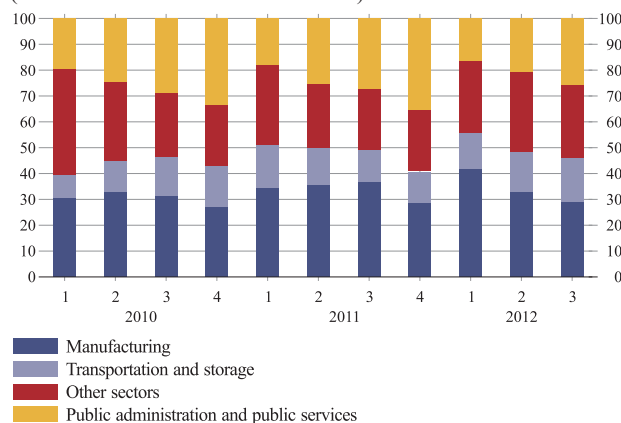


Chart 3.9  
NON-FINANCIAL INVESTMENT BY SECTOR  
(% of total non-financial investment)



### 3.2 Private investment

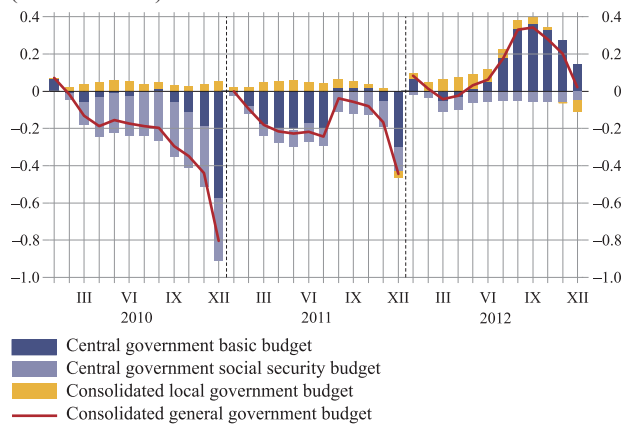
The vigorous investment growth has ground to a halt (see Chart 3.7 for the indicators characterising investment). Gross fixed capital formation increased by merely 2.0% in the third quarter (by 20.5% in the previous quarter). This downside of the annual growth rate was primarily explained by the high base, as the quarterly increase in investment amounted to 0.8%.

The deceleration of investment growth observed in the last half-year is mainly associated with the weakening 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. Following this adjustment, investment could be expected to recover, albeit at more moderate growth rates.

The role of public investment in overall investment increased seasonally in the third quarter and continued to strengthen in the fourth quarter. The structure of non-financial investment suggests that the contribution of the public administration and public services (education, health) expanded in the third quarter; 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). The rise was particularly steep in transport (see Chart 3.9) and water supply as well as in manufacture of food products.

Chart 3.10

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

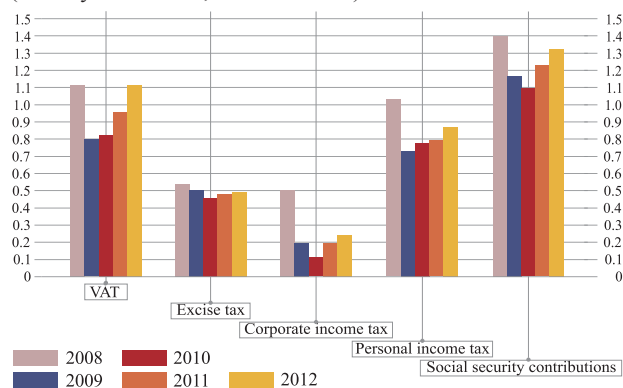


### 3.3 Government expenditure and budget

According to the official information by the Treasury, the surplus of the consolidated general government budget estimated on a cash flow basis amounted to 19.1 million lats or 0.1% of GDP in 2012 (see Chart 3.10). In comparison with 2011 when the deficit amounted to 444.9 million lats, the budgetary balance improved by 464.0 million lats. This improvement was determined by a 655.4 million lats rise in revenue and a moderate increase of 191.4 million lats in expenditure.

Chart 3.11

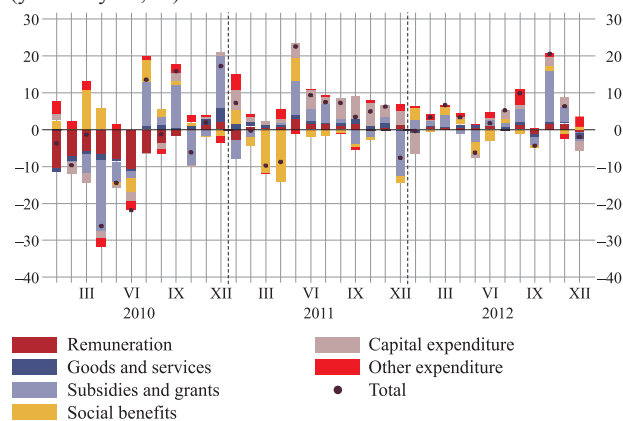
SELECTED TAX REVENUE (January–December; billions of lats)



The revenue collected in the consolidated general government budget in 2012 grew on account of higher tax collections (an increase of 410.4 million lats or 10.6%; see Chart 3.11). All types of taxes demonstrated impressive increases: 16.5%, 10.0% and 7.7% in the case of VAT, personal income tax and social insurance contributions respectively. Revenue from corporate income tax went up 24.1% which was the highest growth rate (this particular type of tax is characterised by higher growth rates in comparison with other taxes during periods of economic growth when corporate profit is back on an upward path). The increase in the social insurance contributions and personal income tax was supported by the strengthening of the labour market, whereas the steep rise in the VAT revenue can be partly explained by the quick recovery of the private consumption confirmed by the GDP growth data for the first three quarters of the year.

Chart 3.12

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



Non-tax revenue also improved considerably, contributing 53.3 million lats more to the budget than in 2011. This can be largely explained by the repayment to the central government basic budget of the funding unspent within the framework of the EU funds programmes. Moreover, income from dividends received for the use of the state capital and the income from the sales of state-owned greenhouse gas emission units also increased.

The austerity measures implemented in the previous years and the government's pragmatic approach to the formulation of the 2012 budget resulted in the expenditure of the consolidated general government budget increasing at a considerably slower rate than the revenue in 2012 (by 191.4 million lats or 3.5%; see Chart 3.12). The spending rise was determined by a 106.7 million lats increase in subsidies and grants and a 34.6 million lats increase in current expenditure transfers, primarily due to higher contributions to the EC budget (the size of the contributions is linked to

macroeconomic growth). Interest payments also grew considerably, exceeding the level of the previous year by 30.0 million lats.

The general government debt totalled 5 652.0 million lats or 36.6% of GDP estimated on a cash flow basis at the end of 2012, representing an increase of 303.3 million lats over December 2011. This masked a 348.9 million lats increase in the external debt of the central government and a 37.3 million lats decline in its domestic debt. The external debt expanded on account of two bond issues worth 2.25 billion USD launched by the Treasury. At the same time, the IMF loan received within the framework of the international assistance programme was fully repaid. The domestic debt shrank on account of net redemption of Treasury bills and bonds.



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

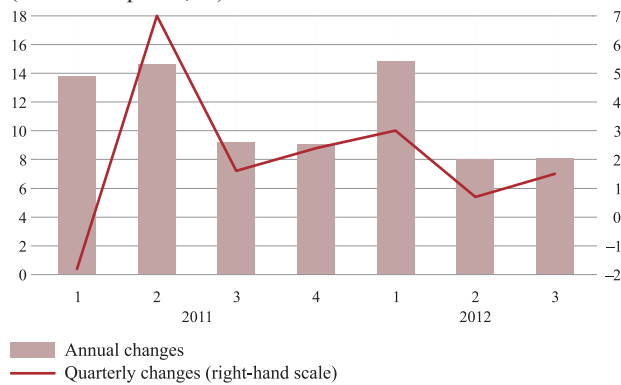
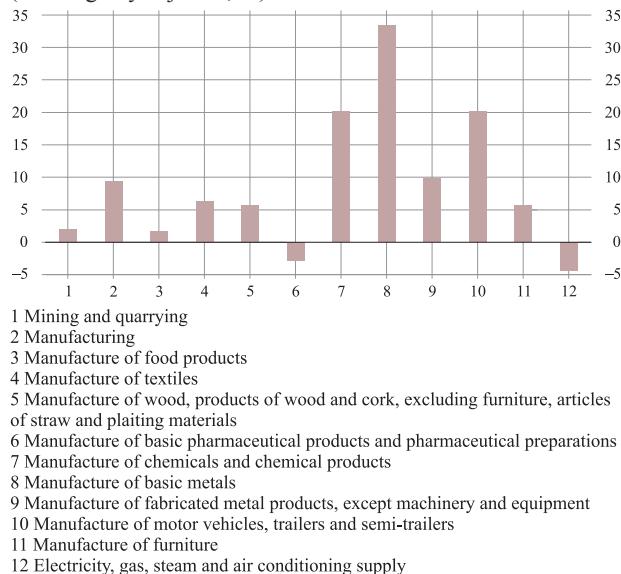


Chart 4.2  
ANNUAL INDUSTRIAL OUTPUT CHANGES IN THE  
FIRST TEN MONTHS OF 2012  
(working-day adjusted; %)



## 4. Aggregate Supply

### 4.1 Industry and construction

In the third quarter, the value added of manufacturing at constant prices recorded a year-on-year increase of 7.2%. At the same time, the value added of manufacturing (seasonally adjusted) rose in the third quarter by 1.3% in comparison with the previous quarter (see Chart 4.1). Hence manufacturing was one of the major positive contributors to the annual GDP growth by sector (0.9 percentage point) in the third quarter, as was the case in the previous quarters. However, the contribution of manufacturing to the economic growth is expected to be more subdued in the coming quarters due to an adverse effect of the external environment.

In the third quarter, the volume of output in manufacturing recorded a year-on-year expansion of 8.1% and a quarter-on-quarter increase of 1.5% (seasonally adjusted data). Growth of manufacturing in the third quarter was on account of a quarterly rise in the manufacture of basic pharmaceutical products and pharmaceutical preparations (11.9%), non-metallic mineral products (10.1%), electrical equipment (11.4%), beverages (3.9%), textiles (3.8%) and that of computers, electronic equipment and optical products (5.3%). At the same time, a declining volume of output in manufacturing of chemicals and chemical products (19.9%; in September, a substantial shortage of raw materials for the production of bio fuel was observed), fabricated metal products (10.2%), motor vehicles, trailers and semi-trailers (7.3%), wood and products of wood and cork (2.5%) and rubber and plastic products (5.4%) had an adverse impact on the expansion of manufacturing.

Manufacturing of metals (36.5%), electrical equipment (30.6%) and computers, electronic equipment and optical products recorded the highest annual rate of increase in the third quarter (see Chart 4.2 for annual changes in industry in the first 10 months of 2012). Meanwhile, a negative annual growth rate was reported in some subsectors, such as the manufacturing of fabricated metal products (7.0%), rubber and plastic products (0.2%) and basic pharmaceutical products and pharmaceutical preparations (0.2%). Since the end of 2011 the turnover in manufacturing at current prices rose by 16.5% (in September 2012), of which, the turnover on the domestic market recorded a 6.8% expansion and that of exports rose by 26.0%. The turnover

Chart 4.3  
PRODUCTION CAPACITY UTILISATION IN  
MANUFACTURING  
(%)

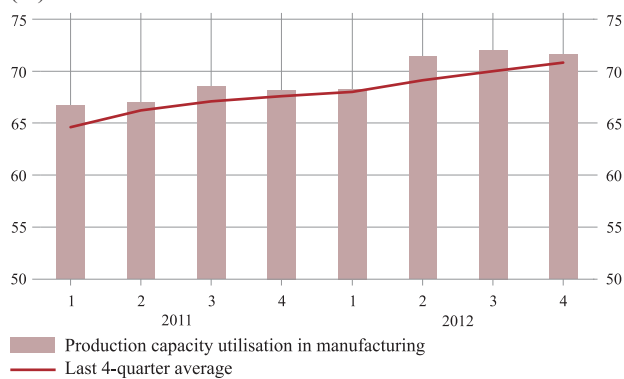
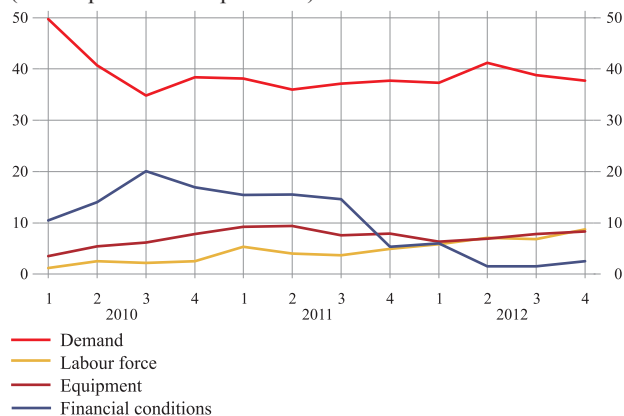


Chart 4.4  
GROWTH-RESTRICTIVE FACTORS IN  
MANUFACTURING  
(% of replies from respondents)



in manufacturing increased most buoyantly in the manufacturing of metals (63.5%), chemicals and chemical products (42.3%), wearing apparel (38.0%) and textiles (31.8%).

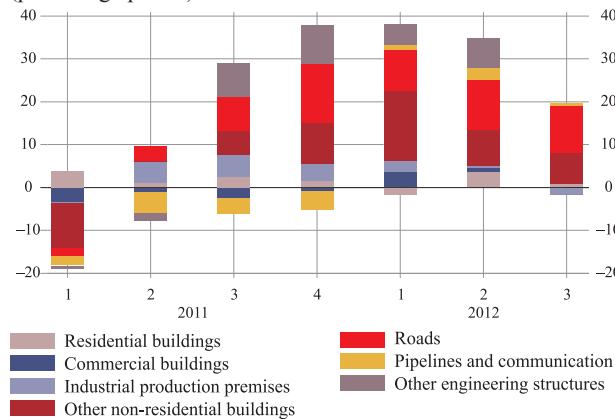
The industrial confidence indicator aggregated by the EC for the third quarter was 0.3 point lower quarter-on-quarter. The above development was primarily attributable to the changes in the inventories assessment – manufacturers pointed to a build-up of stocks under their ownership. At the same time, production capacity utilisation projected for the fourth quarter dropped to 71.6% (see Chart 4.3). Situation differed notably by subsectors. Production capacity utilisation remained high in manufacturing of wearing apparel (76.6%), wood and products of wood and cork (77.4%), fabricated metal products (70.5%), furniture (75.7%) and metals (77.9%). At the same time, low production capacity utilisation was observed in the manufacturing of beverages (54.5%), non-metallic mineral products (56.9%) and chemicals and chemical products (63.7%).

In the fourth quarter, manufacturers still reported the limited demand to be the major growth-restrictive factor (37.7% of the total number of respondents; see Chart 4.4) while rather many respondents identified no substantial growth-hampering factors (27.3%) at the time. A smaller number of respondents, albeit following a sustainable growth path, pointed to labour shortage (8.7%) or technical problems (8.3%) and only 2.5% of respondents admitted that financing was the primary growth-dampening factor.

As regards manufacturing, data for October suggest that the output volume still remains high in the sector, however, some adverse trends can be observed as well. An increasing volume of the produced output in manufacturing subsectors, a previous determinant of growth, gradually declined. In October, the volume of output in manufacturing rose by 0.3% and annual increase amounted to 5.3% (seasonally adjusted data). However, the overall situation in the sector suggests a potential fall in the output over the last quarter of the year. It will mainly be underpinned by the economic development of Latvia's major foreign trade partners, recently following a downward trend. Hence the lack of demand can already be evidenced in some subsectors of manufacturing.

In the third quarter, the value added of the construction sector recorded a year-on-year rise of 8.3%. Both the base effect and the fact that in the third quarter the value added of the construction sector remained

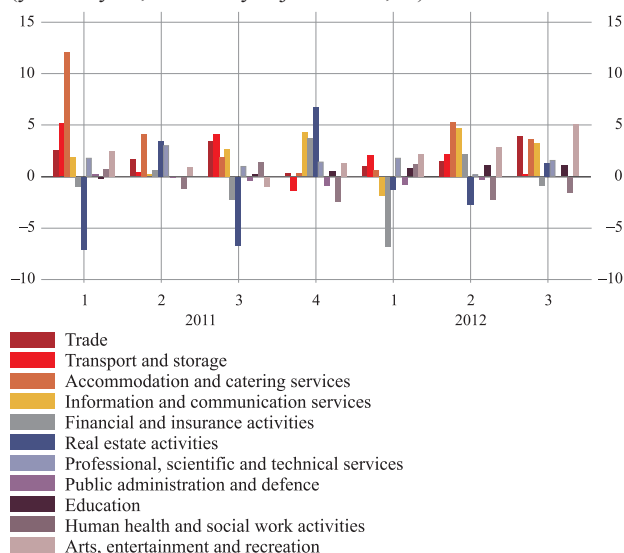
Chart 4.5  
CONTRIBUTION OF SOME TYPES OF CONSTRUCTION OBJECTS TO THE ANNUAL CONSTRUCTION GROWTH AT CURRENT PRICES  
(percentage points)



broadly unchanged quarter-on-quarter (a rise of 0.2%) contributed to a substantial annual growth rate. Thus the contribution of manufacturing to the annual GDP growth amounted to 0.6 percentage point (slightly smaller than in the previous quarters). In the third quarter, construction output at current prices rose by 17.9% year-on-year. Engineering structures, including construction of motorways, streets and roads, contributed most to the annual increase (see Chart 4.5). The construction of non-residential buildings, including that of administrative buildings and other non-residential buildings, also accounted for a notable contribution. However, given the low base, the construction of residential buildings contributed quite moderately to the overall expansion of the sector.

The construction sentiment indicator assessed by the EC deteriorated by 5.0 points in the third quarter. A deteriorating assessment of the overall order volumes and employment expectations was attributable to the above development. The construction sentiment indicator deteriorated substantially over the two months of the fourth quarter as well. This can be explained by weather conditions adverse for the sector in 2012. This was also mirrored by the replies of the builders to the survey question about the major growth-restrictive factors: in October and November the number of respondents admitting that the weather conditions had played an important role rose considerably. Insufficient demand was, however, the most frequent reply. The volume of construction works is expected to decline in the fourth quarter due to the weather conditions. The above development is supported by the deteriorating sentiment indicators and declining volume of output in subsectors of manufacturing that specialise in the domestic construction market.

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

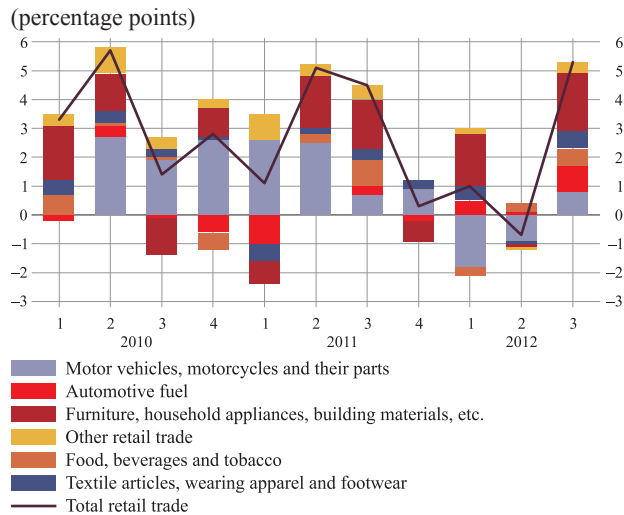


## 4.2 Services

In the third quarter, value added of the services sector at constant prices recorded a year-on-year increase of 4.5%. The overall contribution of the services sector to the annual GDP growth was 2.9 percentage points (see Chart 4.6 for the changes in value added of the main types of services). Wholesale and retail trade (1.4 percentage points), transportation and storage (0.4 percentage point), information and communication services (0.5 percentage point) and professional, scientific and technical services (0.3 percentage point) accounted for the major positive contribution.

In the third quarter, retail trade turnover was on a

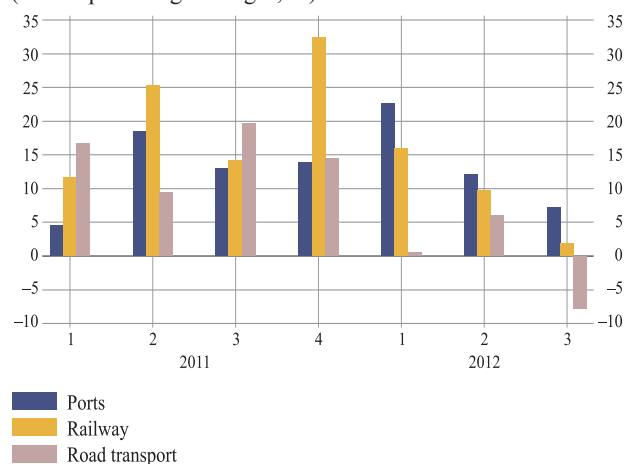
Chart 4.7  
CONTRIBUTION TO QUARTERLY RETAIL GROWTH IN REAL TERMS  
(percentage points)



steep upward trend both year-on-year and quarter-on-quarter (see Chart 4.7). Sales volumes of consumer non-durables edged up very notably. Retail trade expanded by 5.8% quarter-on-quarter (including the sale of motor vehicles – by 5.3%). The annual growth remained high in the third quarter (9.5%, including the sale of motor vehicles – 6.0%).

