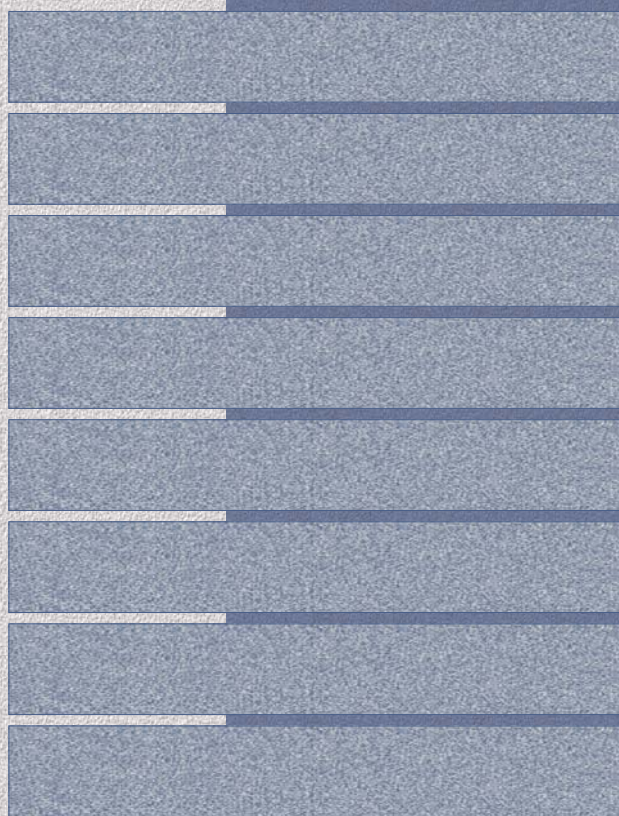


**MACROECONOMIC
DEVELOPMENTS
REPORT 2010**



SEPTEMBER



MACROECONOMIC DEVELOPMENTS REPORT

September 2010

MACROECONOMIC DEVELOPMENTS REPORT
September 2010, No 4

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Abbreviations

CDS – credit default swap
CIF – cost, insurance and freight at the importer's border
CIS – Commonwealth of Independent States
CPI – Consumer Price Index
CSB – Central Statistical Bureau of Latvia
EC – European Commission
ECB – European Central Bank
EMU – Economic and Monetary Union
ESA 95 – European System of Accounts 1995
EU – European Union
EU15 – EU countries before 1 May 2004
EU27 – current EU countries
EURIBOR – Euro Interbank Offered Rate
FOB – free on board at the exporter's border
FRS – Federal Reserve System
GDP – gross domestic product
IMF – International Monetary Fund
MFI – monetary financial institution
NA – no answer
n.i. – no information
OFI – other financial intermediary (other than an insurance corporation or pension fund)
PPI – Producer Price Index
RIGIBOR – Riga Interbank Offered Rate
SEA – State Employment Agency
SJSC – state joint stock company
Treasury – Treasury of the Republic of Latvia
UK – United Kingdom
ULCM – unit labour costs in manufacturing
US – United States of America
VAT – value added tax

Executive Summary

The economic growth forecasts for 2010 have been revised upwards for several major global economies; at the same time, downward risks related to the global economic development in the forthcoming periods have increased. In the second quarter, the economic growth strengthened in the euro area, particularly in Germany. However, given the fiscal consolidation measures that are currently implemented and/or envisaged for the near future in several countries, marked acceleration in growth rates is highly unlikely in the coming years. At the same time, the economic growth forecasts for the UK have been revised downwards. Overall, the domestic demand in the Central European countries, Lithuania and Estonia also remains weak, with further private consumption growth being restricted by growing unemployment.

Against this background, in the first half of 2010 Latvian goods exports in nominal terms grew by 22.9% year-on-year, suggesting a notable advance in competitiveness. Other competitiveness indicators also showed an improvement: as a result of cost reduction measures, the real effective exchange rate of the lats kept declining throughout the second quarter. Latvian export shares in the imports of its major trade partners (Denmark, Germany, Lithuania, the Netherlands, Poland, Finland and the UK) have expanded notably. Moreover, the assessment of export orders has improved somewhat in July, allowing for a positive outlook on the dynamics of commodity exports in the coming months.

In April and May, the European sovereign debt crisis had a pronounced impact on the global financial market; in the following months, as the crisis resolved, the financial market began to stabilise. In line with market expectations, the ECB did not change its euro key rate. New collateral provisions stipulated by the ECB, on the other hand, were somewhat tighter than expected and were perceived as a move towards tighter monetary policy. The euro market interest rates rose gradually after remaining below the main refinancing rate for a prolonged period of time. The FRS did not change the target range for the federal funds rate either and announced that the US federal funds rate was likely to remain at exceptionally low levels for an extended period. The FRS also expressed readiness to consider other economic support measures if necessary.

The Bank of Latvia lowered the overnight deposit facility rate and introduced a new instrument – a 7-day deposit facility. The purpose was to motivate banks to channel the available resources towards the development of the economy. As a result of conversions of euro into lats, excess liquidity in the system grew. However, in light of the overall uncertainty at this stage, banks persistently keep their surplus funds with the Bank of Latvia, instead of expanding their lending to the economy.

Owing to excess liquidity, average yields in primary placement auctions of government securities continued to decline, with the interbank money market rates following the trend. As a result, e.g. the spread between 3-month RIGIBOR and EURIBOR is even smaller than before the crisis. Yet, it is prematurely to draw strict conclusions about long-term stability: there is still a considerable spread between the interest rates in lats loans and euro loans. Moderating bank margins charged on loans in euro is a positive sign for future lending growth; moreover, the spread between interest rates on loans and deposits slowly widened further, suggesting an increase in bank profitability, but at the same time pointing to a weaker bank competition in the lending market, enabling banks to raise interest rates on loans.

The positive developments in the economy have also stabilised money supply. Improving confidence along with the growth of exports and the steadying domestic financial markets

contributed to the stability of resident deposits and the revival of demand for cash. However, domestic demand remained weak, and banks remained cautious with respect to lending; as a result, the stock of loans granted to the private sector decreased further. Market players are still waiting for additional signs that economy is improving. However, with the ambiguous fiscal and political outlook in the context of the forthcoming elections of the Saeima of the Republic of Latvia, the situation remains rather difficult at the moment.

In the second quarter GDP growth continued, pointing to signs of stabilisation in Latvia's macroeconomic conditions. Provided that the positive trends in exports and private consumption are lasting and the negative contribution of investment becomes smaller, one can expect the GDP growth rate to turn positive already in the second half of the year.

Despite some positive developments in the labour market, disposable income of households continued to shrink in the second quarter, and this acted as a further drag on private consumption. On the other hand, the recently observed rapid improvement of consumer confidence was an important factor towards a change in behaviour with regard to precautionary savings, thus promoting domestic economic activity. Nevertheless, despite the emerging trends of stabilisation in private consumption, no radical improvement is expected as yet. The persistently weak domestic demand will limit any potential upside income growth; moreover, the relatively high private and public debt burden and tax-related uncertainties are likely to further constrain domestic consumption.

Private investment shrank by more than one third year-on-year in both nominal and real terms. Currently the contribution of private investment to GDP is roughly one half relative to the pre-crisis level. Nevertheless, there was a slight improvement in investment in the first quarter and this positive trend is expected to have also persisted in the second quarter.

In light of the persistently weak domestic demand, manufacturing has become the key driver of the economic recovery. Most industries were able to boost the export share in their output. Overall, in the manufacturing sector it rose by 8.1 percentage points over the year.

In July, registered unemployment declined for the fourth consecutive month, reaching 15.3% of the economically active population at the end of the month (a low of the last eight months). In July, the number of vacancies registered with the SEA continued to increase to the maximum level observed within 20 months but the number of individuals who had found a permanent job decreased. Although an increase in the number of vacancies suggest improved job opportunities, the opposite dynamics of these two indicators is likely to point to the existence of a potential skill mismatch. The persistence of skill mismatch risk in the labour market, if unresolved, could turn into serious problem for future growth of the Latvian economy.

Annual deflation continued on a sharp downward trend in May, June and July. The decelerating price drop mostly resulted from supply-side factors – global energy price dynamics contributed to domestic energy price rise and an increase in production costs resulted in substantial growth of vegetable prices. Overall, increasing administered prices in July contributed to easing annual deflation (already by 1.1 percentage points). In July, the annual decrease in prices for goods and services included in the core inflation decelerated to –3.5% (from –4.4% in April). As energy prices moved up and overall consumer prices confirmed a month-on-month growth, rising inflation expectations were observed in July, thus creating additional pressure on the price increase. Low demand and declining labour costs notwithstanding, the annual increase in consumer prices is generally expected to be in the positive territory again. The above development will be mainly driven by rising energy prices.

According to provisional data, the current account of the balance of payments still recorded a surplus in the second (6.8% of GDP) and, in line with the forecast, was lower than in the first quarter (9.2% of GDP). The current account is projected to remain in surplus in 2010, yet the surplus will be much smaller than in 2009. It will be determined by both the gradual upswing in imports along with the recovering economic growth and more successful performance of foreign direct investment companies in Latvia, as investors start recording (and partly repatriating) profits after a period of sustained losses. However, the current account is likely to be in surplus also in 2011.

Looking ahead for 2010 as a whole, the anticipated modest improvement in the economic activity is not likely to offset the dramatic downturn Latvia's economy went through in 2009. Thus in 2010, real GDP is expected to decrease by 2.5%. The unfavourable weather conditions that caused harvest failures in several countries in the world, particularly so in Russia, is the main new downside risk to the economic recovery. Moreover, downside risks associated with the limited availability of funds for working capital, structural changes in retail trade and political instability continue to persist. Improving confidence in a number of EU countries as well as the news on Estonia joining the euro area on 1 January 2011 can be regarded as a positive signal. Overall, risks can be considered as broadly balanced.

At this stage deflation in Latvia is gradually subsiding as upside risks related to faster than expected energy price climb have materialised. Hence the inflation forecast for Latvia has been revised upwards. Currently the Bank of Latvia projects a 1.6% average decline in consumer prices in 2010. Nevertheless, on account of the potential, even more vigorous hikes of energy prices and further increases in food prices, upside risks dominate in relation to this inflation forecast.

Table 1
GDP FORECASTS
(%)

	2009	2010		2011	
		1	2	1	2
Lithuania	-15.0	-1.6	n.i.	3.2	n.i.
Estonia	-14.1	0.8	n.i.	3.6	n.i.
Poland	1.7	2.7	n.i.	3.2	n.i.
Russia	-7.9	4.0	4.3	3.3	4.1
Denmark	-5.1	1.2	n.i.	1.6	n.i.
Sweden	-4.4	1.2	n.i.	2.5	n.i.
Finland	-7.8	1.2	n.i.	2.2	n.i.
UK	-4.9	1.3	1.2	2.5	2.1
Germany	-5.0	1.2	1.4	1.7	1.6
Euro area	-4.1	1.0	1.0	1.5	1.3
US	-2.4	3.1	3.3	2.6	2.9
Total global economy	-0.6	4.2	4.6	4.3	4.6

Source: April (1) and July (2) 2010 issues of the World Economic Outlook (IMF).

1. External Sector and Exports

1.1 External economic environment

A faster-than-expected global economic growth in the first half of 2010 has facilitated an upward revision of its forecasts for 2010 in several major world economies (see Table 1). At the same time, downward risks related to the global economic development in the forthcoming periods have increased. Materialisation of these risks will largely depend on the success of implementing policies oriented towards confidence recovery, particularly so in the euro area countries.

The euro area economic growth strengthened in the second quarter. The spring months saw the activity increase not only in the industrial production but also the services sector of the euro area. However, survey data for the third quarter show that producer confidence has slightly declined in the euro area. To date, economic activity has increased at a particularly rapid rate in Germany, mostly on account of higher industrial production and export levels. The economy has also been recovering elsewhere in the euro area, albeit at a slower pace than in Germany; only Greece is still experiencing a profound slowdown. The German government announced an ambitious fiscal consolidation plan which provides for an 80 billion euro reduction in federal government expenditure by 2014 in order to ensure narrowing of the budget deficit to 3% of GDP by 2013. In view of Germany's relatively sound fiscal position already at this stage, it creates an additional pressure on other euro area countries to improve their financial status. Fiscal consolidation programmes are also implemented in several other euro area countries (Spain, Italy, and Portugal). Hence an accelerated euro area economic growth is quite unlikely in the near future.

Although in the second quarter GDP in the UK grew by 1.6% quarter-on-quarter (preliminary data), the government financial position remains tight. In early summer the UK new government announced a programme stipulating tax increases and the highest budget expenditure cuts since World War II. The fiscal consolidation measures and the persistently weak financial market were the main reasons for the Bank of England to revise the economic outlook for the next year downward. The IMF has also downgraded the UK economic outlook for 2011 (see Table 1).

Overall, domestic demand in the Central European countries remains weak, and private consumption is restricted by growing unemployment. The recovery of this region largely depends on the developments in the major euro area countries. The slow pace of the economic recovery in the Baltic States notwithstanding, exports continued to show a notable increase both in Estonia and Lithuania in the first half of the year, with the domestic demand remaining relatively weak. In the second quarter, however, both countries recorded GDP growth as the economic activity increased both quarter-on-quarter and year-on-year.

After a four-year period of pursuing fiscal consolidation policy, in mid-July the negotiations between Hungary and IMF/EU were suddenly suspended due to inability to agree on the budget deficit level for the next year. This fact did not pass without notice in the financial markets, and although the Hungarian government will not find it difficult to cover its short-term debt liabilities, loss of the international support might have a negative impact on the long-term debt financing prospects.

In Russia, producer confidence remained relatively high, pointing to persistently good future prospects in the production sector; retail trade turnover posted an increase. Sales of new motor vehicles saw a particular pickup on account of both the improving consumer confidence and the programme implemented by the government. Russia is facing the worst draught in the last 100 years, and it is expected to have a particularly negative impact on this and probably also next year's crops, resulting in a notable upward pressure on inflation as well. The atypical heat has had a negative impact on the economic activity in the services and production sectors already this summer.

In Sweden, economic activity improved in all major areas. Moreover, rapid growth in lending to households can still be observed in Sweden, and real estate prices have resumed their upward trend, causing concern about balanced growth.

Moderate economic recovery continues in Denmark, with domestic demand expanding and the performance of the export sector gradually improving. The available survey results in the industrial production and services sectors point to positive future prospects; Danish exports have also benefited from the recent drop in the euro exchange rate, in view of the Danish krone's peg to the euro.

Chart 1.1
LATVIA'S EXPORTS TO THE EURO AREA COUNTRIES
AND UNDERLYING FACTORS
(annual percentage changes)

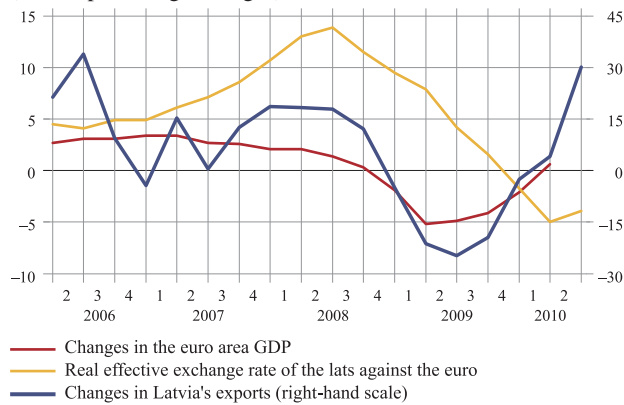


Chart 1.2
LATVIA'S EXPORTS TO ESTONIA AND LITHUANIA AND
UNDERLYING FACTORS
(annual percentage changes)

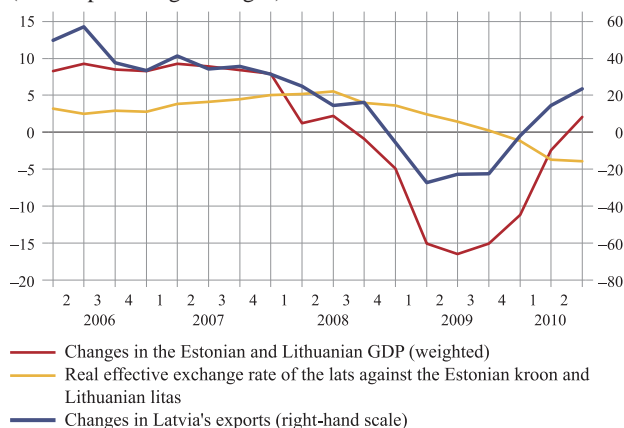
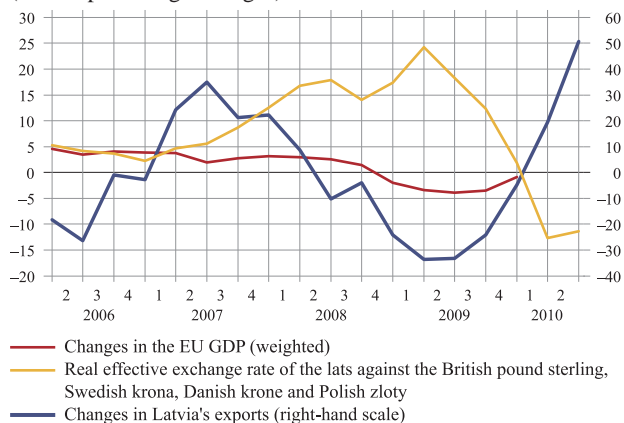


Chart 1.3
LATVIA'S EXPORTS TO THE EU COUNTRIES OUTSIDE
THE EURO AREA AND UNDERLYING FACTORS
(annual percentage changes)



Following a prolonged downside, Finland's economy also recorded GDP growth in the second quarter. At this stage, the recovery of the Finnish economy is based on improving exports; moreover, Finland's debt level is relatively low in comparison with other EU countries, currently allowing Finland's government to refrain from implementing strict fiscal consolidation measures.

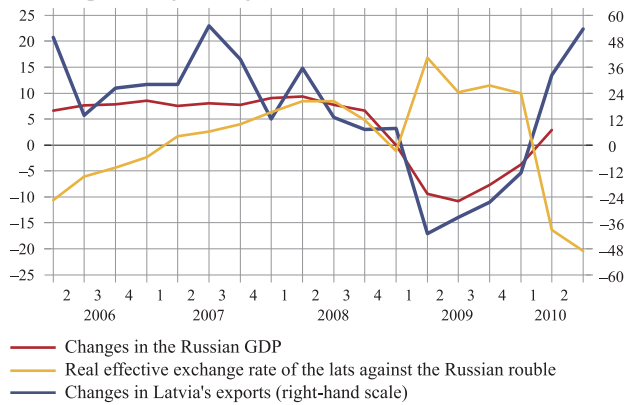
1.2 Latvia's competitiveness and developments in exports

Following a seasonal drop in foreign trade activity at the beginning of the year, in the second quarter the value of Latvia's imports and exports grew both quarter-on-quarter and year-on-year. Under the impact of increasing competitiveness and gradual recovery of the external markets in the first half of the year, Latvian goods exports in nominal terms grew by 22.9% year-on-year. Exports to all major trade partners, including Lithuania and Estonia, posted a robust pickup (see Charts 1.1–1.4). In the second quarter, the quarterly and annual growth rates of exports of most major commodity groups were positive, and exports can be deemed the driving force of the economy.

A more rapid development of the manufacturing sectors with a higher share of exports confirms the above. In the second quarter, exports of wood and articles of wood and base metals and articles of base metals saw a particular surge both quarter-on-quarter (27.4% and 44.9% respectively) and year-on-year (69.3% and 33.5% respectively). Exports of paper and printing industry output recorded a robust and much more successful development than in the previous year, posting an 87.8% annual spike on account of a fruitful cooperation with the Scandinavian countries.

Several competitiveness indicators continued to improve: as a result of cost reduction measures the real effective exchange rate of the lats kept declining also in the second quarter. In the second quarter, the CPI-deflated real effective exchange rate of the lats was 9.2% lower than in the period of its maximum – the first quarter of 2009; the manufacturing PPI-deflated real effective exchange rate of the lats in the first quarter of 2010 dropped 9.3% in comparison with the high reached in the first quarter of 2009, while the real effective exchange rate of the lats deflated by the unit labour cost index in manufacturing in the first quarter of 2010 was 22.7% below the high observed in the first quarter of 2009. Hence, the key real

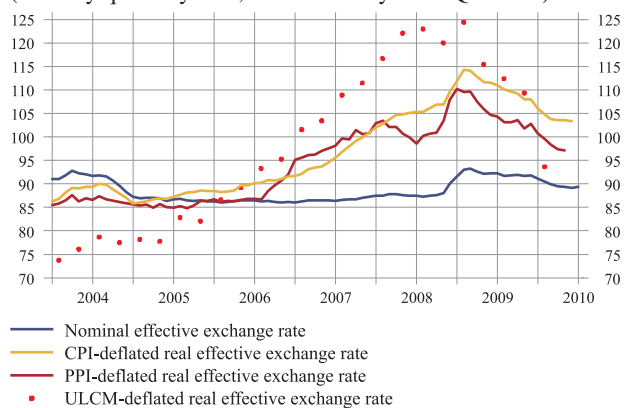
Chart 1.4
LATVIA'S EXPORTS TO RUSSIA AND UNDERLYING FACTORS
(annual percentage changes)



effective exchange rates of the lats currently are equal to the level of late 2007 – early 2008 (see Chart 1.5), thus the internal adjustment strategy has proved to be effective so far.

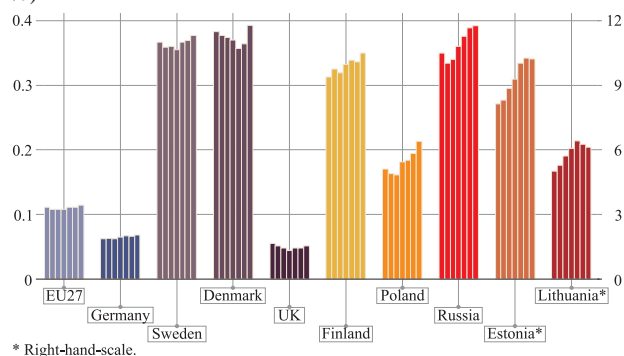
The available data on Latvia's major trade partners enable evaluation of market shares for an incomplete quarter (April and May) and suggest that Latvian export shares in the imports of its major trade partners (Denmark, Germany, Lithuania, the Netherlands, Poland, Finland, and the UK) have expanded notably (see Chart 1.6).

Chart 1.5
EFFECTIVE EXCHANGE RATE OF THE LATS
(monthly/quarterly data; index: January 2000/Q1 = 100)



As to the near future prospects, the assessment of export orders has improved somewhat in July, allowing for a positive outlook on the dynamics of commodity exports in the coming months. In the second half of July and at the beginning of August the Baltic Dry Index resumed an upward trend (in contrast to the fall observed in May and June), pointing to growing demand for freight transportation services by sea and potentially a positive impact on Latvia's exports of services. The unfavourable weather conditions (heat waves and storms) across much of Europe causing price rises for the new season grains and grain trade restrictions (e.g. prohibition of grain exports in Russia) could turn out to be an opportunity for Latvian grain exporters in the coming months.

Chart 1.6
THE SHARE OF LATVIA'S EXPORTS IN ITS MAJOR TRADE PARTNER IMPORTS
(Q1 2008 – April and May 2010; four-quarter moving average; %)



In the longer-term, as the global economy overcomes the crisis and the impact of various support mechanisms in the production and exports moderates, the positive effect of the current price and cost reduction on the competitiveness of Latvian exports will abate. Hence, the scale of Latvian exports will increasingly depend on the capability of companies to ensure higher productivity.

* Right-hand-scale.

2. Financial Market Developments

2.1 Foreign financial markets

In April and May, the European sovereign debt crisis left a strong impact on the global financial market. Concerns regarding the negative consequences of the crisis boosted investors' risk aversion, and they preferred flight to safety. Such market response caused a fall in global stocks and oil prices. The euro depreciated vis-à-vis the US dollar. Yields on riskier peripheral government debt rose in comparison with those on safer government securities.

Later, as the crisis resolved, the financial market began to stabilise. Already in June (but most vividly in July) it turned out that the initial opinion of market participants on Europe's ability to resolve the sovereign debt crisis has been too pessimistic, whereas the optimistic US economy outlook did not materialise. Greece managed to bring down its budget deficit, thus complying with the provisions of the agreement concluded with the lenders. Euro area countries with higher levels of sovereign debt and government budget organised several successful auctions, thus assuring market participants of their capability to secure funding in the market. Stress test results of euro area banks also reduced market participant concerns regarding the capability of European banks to absorb losses incurred due to economic downside or impairment of the value of government securities.

With the situation in the government securities market of the euro area improving and optimism regarding the economic outlook growing, stock and oil prices began to rise, the euro appreciated, and yields on riskier peripheral government debt shrank in comparison with those on safer government securities.

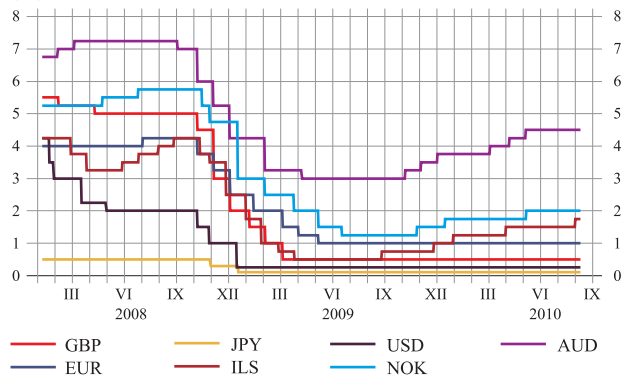
In line with market participant expectations, the ECB did not change its euro key rate (1.0%). The ECB decision was based on the economic analysis suggesting that the internal price pressure in the euro area will remain low, and the economic growth will be moderate and uneven. In the first months after taking the decision on establishing the Securities Markets Programme, the ECB purchased a large amount of government securities in the market; already in July, however, the amount of the purchased securities shrank considerably, suggesting stabilisation in the

government securities market. In mid-July, the ECB provided further information on the provisions to be applied to the collateral securities as of 1 January 2012. Market participants assessed the new collateral provisions as tighter than expected and suggested by the information communicated by the ECB in April. The euro market interest rates have started to rise gradually, following a prolonged period of remaining lower than the key rate.

The FRS did not change the target range for the federal funds rate at 0%–0.25%. The reason behind the FRS decision was the US economic outlook which turned out to be less favourable than expected. To stimulate the US economy, the FRS made a decision to reinvest the principal payments from agency debt and agency mortgage-backed securities in Treasury securities, as well as to roll over the Federal Reserve's holdings of Treasury securities as they mature. Thus the amount of the purchased securities would remain unchanged in the FRS balance sheet. The FRS announced that the US federal funds rate was likely to remain at exceptionally low levels for an extended period and that the FRS was also ready to consider other economic support measures where necessary.

Chart 2.1

BASE RATES (%)

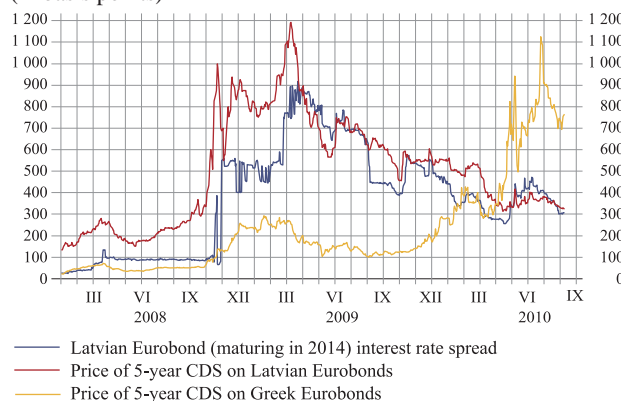


Bank of England maintained the official Bank Rate at 0.5% and the size of its Asset Purchase Programme at 200 billion British pounds sterling. At the same time, Sveriges Riksbank raised its base rate by 25 basis points (to 0.5%) on 1 July. The decision was made in view of the rapid recovery of the Swedish economy observed in the last few months. Thus Sweden has joined the group of countries which consistently pursue tight monetary policy since late 2009 and early 2010 (see Chart 2.1).

Chart 2.2

RISK PERCEPTION INDICATORS FOR LATVIA AND GREECE

(in basis points)



2.2 The Bank of Latvia's operations and bank liquidity

In the second quarter and July, Latvia's assessment improved against the backdrop of other European economies, allowing foreign investors to perceive the developments in Latvia in a more favourable light. This reduced the investment risk premium that had slightly risen some months ago mainly due to the intensification of financial problems in Greece and some other EU countries (see Chart 2.2).

Considering the above developments, the Bank of Latvia, though retaining the same refinancing rate and the interest rate on marginal lending facility, lowered the overnight deposit facility rate from 0.5%

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

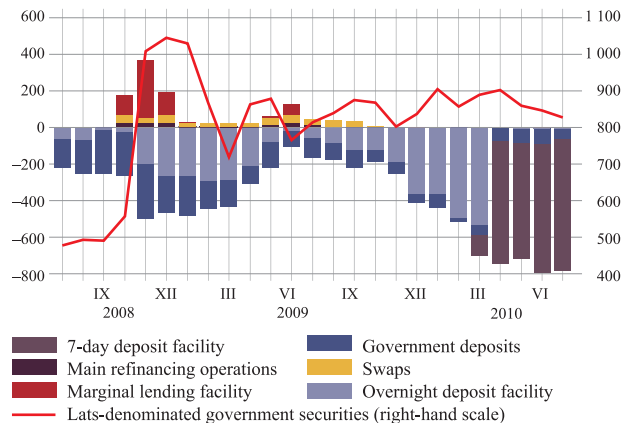
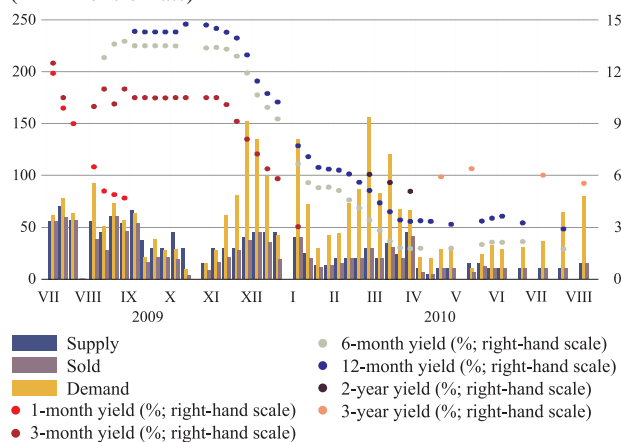


Chart 2.4
AUCTIONS OF LATS-DENOMINATED GOVERNMENT
DEBT SECURITIES
(in millions of lats)



to 0.375% and introduced a new instrument – a 7-day deposit facility with a 0.5% interest rate. The purpose was to motivate banks to channel the available resources towards the development of the economy.

In the second quarter and July, the Bank of Latvia bought euro in spot transactions by selling 289.7 million lats. The Treasury conducted major interventions at the Bank of Latvia. Since the euro selling to the Bank of Latvia continued, excess liquidity in the system grew. The average balance of deposit facility went up 10.8% in July compared to March, to stand at 721.6 million lats (see Chart 2.3). These are spare funds that banks potentially could use for lending; however, given the overall uncertainty, this does not happen yet.

