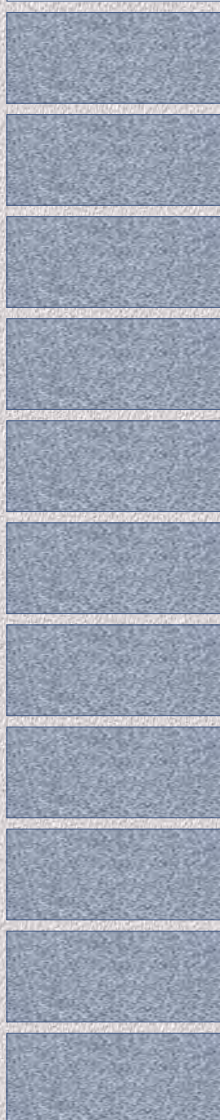


**MACROECONOMIC
DEVELOPMENTS
REPORT**

2011

JANUARY



MACROECONOMIC DEVELOPMENTS REPORT

January 2011

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Abbreviations

ATM – automated teller machine
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
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
LTRO – long-term refinancing operation
MFI – monetary financial institution
NA – no answer
OFI – other financial intermediary (other than an insurance corporation or pension fund)
PPI – Producer Price Index
RIGIBOR – Riga Interbank Offered Rate
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

Due to stronger than anticipated growth in the third quarter of 2010, GDP forecasts for 2010 were revised upwards for a number of major world countries. Nevertheless, the further growth path in the global economy is surrounded by downward risks.

This is likely to affect Latvia's export performance. External competitiveness has improved considerably in the last years as suggested by the decline of the real effective exchange rate of the lats. As a result, the volume of produced and exported goods has grown notably in Latvia. Stable and expanding market shares in Latvia's major export markets are indicative of robust competitiveness. Nevertheless, recent situation indicators suggest that the dynamics of potential external demand should be assessed with caution: according to the data, businesses question improvements in business opportunities in the near future on the grounds of quite serious financial problems in several euro area countries.

In August–November, Latvia's relative assessment continued to improve in the financial markets relative to other European economies. Overall, the lats liquidity surplus increased. In order to encourage banks to use these funds to grant loans to the economy, the Bank of Latvia reduced its interest rates on deposit facility as of November 24.

Under the circumstances of growing free lats liquidity of the banks, Latvia's short-term money market rates continued to decrease. Thus, for example, 3-month lats money market rate, normally used as a reference rate for interest rates on loans, was lower than 3-month euro money market rate. Moreover, with the macroeconomic situation gradually stabilising and credit risk outlook improving, bank margins also narrowed. This contributed to a further decline in interest rates on lats loans.

The generally positive development trends notwithstanding, the banking sector remained cautious with respect to granting new loans. In the third quarter, loans granted to the private sector decreased further due to the following reasons: the persistently weak demand for loans, with market participants continuing to watch the complex economic situation, waiting for the results of the election of the tenth Saeima of the Republic of Latvia, the developments of the formation of the government and the processes of approving the budget for 2011 and additional fiscal consolidation, as well as the increasing risks of external demand downslide. Supply side factors also contributed, with loan delinquency rate moving up, Latvia's credit rating remaining low and the parent banks of the major market players remaining on the conservative side in the third quarter.

Despite the standstill in lending, GDP continued to grow in the third quarter and became positive also in annual terms for the first time since the beginning of the economic downturn. Real exports of goods and services that are currently the major driving force of the economy increasingly contributed to this growth. The domestic demand also followed an upward trend.

Private consumption, like domestic demand, turned positive for the first time year-on-year; nevertheless, sustainability concerns remain at the moment. On the one hand, the developments in the labour market – a drop in the unemployment rate and a gradual increase in the number of the persons employed – provide significant positive impulses to the reviving trend of private consumption. The growth in retail trade turnover in the third quarter confirms the trend towards recovering demand. On the other hand, the stagnant level of private consumption is also objectively justified. According to the Bank of Latvia's estimates, the reviving precautionary saving was again observed in the third quarter.