In the third quarter, value added of the transport and storage sector increased by 3.2% year-on-year (see Chart 4.8 for the annual changes in freight turnover in the major areas of transportation). Value added of the sector rose by 0.2% 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. In the third quarter, the volume of cargoes loaded and unloaded at Latvia's ports recorded an overall expansion of 7.2% year-on-year. The above rise was attributable to an increasing volume of cargoes loaded and unloaded at Liepāja port (by 60.3%, a notable increase in the volume of cargoes loaded and unloaded due to the expanding operation of JSC *Liepājas Metalurģis*), at Riga port (by 3.0%) and Ventspils port (by 4.3%). At the same time, the volume of cargoes loaded and unloaded at small ports of Latvia that serviced the fishing and recreational vessels and loaded and unloaded the articles of wood reported a decline of 7.6%.

Chart 4.8  
FREIGHT TURNOVER  
(annual percentage changes; %)



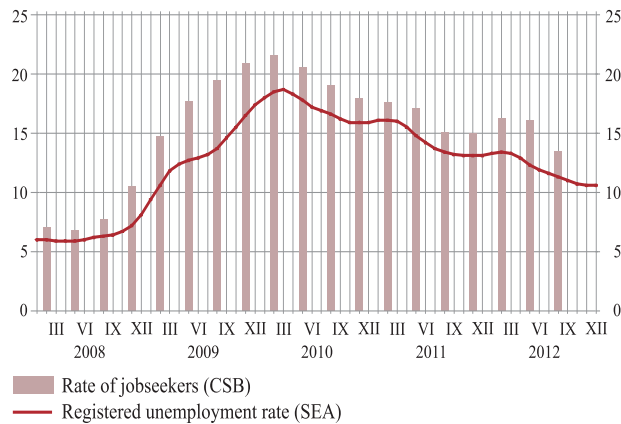
The volume of freight transported by rail in the third quarter recorded a 1.9% year-on-year growth. The overall rise in the volume of rail freight was attributable to the expanding transportation to and from the ports by 8.3%. Meanwhile the volume of cargo transit shrank notably (18.6%).

In the third quarter, the volume of freight transportation by road declined by 7.8% year-on-year. This development was attributable to the shrinking international freight traffic (by 7.1%) and domestic freight traffic (by 7.9%) by road.

According to preliminary data for the fourth quarter, the volume of the transported rail freight and cargoes loaded and unloaded at ports will, most likely, follow a downward path. The reasons are the rail repairs carried out in Russia and lower volume of coal and oil product cargoes. In 2013, the transport sector is expected to expand at a lower rate year-on-year. First, limitations in Latvia's transport infrastructure referred to in the previous publications will contribute to this development. Second, the global economic situation is expected to be less favourable for international traffic.



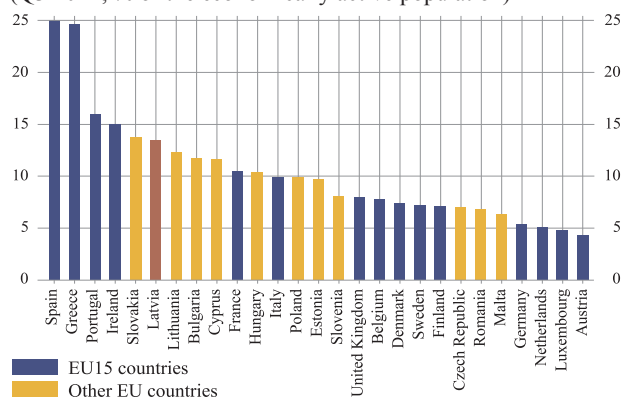
Chart 4.9  
REGISTERED UNEMPLOYMENT RATE AND THAT OF  
JOBSEEKERS  
(%)



### 4.3 Labour market

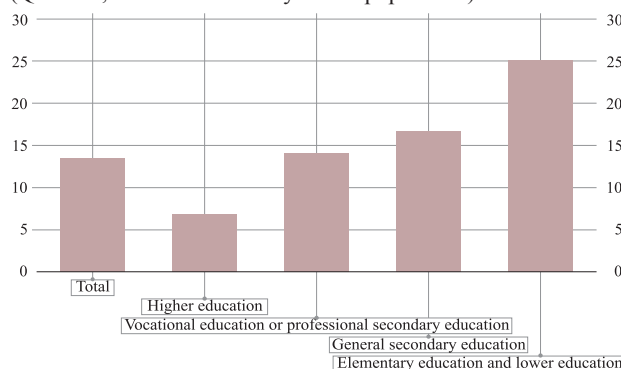
The CSB labour survey data for the third quarter confirmed that the actual unemployment rate had declined along with the registered unemployment rate. The rate of jobseekers shrank to 13.5% of the economically active population (a low since the end of 2008; see Chart 4.9). Hence the recovery of labour market ongoing since spring 2010 is again evidenced not only in the employment growth, but also in the decreasing unemployment rate. In the previous quarters the decline in the rate of jobseekers was curbed by a number of short-term factors: a restructuring of the temporary public works programme, a rising labour force participation rate and impact of seasonal factors.

Chart 4.10  
RATE OF JOBSEEKERS IN THE EU MEMBER STATES  
(Q3 2012; % of the economically active population)



The Eurostat databases provide historical data on the rate of jobseekers revised in accordance with the results of the Census 2011. At the peak of unemployment (the first quarter of 2010) the rate of jobseekers amounted to 21.6%, i.e. 1.1 percentage points higher than estimated before. Hence unemployment followed a steeper downward trend over the past two and a half years than was thought. Currently Latvia ranks 6th in the EU with respect to the unemployment rate (behind Spain, Greece, Ireland, Portugal and Slovakia; a year ago it ranked 5th and two years ago it ranked 1st; see Chart 4.10).

Chart 4.11  
RATE OF JOBSEEKERS BY EDUCATION  
(Q3 2012; % of economically active population)



In the first three quarters of 2012, the dynamics of unemployment suggested that the annual average rate of jobseekers might be 1.0–1.5 percentage points lower than in the previous year (16.2%). Unemployment is expected to continue on a downward path in 2013, however, at a slower rate than that of 2012. On the one hand, a rather buoyant GDP growth in 2012 will also contribute to the labour market recovery in the next year since the employment dynamics lags behind the changes in output by a few quarters. On the other hand, the dynamics of shrinking unemployment would be increasingly affected by the deceleration of structural unemployment achieved. The disparities between the unemployment rates in the breakdown by education point to the so-called two-speed labour market characterised by the lack of skilled employees and excess of low-skilled labour. The rate of unemployment among individuals with higher education is approaching the pre-crisis level, while the respective rate among individuals with elementary education still exceeds 25% (see Chart 4.11).

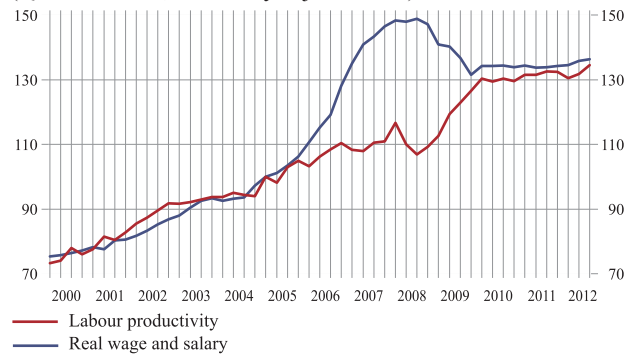
The purchasing power of the average wage continued

Chart 4.12  
ANNUAL CHANGES IN THE AVERAGE MONTHLY NOMINAL AND REAL WAGE FOR FULL-TIME JOB (%)



to follow an upward trend, edging up by 1.9% annually. The receding inflation contributed to the growing purchasing power of the wage. The average wage was 3.6% higher year-on-year in the last equivalent – its annual rate of increase has remained unchanged as compared to the first half of the year (see Chart 4.12). The wage growth was more buoyant in the public sector (5.2%), accelerating somewhat over the quarter. It is partly attributable to the teacher pay rise since 1 September. However, the average wage increase (2.8%) abated in the private sector, apparently related to the employment expansion in the third quarter (the remuneration of the recently hired staff might be below the average remuneration in a company).

Chart 4.13  
REAL WAGE AND LABOUR PRODUCTIVITY INDICES (Q1 2005 = 100; seasonally adjusted data)



Overall, the wage increase is commensurate with the labour productivity growth, thus there is no reason for concern regarding the threat to price stability (see Chart 4.13). In 2013, the wage rise could accelerate slightly on account of the labour productivity growth. A stable labour productivity increase is fundamental for a sustainable rise in remuneration that does not impair the economic competitiveness and has been observed already since the beginning of 2010 (see Chart 4.14). Previous adjustment had led to the annulment of the unsustainable, productivity non-related wage growth, and such action was required for the recovery of the economic competitiveness and employment growth.

Chart 4.14  
GROSS AVERAGE MONTHLY WAGE FOR FULL-TIME JOB (in lats; seasonally adjusted data)

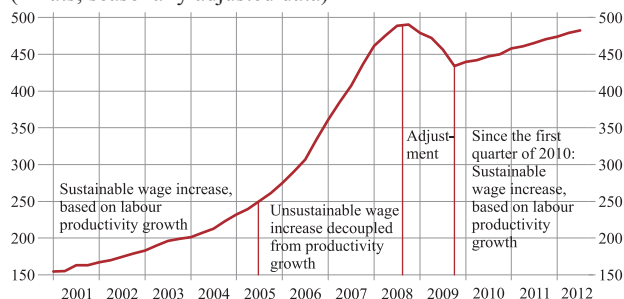
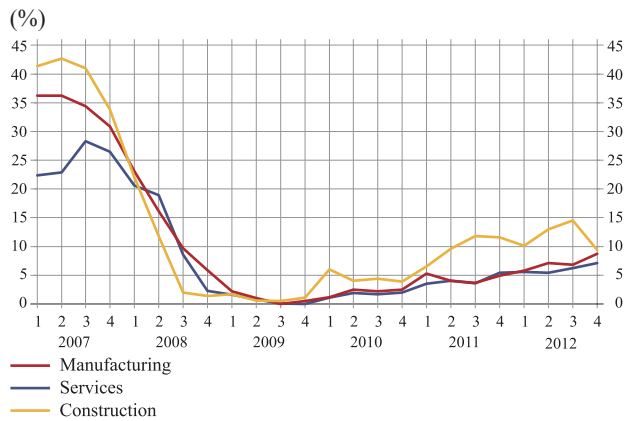


Chart 4.15  
SHARE OF BUSINESSES WHO FIND LABOUR SHORTAGE THE MAIN OBSTACLE FOR BUSINESS GROWTH



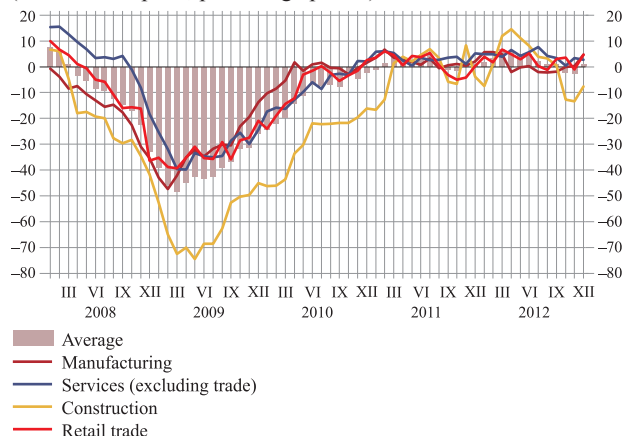
Several sectors report the labour shortage currently; however, it primarily refers to the highly qualified employees and hence is not manifested by the general wage increase that would be disproportional to productivity. Pursuant to the EC confidence survey data (seasonally adjusted), the assessment of labour shortage by businesses is gradually approaching its historical average equilibrium (see Chart 4.15). Moreover, it has stabilised in construction: the share of businesses that singled out the labour shortage as the main constraint for businesses in November was lower than in the respective period of the previous year.

Chart 4.16  
BEVERIDGE CURVE: NUMBER OF UNEMPLOYED PERSONS REGISTERED WITH THE SEA AND THAT OF VACANCIES



The Beveridge curve gradually returns to the level of 2004 (see Chart 4.16), mitigating the concern that a mismatch between the labour demand and supply is likely to have widened notably in recent years. The job vacancy and unemployment ratio is similar to the one recorded prior to the period of economic overheating. A slight upward shift of the Beveridge curve that might theoretically point to an increasing imbalance could be attributable to a more active registration of vacancies in the SEA registers due to the expanding use of Internet.

Chart 4.17  
DATA FROM BUSINESS SURVEYS ON THE PROJECTED 3-MONTH EMPLOYMENT DYNAMICS (balance of replies; percentage points)



The employment expectations of businesses are hovering around zero and the trend of the last half of the year is negative (see Chart 4.17), hence the employment growth is likely to abate in 2013.

The CSB revised compensation of employees figure for 2011 when publishing GDP data for the third quarter of 2012, while the indicators for the first half of 2012 remained unchanged. Thus the unit labour costs could be assessed as unrealistically low in the first half of 2012, and only for that reason the data for the third quarter are positive (see Chart 4.18). The data for the first half of 2012 are also likely to be revised upwards in the coming quarters.

Chart 4.18

UNIT LABOUR COST INDEX  
(Q1 2000 = 100; seasonally adjusted data)





Chart 5.1  
CHANGES IN CPI BY COMPONENT  
(percentage points)

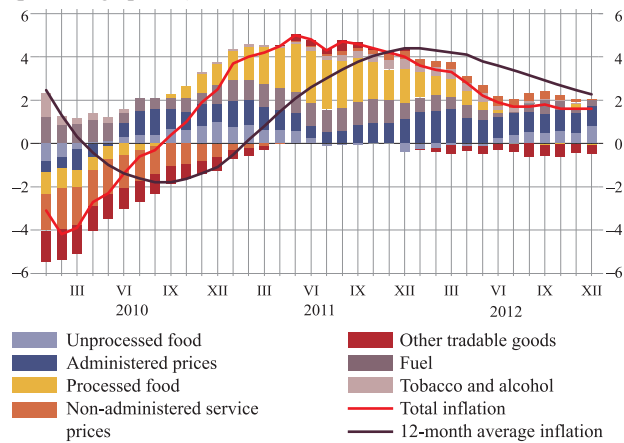


Chart 5.2  
OIL PRICES ON GLOBAL MARKET  
(lats/barrel)

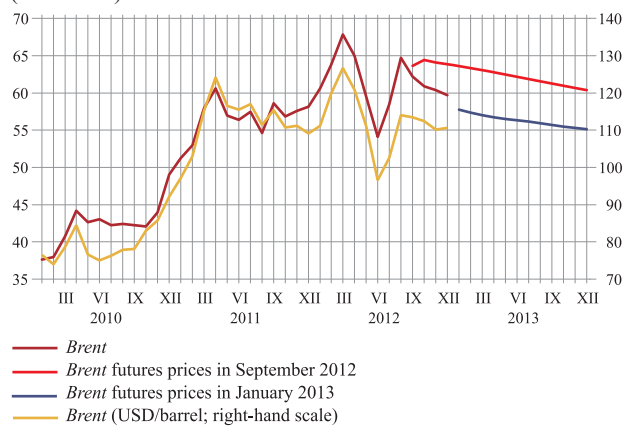
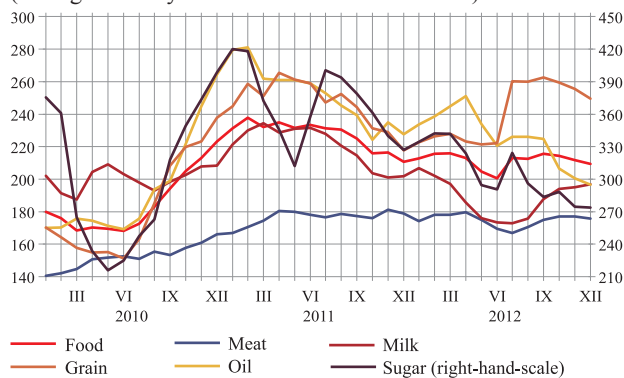


Chart 5.3  
GLOBAL FOOD PRICES  
(average monthly indicator of 2002–2004 = 100)



## 5. Costs and Prices

In September–December, annual inflation remained low and reached 1.6%. This is the lowest level since October 2010 (see Chart 5.1). Both the stabilisation of global resource prices and domestic factors, for example, the balanced dynamics of the average wage and salary and labour productivity that did not exert any demand side pressure on the price level, contributed favourably to the inflation rate dynamics.

In October and November, the impact of the supply side factors on monthly inflation eased primarily due to a minor fall in oil prices (see Chart 5.2). Thus the contribution of fuel prices to overall inflation shrank to negative both in October and November. At the same time, the rise in prices of natural gas and heating energy was held down by the oil market developments as the trading price of natural gas which is the so called reference value for the tariffs set by many producers of heating energy remained unchanged. In November, monthly inflation even declined as a result of heating prices including the fall in the tariffs of the heating energy generated by the cogeneration plant installed in Liepāja and mentioned in the previous "Macroeconomic Developments Report" was observed. In December, fuel prices in the Latvian market edged up somewhat although external factors (the oil price and exchange rate dynamics) was favourable for the fuel price level to remain stable.

In September–December, the impact of other administered prices on monthly and annual inflation remained broadly unchanged, with the contribution of changes in public transportation service prices decreasing slightly only in September, but heating tariffs somewhat increasing in some local governments in December. The tariff plans submitted by the Public Utilities Commission suggest that the rise in unit labour costs due to which the water supply and sewerage service providers in small local governments wish higher tariffs could be considered the main source of inflation growth in this commodity and services group. Their overall contribution to the average annual inflation may be less than 0.1 percentage point.

Global food price developments (see Chart 5.3) in consumer prices in Latvia are reflected with a lag; hence, the positive impact of their stabilisation (in October) and even decrease (in November and December) on the price level in Latvia was not yet observed (see Chart 5.4). The decline in global prices

Chart 5.4  
IMPACT OF ENERGY AND FOOD PRICE CHANGES ON ANNUAL CONSUMER PRICE INFLATION (percentage points)

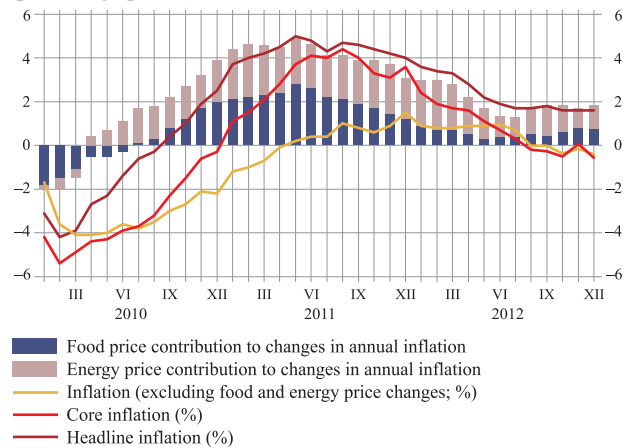
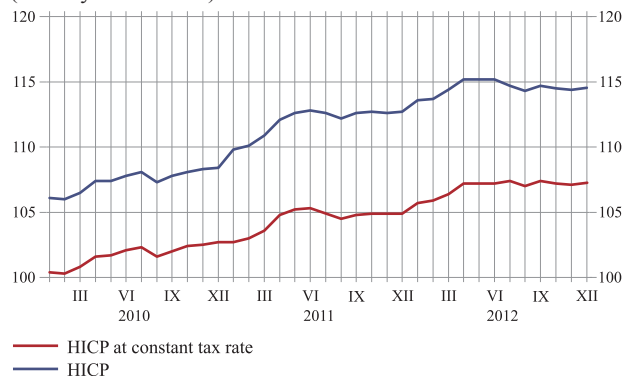


Chart 5.5  
HICP AND HICP AT CONSTANT TAX RATE (January 2008 = 100)



for some groups of food products is based on the supply of selected commodities used less in Latvia, while the group of dairy products that is important in Latvia was the only one where global prices continued to rise in November and December. According to the assessment of the UN Food and Agriculture Organisation, the high level of the global food prices is sustained by the limited supply of the dairy products.

The grain market is currently mainly stabilised by the prices of rice, but the prices of meat are significantly affected by the supply of other (used as fodder) grain that is lower than in 2011 and determines the decline in stock levels. With the sector's profitability declining, the global exports of meat shrink as well, and this may continue to sustain a rather high price level. The drop in the prices of food oils is also merely affected by the high supply of the palm oil used less in Latvia, and the potential narrowing of use of oil plants in fuel production could contribute to the market stabilisation. The food price level in Latvia could remain stable, and positive news about the expected harvest in the first quarter of 2013 in the Southern hemisphere and the observations of the impact of winter on grain harvests can be mentioned as a factor that could somewhat reduce the impact of these prices on Latvia's inflation.

Under the impact of seasonal factors, the prices of wearing apparel and footwear increased in Latvia in September and October. With new chain stores entering Latvia's market, the price rise in this group was probably somewhat held down by growing competition. In October, the prices of communication services decreased markedly due to competition, and the impact of this factor on inflation could persist over a longer period of time, thus creating a low base in the next year's time. Inflation in October was also positively affected by one-off factors, for example, the alcohol sales activities the impact of which faded already in November. In December, the price level was anew reduced by different holiday offers on a variety of goods as well as the sales of winter seasonal footwear.