Provided that the financial trends follow the same pattern, an increase in excess liquidity is expected in the months to come, because the autonomous liquidity factors (currency, the government lats deposits with the Bank of Latvia, reserve requirements) will grow at a slower pace than the euro conversions of the Treasury at the Bank of Latvia.

2.3 Securities market

Between April and July the Treasury supplied government securities on the primary market at total value 115.0 million lats (demand 327.4 million lats, placement value 101.0 million lats). In contrast to the first quarter, the Treasury issued government 3-year bonds instead of 2-year bonds with an aim to extend the maturity of government borrowings. The Treasury was intentionally restrictive in issuing government debt securities, because it favoured borrowing from international investors over borrowing domestically. Owing to excess liquidity, average yields in primary placement auctions of government securities continued to decline, and so did interbank money market rates. Government 3-year bonds were the sole exception – in July yields moved up somewhat due to the uncertainties caused by the questioned sustainability of the government debt in some European countries.

All in all, the outstanding amount of lats-denominated government securities stood at 828.4 million lats in July, down from 890.0 million lats in March. Conversely, the outstanding amount of private issuer debt securities denominated both in lats and in foreign currencies registered with the Latvian Central Depository declined in July, and there were

no new issues. Banks, who are major players in the market, continued to be cautious with regard to financing the private sector; moreover, the expected long-term interest rates remained relatively high, thus dampening the issuers' incentive to issue new bonds. No changes are expected in this area in the near future.

On the NASDAQ OMX Riga secondary market the bid yield on Treasury bonds maturing in 2019 was 13.00% at the end of July (down from 13.25% at the end of March); yet, these rates should be perceived with extreme prudence, because the turnover is very small. Further decline in the yields on long-term securities can be anticipated in the future. The adoption of the government budget for 2011 as well as continued structural reforms initiated by the government will be the key factors in the next 12 months.

NASDAQ OMX Riga share price index OMXR appreciated by 14.3% in April–July and reached 366.5 points (a 15.0% increase in the first quarter). This appreciation was despite the situation in Greece and some other European countries. The improving Latvia's key macroeconomic indicators, raising expectations that in the future the situation in listed companies might improve, as well as Estonia getting approved for joining the euro area both can be mentioned as positive aspects.

2.4 Interest rates

Euro area money market rates edged up somewhat in the second quarter and July, albeit from their historical lows, whereas money market rates in Latvia declined further as a result of excess liquidity. Therefore, e.g. the spread between 3-month RIGIBOR and EURIBOR is even smaller than before the crisis, i.e. in 2008 (see Chart 2.5). Yet, it is premature to speak about recovering the long-term stability: despite the above said money market rate convergence, there is still a considerable spread between the interest rates on lats loans and euro loans.

The moderating bank margins (charged on top of 3-month EURIBOR) is a positive sign for potential development of lending. The margins on loans to households went down from 3.0% in March to 2.7% in June, while those on loans to non-financial sector fell from 5.1% to 3.5% over June. Thus, with margins narrowing, the appreciation of money market indices could not obstruct the fall of the weighted average

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

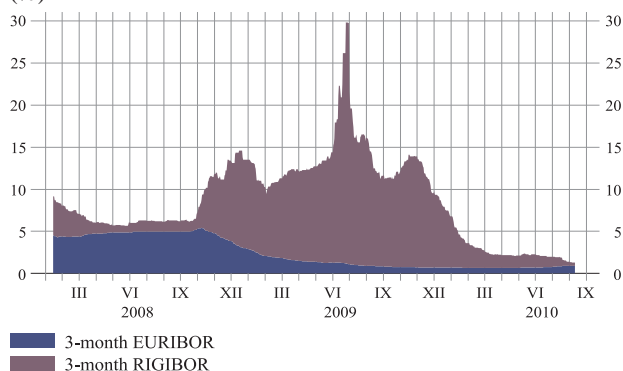
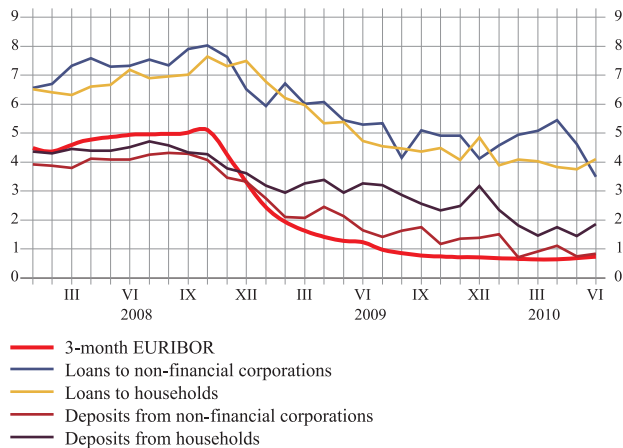


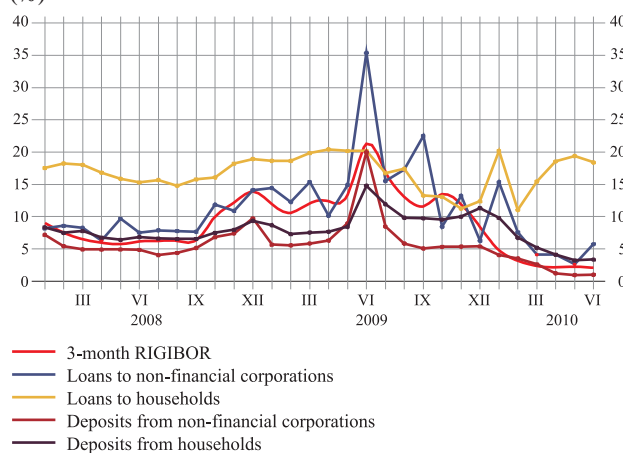
Chart 2.6
SHORT-TERM INTEREST RATES ON NEW LOANS IN EURO TO AND TIME DEPOSITS OF RESIDENTS (%)



interest rate on loans in euro. Overall, the weighted average floating interest rate on new loans in euro granted by MFIs to households and non-financial corporations dropped from 4.8% to 3.6% (see Chart 2.6).

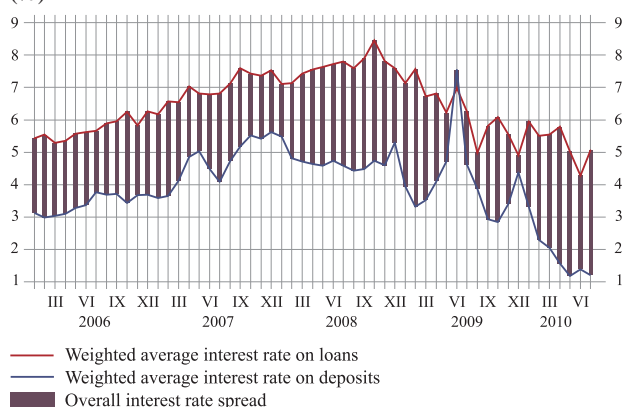
Lats loan market was much more volatile. The fall of money market indices on lats loans to households for house purchase intensified the effect of shrinking margins. As to non-financial corporations, lending in lats was prevalingly affected by loan size, client risk and changes in margins charged by some banks as well as changes in activity. Overall, the weighted average floating interest rate on new loans in lats granted by MFIs to households and non-financial corporations went up from 7.0% to 10.6% (see Chart 2.7).

Chart 2.7
SHORT-TERM INTEREST RATES ON NEW LOANS IN LATS TO AND TIME DEPOSITS OF RESIDENTS (%)



The drop of the money market indices had a more pronounced effect on the interest rates on deposits. In June, the weighted average interest rate on household short-term time deposits in lats declined by 1.8 percentage points, to 3.4%, and that on similar deposits from non-financial corporations by 1.6 percentage points, to 1.0%. With banks sharply lowering the interest rates on deposits, the spread between interest rates on loans and deposits slowly widened further (1.5 percentage points in March, 2.4 percentage points in June; see Chart 2.8). On the one hand, this suggests of an increase in bank profitability and allows improving their financial performance. On the other hand, when majority of banks embark on improving their financial performance at once, it weakens competition and keeps interest rates on loans relatively higher than if banks were aggressively fighting for retaining or expanding their market shares.

Chart 2.8
SPREAD BETWEEN INTEREST RATES ON NEW LOANS AND NEW DEPOSITS (%)



2.5 Money supply

The positive developments in the economy have also steadied the money supply – in the second quarter it increased slightly in absolute terms, while the annual growth rate of monetary aggregates was steeper. Improving confidence, the growth of exports and sound domestic financial markets contributed to the stability of resident deposits and the revival of demand for cash. The continuously weak domestic demand still pushed down the demand for loans. With loan delinquency rate remaining high, banks were cautious with regard to lending; as a result, the outstanding amounts of private sector loans decreased further. With the confidence in the Latvian banking sector strengthening, the inflow of non-resident

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

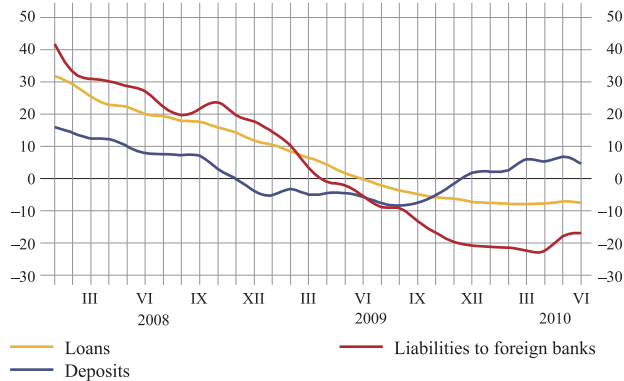


Chart 2.10
LOAN-TO-DEPOSIT RATIO IN LATVIAN BANKS

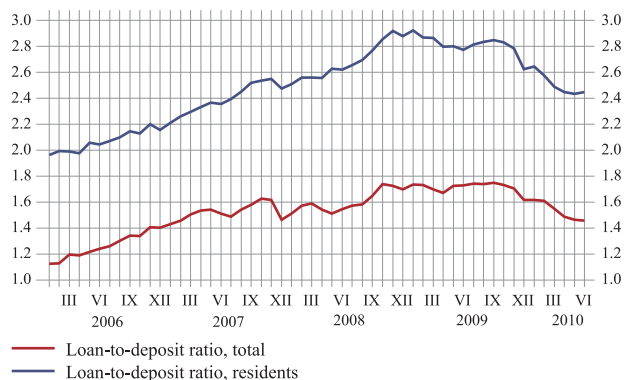
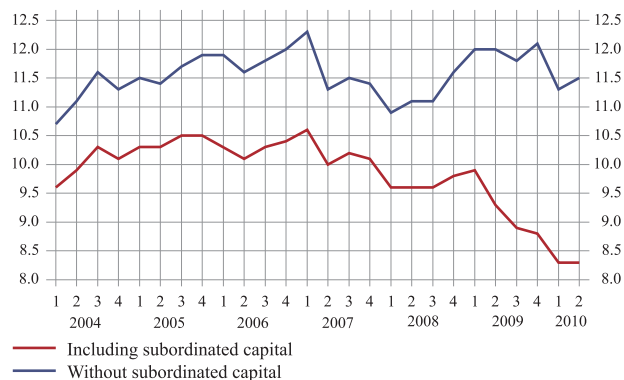


Chart 2.11
DEBT-EQUITY RATIO OF THE LATVIAN BANKING SYSTEM



resources was robust: in the second quarter both non-resident deposits with non-banks and liabilities to foreign banks, including parent banks, were on the rise. In July, total foreign funding of the banking sector diminished somewhat.

The dynamics within a year highlight a pattern that banks rather use the funds received as deposits for decreasing their liabilities to foreign banks than for lending (see Chart 2.9). On the one hand, this improves banks' financial stability ratios, e.g. the loan to deposit ratio is gradually subsiding after peaking a couple of years ago (see Chart 2.10). On the other hand, replacing one type of liabilities with another does not decrease the overall leverage, and any improvements are only on account of expansion of subordinated capital (see Chart 2.11).

In the second quarter, a growth of key monetary aggregates continued for the third quarter running. With the economic situation in Latvia normalising, including more stability in the financial market and improving consumer confidence, the demand for cash strengthened markedly. In July, currency in circulation increased 12.9% year-on-year.

The expansion of currency in circulation, combined with a growing volume of debt securities mainly lead to the increase of broad monetary aggregate M3 by 1.1% in the second quarter. Conversely, in June the deposits of resident financial institutions, non-financial corporations and households were on the same level as in March. However, domestic deposits still posted a positive year-on-year increase (6.9% in July). The government converted into lats the funds borrowed from international lenders so that it can pay for the budget expenditures, and lats deposits both of non-financial corporations and households continued to expand (by 4.9%). The relatively high interest rates in a deflationary environment also encouraged to deposit in lats.

The volatile and, despite some positive trends, so far difficult economic situation as well as the rather ambiguous political outlook induced economic agents to prefer more liquid assets. This is the reason why M1 which is the most liquid component of broad money expanded at a much faster rate (6.6%) than the total money supply, whereas the monetary aggregate M2 reported a slower rise (0.8%; see Chart 2.12).

Thought lending to private sector continued to subside, April nevertheless was the first month during

Chart 2.12
ANNUAL CHANGES IN MONETARY AGGREGATES (%)

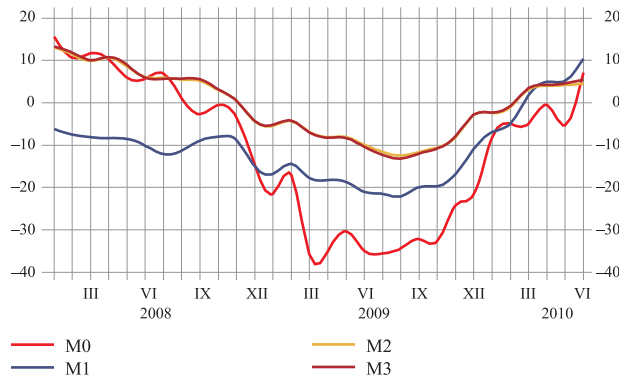
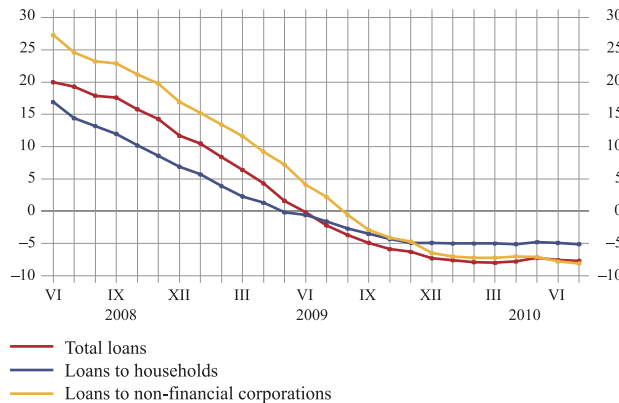


Chart 2.13
ANNUAL CHANGES IN LOAN BALANCES (%)



the past three years witnessing an improvement in the dynamics of year-on-year changes in loans outstanding, with the decrease rate decelerating from -8.0% in March to -7.7% in July. The decline in lending was more pronounced in the non-financial corporation segment (a -8% annual decrease in July), while that in the household segment became slower, posting a -5% annual decrease (see Chart 2.13).

Although the positive developments in the national economy have steadied the money supply, no marked rise has been registered yet. A certain stagnation in deposits received, where the activity has shifted mainly to more liquid segments, i.e. currency and demand deposits, as well as the continuously subsiding lending suggest that the market players are watching the so far still difficult economic situation as well as the ambiguous fiscal and political outlook in the context of the forthcoming elections of the Saeima of the Republic of Latvia.

Table 2
MONETARY VARIABLES
(quarterly figures are averages)

	Outstanding amount as percentage of M3 2010 VI	Annual growth rate							
		2009			2010				
		Q2	Q3	Q4	Q1	IV	V	VI	Q2
M1	53.7	-19.3	-21.2	-15.8	-3.3	5.0	5.2	10.4	6.9
Currency in circulation	11.9	-19.3	-25.8	-27.6	-15.5	-1.6	-0.5	11.0	3.0
Overnight deposits	41.8	-19.3	-19.7	-11.7	0.8	7.0	7.0	10.2	8.1
M2 – M1 (= other short-term deposits)	44.4	6.5	1.1	4.3	3.7	2.9	3.0	-1.8	1.4
Deposits with an agreed maturity of up to 2 years	40.5	9.3	3.8	5.7	5.6	5.3	6.5	0.1	4.0
Deposits redeemable at notice of up to 3 months	3.8	-12.6	-18.4	-7.3	-12.4	-18.3	-25.1	-18.0	-20.5
M2	98.1	-8.7	-11.9	-7.2	-0.1	4.0	4.2	4.5	4.2
M3 – M2 (= marketable instruments)	1.9	-27.1	-43.3	-5.0	17.9	21.2	33.5	95.7	50.1
M3	100.0	-9.0	-12.5	-7.2	0.2	4.2	4.6	5.5	4.8
Credit to residents		4.6	-1.1	-7.2	-8.5	-7.7	-7.5	-7.4	-7.5
Credit to general government		86.3	60.3	-22.2	-23.3	-18.5	-19.9	-11.6	-16.7
Credit to the private sector		2.4	-2.9	-5.8	-7.2	-7.2	-6.9	-7.2	-7.1
Loans to the private sector		1.9	-3.6	-6.5	-7.8	-7.8	-7.2	-7.6	-7.5
Longer-term financial liabilities excluding capital and reserves)		-18.5	-8.6	-3.8	-6.9	-3.2	26.1	18.7	13.9

Source: the Bank of Latvia.

Chart 3.1
GDP GROWTH
(percentage changes; at constant prices)

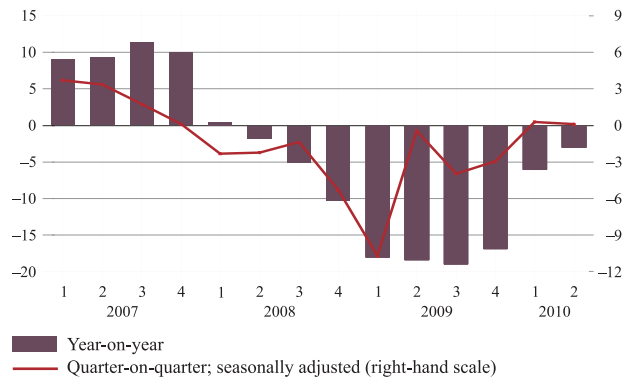
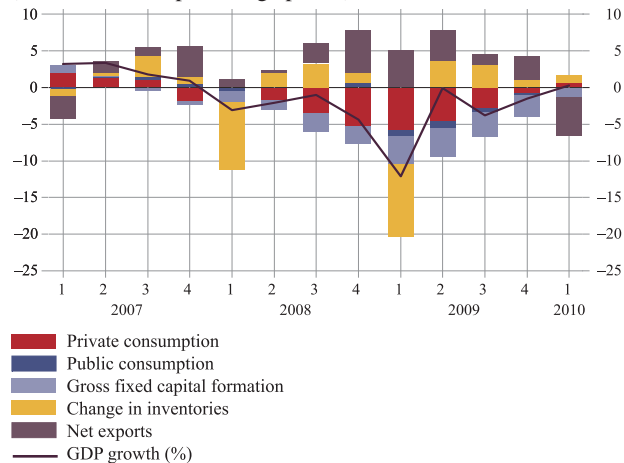


Chart 3.2
CONTRIBUTIONS TO GDP QUARTERLY GROWTH BY COMPONENT
(demand side; in percentage points)*



* Changes in inventories are calculated as total investment less gross capital formation. The grand total of contributions by component may not add up to overall GDP change.

Chart 3.3
CHANGES IN INVENTORIES
(at current prices; % of GDP)



3. Domestic Demand

According to the CSB flash estimate, the GDP growth continued in the second quarter, posting a 0.1% quarter-on-quarter increase (seasonally adjusted). Though the increase is not large, economic growth in two consecutive quarters points to signs of stabilisation in Latvia's macroeconomic conditions.

In the second quarter, GDP growth still remained negative year-on-year (see Chart 3.1). Yet there is an improvement in comparison with the first quarter, mainly on account of a lower base. Provided that the positive trends in exports and private consumption are lasting and the negative contribution of investment becomes smaller, one can expect the GDP growth rate to turn positive already in the second half of the year.

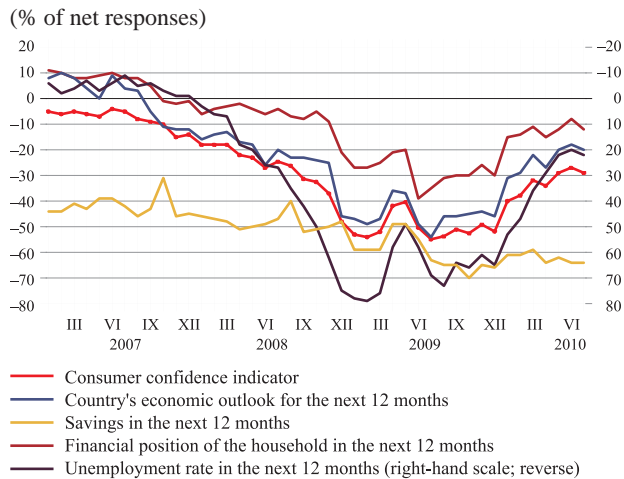
With the situation in foreign markets and the competitiveness of Latvian companies progressively improving, the exports of goods and services reported a positive annual growth in the first quarter. The upward trend continued in the second quarter, and, step by step, exports were reverting to the pre-crisis level and demonstrating an increasingly higher annual growth rate: a two-digit rate is expected for the second quarter.

Though disposable income of households plummeted, a quarter-on-quarter increase in private consumption was observed already in the first quarter, which together with the demand for intermediate goods needed in production triggered a notable rise in imports. Given a lower base and the described trends persisting also in the second quarter, real goods and services imports recorded a positive annual growth.

In the first quarter, the rapid rise in imports put an end to the improvement in net exports that had lasted over two years. Though in the first quarter the contribution of net exports to the GDP annual growth was small albeit positive, it was already negative quarter-on-quarter (see Chart 3.2). While the domestic demand is gradually becoming stronger, further on net exports will develop unevenly depending on the success of individual sectors in export markets and the changes in terms of trade, and there will be no convincing trends of positive contribution.

In the first quarter, the moderating year-on-year GDP fall as well as its quarter-on-quarter growth was driven also by significant positive changes in inventories (see Chart 3.3). In the second quarter, on the contrary,

Chart 3.4
CONSUMER CONFIDENCE INDICATOR AND
UNDERLYING FACTORS



the effect of the changes in inventories most likely lessened. Investments started to stabilise together with the gradually improving economic outlook and a more intensive utilisation of production capacities. Gross capital formation, a major negative contributor to the GDP annual growth in the previous quarter, in the second quarter had a much less pronounced adverse impact on GDP dynamics.

3.1 Private consumption

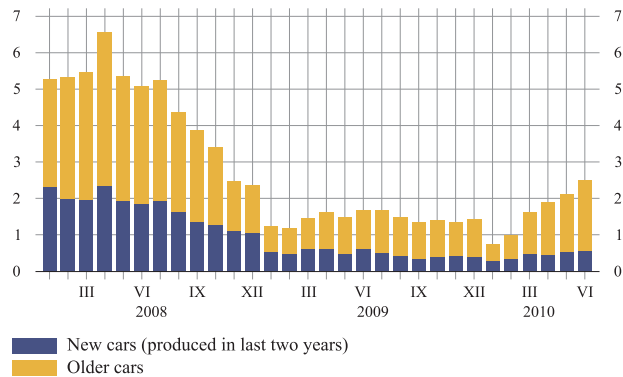
Despite some positive developments in the labour market, disposable income of households continued to shrink in the second quarter. The drop in disposable income was mainly triggered by the fall in total compensation to employees¹. The utterances of individual observers as to expansion of the grey economy that potentially could be masking alleged positive corrections to wages and salaries and income of self-employed are not accurate, though: rapid changes of this indicator was a more topical issue in 2009 when mistrust in the government policy was higher, future outlook was explicitly negative and more pronounced negative developments were observed in the business environment (shortage of working capital, limited access to loans, loss of confidence in the financial sector, sudden changes in tax policies, a drastic reduction of the number of public sector employees, intensification of protectionist pressures in export markets etc.).

In the second quarter, consumer confidence indicator improved by 4.6 points over the previous quarter and reached the level of autumn 2008 (see Chart 3.4). The consumer confidence sub-index, where respondents report their intentions to purchase durable goods within the next 12 months, increased by 7.6 points. The rapid improvement of consumer confidence was an important factor towards stabilisation of private consumption and changes in behaviour with regard to precautionary savings, and the savings ratio gradually went down. While the consumer assessment of economic developments and their own financial situation in the future improved, some consumers boosted spending, including on account of the money set aside during the previous periods.

An increase in retail trade turnover for the second quarter in a row is an evidence to the expansion of private consumption, but the retail turnover structure indirectly suggests of use of the savings made in the

¹ This indicator, in contrast to total wage bill that is based on the official wage statistics, comprises also the estimate of the grey economy.

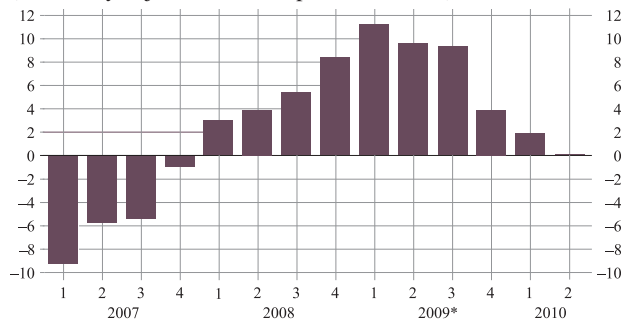
Chart 3.5
NEW CAR REGISTRATIONS WITH THE ROAD TRAFFIC SAFETY DEPARTMENT
(in thousands)



previous periods as a source of increased spending. People are more active in taking the advantage of lower prices and have purchased durable goods and inputs for house repairs. The sales of motor vehicles and motorcycles have demonstrated a stronger growth during the recent months (see Chart 3.5).

Despite the emerging trends of stabilisation in private consumption, no radical improvement is expected as yet. Due to a weak domestic demand there is still limited possibility to increase income; moreover, a comparatively high private and public debt burden and vague tax policies are additional constraints to consumption.

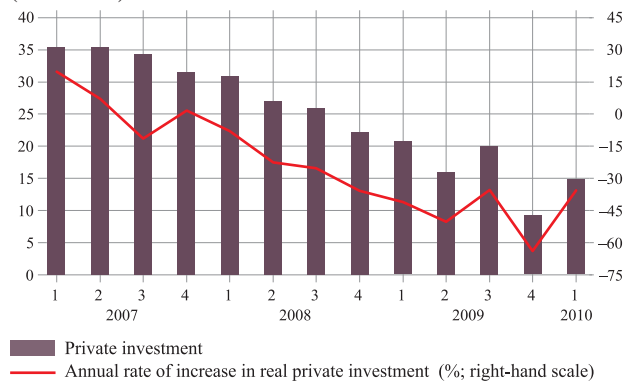
Chart 3.6
SAVINGS
(seasonally adjusted; % of disposable income)



With the economic outlook becoming more favourable and the trust in the financial sector returning, households reduced their cash savings by both spending more and depositing money in banks (see Chart 3.6). The dynamics of deposit amounts was a result of the fall in currency in circulation and repayment of the withheld old-age pension part according to the ruling of the Constitutional Court of the Republic of Latvia rather than an increase in savings ratio. Provided that the developments in Greece and other euro area economies do not have an additional impact on consumer confidence, a decline in cash savings and rise in deposits can be expected also in the future.

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

Chart 3.7
ANNUAL RATE OF INCREASE IN PRIVATE INVESTMENT AND ITS CONTRIBUTION TO GDP
(% of GDP)



According to the Bank of Latvia estimate, the first quarter of 2010 was the first of six consecutive quarters when the changes in household savings turned negative – the dynamics of private consumption stabilised, whereas household income continued on a downward trend.

3.2 Private investment

Private investment shrank by more than one third year-on-year in both nominal and real terms. Currently the contribution of private investment to GDP (about 15%) is roughly one half relative to the pre-crisis level (see Chart 3.7). Although the above pre-crisis level is associated with inadequately high investment in the sectors related to real estate (in the future it should be avoided), the present investment is too low and should expand further in order to ensure the medium-term economic growth in Latvia.

The first positive trends can also be observed in this area. There was a slight improvement in investment in the first quarter, and this positive trend is expected

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

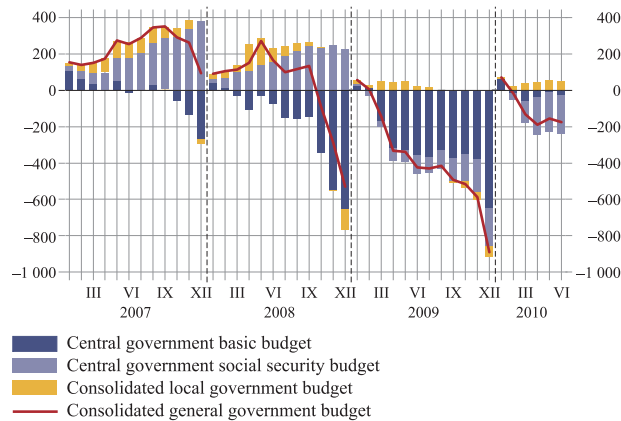


Chart 3.9
THE CONSOLIDATED GENERAL GOVERNMENT
BUDGET REVENUE
(in millions of lats)

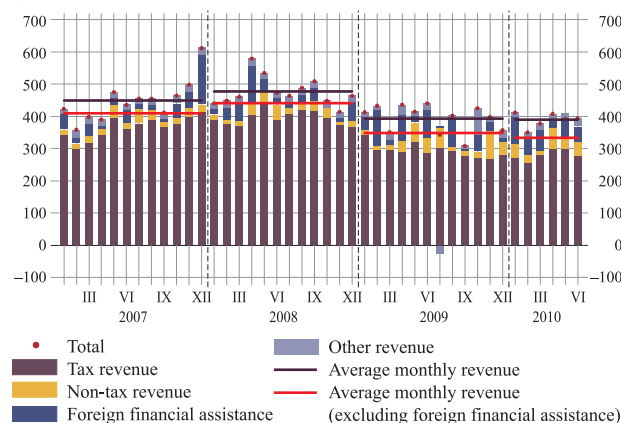
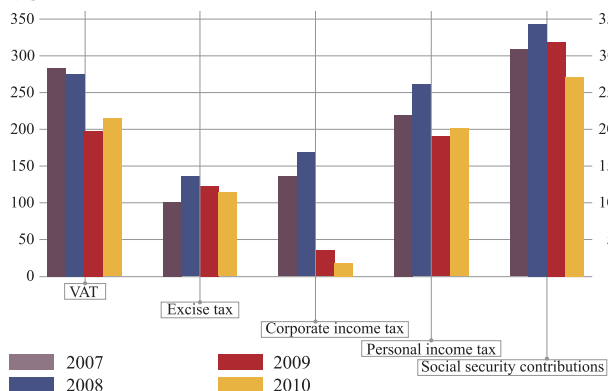


CHART 3.10
SELECTED TAX REVENUE
(Q2; in millions of lats)



to have also persisted in the second quarter. The decelerating annual pace of decline in construction output, rapid improvement in construction conjuncture and growing imports of capital goods suggest that an overall adverse impact of gross capital formation on GDP dynamics has diminished in the second quarter.

The EU funding and state aid schemes ensure a certain level of investment, while the upgraded international ratings may result in another boost to private investment in the future. The above development and relatively low construction and production costs contribute to an environment conducive to growth of manufacturing. The uncertainty in taxation policy and the risk of political instability remain the main constraints for new investment.

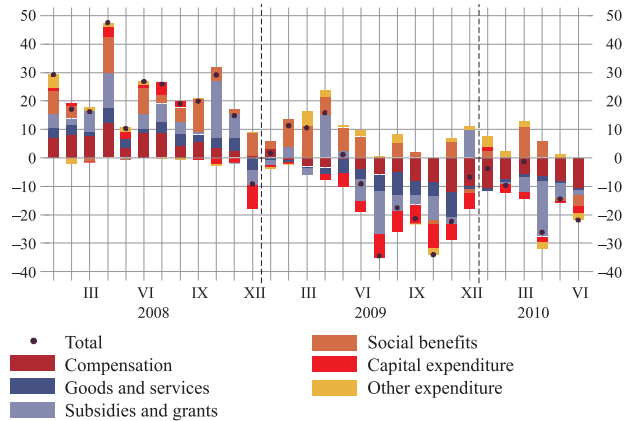
3.3 Government expenditure and budget

In the second quarter, the performance of the consolidated general government budget improved quarter-on-quarter. The consolidated general government budget ran a deficit of 55.6 million lats in April. The reimbursement of withheld pensions as well as advance disbursements of pensions due to the public holidays at the beginning of May contributed to the above development. The consolidated general government budget balance improved (the deficit stood at 173.9 million lats at the end of June; 1.4% of the GDP forecast for 2010; see Chart 3.8) in May and June, as the expenditure contracted.

In April, the consolidated general government budget recorded a year-on-year tax revenue growth for the first time since November 2008. Tax revenue also remained high in the following months (see Chart 3.9). VAT revenue was above projections. The above development was on account of a renewed private consumption growth and a decline in the refunded VAT amount. High excise tax revenue, in particular for oil products and beer commodity groups, was recorded in the summer months. The revenue from personal income tax reflecting legislative amendments posted a rise in the second quarter (see Chart 3.10).

Almost all expenditure items of the consolidated general government budget reported a decline (see Chart 3.11). The decrease in the overall expenditure was mostly on account of the falling contribution to employees as well as a reduction in expenditure on subsidies and grants. The decline in grants and subsidies was underpinned by several factors. Firstly, Ministries anticipating the budgetary amendments

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



were actively spending budgetary funds in April 2009; hence the amount of subsidies and grants of the consolidated general government budget reached an unusually high level. Secondly, the fiscal consolidation measures were implemented in the budget for 2010 and thirdly, the drawdown from the EU funds was decelerating.

In the second quarter, a number of decisions to increase budgetary appropriations as stipulated by the law on the general government budget were taken. The financing of the projects within the framework of the EU funds and the Cohesion Fund increased by 100.0 million lats. Additional funds were allocated to co-finance the EU funds projects in agriculture (about 100.0 million lats) and the project of Latvian National Library (13.6 million lats). An increase in budgetary appropriation for the implementation of the social security network strategy should be noted as well. The above activities may contribute to a more notable budgetary expenditure in the second half of the year.

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

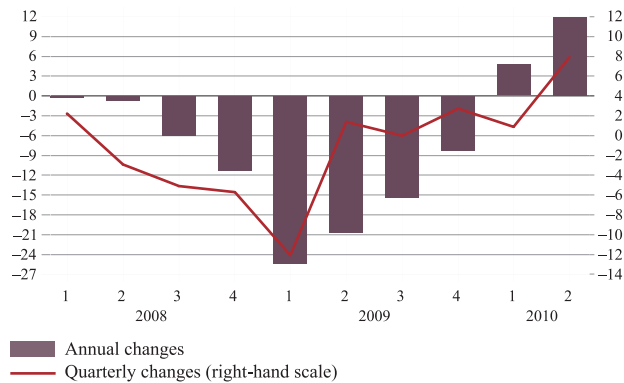


Chart 4.2
VOLUME INDEX OF INDUSTRIAL OUTPUT IN SOME
MANUFACTURING BRANCHES
(seasonally adjusted; 2005 = 100)

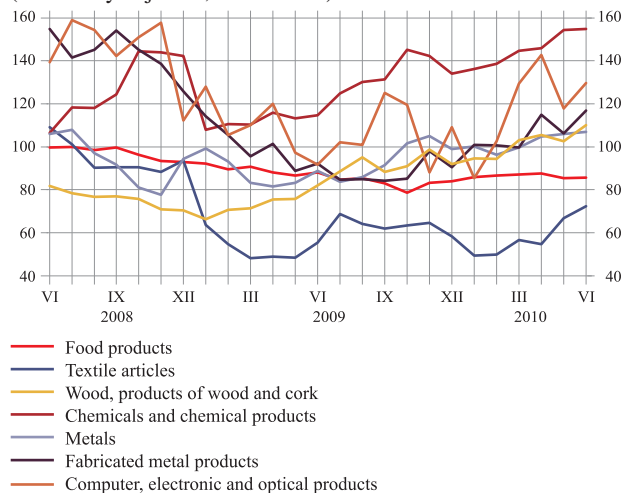
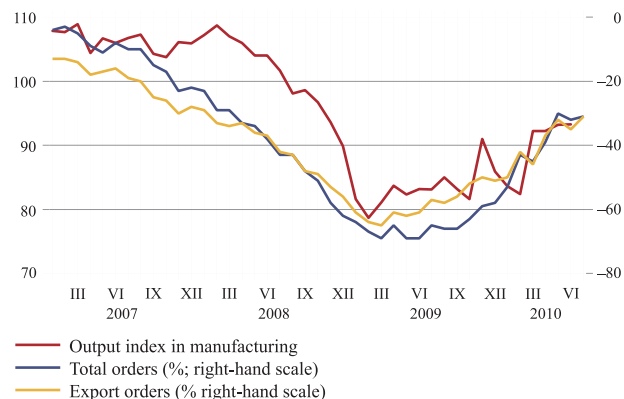


Chart 4.3
OUTPUT INDEX IN MANUFACTURING AND
CONFIDENCE INDICATORS



4. Aggregate Supply

4.1 Industry and construction

Manufacturing has become the key driver of the economic recovery due to its notable growth rate. In the second quarter, output was above its level of the previous quarter by 7.9% (working day adjusted data), increasing by 12.0% over the year (see Chart 4.1).

It should be noted that several sectors reported both quarterly and annual growth: manufacture of textiles, wood and products of wood, chemical products, rubber and plastics products, basic metals and fabricated metal products, electrical equipment, motor vehicles, trailers and semi-trailers, machinery and mechanical appliances as well as electronic and optical products. Manufacture of wearing apparel, pharmaceutical preparations and furniture grew over the quarter. Manufacture of paper and paper products, other transport equipment as well as printing and reproduction of recorded media also posted a rise over the year (see Chart 4.2).

In the second quarter, the turnover of individual sectors also expanded in the domestic market, while the external demand remained the major driving factor behind the growth (see Chart 4.3). Most branches boosted the share of export in total output and overall, in the manufacturing sector it rose by 8.1 percentage points over the year.

An accelerated output growth also contributed to increasing capacity utilisation in manufacturing, which stood at 58% in the first quarter and 60.3% in the second quarter (see Chart 4.4). Businesses, in turn, expect its expansion to 65.7% in the third quarter. Looking at the third quarter developments, businesses project an upturn in activity based on the anticipated increase in export orders and further strengthening of competitiveness in export markets. Hence the development of the above sector may also be viewed with some optimism in the third quarter.

While individual indicators signal some stabilisation of domestic demand, the development of construction suggests that it still remains rather low. Construction output at constant prices (excluding seasonal factors) shrank by 19.5% quarter-on-quarter and diminished by 35.3% over the year (working day adjusted data). The sectors of buildings and engineering structures recorded a decline. The sector of school buildings, universities and research institutions only showed

Chart 4.4
PRODUCTION CAPACITY UTILISATION IN
MANUFACTURING

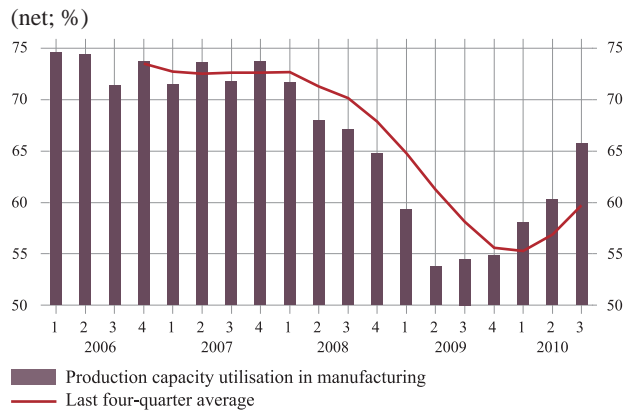


Chart 4.5
ECONOMIC SENTIMENT AND CONFIDENCE
INDICATORS

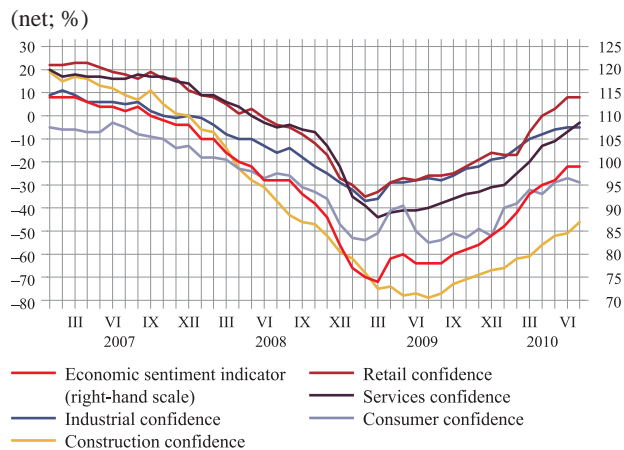
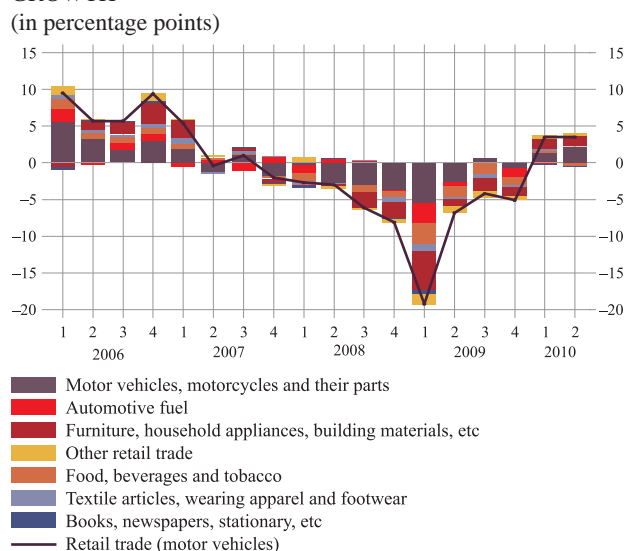


Chart 4.6
CONTRIBUTION TO REAL QUARTERLY RETAIL
GROWTH



positive dynamics as school repairs contributed to the year-on-year rise.

As to the future developments, an increase in construction is also not expected in the third quarter, given the capacity of building permits issued in the second quarter. Thus, the notably improving confidence indicator in July (by 33 percentage points exceeding that of July 2009 when the through was reached; see Chart 4.5) may not yet be considered a turning point in the sector dynamics.

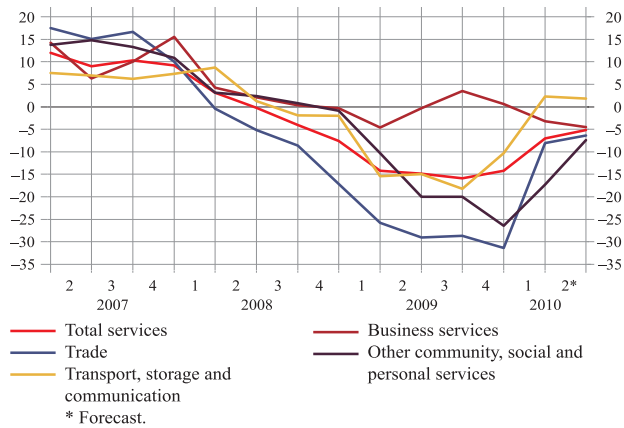
4.2 Services

In the second quarter, retail trade turnover rose by 1.7% quarter-on-quarter (seasonally adjusted data) and including the trade of motor vehicles and motorcycles – by 3.5%. The trade of motor vehicles accounts for the major real positive contribution to the retail trade expansion in the second quarter (see Chart 4.6). The Road Traffic Safety Directorate data pointed to a previously surfaced trend – a gradual increase in the number of cars newly registered, suggesting a higher household and business assurance regarding their future income. The above data confirm the previously observed trend – the improving household confidence despite the diminishing disposable income may provide an additional incentive to the growth of retail trade turnover.

At the same time, a risk of slower increase in retail trade turnover in the third quarter persists. The above development is evidenced by deteriorating consumer and trade confidence in July. The household purchase sub-index 12 months ahead also deteriorated by 4.8% in July. Confidence surveys suggest that households' inflation expectations increase again (see Section 5) and combined with an unstable political situation in the pre-election period may have a negative effect on the expansion of retail trade turnover.

In the transport sector, both the freight transportation by rail and the total turnover of ports in the second quarter remained at a lower level year-on-year (see Chart 4.7). The annual rail freight in Latvia slowed down more pronouncedly than in the first quarter. A downfall was recorded in all transportation types over the year: freight transit by road (33.4%), freight transportation through ports (14.2%) and domestic transportation (8.9%). The fall in total volume of transportation is primarily attributable to problems of oil product exports triggered by the conflict between Belarus and Russia.

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



The level of activity in the ports remained lower than in the respective period of the previous year; however, the annual decline was more moderate in the second quarter (2.7%) than in the first (5.9%). The main contributor to the overall performance was a rapid narrowing of turnover at Ventspils port, where the volume of transshipment of oil products had shrunk by more than a quarter. A moderate increase in cargo turnover at Riga port and a notable rise in cargo turnover at small ports did not offset the above downslide.

Oil product transportation by pipeline to Ventspils port posted a notable upsurge, with the volume transported in the second quarter exceeding that transported year-on-year (by 65.7%). According to the balance of payments data, the number of air passengers serviced at Riga Airport as well as freight transportation by road recorded a substantial rise in the second quarter.

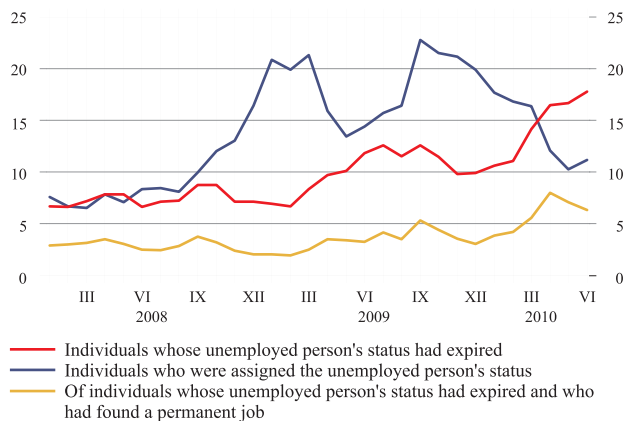
As regards future developments of transportation, it should be taken into account that SJSC *Latvijas dzelzceļš* expects an annual 10% fall in transportation overall. Hence a notable growth is not likely to be attained at ports as well. An expansion of freight transportation by road may further contribute significantly and positively to the development of the sector.

4.3 Labour market

In July, the registered unemployment rate declined already for the fourth consecutive month, standing at 15.3% of economically active population at the end of the month which is the lowest level in eight months. However, the decline in the registered unemployment rate (0.3 percentage point) in July was lower than in the previous three months (0.5–0.6 percentage point).

Moreover, in spring the decreasing number of the unemployed persons was primarily underpinned by a decline in the number of individuals who were assigned the unemployed person's status and a rise in that of individuals who had found a permanent job, while in July it was broadly driven by an increasingly larger number of individuals whose unemployed person's status had expired due to non-compliance with the obligations of unemployed persons. At this stage, the 9-month term of the unemployment benefit disbursement of two thirds of the unemployed persons registered with the SEA has already expired, and they lack motivation to preserve the unemployed person's status. Therefore, the registered unemployment rate

Chart 4.8
NUMBER OF INDIVIDUALS WHO WERE ASSIGNED THE UNEMPLOYED PERSON'S STATUS AND THAT OF INDIVIDUALS WHOSE UNEMPLOYED PERSON'S STATUS HAD EXPIRED
(in thousands)



is likely to contract more rapidly than the actual unemployment rate. Thus, as featured in the CSB labour surveys, the gap between the rate of jobseekers and the actual unemployment level which decreased to 3 percentage points in the first quarter could increase again.

The number of newly-registered unemployed persons slightly increased for the second consecutive month (up to 12.1 thousand) in July, thus confirming that the signs of labour market stabilisation are still fragile (see Chart 4.8).

According to the EC monthly survey data on employment expectations of businesses for the next three months, the balance of replies turned positive also in trade in July. Thus trade is the second sector of the economy (following manufacturing) where more businesses plan to increase the number of employees rather than to reduce it (although there is not a big difference). At the same time, the balance of replies is still negative in construction and services sector (see Chart 4.9) showing that few new jobs will be created by the end of 2010 and unemployment will decrease partly on account of the growing number of economically inactive population. The dynamics of the number of economically inactive population is countercyclical, and, in comparison with employment, it has a longer lag against the economic development cycle. The CSB labour survey data suggest that the share of economically active population in the age group of 15–74 was only 65.0% in the first quarter, i.e. 3 percentage points lower year-on-year (see Chart 4.10). The category of economically inactive population posted a particularly rapid increase in the number of individuals who have lost hopes of finding a job.

Chart 4.9
DATA FROM BUSINESS SURVEYS ON PROJECTED 3-MONTH EMPLOYMENT DYNAMICS
(in percentage points)

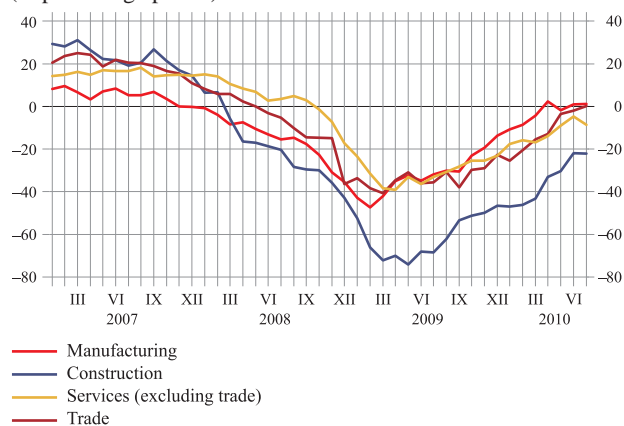
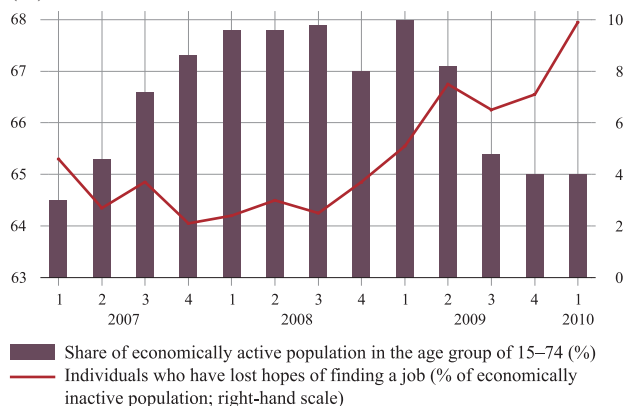


Chart 4.10
DYNAMICS OF THE ECONOMIC ACTIVITY OF POPULATION
(%)



In July, the number of vacancies registered with the SEA continued to increase to the maximum level observed within 20 months (3.3 thousand) but the number of individuals who had found a permanent job decreased (to 5.6 thousand; see Chart 4.11). Although the growing number of vacancies suggests improved job opportunities, the opposite dynamics of these two indicators is likely to point to the fact that skills do not satisfy the demand. On the one hand, it is difficult for some companies to find proper employees against the backdrop of high unemployment. For instance, according to the EC regular survey data, in July labour shortage was singled out as the main obstacle for business growth by 3.2% of the surveyed contractors (0.5% in the respective period of the previous year).

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



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

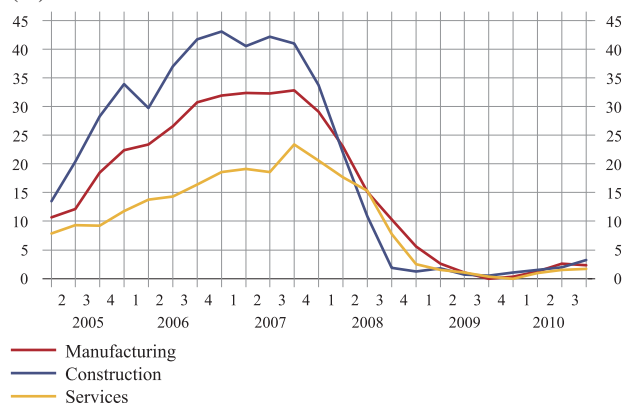
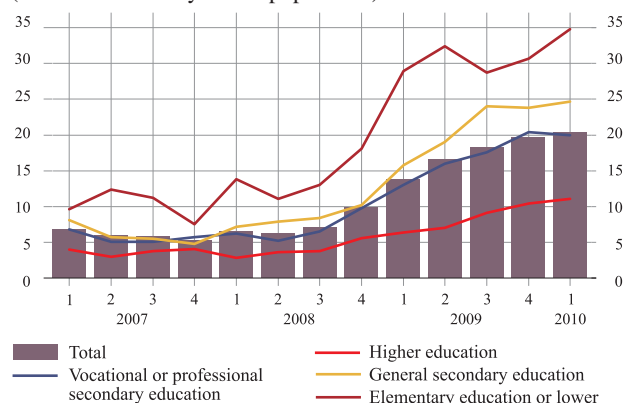


Chart 4.13
JOBSEEKERS BY EDUCATIONAL LEVEL
(% of economically active population)



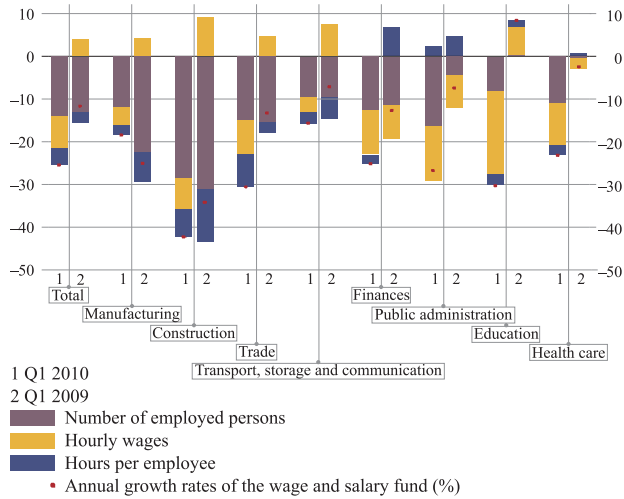
A similar trend was also observed in manufacturing and services sector (see Chart 4.12). On the other hand, demand for unqualified jobs (even with a very low salary) exceeds supply: this is also confirmed by the growing number of individuals involved in the so-called 100 lats programme (23.3 thousand in July). Hence, currently Latvia's labour market mainly involves high-skilled employees the demand for whom remains high, and low-skilled employees who were more affected in the wake of the crisis, as the number of appropriate jobs decreased. This is also confirmed by the CSB data, – the unemployment rate of individuals who had higher education was three times lower than that of individuals who had elementary education, and this tendency has expanded considerably since the beginning of the economic slowdown (see Chart 4.13).

If skill mismatch risks persist, this could become one of the most important Latvian economy issues in the coming years. By increasing the structural unemployment and, respectively, unemployment "equilibrium" level, it can cause an upward pressure on wages and prices in the context of the relatively high unemployment rate, thus enhancing the social gap and having an adverse effect on Latvia's economic competitiveness.

Consequently, with the increasing economic activity and emerging skill mismatch with demand, the focus should be on improving the jobseekers' qualification so that they could build up their competitiveness in the labour market and find high-value-added jobs in the private sector, rather than ensuring temporary employment for low-skilled unemployed persons (the so-called 100 lats programme). At the same time, the government could address issues regarding the employment, business development and sustainable growth.

In the first quarter, the annual decrease in hourly wages and salaries reached 8.3%. The public sector recorded a fall in hourly wages and salaries by almost 10 percentage points (to 14.1%) mostly as a result of the base effect: the wage adjustment in the public sector started earlier and the most pronounced wage cuts had already been made. In the private sector, the annual decrease in wages and salaries (4.7%) was similar to that recorded in the previous quarter, and the wage and salary fund was still adjusted primarily through lay-offs of less productive employees and shortening of the weekly working hours (see Chart 4.14). The annual increase in hourly wages and

Chart 4.14
DECOMPOSITION OF THE ANNUAL GROWTH OF THE
NOMINAL WAGE AND SALARY FUND BY ECONOMIC
SECTORS
(in percentage points)



salaries is expected to be negative until the end of 2011.

Chart 5.1
THE WEIGHTED BREAKDOWN OF ANNUAL GROWTH RATE BY CPI GROUPS (%)

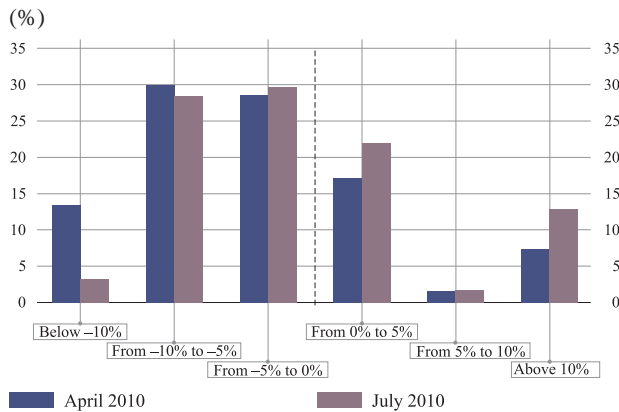


Chart 5.2
IMPACT OF CHANGES IN THE NOMINAL EFFECTIVE EXCHANGE RATE AND EXTERNAL INFLATION ON INFLATION (in percentage points)

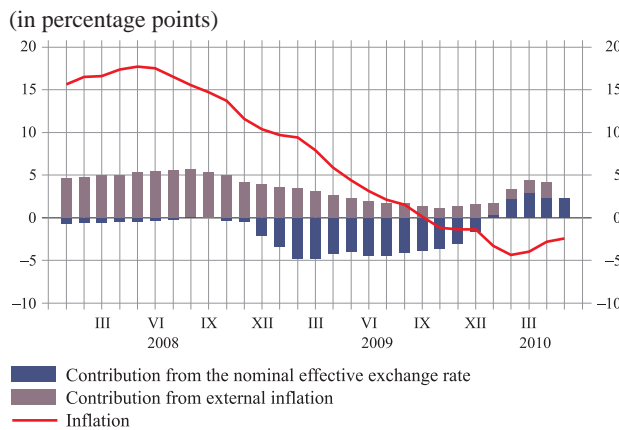
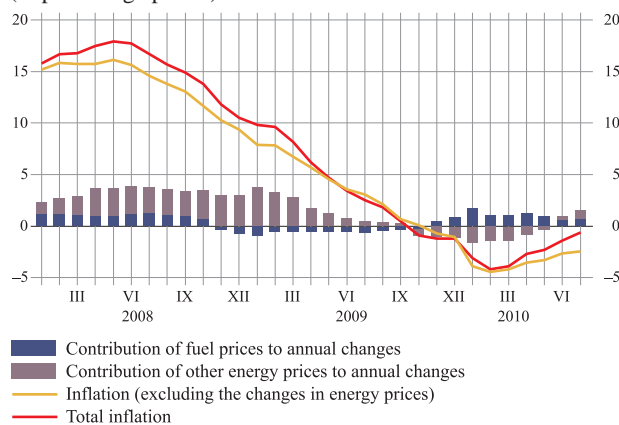


Chart 5.3
IMPACT OF ENERGY PRICE CHANGES ON INFLATION (in percentage points)



5. Prices and costs

Annual deflation continued on a sharp downward trend in May, June and July. Decelerating price drop mostly resulted from supply-side factors – global energy price dynamics contributed to domestic energy price rise and an increase in production costs resulted in substantial growth of vegetable prices. Although income continued on a downward path and retail trade data confirmed uneven development trends, the number of commodity and services groups recording a price decline diminished further (see Chart 5.1). The depreciation of the euro against the US dollar and other currencies of trade partners accounted for an abating deflation in the first half of the year, thus contributing to higher import prices, including those of energy and food. More expensive imports were also attributable to price increase in the markets of trade partners (see Chart 5.2).

A minor narrowing in consumer price index in May and a move up in June and July resulted primarily from an increase in energy and unprocessed food prices (see Chart 5.3). Similar to global energy price developments, natural gas tariffs for households and heating tariffs rose by 31.5% and 11.8% respectively within three months (an annual growth in July – 22.0% and 17.7% respectively). Overall, increasing administered prices in July contributed to easing annual deflation (already by 1.1 percentage points). With a rise in oil prices stabilising, fuel price growth decelerated, still having a positive impact on inflation (a contribution of 0.6 percentage point; in April – 1.2 percentage points).

The contribution of unprocessed food prices to inflation turned positive in June. In Latvia and the rest of the world, vegetable prices continued on an upward trend due to unfavourable weather conditions for agriculture, and were 35.9% higher year-on-year, resulting in higher overall consumer prices (0.4 percentage point). However, with prices of other unprocessed food products (such as meat) declining, the overall contribution of unprocessed food only amounted to 0.1 percentage point.