The 12-month average inflation continued on a downward trend. In December, it reached 2.3% both according to the national price index and HICP, and this indicator is lower than the Maastricht criterion assessment in the respective period already for four months (see Chart 5.5 for the HICP dynamics). With the prices rising somewhat in the non-resident

Chart 5.6  
BREAKDOWN OF HOUSEHOLD EXPECTATIONS FOR CONSUMER PRICE CHANGES IN NEXT 12 MONTHS (%)

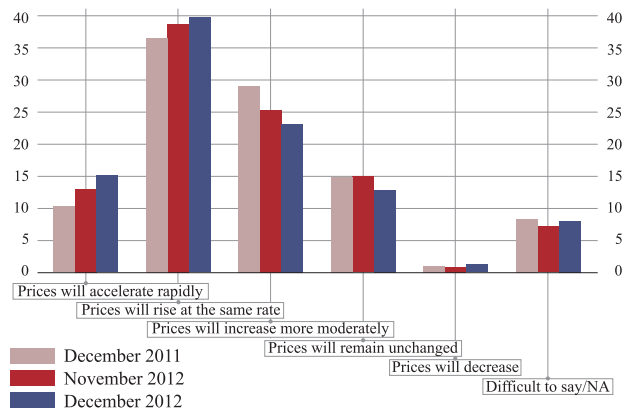


Chart 5.7  
EFFECTIVE EXCHANGE RATE OF THE LATS (January/Q1 2000 = 100)

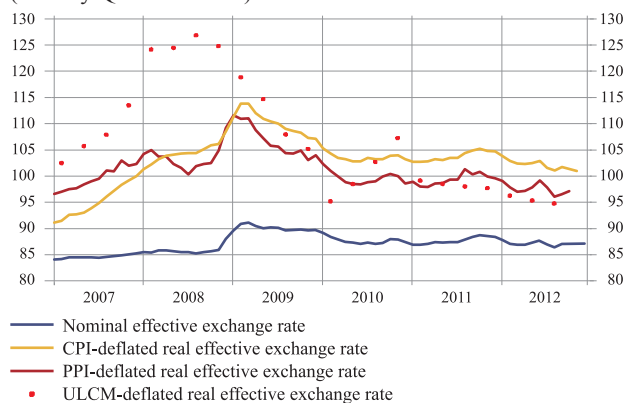
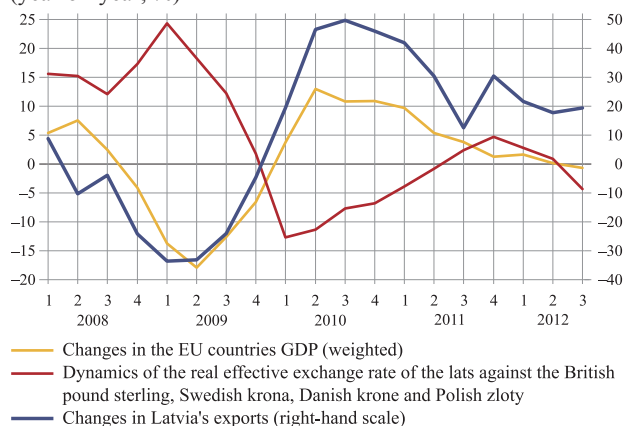


Chart 5.8  
LATVIA'S EXPORTS TO THE EU COUNTRIES OUTSIDE THE EURO AREA AND UNDERLYING FACTORS (year-on-year; %)



consumption segment (hotel and catering services) as a result of holiday season, annual HICP was 1.6% in December.

The annual average inflation was 2.3% in 2012, and it could be even lower in 2013. Risks to forecast are balanced: uncertainty in the oil market is high, but the level of oil prices has been fairly stable for several months, thus having a favourable impact on the prices of other energy resources. The publicly available gas tariff forecast for the first half of 2013 for the so called small consumers and households points to a lower average nine month price of heating oil that reduces the trading price of natural gas by one degree. Such a trading price of natural gas has been also set for other consumer groups in January; therefore the heating tariffs offered by the producers using natural gas as fuel could also decline slightly in January. Both the stable natural gas prices and the expected liberalisation of the electricity market that could take place in autumn of 2013 exert downward pressures on higher electricity tariffs. As opposed to Estonia where prices were expected to rise by up to 20% due the above reason, no increase is expected in Latvia as the price level exceeds by more than one fourth the electricity prices for households in Estonia before its market liberalisation. The dynamics of ULC does not exert any pressure on consumer prices (see Chart 5.6 for the expectations of changing household consumer prices).

The annual rate of growth in producer prices remained relatively low in August–November; however, it increased slightly as a result of the rising raw material prices (overall, up to 3.2% in manufacturing in November, including up to 4.3% for the products intended for the domestic market). The fact that an upswing in PPI demand is primarily observed in the manufacturing sectors where labour shortage is not considered a factor dampening their activities suggests that this rise is on account of other reasons (rather than, for example, related to growing labour costs).

Changes in the real effective price and cost indices-based exchange rate (see Chart 5.7) are favourable to ensure price competitiveness. Latvia's export data point to the competition-driven expansion of the market shares in the countries whose external demand develops at a slower pace than Latvia's exports or even weakens, for example, in several EU countries that are not the euro area countries, and Russia (see Charts 5.8 and 5.9).

Chart 5.9  
LATVIA'S EXPORTS TO RUSSIA AND UNDERLYING  
FACTORS

(year-on-year; %)

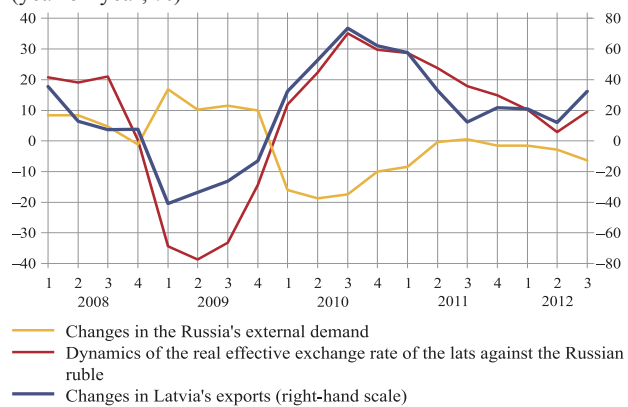
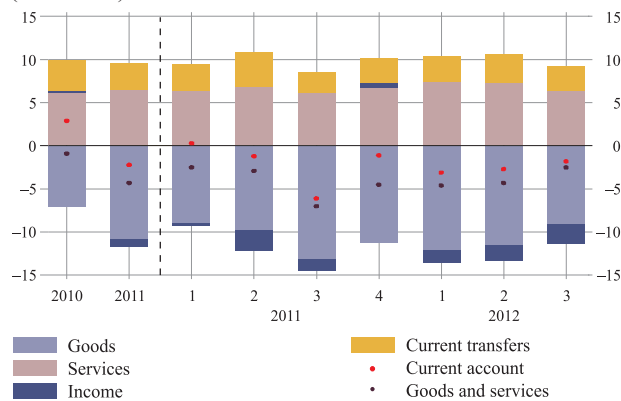


Chart 6.1  
CURRENT ACCOUNT OF LATVIA'S BALANCE OF PAYMENTS AND ITS COMPONENTS  
(% of GDP)

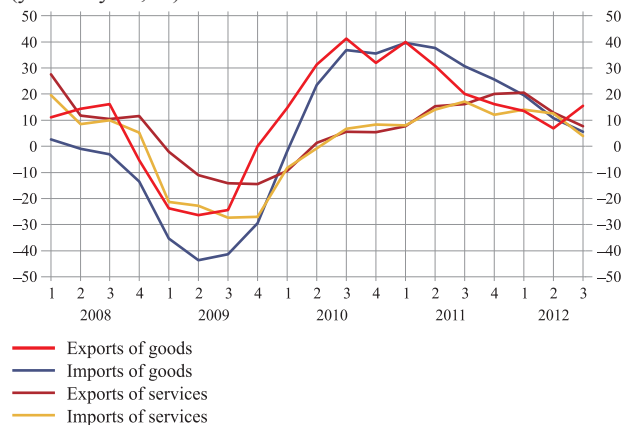


## 6. Balance of Payments

In the third quarter, the current account deficit of Latvia's balance of payments amounted to 74.5 million lats or 1.8% of GDP (see Chart 6.1). Its decline was driven by the buoyant export growth (see Chart 6.2). The 11-month data for 2012 suggest that the current account deficit in this period has been smaller than in the previous year.

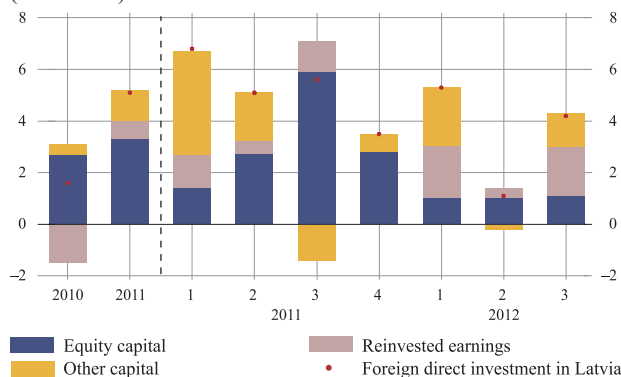
In the third quarter, the goods and services foreign trade deficit decreased to 101.9 million lats or 2.5% of GDP (mainly due to the successful development of foreign trade in goods). At the same time, a decline in freight transportation services (freight transportation by sea, rail and road) was observed in exports of services. Also the *Baltic Dry* and *Harpex* indices reflecting the dynamics of transportation by sea do not point to significant improvements in this sector in the coming months. However, the total increase in exports of services was supported by the development of other smaller sectors in the third quarter, with exports of travel services and construction increasing seasonally and information and computer services growing.

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



As foreign investors continued to gain profit, the income account deficit rose to 91.1 million lats (2.3% of GDP) in the third quarter. Given that some part of the previously suspended EU funds payments was received (the inflows of the first payments were observed already in the second quarter), they affected the current transfers account (its positive balance – 118.5 million lats or 2.9% of GDP) and the capital account (its positive balance – 269.8 million lats or 6.7% of GDP).

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

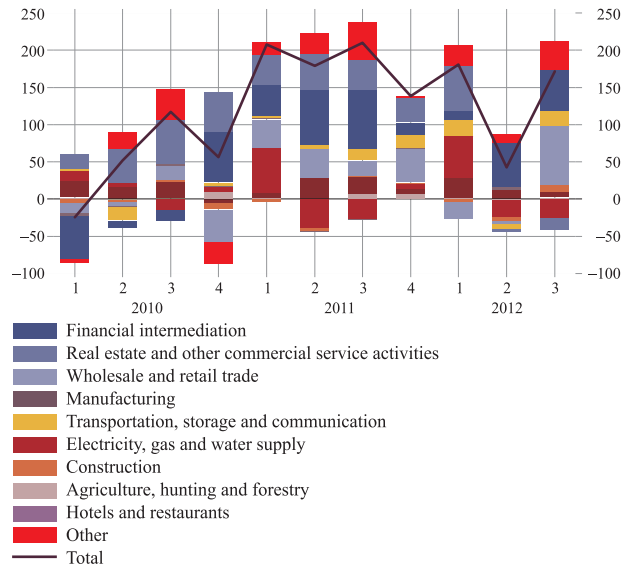


The financial account recorded a deficit of 135.4 million lats or 3.4% of GDP in the third quarter. In September, the Latvian government repaid a significant part of the IMF loan (205.8 million lats), but in December – the outstanding amount of the loan, and this contributed to a decrease in other investment on the liabilities side in the financial account.

In the third quarter, the inflows of foreign direct investment in Latvia amounted to 171.4 million lats (4.2% of GDP; see Chart 6.3). The inflows of foreign direct investment expanded quarter-on-quarter; moreover, the inflows of investment in manufacturing promise potential growth of exports in the future. The largest inflows of foreign direct investment (see Chart 6.4) were recorded in wholesale and retail trade (from Lithuania), financial intermediation (from



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



Sweden, Cyprus and Lithuania) and transportation and communications sector (from Lithuania, Russia and Sweden). In November, the international rating agencies *Standard & Poor's* and *Fitch Ratings* raised Latvia's credit rating, assessing Latvia's economy as one of the most flexible and resilient among the EU countries. This is an important assessment of Latvia's economic development potential. Latvia is currently experiencing a more buoyant economic growth (a further economic advance is also projected) compared to other EU countries; therefore, Latvia may become more attractive to foreign investors and international companies, boosting foreign direct investment also in the future.

Overall, the results of the first three quarters and preliminary data for October–November suggest that the current account deficit is expected to be small in 2012 as the growth of exports of goods remains high, but the decrease in freight transportation is offset by the growth of exports of other services.

## 7. Conclusions and Forecasts

Latvia's economic growth rate was the fastest among the EU Member States in the first three quarters of 2012. The Latvian economy managed to achieve considerable growth, despite the adverse developments observed in the global markets and major trade partner states. In 2013, the economic development will be affected by both external risks as well as risks stemming from domestic factors. External risks are mainly on the downside, whereas the risks associated with domestic developments lie largely on the upside.

### 7.1 Economic developments

Several international organisations (e.g. IMF and OECD) point out in their latest forecasts that the situation in the global economy is particularly fragile and have revised downwards the 2013 growth forecasts for several leading economies. The unstable economic conditions are also well reflected by various economic confidence indicators: both the business climate and consumer confidence indicators published by the EC as well as the PMI point to an overall negative mood.

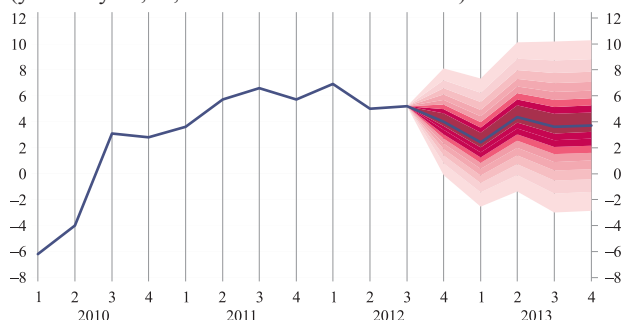
These factors should be kept in mind when analysing Latvia's near-term economic growth prospects, as, at the moment, Latvia is more than ever dependent on external market developments. Nevertheless, on the other hand, one has to take into account also that, due to the regained competitiveness, Latvia's exporters have proven capable of operating successfully and boosting their exports even in complex external conditions. The ability to increase the market shares, export market diversification and steeper growth of exports to partners outside the EU, have so far helped the Latvian producers to compensate the falling demand for imports in some EU Member States. Therefore, it is possible that the Latvian export growth will continue to outpace the import growth in Latvia's trade partners, thereby supporting higher economic growth than currently expected.

Analysing the risks stemming from the domestic environment, several aspects should be mentioned. Firstly, private consumption can be expected to increase at roughly the same pace as the real wage bill. Moreover, if the increase of the share of consumer non-durables in the overall trade

composition really is a signal for a potential improvement in the purchasing power of a larger part of the population, consumption can be expected to continue expanding steadily. In addition, with the conditions in the public finances sector improving, the tendency of making precautionary savings could weaken and thereby give an additional push to the rising consumption. On the other hand, private consumption growth could be dampened by the changing consumer sentiment. So far, the consumer outlook on future economic development has been unusually optimistic; nevertheless, with the confidence indicators in Latvia converging with those in other EU Member States, the growth of consumption could decelerate.

Secondly, the investment activity could weaken under the impact of the negative sentiment (businesses are concerned about the implementation of their investment projects because of the uncertainty surrounding the future developments). Moreover, it will be dampened by the expected delay in the implementation of a certain part of the big investment projects previously scheduled for 2013 which will now be completed only in 2014. At the same time, should the best circumstances combine and result in higher-than-expected lending expansion, particularly in the corporate segment, the investment growth could remain stable or even increase slightly year-on-year, instead of shrinking.

Chart 7.1  
GDP 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).

The overall GDP growth forecast for 2013 is 3.6%. According to this baseline scenario, the slowdown of growth in comparison with the previous year will be determined by both deceleration of exports and lower investment and private consumption growth. In 2013, the most significant deceleration of the year-on-year growth of economic activity is expected in construction and transport sectors as well as in some manufacturing sub-sectors (manufacture of metals and wood). Changes in the above factors may act to increase as well as to dampen the economic growth; therefore, the GDP growth could range from 3.1% to over 4% in 2013. Overall, the medium-term risks to the national economic growth prospects can be considered balanced (see Chart 7.1).

## 7.2 Inflation

In the last months of 2012, inflation stabilised at the lowest level since October 2010. Both the stabilisation of the global commodity prices and domestic factors (for example, balanced average wage and salary and

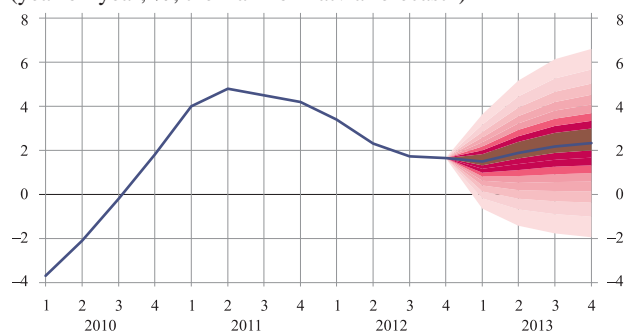
labour productivity growth and hence no upward demand side pressure on prices) contributed positively to the inflation rate developments.

The average annual inflation is expected to remain low in Latvia in the medium-term mainly due to supply-side factors. Currently, the stabilised oil and global food prices do not exceed the level of the beginning of 2012; hence their effect on the annual growth rate of Latvia's consumer prices will remain low in the course of 2013. As the global energy prices are stabilising, at this juncture, the local energy producers are also abstaining from proposing any new tariffs to the Public Utilities Commission. A relatively small number of heating tariff changes has been submitted so far and they generally offset one another. The latest gas tariff forecast for the first half of 2013 are also assuming lower nine-month average heating oil prices, which translates into reduced natural gas trading prices. The rise in electricity tariffs, in turn, is constrained by both the stable natural gas prices as well as the expected liberalisation of the electricity market that could take place in autumn of 2013. As opposed to Estonia where prices were expected to rise by up to 20% due the above reason, no increase is expected in Latvia as the price level exceeds by more than one fourth the electricity prices for households in Estonia before its market liberalisation.

On the other hand, the 2012 costs are gradually passing through to the core inflation, and both the import prices and producer prices have increased. Moreover, the upside risks to inflation will be increasingly more affected by the demand side factors: the expected positive increase in real wages and sustainable purchasing power could support a rise in consumption. However, considering the fact that the real purchasing power is reflected in the demand side inflation with a lag, the effect of the demand side factors is expected to grow in 2014.

Overall, the average inflation in 2013 is forecast at about 2%. At the beginning of the year, the inflation growth will be lower and it could accelerate gradually in the course of the year, although it is not expected to exceed 3% also at the end of the year. Currently, the risks to the inflation outlook are 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).

## Statistics

### List of tables

1.	Monetary Indicators and Interest Rates	44
2.ab	Real Sector Indicators and Prices	45
3.	Monetary Base	46
4.	Monetary Aggregates and Counterparts	47
5.	Seasonally Adjusted Monetary Aggregates	47
6.	The Bank of Latvia's Assets and Liabilities	48
7.	Aggregated Balance Sheet of MFIs (excluding the Bank of Latvia)	49
8.	Consolidated Balance Sheet of MFIs	50
9.ab	Aggregated Balance Sheet of MFIs (excluding the Bank of Latvia)	51
10.	Monetary Survey	54
11.ab	Foreign Assets and Liabilities of MFIs (excluding the Bank of Latvia)	55
12.	Selected Items in the Monthly Financial Position Report of MFIs (excluding the Bank of Latvia) by Group of Countries	56
13.	Maturity Profile of Deposits of Resident Financial Institutions, Non-Financial Corporations and Households (in lats and foreign currencies)	57
14.a	Deposits by Financial Institutions (in lats and foreign currencies)	58
14.b	Deposits by Non-Financial Corporations (in lats and foreign currencies)	59
14.c	Deposits by Households (in lats and foreign currencies)	60
14.d	Deposits by Government and Non-Residents (in lats and foreign currencies)	60
15.	Maturity Profile of Loans to Resident Financial Institutions, Non-Financial Corporations and Households (in lats and foreign currencies)	61
16.a	Loans to Financial Institutions and Non-Financial Corporations	61
16.b	Loans to Households	62
16.c	Loans to Government and Non-Residents	62
17.	Loans to Financial Institutions and Non-Financial Corporations in the National Economy	63
18.	Lending to Resident Financial Institutions, Non-Financial Corporations and Households	63
19.a	Holdings of Securities Other than Shares	64
19.b	Holdings of Shares and Other Equity	64
20.a	Currency Breakdown of Resident Deposits	65
20.b	Currency Breakdown of Non-Resident Deposits	65
20.c	Currency Breakdown of Loans to Residents	66
20.d	Currency Breakdown of Loans to Non-Residents	66
20.e	Currency Breakdown of Holdings of Resident Securities Other than Shares	67
20.f	Currency Breakdown of Holdings of Non-Resident Securities Other than Shares	67
20.g	Currency Breakdown of Debt Securities Issued by MFIs	68
21.a	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident Non-Financial Corporations and Households in Lats	68
21.b	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident Non-Financial Corporations and Households in Euro	72
21.c	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident Non-Financial Corporations and Households in US Dollars	76
21.d	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident Non-Financial Corporations (new business)	81



22.	Lending in the Interbank Markets	82
23.a	Interest Rates in the Domestic Interbank Market	83
23.b	Interest Rates Set by the Bank of Latvia	83
23.c	Interest Rates in Bank of Latvia Tenders of Repurchase Agreements and Short-Term Currency Swap Contracts	84
24.	Principal Foreign Exchange Transactions (by type, counterparty and currency)	84
25.	Non-cash Foreign Exchange Transactions	85
26.	Monthly Averages of the Exchange Rates Set by the Bank of Latvia	85
27.	Weighted Average Exchange Rates (cash transactions)	86
28.	Structure of Government Securities	87
29.	Auctions of Government Securities in the Primary Market	88
30.	The Bank of Latvia's Transactions in the Secondary Market for Government Securities	88
31.	Dynamics of GDP	88
32.	Changes in the Average Monthly Wages and Salaries and Unemployment	89
33.	Latvian Foreign Trade Balance	89
34.	Main Export Goods of Latvia	90
35.	Main Import Goods of Latvia	90
36.	Latvian Foreign Trade Partners	91
37.	Convenience and Extended Credit, Revolving Loans and Overdraft to Resident Non-financial Corporations and Households	92
38.a	Loans to Resident Non-financial Corporations in the Breakdown by Residual Maturity and by Interest Rate Reset Period	92
38.b	Loans to Resident Households in the Breakdown by Residual Maturity and by Interest Rate Reset Period	93

## 1. MONETARY INDICATORS AND INTEREST RATES

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

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1 <sup>1</sup>	15.9	17.4	15.6	14.9	24.5	15.6	15.3	14.5	16.6	14.9	11.0	12.8	14.9	13.9	14.8
M2 <sup>1</sup>	4.8	4.7	2.9	3.8	2.7	0.3	-0.1	0.5	0.5	2.0	0.1	2.4	3.0	3.0	1.9
M3 <sup>1</sup>	4.3	4.1	2.4	3.4	2.3	1.7	1.4	1.5	-0.1	1.5	-0.3	2.0	3.3	3.3	2.3
M2X <sup>1</sup>	3.4	3.3	1.9	3.4	0.1	1.5	1.0	1.7	1.3	3.0	0.2	2.3	3.4	3.6	2.6
Loans to resident financial institutions, non-financial corporations and households <sup>1</sup>	-8.5	-8.6	-8.4	-7.7	-7.6	-8.3	-8.2	-7.7	-11.0	-10.3	-12.7	-11.6	-11.6	-11.3	-11.2
Deposits of resident financial institutions, non-financial corporations and households <sup>1</sup>	1.6	1.6	-0.2	1.7	-3.0	-2.4	-3.1	-2.1	-2.5	-0.5	-3.0	-0.8	0.8	0.9	-0.2
Long-term interest rate for convergence assessment purposes <sup>2</sup>	5.67	5.60	5.60	5.62	5.73	5.93	5.74	5.45	5.15	5.10	5.15	5.07	4.67	4.45	3.92
RIGIBOR (3-month loans) <sup>3</sup>	0.8	0.8	0.9	1.0	1.3	1.9	1.8	1.3	1.2	1.0	0.9	0.9	0.7	0.6	0.6
Average yield on government bonds	4.1 <sup>4</sup>	4.0 <sup>4</sup>	4.1 <sup>4</sup>	-	4.2 <sup>4</sup>	-	4.4 <sup>4</sup>	4.3 <sup>4</sup>	4.1 <sup>4</sup>	5.3 <sup>5</sup>	5.3 <sup>5</sup>	4.8 <sup>5</sup>	4.4 <sup>5</sup>	4.0 <sup>5</sup>	3.6 <sup>5</sup>
OMXR <sup>3</sup>	438.4	403.6	386.7	385.0	379.9	373.0	379.9	391.4	393.7	392.3	380.3	367.6	381.4	381.3	386.0

<sup>1</sup> Year-on-year changes (%).