A minor demand and high unemployment notwithstanding, the annual decrease in prices of goods and services included in the core inflation decelerated further (in July – -3.5%; in April – -4.4%) on account of rising production costs as well as due to the base effect. The negative contribution of core inflation abated mostly on account of decelerating

Chart 5.4
CHANGES IN THE CPI BY COMPONENTS
(in percentage points)

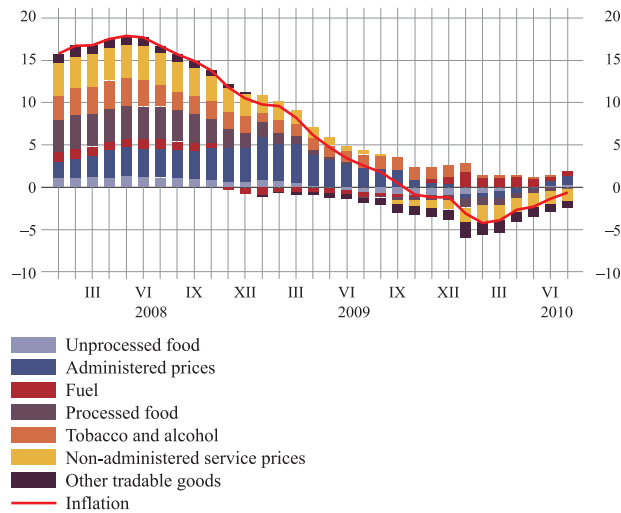


Chart 5.5
THE ANNUAL RATE OF CHANGE IN PPI AND CONTRIBUTION OF ITS COMPONENTS
(in percentage points)

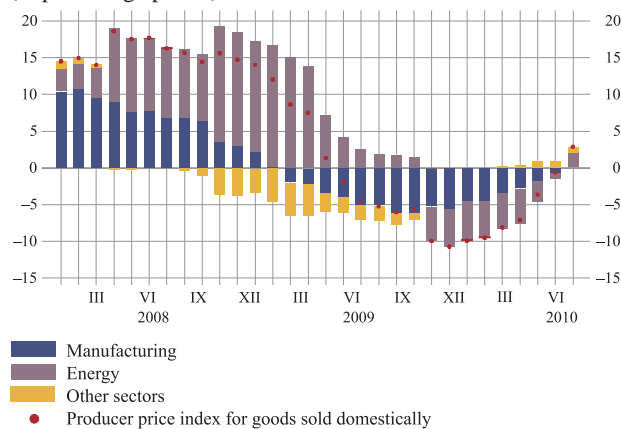
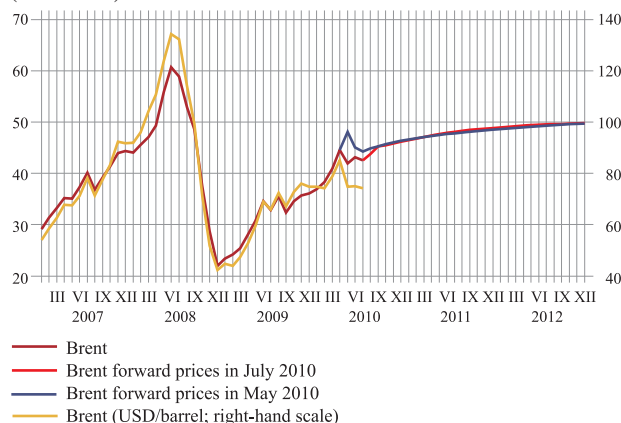


Chart 5.6
OIL PRICES ON GLOBAL MARKET
(lats/barrel)



decline in processed food and non-administered non-food prices (see Chart 5.4). Food price increase was on account of a rise in milk and grain prices, particularly in July.

Global resource (in particular, energy and metals) price expansion also pushed up the costs of goods produced for domestic market and pressure on growing producer prices of the above goods (see Chart 5.5). In June, after 13 months of negative growth producer prices for goods traded in the domestic market were higher year-on-year.

The US Energy Information Agency projects that the upward trend of oil prices will also continue in the near future, recording a moderate rise due to the expected increase in the global demand for oil. Gradually declining oil stocks are expected to foster further price surge (see Chart 5.6). In view of unfavourable weather conditions for agriculture (in Russia in particular), global food prices will follow an upward trend in the near future, thus also affecting prices in Latvia.

As energy prices moved up and the overall consumer prices confirmed a month-on-month growth, rising inflation expectations were observed in July, resulting in additional pressure on price increase. The number of the survey respondents who believe that prices will grow in the coming months and are selected for calculating inflation expectations has considerably expanded. In July, 63.3% of respondents expected price rise (41.1% year-on-year; see Chart 5.7).

Low demand and declining labour costs notwithstanding, the overall annual increase in consumer prices is expected to return to positive territory. The above development will be mainly caused by rising energy prices. Their direct contribution to inflation of 2010 is expected to reach 1.0 percentage points. Persistently high unemployment rate and declining overall household income, with housing expenditure growing during the heating season, will account for the most substantial downward pressure.

Chart 5.7
BREAKDOWN OF HOUSEHOLD EXPECTATIONS
FOR CONSUMER PRICE CHANGES IN THE NEXT
12 MONTHS

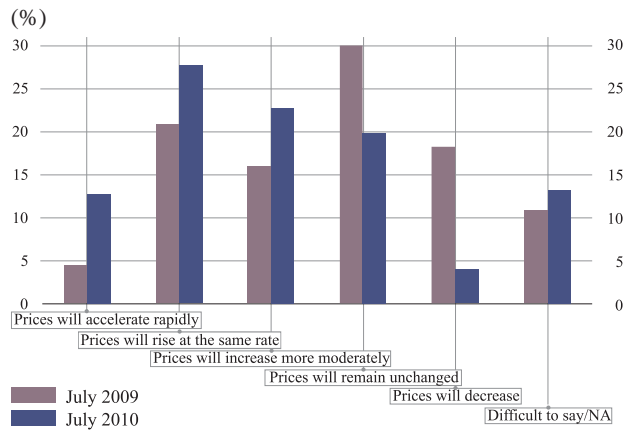


Chart 6.1
CURRENT ACCOUNT OF LATVIA'S BALANCE OF PAYMENTS AND ITS COMPONENTS
(percentage of GDP)

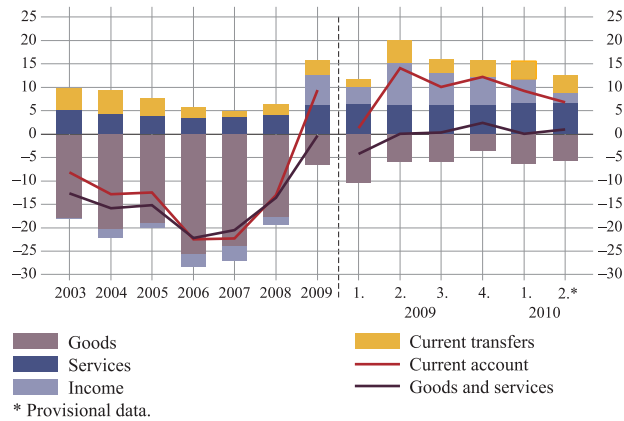


Chart 6.2
EXPORT AND IMPORT GROWTH RATES OF GOODS AND SERVICES
(annual percentage changes)

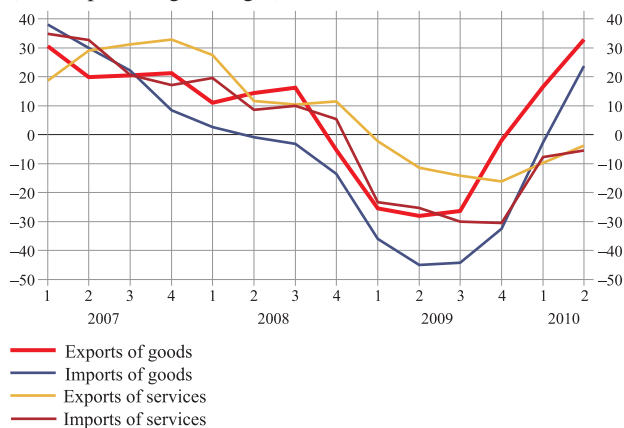
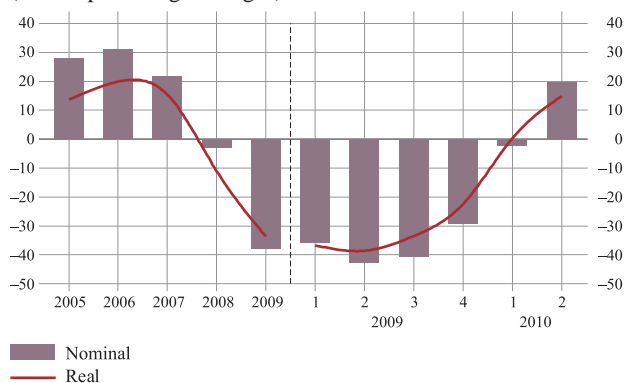


Chart 6.3
IMPORT GROWTH RATES OF GOODS
(annual percentage changes)



6. Balance of Payments

According to provisional data for April, May and June and GDP forecast for the second quarter, the current account of the balance of payments still recorded a surplus (6.8% of GDP) in the second quarter and, in line with the forecast, was lower than in the first quarter (9.2% of GDP; see Chart 6.1). This was a result of both the intensification of trade flows (imports of intermediate goods grew as industrial production recovered and exports rose) and contraction of losses by foreign direct investment companies contributing to a decline in the income surplus. In June, for the first month since September 2008, the volume of dividends paid in the income account from investment exceeded the incurred losses, thus overall the debit position was positive.

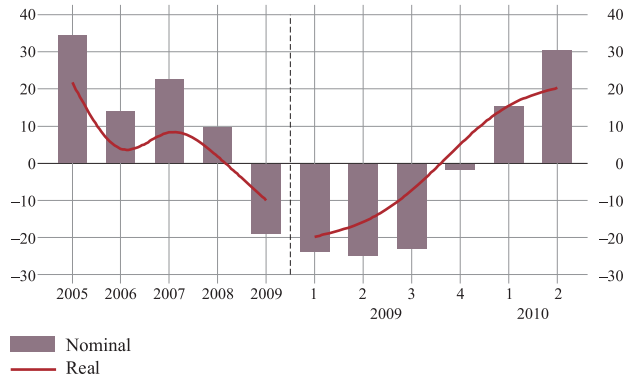
The goods and services balance was positive (1.0% of GDP) and improved in comparison with the first quarter (0.1% of GDP). The overall trade balance was mainly determined by services, as exports of passenger transportation services by air, freight transportation services and financial services grew markedly. In absolute terms, imports of transportation services also expanded; however, the trade balance did not deteriorate as exports of services grew more (see Chart 6.2).

Net inflows of foreign direct investment increased, while the liabilities to foreign investors expanded at the same time. Foreign investment in the share capital of Latvian companies increased slightly, but reinvested earnings continued to shrink.

The current account is projected to remain in surplus in 2010; however, the surplus will be much smaller than in 2009. This will be determined by both the gradual upswing in imports along with the recovering economic growth and more successful performance of foreign direct investment companies in Latvia, as investors restart to gain profit after a period of sustained losses. However, the current account should remain in surplus also in 2011.

The main risks to the forecast are on the downside. This is confirmed by a stable rise in imports in the second quarter (see Chart 6.3), and it is most likely to persist, with exports to those countries which have already overcome the crisis growing more rapidly. With the domestic economic activity recovering, imports of consumer goods is expected to grow. Also energy price rises are observed in the global market,

Chart 6.4
EXPORT GROWTH RATES OF GOODS
(annual percentage changes)



and the prices of agricultural products (particularly grain) may rise rapidly. At the same time, the opportunities for exports in cereals are unclear. On the one hand, it is determined by higher demand in the neighbouring countries but, on the other hand, by the needs of domestic supply. Some euro area countries still address complicated budget issues, thus partly forcing to revise downwards Latvia's export forecasts. After Estonia's joining the euro area in 2011, Estonian economy will become more attractive to investors than that of neighbouring countries. At the same time, provisional data suggest the economic growth in Lithuania and Estonia in the second quarter. This is a positive factor contributing to export opportunities (see Chart 6.4).

7. Conclusions and Forecasts

As was projected, the positive trends observed at the beginning of 2010 continued also in the second quarter – it was the second consecutive quarter when, according to the CSB flash estimate, a quarter-on-quarter seasonally adjusted real GDP growth was recorded. According to international practice, it can be stated that at the beginning of 2010 the Latvian economy technically had coped with the downturn and the recovery is on the way.

Despite an increase in economic activity, there is still much uncertainty surrounding Latvia's economic outlook. Several downside risks, mainly associated with external factors, still persist. Moreover, new factors have appeared which might have a negative impact on Latvia's economic growth in the second half of the year. Simultaneously, there are some upside risks, which could, if materialised, provide a boost to economic growth.

7.1 Economic developments

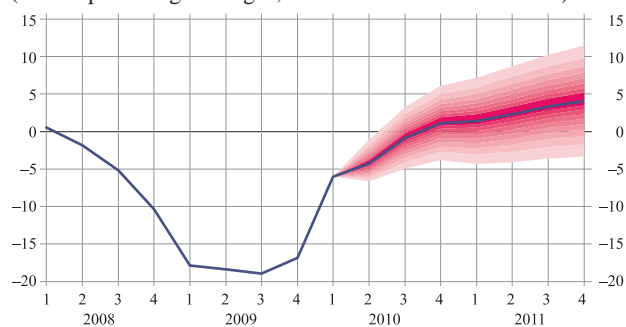
The global economic situation keeps on improving, and in early July the IMF made an upward revision of its world economic outlook for 2010. Simultaneously, economic activity in the euro area is accelerating at a modest pace and is not suggestive of strong recovery, while for some EU countries the outlook is reviewed and even revised downwards. These problems are not conducive to mitigating the risks to Latvia's economic development.

Summing up the newly-emerged negative factors that might hamper the economic activity in Latvia, unfavourable weather conditions in a number of countries, especially in Russia, need to be pointed out, while they lead to a steep increase of global food prices. This might have an adverse effect on global economic processes and also on the economic developments in Latvia. The remaining downside risks for Latvia's economic development are associated with a limited availability funds for working capital, structural changes in retail trade² and political instability. They might seriously impede the growth.

Improving confidence in a number of EU countries (including Germany, France, and Italy) is a positive

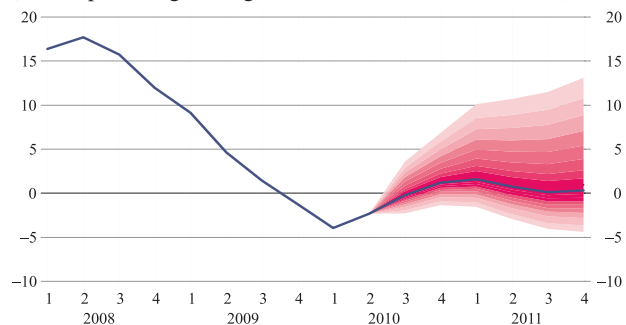
² Due to structural changes in retail trade turnover, the import-to-demand ratio might edge up, thereby deteriorating the foreign trade balance.

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



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

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



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

signal. It is attested by the latest consumer and business confidence surveys. The robust dynamics of economic confidence in Estonia, a major trade partner of Latvia, confirms the improvement in economic activity. Estonia's joining the euro area on 1 January 2011 may considerably step up its economic growth, which in turn may have a favourable effect on economic developments in Latvia.

To sum up, the outlook for real GDP growth in 2010 remains unchanged and risks can be considered as broadly balanced. The anticipated modest improvement in the economic activity is not likely to offset, in the course of one year, the dramatic downturn Latvia's economy went through in 2009; in 2010, real GDP is expected to decrease by 2.5% (see Chart 7.1).

7.2 Inflation

In the first half of the year, consumer prices in Latvia on average posted a 3% year-on-year decline, though right now deflation in Latvia is gradually abating. This is driven by the dynamics of global energy and vegetable prices; the latter, considering the unfavourable weather conditions in the world, keep moving up also in Latvia. Upside risks related to faster than expected energy price climb have materialised. Hence the inflation forecast for Latvia has been revised upwards. Currently the Bank of Latvia projects a 1.6% average decline of consumer prices in 2010. As to inflation forecasts, medium-term risks nevertheless remain unbalanced, with upside risks dominating downside risks (see Chart 7.2).

The main upside risks to inflation dynamics in Latvia at the end of 2010 and the beginning of 2011 are related to even more vigorous hikes of energy prices and further increase of food prices due to unfavourable weather conditions in Latvia and elsewhere in the world. Downside risks are mainly associated with the decreasing labour costs and weak domestic demand resulting in downward price pressure, especially in the services sector.

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1. MONETARY INDICATORS AND INTEREST RATES

	2009								2010							
		Q1	Q2	Q3	Q4	Q1	Q2									
M1 ¹	-10.9	-17.8	-21.0	-19.9	-10.9	1.8	10.4									
M2 ¹	-2.8	-6.9	-9.9	-11.6	-2.8	3.2	4.5									
M3 ¹	-2.8	-7.0	-10.4	-12.0	-2.8	3.5	5.5									
M2X ¹	-1.9	-6.2	-8.3	-10.2	-1.9	4.2	5.4									
Loans to resident financial institutions, non-financial corporations and households ¹	-7.3	6.4	-0.2	-4.9	-7.3	-8.0	-7.6									
Deposits of resident financial institutions, non-financial corporations and households ¹	1.7	-5.0	-5.7	-7.6	1.7	6.0	4.6									
Long-term interest rate for convergence assessment purposes ²	12.36	11.15	11.66	12.94	13.67	12.64	10.13									
RIGIBOR (3-month loans) ³	13.2	11.6	16.0	13.9	11.2	3.5	2.2									
Average yield on government bonds	-	-	-	-	-	5.4 ⁴	6.1 ⁵									
OMXR ³	260.4	227.8	225.3	286.9	297.0	320.7	349.7									
	2009												2010			
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
M1 ¹	-18.2	-18.7	-21.0	-21.5	-22.1	-19.9	-19.7	-16.8	-10.9	-6.9	-4.9	1.8	5.0	5.2	10.4	
M2 ¹	-8.1	-8.1	-9.9	-11.6	-12.5	-11.6	-10.6	-8.1	-2.8	-2.4	-1.0	3.2	4.0	4.2	4.5	
M3 ¹	-8.2	-8.3	-10.4	-12.3	-13.2	-12.0	-10.8	-7.9	-2.8	-2.3	-0.7	3.5	4.2	4.6	5.5	
M2X ¹	-6.3	-6.3	-8.3	-10.1	-11.1	-10.2	-8.9	-6.1	-1.9	-1.3	-0.1	4.2	4.4	5.8	5.4	
Loans to resident financial institutions, non-financial corporations and households ¹	4.3	1.6	-0.2	-2.2	-3.7	-4.9	-5.9	-6.3	-7.3	-7.6	-7.9	-8.0	-7.8	-7.2	-7.6	
Deposits of resident financial institutions, non-financial corporations and households ¹	-4.6	-4.6	-5.7	-7.7	-8.4	-7.6	-5.2	-1.7	1.7	2.1	2.6	6.0	5.2	6.7	4.6	
Long-term interest rate for convergence assessment purposes ²	11.15	11.09	12.75	12.75	12.81	13.27	13.51	13.75	13.75	13.76	13.62	10.54	10.13	10.13	10.12	
RIGIBOR (3-month loans) ³	12.4	13.4	22.2	16.9	13.2	11.6	13.5	11.8	8.3	4.9	3.1	2.3	2.1	2.2	2.1	
Average yield on government bonds	-	-	-	-	-	-	-	-	-	-	6.1 ⁴	5.3 ⁴	5.9 ⁵	6.4 ⁵	-	
OMXR ³	212.1	229.2	235.3	255.3	277.7	330.7	311.7	294.3	283.6	315.4	327.0	319.9	351.0	349.0	349.1	

¹ Year-on-year changes (%).

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

³ Average of the period.

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

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

2.a REAL SECTOR INDICATORS AND PRICES

	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2		
Industrial output^{1,2}								
Increase/decrease ³ (at constant prices; working day adjusted data; %)	-15.8	-22.2	-18.9	-15.0	-6.7		7.4	12.1
Cargoes loaded and unloaded at ports²								
Turnover (in thousands of tons)	61 976	16 597	15 688	14 832	14 859		15 618	15 268
Increase/decrease ³ (%)	-2.6	-1.4	2.0	-3.3	-7.7		-5.9	-2.7
Retail trade turnover (excluding retail trade at market-places)^{1,2}								
Turnover (at current prices; in millions of lats)	4 138.6	1 034.3	1 068.2	1 039.1	997.0		908.4	1 040.1
Increase/decrease ³ (at constant prices; %)	-33.0	-32.1	-34.7	-33.4	-31.6		-12.1	-1.3
Unemployment rate (%)	16.0	10.7	11.5	13.2	16.0		17.3	15.6
Producer prices ¹ (increase/decrease compared with the previous period; %)	-4.7	-3.0	-3.5	-1.6	-0.7		1.1	4.4
Consumer price inflation								
Year-on-year basis (%)	3.5	9.2	4.7	1.6	-1.1		-3.7	-2.1
Quarter-on-quarter basis ² (%)	x	2.6	-0.4	-1.9	-1.3		-0.2	1.3
Financial surplus/deficit in the general government consolidated budget								
Surplus/deficit (in millions of lats)	-892.1	-142.1	-283.1	-68.5	-398.4		-132.7	-41.0
Ratio to GDP ² (%)	6.8	4.3	8.5	2.1	12.4		4.7	x

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

² Data have been revised.

³ Year-on-year basis.

2.b REAL SECTOR INDICATORS AND PRICES

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Industrial output ^{1,2}																
Increase/decrease ³ (at constant prices; working day adjusted data; %)	-18.7	-19.1	-18.8	-17.3	-12.4	-15.1	-13.7	-2.6	-3.4	6.1	4.4	11.5	9.7	13.4	13.3	
Cargoes loaded and unloaded at ports ²																
Turnover (in thousands of tons)	5 152	5 128	5 409	5 197	5 219	4 416	5 134	4 543	5 182	4 995	5 171	5 452	5 483	5 021	4 764	
Increase/decrease ³ (%)	0.7	-2.4	8.1	-5.5	10.0	-13.5	3.4	-15.5	-10.1	-10.4	-5.0	-2.3	6.4	-2.1	-11.9	
Retail trade turnover (excluding retail trade at market-places) ^{1,2}																
Turnover (at current prices; in millions of lats)	354.5	359.1	354.6	361.7	347.4	330.0	332.7	307.3	356.9	293.4	284.9	330.1	339.6	349.7	350.8	
Increase/decrease ³ (at constant prices; %)	-36.7	-34.6	-33.0	-33.8	-32.9	-33.5	-32.0	-31.9	-30.8	-17.4	-13.8	-5.2	-3.1	-1.4	0.7	
Unemployment rate (%)	11.0	11.3	11.5	11.8	12.3	13.2	14.1	15.1	16.0	16.6	17.1	17.3	16.7	16.2	15.6	
Producer prices ¹ (increase/decrease compared with the previous period; %)	-0.9	-0.9	-1.7	-0.3	0	0.3	0.1	-1.7	0.4	0.9	0.4	0.8	2.2	1.8	0.8	
Consumer price inflation																
Year-on-year basis (%)	6.2	4.7	3.4	2.5	1.8	0.5	-0.9	-1.2	-1.2	-3.1	-4.2	-3.9	-2.7	-2.3	-1.4	
Month-on-month basis (%)	-0.4	-0.5	-0.5	-0.6	-1.0	-0.2	-0.2	-0.7	-0.5	0.2	0	0.5	0.9	-0.1	0.4	
Annual core inflation (%)	3.9	2.9	2.0	1.8	1.0	-0.4	-0.8	-1.6	-2.0	-5.0	-5.6	-5.0	-4.4	-4.2	-3.6	
Financial surplus/deficit in the general government consolidated budget (in millions of lats)	-190.8	-5.0	-87.3	-3.7	12.2	-77.0	-20.8	-73.6	-304.0	70.7	-87.8	-115.5	-55.6	32.9	-18.4	

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

² Data have been revised.

³ Year-on-year basis.

3. MONETARY BASE

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Currency in circulation	846.6	825.1	758.5	767.1	756.7	748.7	745.6	739.5	788.2	752.4	767.7	774.2	827.1	819.0	838.3	
Currency as percent of the monetary base	52.5	49.7	47.9	49.0	48.1	46.7	46.8	42.8	47.9	43.1	39.9	52.9	51.3	52.4	49.3	
Deposits with the Bank of Latvia in lats	752.9	826.4	808.5	792.0	809.0	841.4	838.9	942.3	837.7	984.1	1 144.9	673.9	770.3	730.2	837.8	
Deposits with the Bank of Latvia in foreign currencies	12.7	9.4	17.7	7.7	7.6	14.2	9.3	47.4	19.9	9.8	10.9	16.7	14.5	15.1	24.2	
Deposits as percent of the monetary base	47.5	50.3	52.1	51.0	51.9	53.3	53.2	57.2	52.1	56.9	60.1	47.1	48.7	47.6	50.7	
M0	1 612.2	1 660.9	1 584.8	1 566.8	1 573.3	1 604.3	1 593.8	1 729.2	1 645.8	1 746.3	1 923.5	1 464.9	1 611.8	1 564.2	1 700.4	
Net foreign assets	2 136.3	2 090.8	1 967.3	2 873.9	3 158.4	3 209.3	3 169.8	3 338.0	3 313.1	3 412.9	3 524.3	3 899.7	3 779.3	3 868.1	3 920.4	
Loans to MFIs	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4	131.7	117.6	117.6	116.3	0	0	
Credit to central government (net)	-496.2	-540.3	-397.0	-1 308.3	-1 558.5	-1 563.8	-1 539.2	-1 496.0	-1 291.9	-1 448.3	-1 334.4	-1 578.0	-1 430.8	-1 421.5	-1 400.8	
Other items (net)	-302.9	-251.9	-244.3	-253.7	-261.7	-266.3	-262.9	-258.0	-515.9	-350.0	-384.0	-974.5	-853.0	-882.4	-819.2	
Total	1 612.2	1 660.9	1 584.8	1 566.8	1 573.3	1 604.3	1 593.8	1 729.2	1 645.8	1 746.3	1 923.5	1 464.9	1 611.8	1 564.2	1 700.4	

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Monetary aggregates																
M3	5 940.1	5 895.9	5 829.2	5 717.7	5 654.7	5 614.4	5 598.4	5 654.3	5 873.1	5 806.3	5 944.5	6 081.0	6 189.6	6 165.4	6 147.4	
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Money market fund shares and units	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3	98.4	99.9	98.1	
Debt securities issued with maturity of up to 2 years	1.3	1.7	1.7	1.7	1.7	0.9	0.9	0.9	0.9	0.9	0.9	0	0	12.4	20.6	
M2	5 858.9	5 811.8	5 768.6	5 655.3	5 587.4	5 534.7	5 518.4	5 567.9	5 796.2	5 714.1	5 841.7	5 982.7	6 091.3	6 053.1	6 028.7	
Deposits with agreed maturity of up to 2 years	2 530.8	2 472.5	2 490.0	2 424.8	2 422.1	2 377.2	2 399.3	2 411.8	2 565.2	2 542.8	2 596.1	2 641.2	2 664.3	2 632.0	2 491.5	
Deposits redeemable at notice of up to 3 months	286.7	306.3	285.1	277.5	270.2	261.0	257.0	253.4	251.6	249.9	248.2	241.0	234.3	229.4	233.7	
M1	3 041.3	3 033.0	2 993.5	2 953.0	2 895.2	2 896.5	2 862.1	2 902.6	2 979.3	2 921.4	2 997.5	3 100.4	3 192.7	3 191.7	3 303.5	
Currency outside MFIs	725.6	718.7	661.0	664.9	658.3	651.5	641.8	639.6	667.3	653.0	666.5	669.2	713.9	715.3	733.6	
Overnight deposits	2 315.7	2 314.3	2 332.4	2 288.1	2 236.9	2 244.9	2 220.3	2 263.1	2 312.0	2 268.4	2 331.0	2 431.2	2 478.8	2 476.4	2 569.9	
Counterparts of monetary aggregates and longer-term financial liabilities																
Deposits of central government	1 362.9	1 202.3	1 059.1	1 973.2	2 221.2	2 244.3	2 181.4	2 140.2	1 932.2	2 089.1	2 046.4	2 293.3	2 146.3	2 168.8	2 199.6	
Longer-term financial liabilities	2 248.3	2 337.5	2 174.1	2 274.0	2 224.7	2 165.8	2 141.9	2 106.7	2 224.4	2 242.0	2 301.6	2 223.6	2 212.7	2 293.6	2 237.9	
Deposits with agreed maturity of over 2 years	169.2	168.3	159.8	162.1	162.2	163.2	162.6	159.5	159.3	158.2	158.9	160.3	162.6	241.1	206.8	
Deposits redeemable at notice of over 3 months	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Debt securities issued with maturity of over 2 years	162.2	158.7	158.8	159.0	156.1	156.1	153.6	152.3	152.6	149.3	157.7	157.8	158.0	171.4	171.6	
Capital and reserves	1 916.9	2 010.4	1 855.4	1 952.9	1 906.3	1 846.3	1 825.5	1 794.8	1 912.4	1 934.5	1 984.9	1 905.3	1 892.0	1 880.9	1 859.4	
Credit to residents	15 057.1	14 986.9	14 865.1	14 849.7	14 771.1	14 712.2	14 627.3	14 467.6	14 269.7	14 244.5	14 160.7	14 054.0	13 897.0	13 868.4	13 767.7	
Credit to general government	715.6	691.5	626.8	710.7	685.8	663.9	665.0	580.8	590.8	641.9	644.0	664.3	583.3	554.2	553.8	
Credit to other residents	14 341.4	14 295.4	14 238.4	14 139.0	14 085.3	14 048.3	13 962.3	13 886.9	13 678.9	13 602.5	13 516.7	13 389.8	13 313.7	13 314.2	13 213.9	
Loans	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3	13 136.5	13 124.0	13 007.8	
Net external assets	-5 062.6	-4 976.7	-4 946.9	-3 976.0	-3 683.8	-3 571.1	-3 525.3	-3 333.2	-3 021.6	-2 827.8	-2 551.9	-1 939.7	-1 893.8	-1 826.7	-1 720.4	
Other items (net)	443.2	574.5	855.7	908.8	986.7	1 116.6	1 180.2	1 233.3	1 218.5	1 279.2	1 316.5	1 516.5	1 454.5	1 460.9	1 462.4	

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
M1	3 055.9	3 036.1	2 956.7	2 887.0	2 869.5	2 892.9	2 886.3	2 925.3	2 935.1	2 973.5	3 046.5	3 150.4	3 208.7	3 195.6	3 223.5	
M2	5 800.6	5 786.6	5 688.6	5 599.1	5 573.4	5 585.6	5 587.9	5 654.8	5 752.1	5 771.5	5 864.0	5 970.0	6 025.5	6 019.5	5 944.5	
M3	5 881.8	5 867.6	5 751.2	5 660.7	5 640.3	5 663.8	5 666.1	5 745.3	5 826.9	5 863.8	5 969.6	6 065.5	6 121.9	6 133.9	6 063.4	