<sup>2</sup> Average secondary market yield of 10-year government bonds.

<sup>3</sup> Average of the period.

<sup>4</sup> Weighted average primary market yield of 5-year government bonds.

<sup>5</sup> 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	
<b>Industrial output<sup>1</sup></b>								
Increase/decrease <sup>2</sup> (at constant prices; working day adjusted data; %)	11.5	13.8	14.6	9.2	9.1	14.8	8.0	8.1
<b>Cargoes loaded and unloaded at ports</b>								
Turnover (thousands of tons)	68 821	16 345	18 105	16 532	17 838	20 032	20 309	17 722
Increase/decrease <sup>2</sup> (%)	12.5	4.7	18.6	13.1	13.9	22.6	12.2	7.2
<b>Retail trade turnover<sup>1,3</sup></b>								
Turnover (at current prices; millions of lats)	4 800.1	1 028.4	1 188.1	1 279.1	1 304.5	1 146.8	1 255.8	1 352.0
Increase/decrease <sup>2</sup> (at constant prices; %)	13.5	12.6	12.5	15.3	13.4	11.5	5.7	5.7
Unemployment rate (%)	11.5	14.4	12.6	11.6	11.5	11.7	11.9	11.0
Producer prices <sup>1</sup> (increase/decrease compared with the previous period; %)	7.7	2.0	3.9	1.4	-0.6	1.6	0.5	0.8
<b>Consumer price inflation</b>								
Year-on-year basis (%)	4.4	4.0	4.8	4.5	4.2	3.4	2.3	1.8
Quarter-on-quarter basis (%)	x	1.9	2.0	-0.1	0.3	1.1	0.9	-0.6
<b>Financial surplus/deficit in the consolidated general government budget</b>								
Surplus/deficit (millions of lats)	-444.9	-181.8	-35.5	159.8	-387.4	-43.9	106.3	279.0
Ratio to GDP (%)	3.1	5.9	1.0	4.3	9.9	1.3	2.8	6.9

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

<sup>2</sup> Year-on-year basis.

<sup>3</sup> Data have been revised.

## 2.b REAL SECTOR INDICATORS AND PRICES

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Industrial output <sup>1</sup>															
Increase/decrease <sup>2</sup> (at constant prices; working day adjusted data; %)	10.0 <sup>3</sup>	6.9	11.0	6.0	12.1	9.6 <sup>3</sup>	17.6	11.3	15.4	8.5	7.4	8.1	7.2	12.6	4.5
Cargoes loaded and unloaded at ports															
Turnover (thousands of tons)	5 851	5 372	5 309	5 887	5 801	6 150	6 999	5 800	7 233	7 082	6 910	6 317	5 913	5 894	5 915
Increase/decrease <sup>2</sup> (%)	11.0	16.3	12.3	13.2	11.4	17.2	36.4	21.8	12.0	11.5	9.2	16.4	1.1	9.7	11.4
Retail trade turnover <sup>1,3</sup>															
Turnover (at current prices; millions of lats)	422.1	434.5	422.5	426.3	409.0	469.1	378.2	364.1	404.4	397.1	423.5	435.2	452.5	462.7	436.8
Increase/decrease <sup>2</sup> (at constant prices; %)	14.0	16.8	15.0	14.5	13.5	12.5	16.4	10.3	8.3	5.8	4.5	6.8	7.2	6.5	3.4
Unemployment rate (%)	12.1	11.8	11.6	11.5	11.5	11.5	11.7	11.8	11.7	12.9	12.3	11.9	11.6	11.3	11.0
Producer prices <sup>1</sup> (increase/decrease compared with the previous period; %)	0.7	0.4	-0.4	0	-0.5	-0.1	1.8	0.2	-0.4	0.9	-0.4	0.2	0.5	0.5	0
Consumer price inflation															
Year-on-year basis (%)	4.3	4.7	4.6	4.4	4.2	4.0	3.6	3.4	3.3	2.8	2.2	1.9	1.7	1.7	1.8
Month-on-month basis (%)	-0.3	-0.3	0.4	0.2	0	0	0.8	0.1	0.6	0.6	-0.2	-0.1	-0.5	-0.3	0.5
Annual core inflation (%)	4.0	4.4	4.4	3.3	3.1	3.6	2.5	1.9	1.7	1.6	1.1	0.5	0.3	-0.2	-0.3
Financial surplus/deficit in the consolidated general government budget (millions of lats)	-26.0	204.1	-18.3	-23.8	-85.7	-277.9	82.0	-68.1	-57.8	20.5	55.2	30.6	114.3	153.5	11.2

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

<sup>2</sup> Year-on-year basis.

<sup>3</sup> Data have been revised.

## 3. MONETARY BASE

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Currency in circulation	990.2	993.0	1 012.3	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
Currency as percent of the monetary base	52.4	53.6	54.4	55.2	45.7	53.5	63.2	63.5	60.8	61.8	60.3	59.2	56.2	52.9	52.0
Deposits with the Bank of Latvia in lats	873.8	823.3	820.7	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
Deposits with the Bank of Latvia in foreign currencies	27.1	35.1	27.5	27.4	81.0	143.7	98.4	71.1	82.6	81.6	137.8	167.6	275.7	417.7	404.9
Deposits as percent of the monetary base	47.6	46.4	45.6	44.8	54.3	46.5	36.8	36.5	39.2	38.2	39.7	40.8	43.8	47.1	48.0
M0	1 891.2	1 851.4	1 860.5	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
Net foreign assets	3 769.6	3 984.2	3 987.5	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
Loans to MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit to central government (net)	-1 207.4	-1 385.2	-1 388.0	-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
Other items (net)	-671.0	-747.6	-738.9	-687.5	-312.2	-529.1	-730.3	-847.4	-819.5	-754.1	-759.3	-658.8	-651.2	-713.3	-664.4
Total	1 891.2	1 851.4	1 860.5	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

#### 4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>Monetary aggregates</b>															
M3	6 441.1	6 506.5	6 486.5	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
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	72.6	72.0	70.3	70.2	69.9	64.2	67.5	68.5	71.8	69.4	74.4	72.4	64.9	65.0	65.1
Debt securities issued with maturity of up to 2 years	20.6	20.6	20.6	20.6	20.6	133.1	133.1	107.4	0	0	0	0	50.5	51.0	50.2
M2	6 347.9	6 413.9	6 395.6	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
Deposits with an agreed maturity of up to 2 years	2 262.2	2 237.2	2 228.7	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
Deposits redeemable at notice of up to 3 months	230.3	227.5	226.4	225.7	222.5	219.5	196.7	199.0	201.3	202.0	207.5	211.9	209.5	208.3	208.8
M1	3 855.3	3 949.2	3 940.6	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
Currency outside MFIs	876.0	873.4	888.6	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
Overnight deposits	2 979.4	3 075.8	3 052.0	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
<b>Counterparts of monetary aggregates and longer-term financial liabilities</b>															
Deposits of central government	1 879.5	2 058.8	2 031.6	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
Longer-term financial liabilities	2 357.7	2 394.0	2 466.6	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
Deposits with an agreed maturity of over 2 years	252.5	255.1	255.8	257.2	261.7	258.3	257.7	258.8	230.4	230.7	227.7	233.3	231.0	238.7	244.9
Deposits redeemable at notice of over 3 months	0.1	0.1	0.1	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities issued with maturity of over 2 years	74.6	70.4	71.2	67.2	68.0	409.9	409.1	385.3	52.8	53.6	55.5	68.4	45.5	44.5	56.9
Capital and reserves	2 030.6	2 068.5	2 139.6	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
Credit to residents	12 652.1	12 689.3	12 638.9	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
Credit to general government	593.8	611.7	599.7	610.1	540.0	485.1	504.2	489.1	492.7	485.4	486.6	501.3	497.5	506.1	521.6
Credit to other residents	12 058.3	12 077.6	12 039.2	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
Loans	11 794.5	11 773.6	11 736.4	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
Net external assets	-771.9	-567.7	-466.9	-543.8	-435.6	-224.8	-183.2	270.1	-131.4	-121.9	64.2	54.2	249.9	378.6	155.0
Other items (net)	1 202.0	1 162.3	1 187.2	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

#### 5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1	3 816.5	3 930.2	3 962.6	4 007.2	4 391.8	4 283.4	4 302.8	4 333.0	4 353.6	4 293.3	4 249.9	4 329.8	4 387.5	4 470.3	4 539.2
M2	6 341.0	6 394.1	6 427.0	6 425.3	6 453.5	6 396.2	6 413.3	6 455.8	6 424.7	6 439.6	6 432.7	6 501.6	6 533.0	6 581.9	6 549.1
M3	6 436.1	6 483.6	6 517.0	6 515.3	6 550.3	6 600.9	6 618.5	6 630.1	6 495.4	6 510.4	6 503.5	6 573.1	6 650.6	6 693.8	6 667.0



## 6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>ASSETS</b>															
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	3 820.7	4 027.6	4 036.8	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
Fixed assets	30.1	30.1	30.1	30.2	30.3	30.7	30.5	30.5	30.4	30.8	30.9	31.2	31.7	31.5	31.5
Remaining assets	1.6	1.6	1.6	1.4	1.2	1.0	1.1	1.1	1.1	1.2	1.2	1.0	0.8	0.9	0.9
<b>Total</b>	<b>3 852.3</b>	<b>4 059.3</b>	<b>4 068.6</b>	<b>3 955.9</b>	<b>3 673.7</b>	<b>3 539.2</b>	<b>3 382.2</b>	<b>3 923.3</b>	<b>3 845.3</b>	<b>3 741.1</b>	<b>3 850.0</b>	<b>3 717.4</b>	<b>3 997.7</b>	<b>4 147.4</b>	<b>3 850.7</b>
<b>LIABILITIES</b>															
Currency in circulation	990.2	993.0	1 012.3	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
Deposits of residents	2 518.4	2 714.1	2 698.6	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
Central government	1 207.4	1 385.2	1 388.0	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
Other residents	84.9	85.2	85.0	90.7	263.4	42.7	31.0	24.9	21.4	22.3	65.9	66.7	70.2	71.3	72.5
MFIs	1 226.1	1 243.6	1 225.6	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
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	289.7	305.9	306.0	306.6	286.7	327.2	344.3	350.5	354.5	334.5	336.8	340.6	351.6	356.0	358.0
External liabilities	51.1	43.4	49.4	43.3	39.3	72.4	34.3	26.6	24.3	34.1	81.6	41.7	109.1	34.0	24.8
Remaining liabilities	3.0	2.9	2.3	3.0	2.8	2.0	2.8	2.6	24.1	2.1	2.7	2.0	3.0	1.8	2.4
<b>Total</b>	<b>3 852.3</b>	<b>4 059.3</b>	<b>4 068.6</b>	<b>3 955.9</b>	<b>3 673.7</b>	<b>3 539.2</b>	<b>3 382.2</b>	<b>3 923.3</b>	<b>3 845.3</b>	<b>3 741.1</b>	<b>3 850.0</b>	<b>3 717.4</b>	<b>3 997.7</b>	<b>4 147.4</b>	<b>3 850.7</b>

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

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>ASSETS</b>															
Loans to residents	13 377.8	13 397.3	13 334.0	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
General government	60.8	63.2	62.6	63.4	64.0	64.3	65.1	64.7	64.2	63.8	64.1	64.7	64.9	69.4	68.5
Other residents	11 794.5	11 773.6	11 736.4	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
MFIs	1 522.5	1 560.5	1 535.0	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
Holdings of securities other than shares issued by residents	548.5	563.7	552.4	560.6	489.4	432.5	451.3	425.8	430.0	423.0	423.6	437.7	433.7	437.8	454.2
General government	533.0	548.6	537.1	546.7	476.0	420.8	439.1	424.4	428.6	421.6	422.5	436.6	432.6	436.7	453.1
Other residents	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
MFIs	15.4	15.0	15.1	13.7	13.2	11.5	11.9	1.2	1.1	1.1	1.0	0.9	0.9	0.9	0.9
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	263.8	303.9	302.6	303.9	310.4	339.6	339.1	355.1	346.3	343.6	323.7	341.1	326.9	324.7	326.8
External assets	5 199.2	5 295.8	5 412.6	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
Fixed assets	125.5	123.9	124.2	125.9	125.1	100.4	99.7	99.8	98.8	98.2	91.1	88.1	87.7	87.4	86.8
Remaining assets	675.1	669.3	660.5	671.7	677.2	657.0	621.1	690.1	691.5	718.5	530.6	507.6	519.8	491.4	483.2
<b>Total</b>	<b>20 190.3</b>	<b>20 354.3</b>	<b>20 386.7</b>	<b>20 367.4</b>	<b>20 401.5</b>	<b>20 610.1</b>	<b>20 311.3</b>	<b>20 461.6</b>	<b>19 855.0</b>	<b>19 914.5</b>	<b>19 229.8</b>	<b>19 585.3</b>	<b>19 444.7</b>	<b>19 662.0</b>	<b>19 525.9</b>
<b>LIABILITIES</b>															
Deposits of residents	6 589.0	6 655.4	6 584.1	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
Central government	672.1	673.6	643.6	642.7	652.7	219.9	218.8	190.2	186.5	202.1	218.6	196.4	196.8	296.7	411.8
Other residents	5 639.5	5 710.4	5 677.9	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
MFIs	277.4	271.4	262.6	263.1	281.2	339.4	284.9	277.6	250.1	262.0	235.7	327.4	224.9	230.4	257.8
Money market fund shares and units	73.0	72.4	70.7	70.6	70.3	64.5	67.9	68.8	72.2	69.8	74.8	72.8	65.3	65.4	65.5
Debt securities issued	95.2	91.0	91.8	87.8	88.6	543.0	542.2	492.7	52.8	53.6	55.5	68.4	96.0	95.5	107.0
Capital and reserves	1 740.8	1 762.6	1 833.6	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
External liabilities	9 740.7	9 847.7	9 867.0	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
Remaining liabilities	1 951.6	1 925.2	1 939.5	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
<b>Total</b>	<b>20 190.3</b>	<b>20 354.3</b>	<b>20 386.7</b>	<b>20 367.4</b>	<b>20 401.5</b>	<b>20 610.1</b>	<b>20 311.3</b>	<b>20 461.6</b>	<b>19 855.0</b>	<b>19 914.5</b>	<b>19 229.8</b>	<b>19 585.3</b>	<b>19 444.7</b>	<b>19 662.0</b>	<b>19 525.9</b>

## 8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>ASSETS</b>															
Loans to residents	11 855.3	11 836.8	11 799.0	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
General government	60.8	63.2	62.6	63.4	64.0	64.3	65.1	64.7	64.2	63.8	64.1	64.7	64.9	69.4	68.5
Other residents	11 794.5	11 773.6	11 736.4	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
Holdings of securities other than shares issued by other residents	533.0	548.6	537.3	546.9	476.2	421.0	439.4	424.6	429.2	421.9	422.7	436.8	432.7	436.9	453.3
General government	533.0	548.6	537.1	546.7	476.0	420.8	439.1	424.4	428.9	421.6	422.5	436.6	432.6	436.7	453.1
Other residents	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Holdings of shares and other equity issued by other residents	263.8	303.9	302.6	303.9	310.4	339.6	339.1	355.1	346.3	343.6	323.7	341.1	326.9	324.7	326.8
External assets	9 019.9	9 323.4	9 449.5	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
Fixed assets	155.5	154.0	154.3	156.1	155.4	131.1	130.2	130.3	129.2	129.0	122.0	119.2	120.2	118.9	118.3
Remaining assets	562.5	551.2	538.4	555.0	549.8	537.7	514.4	584.4	580.2	601.1	411.7	401.7	404.5	376.7	373.4
<b>Total</b>	<b>22 390.0</b>	<b>22 718.0</b>	<b>22 781.1</b>	<b>22 740.2</b>	<b>22 545.2</b>	<b>22 437.3</b>	<b>22 202.4</b>	<b>22 804.0</b>	<b>22 107.4</b>	<b>22 091.9</b>	<b>21 600.6</b>	<b>21 802.9</b>	<b>21 939.9</b>	<b>22 106.3</b>	<b>21 661.2</b>
<b>LIABILITIES</b>															
Currency outside MFIs	876.0	873.4	888.6	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
Deposits of central government	1 879.5	2 058.8	2 031.6	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
Deposits of other general government and other residents	5 724.4	5 795.6	5 762.8	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
Money market fund shares and units	72.6	72.0	70.3	70.2	69.9	64.2	67.5	68.5	71.8	69.4	74.4	72.4	64.9	65.0	65.1
Debt securities issued	79.8	75.9	76.8	74.1	75.4	531.5	530.3	491.5	51.7	52.5	54.6	67.5	95.1	94.5	106.1
Capital and reserves	2 030.6	2 068.5	2 139.6	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
External liabilities	9 791.7	9 891.1	9 916.4	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
Remaining liabilities	1 954.5	1 928.1	1 941.8	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
Excess of inter-MFI liabilities	-19.0	-45.5	-46.8	-47.4	-45.7	-42.8	-41.7	-44.5	-45.9	-47.0	-1.1	1.3	-0.2	-0.1	0.1
<b>Total</b>	<b>22 390.0</b>	<b>22 718.0</b>	<b>22 781.1</b>	<b>22 740.2</b>	<b>22 545.2</b>	<b>22 437.3</b>	<b>22 202.4</b>	<b>22 804.0</b>	<b>22 107.4</b>	<b>22 091.9</b>	<b>21 600.6</b>	<b>21 802.9</b>	<b>21 939.9</b>	<b>22 106.3</b>	<b>21 661.2</b>

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

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
MFI reserves	1 340.3	1 363.2	1 349.3	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
Vault cash in national currency	114.2	119.6	123.7	118.1	128.6	120.2	107.8	106.8	112.4	118.6	120.1	106.9	115.3	115.7	110.7
Deposits with the Bank of Latvia	1 226.1	1 243.6	1 225.6	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
Foreign assets	5 199.2	5 295.8	5 412.6	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
Claims on the central government	533.0	548.6	537.1	546.7	476.0	420.6	439.0	424.2	428.4	421.4	422.3	436.4	432.4	436.5	452.9
Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of securities other than shares	533.0	548.6	537.1	546.7	476.0	420.6	439.0	424.2	428.4	421.4	422.3	436.4	432.4	436.5	452.9
Claims on the local government	60.8	63.2	62.6	63.4	64.0	64.4	65.3	64.9	64.3	64.0	64.3	64.8	65.1	69.6	68.7
Loans	60.8	63.2	62.6	63.4	64.0	64.3	65.1	64.7	64.2	63.8	64.1	64.7	64.9	69.4	68.5
Holdings of securities other than shares	0	0	0	0	0	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	528.0	561.5	554.3	549.3	549.5	570.7	586.2	586.8	582.6	588.7	555.7	561.8	547.8	548.8	547.5
Loans	325.0	318.4	312.5	308.2	302.1	302.1	318.0	315.0	308.3	315.2	285.8	287.6	288.0	291.8	290.9
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0.1	0.2	0	0	0	0	0
Holdings of shares and other equity	203.1	243.2	241.7	241.1	247.4	268.6	268.1	271.8	274.2	273.4	269.8	274.1	259.9	257.0	256.7
Claims on public non-financial corporations	450.4	449.6	453.5	453.7	443.3	434.9	430.4	431.7	430.6	436.7	430.5	487.4	494.1	501.1	500.8
Loans	450.4	449.6	453.5	453.7	443.3	434.9	430.4	431.7	430.6	436.7	430.5	487.4	494.1	501.1	500.8
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on private non-financial corporations	5 604.5	5 612.1	5 611.5	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
Loans	5 543.7	5 551.3	5 550.5	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
Holdings of securities other than shares	0.1	0.1	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Holdings of shares and other equity	60.8	60.7	60.8	62.8	62.9	71.0	71.0	83.3	72.1	70.2	53.8	67.0	67.0	67.7	70.1
Claims on households	5 475.4	5 454.4	5 419.9	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
Loans	5 475.4	5 454.4	5 419.9	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
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	125.5	123.9	124.2	125.9	125.1	100.4	99.7	99.8	98.8	98.2	91.1	88.1	87.7	87.4	86.8
Other assets	560.9	549.7	536.8	553.6	548.5	537.0	513.4	583.3	579.1	599.8	410.5	400.6	404.5	375.7	372.6
Claims on resident MFIs	296.5	316.9	309.4	310.5	326.8	384.7	329.1	324.6	296.3	309.0	236.8	326.2	225.1	230.5	257.7
Holdings of MFI securities other than shares	15.4	15.0	15.1	13.7	13.2	11.5	11.9	1.2	1.1	1.1	1.0	0.9	0.9	0.9	0.9
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
<b>TOTAL ASSETS</b>	<b>20 190.3</b>	<b>20 354.3</b>	<b>20 386.7</b>	<b>20 367.4</b>	<b>20 401.5</b>	<b>20 610.1</b>	<b>20 311.3</b>	<b>20 461.6</b>	<b>19 855.0</b>	<b>19 914.5</b>	<b>19 229.8</b>	<b>19 585.3</b>	<b>19 444.7</b>	<b>19 662.0</b>	<b>19 525.9</b>

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

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Overnight deposits in lats	1 603.1	1 621.1	1 625.1	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
Financial institutions	60.6	55.4	49.8	58.5	67.0	47.1	53.8	57.3	57.3	58.9	50.8	50.5	61.1	64.6	56.5
Public non-financial corporations	101.1	104.1	104.3	118.7	162.1	166.8	147.1	151.9	166.8	157.5	100.6	83.3	92.2	94.5	95.1
Private non-financial corporations	681.6	713.8	710.8	724.1	704.2	782.2	734.6	732.9	682.1	691.9	674.1	688.0	713.5	728.6	733.2
Households	759.8	747.8	760.2	760.8	737.0	825.1	797.7	812.6	809.7	823.1	842.1	874.0	875.5	873.6	873.3
Time deposits in lats	835.1	817.0	801.3	781.4	665.3	722.2	728.9	741.3	729.4	747.4	758.5	722.4	661.7	656.9	655.0
Financial institutions	202.6	186.8	181.0	170.2	154.3	146.7	144.9	141.8	141.3	140.1	137.3	137.6	118.1	118.7	135.5
Public non-financial corporations	138.0	152.7	143.9	138.0	90.4	87.0	76.8	76.3	90.8	92.1	102.2	98.1	75.6	76.8	67.5
Private non-financial corporations	119.6	103.6	102.9	100.9	107.8	103.2	105.8	117.4	117.5	133.4	134.1	113.0	95.6	90.3	82.3
Households	374.9	373.9	373.5	372.3	312.9	385.3	401.5	405.8	379.8	381.8	384.9	373.7	372.4	371.1	369.7
Deposits redeemable at notice in lats	80.6	80.7	80.2	81.1	81.3	84.4	78.6	79.5	80.8	81.4	83.0	84.3	86.2	87.2	87.4
Financial institutions	7.5	7.4	7.4	7.4	7.4	7.4	7.5	7.4	7.4	7.4	7.4	7.4	7.3	7.3	7.3
Public non-financial corporations	1.2	0.9	1.0	1.1	0.9	0.9	0.8	0.9	0.9	0.9	0.8	0.9	0.8	1.3	1.2
Private non-financial corporations	12.2	11.8	9.5	9.5	9.0	8.4	7.2	7.8	7.7	7.3	6.6	6.6	7.1	6.5	6.0
Households	59.7	60.6	62.3	63.2	63.9	67.7	63.1	63.4	64.8	65.9	68.2	69.5	71.0	72.1	72.9
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	2 874.1	2 927.6	2 915.0	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
Financial institutions	235.3	261.3	267.1	202.3	208.5	234.1	233.4	266.3	281.4	268.7	261.4	261.0	245.3	263.3	264.5
Public non-financial corporations	89.5	96.4	90.5	88.7	84.2	86.0	111.1	122.1	128.4	119.1	105.7	160.5	129.9	133.6	147.5
Private non-financial corporations	836.7	843.1	811.6	806.4	897.6	846.4	852.7	871.7	840.8	860.2	843.6	879.5	938.9	961.9	892.7
Households	1 712.6	1 726.8	1 745.8	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
Deposits of central government	672.1	673.6	643.6	642.7	652.7	219.9	218.8	190.2	186.5	202.1	218.6	196.4	196.8	296.7	411.8
Overnight deposits in lats	12.3	13.1	14.4	9.3	11.1	11.4	9.5	10.1	9.9	9.6	10.7	11.4	8.7	11.0	16.1
Time deposits in lats	31.8	59.8	63.7	65.1	68.2	88.3	86.8	90.0	86.0	80.7	82.0	55.4	57.5	61.1	57.4
Deposits redeemable at notice and repos in lats	0.3	0.3	0.3	0.3	0.3	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0
Foreign currency deposits	627.7	600.3	565.1	567.9	573.0	119.7	122.5	90.0	90.5	111.8	125.9	129.6	130.5	224.5	338.3
Deposits of local government	246.6	263.9	256.4	253.4	246.8	191.9	208.0	212.0	223.7	231.9	231.5	225.6	221.9	229.7	218.7
Overnight deposits in lats	168.1	183.8	172.1	170.8	179.2	130.5	143.0	148.9	161.8	163.1	158.7	155.2	154.0	156.0	148.9
Time deposits in lats	31.4	34.3	34.7	33.0	20.5	16.4	16.2	15.3	15.5	16.1	15.3	15.5	15.3	15.2	15.2
Deposits redeemable at notice and repos in lats	4.8	4.1	4.3	5.1	5.5	5.6	2.0	2.1	1.9	1.9	2.0	2.0	2.0	2.0	2.0
Foreign currency deposits	42.3	41.8	45.3	44.5	41.6	39.3	46.8	45.7	44.5	50.8	55.5	52.9	50.6	56.5	52.7
Transit funds	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x



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

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Foreign liabilities	9 740.7	9 847.7	9 867.0	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
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	73.0	72.4	70.7	70.6	70.3	64.5	67.9	68.8	72.2	69.8	74.8	72.8	65.3	65.4	65.5
Debt securities issued	95.2	91.0	91.8	87.8	88.6	543.0	542.2	492.7	52.8	53.6	55.5	68.4	96.0	95.5	107.0
Capital and reserves	1 740.8	1 762.6	1 833.6	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
Residents	378.3	400.0	366.4	385.7	380.5	146.2	144.4	134.0	204.6	220.2	406.3	443.1	454.4	471.6	488.0
Retained earnings of the reporting year	90.3	114.1	67.9	76.8	78.5	-175.2	-1.1	-6.6	37.3	54.6	72.5	78.7	90.0	105.7	119.3
Non-residents	1 362.6	1 362.6	1 467.3	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
Provisions	1 639.3	1 619.7	1 634.0	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
Other liabilities (incl. subordinated liabilities)	312.3	305.6	305.4	313.5	669.3	665.7	633.2	647.3	635.4	647.3	343.8	332.6	367.0	296.0	308.4
Liabilities to resident MFIs	277.4	271.4	262.6	263.1	281.2	339.4	284.9	277.6	250.1	262.0	235.7	327.4	224.9	230.4	257.8
<b>TOTAL LIABILITIES</b>	<b>20 190.3</b>	<b>20 354.3</b>	<b>20 386.7</b>	<b>20 367.4</b>	<b>20 401.5</b>	<b>20 610.1</b>	<b>20 311.3</b>	<b>20 461.6</b>	<b>19 855.0</b>	<b>19 914.5</b>	<b>19 229.8</b>	<b>19 585.3</b>	<b>19 444.7</b>	<b>19 662.0</b>	<b>19 525.9</b>
Memo items															
Trust assets	417.2	441.3	483.3	486.1	803.1	664.6	614.8	710.5	573.8	586.5	534.0	717.6	607.3	615.1	580.8
Foreign	338.3	354.7	390.9	395.3	458.5	537.6	501.9	604.1	471.7	486.9	434.8	624.6	516.4	523.2	489.1
Domestic	78.9	86.6	92.4	90.8	344.6	127.0	112.9	106.4	102.0	99.6	99.2	93.0	91.0	91.9	91.7
Trust liabilities	417.2	441.3	483.3	486.1	803.1	664.6	614.8	710.5	573.8	586.5	534.0	717.6	607.3	615.1	580.8
Foreign	360.3	387.0	429.6	434.0	489.8	572.4	538.3	639.1	507.5	524.5	475.0	660.3	552.6	560.9	527.5
Domestic	57.0	54.3	53.7	52.1	313.3	92.2	76.5	71.4	66.3	62.0	59.0	57.3	54.7	54.2	53.3

## 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										
VII	876.0	2 773.3	1 344.9	1 314.6	113.8	2 619.7	1 562.2	841.5	216.0	6 268.9
VIII	873.4	2 855.0	1 329.3	1 404.9	120.8	2 591.6	1 579.9	778.4	233.3	6 319.9
IX	888.6	2 839.2	1 340.5	1 382.0	116.7	2 582.4	1 601.3	758.1	223.0	6 310.2
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
	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										
VII	-771.9	10 526.1	-1 532.3	5 475.4	6 132.6	450.4	-3 485.3	7 040.8	6 268.9	
VIII	-567.7	10 366.6	-1 711.0	5 454.4	6 173.6	449.6	-3 479.0	6 887.6	6 319.9	
IX	-466.9	10 351.0	-1 688.2	5 419.9	6 165.8	453.5	-3 573.9	6 777.1	6 310.2	
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	

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

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Claims on MFIs	3 046.2	3 084.2	3 045.8	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
Loans															
Overnight	1 897.9	1 943.2	1 777.9	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
Short-term	665.1	625.7	742.8	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
Long-term	190.9	189.8	192.0	178.1	173.8	172.8	172.8	172.7	173.7	173.7	175.3	14.1	13.1	12.4	12.2
Redeemable at notice	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0
Holdings of securities other than shares	251.2	284.5	292.2	303.7	305.6	383.4	393.2	396.2	447.5	468.3	490.2	499.8	509.4	520.1	519.8
Holdings of shares and other equity	0.5	0.4	0.3	0.4	0.4	0.4	0.5	0.7	0.6	0.6	0.8	0.8	0.8	0.9	0.9
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	40.5	40.5	40.5
Claims on non-MFIs	1 911.7	2 000.7	2 155.9	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
Loans															
Short-term	395.9	413.9	449.3	458.5	533.2	494.8	540.1	563.7	464.5	456.1	432.4	448.9	447.7	466.8	455.3
Long-term	893.3	848.9	872.5	842.6	835.7	865.6	859.1	802.0	666.7	692.0	682.7	694.9	724.9	711.7	705.7
Holdings of securities other than shares															
Government	340.6	342.5	439.8	417.8	404.8	335.0	351.8	365.5	564.3	547.5	557.4	672.1	676.6	635.1	598.6
Private sector	216.2	332.1	331.1	298.7	340.4	332.4	350.0	343.7	330.4	341.8	352.5	344.1	338.6	339.2	325.2
Holdings of shares and other equity	30.6	28.2	28.5	28.4	29.3	29.6	30.4	36.7	37.8	42.2	35.2	33.4	36.0	32.5	31.9
Other claims	35.1	35.1	34.8	34.4	34.4	34.4	34.4	34.4	30.7	30.7	30.7	32.4	32.4	32.4	43.3
Vault cash in foreign currencies	78.4	74.2	73.4	72.1	65.0	112.8	87.0	82.2	71.6	74.0	113.8	74.3	90.3	74.2	75.9
Other assets															
Other assets	162.9	136.7	137.5	139.5	148.3	181.4	179.7	219.8	196.8	211.0	210.8	226.1	246.9	208.9	184.5
Total foreign assets	5 199.2	5 295.8	5 412.6	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
Memo items															
Trust assets	338.3	354.7	390.9	395.3	458.5	537.6	501.9	604.1	471.7	486.9	434.8	624.6	516.4	523.2	489.1

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

(at end of period; millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>Liabilities to MFIs</b>															
Overnight	600.5	600.7	565.4	611.5	376.4	267.9	295.2	246.3	220.8	280.5	269.9	272.3	254.3	200.4	270.7
Short-term	234.0	167.8	204.2	190.7	115.7	272.8	168.6	185.8	208.8	226.8	213.5	440.4	480.9	666.0	562.8
Long-term	4 571.7	4 452.8	4 373.5	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
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	5 217.9	5 063.5	4 972.6	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
<b>Non-MFI deposits</b>															
Overnight	2 984.7	3 256.4	3 321.5	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
Short-term	548.4	564.5	595.2	541.1	564.5	608.1	449.4	439.6	444.2	498.2	458.5	467.1	388.8	400.6	375.6
Long-term	512.4	513.5	493.7	514.6	496.2	511.7	493.2	506.7	505.9	498.6	468.3	454.0	442.6	484.3	471.3
Redeemable at notice	167.3	155.1	164.1	180.0	149.8	179.1	152.7	161.7	151.6	145.5	122.4	134.9	118.7	127.8	107.3
<b>Other liabilities</b>															
Other liabilities <sup>1</sup>	121.7	136.9	149.3	143.4	163.8	122.3	127.1	141.0	313.7	145.1	150.1	132.0	130.7	150.9	164.9
<b>Total foreign liabilities</b>	<b>9 740.7</b>	<b>9 847.7</b>	<b>9 867.0</b>	<b>9 918.3</b>	<b>9 751.5</b>	<b>9 726.6</b>	<b>9 548.1</b>	<b>9 699.0</b>	<b>9 918.1</b>	<b>9 893.5</b>	<b>9 692.5</b>	<b>9 904.2</b>	<b>9 807.5</b>	<b>9 919.8</b>	<b>9 720.1</b>
<b>Memo items</b>															
Trust liabilities	360.3	387.0	429.6	434.0	489.8	572.4	538.3	639.1	507.5	524.5	475.0	660.3	552.6	560.9	527.5

<sup>1</sup> 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
<b>2011</b>												
VII	2 118.6	1 055.5	635.5	610.8	367.3	678.4	4 564.8	1 949.7	841.4	1 098.7	392.4	3 114.1
VIII	2 142.2	1 156.3	616.7	620.3	369.1	642.5	4 361.4	1 923.6	859.9	1 204.5	490.4	3 285.0
IX	2 050.5	1 183.6	662.2	651.0	393.6	670.8	4 322.2	1 898.6	821.0	1 192.0	416.9	3 382.6
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
<b>2012</b>												
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

**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					
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>Overnight deposits</b>															
Amount	2 773.3	2 855.0	2 839.2	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
% <sup>1</sup>	51.4	52.4	52.4	53.6	56.9	57.1	56.8	56.7	56.6	55.7	55.4	56.9	58.1	58.9	59.2
<b>Time deposits</b>															
<b>Maturity of 1–6 months</b>															
Amount	862.6	819.8	828.9	736.5	701.3	736.6	737.6	779.3	740.2	787.0	775.0	719.9	670.8	661.4	638.4
% <sup>1</sup>	16.0	15.1	15.3	13.8	13.5	13.5	13.7	14.3	13.7	14.5	14.4	13.2	12.3	12.0	11.8
<b>Maturity of 6–12 months</b>															
Amount	1 013.9	1 017.6	992.2	982.0	767.0	793.0	780.4	764.3	814.7	841.9	862.1	870.0	881.1	878.0	849.9
% <sup>1</sup>	18.8	18.7	18.3	18.3	14.8	14.6	14.5	14.0	15.1	15.5	16.0	16.0	16.2	16.0	15.7
<b>Long-term</b>															
Amount	517.5	530.7	539.1	548.2	553.9	593.4	612.2	627.3	589.0	575.9	560.0	551.0	519.8	513.0	511.6
% <sup>1</sup>	9.6	9.7	9.9	10.2	10.6	10.9	11.4	11.5	10.9	10.6	10.4	10.1	9.6	9.3	9.5
<b>Maturity of 1–2 years</b>															
Amount	265.1	275.6	283.4	291.1	292.2	335.1	354.4	368.5	358.7	345.1	332.3	317.8	288.8	274.3	266.8
% <sup>1</sup>	4.9	5.1	5.2	5.4	5.6	6.2	6.6	6.7	6.6	6.4	6.2	5.8	5.3	5.0	4.9
<b>Maturity of over 2 years</b>															
Amount	252.5	255.1	255.8	257.2	261.7	258.3	257.7	258.8	230.4	230.7	227.7	233.3	231.0	238.7	244.9
% <sup>1</sup>	4.7	4.7	4.7	4.8	5.0	4.7	4.8	4.7	4.3	4.3	4.2	4.3	4.2	4.3	4.5
<b>Deposits redeemable at notice</b>															
<b>Up to 3 months</b>															
Amount	225.5	223.4	222.1	220.6	216.9	213.8	194.7	196.8	199.4	200.1	205.5	209.9	207.5	206.2	206.8
% <sup>1</sup>	4.2	4.1	4.1	4.1	4.2	3.9	3.6	3.6	3.7	3.7	3.8	3.8	3.8	3.8	3.8
<b>Over 3 months</b>															
Amount	0.1	0.1	0.1	0	0	0	0	0	0	0	0	0	0	0	0
% <sup>1</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Repos</b>															
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% <sup>1</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total deposits</b>	<b>5 393.0</b>	<b>5 446.5</b>	<b>5 421.6</b>	<b>5 354.0</b>	<b>5 194.0</b>	<b>5 446.1</b>	<b>5 376.2</b>	<b>5 468.1</b>	<b>5 402.1</b>	<b>5 428.1</b>	<b>5 385.5</b>	<b>5 451.1</b>	<b>5 437.2</b>	<b>5 493.0</b>	<b>5 409.0</b>

<sup>1</sup> 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									
VII	75.5	120.5	55.1	46.1	0.5	0	0	297.8	213.1
VIII	83.6	112.8	54.7	46.1	1.0	0	0	298.2	193.4
IX	91.1	97.3	49.1	45.5	0.8	0	0	283.8	181.6
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
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									
VII	41.9	90.0	11.1	57.1	7.9	0	0	208.2	57.5
VIII	45.9	88.9	11.1	58.3	8.6	0	0	212.8	56.3
IX	51.4	90.5	12.3	59.1	8.2	0	0	221.5	56.6
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



## 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									
VII	113.8	206.0	8.2	0.5	1.3	0	0	329.8	240.3
VIII	120.8	223.6	8.1	0.5	1.0	0	0	354.0	257.6
IX	116.7	213.2	8.1	0.5	1.1	0	0	339.7	249.1
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
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									
VII	1 197.1	365.5	36.3	22.1	29.1	0	0	1 650.1	813.4
VIII	1 275.5	311.5	37.8	22.0	25.6	0	0	1 672.3	829.2
IX	1 239.5	313.2	36.5	21.9	23.7	0	0	1 634.9	823.2
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

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

(at end of period; millions of lats)

	Households									In lats
	Overnight	With agreed maturity			Redeemable at notice		Repos			
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2011										
VII	1 344.9	1 094.6	154.3	126.6	186.7	0.1	0	2 907.1	1 194.4	
VIII	1 329.2	1 100.5	164.0	128.2	187.2	0.1	0	2 909.1	1 182.3	
IX	1 340.5	1 107.0	177.2	128.8	188.3	0.1	0	2 941.8	1 196.0	
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	

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

(at end of period; millions of lats)

	General government				Non-residents				In lats	
	Central government	Local government	In lats		MFIs	Non-MFIs				
							General government	Other		
2011										
VII	672.1	246.6	918.6	248.7	5 406.2	4 212.8	2.4	4 210.4	9 618.9	157.0
VIII	673.6	263.9	937.5	295.4	5 221.4	4 489.5	2.5	4 487.1	9 710.9	138.3
IX	643.6	256.3	899.9	289.5	5 143.2	4 574.5	2.7	4 571.8	9 717.8	176.7
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

## 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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>Short-term</b>															
Amount	1 987.1	1 996.3	2 000.2	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
% <sup>1</sup>	16.9	17.0	17.0	17.4	17.7	17.1	17.6	17.6	16.6	16.9	16.6	16.5	16.6	17.3	17.6
<b>Maturity of 1–5 years</b>															
Amount	1 972.1	1 982.4	1 969.2	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
% <sup>1</sup>	16.7	16.8	16.8	16.7	16.3	16.0	15.9	15.7	15.6	15.6	15.4	15.5	15.5	15.5	15.4
<b>Maturity of over 5 years</b>															
Amount	7 835.2	7 795.0	7 767.1	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
% <sup>1</sup>	66.4	66.2	66.2	65.9	66.0	66.9	66.5	66.7	67.8	67.5	68.0	68.0	67.9	67.2	67.0
Total loans	11 794.5	11 773.6	11 736.4	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