6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
ASSETS																
Loans to residents	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4	131.7	117.6	117.6	116.3	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	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4	131.7	117.6	117.6	116.3	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	2 149.0	2 115.4	1 984.4	2 886.0	3 169.7	3 227.8	3 186.3	3 382.1	3 384.6	3 454.5	3 564.3	3 921.7	3 821.6	3 917.5	3 938.7	
Fixed assets	33.7	33.5	33.3	33.1	33.3	33.3	33.2	33.1	33.2	33.0	32.8	32.6	32.3	32.1	31.9	
Remaining assets	3.9	6.1	3.3	4.7	6.3	2.8	4.3	4.1	2.0	2.7	3.6	2.0	2.7	1.2	1.2	
Total	2 461.6	2 517.2	2 279.9	3 178.8	3 444.3	3 488.9	3 449.9	3 564.5	3 560.3	3 621.9	3 718.3	4 073.9	3 972.9	3 950.7	3 971.8	
LIABILITIES																
Currency in circulation	846.6	825.1	758.5	767.1	756.7	748.7	745.6	739.5	788.2	752.4	767.7	774.2	827.1	819.0	838.3	
Deposits of residents	1 317.3	1 377.5	1 223.6	2 109.5	2 376.5	2 420.8	2 387.8	2 486.0	2 409.6	2 526.7	2 599.9	2 940.0	2 830.6	2 803.8	2 830.5	
Central government	496.2	540.3	397.0	1 308.3	1 558.5	1 563.8	1 539.2	1 496.0	1 291.9	1 448.3	1 334.4	1 578.0	1 430.8	1 421.5	1 400.8	
Other residents	1.8	1.5	1.1	5.7	1.8	1.5	2.1	2.1	1.9	2.5	2.4	2.1	3.0	3.6	4.0	
MFIs	819.3	835.8	825.5	795.5	816.2	855.5	846.5	987.9	1 115.7	1 075.9	1 263.1	1 360.0	1 396.8	1 378.6	1 425.7	
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capital and reserves	261.7	266.2	275.4	283.7	290.5	296.6	296.4	288.4	287.7	298.0	307.5	310.2	268.4	275.3	281.6	
External liabilities	12.7	24.6	17.1	12.1	11.2	18.5	16.6	44.1	71.5	41.7	40.0	22.0	42.3	49.4	18.3	
Remaining liabilities	23.2	23.8	5.2	6.4	9.5	4.3	3.6	6.5	3.4	3.1	3.1	27.5	4.6	3.3	3.1	
Total	2 461.6	2 517.2	2 279.9	3 178.8	3 444.3	3 488.9	3 449.9	3 564.5	3 560.3	3 621.9	3 718.3	4 073.9	3 972.9	3 950.7	3 971.8	

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

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
ASSETS																
Loans to residents	15 698.0	15 631.9	15 458.1	15 287.2	15 227.7	15 198.0	15 109.9	15 225.8	15 068.9	14 925.6	15 031.2	14 978.2	14 844.8	14 860.0	14 695.0	
General government	158.9	158.8	158.6	160.7	159.1	156.8	157.7	157.5	156.5	155.0	154.4	152.1	66.8	66.9	67.8	
Other residents	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3	13 136.5	13 124.0	13 007.8	
MFIs	1 286.8	1 332.9	1 223.4	1 150.0	1 147.0	1 160.5	1 155.5	1 349.5	1 397.5	1 326.0	1 524.0	1 608.8	1 641.4	1 669.1	1 619.5	
Holdings of securities other than shares issued by residents	597.2	568.9	506.6	584.2	559.9	540.8	539.3	454.8	467.2	518.2	516.2	541.2	545.8	512.4	510.4	
General government	556.7	532.7	468.1	550.0	526.7	507.1	507.3	423.2	434.3	486.9	489.7	512.2	516.5	487.3	486.0	
Other residents	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
MFIs	40.1	35.8	38.4	34.1	33.1	33.6	31.9	31.5	32.9	31.2	26.4	28.9	29.3	25.1	24.2	
Money market fund shares and units	x	x	x	x	x	x	x	x	x	x	x	x	x	0.4	0.4	
Holdings of shares and other equity issued by residents	88.7	154.8	162.2	162.4	163.7	167.5	165.5	168.0	164.0	157.9	163.7	172.4	177.1	190.2	206.0	
External assets	4 734.1	4 729.3	4 602.2	4 444.3	4 622.7	4 587.0	4 677.4	4 458.3	4 854.9	4 770.4	4 500.4	4 660.1	4 829.3	4 804.5	4 765.9	
Fixed assets	164.9	162.4	166.9	164.8	160.0	158.4	156.4	154.6	148.5	146.7	144.9	135.2	134.0	106.0	93.9	
Remaining assets	511.5	513.8	482.6	496.9	515.3	539.2	551.9	580.1	597.6	575.9	577.5	594.3	609.0	601.1	609.9	
Total	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1	21 094.7	20 934.0	21 081.4	21 140.1	21 074.5	20 881.5	
LIABILITIES																
Deposits of residents	6 635.1	6 419.6	6 326.9	6 170.7	6 088.0	6 034.9	5 991.9	6 094.7	6 211.4	6 111.7	6 310.4	6 436.1	6 497.9	6 605.7	6 492.1	
Central government	866.7	662.0	662.1	664.9	662.8	680.5	642.3	644.1	640.2	640.8	711.9	715.4	715.5	747.2	798.8	
Other residents	5 300.7	5 260.0	5 266.3	5 146.8	5 089.6	5 045.0	5 037.3	5 085.8	5 286.3	5 216.8	5 331.9	5 471.8	5 537.0	5 575.4	5 497.9	
MFIs	467.7	497.6	398.5	359.0	335.6	309.4	312.4	364.8	284.9	254.1	266.5	248.9	245.4	283.0	195.3	
Money market fund shares and units	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3	98.4	100.3	98.5	
Debt securities issued	163.5	160.4	160.5	160.7	157.7	157.0	154.5	153.2	153.5	150.2	158.6	157.8	158.0	183.8	192.2	
Capital and reserves	1 655.2	1 744.2	1 580.0	1 669.2	1 615.8	1 549.7	1 529.1	1 506.4	1 624.7	1 636.5	1 677.4	1 595.2	1 623.6	1 605.7	1 577.9	
External liabilities	11 933.0	11 796.8	11 516.4	11 294.2	11 465.0	11 367.5	11 372.5	11 129.5	11 189.7	11 011.1	10 576.5	10 499.6	10 502.3	10 499.3	10 406.6	
Remaining liabilities	1 327.7	1 557.7	1 735.8	1 784.4	1 857.1	2 002.8	2 073.3	2 072.2	2 045.7	2 093.8	2 109.3	2 294.4	2 259.8	2 079.8	2 114.2	
Total	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1	21 094.7	20 934.0	21 081.4	21 140.1	21 074.5	20 881.5	

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
ASSETS																
Loans to residents	14 411.2	14 299.0	14 234.7	14 137.2	14 080.6	14 037.5	13 954.4	13 876.3	13 671.4	13 599.6	13 507.2	13 369.4	13 203.3	13 190.9	13 075.5	
General government	158.9	158.8	158.6	160.7	159.1	156.8	157.7	157.5	156.5	155.0	154.4	152.1	66.8	66.9	67.8	
Other residents	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3	13 136.5	13 124.0	13 007.8	
Holdings of securities other than shares issued by other residents	557.1	533.0	468.2	550.1	526.8	507.2	507.4	423.3	434.4	487.0	489.7	512.3	516.5	487.4	486.1	
General government	556.7	532.7	468.1	550.0	526.7	507.1	507.3	423.2	434.3	486.9	489.7	512.2	516.5	487.3	486.0	
Other residents	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Holdings of shares and other equity issued by other residents	88.7	154.8	162.2	162.4	163.7	167.5	165.5	168.0	164.0	157.9	163.7	172.4	177.1	190.2	206.0	
External assets	6 883.1	6 844.7	6 586.6	7 330.3	7 792.4	7 814.8	7 863.7	7 840.4	8 239.5	8 224.9	8 064.7	8 581.8	8 650.9	8 721.9	8 704.5	
Fixed assets	198.6	195.9	200.2	197.9	193.3	191.7	189.6	187.6	181.7	179.7	177.7	167.7	166.4	138.2	125.8	
Remaining assets	394.3	413.6	388.5	399.4	423.2	444.8	452.5	484.3	478.9	479.2	479.9	491.4	498.6	498.4	506.6	
Total	22 533.0	22 441.0	22 040.4	22 777.3	23 180.1	23 163.5	23 133.1	22 980.0	23 169.8	23 128.3	22 883.0	23 294.9	23 212.8	23 227.0	23 104.5	
LIABILITIES																
Currency outside MFIs	725.6	718.7	661.0	664.9	658.3	651.5	641.8	639.6	667.3	653.0	666.5	669.2	713.9	715.3	733.6	
Deposits of central government	1 362.9	1 202.3	1 059.1	1 973.2	2 221.2	2 244.3	2 181.4	2 140.2	1 932.2	2 089.1	2 046.4	2 293.3	2 146.3	2 168.8	2 199.6	
Deposits of other general government and other residents	5 302.5	5 261.5	5 267.4	5 152.6	5 091.4	5 046.5	5 039.3	5 087.9	5 288.2	5 219.3	5 334.3	5 473.9	5 540.0	5 579.1	5 501.9	
Money market fund shares and units	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3	98.4	99.9	98.1	
Debt securities issued	123.4	124.6	122.1	126.5	124.6	123.4	122.6	121.7	120.6	119.1	132.2	128.9	128.7	158.8	168.0	
Capital and reserves	1 916.9	2 010.4	1 855.4	1 952.9	1 906.3	1 846.3	1 825.5	1 794.8	1 912.4	1 934.5	1 984.9	1 905.3	1 892.0	1 880.9	1 859.4	
External liabilities	11 945.7	11 821.4	11 533.5	11 306.3	11 476.2	11 386.0	11 389.0	11 173.6	11 261.2	11 052.7	10 616.5	10 521.5	10 544.7	10 548.6	10 424.9	
Remaining liabilities	1 076.0	1 219.3	1 482.1	1 535.8	1 631.6	1 782.2	1 851.0	1 933.4	1 908.8	1 965.2	1 994.4	2 204.3	2 148.0	2 083.1	2 117.3	
Excess of inter-MFI liabilities	0.2	0.5	0.6	4.4	4.8	4.5	3.4	3.2	3.1	4.1	6.1	0.1	0.7	-7.5	1.6	
Total	22 533.0	22 441.0	22 040.4	22 777.3	23 180.1	23 163.5	23 133.1	22 980.0	23 169.8	23 128.3	22 883.0	23 294.9	23 212.8	23 227.0	23 104.5	

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

(at end of period; in millions of lats)

	2009									2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
MFI reserves	940.3	942.2	923.0	894.1	911.1	949.1	946.8	1 084.3	1 233.0	1 171.9	1 359.8	1 461.5	1 506.4	1 482.3	1 526.4
Vault cash in national currency	121.1	106.4	97.5	102.2	98.4	97.1	103.8	99.9	120.8	99.4	101.3	105.0	113.1	103.7	104.7
Deposits with the Bank of Latvia	819.3	835.8	825.5	791.9	812.7	852.0	843.0	984.4	1 112.2	1 072.4	1 258.5	1 356.5	1 393.2	1 378.6	1 421.7
Foreign assets	4 734.1	4 729.3	4 602.2	4 444.3	4 622.7	4 587.0	4 677.4	4 458.3	4 854.9	4 770.4	4 500.4	4 660.1	4 829.3	4 804.5	4 765.9
Claims on the central government	641.2	617.1	552.5	634.4	611.1	591.5	591.7	508.0	519.1	572.0	574.4	600.5	520.3	491.2	489.6
Loans	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.8	84.8	85.0	84.7	88.3	3.9	3.9	3.6
Holdings of securities other than shares	556.7	532.7	468.1	550.0	526.7	507.1	507.3	423.2	434.3	486.9	489.7	512.2	516.5	487.3	486.0
Claims on the local government	74.5	74.4	74.2	76.3	74.7	72.3	73.3	72.8	71.8	70.0	69.6	63.8	62.9	63.0	64.2
Loans	74.5	74.4	74.2	76.3	74.7	72.3	73.3	72.8	71.8	70.0	69.6	63.8	62.9	63.0	64.2
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on the financial institutions	846.4	826.5	806.3	777.1	806.2	832.0	814.2	821.2	729.6	694.3	646.9	608.1	627.8	654.4	641.6
Loans	780.9	695.5	676.0	647.2	677.2	702.3	686.6	690.9	624.9	595.8	548.4	501.4	484.9	490.1	469.8
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	65.5	131.0	130.2	129.9	129.0	129.7	127.6	130.3	104.7	98.5	98.5	106.7	142.9	164.3	171.7
Claims on public non-financial corporations	376.7	383.8	382.9	382.9	382.5	392.5	390.5	396.6	395.7	405.5	405.8	403.8	407.2	409.4	407.7
Loans	376.7	383.8	382.9	382.9	382.5	392.5	390.5	396.6	395.7	405.5	405.8	403.8	407.2	409.4	407.7
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on private non-financial corporations	6 812.3	6 808.3	6 792.2	6 746.2	6 684.9	6 638.0	6 604.4	6 548.1	6 465.4	6 437.2	6 418.7	6 364.7	6 291.4	6 272.9	6 212.5
Loans	6 788.7	6 784.1	6 760.1	6 713.5	6 650.1	6 600.1	6 566.5	6 510.3	6 406.0	6 377.8	6 353.4	6 299.0	6 257.1	6 246.9	6 178.2
Holdings of securities other than shares	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of shares and other equity	23.3	23.9	32.0	32.6	34.7	37.8	37.8	37.7	59.3	59.4	65.2	65.6	34.2	25.9	34.3
Claims on households	6 306.1	6 276.7	6 257.0	6 232.9	6 211.8	6 185.9	6 153.2	6 121.0	6 088.2	6 065.5	6 045.3	6 013.1	5 987.3	5 977.6	5 952.1
Loans	6 306.1	6 276.7	6 257.0	6 232.9	6 211.8	6 185.9	6 153.2	6 121.0	6 088.2	6 065.5	6 045.3	6 013.1	5 987.3	5 977.6	5 952.1
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	164.9	162.4	166.9	164.8	160.0	158.4	156.4	154.6	148.5	146.7	144.9	135.2	134.0	106.0	93.9
Other assets	390.4	407.6	385.1	394.7	416.9	442.0	448.1	480.2	476.8	476.5	476.3	489.3	495.9	497.2	505.2
Claims on resident MFIs	467.5	497.1	397.9	358.1	334.3	308.5	312.5	365.1	285.3	253.6	265.4	252.3	248.2	290.5	197.8
Holdings of MFI securities other than shares	40.1	35.8	38.4	34.1	33.1	33.6	31.9	31.5	32.9	31.2	26.4	28.9	29.3	25.1	24.2
Money market fund shares and units	x	x	x	x	x	x	x	x	x	x	x	x	x	0.4	0.4
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1	21 094.7	20 934.0	21 081.4	21 140.1	21 074.5	20 881.5

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

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Overnight deposits in lats	1 162.0	1 108.9	1 041.9	1 042.5	1 015.3	1 033.7	1 008.0	1 056.4	1 114.9	1 095.0	1 147.5	1 210.9	1 258.2	1 285.7	1 352.4	
Financial institutions	53.0	54.6	49.5	51.5	36.5	36.0	43.5	46.3	38.8	57.6	92.0	71.6	81.4	82.8	86.7	
Public non-financial corporations	85.6	72.9	65.3	66.7	60.9	74.6	67.2	75.9	70.4	76.6	73.1	93.8	79.4	83.5	93.6	
Private non-financial corporations	441.0	431.7	390.3	403.7	418.0	421.0	410.8	431.3	448.2	444.2	440.7	448.0	471.4	496.6	502.3	
Households	582.4	549.7	536.9	520.6	499.8	502.1	486.6	502.8	557.5	516.6	541.7	597.5	625.9	622.7	669.8	
Time deposits in lats	1 141.3	1 057.7	1 048.3	1 000.3	1 007.6	984.2	994.3	1 016.4	1 119.6	1 119.1	1 188.7	1 210.2	1 226.1	1 269.5	1 181.1	
Financial institutions	242.7	233.9	254.2	260.2	246.4	243.9	249.1	254.5	296.6	256.3	265.7	271.9	280.3	284.3	293.1	
Public non-financial corporations	177.5	185.3	176.5	163.4	175.0	179.8	192.8	208.8	200.9	231.2	244.7	261.6	275.0	284.4	208.3	
Private non-financial corporations	216.7	150.1	145.2	107.2	122.4	95.9	91.1	88.9	117.9	120.6	163.2	181.0	178.1	188.3	181.5	
Households	504.4	488.4	472.4	469.5	463.8	464.5	461.3	464.2	504.2	511.0	515.1	495.7	492.7	512.4	498.2	
Deposits redeemable at notice in lats	67.4	65.5	53.6	52.4	52.9	50.6	49.2	51.5	51.7	53.2	55.9	57.8	58.9	57.4	58.6	
Financial institutions	0.7	0.7	0.8	0.8	1.9	0.8	0.8	1.5	3.9	5.2	5.1	5.7	5.3	5.6	5.9	
Public non-financial corporations	0.1	0.1	0.1	0.1	0.1	0.4	0.5	0.7	0.7	0.8	0.9	0.7	0.8	1.1	1.1	
Private non-financial corporations	10.6	9.9	7.5	7.6	7.2	7.4	7.1	7.8	8.0	8.6	11.6	11.5	11.2	8.3	7.1	
Households	55.9	54.7	45.1	43.9	43.6	42.0	40.9	41.5	39.1	38.7	38.3	39.9	41.6	42.5	44.5	
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Foreign currency deposits of residents	2 727.3	2 819.8	2 933.2	2 871.5	2 838.3	2 803.4	2 823.6	2 803.2	2 866.8	2 814.5	2 792.7	2 833.0	2 822.4	2 776.3	2 720.7	
Financial institutions	193.7	234.9	274.2	275.3	281.2	302.5	329.7	340.3	380.6	368.7	380.5	391.6	396.5	322.2	317.6	
Public non-financial corporations	35.9	58.3	51.6	45.2	43.8	29.1	62.2	52.8	50.6	34.6	34.2	82.7	67.6	92.1	44.4	
Private non-financial corporations	746.0	753.2	777.5	737.2	727.1	703.0	677.5	668.6	663.6	660.6	641.8	635.0	642.5	641.8	633.3	
Households	1 751.7	1 773.5	1 829.9	1 813.8	1 786.1	1 768.7	1 754.3	1 741.5	1 771.9	1 750.5	1 736.1	1 723.7	1 715.8	1 720.2	1 725.3	
Deposits of central government	866.7	662.0	662.1	664.9	662.8	680.5	642.3	644.1	640.2	640.8	711.9	715.4	715.5	747.2	798.8	
Overnight deposits in lats	6.1	1.3	3.7	3.5	4.8	7.2	5.6	8.9	7.2	5.6	3.9	6.4	5.1	5.9	5.6	
Time deposits in lats	172.3	19.3	17.5	17.8	15.8	24.0	19.0	17.9	16.5	18.7	11.8	12.3	14.0	22.8	38.3	
Deposits redeemable at notice and repos in lats	0	0	0	0	1.0	0	0.4	0.1	0	0.2	0.1	0.3	0	0	0.1	
Foreign currency deposits	688.4	641.4	640.9	643.6	641.1	649.2	617.3	617.2	616.5	616.4	696.2	696.4	696.4	718.5	754.8	
Deposits of local government	202.8	208.1	189.4	180.1	175.6	173.2	162.1	158.3	133.3	135.0	147.1	159.8	171.5	186.6	185.0	
Overnight deposits in lats	140.5	150.5	121.2	121.2	119.6	116.7	103.6	102.3	73.3	73.4	87.8	97.9	100.3	122.7	120.5	
Time deposits in lats	20.2	16.6	26.9	17.6	15.4	8.9	10.1	7.4	13.2	14.3	10.6	10.8	18.3	10.9	10.2	
Deposits redeemable at notice and repos in lats	1.7	3.1	1.1	1.1	1.2	1.1	0.7	0.7	1.2	1.6	1.6	1.9	1.9	2.7	4.7	
Foreign currency deposits	40.4	38.0	40.1	40.3	39.3	46.5	47.6	48.0	45.6	45.7	47.2	49.2	51.0	50.3	49.7	
Transit funds	3.4	3.2	3.2	3.2	3.2	3.2	3.2	3.0	3.0	3.0	3.0	3.0	3.0	x	x	
Foreign liabilities	11 933.0	11 796.8	11 516.4	11 294.2	11 465.0	11 367.5	11 372.5	11 129.5	11 189.7	11 011.1	10 576.5	10 499.6	10 502.3	10 499.3	10 406.6	

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

(at end of period; in millions of lats)

	2009									2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Liabilities to the Bank of Latvia	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4	131.7	118.1	117.6	116.3	0	0
Money market fund shares and units	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3	98.4	100.3	98.5
Debt securities issued	163.5	160.4	160.5	160.7	157.7	157.0	154.5	153.2	153.5	150.2	158.6	157.8	158.0	183.8	192.2
Capital and reserves	1 655.2	1 744.2	1 580.0	1 669.2	1 615.8	1 549.7	1 529.1	1 506.4	1 624.7	1 636.5	1 677.4	1 595.2	1 623.6	1 605.7	1 577.9
Residents	917.3	1 006.3	807.0	758.9	704.1	535.3	507.9	478.8	392.8	391.6	432.5	350.1	378.5	343.0	313.0
Retained earnings of the reporting year	-84.2	-142.9	-343.2	-396.6	-450.6	-573.5	-636.7	-713.0	-762.0	-34.8	-58.3	-131.3	-173.6	-203.1	-244.7
Non-residents	737.9	737.9	773.1	910.3	911.7	1 014.4	1 021.2	1 027.6	1 231.8	1 244.8	1 244.8	1 245.1	1 245.1	1 262.7	1 264.9
Provisions	651.3	741.5	1 020.1	1 105.1	1 178.8	1 334.9	1 417.2	1 507.1	1 526.7	1 559.2	1 604.9	1 707.1	1 742.8	1 777.5	1 816.0
Other liabilities (incl. subordinated liabilities)	398.0	450.8	453.7	421.1	440.1	439.7	426.8	416.9	375.7	399.9	383.4	466.7	397.7	302.3	298.4
Liabilities to resident MFIs	467.7	497.6	398.5	359.0	335.6	309.4	312.4	364.8	284.9	254.1	266.5	248.9	245.4	283.0	195.3
TOTAL LIABILITIES	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1	21 094.7	20 934.0	21 081.4	21 140.1	21 074.5	20 881.5
Memo items															
Trust assets	331.9	344.9	353.7	349.5	327.5	316.1	316.5	357.7	391.5	405.1	430.2	422.1	387.5	375.8	533.5
Foreign	201.3	215.6	228.4	225.5	204.0	207.8	208.1	251.2	282.7	294.1	319.7	313.5	295.5	307.8	452.4
Domestic	130.6	129.3	125.3	124.0	123.5	108.3	108.4	106.6	108.8	111.0	110.5	108.6	92.0	68.0	81.1
Trust liabilities	331.9	344.9	353.7	349.5	327.5	316.1	316.5	357.7	391.5	405.1	430.2	422.1	387.5	375.8	533.5
Foreign	273.2	286.3	295.9	293.2	270.6	257.9	257.6	300.6	335.4	348.8	359.0	350.1	316.5	308.7	473.8
Domestic	58.6	58.6	57.8	56.3	56.9	58.2	59.0	57.1	56.0	56.2	71.2	72.0	71.0	67.1	59.8

10. MONETARY SURVEY

(at end of period; in millions of lats)

	Currency outside MFIs	Overnight deposits (resident)			Time deposits (resident)			Total (M2X)		
		Households	Financial institutions and private non-financial corporations	Public non-financial corporations	Households	Financial institutions and private non-financial corporations	Public non-financial corporations			
2009										
IV	725.6	2 151.5	1 023.0	1 024.5	104.0	2 946.3	1 871.4	879.9	195.0	5 823.5
V	718.7	2 142.8	1 012.1	1 030.5	100.2	2 909.1	1 854.2	838.4	216.5	5 770.6
VI	661.0	2 187.7	1 053.5	1 044.4	89.8	2 889.2	1 830.9	854.6	203.7	5 737.9
VII	664.9	2 125.8	1 018.7	1 020.6	86.4	2 840.9	1 829.2	822.8	189.0	5 631.6
VIII	658.3	2 092.6	983.7	1 026.1	82.8	2 821.4	1 809.6	814.8	197.0	5 572.3
IX	651.5	2 096.1	999.7	1 011.3	85.1	2 775.7	1 777.7	799.1	198.9	5 523.4
X	641.8	2 082.5	985.1	1 019.1	78.3	2 792.7	1 757.9	790.4	244.4	5 517.0
XI	639.6	2 126.3	1 003.8	1 029.3	93.2	2 801.2	1 746.3	809.9	245.0	5 567.0
XII	667.3	2 206.2	1 094.9	1 026.6	84.7	2 946.8	1 777.8	931.0	238.0	5 820.3
2010										
I	653.0	2 161.9	1 043.9	1 028.9	89.1	2 919.9	1 772.8	893.0	254.1	5 734.8
II	666.5	2 208.9	1 057.4	1 067.3	84.2	2 975.9	1 773.8	933.4	268.7	5 851.3
III	669.2	2 297.3	1 130.0	1 061.1	106.2	3 014.7	1 726.7	955.3	332.7	5 981.2
IV	713.9	2 339.7	1 149.5	1 102.4	87.8	3 025.9	1 726.5	964.3	335.1	6 079.5
V	715.3	2 313.4	1 162.4	1 052.8	98.2	3 075.4	1 735.4	977.1	362.9	6 104.1
VI	733.6	2 410.9	1 242.0	1 062.7	106.2	2 901.9	1 695.8	964.9	241.2	6 046.5
	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					
2009										
IV	-5 062.6	13 491.4	-850.1	6 306.1	7 658.7	376.7	-2 605.3	10 886.1	5 823.5	
V	-4 976.7	13 576.4	-718.9	6 276.7	7 634.8	383.8	-2 829.1	10 747.3	5 770.6	
VI	-4 946.9	13 616.6	-621.7	6 257.0	7 598.4	382.9	-2 931.7	10 684.9	5 737.9	
VII	-3 976.0	12 696.4	-1 442.6	6 232.9	7 523.2	382.9	-3 088.8	9 607.6	5 631.6	
VIII	-3 683.8	12 374.4	-1 711.0	6 211.8	7 491.1	382.5	-3 118.3	9 256.1	5 572.3	
IX	-3 571.1	12 294.7	-1 753.6	6 185.9	7 469.9	392.5	-3 200.2	9 094.5	5 523.4	
X	-3 525.3	12 283.8	-1 678.5	6 153.2	7 418.6	390.5	-3 241.5	9 042.3	5 517.0	
XI	-3 333.2	12 169.2	-1 717.7	6 121.0	7 369.3	396.6	-3 269.0	8 900.2	5 567.0	
XII	-3 021.6	12 204.3	-1 474.6	6 088.2	7 195.0	395.7	-3 362.4	8 841.9	5 820.3	
2010										
I	-2 827.8	12 020.3	-1 582.2	6 065.5	7 131.5	405.5	-3 457.7	8 562.6	5 734.8	
II	-2 551.9	11 967.3	-1 549.4	6 045.3	7 065.6	405.8	-3 564.1	8 403.2	5 851.3	
III	-1 939.7	11 600.9	-1 788.8	6 013.1	6 972.8	403.8	-3 680.0	7 920.9	5 981.2	
IV	-1 893.8	11 579.2	-1 734.5	5 987.3	6 919.2	407.2	-3 605.9	7 973.3	6 079.5	
V	-1 826.7	11 513.0	-1 801.2	5 977.6	6 927.2	409.4	-3 582.2	7 930.8	6 104.1	
VI	-1 720.4	11 383.1	-1 830.8	5 952.1	6 854.1	407.7	-3 616.2	7 766.9	6 046.5	

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

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Claims on MFIs	2 690.6	2 743.2	2 657.2	2 479.3	2 719.3	2 685.0	2 812.1	2 643.6	2 983.3	2 892.5	2 601.0	2 739.7	2 820.6	2 660.5	2 617.6	
Loans																
Overnight	1 467.2	1 543.4	1 626.8	1 331.7	1 492.2	1 491.3	1 721.5	1 525.6	1 539.9	1 496.0	1 412.3	1 655.8	1 559.7	1 418.5	1 588.5	
Short-term	573.6	579.6	422.2	549.8	625.7	601.6	501.2	550.9	886.1	863.5	650.9	551.9	800.9	794.7	622.5	
Long-term	69.5	66.2	65.4	58.7	56.4	53.3	52.4	52.1	55.5	54.6	58.8	56.0	56.7	57.9	32.1	
Redeemable at notice	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Holdings of securities other than shares	502.9	476.4	474.5	470.9	467.5	461.2	459.6	424.4	424.4	400.9	401.5	398.5	325.7	311.7	296.4	
Holdings of shares and other equity	0.3	0.4	0.4	0.3	0.3	0.4	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.8	
Other claims	77.1	77.1	67.8	67.8	77.1	77.1	77.1	90.1	77.2	77.2	77.2	77.2	77.2	77.2	77.2	
Claims on non-MFIs	1 878.6	1 823.5	1 775.0	1 786.2	1 732.6	1 726.3	1 712.9	1 650.2	1 712.5	1 702.1	1 724.3	1 768.4	1 840.8	1 936.8	1 955.7	
Loans																
Short-term	324.2	297.1	284.6	289.5	304.3	295.6	284.2	245.2	246.3	235.9	260.4	318.4	324.1	389.9	397.0	
Long-term	1 150.8	1 124.0	1 102.3	1 088.1	1 049.4	1 048.1	1 056.8	1 044.5	1 095.3	1 097.4	1 102.5	1 074.3	1 077.8	1 056.9	1 057.1	
Holdings of securities other than shares																
Government	185.6	193.0	180.0	202.6	180.7	180.6	172.7	164.4	160.3	147.3	138.1	168.0	243.9	270.6	279.1	
Private sector	171.7	162.1	155.6	158.7	156.8	158.5	158.0	155.4	158.5	167.7	169.0	152.4	138.5	164.6	167.4	
Holdings of shares and other equity	33.9	34.8	35.3	30.0	28.8	31.0	28.7	28.2	25.9	26.8	27.0	27.4	27.3	25.6	25.9	
Other claims	12.5	12.5	17.2	17.2	12.5	12.5	12.5	12.5	26.3	26.9	27.5	27.9	29.2	29.2	29.2	
Vault cash in foreign currencies	62.2	57.2	64.6	72.0	68.1	67.6	61.6	64.8	63.4	68.1	67.4	67.9	67.8	75.7	74.1	
Other assets																
Other assets	102.6	105.4	105.4	106.8	102.8	108.1	90.8	99.7	95.6	107.7	107.6	84.1	100.1	131.5	118.5	
Total foreign assets	4 734.1	4 729.3	4 602.2	4 444.3	4 622.7	4 587.0	4 677.4	4 458.3	4 854.8	4 770.4	4 500.4	4 660.1	4 829.3	4 804.5	4 765.9	
Memo items																
Trust assets	201.3	215.6	228.4	225.5	204.0	207.8	208.1	251.2	282.7	294.1	319.7	313.5	295.5	307.8	452.4	

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

(at end of period; in millions of lats)

	2009									2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Liabilities to MFIs															
Overnight	240.9	351.6	183.9	269.6	357.1	251.3	225.4	170.5	170.5	285.3	341.1	385.5	362.1	342.7	396.5
Short-term	969.1	882.4	717.8	586.2	622.4	544.2	532.7	470.0	491.2	410.1	464.8	458.6	439.8	552.5	738.5
Long-term	7 148.1	7 034.1	7 164.6	7 006.4	7 003.6	7 100.8	7 030.7	6 878.6	6 712.6	6 507.0	6 134.0	5 719.8	5 676.9	5 881.0	5 561.9
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	6 532.8	6 450.8	6 390.3	6 244.1	6 290.6	6 199.4	6 180.0	5 858.3	5 892.0	5 694.4	5 584.3	5 410.6	5 356.4	5 581.8	5 648.0
Non-MFI deposits															
Overnight	2 088.6	2 020.3	1 945.7	1 863.0	1 810.6	1 746.8	1 828.8	1 884.0	1 927.9	2 064.9	2 023.8	2 069.7	2 306.0	2 340.9	2 353.8
Short-term	857.4	764.9	758.0	810.5	909.8	889.8	914.4	884.7	998.1	884.8	769.1	764.6	750.7	746.1	687.2
Long-term	65.0	116.4	111.4	112.5	112.8	115.4	118.0	119.4	154.1	146.4	147.6	278.2	267.8	335.3	378.8
Redeemable at notice	181.8	139.6	162.2	165.1	168.9	158.6	144.3	142.7	181.7	171.0	173.1	149.7	171.6	172.4	170.2
Other liabilities															
Other liabilities ¹	382.1	487.5	472.7	480.9	479.8	560.5	578.2	579.6	554.0	541.6	523.0	673.5	527.4	128.5	119.6
Total foreign liabilities	11 933.0	11 796.8	11 516.4	11 294.2	11 465.0	11 367.5	11 372.5	11 129.5	11 189.9	11 011.1	10 576.5	10 499.6	10 502.3	10 499.3	10 406.6
Memo items															
Trust liabilities	273.2	286.3	295.9	293.2	270.6	257.9	257.6	300.6	335.4	348.8	359.0	350.1	316.5	308.7	473.8

¹ Including subordinated liabilities.