<sup>1</sup> 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		
<b>2011</b>																
VII	0.4	1.2	0.3	120.5	323.8	36.2	13.9	42.6	393.9	450.4	11.6	1 386.6	1 367.4	2 789.7	5 543.7	479.9
VIII	0.5	1.3	0.5	116.8	317.0	37.5	13.7	41.6	394.3	449.6	10.2	1 395.7	1 378.9	2 776.7	5 551.3	521.7
IX	0.1	0.1	0.1	116.4	312.4	39.2	15.9	41.2	396.4	453.5	9.6	1 396.4	1 381.3	2 772.8	5 550.5	546.7
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
<b>2012</b>																
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

## 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					
<b>2011</b>														
VII	627.8	192.8	106.0	329.0	4 362.0	174.0	244.0	3 944.0	485.6	98.9	103.6	283.0	5 475.4	528.0
VIII	628.7	194.1	106.6	327.9	4 339.3	177.3	242.7	3 919.3	486.4	98.1	106.4	281.9	5 454.4	531.9
IX	628.3	192.4	107.2	328.7	4 308.6	179.4	235.0	3 894.2	482.9	99.7	99.9	283.4	5 419.9	534.5
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
<b>2012</b>														
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

## 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			
<b>2011</b>										
VII	0	60.8	60.8	2.1	2 754.1	1 289.2	0.1	1 289.1	4 043.3	257.7
VIII	0	63.2	63.2	2.3	2 758.8	1 262.8	0.1	1 262.7	4 021.6	256.0
IX	0	62.6	62.6	2.6	2 712.8	1 321.8	0.1	1 321.7	4 034.6	263.5
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
<b>2012</b>										
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

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

(at end of Q3 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	%
<b>Total</b>	2 077.0	100.0	359.2	100.0	2 487.5	100.0	332.5	100.0	1 114.3	100.0	136.3	100.0	5 678.8	100.0	828.0	100.0
<b>A</b> Agriculture, forestry and fishing	136.8	6.6	33.3	9.3	160.8	6.5	44.7	13.4	62.5	5.6	19.9	14.6	360.0	6.3	97.9	11.8
<b>B</b> Mining and quarrying	8.5	0.4	2.0	0.6	9.8	0.4	1.3	0.4	2.8	0.2	0	0	21.1	0.4	3.3	0.4
<b>C</b> Manufacturing	308.5	14.8	48.0	13.4	332.0	13.3	12.8	3.9	151.1	13.5	11.3	8.3	791.6	13.9	72.1	8.7
<b>D</b> Electricity, gas, steam and air conditioning supply	107.0	5.2	6.5	1.8	249.1	10.0	18.3	5.5	102.1	9.2	3.0	2.2	458.2	8.1	27.8	3.4
<b>E</b> Water supply; sewerage, waste management and remediation activities	3.1	0.1	0.5	0.1	17.5	0.7	4.7	1.4	25.5	2.3	4.0	2.9	46.2	0.8	9.2	1.1
<b>F</b> Construction	138.6	6.7	20.6	5.7	121.2	4.9	7.1	2.1	185.7	16.7	36.5	26.8	445.5	7.9	64.2	7.8
<b>G</b> Wholesale and retail trade; repair of motor vehicles and motorcycles	357.6	17.2	85.7	23.9	186.1	7.5	31.0	9.3	99.1	8.9	14.4	10.6	642.7	11.3	131.1	15.8
<b>H</b> Transportation and storage	62.3	3.0	19.5	5.4	184.3	7.4	4.9	1.5	106.1	9.5	9.2	6.8	352.7	6.2	33.6	4.1
<b>I</b> Accommodation and food service activities	37.2	1.8	3.5	1.0	68.8	2.8	3.6	1.1	23.9	2.1	1.2	0.9	129.9	2.3	8.3	1.0
<b>J</b> Information and communication	11.8	0.6	7.0	1.9	20.1	0.8	1.8	0.5	14.1	1.3	0.1	0.1	45.9	0.8	8.9	1.1
<b>K</b> Financial and insurance activities	126.0	6.1	14.0	3.9	189.0	7.6	37.2	11.2	16.6	1.5	0.6	0.4	331.6	5.9	51.8	6.3
<b>L</b> Real estate activities	663.5	31.9	81.8	22.8	864.6	34.7	152.1	45.8	261.6	23.5	31.0	22.7	1 789.8	31.5	264.9	32.0
<b>M</b> Professional, scientific and technical activities	5.3	0.3	1.6	0.4	6.5	0.3	1.6	0.5	6.0	0.5	0.2	0.2	17.8	0.3	3.4	0.4
<b>N</b> Administrative and support service activities	54.3	2.6	25.1	7.0	17.6	0.7	1.4	0.4	11.8	1.1	0.3	0.2	83.7	1.5	26.8	3.2
<b>O</b> Public administration and defence; compulsory social security	0.7	0	0.4	0.1	0.5	0	0.1	0	0	0	0	0	1.3	0	0.5	0.1
<b>P</b> Education	1.8	0.1	0.2	0.1	2.1	0.1	0.1	0	0.7	0.1	0	0	4.6	0.1	0.3	0
<b>Q</b> Human health and social work activities	7.0	0.3	2.3	0.6	11.4	0.5	3.2	1.0	3.5	0.3	1.5	1.1	21.9	0.4	7.0	0.8
<b>R</b> Arts, entertainment and recreation	13.7	0.7	1.5	0.4	6.1	0.2	0.9	0.3	10.8	1.0	1.0	0.7	30.6	0.5	3.4	0.4
<b>S</b> Other service activities	33.3	1.6	5.7	1.6	40.0	1.6	5.7	1.7	30.4	2.7	2.1	1.5	103.7	1.8	13.5	1.6

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

(at end of period; millions of lats)

	2011		2012		
	IX	XII	III	VI <sup>1</sup>	IX
Commercial credit	1 769.9	1 657.0	1 588.2	1 629.0	1 690.2
Industrial credit	2 057.5	2 019.4	1 943.1	1 805.6	1 846.9
Reverse repo	0.8	0.6	0.6	0.7	0.6
Financial leasing	22.0	23.5	23.3	26.6	28.6
Consumer credit	424.2	417.5	411.2	397.6	392.5
Mortgage loans	6 660.6	6 419.9	6 013.5	5 835.1	5 710.6
Factoring	1.5	2.3	2.3	1.8	1.8
Other credit	787.7	818.3	747.7	742.7	749.0
<b>Total loans</b>	<b>11 724.1</b>	<b>11 358.5</b>	<b>10 730.0</b>	<b>10 439.2</b>	<b>10 420.2</b>

<sup>1</sup> 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										
VII	15.4	15.4	533.0	317.7	0.1	0.1	808.0	780.0	1 356.5	511.3
VIII	15.0	15.0	548.6	334.1	0.1	0.1	959.1	889.7	1 522.7	525.2
IX	15.1	15.1	537.1	342.0	0.2	0.2	1 063.0	986.7	1 615.4	512.7
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

## 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						
VII		0.4	263.8	106.7	370.9	222.9
VIII		0.4	303.9	104.2	408.5	223.1
IX		0.4	302.6	104.2	407.1	221.1
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



## 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										
VII	277.4	35.1	64.9	46.7	18.0	6 311.6	43.9	56.1	49.6	5.6
VIII	271.4	30.1	69.9	56.4	12.5	6 384.0	44.1	55.9	49.3	5.3
IX	262.6	42.1	57.9	45.0	9.7	6 321.5	44.2	55.8	49.2	5.5
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

## 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										
VII	5 406.2	1.9	98.1	92.3	2.0	4 212.8	1.3	98.7	35.5	57.7
VIII	5 221.4	1.5	98.5	92.4	2.0	4 489.5	1.4	98.6	32.9	47.7
IX	5 143.2	2.5	97.5	91.1	2.5	4 574.5	1.0	99.0	33.6	59.8
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

## 20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; millions of lats)	Structure (%)				
		In lats	In foreign currencies			
				incl. EUR	incl. USD	
2011						
VII	11 855.3	8.9	91.1	87.6	1.8	
VIII	11 836.8	9.3	90.7	87.2	1.8	
IX	11 799.0	9.6	90.4	86.8	1.9	
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	

## 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										
VII	2 754.1	8.6	91.4	27.3	57.0	1 289.2	1.6	98.4	47.2	48.0
VIII	2 758.8	8.5	91.5	25.8	55.9	1 262.8	1.6	98.4	46.7	48.3
IX	2 712.8	8.9	91.1	28.4	54.8	1 321.8	1.6	98.4	44.4	50.2
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

## 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											
VII	15.4	25.9	74.1	69.4	4.7	533.0	95.2	4.8	3.7	1.1	
VIII	15.0	24.7	75.3	70.8	0	548.6	95.2	4.8	3.6	1.2	
IX	15.1	25.8	74.2	74.2	0	537.3	94.7	5.3	3.7	1.6	
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	

## 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											
VII	251.2	0	100.0	28.7	68.0	556.8	0	100.0	47.2	47.8	
VIII	284.5	0	100.0	28.1	69.8	674.6	0	100.0	37.8	56.6	
IX	292.2	0	100.0	27.6	70.4	770.8	0	100.0	36.6	59.8	
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	

## 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	
<b>2011</b>				
VII	95.2		10.5	89.5
VIII	91.0		9.7	90.3
IX	91.8		9.7	90.3
X	87.8		10.1	89.9
XI	88.6		10.0	90.0
XII	543.0		3.2	96.8
<b>2012</b>				
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

## 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									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Deposits from households																
Overnight <sup>1</sup>	0.21	0.20	0.22	0.22	0.29	0.31	0.28	0.30	0.26	0.23	0.24	0.23	0.22	0.20	0.14	
With agreed maturity																
Up to 1 year	0.80	0.63	0.51	0.61	1.52	1.84	1.54	1.12	1.40	1.40	1.13	1.16	1.20	1.08	1.00	
Over 1 and up to 2 years	2.87	2.99	3.37	3.44	3.43	2.81	3.27	3.06	2.24	2.48	2.02	1.83	1.93	1.54	1.87	
Over 2 years	3.46	3.30	4.14	4.98	4.83	3.87	4.36	3.46	3.49	2.93	3.26	2.50	3.04	3.29	3.61	
Redeemable at notice <sup>2</sup>																
Up to 3 months	0.38	0.37	0.37	0.37	0.27	0.28	0.24	0.23	0.22	0.21	0.21	0.18	0.15	0.14	0.13	
Over 3 months	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Deposits from non-financial corporations																
Overnight <sup>1</sup>	0.10	0.10	0.10	0.11	0.14	0.12	0.13	0.15	0.12	0.11	0.13	0.11	0.08	0.08	0.06	
With agreed maturity																
Up to 1 year	0.32	0.48	0.38	0.43	0.42	0.31	0.39	0.40	0.34	0.31	0.31	0.34	0.20	0.11	0.08	
Over 1 and up to 2 years	2.66	2.89	1.93	2.08	x	2.48	2.42	1.81	1.76	1.81	2.10	1.61	1.81	1.76	1.85	
Over 2 years	2.11	1.23	1.35	2.05	1.00	2.60	1.97	x	x	x	1.74	2.78	2.13	2.87	1.67	
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

<sup>1</sup> End-of-period.

<sup>2</sup> 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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>Households</b>															
Overnight <sup>1</sup>	0.21	0.20	0.22	0.22	0.29	0.31	0.28	0.30	0.26	0.23	0.24	0.23	0.22	0.20	0.14
With agreed maturity															
Up to 2 years	2.73	2.60	2.51	2.47	2.34	2.21	2.13	2.09	2.09	2.09	2.06	2.02	1.98	1.93	1.89
Over 2 years	5.22	5.19	5.17	5.15	5.15	5.02	4.96	4.93	5.09	5.03	4.88	4.82	4.74	4.70	4.63
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.38	0.37	0.37	0.37	0.27	0.28	0.24	0.23	0.22	0.21	0.21	0.18	0.15	0.14	0.13
Over 3 months	2.13	2.20	2.20	2.16	x	x	x	x	x	x	x	x	x	x	x
<b>Non-financial corporations</b>															
Overnight <sup>1</sup>	0.10	0.10	0.10	0.11	0.14	0.12	0.13	0.15	0.12	0.11	0.13	0.11	0.08	0.08	0.06
With agreed maturity															
Up to 2 years	1.59	1.72	1.71	1.74	1.58	1.66	1.77	1.72	1.66	1.53	1.33	1.36	1.39	1.21	1.12
Over 2 years	3.78	3.72	3.68	3.62	3.53	3.42	3.16	2.69	2.23	2.22	2.06	2.25	2.49	2.45	2.38
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> End-of-period.

<sup>2</sup> 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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	22.84	22.79	22.76	22.77	22.60	23.01	22.76	22.80	22.71	22.62	22.65	22.53	22.54	22.56	22.52
Extended credit card credit <sup>1</sup>	24.05	23.98	23.97	24.09	24.15	24.18	24.14	24.11	23.23	23.25	23.24	23.29	23.26	23.22	23.15
<b>Lending for house purchase</b>															
<b>By initial rate fixation</b>															
Floating rate and up to 1 year	3.69	3.51	3.17	3.10	3.25	4.53	4.04	3.63	3.65	3.57	3.14	3.56	3.34	3.44	3.18
of wich with collateral or guarantees	3.64	3.55	3.16	3.03	3.24	4.46	3.80	3.50	3.56	3.66	3.13	3.56	3.28	3.37	3.01
Over 1 and up to 5 years	7.98	8.46	6.16	6.72	9.57	7.95	9.57	7.50	9.66	4.39	6.54	6.70	7.26	9.75	8.67
of wich with collateral or guarantees	7.91	7.62	5.71	5.94	7.29	6.27	x	6.00	8.93	3.75	5.86	5.91	x	7.59	6.94
Over 5 and up to 10 years	x	x	x	5.08	x	x	x	x	7.75	6.49	x	6.86	7.68	6.24	x
of wich with collateral or guarantees	x	x	x	5.08	x	x	x	x	8.70	x	x	x	9.13	x	x
Over 10 years	x	x	x	x	x	x	x	x	6.36	x	x	x	5.49	x	x
of wich with collateral or guarantees	x	x	x	x	x	x	x	x	6.17	x	x	–	x	x	x
Annual percentage rate of charge <sup>2</sup>	4.18	4.08	3.78	3.59	3.69	4.88	4.56	4.10	4.44	3.89	3.73	4.06	3.87	4.12	3.68
<b>Consumer credit</b>															
<b>By initial rate fixation</b>															
Floating rate and up to 1 year	19.03	17.62	15.70	15.76	17.16	20.07	20.34	19.85	21.50	21.63	17.29	21.07	19.96	18.62	18.72
of wich with collateral or guarantees	4.59	4.61	4.47	3.62	3.90	5.39	6.93	5.09	4.59	4.91	3.87	5.03	4.53	4.54	4.22
Over 1 year	17.63	17.36	16.00	14.09	13.41	12.18	15.70	16.46	17.04	18.67	17.44	17.54	17.56	17.78	15.92
of wich with collateral or guarantees	8.40	7.86	7.12	4.70	5.82	5.19	4.94	6.69	6.47	8.21	8.30	8.79	7.50	7.92	6.08
Annual percentage rate of charge <sup>2</sup>	20.67	22.01	21.69	21.98	22.27	22.01	22.68	22.54	21.61	22.52	22.01	22.29	22.16	21.92	22.06
<b>Other lending by initial rate fixation</b>															
Floating rate and up to 1 year	5.19	5.64	6.34	4.72	4.87	6.03	7.24	6.37	7.25	6.95	7.29	6.49	7.79	12.93	7.89
Over 1 year	13.60	12.35	11.35	x	13.99	14.59	13.42	11.69	12.97	14.23	x	x	15.02	14.28	11.74

<sup>1</sup> End-of-period.

<sup>2</sup> 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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	3.01	3.01	3.11	3.13	3.20	3.62	3.50	3.41	3.38	3.27	2.86	2.87	2.78	2.76	2.75
Extended credit card credit <sup>1</sup>	23.16	23.29	22.72	23.12	24.32	23.03	23.32	23.61	23.03	23.03	24.16	24.15	24.13	24.14	24.69
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	5.79	5.43	5.03	4.50	4.62	5.01	5.78	5.45	4.97	5.07	4.93	4.73	4.58	4.33	4.55
of wich with collateral or guarantees	5.70	5.22	5.23	4.86	4.99	5.20	5.71	5.22	5.01	4.61	4.76	4.69	4.43	4.20	4.47
Over 1 year	5.08	6.64	5.85	5.19	4.27	5.04	4.92	5.62	x	4.59	3.35	4.70	3.67	4.72	x
of wich with collateral or guarantees	5.06	6.52	5.74	5.06	4.24	5.00	x	x	x	x	3.44	x	3.57	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	4.22	4.35	4.24	3.82	4.33	4.65	x	x	5.25	4.03	4.62	5.21	5.35	4.89	4.98
of wich with collateral or guarantees	4.41	4.66	4.49	4.01	4.66	5.61	x	x	5.49	4.06	4.62	5.03	5.40	4.89	4.66
Over 1 year	x	x	3.81	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	x	x	x	5.63	3.83	3.62	x	3.26	x	x	x	3.09	2.90	x	3.36
of wich with collateral or guarantees	x	x	x	5.52	3.84	3.69	–	x	x	x	x	5.26	3.38	x	3.70
Over 1 year	–	–	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	–

<sup>1</sup> 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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>Loans to households</b>															
<b>Lending for house purchase, with maturity</b>															
Up to 1 year	5.13	5.13	5.38	5.00	4.99	5.25	6.15	5.19	4.99	2.18	4.82	5.00	5.80	5.77	6.04
Over 1 and up to 5 years	4.97	4.91	4.38	4.38	4.52	4.95	4.91	4.94	5.12	5.03	4.94	4.95	4.90	4.80	4.81
Over 5 years	4.75	4.61	4.48	4.39	4.36	4.50	4.60	4.60	4.48	4.30	4.20	4.11	4.01	3.88	3.78
<b>Consumer credit and other loans, with maturity<sup>1</sup></b>															
Up to 1 year <sup>2</sup>	23.77	23.67	23.60	23.24	22.73	22.69	23.03	23.11	23.45	23.28	23.21	23.22	23.19	23.21	22.99
Over 1 and up to 5 years	19.23	19.25	18.97	18.88	18.69	18.62	18.00	18.03	18.08	18.00	17.62	17.49	17.46	17.38	17.38
Over 5 years	10.38	10.34	10.28	10.20	10.12	10.03	9.64	9.60	9.62	9.60	9.11	8.92	8.53	8.40	8.23
<b>Loans to non-financial corporations</b>															
<b>With maturity<sup>1</sup></b>															
Up to 1 year <sup>2</sup>	3.77	3.67	3.76	3.77	3.89	4.29	4.37	4.18	4.41	3.83	3.17	3.29	3.21	3.15	3.20
Over 1 and up to 5 years	4.40	4.31	4.35	4.37	4.36	4.32	4.41	4.36	4.55	4.35	4.28	4.39	4.35	4.16	4.27
Over 5 years	4.37	4.38	4.33	4.32	4.41	4.52	4.75	4.70	4.40	4.37	4.22	4.00	3.91	3.86	3.80

<sup>1</sup> Including revolving loans, overdrafts, and extended and convenience credit card credit.

<sup>2</sup> 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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>Deposits from households</b>															
<b>Overnight<sup>1</sup></b>															
With agreed maturity	0.61	0.57	0.61	0.59	0.59	0.56	0.38	0.38	0.34	0.35	0.35	0.28	0.27	0.20	0.14
Up to 1 year	1.73	1.68	1.68	1.76	1.74	1.86	1.46	1.05	0.99	1.02	0.80	1.00	0.87	0.53	0.39
Over 1 and up to 2 years	3.52	3.59	3.46	3.34	3.95	3.32	3.45	3.13	2.39	2.39	2.22	2.12	1.96	2.08	2.07
Over 2 years	3.50	3.15	4.01	3.06	3.66	5.10	4.27	5.52	4.01	5.35	3.58	5.45	3.50	3.50	3.33
<b>Redeemable at notice<sup>2</sup></b>															
Up to 3 months	0.77	1.03	1.22	0.84	0.73	0.71	0.72	0.72	0.65	0.65	0.42	0.34	0.28	0.25	0.25
Over 3 months	x	x	x	x	x	x	x	x	x	x	x	x	x	x	-
<b>Deposits from non-financial corporations</b>															
<b>Overnight<sup>1</sup></b>															
With agreed maturity	0.57	0.56	0.64	0.59	0.46	0.42	0.22	0.23	0.22	0.19	0.19	0.19	0.21	0.12	0.12
Up to 1 year	1.14	1.22	1.16	1.14	0.95	0.78	0.62	0.57	0.47	0.53	0.49	0.40	0.43	0.19	0.17
Over 1 and up to 2 years	2.67	2.35	2.45	3.29	2.10	2.86	1.84	1.98	2.23	2.38	1.56	1.70	1.31	1.33	x
Over 2 years	4.30	2.35	4.02	x	6.91	3.65	x	x	2.25	1.42	2.58	1.92	2.92	x	1.20
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> End-of-period.

<sup>2</sup> 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									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
<b>Households</b>																
Overnight <sup>1</sup>	0.61	0.57	0.61	0.59	0.59	0.56	0.38	0.38	0.34	0.35	0.35	0.28	0.27	0.20	0.14	
With agreed maturity																
Up to 2 years	2.73	2.68	2.64	2.64	2.53	2.53	2.51	2.47	2.44	2.42	2.34	2.31	2.22	2.14	2.09	
Over 2 years	6.22	6.15	6.14	6.06	6.10	6.06	6.03	5.99	4.82	4.79	4.74	4.75	4.74	4.68	4.63	
Redeemable at notice <sup>2</sup>																
Up to 3 months	0.77	1.03	1.22	0.84	0.73	0.71	0.72	0.72	0.65	0.65	0.42	0.34	0.28	0.25	0.25	
Over 3 months	2.62	2.60	2.43	2.39	x	x	x	x	x	x	x	x	x	x	–	
<b>Non-financial corporations</b>																
Overnight <sup>1</sup>	0.57	0.56	0.64	0.59	0.46	0.42	0.22	0.23	0.22	0.19	0.19	0.19	0.21	0.12	0.12	
With agreed maturity																
Up to 2 years	2.04	2.21	2.12	2.11	1.97	1.88	1.84	1.81	1.70	1.66	1.61	1.54	1.37	1.33	1.26	
Over 2 years	5.08	5.12	5.17	5.16	5.75	5.18	5.86	1.61	1.62	1.60	2.78	2.76	2.76	2.73	2.73	
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

<sup>1</sup> End-of-period.