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

(at end of period; in millions of lats)

	2009				2010	
	Q1	Q2	Q3	Q4	Q1	Q2
Foreign assets¹	4 490.9	4 537.6	4 519.4	4 791.6	4 592.2	4 691.8
EU	2 505.7	2 608.0	2 738.1	2 990.6	2 742.7	x
incl. EMU	1 094.6	1 033.8	1 161.1	1 453.0	1 433.5	x
Other countries and international institutions	1 985.3	1 929.7	1 781.3	1 800.9	1 849.5	x
Foreign liabilities²	12 044.8	11 516.4	11 367.5	11 189.7	10 499.6	10 406.6
EU	8 829.7	8 424.6	8 395.4	8 029.9	7 340.7	x
incl. EMU	3 454.2	3 189.1	3 305.9	3 118.6	3 187.8	x
Other countries and international institutions	3 215.1	3 091.8	2 972.1	3 159.8	3 158.8	x

¹ Excluding vault cash in foreign currencies.

² Excluding capital and reserves.

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

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Overnight deposits																
Amount	2 151.6	2 142.8	2 187.7	2 125.8	2 092.6	2 096.1	2 082.5	2 126.2	2 206.2	2 161.9	2 209.0	2 297.3	2 339.7	2 313.4	2 410.9	
% ¹	42.2	42.4	43.1	42.9	42.6	43.0	42.7	43.2	42.7	42.5	42.6	43.2	43.6	42.9	45.4	
Time deposits																
Maturity of 1–6 months																
Amount	1 314.9	1 252.0	1 285.0	1 268.1	1 271.8	1 265.5	1 301.8	1 316.0	1 436.2	1 391.9	1 421.8	1 421.7	1 402.3	1 371.7	1 205.7	
% ¹	25.8	24.8	25.3	25.5	25.9	26.0	26.7	26.7	27.9	27.4	27.4	26.8	26.2	25.5	22.7	
Maturity of 6–12 months																
Amount	931.2	938.6	928.1	901.1	891.4	862.5	846.3	849.7	875.1	904.2	921.6	968.7	1 004.5	1 011.9	1 038.0	
% ¹	18.3	18.6	18.3	18.1	18.1	17.7	17.4	17.2	17.0	17.8	17.8	18.2	18.7	18.8	19.5	
Long-term																
Amount	419.2	419.2	395.3	398.4	390.3	388.5	388.5	383.1	385.0	375.5	385.8	385.1	386.6	465.1	429.1	
% ¹	8.2	8.3	7.8	8.0	7.9	8.0	8.0	7.8	7.5	7.4	7.4	7.3	7.2	8.6	8.1	
Maturity of 1–2 years																
Amount	250.0	250.9	235.6	236.4	228.2	225.4	226.0	223.6	225.7	217.4	227.0	224.9	224.1	224.0	222.3	
% ¹	4.9	5.0	4.6	4.7	4.6	4.6	4.6	4.5	4.4	4.3	4.4	4.2	4.2	4.1	4.2	
Maturity of over 2 years																
Amount	169.1	168.3	159.8	162.0	162.2	163.2	162.6	159.5	159.3	158.1	158.9	160.2	162.5	241.1	206.7	
% ¹	3.3	3.3	3.1	3.3	3.3	3.3	3.3	3.2	3.1	3.1	3.1	3.0	3.0	4.5	3.9	
Deposits redeemable at notice																
Up to 3 months																
Amount	281.1	299.3	280.8	273.3	267.9	259.2	255.9	252.4	250.4	248.2	246.6	239.1	232.3	226.6	229.0	
% ¹	5.5	5.9	5.5	5.5	5.5	5.3	5.2	5.1	4.9	4.9	4.8	4.5	4.3	4.2	4.3	
Over 3 months																
Amount	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Repos																
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total deposits	5 097.9	5 051.9	5 076.9	4 966.7	4 914.1	4 871.8	4 875.2	4 927.5	5 153.0	5 081.8	5 184.8	5 312.0	5 365.5	5 388.8	5 312.9	

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

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

(at end of period; in millions of lats)

Insurance corporations and pension funds									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2009									
IV	68.0	155.1	57.8	29.5	0.1	0	0	310.5	228.9
V	75.9	163.4	56.8	28.9	0.1	0	0	325.2	222.0
VI	79.1	187.2	54.3	27.0	0.1	0	0	347.7	246.3
VII	76.3	192.1	49.6	28.0	0.1	0	0	346.1	249.5
VIII	63.3	175.5	47.5	28.4	0.1	0	0	314.8	222.7
IX	65.3	172.0	47.6	28.2	0.2	0	0	313.3	220.0
X	67.7	187.8	45.9	27.5	0.1	0	0	329.0	224.0
XI	67.5	188.5	47.2	27.3	0	0	0	330.6	227.5
XII	57.5	200.1	46.4	26.5	0.3	0	0	330.8	231.9
2010									
I	63.7	197.4	34.4	26.9	0.2	0	0	322.6	229.8
II	103.6	221.8	35.3	27.3	0.6	0	0	388.6	293.6
III	85.6	219.5	34.6	29.6	0.4	0	0	369.7	276.4
IV	94.8	216.7	30.6	31.2	0.4	0	0	373.8	283.3
V	93.2	226.4	28.9	32.1	0.5	0	0	381.2	291.7
VI	91.8	223.3	28.9	32.3	0.4	0	0	376.7	294.4
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			
2009									
IV	74.0	79.2	4.6	21.2	0.7	0	0	179.6	67.5
V	77.9	93.4	3.3	23.3	1.1	0	0	198.9	67.2
VI	76.3	125.1	3.1	25.4	0.9	0	0	230.9	58.1
VII	78.6	132.8	2.9	26.6	0.9	0	0	241.8	63.0
VIII	80.4	138.4	2.5	27.8	2.2	0	0	251.3	62.2
IX	89.7	145.9	2.3	29.0	2.9	0	0	269.9	60.6
X	98.0	160.1	2.9	30.0	2.9	0	0	294.0	69.3
XI	97.4	177.7	3.6	30.3	3.0	0	0	312.0	74.8
XII	113.8	236.1	3.3	30.5	5.4	0	0	389.0	107.3
2010									
I	125.5	197.5	4.3	30.4	7.6	0	0	365.3	89.4
II	125.7	186.4	5.6	30.3	6.7	0	0	354.7	69.2
III	129.8	197.6	5.5	29.7	8.5	0	0	371.1	72.9
IV	138.8	207.8	6.3	29.1	7.5	0	0	389.6	83.6
V	61.6	210.3	6.6	29.5	5.6	0	0	313.6	80.9
VI	62.6	218.7	8.7	30.8	5.9	0	0	326.7	91.4

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

(at end of period; in millions of lats)

Public non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2009									
IV	104.0	189.5	1.1	1.6	2.8	0	0	299.1	263.2
V	100.2	211.0	1.1	1.6	2.8	0	0	316.6	258.3
VI	89.8	198.3	1.1	1.6	2.8	0	0	293.5	241.9
VII	86.4	183.5	1.1	1.6	2.7	0	0	275.4	230.2
VIII	82.8	191.6	1.1	1.6	2.7	0	0	279.8	236.0
IX	85.1	193.1	1.2	1.6	3.0	0	0	284.0	254.9
X	78.3	238.6	1.2	1.6	3.0	0	0	322.7	260.5
XI	93.2	239.1	1.2	1.6	3.2	0	0	338.2	285.4
XII	84.7	232.9	0.3	1.6	3.1	0	0	322.7	272.0
2010									
I	89.1	249.0	0.3	1.5	3.2	0	0	343.2	308.6
II	84.2	263.5	0.5	1.5	3.3	0	0	352.9	318.7
III	106.2	327.6	1.8	1.5	1.8	0	0	438.9	356.1
IV	87.8	329.8	1.9	1.5	1.9	0	0	422.8	355.3
V	98.2	319.8	2.2	38.8	2.1	0	0	461.1	369.0
VI	106.2	236.9	0.7	1.5	2.1	0	0	347.4	303.0
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			
2009									
IV	882.6	481.4	14.1	12.2	24.0	0	0	1 414.3	668.3
V	876.7	413.4	16.9	12.2	25.5	0	0	1 344.8	591.6
VI	889.0	373.9	19.8	12.5	25.2	0	0	1 320.4	543.0
VII	865.7	331.1	22.4	12.9	23.4	0	0	1 255.6	518.4
VIII	882.3	331.8	23.3	13.0	24.3	0	0	1 274.7	547.6
IX	856.4	313.3	23.0	12.1	22.5	0	0	1 227.3	524.3
X	853.4	275.3	24.3	12.1	21.3	0	0	1 186.5	509.0
XI	864.3	272.6	23.8	12.4	23.4	0	0	1 196.6	528.0
XII	855.3	310.9	26.8	12.2	32.5	0	0	1 237.8	574.2
2010									
I	839.6	319.8	29.4	11.5	33.7	0	0	1 234.1	573.4
II	838.1	340.4	30.3	11.8	36.7	0	0	1 257.3	615.5
III	845.7	353.5	30.5	13.6	32.2	0	0	1 275.6	640.5
IV	868.8	362.2	32.1	13.4	26.8	0	0	1 303.3	660.8
V	897.9	366.9	33.6	13.4	23.2	0	0	1 335.1	693.2
VI	908.3	353.0	26.7	15.0	21.3	0	0	1 324.2	690.9

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

(at end of period; in millions of lats)

Households										
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats	
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2009										
IV	1 023.0	1 340.8	172.4	104.7	253.5	0	0	2 894.4	1 142.7	
V	1 012.2	1 309.3	172.7	102.3	269.8	0	0	2 866.3	1 092.8	
VI	1 053.5	1 328.5	157.2	93.4	251.7	0	0	2 884.4	1 054.4	
VII	1 018.7	1 329.6	160.4	93.0	246.2	0	0	2 847.9	1 034.1	
VIII	983.7	1 325.8	153.8	91.4	238.6	0	0	2 793.4	1 007.3	
IX	999.6	1 303.6	151.3	92.2	230.6	0.1	0	2 777.3	1 008.6	
X	985.1	1 286.3	151.5	91.4	228.6	0.1	0	2 743.0	988.7	
XI	1 003.8	1 287.8	147.7	87.9	222.8	0.1	0	2 750.1	1 008.6	
XII	1 094.9	1 331.2	148.9	88.5	209.1	0.1	0	2 872.7	1 100.8	
2010										
I	1 043.9	1 332.3	149.0	87.9	203.5	0.1	0	2 816.7	1 066.2	
II	1 057.4	1 331.3	155.3	87.9	199.3	0.1	0	2 831.3	1 095.1	
III	1 130.0	1 292.3	152.4	85.8	196.2	0.1	0	2 856.8	1 133.0	
IV	1 149.5	1 290.2	153.2	87.3	195.8	0.1	0	2 876.0	1 160.2	
V	1 162.4	1 260.1	152.7	127.3	195.3	0.1	0	2 897.8	1 177.6	
VI	1 242.0	1 211.8	157.4	127.1	199.4	0	0	2 937.8	1 212.5	

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

(at end of period; in millions of lats)

	General government				Non-residents					In lats
	Central government	Local government	In lats		MFIs	Non-MFIs			In lats	
							General government	Other		
2009										
IV	866.7	202.8	1 069.5	340.7	8 358.1	3 192.8	2.0	3 190.8	11 550.9	153.2
V	662.0	208.1	870.1	190.8	8 268.1	3 041.2	2.2	3 039.0	11 309.3	161.9
VI	662.1	189.4	851.4	170.4	8 066.4	2 977.3	2.0	2 975.4	11 043.7	121.4
VII	664.9	180.1	845.0	161.1	7 862.2	2 951.2	2.4	2 948.7	10 813.3	120.0
VIII	662.8	175.6	838.3	157.9	7 983.0	3 002.1	2.5	2 999.7	10 985.2	138.1
IX	680.5	173.2	853.6	157.9	7 896.3	2 910.7	2.2	2 908.4	10 806.9	131.1
X	642.3	162.1	804.3	139.4	7 788.8	3 005.5	2.1	3 003.4	10 794.3	122.5
XI	644.1	158.3	802.4	137.3	7 519.2	3 030.7	2.3	3 028.4	10 549.9	85.1
XII	640.2	133.3	773.5	111.4	7 374.2	3 261.7	1.4	3 260.3	10 635.9	96.7
2010										
I	640.8	135.0	775.9	113.8	7 202.4	3 267.1	1.9	3 265.2	10 469.5	142.5
II	711.9	147.1	859.0	115.7	6 939.9	3 113.6	1.8	3 111.9	10 053.5	107.0
III	715.4	159.8	875.2	129.6	6 563.9	3 262.2	2.0	3 260.2	9 826.1	105.2
IV	715.5	171.5	887.0	139.6	6 478.8	3 496.1	2.2	3 493.9	9 974.9	135.4
V	747.2	186.6	933.8	165.0	6 776.1	3 594.7	2.2	3 592.5	10 370.8	159.6
VI	798.8	185.0	983.9	179.4	6 696.9	3 590.1	2.0	3 588.1	10 287.0	149.3

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

(at end of period; in millions of lats)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Short-term																
Amount	1 730.4	1 728.5	1 748.0	1 720.9	1 752.3	1 818.3	1 818.5	1 801.9	1 804.7	1 772.6	1 773.8	1 802.3	1 777.8	2 152.6	2 146.6	
% ¹	12.1	12.2	12.4	12.3	12.6	13.1	13.2	13.1	13.4	13.2	13.3	13.6	13.5	16.4	16.5	
Maturity of 1–5 years																
Amount	3 856.6	3 794.7	3 683.0	3 647.6	3 582.0	3 502.5	3 445.4	3 341.4	3 245.0	3 220.8	3 167.9	3 079.2	3 098.2	2 711.8	2 670.5	
% ¹	27.1	26.8	26.2	26.1	25.7	25.2	25.0	24.4	24.0	24.0	23.7	23.3	23.6	20.7	20.5	
Maturity of over 5 years																
Amount	8 665.4	8 617.0	8 645.1	8 607.9	8 587.2	8 559.9	8 532.8	8 575.5	8 465.2	8 451.1	8 411.1	8 335.8	8 260.5	8 259.6	8 190.6	
% ¹	60.8	61.0	61.4	61.6	61.7	61.7	61.8	62.5	62.6	62.8	63.0	63.1	62.9	62.9	63.0	
Total loans	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3	13 136.5	13 124.0	13 007.8	

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

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

(at end of period; in millions of lats)

	Insurance corporations and pension funds			OFIs and financial auxiliaries			Public non-financial corporations				Private non-financial corporations				
	Up to 1 year	In lats	In lats	Up to 1 year	In lats	In lats	Up to 1 year	1–5 years	Over 5 years	In lats	Up to 1 year	1–5 years	Over 5 years	In lats	
2009															
IV	0.1	1.4	0.1	136.3	779.5	154.7	19.8	24.5	332.4	376.7	15.8	1 146.4	2 654.0	2 988.4	6 788.7
V	0.1	1.3	0.1	61.6	694.1	98.1	14.2	35.3	334.3	383.8	16.0	1 213.6	2 593.9	2 976.7	6 784.1
VI	0.1	1.3	0.1	45.0	674.7	96.4	14.0	34.8	334.1	382.9	16.7	1 248.4	2 544.5	2 967.2	6 760.1
VII	0.1	1.3	0.1	44.5	645.9	79.4	6.7	34.4	341.7	382.9	15.8	1 227.2	2 516.2	2 970.1	6 713.5
VIII	0.1	1.3	0.1	72.6	675.8	92.9	6.0	34.0	342.4	382.5	15.3	1 225.6	2 470.2	2 954.4	6 650.1
IX	0.1	1.3	0.1	86.3	701.0	96.3	10.3	36.8	345.4	392.5	13.6	1 244.7	2 426.5	2 929.0	6 600.1
X	0	1.3	0	86.8	685.3	93.6	7.6	36.2	346.7	390.5	14.1	1 247.3	2 394.8	2 924.3	6 566.5
XI	0.5	1.8	0.1	95.7	689.1	89.9	8.6	36.7	351.3	396.6	12.1	1 220.0	2 359.1	2 931.2	6 510.3
XII	0	1.3	0	87.5	623.6	88.8	9.4	35.7	350.7	395.7	11.6	1 237.7	2 269.9	2 898.5	6 406.0
2010															
I	0.1	1.3	0	72.0	594.5	86.1	10.4	49.0	346.1	405.5	13.1	1 238.7	2 238.7	2 900.3	6 377.8
II	0	1.3	0	32.4	547.1	83.7	9.4	50.7	345.8	405.8	11.1	1 275.5	2 194.8	2 883.1	6 353.4
III	0	1.3	0	74.9	500.1	73.8	6.6	48.9	348.3	403.8	11.5	1 267.6	2 194.8	2 836.6	6 299.0
IV	0	1.3	0	69.6	483.6	71.3	6.4	47.8	352.9	407.2	11.1	1 252.0	2 189.6	2 815.5	6 257.1
V	0.3	1.8	0.3	154.9	488.3	68.3	22.7	32.7	354.0	409.4	11.8	1 484.4	1 905.4	2 857.2	6 246.9
VI	0	1.5	0	151.3	468.3	64.0	20.8	31.9	355.0	407.7	10.7	1 481.5	1 873.4	2 823.3	6 178.2

16.b LOANS TO HOUSEHOLDS

(at end of period; in millions of lats)

	Households													In lats
	Consumer credit			Lending for house purchase			Other lending							
	Up to 1 year	1-5 years	Over 5 years	Up to 1 year	1-5 years	Over 5 years	Up to 1 year	1-5 years	Over 5 years					
2009														
IV	781.1	265.3	212.0	303.8	4 980.1	109.5	380.0	4 490.6	544.9	53.0	168.7	323.1	6 306.1	741.5
V	775.9	264.2	206.8	304.8	4 955.0	118.3	374.3	4 462.4	545.9	56.5	166.4	323.0	6 276.7	735.7
VI	764.4	261.1	201.5	301.7	4 953.6	122.4	382.5	4 448.7	539.1	57.0	165.5	316.5	6 257.0	719.5
VII	758.4	258.7	196.7	303.0	4 937.3	129.0	387.5	4 420.8	537.1	54.8	163.9	318.5	6 232.9	695.3
VIII	756.6	260.1	191.0	305.5	4 921.4	132.7	389.0	4 399.6	533.8	55.2	163.0	315.6	6 211.8	677.9
IX	750.3	259.0	187.3	304.0	4 890.8	156.9	371.4	4 362.5	544.7	61.1	153.8	329.8	6 185.9	661.9
X	740.8	254.8	180.1	305.9	4 872.3	157.3	369.4	4 345.6	540.0	64.6	148.4	327.0	6 153.2	646.5
XI	731.7	249.4	174.7	307.5	4 851.9	160.9	373.5	4 317.5	537.3	66.8	147.2	323.4	6 121.0	632.8
XII	716.8	241.5	166.5	308.8	4 828.6	155.0	376.8	4 296.9	542.7	73.6	146.9	322.2	6 088.2	614.6
2010														
I	712.2	239.0	162.5	310.7	4 815.7	142.0	384.0	4 289.7	537.7	70.5	143.9	323.3	6 065.5	606.8
II	703.1	234.7	155.7	312.7	4 802.9	145.2	382.4	4 275.2	539.4	76.6	144.0	318.8	6 045.3	596.7
III	703.7	233.5	150.8	319.5	4 792.7	144.7	377.5	4 270.5	516.7	75.2	140.7	300.8	6 013.1	590.6
IV	715.5	231.4	159.7	324.4	4 775.7	147.9	375.0	4 252.7	496.1	70.5	126.9	298.8	5 987.3	582.2
V	675.8	232.9	116.4	326.5	4 768.4	178.7	322.7	4 267.0	533.4	78.6	139.2	315.6	5 977.6	579.2
VI	666.8	228.9	112.0	325.9	4 752.3	182.9	330.5	4 238.9	533.0	81.2	138.1	313.7	5 952.1	570.0

16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; in millions of lats)

	General government				Non-residents				In lats	
	Central government	Local government	In lats		MFIs	Non-MFIs		In lats		
						General government	Other			
2009										
IV	84.4	74.5	158.9	5.7	2 110.4	1 475.0	0.6	1 474.5	3 585.4	123.9
V	84.4	74.4	158.8	5.4	2 189.3	1 421.1	0.6	1 420.5	3 610.4	91.7
VI	84.4	74.2	158.6	5.0	2 114.5	1 386.9	0.6	1 386.4	3 501.4	70.2
VII	84.4	76.3	160.7	5.0	1 940.3	1 377.6	0.6	1 377.1	3 317.9	54.9
VIII	84.4	74.7	159.1	3.7	2 174.4	1 353.7	0.6	1 353.2	3 528.1	81.2
IX	84.4	72.3	156.8	3.5	2 146.3	1 343.7	0.6	1 343.1	3 490.0	166.7
X	84.4	73.3	157.7	3.0	2 275.2	1 341.0	0.6	1 340.5	3 616.3	163.7
XI	84.8	72.8	157.5	3.0	2 129.0	1 289.7	0.6	1 289.1	3 418.7	179.9
XII	84.8	71.8	156.5	2.8	2 481.6	1 341.5	0.3	1 341.2	3 823.1	235.5
2010										
I	85.0	70.0	155.0	2.9	2 414.2	1 333.3	0.3	1 333.0	3 747.5	249.0
II	84.7	69.6	154.4	2.9	2 122.1	1 362.8	0.3	1 362.5	3 484.9	265.4
III	88.3	63.8	152.1	2.7	2 263.8	1 392.7	0.3	1 392.4	3 656.5	251.3
IV	3.9	62.9	66.8	2.7	2 417.5	1 401.9	0.3	1 401.5	3 819.3	249.7
V	3.9	63.0	66.9	2.6	2 271.2	1 446.7	0.3	1 446.4	3 717.9	249.1
VI	3.6	64.2	67.8	2.4	2 243.2	1 454.1	0.3	1 453.8	3 697.3	282.8

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

(at end of Q2 2010, in millions of lats; structure, %)

	With residual maturity of up to 1 year				With residual maturity of over 1 and up to 5 years				With residual maturity of over 5 years				Total loans			
	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%
Total	2 747.1	100.0	294.3	100.0	2 119.5	100.0	104.4	100.0	2 188.9	100.0	38.4	100.0	7 055.5	100.0	437.1	100.0
A Agriculture, forestry and fishing	106.0	3.9	16.1	5.5	116.8	5.5	11.4	10.9	98.9	4.5	15.3	39.8	321.7	4.6	42.8	9.8
B Mining and quarrying	8.9	0.3	0.6	0.2	6.5	0.3	0.2	0.2	4.3	0.2	0.1	0.3	19.7	0.3	0.9	0.2
C Manufacturing	380.4	13.8	62.2	21.1	258.1	12.2	4.6	4.4	306.2	14.0	5.1	13.3	944.7	13.4	71.9	16.5
D Electricity, gas, steam and air conditioning supply	6.9	0.2	2.3	0.8	69.4	3.3	0.4	0.4	142.3	6.5	2.3	6.0	218.6	3.1	5.0	1.1
E Water supply; sewerage, waste management and remediation activities	3.2	0.1	0.9	0.3	9.4	0.4	1.3	1.2	16.5	0.7	0.4	1.0	29.1	0.4	2.6	0.6
F Construction	308.6	11.2	20.6	7.0	162.0	7.6	2.6	2.5	274.0	12.5	1.8	4.7	744.6	10.5	25.0	5.7
G Wholesale and retail trade; repair of motor vehicles and motorcycles	425.4	15.5	50.6	17.2	167.7	7.9	31.3	30.0	176.7	8.1	3.3	8.6	769.8	10.9	85.2	19.5
H Transportation and storage	87.7	3.2	11.9	4.0	150.3	7.1	0.7	0.7	179.9	8.2	0.3	0.8	417.9	5.9	12.9	3.0
I Accommodation and food service activities	41.1	1.5	14.8	5.0	26.7	1.3	14.4	13.8	20.9	1.0	0	0	88.7	1.3	29.2	6.7
J Information and communication	54.6	2.0	4.0	1.4	42.4	2.0	1.5	1.4	90.1	4.1	1.6	4.2	187.1	2.6	7.1	1.6
K Financial and insurance activities	213.3	7.8	60.5	20.6	270.6	12.8	9.0	8.6	35.0	1.6	0.0	0.0	518.9	7.4	69.5	15.9
L Real estate activities	1 001.4	36.5	34.7	11.8	710.4	33.5	19.7	18.9	656.4	30.0	6.0	15.6	2 368.2	33.6	60.4	13.8
M Professional, scientific and technical activities	13.3	0.5	1.5	0.5	14.8	0.7	3.1	3.0	11.2	0.5	0.2	0.5	39.3	0.6	4.8	1.1
N Administrative and support service activities	22.8	0.8	8.4	2.9	39.2	1.8	1.6	1.5	21.4	1.0	0.4	1.0	83.4	1.2	10.4	2.4
O Public administration and defence; compulsory social security	0.8	0	0.4	0.1	0.1	0	0	0	43.6	2.0	0.1	0.3	44.5	0.6	0.5	0.1
P Education	2.1	0.1	0.1	0	1.2	0.1	0.1	0.1	1.9	0.1	0	0	5.2	0.1	0.2	0
Q Human health and social work activities	4.5	0.2	0.2	0.1	9.1	0.4	0.6	0.6	9.3	0.4	0.8	2.1	22.9	0.3	1.6	0.4
R Arts, entertainment and recreation	13.1	0.5	1.0	0.3	12.7	0.6	0.6	0.6	19.7	0.9	0.2	0.5	45.5	0.6	1.8	0.4
S Other service activities	53.0	1.9	3.5	1.2	52.1	2.5	1.3	1.2	80.6	3.7	0.5	1.3	185.7	2.6	5.3	1.2

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

(at end of period; in millions of lats)

	2009									2010				
	IV	V	VI	VII	VIII	IX	X	XI	XII	I ^{1,2}	II ²	III ^{1,2}	IV	VI ³
Commercial credit	2 564.7	2 480.6	2 425.0	2 384.6	2 366.1	2 374.3	2 333.4	2 296.1	2 193.6	2 170.8	2 100.8	2 007.2	1 975.4	1 919.1
Industrial credit	1 836.7	1 840.3	1 846.7	1 834.9	1 842.8	1 838.7	1 840.4	1 843.5	1 840.8	2 058.1	2 073.6	2 183.4	2 192.1	2 194.5
Reverse repo	9.9	8.7	7.8	7.5	6.6	6.1	6.0	6.3	5.1	4.2	3.9	2.5	2.7	3.9
Financial leasing	16.6	16.2	15.8	15.4	14.9	14.0	13.4	15.5	15.3	12.4	12.2	11.8	11.7	11.2
Consumer credit	650.8	644.6	507.6	504.6	504.1	498.2	494.0	490.2	482.2	484.5	472.3	474.2	498.0	496.1
Mortgage loans	8 128.2	8 049.4	8 111.5	8 112.5	8 077.8	8 037.6	8 007.7	7 963.5	7 900.1	7 845.9	7 803.8	7 672.3	7 583.2	7 467.4
Factoring	5.1	4.9	4.8	4.7	4.5	4.4	4.2	4.1	3.9	0.5	0.5	0.5	0.5	0.5
Transit credit	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	x
Other credit	1 039.9	1 095.0	1 156.5	1 111.9	1 104.3	1 107.2	1 097.2	1 099.3	1 073.5	867.9	885.5	865.1	872.5	908.8
Total loans	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3	13 136.5	13 001.4

¹ In January and March 2010, the reporting agents made reclassifications to a number of balance sheet positions in order to harmonise the data reported for the purposes of MFI statistics and the Bank of Latvia's Credit Register. Reclassifications were made to the following balance sheet positions: "Commercial credit", "Industrial credit", "Mortgage loans" and "Other credit".

² Data have been revised.

³ Starting with the data for June 2010, the data source is the Bank of Latvia's Credit Register. In the future, quarterly data will be provided.

19.a HOLDINGS OF SECURITIES OTHER THAN SHARES

(at end of period; in millions of lats)

	Securities other than shares								In lats	
	MFIs		General government		Other residents		Non-residents			
		incl. long-term		incl. long-term		incl. long-term		incl. long-term		
2009										
IV	40.1	40.1	556.7	249.4	0.4	0.4	860.1	840.4	1 457.3	565.4
V	35.8	35.8	532.7	254.1	0.3	0.3	831.4	807.9	1 400.3	541.3
VI	38.4	38.4	468.1	254.5	0.1	0.1	810.1	786.2	1 316.7	445.8
VII	34.1	34.1	550.0	250.4	0.1	0.1	832.3	809.5	1 416.5	493.6
VIII	33.1	33.1	526.7	254.3	0.1	0.1	805.0	782.9	1 365.0	469.6
IX	33.6	33.6	507.1	255.8	0.1	0.1	800.3	778.3	1 341.1	484.9
X	31.9	31.2	507.3	257.6	0.1	0.1	790.3	758.8	1 329.5	491.1
XI	31.5	31.3	423.2	261.7	0.1	0.1	744.3	711.7	1 199.0	435.5
XII	32.9	32.8	434.3	261.8	0.1	0.1	743.2	674.6	1 210.4	451.3
2010										
I	31.2	31.2	486.9	264.9	0.1	0.1	715.9	633.6	1 234.1	494.7
II	26.4	26.4	489.7	254.8	0.1	0.1	708.6	613.6	1 224.7	492.7
III	28.9	28.9	512.2	278.2	0.1	0.1	718.9	623.1	1 260.1	512.7
IV	29.3	29.3	516.5	286.6	0.1	0.1	708.1	551.5	1 253.9	519.2
V	25.1	25.1	487.3	247.7	0.1	0.1	747.0	610.8	1 259.4	490.0
VI	24.2	24.2	486.0	249.7	0.1	0.1	742.8	613.5	1 253.2	489.5

19.b HOLDINGS OF SHARES AND OTHER EQUITY

(at end of period; in millions of lats)

	Shares and other equity				In lats	
	MFIs	Other residents	Non-residents			
2009						
IV	0	88.7	123.8	212.5	140.6	
V	0	154.8	124.8	279.7	207.9	
VI	0	162.2	120.8	283.0	214.9	
VII	0	162.4	115.4	277.8	220.2	
VIII	0	163.7	118.7	282.4	222.3	
IX	0	167.5	121.0	288.5	225.6	
X	0	165.5	118.4	283.9	224.7	
XI	0	168.0	130.8	298.9	240.2	
XII	0	164.0	129.5	293.5	192.5	
2010						
I	0	157.9	131.1	288.9	186.6	
II	0	163.7	131.9	295.6	192.4	
III	0	172.4	132.8	305.2	201.8	
IV	0	177.1	134.0	311.1	201.2	
V	0.4	190.2	132.4	322.9	214.5	
VI	0.4	206.0	133.2	339.6	222.7	

20.a CURRENCY BREAKDOWN OF RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2009										
IV	742.7	68.1	31.9	25.4	6.4	6 167.4	44.0	56.0	50.7	4.8
V	859.8	69.0	31.0	24.7	6.3	5 922.0	40.9	59.1	53.3	5.2
VI	657.4	57.2	42.8	30.3	12.4	5 928.3	39.0	61.0	55.7	4.7
VII	613.9	62.0	38.0	29.2	8.8	5 811.7	38.8	61.2	55.6	5.0
VIII	570.5	62.6	37.4	28.9	8.4	5 752.4	38.8	61.2	55.5	5.0
IX	534.4	64.4	35.6	26.2	9.4	5 725.5	38.9	61.1	55.3	5.2
X	538.5	65.1	34.9	26.2	8.7	5 679.5	38.6	61.4	56.0	4.7
XI	510.0	61.5	38.5	28.4	10.0	5 729.9	39.5	60.5	55.4	4.5
XII	425.3	64.7	35.3	25.7	9.2	5 926.5	40.5	59.5	54.4	4.4
2010										
I	385.8	71.2	28.8	21.3	7.3	5 857.6	40.7	59.3	54.1	4.6
II	384.6	66.4	33.6	24.6	8.8	6 043.9	41.5	58.5	53.4	4.5
III	366.6	69.6	30.4	25.2	5.0	6 187.2	42.2	57.8	52.6	4.6
IV	361.8	72.7	27.3	21.2	5.1	6 252.5	42.9	57.1	51.8	4.6
V	283.0	55.0	45.0	35.7	8.7	6 322.7	43.9	56.1	50.5	4.9
VI	195.3	55.1	44.9	37.0	7.8	6 296.7	44.0	56.0	50.1	5.1

20.b CURRENCY BREAKDOWN OF NON-RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2009										
IV	8 358.1	1.3	98.7	96.3	1.1	3 192.8	1.4	98.6	32.5	63.3
V	8 268.1	1.3	98.7	96.9	0.8	3 041.2	1.9	98.1	33.7	61.2
VI	8 066.4	0.9	99.1	97.4	0.6	2 977.3	1.7	98.3	34.0	61.2
VII	7 862.2	0.8	99.2	97.6	0.5	2 951.2	1.9	98.1	33.7	61.5
VIII	7 983.0	0.9	99.1	97.3	0.7	3 002.1	2.2	97.8	35.9	59.5
IX	7 896.3	1.2	98.8	97.2	0.6	2 910.7	1.3	98.7	36.1	59.7
X	7 788.8	1.0	99.0	97.2	0.6	3 005.5	1.4	98.6	36.5	59.2
XI	7 519.2	0.6	99.4	97.3	0.9	3 030.7	1.4	98.6	36.1	58.5
XII	7 374.2	0.7	99.3	97.2	0.8	3 261.7	1.4	98.6	39.5	55.8
2010										
I	7 202.4	1.3	98.7	96.6	0.7	3 267.1	1.6	98.4	37.9	57.2
II	6 939.9	0.8	99.2	96.6	0.9	3 113.6	1.7	98.3	37.6	57.2
III	6 563.9	0.8	99.2	96.4	1.1	3 262.2	1.7	98.3	35.5	59.5
IV	6 478.8	1.0	99.0	96.5	0.9	3 496.1	1.9	98.1	34.4	60.0
V	6 776.1	1.5	98.5	95.8	1.3	3 594.7	1.7	98.3	34.5	60.2
VI	6 696.9	1.3	98.7	95.9	1.3	3 590.1	1.7	98.3	34.8	59.5

20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies			incl. USD
			incl. EUR			
2009						
IV	14 411.2	10.5	89.5	86.4		2.4
V	14 299.0	10.2	89.8	86.8		2.3
VI	14 234.7	10.0	90.0	87.1		2.3
VII	14 137.2	9.5	90.5	87.6		2.2
VIII	14 080.6	9.1	90.9	88.1		2.1
IX	14 037.5	8.7	91.3	88.5		2.1
X	13 954.4	8.5	91.5	88.7		2.1
XI	13 876.3	8.2	91.8	89.1		2.1
XII	13 671.4	7.9	92.1	89.2		2.1
2010						
I	13 599.6	7.9	92.1	89.2		2.2
II	13 507.2	7.8	92.2	89.1		2.4
III	13 369.4	7.7	92.3	89.2		2.4
IV	13 203.3	7.7	92.3	89.1		2.4
V	13 190.9	7.9	92.1	88.8		2.6
VI	13 075.5	7.7	92.3	88.9		2.6

20.d CURRENCY BREAKDOWN OF LOANS TO NON-RESIDENTS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2009										
IV	2 110.4	4.1	95.9	43.8	48.2	1 475.0	2.6	97.4	43.6	53.3
V	2 189.3	2.0	98.0	54.2	39.1	1 421.1	3.4	96.6	44.6	51.5
VI	2 114.5	1.9	98.1	51.1	42.4	1 386.9	2.2	97.8	45.7	51.7
VII	1 940.3	1.3	98.7	51.2	42.3	1 377.6	2.1	97.9	46.3	51.1
VIII	2 174.4	2.4	97.6	49.8	43.1	1 353.7	2.2	97.8	46.5	50.7
IX	2 146.3	6.4	93.6	49.4	39.6	1 343.7	2.2	97.8	46.9	50.4
X	2 275.2	5.6	94.4	50.3	39.0	1 341.0	2.6	97.4	47.9	49.0
XI	2 129.0	6.8	93.2	44.5	43.7	1 289.7	2.7	97.3	48.0	48.8
XII	2 481.6	8.1	91.9	46.0	40.3	1 341.5	2.6	97.4	48.1	48.9
2010										
I	2 414.2	8.9	91.1	39.8	46.4	1 333.3	2.6	97.4	47.4	49.7
II	2 122.1	10.8	89.2	39.1	44.0	1 362.8	2.6	97.4	45.5	51.6
III	2 263.8	9.5	90.5	34.9	49.4	1 392.7	2.6	97.4	44.0	53.0
IV	2 417.5	8.9	91.1	38.4	46.9	1 401.9	2.5	97.5	43.7	53.4
V	2 271.2	9.5	90.5	36.9	47.1	1 446.7	2.4	97.6	42.1	55.1
VI	2 243.2	10.9	89.1	35.5	46.7	1 454.1	2.7	97.3	41.4	55.5

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

(at end of period)

	MFIs					Non-MFIs					
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies				In lats	In foreign currencies			
			incl. EUR	incl. USD				incl. EUR	incl. USD		
2009											
IV	40.1	26.2	73.8	67.2	6.6	557.1	98.6	1.4	1.4	0	
V	35.8	21.4	78.6	71.5	7.1	533.0	98.5	1.5	1.5	0	
VI	38.4	20.2	79.8	73.4	6.4	468.2	91.8	8.2	8.2	0	
VII	34.1	23.0	77.0	71.0	6.0	550.1	86.8	13.2	13.2	0	
VIII	33.1	20.6	79.4	73.3	6.1	526.8	86.2	13.8	13.8	0	
IX	33.6	20.1	79.9	74.0	5.9	507.2	92.6	7.4	7.4	0	
X	31.9	23.5	76.5	70.3	6.2	507.4	92.6	7.4	7.4	0	
XI	31.5	22.7	77.3	71.1	6.2	423.3	98.2	1.8	1.8	0	
XII	32.9	21.8	78.2	76.2	2.0	434.4	98.2	1.8	1.8	0	
2010											
I	31.2	22.6	77.4	75.2	2.2	487.0	98.3	1.7	1.7	0	
II	26.4	26.3	73.7	70.9	2.7	489.7	97.4	2.6	2.6	0	
III	28.9	24.7	75.3	72.8	2.5	512.3	97.0	3.0	3.0	0	
IV	29.3	24.8	75.2	72.7	2.5	516.5	98.1	1.9	1.9	0	
V	25.1	29.1	70.9	67.7	2.5	487.4	98.1	1.9	1.9	0	
VI	24.2	29.9	70.1	66.7	3.4	486.1	98.2	1.8	1.8	0	

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

(at end of period)

	MFIs					Non-MFIs					
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies				In lats	In foreign currencies			
			incl. EUR	incl. USD				incl. EUR	incl. USD		
2009											
IV	502.9	1.2	98.8	59.6	38.0	357.2	0	100.0	18.0	74.2	
V	476.4	1.8	98.2	59.5	37.7	355.1	0	100.0	18.0	74.2	
VI	474.5	1.8	98.2	60.0	37.3	335.6	0	100.0	19.0	73.1	
VII	470.9	1.8	98.2	62.5	34.8	361.4	0	100.0	17.0	76.0	
VIII	467.5	1.8	98.2	63.0	34.3	337.5	0	100.0	18.8	74.7	
IX	461.2	1.9	98.1	63.1	33.9	339.1	0	100.0	19.6	74.5	
X	459.6	3.1	96.9	63.2	32.6	330.7	0	100.0	19.5	74.3	
XI	424.4	3.0	97.0	66.6	29.2	319.8	0	100.0	22.6	71.5	
XII	424.4	4.1	95.9	65.0	29.6	318.8	0	100.0	22.2	71.7	
2010											
I	400.9	2.2	97.8	65.7	31.1	315.0	0	100.0	24.5	70.1	
II	401.5	2.2	97.8	66.6	30.6	307.0	0	100.0	22.6	71.6	
III	398.5	2.1	97.9	62.1	34.8	320.4	0	100.0	24.5	69.9	
IV	325.7	1.6	98.4	54.4	42.7	382.4	0	100.0	34.5	61.0	
V	311.7	1.5	98.5	46.9	34.8	435.3	0	100.0	32.4	68.2	
VI	296.4	1.6	98.4	45.3	51.5	446.5	0	100.0	34.3	61.9	

20.g CURRENCY BREAKDOWN OF DEBT SECURITIES ISSUED BY MFIs

(at end of period)

	Outstanding amount (all currencies; in millions of lats)		Structure (%)	
			In lats	In foreign currencies
2009				
IV		163.5	9.8	90.2
V		160.4	10.0	90.0
VI		160.5	10.0	90.0
VII		160.7	10.0	90.0
VIII		157.7	8.3	91.7
IX		157.0	8.3	91.7
X		154.5	8.4	91.6
XI		153.2	8.5	91.5
XII		153.5	8.5	91.5
2010				
I		150.2	8.7	91.3
II		158.6	8.2	91.8
III		157.8	8.2	91.8
IV		158.0	8.2	91.8
V		183.8	8.3	91.7
VI		192.2	7.9	92.1

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

(%)

1. Interest rates on deposits (new business)											
	Deposits from households						Deposits from non-financial corporations				Repos
	Overnight ¹	With agreed maturity			Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years	
2009											
IV	0.91	7.68	10.48	12.00	4.53	–	1.86	6.32	8.67	7.76	–
V	1.00	8.44	10.51	10.99	4.72	x	3.48	8.99	x	9.82	–
VI	0.97	14.80	11.71	9.40	5.48	x	2.64	19.98	11.07	x	–
VII	0.85	11.94	12.39	9.01	5.46	x	1.11	8.46	9.30	x	–
VIII	0.87	9.84	13.16	7.69	5.33	x	0.62	5.85	12.26	–	–
IX	0.96	9.75	12.09	12.12	4.51	x	0.57	5.08	10.67	x	–
X	0.97	9.55	12.27	9.27	4.54	x	0.61	5.34	11.03	6.37	–
XI	0.95	10.00	14.45	10.24	4.65	x	0.56	5.38	6.32	9.91	–
XII	1.12	11.35	13.32	10.21	4.43	x	0.47	5.39	12.50	6.48	–
2010											
I	1.10	9.81	12.66	10.83	3.08	x	0.61	4.05	7.93	x	–
II	0.95	6.74	7.75	6.70	2.73	x	0.46	3.54	6.96	x	–
III	0.69	5.18	9.03	9.10	2.20	x	0.44	2.61	7.40	x	–
IV	0.58	4.12	6.83	6.07	1.90	x	0.33	1.24	6.35	x	–
V	0.58	3.22	6.42	5.36	1.77	x	0.28	0.97	4.53	4.18	–
VI	0.64	3.36	6.33	6.13	1.82	x	0.29	1.01	3.84	4.27	–

¹ End-of-period.

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

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

(%)

2. Interest rates on loans to households (new business)													
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Lending for house purchase					Consumer credit			Other lending by initial rate fixation	
				By initial rate fixation				Annual percentage rate of charge ²	By initial rate fixation		Annual percentage rate of charge ²	Floating rate and up to 1 year	Over 1 year
				Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 year			
2009													
IV	22.73	x	x	16.46	7.64	x	x	12.35	21.44	23.13	22.56	19.40	11.42
V	22.79	x	x	15.72	x	x	x	10.57	21.70	20.90	21.67	17.40	7.76
VI	22.79	x	x	16.48	10.49	7.82	x	10.51	21.58	24.20	22.65	16.96	4.97
VII	24.71	x	x	15.54	10.74	x	x	8.51	21.33	24.94	23.46	0.27	11.00
VIII	23.05	x	x	10.70	8.03	7.83	x	8.51	21.94	25.29	23.74	5.33	14.65
IX	24.41	x	x	10.25	9.47	x	x	8.74	21.27	24.49	23.30	0.14	7.88
X	24.56	x	x	13.79	15.75	x	x	10.66	21.75	23.26	23.24	0.79	8.25
XI	24.62	x	x	14.14	10.75	x	x	10.04	19.56	19.38	19.90	0.05	1.81
XII	24.86	x	x	13.19	7.18	x	x	9.25	21.13	13.09	16.96	6.16	1.63
2010													
I	24.95	x	x	12.16	x	x	x	8.37	19.47	24.13	21.69	21.69	0.56
II	24.82	x	x	12.22	x	x	x	9.44	19.73	21.52	20.78	4.26	1.01
III	24.04	x	x	9.12	9.28	x	x	8.46	20.75	22.42	22.22	0.65	1.52
IV	24.19	x	x	8.04	x	8.20	x	9.02	20.86	22.56	22.19	9.61	4.02
V	24.14	x	x	7.26	x	x	x	7.65	21.17	22.64	22.23	8.59	14.94
VI	x	18.82	21.47	7.95	x	-	x	9.16	21.49	23.59	19.98	6.87	15.31

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to non-financial corporations (new business)									
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Other loans up to 0.25 million euro (0.2 million euro until 01.06.2010) by initial rate fixation		Other loans over 0.25 million euro (0.2 million euro until 01.06.2010) and up to 1 million euro by initial rate fixation		Other loans over 1 million euro by initial rate fixation	
				Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year
2009									
IV	11.00	x	x	13.50	9.13	8.93	x	x	–
V	14.76	x	x	17.42	9.02	x	–	x	–
VI	21.21	x	x	18.97	8.92	x	x	x	–
VII	12.34	x	x	18.56	8.95	x	x	14.89	–
VIII	8.81	x	x	17.31	x	–	x	–	–
IX	9.85	x	x	21.13	13.90	x	x	–	–
X	9.07	x	x	14.28	9.99	x	–	8.27	x
XI	12.17	x	x	13.01	10.90	x	x	x	–
XII	12.53	x	x	10.74	8.95	x	x	6.03	x
2010									
I	12.82	x	x	13.43	9.69	x	x	–	–
II	13.96	x	x	14.75	9.79	7.40	x	x	–
III	7.15	x	x	12.98	9.79	x	–	3.78	x
IV	6.32	x	x	10.78	x	x	x	x	x
V	6.13	x	x	11.37	x	x	–	x	x
VI	x	4.26	15.91	9.25	7.86	–	5.12	x	9.40

¹ End-of-period.

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

(%)

4. Interest rates on deposits (outstanding amounts)									
	Households					Non-financial corporations			Repos
	Overnight ¹	With agreed maturity		Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
2009									
IV	0.91	8.95	8.42	4.53	–	1.86	8.94	6.71	–
V	1.00	9.14	8.47	4.72	x	3.48	10.00	6.81	–
VI	0.97	10.31	8.55	5.48	x	2.64	17.67	7.06	–
VII	0.85	10.50	8.73	5.46	x	1.11	14.33	7.24	–
VIII	0.87	10.98	8.80	5.33	x	0.62	13.29	7.25	–
IX	0.96	10.97	8.88	4.51	x	0.57	11.27	6.12	–
X	0.97	10.96	8.79	4.54	x	0.61	10.85	6.08	–
XI	0.95	11.04	9.11	4.65	x	0.56	11.24	6.07	–
XII	1.12	11.40	9.26	4.43	x	0.47	10.60	5.94	–
2010									
I	1.10	10.61	9.15	3.08	x	0.61	9.46	6.16	–
II	0.95	10.85	9.28	2.73	x	0.46	8.18	6.15	–
III	0.69	10.36	9.30	2.20	x	0.44	6.61	6.13	–
IV	0.58	9.49	9.26	1.90	x	0.33	5.38	6.18	–
V	0.58	9.11	9.56	1.77	x	0.28	4.24	6.26	–
VI	0.64	8.32	11.16	1.82	3.65	0.29	4.03	5.94	–

¹ End-of-period.

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

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

(%)

5. Interest rates on loans (outstanding amounts)										
	Loans to households						Loans to non-financial corporations			
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity ¹			With maturity ¹			
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years	
2009										
IV	32.63	11.08	10.19	22.73	19.15	13.82	11.86	12.79	9.44	
V	15.57	11.57	10.58	22.75	19.23	13.82	14.62	13.73	10.01	
VI	23.34	12.31	11.71	22.84	19.63	14.08	21.10	17.96	12.00	
VII	23.02	12.97	11.82	23.91	19.71	16.46	13.47	17.47	11.99	
VIII	22.41	13.45	11.60	22.74	20.06	16.68	10.73	16.65	11.92	
IX	37.29	12.48	10.62	23.65	19.91	16.54	11.19	13.53	9.73	
X	35.92	11.98	10.17	23.67	20.05	16.45	10.33	12.52	9.18	
XI	41.22	11.43	9.99	23.52	20.20	16.32	12.53	12.21	8.84	
XII	35.80	11.34	9.59	23.48	20.12	15.97	12.79	10.02	8.55	
2010										
I	5.89	10.00	8.62	23.19	20.12	12.78	11.99	8.00	7.62	
II	5.83	9.07	7.55	22.97	19.92	12.24	12.75	7.03	6.98	
III	5.62	8.20	6.89	22.33	19.77	11.97	7.47	5.60	5.93	
IV	52.23	7.25	6.44	22.83	19.76	11.37	6.36	5.32	5.47	
V	51.96	6.87	6.23	23.38	20.03	11.26	6.10	4.71	5.24	
VI	7.71	7.07	6.17	22.63	18.25	10.35	5.65	5.49	5.05	

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

² Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)												
	Deposits from households						Deposits from non-financial corporations				Repos	
	Overnight ¹	With agreed maturity			Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity				
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years		
2009												
IV	1.00	3.39	6.33	5.53	2.39	–	0.39	2.46	3.45	4.94	–	–
V	1.02	2.94	5.29	6.14	2.16	x	0.49	2.13	3.01	x	–	–
VI	0.96	3.26	5.84	5.94	2.07	x	0.35	1.65	4.78	3.16	–	–
VII	0.90	3.20	6.55	7.37	2.01	x	0.32	1.41	2.31	x	–	–
VIII	0.96	2.87	6.20	6.22	1.95	x	0.28	1.63	3.05	2.76	–	–
IX	0.93	2.56	5.82	4.62	1.58	x	0.29	1.76	5.70	3.66	–	–
X	0.91	2.33	5.48	5.18	1.60	x	0.33	1.17	1.90	2.50	–	–
XI	0.91	2.49	6.17	6.15	1.62	x	0.37	1.36	3.23	4.30	–	–
XII	0.81	3.17	6.75	5.51	1.72	x	0.24	1.39	2.87	3.76	–	–
2010												
I	0.68	2.35	6.03	6.07	1.56	x	0.21	1.51	2.65	3.82	–	–
II	0.60	1.81	5.39	4.30	1.30	x	0.20	0.71	3.49	4.67	–	–
III	0.57	1.46	4.68	5.71	1.09	x	0.22	0.91	2.54	x	–	–
IV	0.52	1.75	4.22	5.19	1.03	x	0.20	1.11	4.32	3.01	–	–
V	0.52	1.45	4.66	4.72	0.98	x	0.19	0.74	2.63	1.79	–	–
VI	0.54	1.86	4.55	4.12	0.99	x	0.24	0.84	3.04	x	–	–

¹ End-of-period.

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

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

(%)

2. Interest rates on loans to households (new business)													
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Lending for house purchase					Consumer credit			Other lending by initial rate fixation	
				By initial rate fixation				Annual percentage rate of charge ²	By initial rate fixation		Annual percentage rate of charge ²	Floating rate and up to 1 year	Over 1 year
				Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 year			
2009													
IV	8.87	x	x	5.16	6.01	6.78	6.54	5.33	9.35	16.61	22.54	5.80	9.52
V	8.52	x	x	5.04	5.74	7.23	6.20	5.23	11.02	16.46	17.66	7.03	6.62
VI	8.06	x	x	4.42	5.11	5.82	6.10	4.61	12.83	19.32	24.79	5.37	9.01
VII	7.88	x	x	4.16	5.87	7.03	6.61	4.45	17.77	19.70	24.23	5.86	7.43
VIII	7.66	x	x	4.05	5.91	6.50	6.50	4.36	13.42	19.89	24.34	6.59	7.84
IX	5.95	x	x	3.99	6.59	6.73	6.68	4.36	12.59	20.40	22.94	5.96	8.16
X	6.12	x	x	4.01	5.47	6.88	6.70	4.33	12.49	20.68	23.23	6.82	7.17
XI	7.26	x	x	3.77	6.02	7.40	6.33	4.10	10.57	20.27	23.32	5.71	10.82
XII	5.64	x	x	4.21	6.09	7.57	6.48	4.50	7.31	20.86	13.25	6.10	5.38
2010													
I	5.06	x	x	3.53	6.43	7.54	7.04	4.03	10.94	20.89	23.47	5.08	9.23
II	4.45	x	x	3.72	5.41	7.06	6.31	3.96	12.37	21.17	19.14	7.23	7.63
III	4.71	x	x	3.67	6.24	7.00	x	4.33	11.25	21.90	23.43	5.36	x
IV	4.59	x	x	3.48	5.77	7.42	6.41	4.14	9.28	21.72	21.32	4.99	x
V	9.12	x	x	3.40	6.67	6.89	6.32	3.95	9.86	23.22	22.30	5.41	9.23
VI	x	5.95	20.60	3.48	6.45	5.46	4.39	4.46	9.64	18.55	25.37	5.46	6.59

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to non-financial corporations (new business)									
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Other loans up to 0.25 million euro (0.2 million euro until 01.06.2010) by initial rate fixation		Other loans over 0.25 million euro (0.2 million euro until 01.06.2010) and up to 1 million euro by initial rate fixation		Other loans over 1 million euro by initial rate fixation	
				Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year
2009									
IV	6.75	x	x	6.86	8.85	5.85	x	6.02	4.63
V	6.62	x	x	7.37	8.96	6.34	x	5.15	x
VI	6.21	x	x	6.75	9.17	6.50	7.82	4.97	5.48
VII	5.50	x	x	6.56	8.29	6.03	7.32	4.99	x
VIII	5.69	x	x	6.71	8.46	5.80	7.87	3.73	4.85
IX	5.44	x	x	7.23	8.87	6.09	5.91	4.72	6.93
X	4.95	x	x	6.11	9.50	5.21	7.14	4.72	4.57
XI	4.82	x	x	7.01	9.04	7.08	x	4.47	x
XII	4.30	x	x	6.95	8.46	8.04	6.24	3.45	7.30
2010									
I	4.42	x	x	6.43	9.73	4.73	x	4.39	x
II	4.45	x	x	6.26	8.50	6.09	8.78	4.43	6.77
III	3.95	x	x	6.61	8.45	5.84	7.21	4.82	x
IV	3.76	x	x	6.91	9.91	11.46	4.53	4.30	6.58
V	3.87	x	x	5.90	8.52	6.59	7.16	4.16	x
VI	x	4.42	11.15	7.12	14.22	5.35	5.19	2.94	x

¹ End-of-period.

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

(%)

4. Interest rates on deposits (outstanding amounts)										
	Households					Non-financial corporations				Repos
	Overnight ¹	With agreed maturity		Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years		
2009										
IV	1.00	4.80	4.48	2.39	–	0.39	3.67	5.48	–	
V	1.02	4.71	4.40	2.16	x	0.49	3.52	5.48	–	
VI	0.96	4.65	4.29	2.07	x	0.35	3.32	5.44	–	
VII	0.90	4.65	4.33	2.01	x	0.32	3.30	4.77	–	
VIII	0.96	4.61	4.48	1.95	x	0.28	3.49	4.66	–	
IX	0.93	4.57	4.43	1.58	x	0.29	3.42	4.60	–	
X	0.91	4.51	4.44	1.60	x	0.33	2.86	4.57	–	
XI	0.91	4.38	4.49	1.62	x	0.37	3.02	4.56	–	
XII	0.81	4.26	4.40	1.72	x	0.24	3.04	4.56	–	
2010										
I	0.68	4.16	4.37	1.56	x	0.21	3.04	4.60	–	
II	0.60	4.10	4.39	1.30	x	0.20	2.94	4.43	–	
III	0.57	4.02	4.37	1.09	x	0.22	2.45	4.09	–	
IV	0.52	3.84	4.40	1.03	x	0.20	2.39	3.96	–	
V	0.52	3.78	4.57	0.98	x	0.19	2.35	5.41	–	
VI	0.54	3.63	6.20	0.99	2.13	0.24	2.32	3.91	–	

¹ End-of-period.

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

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

(%)

5. Interest rates on loans (outstanding amounts)									
	Loans to households						Loans to non-financial corporations		
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity ¹			With maturity ¹		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years
2009									
IV	14.16	5.68	4.45	7.35	5.67	5.38	5.35	4.68	4.27
V	11.00	5.58	4.22	6.98	5.51	5.21	5.13	4.57	3.99
VI	13.71	5.47	4.06	6.85	5.46	5.10	5.04	4.44	3.79
VII	11.61	5.45	3.94	7.00	5.48	5.01	5.34	4.40	3.84
VIII	9.14	5.37	3.84	6.98	5.54	4.95	4.82	4.33	3.57
IX	11.82	5.43	3.74	5.85	5.58	4.86	4.73	4.24	3.46
X	14.25	5.22	3.67	6.30	5.74	4.78	4.56	4.20	3.38
XI	24.08	5.21	3.62	6.92	5.82	4.75	4.62	4.20	3.36
XII	12.33	5.20	3.58	5.79	5.84	4.64	4.27	4.17	3.35
2010									
I	10.14	5.40	3.76	5.40	6.15	4.81	4.27	4.22	3.33
II	13.74	5.33	3.75	4.79	6.19	4.83	4.45	4.27	3.32
III	8.05	5.30	3.72	5.00	6.44	5.30	3.98	4.23	3.34
IV	17.59	5.25	3.70	4.96	6.54	5.26	3.96	4.21	3.36
V	20.58	5.20	3.68	8.32	6.60	5.23	4.02	4.14	3.37
VI	7.95	5.12	3.69	11.21	6.84	5.17	4.70	4.10	3.35

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

² Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)											
	Deposits from households						Deposits from non-financial corporations				Repos
	Overnight ¹	With agreed maturity			Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years	
2009											
IV	0.32	1.54	5.34	5.71	1.53	x	0.13	0.44	x	-	-
V	0.31	1.37	4.75	4.27	1.14	x	0.13	0.42	x	x	-
VI	0.30	1.90	5.68	5.62	1.47	x	0.12	0.39	x	x	-
VII	0.27	1.34	5.96	6.25	1.49	x	0.12	0.28	-	-	-
VIII	0.30	1.28	5.58	3.71	1.47	x	0.10	0.29	-	-	-
IX	0.24	1.95	5.85	5.17	1.32	x	0.11	0.22	-	-	-
X	0.26	1.46	6.13	5.11	1.34	x	0.11	0.25	x	-	-
XI	0.22	1.25	6.60	4.99	1.49	x	0.11	0.31	x	x	-
XII	0.25	1.68	6.71	5.80	1.47	x	0.11	0.32	x	x	-
2010											
I	0.25	1.62	5.34	5.12	1.45	x	0.11	0.82	x	-	-
II	0.25	1.18	3.03	6.16	1.51	x	0.08	0.59	x	-	-
III	0.23	1.24	4.83	3.69	1.45	x	0.08	0.37	x	-	-
IV	0.29	1.24	4.72	5.60	1.44	x	0.09	0.39	-	-	-
V	0.25	1.04	4.97	5.43	1.40	x	0.06	0.34	x	x	-
VI	0.26	1.47	4.70	4.55	2.28	x	0.15	0.65	x	x	-

¹ End-of-period.