<sup>2</sup> 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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	5.72	5.75	5.79	5.68	5.56	6.07	5.53	5.27	5.11	5.01	4.92	4.90	4.86	4.78	4.63
Extended credit card credit <sup>1</sup>	30.95	31.05	30.60	30.69	30.62	30.75	31.77	31.34	23.85	24.06	24.05	23.93	23.69	23.80	23.67
<b>Lending for house purchase</b>															
<b>By initial rate fixation</b>															
Floating rate and up to 1 year	3.96	4.03	3.87	3.89	3.84	3.99	4.04	3.84	3.63	3.62	3.60	3.44	3.32	3.16	3.06
of wich with collateral or guarantees	3.93	4.01	3.84	3.76	3.82	3.95	4.04	3.89	3.66	3.64	3.63	3.41	3.30	3.14	3.04
Over 1 and up to 5 years	5.48	6.15	5.59	5.28	6.35	5.35	5.47	5.54	5.53	5.51	4.78	5.83	4.63	4.66	4.68
of wich with collateral or guarantees	5.54	6.39	5.58	5.41	6.34	5.51	5.47	5.60	5.58	5.68	4.76	5.84	4.55	4.61	4.60
Over 5 and up to 10 years	5.09	5.09	6.34	6.50	6.07	4.35	5.87	4.96	x	4.79	5.46	x	x	x	6.15
of wich with collateral or guarantees	x	4.94	5.65	6.17	x	4.12	5.97	4.83	x	4.77	5.52	x	x	x	x
Over 10 years	5.34	x	x	5.13	4.73	x	x	x	5.27	5.09	x	x	x	x	x
of wich with collateral or guarantees	5.24	x	x	5.09	5.50	x	x	x	5.36	5.05	x	x	x	x	x
Annual percentage rate of charge <sup>2</sup>	4.15	4.24	4.10	4.10	4.13	4.19	4.28	4.06	3.89	3.95	3.83	3.70	3.52	3.34	3.22
<b>Consumer credit</b>															
<b>By initial rate fixation</b>															
Floating rate and up to 1 year	8.26	8.84	7.76	7.81	8.13	10.99	7.88	7.81	8.05	6.82	8.03	7.36	6.66	6.85	6.45
of wich with collateral or guarantees	5.60	x	x	5.12	4.75	x	x	x	4.43	4.59	x	x	x	x	x
Over 1 year	23.32	23.77	23.78	22.91	21.55	20.91	24.53	22.37	22.09	21.26	19.61	20.45	19.21	18.98	19.07
of wich with collateral or guarantees	13.07	12.22	12.69	12.62	12.36	11.68	13.44	12.91	10.10	9.44	11.00	10.29	8.47	8.52	8.77
Annual percentage rate of charge <sup>2</sup>	17.90	19.94	16.20	15.58	17.51	21.14	16.48	18.32	18.66	18.50	19.77	18.94	18.26	18.92	17.84
<b>Other lending by initial rate fixation</b>															
Floating rate and up to 1 year	5.72	5.35	5.19	4.91	3.67	4.86	4.04	5.02	5.85	3.60	4.02	5.22	4.57	4.92	5.29
Over 1 year	6.95	4.24	8.04	4.71	x	4.73	3.68	7.45	8.03	8.31	x	x	x	5.51	7.07

<sup>1</sup> End-of-period.

<sup>2</sup> 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									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	4.83	4.79	4.73	4.49	4.56	4.68	4.40	4.41	4.51	3.98	3.91	3.92	3.82	3.83	3.86	
Extended credit card credit <sup>1</sup>	25.39	25.78	23.28	24.84	25.43	24.68	24.90	24.30	23.34	23.35	23.59	23.90	23.25	23.01	24.64	
Other loans up to 0.25 million euro by initial rate fixation																
Floating rate and up to 1 year	5.95	5.95	5.26	5.40	5.53	5.53	4.70	5.08	4.89	4.66	4.14	4.52	4.79	4.20	3.61	
of wich with collateral or guarantees	5.94	6.04	5.26	5.37	5.34	5.50	4.61	5.09	4.96	4.67	4.09	4.40	4.75	4.07	3.59	
Over 1 year	5.03	6.00	5.49	4.57	5.54	4.94	4.89	6.13	6.18	5.74	5.00	x	4.39	x	4.52	
of wich with collateral or guarantees	5.57	6.88	5.40	4.81	5.54	5.32	4.68	6.13	6.03	5.68	4.89	x	4.52	x	4.93	
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation																
Floating rate and up to 1 year	5.29	5.23	4.65	4.90	5.07	4.97	6.24	4.93	4.39	4.92	4.53	4.35	4.60	4.38	4.01	
of wich with collateral or guarantees	5.29	5.28	4.66	5.06	5.11	5.00	6.52	4.75	4.38	4.89	4.48	4.37	4.51	4.34	4.03	
Over 1 year	x	5.01	3.99	6.20	x	5.97	x	4.85	3.73	x	x	5.11	x	x	5.22	
of wich with collateral or guarantees	x	6.92	5.84	5.86	x	6.73	x	x	x	x	x	x	x	x	6.44	
Other loans over 1 million euro by initial rate fixation																
Floating rate and up to 1 year	4.15	4.75	3.69	3.58	4.41	4.54	3.60	4.31	4.26	2.31	3.82	3.72	3.59	3.70	3.01	
of wich with collateral or guarantees	4.12	4.71	3.74	3.76	4.75	4.44	3.46	4.38	4.21	2.68	3.68	3.71	2.96	3.52	3.02	
Over 1 year	x	4.91	x	x	x	3.79	x	5.60	x	x	x	x	x	5.38	3.46	
of wich with collateral or guarantees	x	x	x	x	x	x	x	5.79	x	x	x	x	x	5.67	x	

<sup>1</sup> 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									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Loans to households																
Lending for house purchase, with maturity																
Up to 1 year	25.15	6.32	4.53	6.57	22.35	22.68	2.99	21.40	25.58	4.04	25.49	21.25	7.72	21.19	20.89	
Over 1 and up to 5 years	5.23	5.30	5.36	5.42	5.36	5.19	5.16	5.13	4.98	4.88	4.78	4.67	4.48	4.25	4.06	
Over 5 years	3.80	3.81	3.82	3.82	3.80	3.77	3.71	3.62	3.50	3.37	3.28	3.21	3.09	3.00	2.90	
Consumer credit and other loans, with maturity <sup>1</sup>																
Up to 1 year <sup>2</sup>	7.24	7.51	7.74	7.24	7.35	6.78	8.56	8.75	9.36	10.18	9.25	9.06	9.13	9.32	9.16	
Over 1 and up to 5 years	9.30	9.19	9.54	9.88	9.87	10.11	9.84	9.93	10.12	10.12	10.01	9.95	10.01	10.05	10.04	
Over 5 years	5.78	5.75	5.71	5.70	5.70	5.71	5.26	5.21	5.06	4.95	4.84	4.74	4.65	4.56	4.48	
Loans to non-financial corporations																
With maturity <sup>1</sup>																
Up to 1 year <sup>2</sup>	5.99	5.87	5.60	5.29	5.49	5.46	5.22	5.27	4.81	4.38	4.36	4.28	4.06	4.40	3.93	
Over 1 and up to 5 years	4.76	4.83	4.86	4.84	4.85	4.71	4.68	5.43	4.36	4.25	4.03	4.22	3.87	3.74	3.62	
Over 5 years	3.87	4.04	3.97	3.96	3.90	3.77	3.69	3.62	3.47	3.39	3.24	3.22	3.18	3.11	3.08	

<sup>1</sup> Including revolving loans, overdrafts, and extended and convenience credit card credit.

<sup>2</sup> 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									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Deposits from households																
Overnight <sup>1</sup>																
	0.18	0.18	0.21	0.18	0.18	0.16	0.17	0.23	0.18	0.18	0.28	0.26	0.24	0.21	0.18	
With agreed maturity																
Up to 1 year	0.39	0.39	0.36	0.51	0.70	0.95	0.52	0.43	0.42	0.39	0.41	0.52	0.43	0.31	0.34	
Over 1 and up to 2 years	3.23	2.80	2.85	3.05	2.92	2.50	2.89	2.37	1.77	1.43	1.59	1.43	1.80	1.92	1.05	
Over 2 years	3.47	3.06	3.87	4.52	4.26	3.74	3.27	3.20	1.96	3.64	3.61	3.70	3.03	3.49	3.76	
Redeemable at notice <sup>2</sup>																
Up to 3 months	0.29	0.29	0.29	0.30	0.28	0.28	0.27	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	
Over 3 months	x	x	x	x	x	-	-	-	-	-	-	-	-	-	-	
Deposits from non-financial corporations																
Overnight <sup>1</sup>																
	0.08	0.09	0.05	0.05	0.12	0.05	0.06	0.07	0.05	0.08	0.06	0.08	0.09	0.12	0.07	
With agreed maturity																
Up to 1 year	0.12	0.13	0.23	0.26	0.18	0.34	0.16	0.21	0.19	0.15	0.14	0.13	0.14	0.15	0.11	
Over 1 and up to 2 years	-	x	-	-	-	x	x	-	-	x	-	-	-	-	-	
Over 2 years	x	-	x	-	x	-	x	-	-	-	x	-	-	-	x	
Repos																
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

<sup>1</sup> End-of-period.

<sup>2</sup> 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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>Households</b>															
Overnight <sup>1</sup>	0.18	0.18	0.21	0.18	0.18	0.16	0.17	0.23	0.18	0.18	0.28	0.26	0.24	0.21	0.18
With agreed maturity															
Up to 2 years	1.99	1.91	1.84	1.81	1.64	1.60	1.57	1.48	1.50	1.49	1.42	1.41	1.38	1.35	1.33
Over 2 years	4.63	4.62	4.59	4.37	4.31	4.21	4.12	4.07	4.03	4.01	4.00	3.96	3.86	3.70	3.50
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.29	0.29	0.29	0.30	0.28	0.28	0.27	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24
Over 3 months	1.01	1.01	1.01	1.01	x	-	-	-	-	-	-	-	-	-	-
<b>Non-financial corporations</b>															
Overnight <sup>1</sup>	0.08	0.09	0.05	0.05	0.12	0.05	0.06	0.07	0.05	0.08	0.06	0.08	0.09	0.12	0.07
With agreed maturity															
Up to 2 years	0.59	0.64	0.71	0.91	0.83	0.83	0.81	0.55	0.51	0.62	0.74	0.77	0.80	0.71	0.56
Over 2 years	4.03	4.03	3.98	3.98	3.98	3.98	3.58	3.58	3.58	3.58	3.58	3.55	3.55	3.55	3.55
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> End-of-period.

<sup>2</sup> 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									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	10.09	10.41	10.13	9.56	9.84	7.51	8.22	8.11	7.46	7.16	7.27	7.22	7.18	7.26	6.78	
Extended credit card credit <sup>1</sup>	24.40	24.63	24.92	24.94	25.20	24.88	25.30	25.65	25.27	24.86	24.96	24.94	24.75	24.78	25.22	
Lending for house purchase																
By initial rate fixation																
Floating rate and up to 1 year	3.05	3.56	2.75	3.13	3.32	2.48	3.57	3.50	2.67	2.43	3.25	3.20	2.54	3.19	4.20	
of wich with collateral or guarantees	2.98	3.33	2.50	2.84	3.03	2.48	3.78	3.50	2.67	2.63	3.09	3.17	3.10	3.32	4.19	
Over 1 and up to 5 years	–	x	x	–	–	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	x	x	
Over 5 and up to 10 years	–	–	–	–	–	x	x	x	x	–	–	x	x	1.20	x	
of wich with collateral or guarantees	–	–	–	–	–	x	x	x	x	–	–	x	x	x	–	
Over 10 years	x	x	–	x	x	–	x	–	x	–	–	–	x	–	–	
of wich with collateral or guarantees	x	x	–	x	x	–	x	–	–	–	–	–	x	–	–	
Annual percentage rate of charge <sup>2</sup>	3.27	3.79	4.56	3.31	3.38	2.50	3.63	3.63	3.24	2.69	3.27	3.49	4.28	2.94	4.22	
Consumer credit																
By initial rate fixation																
Floating rate and up to 1 year	12.44	19.57	10.97	14.22	16.94	19.31	x	x	15.54	15.03	13.57	x	16.95	8.39	15.99	
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	–	–	–	–	–	–	
Annual percentage rate of charge <sup>2</sup>	18.71	20.30	17.36	17.60	15.66	20.86	16.73	20.91	14.31	18.34	14.33	17.84	20.68	12.25	18.63	
Other lending by initial rate fixation																
Floating rate and up to 1 year	x	x	6.03	x	x	x	5.14	4.20	4.46	4.64	7.26	4.35	4.65	14.59	6.84	
Over 1 year	x	x	x	x	–	x	–	x	x	–	x	–	x	–	–	

<sup>1</sup> End-of-period.

<sup>2</sup> 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									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	6.00	5.48	5.02	4.04	4.24	4.46	4.56	4.80	4.70	4.35	3.97	3.89	3.90	3.73	3.64	
Extended credit card credit <sup>1</sup>	22.68	17.75	18.56	14.23	36.80	22.24	16.76	13.34	10.56	16.24	15.63	18.04	18.05	20.12	19.56	
Other loans up to 0.25 million euro by initial rate fixation																
Floating rate and up to 1 year	x	x	6.97	x	x	9.01	x	5.88	4.95	x	2.00	3.04	x	5.36	x	
of wich with collateral or guarantees	x	x	x	–	x	x	x	7.11	6.56	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	x	–	
of wich with collateral or guarantees	–	x	–	–	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	x	x	
of wich with collateral or guarantees	x	x	x	x	x	x	x	–	x	–	x	x	–	x	x	
Over 1 year	–	–	–	–	–	–	x	–	–	–	–	–	–	–	–	
of wich with collateral or guarantees	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

<sup>1</sup> 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									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
<b>Loans to households</b>																
<b>Lending for house purchase, with maturity</b>																
Up to 1 year	2.63	2.67	2.41	2.37	2.41	2.23	1.83	1.79	1.83	1.93	1.96	1.91	2.51	2.35	5.06	
Over 1 and up to 5 years	3.89	3.79	3.75	3.96	3.95	3.92	4.27	4.77	4.77	4.72	5.11	5.29	5.38	5.46	5.71	
Over 5 years	2.93	2.93	2.94	2.95	2.98	3.01	3.07	3.09	3.02	2.99	3.00	2.98	3.03	3.02	3.02	
<b>Consumer credit and other loans, with maturity<sup>1</sup></b>																
Up to 1 year <sup>2</sup>	13.95	13.86	14.16	14.21	13.11	13.53	14.14	13.89	10.55	10.58	9.66	11.22	11.13	10.20	10.55	
Over 1 and up to 5 years	7.48	10.77	10.78	10.87	7.21	10.96	10.87	10.85	10.84	10.83	11.05	7.97	7.73	11.40	7.33	
Over 5 years	4.19	4.18	4.13	4.00	4.02	4.16	4.22	4.24	4.23	4.17	4.09	4.02	4.02	4.01	4.00	
<b>Loans to non-financial corporations</b>																
<b>With maturity<sup>1</sup></b>																
Up to 1 year <sup>2</sup>	5.78	5.66	5.76	4.74	4.94	5.15	5.15	5.49	5.36	4.96	4.57	4.49	4.52	4.39	4.11	
Over 1 and up to 5 years	5.01	5.15	5.09	5.24	5.20	5.03	5.37	5.50	5.33	5.35	5.15	5.26	5.55	5.85	5.81	
Over 5 years	5.28	5.29	5.30	5.16	5.15	5.32	5.30	5.21	5.30	5.21	5.17	5.12	4.92	4.48	4.06	

<sup>1</sup> Including revolving loans, overdrafts, extended credit card credit and convenience credit card credit.

<sup>2</sup> 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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
<b>In lats</b>															
Loans up to an amount of 0.25 million euro	5.14	4.90	4.91	4.79	4.87	5.24	5.94	5.35	5.40	4.61	4.94	4.82	4.67	4.25	4.48
of wich with collateral or guarantees	5.10	4.74	4.88	4.62	4.73	5.05	5.72	5.18	5.32	4.53	4.73	4.75	4.48	4.11	4.34
Loans over an amount 0.25 million euro and up to 1 million euro	x	4.42	5.31	x	4.04	4.48	x	x	5.25	3.94	3.86	4.92	4.38	4.01	4.87
of wich with collateral or guarantees	x	4.42	5.45	x	4.17	4.48	x	x	5.49	3.98	3.86	4.67	4.43	3.95	4.54
Loans over 1 million euro	x	x	4.22	5.52	3.96	3.24	x	x	x	4.49	x	2.85	2.90	2.93	x
of wich with collateral or guarantees	x	x	4.25	5.52	x	3.24	–	x	x	4.49	x	4.22	3.38	x	x
<b>In euro</b>															
Loans up to an amount of 0.25 million euro	5.92	6.20	5.22	5.12	5.56	5.40	3.90	5.08	4.87	4.60	4.10	4.64	5.07	3.83	3.62
of wich with collateral or guarantees	5.91	6.34	5.23	5.02	5.33	5.34	3.86	5.08	4.90	4.59	4.01	4.53	5.06	3.79	3.58
Loans over an amount 0.25 million euro and up to 1 million euro	5.16	5.23	4.47	4.65	5.05	4.80	5.22	4.74	4.44	4.68	4.64	4.71	4.71	4.50	4.02
of wich with collateral or guarantees	5.16	5.33	4.47	4.66	5.10	4.92	5.34	4.72	4.44	4.63	4.56	4.70	4.80	4.49	4.04
Loans over 1 million euro	3.33	4.48	3.71	3.57	4.34	4.55	3.11	3.82	4.14	2.14	3.70	3.97	3.41	3.58	2.87
of wich with collateral or guarantees	3.19	4.32	3.78	3.68	4.71	4.41	2.82	3.72	4.06	2.47	3.50	4.03	3.47	3.34	2.87
<b>In US dollars</b>															
Loans up to an amount of 0.25 million euro	x	x	x	x	x	x	x	7.97	5.56	x	x	x	x	x	x
of wich with collateral or guarantees	x	–	x	–	–	x	x	x	5.56	–	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	x	–	x	x	5.50
of wich with collateral or guarantees	x	x	x	x	–	x	–	x	x	x	x	–	x	x	x
Loans over 1 million euro	x	x	–	x	3.95	x	x	–	–	–	–	x	–	x	x
of wich with collateral or guarantees	x	x	–	x	x	x	x	–	–	–	–	x	–	x	x

## 22. LENDING IN THE INTERBANK MARKETS

(transactions; millions of lats)

	Loans to resident MFIs											
	In lats					In foreign currencies						
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2011												
VII	369.7	49.3	0.1	–	419.1	1 844.0	108.8	–	–	1 952.8	2 371.9	
VIII	181.2	133.2	–	–	314.4	1 442.0	276.9	–	0	1 718.9	2 033.3	
IX	191.7	183.6	2.0	–	377.3	1 302.3	171.3	2.1	–	1 475.7	1 853.0	
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	
	Loans to non-resident MFIs										Total loans	
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2011												
VII	27 198.6	769.9	183.9	35.3	28 187.7	30 559.6						
VIII	32 790.7	1 049.7	66.1	14.2	33 920.7	35 954.0						
IX	24 538.3	970.1	15.6	48.6	25 572.6	27 425.6						
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						

### 23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Weighted average interest rates on loans in lats															
Overnight	0.4	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.1
Up to 1 month	0.3	0.2	0.3	0.3	0.4	0.5	0.6	0.5	0.4	0.4	0.5	0.4	0.4	0.3	0.2
1–3 months	0.3	–	0.6	0.3	1.1	1.7	1.1	1.0	1.5	0.7	0.5	1.0	0.4	–	0.3
Over 3 months	–	–	–	1.2	–	–	1.7	1.3	1.3	1.0	–	–	–	–	1.0
Weighted average interest rates on loans in foreign currencies															
Overnight	0.8	0.8	0.8	0.7	0.5	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Up to 1 month	0.6	0.5	0.9	0.9	0.7	0.4	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.1	0.1
1–3 months	–	–	1.8	–	1.4	0.2	–	0.2	0.3	0.1	–	0.2	–	0.2	0.2
Over 3 months	–	0.3	–	–	2.3	–	–	1.7	–	–	–	1.1	–	–	–

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

### 24. PRINCIPAL FOREIGN EXCHANGE TRANSACTIONS (BY TYPE, COUNTERPARTY AND CURRENCY)<sup>1</sup>

(millions of lats)

	2012												
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Type of transaction													
Spot exchange transactions	50 410.1	34 977.6	27 884.5	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	
Forward exchange contracts	401.7	603.8	435.6	454.7	334.6	402.3	320.9	348.7	386.8	396.7	449.8	375.7	
Currency swap arrangements	33 210.1	27 747.6	29 662.4	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	
Counterparties													
Resident MFIs	4 469.5	4 857.0	6 129.7	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	
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	311.6	467.8	435.0	289.8	237.2	507.2	275.4	305.2	306.3	305.1	293.3	326.3	
Resident government, non-financial corporations and non-profit institutions serving households	904.0	1 339.0	1 380.8	838.2	1 070.5	1 184.9	926.3	1 083.5	932.2	840.1	857.3	815.2	
Non-resident MFIs	43 444.3	32 262.3	30 088.8	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	
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	1 009.4	969.2	1 088.2	1 784.4	1 556.6	903.7	1 283.3	1 052.8	1 076.4	871.6	749.3	505.8	
Non-resident government, non-financial corporations and non-profit institutions serving households	31 942.8	21 683.5	16 976.3	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	
Households	1 940.3	1 750.1	1 883.7	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	
Currencies													
Total in all currencies	84 021.9	63 329.0	57 982.4	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	
incl. lats for euro	10 519.2	10 284.7	7 324.5	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	
incl. lats for US dollars	644.5	745.0	844.4	605.2	606.3	584.8	426.5	469.1	515.6	477.1	280.3	555.8	
incl. lats for other currencies	97.6	97.9	145.9	80.7	86.2	91.0	65.8	90.0	83.2	87.6	100.3	68.7	

<sup>1</sup> 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 TRANSACTIONS<sup>1</sup>

(millions of lats)

	2011			2012									
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
<b>EUR for LVL<sup>2</sup></b>													
Amount	10 562.2	10 267.7	7 235.7	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	
% <sup>3</sup>	12.6	16.2	12.5	12.3	9.3	8.8	7.5	7.3	8.8	8.1	9.2	8.7	
<b>USD for LVL<sup>2</sup></b>													
Amount	660.5	720.6	809.8	597.2	599.1	570.9	413.4	434.0	495.4	457.0	268.8	545.6	
% <sup>3</sup>	0.8	1.1	1.4	1.3	1.2	1.0	0.8	0.7	0.8	0.7	0.4	0.7	
<b>Other currencies for LVL<sup>2</sup></b>													
Amount	88.1	89.5	132.2	71.6	79.2	83.0	57.2	80.2	70.7	71.6	87.8	59.7	
% <sup>3</sup>	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
<b>USD for EUR</b>													
Amount	29 340.9	23 923.2	23 445.3	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	
% <sup>3</sup>	34.9	37.8	40.5	39.9	44.2	49.0	53.4	54.9	52.6	56.1	56.0	56.4	
<b>GBP for EUR</b>													
Amount	641.4	845.8	696.3	589.5	660.7	787.6	706.7	824.1	832.6	909.0	853.8	1 173.2	
% <sup>3</sup>	0.8	1.3	1.2	1.3	1.3	1.4	1.3	1.3	1.3	1.3	1.1	1.6	
<b>Other currencies (except LVL) for EUR</b>													
Amount	3 314.3	3 134.1	3 728.0	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	
% <sup>3</sup>	3.9	5.0	6.5	8.7	7.6	5.5	5.1	5.4	8.7	8.0	4.8	4.9	
<b>RUB for USD</b>													
Amount	20 472.3	13 574.6	9 066.9	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	
% <sup>3</sup>	24.4	21.5	15.7	10.2	9.6	8.7	8.0	6.7	6.0	6.5	9.5	8.7	
<b>GBP for USD</b>													
Amount	6 720.6	4 960.7	6 302.2	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	
% <sup>3</sup>	8.0	7.8	10.9	10.3	8.0	11.7	12.3	10.5	9.7	8.3	7.4	6.5	
<b>SEK for USD</b>													
Amount	32.3	35.6	11.3	32.7	11.4	23.7	19.0	51.6	53.6	135.9	23.9	30.4	
% <sup>3</sup>	0	0.1	0	0.1	0	0	0	0.1	0.1	0.2	0	0	
<b>Other currencies (except LVL and EUR) for USD</b>													
Amount	8 165.0	5 046.8	5 402.2	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	
% <sup>3</sup>	9.7	8.0	9.3	14.1	16.8	12.1	9.3	11.6	10.1	9.2	9.4	9.9	
<b>Other currencies (except LVL, EUR and USD) for other currencies</b>													
Amount	4 073.8	680.3	1 015.2	746.1	887.9	948.4	1 214.1	915.4	1 143.7	1 040.6	1 662.1	1 805.2	
% <sup>3</sup>	4.8	1.1	1.8	1.6	1.8	1.7	2.2	1.4	1.8	1.5	2.1	2.5	

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

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

<sup>3</sup> As percentage of the total.

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

(LVL vs foreign currency)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
EUR	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028
USD	0.4912	0.4904	0.5080	0.5137	0.5180	0.5328	0.5449	0.5320	0.5319	0.5334	0.5468	0.5603	0.5707	0.5679	0.5484
GBP	0.7920	0.8024	0.8039	0.8074	0.8191	0.8315	0.8446	0.8397	0.8412	0.8525	0.8732	0.8710	0.8893	0.8916	0.8809
100 JPY	0.6181	0.6350	0.6615	0.6705	0.6679	0.6845	0.7076	0.6808	0.6453	0.6534	0.6841	0.7069	0.7218	0.7218	0.7013

**27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)**

(LVL vs foreign currency)

	2012											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
EUR												
Buy	0.7014	0.6972	0.6934	0.6942	0.6942	0.6943	0.6947	0.6922	0.6913	0.6901	0.6913	0.6928
Sell	0.7076	0.7028	0.6985	0.6995	0.6991	0.6991	0.7006	0.6991	0.6983	0.6974	0.6972	0.6971
USD												
Buy	0.5133	0.5146	0.5270	0.5381	0.5257	0.5259	0.5278	0.5419	0.5520	0.5618	0.5580	0.5376
Sell	0.5163	0.5194	0.5316	0.5432	0.5295	0.5291	0.5316	0.5463	0.5587	0.5666	0.5634	0.5425
GBP												
Buy	0.7995	0.8061	0.8162	0.8286	0.8239	0.8255	0.8378	0.8554	0.8515	0.8690	0.8710	0.8610
Sell	0.8126	0.8193	0.8292	0.8418	0.8367	0.8368	0.8499	0.8688	0.8647	0.8820	0.8828	0.8730
100 JPY												
Buy	0.6404	0.6486	0.6603	0.6654	0.6495	0.6206	0.6427	0.6548	0.6722	0.7039	0.6835	0.6545
Sell	0.6616	0.6704	0.6771	0.7142	0.6606	0.6486	0.6435	0.6822	0.6936	0.6893	0.6966	0.6888
SEK												
Buy	0.0762	0.0745	0.0762	0.0777	0.0783	0.0773	0.0766	0.0755	0.0763	0.0794	0.0824	0.0805
Sell	0.0779	0.0771	0.0782	0.0797	0.0798	0.0790	0.0795	0.0787	0.0789	0.0816	0.0845	0.0826
RUB												
Buy	0.0163	0.0166	0.0168	0.0168	0.0178	0.0178	0.0179	0.0174	0.0167	0.0171	0.0172	0.0170
Sell	0.0167	0.0169	0.0171	0.0172	0.0181	0.0181	0.0181	0.0178	0.0170	0.0174	0.0178	0.0173
CHF												
Buy	0.5657	0.5627	0.5615	0.5713	0.5731	0.5709	0.5718	0.5722	0.5706	0.5711	0.5715	0.5680
Sell	0.5762	0.5741	0.5759	0.5828	0.5822	0.5817	0.5832	0.5830	0.5843	0.5827	0.5814	0.5793

**28. STRUCTURE OF GOVERNMENT SECURITIES**

(at end of period; millions of lats)

	2011			2012								
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Stock of government securities outstanding	893.8	767.2	712.1	723.6	694.0	679.0	657.5	662.7	662.6	648.7	643.0	657.3
Residents	878.6	752.9	695.3	706.6	678.7	662.8	641.3	646.5	646.1	632.0	625.7	639.7
Non-financial corporations	60.4	62.0	61.7	63.6	61.4	49.0	39.0	33.9	31.9	25.3	23.4	20.9
Credit institutions	499.1	438.5	390.4	397.6	380.2	374.0	361.8	356.0	352.7	348.6	348.6	360.0
Money market funds	11.0	8.6	4.9	10.6	8.5	10.8	12.3	11.0	11.4	10.2	13.6	13.8
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	70.0	68.2	67.4	67.4	63.6	63.6	64.6	76.6	73.4	71.3	71.3	71.5
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	230.2	167.6	163.1	160.2	157.5	157.8	155.9	160.6	168.5	168.2	159.9	164.4
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	3.1	3.2	3.2	2.5	2.8	2.9	3.0	3.1	2.7	2.9	3.4	3.5
Non-profit institutions serving households	4.7	4.7	4.5	4.6	4.6	4.6	4.6	5.2	5.4	5.4	5.4	5.5
Non-residents	15.2	14.3	16.8	17.0	15.3	16.2	16.2	16.2	16.5	16.7	17.3	17.6
Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	9.4	11.0	13.1	13.1	11.3	12.1	12.1	12.1	12.2	12.3	12.1	12.4
Money market funds	0	0	0	0	0	0	0	0	0	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0	0	0	0	0	0	0
Financial auxiliaries	5.8	3.3	3.7	3.9	4.0	4.1	4.1	4.1	4.3	4.4	5.2	5.2
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

(Q3 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					
11.07.	12	8 000	22 500	8 000	0.888
25.07.	120	3 000	13 150	2 100	4.440 <sup>1</sup>
08.08.	6	8 000	23 680	8 000	0.349
22.08.	120	2 500	9 025	1 750	3.951 <sup>1</sup>
05.09.	120	2 000	4 740	900	3.778 <sup>1</sup>
19.09.	12	8 000	21 490	8 000	0.614
26.09.	120	2 000	5 400	500	3.304 <sup>1</sup>
Primary placement of government securities via outright sales of securities					
12.07.	12	2 000	6 500	2 000	0.888
26.07.	120	3 000	11 000	3 000	4.440 <sup>1</sup>
09.08.	6	2 000	10 000	2 000	0.349
23.08.	120	2 500	3 125	2 500	3.951 <sup>1</sup>
06.09.	120	2 000	1 100	1 100	3.778 <sup>1</sup>
20.09.	12	2 000	6 750	2 000	0.614
27.09.	120	2 000	1 500	1 500	3.304 <sup>1</sup>

<sup>1</sup> Weighted average yield.

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

(millions of lats)

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Securities purchased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## 31. DYNAMICS OF GDP

	2011					2012		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
At current prices; millions of lats	14 275.3	3 073.0	3 532.0	3 741.5	3 928.8	3 401.4	3 805.6	4 035.8
At constant prices <sup>1</sup> ; millions of lats	7 092.3	1 517.1	1 750.7	1 888.9	1 935.6	1 622.5	1 837.5	1 987.0
Annual growth rate (%)	5.5	3.6	5.7	6.6	5.7	6.9	5.0	5.2
Gross value added	5.5	4.4	5.8	6.3	5.4	6.2	4.9	5.1
Goods-producing sector	8.0	5.2	7.9	9.4	8.8	12.2	9.3	6.5
Services sector	4.6	4.1	5.1	5.0	4.2	4.3	3.2	4.5

<sup>1</sup> Chain-linked; average prices in 2000.

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

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Average gross wages and salaries															
LVL per month	472	469	459	461	464	500	464	459	475	479	478	485	495	485	470
Year-on-year changes (%)	103.4	105.5	103.8	104.0	105.1	104.5	103.8	104.4	102.7	103.9 <sup>1</sup>	103.6	103.5 <sup>1</sup>	104.8	103.5	102.5
Real net wage index (year-on-year basis; %)															
	99.3	101.0	99.4	99.9	101.1	100.8	100.4	101.2	99.5	101.3 <sup>1</sup>	101.5 <sup>1</sup>	101.9	103.1	101.8	100.6
Number of registered unemployed persons															
At end of month	137 638	134 175	131 659	130 541	130 240	130 296	132 575	133 413	132 158	127 783	121 994	117 606	114 689	111 542	108 322
Year-on-year changes (%)	79.4	79.1	79.6	80.3	80.5	80.2	80.6	80.9	80.9	80.9	81.5	82.6	83.3	83.1	82.3

<sup>1</sup> 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	Q2 <sup>1</sup>	Q3	
Exports	5 998.5	1 328.5	1 490.0	1 570.3	1 609.7	1 519.3	1 601.1	1 820.9
Imports	7 719.1	1 658.2	1 854.5	2 094.7	2 111.7	1 982.4	2 148.1	2 195.9
Balance	-1 720.6	-329.7	-364.5	-524.4	-502.0	-463.1	-547.0	-375.0

	2011						2012								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V <sup>1</sup>	VI <sup>1</sup>	VII	VIII	IX
Exports	472.7	539.9	557.6	560.4	544.6	504.7	471.8	494.4	553.1	502.2	557.9	541.0	550.6	620.6	649.7
Imports	690.9	692.7	711.2	742.6	707.2	662.0	626.5	643.4	712.6	696.6	723.2	728.3	715.3	748.2	732.4
Balance	-218.2	-152.7	-153.5	-182.2	-162.5	-157.3	-154.7	-149.0	-159.5	-194.4	-165.3	-187.3	-164.7	-127.6	-82.7

<sup>1</sup> Data have been revised.

### 34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2011		2012					
			Q1		Q2 <sup>1</sup>		Q3	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	5 998.5	100.0	1 519.3	100.0	1 601.1	100.0	1 820.9	100.0
Agricultural and food products	982.3	16.4	255.1	16.8	264.5	16.5	366.0	20.1
Mineral products	548.6	9.1	135.5	8.9	145.4	9.1	177.0	9.7
Products of the chemical and allied industries	443.6	7.4	96.4	6.3	106.8	6.7	115.8	6.4
Plastics and articles thereof; rubber and articles thereof	186.5	3.1	44.7	2.9	53.5	3.3	56.4	3.1
Wood and articles of wood	1 010.1	16.8	258.5	17.0	272.3	17.0	265.7	14.6
Pulp of wood; paper and paperboard	128.5	2.1	33.0	2.2	32.8	2.1	36.8	2.0
Textiles and textile articles	242.8	4.0	62.9	4.1	64.3	4.0	73.7	4.0
Articles of stone, plaster, cement, glassware and ceramic products	114.2	1.9	27.2	1.8	31.6	2.0	37.6	2.1
Base metals and articles of base metals	868.0	14.5	250.3	16.5	239.3	14.9	266.4	14.6
Machinery and mechanical appliances; electrical equipment	763.1	12.7	188.2	12.4	212.7	13.3	244.8	13.4
Transport vehicles	401.7	6.7	86.5	5.7	91.6	5.7	85.7	4.7
Miscellaneous manufactured articles	153.4	2.6	39.6	2.6	43.6	2.7	48.3	2.7
Other goods	155.7	2.7	41.5	2.8	42.8	2.7	46.7	2.6

<sup>1</sup> Data have been revised.

### 35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2011 <sup>1</sup>		2012					
			Q1		Q2 <sup>1</sup>		Q3	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	7 719.1	100.0	1 982.4	100.0	2 148.1	100.0	2 195.9	100.0
Agricultural and food products	1 165.7	15.1	302.7	15.3	330.0	15.4	350.8	16.0
Mineral products	1 337.9	17.3	383.6	19.3	367.3	17.1	409.1	18.6
Products of the chemical and allied industries	736.8	9.5	184.6	9.3	194.4	9.0	183.1	8.3
Plastics and articles thereof; rubber and articles thereof	416.2	5.4	99.9	5.0	115.5	5.4	121.0	5.5
Wood and articles of wood	115.3	1.5	31.4	1.6	34.4	1.6	36.7	1.7
Pulp of wood; paper and paperboard	189.4	2.5	41.5	2.1	44.4	2.1	47.6	2.2
Textiles and textile articles	328.1	4.3	81.1	4.1	84.2	3.9	102.5	4.7
Articles of stone, plaster, cement, glassware and ceramic products	126.8	1.7	26.3	1.3	35.7	1.7	40.0	1.8
Base metals and articles of base metals	843.7	10.9	224.0	11.3	257.0	12.0	215.5	9.8
Machinery and mechanical appliances; electrical equipment	1 337.1	17.3	340.1	17.2	366.5	17.0	391.7	17.8
Transport vehicles	688.8	8.9	147.5	7.4	195.0	9.1	157.1	7.2
Miscellaneous manufactured articles	154.9	2.0	39.2	2.0	45.7	2.1	48.3	2.2
Other goods	278.5	3.6	80.5	4.1	77.9	3.6	92.6	4.2

<sup>1</sup> Data have been revised.

### 36. LATVIAN FOREIGN TRADE PARTNERS

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

	2012														
	Q1					Q2 <sup>1</sup>					Q3				
	Millions of lats			% of the total		Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	1 519.3	1 982.4	-463.1	100.0	100.0	1 601.1	2 148.1	-547.0	100.0	100.0	1 820.9	2 195.9	-375.0	100.0	100.0
EU15 countries	495.5	732.8	-237.3	32.6	37.0	510.3	775.6	-265.3	31.9	36.1	547.3	801.8	-254.5	30.1	36.5
EU27 countries	1 081.9	1 461.9	-380.0	71.2	73.7	1 147.1	1 655.3	-508.2	71.7	77.1	1 226.8	1 761.9	-535.1	67.4	80.2
incl. Germany	115.0	243.1	-128.1	7.6	12.3	115.3	241.1	-125.8	7.2	11.2	134.4	240.4	-105.9	7.4	10.9
Sweden	90.0	62.0	28.0	5.9	3.1	90.7	70.8	19.9	5.7	3.3	84.0	87.2	-3.2	4.6	4.0
UK	50.9	30.9	20.1	3.4	1.6	64.3	33.8	30.5	4.0	1.6	59.7	35.0	24.6	3.3	1.6
Finland	44.3	88.5	-44.3	2.9	4.5	43.8	91.3	-47.5	2.7	4.3	54.9	106.0	-51.1	3.0	4.8
Denmark	65.7	44.3	21.4	4.3	2.2	59.3	51.6	7.7	3.7	2.4	74.2	45.0	29.2	4.1	2.0
Netherlands	36.0	67.2	-31.2	2.4	3.4	39.8	69.9	-30.1	2.5	3.3	46.0	68.5	-22.5	2.5	3.1
Lithuania	236.5	360.2	-123.7	15.6	18.2	269.6	419.2	-149.6	16.8	19.5	281.8	509.9	-228.1	15.5	23.2
Estonia	200.8	138.5	62.4	13.2	7.0	214.4	168.7	45.7	13.4	7.9	227.3	165.2	62.1	12.5	7.5
Poland	105.3	157.2	-51.9	6.9	7.9	100.9	193.5	-92.6	6.3	9.0	114.9	188.8	-73.9	6.3	8.6
CIS	212.5	366.1	-153.6	14.0	18.5	236.0	337.3	-101.3	14.7	15.7	295.8	254.7	41.1	16.2	11.6
incl. Russia	157.4	262.0	-104.5	10.4	13.2	172.9	181.7	-8.8	10.8	8.5	218.9	152.9	66.0	12.0	7.0
Other countries	224.9	154.5	70.4	14.8	7.8	218.0	155.5	62.5	13.6	7.2	298.3	179.2	119.1	16.4	8.2
incl. USA	16.5	16.9	-0.4	1.1	0.9	17.8	13.3	4.5	1.1	0.6	23.4	18.4	5.1	1.3	0.8
Norway	40.3	13.7	26.6	2.7	0.7	39.5	11.4	28.1	2.5	0.5	47.7	12.3	35.4	2.6	0.6
China	7.4	51.0	-43.5	0.5	2.6	8.2	54.2	-46.0	0.5	2.5	8.8	68.7	-60.0	0.5	3.1

<sup>1</sup> Data have been revised.

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

(at end of period; millions of lats)

	Non-financial corporations						Households					
	In lats			In euro			In lats			In euro		
	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit
<b>2011</b>												
VII	183.3	1.0	1.5	509.5	0.2	0.1	60.1	25.1	109.6	21.5	2.1	2.9
VIII	186.3	1.0	1.5	505.9	0.2	0.1	60.6	25.5	108.9	21.6	2.3	2.9
IX	181.9	1.1	1.4	515.7	0.2	0.1	59.6	25.3	108.0	20.4	2.3	2.9
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
<b>2012</b>												
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

**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
<b>2011</b>												
IX	330.9	36.8	219.7	312.9	80.3	124.4	4 090.5	798.3	2 526.0	3 834.2	1 108.2	2 347.4
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
<b>2012</b>												
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



**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
<b>2011</b>												
IX	345.5	36.6	106.6	327.5	70.7	107.8	4 435.7	277.9	3 340.1	4 370.2	396.6	3 574.7
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
<b>2012</b>												
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

## 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 Consensus Economics (Chart 1.1), EC (Charts 1.1, 1.5, 3.6, 4.3, 4.4, 4.10, 4.15, 4.17, 4.18, 5.6 and 5.8), *Федеральная служба государственной статистики России* (Charts 1.1 and 5.9), CSB (Charts 1.2, 1.3, 1.5, 3.1–3.4, 3.7–3.9, 4.1, 4.2, 4.5–4.9, 4.11–4.14, 5.1, 5.4, 5.5, 5.8 and 5.9), WTO (Chart 1.4), Bloomberg (Charts 2.1–2.2), Reuters (Charts 2.5 and 5.2), the Bank of Latvia (Charts 2.3–2.5, 2.7–2.17, 4.13, 4.14, 4.18, 5.1, 5.4, 5.7, 5.8, 6.1–6.4, 7.1 and 7.2), Treasury (Charts 2.6 and 3.10–3.12), Road Traffic Safety Directorate (Chart 3.5), SEA (Charts 4.9 and 4.16) and Food and Agriculture Organisation of the United Nations (Chart 5.3).

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

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

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

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

### **Interest rates**

In June 2010, the Bank of Latvia introduced new methodology for interest rate statistics (see the Bank of Latvia's Regulation No. 42 "Regulation for Compiling Interest Rate Reports of Monetary Financial Institutions" of 10 September 2009). Using this methodology, 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.