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

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

(%)

2. Interest rates on loans to households (new business)													
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Lending for house purchase					Consumer credit			Other lending by initial rate fixation	
				By initial rate fixation				Annual percentage rate of charge ²	By initial rate fixation		Annual percentage rate of charge ²	Floating rate and up to 1 year	Over 1 year
				Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 year			
2009													
IV	13.66	x	x	5.33	x	5.88	x	5.24	21.16	x	22.06	5.21	11.86
V	13.10	x	x	6.18	x	x	x	4.48	21.03	–	22.02	5.33	x
VI	12.41	x	x	4.76	x	x	–	5.00	19.23	x	19.27	5.25	x
VII	15.21	x	x	4.83	x	–	x	4.38	14.67	–	15.31	5.19	x
VIII	15.92	x	x	5.33	7.29	x	x	4.79	16.32	x	16.49	4.66	x
IX	16.16	x	x	4.67	x	x	x	5.64	19.24	x	13.43	4.74	x
X	13.27	x	x	3.76	7.54	x	3.87	3.99	22.08	x	22.63	5.25	x
XI	13.59	x	x	8.45	x	–	x	4.08	20.40	x	20.88	4.74	x
XII	11.96	x	x	6.41	x	x	–	6.90	21.28	x	19.40	4.28	11.96
2010													
I	12.57	x	x	3.27	x	–	x	3.32	21.09	–	22.01	3.66	–
II	12.21	x	x	5.05	x	–	x	4.91	21.21	x	22.61	4.68	x
III	12.49	x	x	4.24	x	–	x	4.95	19.13	x	20.02	4.67	8.72
IV	12.63	x	x	3.39	x	x	x	3.62	20.82	–	22.26	5.26	x
V	14.19	x	x	5.13	11.07	x	x	4.09	20.91	–	22.12	5.82	x
VI	x	13.74	18.72	5.27	–	x	x	4.77	18.49	–	15.02	5.49	x

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to non-financial corporations (new business)									
	Bank overdraft ¹	Revolving loans and overdraft ¹	Extended credit card credit ¹	Other loans up to 0.25 million euro (0.2 million euro until 01.06.2010) by initial rate fixation		Other loans over 0.25 million euro (0.2 million euro until 01.06.2010) and up to 1 million euro by initial rate fixation		Other loans over 1 million euro by initial rate fixation	
				Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year
2009									
IV	6.86	x	x	x	–	7.37	x	7.61	x
V	6.59	x	x	11.35	x	x	–	–	–
VI	6.61	x	x	10.28	–	8.90	–	x	–
VII	6.99	x	x	11.21	–	8.35	x	–	x
VIII	7.20	x	x	8.75	–	x	x	x	–
IX	7.45	x	x	9.18	x	8.26	x	2.88	–
X	7.03	x	x	7.99	–	x	–	x	–
XI	10.26	x	x	6.63	x	7.75	x	x	–
XII	6.91	x	x	3.84	x	9.55	–	x	x
2010									
I	6.77	x	x	3.73	x	x	x	–	–
II	6.04	x	x	5.35	5.81	10.39	x	x	x
III	7.12	x	x	6.56	x	5.89	x	x	–
IV	6.85	x	x	6.47	x	x	x	x	–
V	6.23	x	x	4.61	x	x	–	x	x
VI	x	7.20	13.05	8.41	5.45	6.19	–	2.08	x

¹ End-of-period.

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

(%)

4. Interest rates on deposits (outstanding amounts)									
	Households					Non-financial corporations			Repos
	Overnight ¹	With agreed maturity		Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity		
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years	
2009									
IV	0.32	3.68	4.93	1.53	x	0.13	1.92	5.30	–
V	0.31	3.73	4.91	1.14	x	0.13	1.75	5.31	–
VI	0.30	3.80	4.91	1.47	x	0.12	1.80	4.07	–
VII	0.27	3.84	4.91	1.49	x	0.12	1.70	4.08	–
VIII	0.30	3.82	4.88	1.47	x	0.10	1.79	4.08	–
IX	0.24	3.87	4.88	1.32	x	0.11	1.12	4.10	–
X	0.26	3.68	4.86	1.34	x	0.11	1.37	4.10	–
XI	0.22	3.54	4.85	1.49	x	0.11	1.71	4.32	–
XII	0.25	3.60	4.84	1.47	x	0.11	1.59	4.38	–
2010									
I	0.25	3.50	4.73	1.45	x	0.11	1.82	4.37	–
II	0.25	3.53	4.86	1.51	x	0.08	2.19	4.37	–
III	0.23	3.46	4.84	1.45	x	0.08	2.15	4.40	–
IV	0.29	3.31	4.84	1.44	x	0.09	2.09	4.39	–
V	0.25	3.22	4.88	1.40	x	0.06	2.27	3.33	–
VI	0.26	3.17	4.82	2.28	1.08	0.15	1.94	4.05	–

¹ End-of-period.

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

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

(%)

5. Interest rates on loans (outstanding amounts)									
	Loans to households						Loans to non-financial corporations		
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity ¹			With maturity ¹		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years	Up to 1 year ²	Over 1 and up to 5 years	Over 5 years
2009									
IV	9.92	5.92	4.22	9.86	6.72	4.52	5.14	5.51	5.37
V	7.03	5.77	4.07	10.01	6.62	4.50	5.57	5.30	5.37
VI	6.96	5.64	3.93	9.90	6.40	4.46	5.35	5.41	5.19
VII	7.97	6.01	3.79	9.86	6.15	4.64	5.05	5.39	5.14
VIII	5.37	6.01	3.69	9.48	6.76	4.37	5.38	6.07	4.99
IX	5.37	6.01	3.58	9.64	8.09	4.38	5.44	5.80	5.03
X	5.98	5.96	3.47	8.90	7.84	4.34	5.85	5.82	5.05
XI	5.52	5.96	3.40	8.87	6.46	4.30	6.13	5.87	5.07
XII	5.56	6.08	3.33	8.10	8.21	4.19	6.49	5.01	4.70
2010									
I	5.57	5.95	3.49	8.59	8.35	4.23	6.51	4.91	4.87
II	5.59	6.10	3.51	8.44	8.47	4.22	5.94	5.16	5.18
III	8.55	6.15	3.47	8.74	8.60	4.23	5.93	4.98	4.99
IV	8.60	5.74	3.46	8.84	8.78	4.24	5.68	5.31	5.46
V	10.54	4.11	3.58	9.79	9.34	4.23	5.96	5.37	5.66
VI	8.89	4.40	3.62	11.41	9.26	4.21	6.20	4.79	5.77

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

² Including bank overdraft.

22. LENDING IN THE INTERBANK MARKETS

(in millions of lats)

	Loans to resident MFIs											
	In lats					In foreign currencies						
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2009												
IV	1 203.3	319.0	22.0	0.2	1 544.5	1 441.6	434.8	0.3	0	1 876.7	3 421.2	
V	1 341.2	243.5	–	–	1 584.7	1 570.8	447.6	14.0	–	2 032.4	3 617.1	
VI	553.5	187.4	2.4	–	743.3	1 504.1	468.3	4.1	–	1 976.5	2 719.8	
VII	601.5	122.2	5.2	0.3	729.2	1 348.7	207.4	6.5	7.0	1 569.6	2 298.8	
VIII	393.4	183.2	12.5	–	589.1	1 132.2	215.0	–	–	1 347.2	1 936.3	
IX	294.8	53.0	17.0	–	364.8	1 149.6	204.5	5.4	–	1 359.5	1 724.3	
X	210.3	72.7	0.3	–	283.3	1 009.0	208.2	0.4	0.8	1 218.4	1 501.7	
XI	378.1	159.8	10.0	0.8	548.7	917.6	228.7	–	1.4	1 147.7	1 696.4	
XII	220.3	68.8	17.0	3.5	309.6	1 403.4	196.6	–	0.5	1 600.5	1 910.1	
2010												
I	268.3	35.4	0.2	3.3	307.2	1 180.7	98.7	0.4	–	1 279.8	1 587.0	
II	171.1	40.9	–	–	212.0	990.0	79.2	–	–	1 069.2	1 281.2	
III	336.8	45.1	15.0	–	396.9	1 457.6	49.9	–	–	1 507.5	1 904.4	
IV	401.9	32.8	–	0.5	435.2	1 235.5	52.0	–	–	1 287.5	1 722.7	
V	491.1	106.2	5.0	–	602.3	1 240.7	117.1	–	–	1 357.8	1 960.1	
VI	439.7	80.1	5.0	–	524.8	1 006.3	132.3	–	0.5	1 139.1	1 663.9	
	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			
2009												
IV	20 611.1		1 068.0		47.5		3.0		21 729.6		25 150.8	
V	18 878.9		899.4		24.7		2.8		19 805.8		23 422.9	
VI	18 505.6		2 215.2		47.9		2.2		20 770.9		23 490.7	
VII	21 695.8		729.7		77.0		151.4		22 653.9		24 952.7	
VIII	19 592.6		781.7		50.3		1.5		20 426.1		22 362.4	
IX	21 286.1		716.3		60.5		2.5		22 065.4		23 789.7	
X	22 812.8		528.8		184.6		12.0		23 538.2		25 039.9	
XI	17 747.4		571.6		121.0		290.3		18 730.3		20 426.7	
XII	18 369.8		1 149.0		27.8		132.4		19 679.0		21 589.1	
2010												
I	22 930.3		1 045.3		27.5		1.2		24 004.3		25 591.3	
II	21 969.8		968.2		116.9		11.8		23 066.7		24 347.9	
III	23 667.8		902.4		110.3		18.1		24 698.6		26 603.0	
IV	26 151.0		965.9		195.2		16.7		27 328.8		29 051.5	
V	23 658.5		1 986.1		34.1		6.2		25 684.9		27 645.0	
VI	22 912.3		1 888.8		122.9		1.4		24 925.4		26 589.3	

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Weighted average interest rates on loans in lats																
Overnight	3.0	4.7	21.6	2.6	1.9	1.2	1.1	1.1	1.0	1.0	1.0	1.0	0.9	0.8	0.9	
Up to 1 month	2.6	5.9	24.4	3.1	2.3	1.7	1.8	1.5	1.2	1.1	1.0	0.9	0.9	0.9	0.8	
1–3 months	8.5	–	32.9	13.2	10.7	8.1	10.7	9.5	7.4	3.8	–	1.8	–	1.1	1.3	
Over 3 months	8.0	–	–	10.0	–	–	–	8.9	4.8	6.2	–	–	5.0	–	–	
Weighted average interest rates on loans in foreign currencies																
Overnight	0.6	0.6	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	
Up to 1 month	0.7	0.7	0.6	0.4	0.4	0.8	0.5	0.3	0.3	0.2	0.2	0.2	0.3	0.2	0.3	
1–3 months	3.0	1.2	1.6	1.0	–	0.6	4.0	–	–	3.5	–	–	–	–	–	
Over 3 months	4.8	–	–	4.2	–	–	3.0	8.0	0.9	–	–	–	–	–	0.8	

23.b INTEREST RATES SET BY THE BANK OF LATVIA

(% per annum)

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

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

(% per annum)

	2009										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Main refinancing operation with maturity 7 days average interest rate	5.5	6.7	12.9	4.5	4.1	-	4.0	4.0	-	-	4.0	-	-	-	-	
Weighted average interest rate on short-term currency swaps	5.7	7.8	31.6	5.3	4.0	4.0	4.0	-	-	-	-	-	-	-	-	

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

(in millions of lats)

	2010					
	I	II	III	IV	V	VI
Type of transaction						
Spot exchange transactions	30 257.3	31 347.8	40 675.1	34 077.4	37 471.2	35 579.6
Forward exchange contracts	619.3	713.4	506.2	668.4	526.2	541.6
Currency swap arrangements	36 212.8	37 652.8	40 665.5	35 248.5	37 131.0	40 190.1
Counterparties						
Resident MFIs	3 307.1	3 018.6	5 030.1	4 054.8	3 527.5	3 315.1
Non-resident MFIs	27 381.8	29 180.7	34 376.6	31 688.0	36 888.6	39 217.0
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	251.6	223.9	299.6	220.1	514.1	420.3
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	8 795.3	9 472.4	25 391.0	13 928.6	7 024.3	5 586.9
Resident government, non-financial corporations, households and non-profit institutions serving households	1 270.1	1 039.6	1 051.8	858.4	1 002.2	1 149.2
Non-resident government, non-financial corporations, households and non-profit institutions serving households	22 246.3	22 987.0	11 771.4	16 153.4	23 107.7	23 385.7
Households	3 837.2	3 791.8	3 926.2	3 091.0	3 064.1	3 237.1
Currencies						
Total in all currencies	67 089.4	69 714.0	81 846.7	69 994.3	75 128.4	76 311.3
incl. lats for euro	8 582.4	9 464.0	11 440.9	13 290.8	12 874.0	12 619.7
incl. lats for US dollars	1 136.2	889.7	970.3	809.8	786.2	746.6
incl. lats for other currencies	40.3	44.6	53.4	77.0	55.8	65.4

25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS

(in millions of lats)

	2010					
	I ¹	II ¹	III ¹	IV	V	VI
EUR for LVL						
Amount	8 609.9	9 491.3	11 474.8	13 324.1	12 897.4	12 643.2
% ²	12.8	13.6	14.0	19.0	17.2	16.6
USD for LVL						
Amount	1 111.2	871.9	956.3	789.8	762.6	742.8
% ²	1.7	1.3	1.2	1.1	1.0	1.0
Other currencies for LVL						
Amount	33.4	38.1	44.8	68.8	46.1	54.0
% ²	0	0.1	0.1	0.1	0.1	0.1
USD for EUR						
Amount	32 274.9	30 418.8	35 749.1	26 523.3	28 545.7	27 588.2
% ²	48.1	43.6	43.7	37.9	38.0	36.1
GBP for EUR						
Amount	716.3	579.4	771.3	629.6	512.4	396.8
% ²	1.1	0.8	0.9	0.9	0.7	0.5
Other currencies (except LVL) for EUR						
Amount	1 855.6	2 373.9	2 102.1	1 468.0	2 481.9	2 708.7
% ²	2.8	3.4	2.6	2.1	3.3	3.6
RUB for USD						
Amount	9 951.8	11 157.1	19 844.9	17 661.8	19 792.9	20 427.1
% ²	14.8	16.0	24.2	25.2	26.3	26.8
GBP for USD						
Amount	3 966.2	4 182.4	4 936.7	3 737.7	3 679.8	3 768.5
% ²	5.9	6.0	6.0	5.4	4.9	4.9
SEK for USD						
Amount	1 129.9	1 243.8	1 502.4	1 324.1	1 245.7	1 398.4
% ²	1.7	1.8	1.8	1.9	1.7	1.8
Other currencies (except LVL and EUR) for USD						
Amount	4 468.8	6 512.3	3 375.8	3 287.2	3 799.3	5 184.4
% ²	6.7	9.3	4.1	4.7	5.0	6.8
Other currencies (except LVL, EUR and USD) for other currencies						
Amount	2 967.2	2 841.8	1 099.7	1 184.9	1 354.8	1 408.4
% ²	4.4	4.1	1.4	1.7	1.8	1.8

¹ Data have been revised on 15 November 2010.

² As per cent of the total.

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

(LVL vs foreign currency)

	2009									2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
EUR	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028
USD	0.5331	0.5182	0.5012	0.4991	0.4934	0.4831	0.4745	0.4709	0.4808	0.4916	0.5131	0.5175	0.5231	0.5564	0.5739
GBP	0.7823	0.7939	0.8187	0.8169	0.8166	0.7902	0.7670	0.7820	0.7822	0.7938	0.8039	0.7791	0.8009	0.8194	0.8445
100 JPY	0.5395	0.5373	0.5191	0.5283	0.5199	0.5276	0.5268	0.5273	0.5374	0.5379	0.5685	0.5729	0.5609	0.6031	0.6290

27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)

(LVL vs foreign currency)

	2010					
	I	II	III	IV	V	VI
EUR						
Buy	0.7031	0.7039	0.7033	0.7022	0.7017	0.7016
Sell	0.7100	0.7096	0.7088	0.7081	0.7076	0.7081
USD						
Buy	0.4929	0.5141	0.5180	0.5241	0.5583	0.5741
Sell	0.4962	0.5182	0.5220	0.5275	0.5635	0.5809
GBP						
Buy	0.7892	0.7984	0.7745	0.7956	0.8136	0.8400
Sell	0.8026	0.8130	0.7876	0.8096	0.8262	0.8531
100 JPY						
Buy	0.5375	0.5211	0.5178	0.5081	0.5199	0.5336
Sell	0.5409	0.5811	0.5760	0.5789	0.6246	0.6354
SEK						
Buy	0.0679	0.0702	0.0715	0.0715	0.0718	0.0723
Sell	0.0698	0.0708	0.0729	0.0731	0.0729	0.0739
RUB						
Buy	0.0163	0.0171	0.0175	0.0180	0.0184	0.0185
Sell	0.0166	0.0173	0.0178	0.0182	0.0187	0.0188
CHF						
Buy	0.4717	0.4760	0.4837	0.4879	0.4881	0.5037
Sell	0.4806	0.4849	0.4905	0.4931	0.4994	0.5116

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; in millions of lats)

	2010					
	I	II	III	IV	V	VI
Stock of government securities outstanding	905.6	857.8	890.0	902.3	859.7	846.8
Residents	879.6	833.9	862.7	872.6	829.8	823.4
Non-financial corporations	16.3	3.5	2.9	2.9	0.3	0.3
Credit institutions	489.5	488.2	503.7	506.4	471.9	469.0
Money market funds	7.4	6.8	8.0	13.0	17.4	17.3
MFIs excluding central banks, credit institutions and money market funds	2.0	0	0	0	0	0
Other financial intermediaries excluding investment funds	36.8	49.9	49.9	50.0	83.3	81.5
Financial auxiliaries	0	0.4	0.4	0.4	1.0	1.0
Insurance corporations and pension funds	322.0	278.9	291.3	293.6	250.2	249.2
Central government	0	0	0.4	0.2	0	0
Households	1.3	1.9	1.8	1.8	1.7	1.3
Non-profit institutions serving households	4.3	4.3	4.3	4.3	4.0	3.8
Non-residents	25.9	23.9	27.3	29.7	29.9	23.4
Non-financial corporations	1.8	1.8	1.8	1.8	1.8	0
Credit institutions	5.5	5.5	5.7	5.9	6.0	5.2
Money market funds	0	0	0	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0
Financial auxiliaries	0	0	0	0	0	0
Insurance corporations and pension funds	18.5	16.5	19.7	21.9	22.0	18.1
Central government	0.1	0.1	0.1	0.1	0.1	0.1
Households	0	0	0	0	0	0
Non-profit institutions serving households	0	0	0	0	0	0

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q2 2010)

Date (dd.mm.)	Initial maturity (months)	Supply (in thousands of lats)	Demand (in thousands of lats)	Purchase (in thousands of lats)	Weighted average discount rate (%)
Competitive multi-price auctions					
07.04.	6	4 000	6 250	1 250	1.779
07.04.	12	4 000	11 600	4 000	3.273
14.04.	12	4 000	14 900	4 000	3.240
21.04.	36	8 000	25 318	8 000	5.933 ¹
28.04.	6	4 000	9 450	4 000	1.788
28.04.	12	4 000	14 200	4 000	3.081
12.05.	36	12 000	8 100	4 100	6.395 ¹
19.05.	6	4 000	9 300	4 000	1.994
19.05.	12	8 000	13 600	8 000	3.255
26.05.	6	4 000	17 400	4 000	2.128
26.05.	12	4 000	10 552	4 000	3.407
02.06.	6	4 000	13 900	4 000	2.116
02.06.	12	4 000	9 180	4 000	3.522
16.06.	6	4 000	7 803	4 000	2.154
16.06.	12	4 000	17 800	4 000	3.156
Primary placement of government securities via outright sales of securities					
08.04.	6	1 000	–	–	–
08.04.	12	1 000	3 000	1 000	3.273
15.04.	12	1 000	5 000	1 000	3.240
22.04.	36	2 000	4 000	2 000	5.933 ¹
29.04.	6	1 000	2 000	1 000	1.788
29.04.	12	1 000	3 000	1 000	3.081
13.05.	36	3 000	2 695	2 695	6.395 ¹
20.05.	6	1 000	1 000	1 000	1.994
20.05.	12	2 000	–	–	–
27.05.	6	1 000	1 750	1 000	2.128
27.05.	12	1 000	3 000	1 000	3.407
03.06.	6	1 000	2 600	1 000	2.116
03.06.	12	1 000	3 500	1 000	3.522
17.06.	6	1 000	2 120	1 000	2.154
17.06.	12	1 000	3 000	1 000	3.156

¹ Weighted average yield.

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

(in millions of lats)

	2009									2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Securities purchased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

31. DYNAMICS OF GDP

	2009 ¹				2010			
	Q1	Q2	Q3	Q4	Q1 ¹	Q2		
At current prices; in millions of lats	13 082.8	3 308.5	3 340.2	3 221.4	3 212.7	2 852.6		x
At constant prices ² ; in millions of lats	6 828.4	1 555.7	1 710.4	1 751.4	1 810.9	1 462.9		x
Annual growth rate (%)	-18.0	-17.8	-18.1	-19.1	-16.8	-6.0		-3.0 ³
Gross value added	-15.8	-15.9	-16.0	-16.8	-14.6	-6.2		x
Goods-producing sector	-19.5	-21.3	-20.6	-20.1	-16.1	-3.5		x
Services sector	-14.6	-14.1	-14.4	-15.6	-14.2	-7.0		x

¹ Data have been revised.

² Chain-linked; average prices in 2000.

³ Flash estimate of CSB.

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

	2009									2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I ¹	II ¹	III ¹	IV	V	VI
Average wages and salaries															
LVL per month	470	470	482	483	450	433	429	426	464	427	426	441	442	443	447
Year-on-year changes (%)	100.2	99.4	98.3	95.8	95.0	89.9	87.8	87.5	88.3	90.8	91.8	92.8	94.1	94.3	92.7
Real wage index (year-on-year basis; %)	97.0	97.6	97.9	94.0	93.9	90.0	88.9	89.0	89.8	89.4	91.4	92.1	91.9	91.7	89.3
Number of registered unemployed persons															
At end of month	123 127	126 595	129 269	132 519	137 586	147 754	157 897	169 236	179 235	186 295	192 032	194 253	189 881	183 476	176 879
Year-on-year changes (%)	232.8	242.5	239.3	239.0	244.2	256.3	258.6	252.3	234.5	206.0	185.1	166.4	154.2	144.9	136.8

¹ Data have been revised.

33. LATVIAN FOREIGN TRADE BALANCE

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

	2009 ¹				2010			
	Q1	Q2	Q3	Q4	Q1 ¹	Q2		
Exports	3 602.2	819.3	854.7	912.1	1 016.1	944.2		1 113.6
Imports	4 709.8	1 205.5	1 106.3	1 173.4	1 224.6	1 180.3		1 323.9
Balance	-1 107.6	-386.2	-251.6	-261.3	-208.5	-236.1		-210.3

	2009 ¹										2010					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I ¹	II ¹	III ¹	IV	V	VI	
Exports	280.6	278.6	295.5	273.6	286.1	352.4	363.0	336.4	316.7	267.4	310.8	366.0	374.2	374.9	364.5	
Imports	379.3	359.7	367.3	376.1	376.9	420.3	417.2	403.1	404.4	344.4	381.1	454.8	425.3	450.4	448.2	
Balance	-98.7	-81.1	-71.8	-102.5	-90.8	-67.9	-54.2	-66.7	-87.7	-77.0	-70.3	-88.8	-51.1	-75.5	-83.7	

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2009 ¹		2010			
			Q1 ¹		Q2	
	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	3 602.2	100.0	944.2	100.0	1 113.6	100.0
Agricultural and food products	669.8	18.6	170.4	18.0	175.8	15.8
Mineral products	199.6	5.5	60.0	6.4	69.3	6.2
Products of the chemical and allied industries	307.0	8.5	74.0	7.8	92.5	8.3
Plastics and articles thereof; rubber and articles thereof	102.9	2.9	28.5	3.0	36.4	3.3
Wood and articles of wood	595.4	16.5	183.3	19.4	233.6	21.0
Pulp of wood; paper and paperboard	64.3	1.8	20.8	2.2	21.7	1.9
Textiles and textile articles	178.8	5.0	46.4	4.9	47.1	4.2
Articles of stone, plaster, cement, glassware and ceramic products	70.4	2.0	18.0	1.9	20.0	1.8
Base metals and articles of base metals	447.8	12.4	116.3	12.3	155.2	13.9
Machinery and mechanical appliances; electrical equipment	509.4	14.1	119.4	12.6	134.5	12.1
Transport vehicles	254.7	7.1	59.5	6.3	71.7	6.4
Miscellaneous manufactured articles	121.0	3.4	26.9	2.9	32.4	2.9
Other goods	81.1	2.2	20.8	2.3	23.4	2.2

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2009 ¹		2010			
			Q1 ¹		Q2	
	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	4 709.8	100.0	1 180.3	100.0	1 323.9	100.0
Agricultural and food products	863.5	18.3	208.9	17.7	212.9	16.1
Mineral products	808.6	17.2	218.5	18.5	188.8	14.3
Products of the chemical and allied industries	557.3	11.8	160.5	13.6	164.9	12.5
Plastics and articles thereof; rubber and articles thereof	237.8	5.0	59.4	5.0	87.0	6.6
Wood and articles of wood	66.0	1.4	18.8	1.6	25.9	1.9
Pulp of wood; paper and paperboard	134.6	2.9	36.1	3.1	39.4	3.0
Textiles and textile articles	230.4	4.9	56.0	4.7	61.2	4.6
Articles of stone, plaster, cement, glassware and ceramic products	97.9	2.1	18.7	1.6	26.5	2.0
Base metals and articles of base metals	379.6	8.1	106.0	9.0	141.0	10.6
Machinery and mechanical appliances; electrical equipment	740.3	15.7	173.7	14.7	221.0	16.7
Transport vehicles	304.6	6.5	55.5	4.7	84.4	6.4
Miscellaneous manufactured articles	115.2	2.4	28.4	2.4	31.6	2.4
Other goods	174.0	3.7	39.8	3.4	39.3	2.9

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2009 ¹					2010									
						Q1 ¹					Q2				
	Millions of lats			% of the total		Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	3 602.2	4 709.8	-1 107.6	100.0	100.0	944.2	1 180.3	-236.1	100.0	100.0	1 113.6	1 323.9	-210.3	100.0	100.0
EU15 countries	1 258.8	1 757.9	-499.1	34.9	37.3	331.3	448.3	-117.0	35.1	38.0	401.1	544.9	-143.8	36.0	41.2
EU27 countries	2 586.9	3 541.3	-954.4	71.8	75.2	669.4	861.3	-191.9	70.9	73.0	802.2	1 037.3	-235.1	72.1	78.3
incl. Germany	314.0	543.1	-229.1	8.7	11.5	79.2	127.1	-47.9	8.4	10.8	99.1	169.9	-70.8	8.9	12.8
Sweden	219.5	168.3	51.2	6.1	3.6	66.7	39.4	27.3	7.1	3.3	71.9	51.0	20.9	6.5	3.9
UK	115.3	64.5	50.8	3.2	1.4	31.3	15.7	15.6	3.3	1.3	41.6	19.9	21.7	3.7	1.5
Finland	102.5	168.6	-66.1	2.8	3.6	26.9	59.7	-32.8	2.8	5.1	34.1	71.1	-37.0	3.1	5.4
Denmark	148.6	126.6	22.0	4.1	2.7	38.6	28.7	9.9	4.1	2.4	46.7	32.6	14.1	4.2	2.5
Netherlands	92.6	190.5	-97.9	2.6	4.0	19.3	49.3	-30.0	2.0	4.2	26.4	54.9	-28.5	2.4	4.1
Lithuania	590.4	800.9	-210.5	16.4	17.0	136.9	188.3	-51.4	14.5	16.0	181.1	223.5	-42.4	16.3	16.9
Estonia	518.4	375.7	142.7	14.4	8.0	138.6	86.9	51.7	14.7	7.4	148.3	98.4	49.9	13.3	7.4
Poland	138.3	397.2	-258.9	3.8	8.4	44.0	91.6	-47.6	4.7	7.8	50.8	103.0	-52.2	4.6	7.8
CIS	498.3	746.4	-248.1	13.8	15.8	119.9	223.9	-104.0	12.7	18.9	169.6	171.8	-2.2	15.2	13.0
incl. Russia	316.4	505.7	-189.3	8.8	10.7	82.6	161.3	-78.7	8.7	13.7	116.9	101.3	15.6	10.5	7.7
Other countries	517.0	422.1	94.9	14.4	9.0	155.0	95.1	59.9	16.4	8.1	141.8	114.8	27.0	12.7	8.7
incl. USA	58.6	41.0	17.6	1.6	0.9	15.0	7.0	8.0	1.6	0.6	17.7	8.6	9.1	1.6	0.6
Norway	94.7	66.6	28.1	2.6	1.4	36.3	8.0	28.3	3.8	0.7	32.0	10.9	21.1	2.9	0.8
China	11.1	99.5	-88.4	0.3	2.1	4.0	29.2	-25.2	0.4	2.5	3.9	33.9	-30.0	0.4	2.6

¹ Data have been revised.

Additional Information

General Notes

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

Data sources for charts are Eurostat and central banks and national statistical authorities of EU countries (Charts 1.1–1.4 and 1.6), the Bank of Latvia (Charts 1.5, 2.3, 2.5–2.12, 5.2, 5.7, 6.1–6.4, 7.1 and 7.2), Bloomberg (Chart 2.1, 2.2 and 5.6), the Treasury (Chart 2.4), ECB (Chart 2.6), CSB (Charts 3.1–3.4, 3.6, 3.7, 4.1–4.7, 4.9, 4.10, 4.14, 5.1–5.5, 5.7, 6.1, 7.1 and 7.2), Road Traffic Safety Department (Chart 3.5), Ministry of Finance of the Republic of Latvia (Charts 3.8–3.11), State Employment Agency (Charts 4.8, 4.11 and 4.13) and Eurostat (Chart 4.12).

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

Details may not add because of rounding-off.

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

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

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

Money and banking sector

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

In the publication, the following terms have been used:

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

Non-MFIs – entities other than MFIs.

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

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

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

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

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

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

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

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

- 1) The Bank of Latvia's assets and liabilities (Table 6), expanding the range of reported financial instruments;
- 2) Aggregated balance sheet of MFIs (excluding the Bank of Latvia), i.e. the sum of the harmonised balance sheets of Latvia's MFIs, excluding the Bank of Latvia (Table 7);
- 3) Consolidated balance sheet of MFIs, obtained by netting out inter-MFI positions on the aggregated MFI balance sheet (Table 8). Due to slight differences in accounting techniques, the sum of inter-MFI positions does not always equal zero; therefore, the balance is included in the item "Excess of inter-MFI liabilities";
- 4) Monetary aggregates and counterparts (Table 4) comprise Latvia's monetary aggregates and their balance sheet counterparts derived from the consolidated balance sheet of MFIs. See Table 5 for seasonally adjusted monetary aggregates. The following monetary aggregates are calculated and published:

M1: narrow monetary aggregate, comprising currency in circulation (the lats banknotes and coins issued by the Bank of Latvia excluding vault cash of MFIs) plus overnight deposits in all currencies held with MFIs.

M2: intermediate monetary aggregate comprising M1 and deposits redeemable at a period of notice of up to and including 3 months (i.e. short-term savings deposits) made in all currencies and deposits with an agreed maturity of up to and including 2 years (i.e. short-term time deposits) in all currencies held with MFIs.

M3: broad monetary aggregate comprising M2, repurchase agreements, and debt securities with a maturity of up to and including 2 years issued by MFIs, and money market fund shares and units.

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

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

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

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

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

Interest Rates

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

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

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

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

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

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

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

Foreign exchange and exchange rates

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

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