Gross capital formation remained at the level of the corresponding period of the previous year in the third quarter following a particularly sharp fall in the previous quarter, which points to a significant increase in investment specifically in the third quarter. The need for new investments was already evidenced by the change in the assessment of capacity utilisation. In the third quarter, the level of utilisation of the production capacity increased notably, whereas this growth was insignificant in the fourth quarter. This might point to the different dynamics at the manufacturing subsectors – if domestic demand-oriented companies could have some spare capacity, a large part of export-oriented companies might have already been working at nearly full capacity.

The development of such "two-speed" manufacturing is also confirmed by the dynamics of turnover. On the domestic market, turnover posted a year-on-year expansion of 9.7% in manufacturing in the third quarter while in exports it rose by 42.9%.

Of the services sectors, the main positive contributor to economic development currently is the transport and communication sector whose expansion was on account of a steep rise in freight transportation by road, improving passenger traffic as well as the performance of SJSC Riga International Airport. The contraction of freight transportation by rail in Latvia and total turnover of ports exerted a negative impact.

Although a decline in the registered unemployment rate decelerated at the turn of 2010, the number of registered unemployed persons shrank already for the eighth consecutive month, and in November was lower year-on-year for the first time in the last 27 months. In the breakdown by sector, the developments in manufacturing and transport were the main contributors to the annual growth in employment. The disparities in the rate of jobseekers by education remain vast, pointing not only to the cyclical, but also structural nature of unemployment.

The annual consumer price inflation was negative for 11 months, turning positive in September 2010. Prices were pushed up mainly by the supply-side factors. The dynamics of global food and energy prices contributed to domestic food and fuel price rise. However, service prices continued on a downslide as a result of a persistently weak domestic demand. Core inflation also remained negative. Nevertheless, as the annual inflation turned positive and households experienced steep increase in food and fuel prices, inflation expectations moved up rapidly from August onwards before ceasing in October and November.

The current account of Latvia's balance of payments was still in surplus; however, the surplus was much smaller than in the previous quarters. Nevertheless, this decrease in the current account surplus was on account of the reviving economic activity, and hence is considered positive. On the backdrop of renewed production growth, the need for imports of intermediate goods and capital goods increased in the third quarter; therefore, no further improvement of the trade balance was observed. Moreover, with the economic growth recovering, foreign direct investment companies also became more profitable and the amount of losses declined accordingly, hence the net position of the income account turned negative for the first time since the third quarter of 2008.

Looking ahead, the economic recovery is expected to continue also in the upcoming years, albeit with comparatively strong uncertainty surrounding the outlook for Latvia's economic development. The main downside risks are the deterioration of the economic situation in the euro area as well as a potential spill-over of the current financial market tensions into the real economy, thereby resulting in a considerable slowdown of economic growth in several Latvia's trade partners. The main domestic risks are related to the 2012 budget, and they include fiscal consolidation measures that may have a negative impact on both private consumption and overall business environment. Further confidence improvements in Latvia

and most EU countries are positive signals. The development of the budget according to the planned schedule and its discussion without much political controversy is also a positive signal providing international partners and rating agencies with additional confidence that Latvia's potential in the upcoming years will not be wasted.

To sum up, the risks dealt with above may be viewed as balanced. Considering that the growth so far has been more buoyant than expected, the GDP growth forecast has been revised upwards to -0.4% for 2010 and 3.3% for 2011.

The global food and energy price dynamics will continue to exert significant pressure on the price rises in Latvia. Inflation risks in Latvia would aggravate if the oil prices continue on an upward trend in the near future. Global food price rises, on the other hand, may become less pronounced in the future. Rising inflation expectations and the labour market situation are among the most crucial domestic-demand-related upside risks. Moreover, due to the increases in VAT rates, Latvia's inflation forecast for 2011 has been revised upwards: inflation is expected to stand at 2.4% in 2011.

Table 1
GDP FORECASTS
(%)

	2010	2010	2011	2011
	1	2	1	2
Denmark	1.2	2.0	1.6	2.3
Sweden	1.2	4.4	2.5	2.6
Finland	1.2	2.4	2.2	2.0
Germany	1.2	3.3	1.7	2.0
UK	1.3	1.7	2.5	2.0
Estonia	0.8	1.8	3.6	3.5
Lithuania	-1.6	1.3	3.2	3.1
Poland	2.7	3.4	3.2	3.7
Russia	4.0	4.0	3.3	4.3
Euro area	1.0	1.7	1.5	1.5
US	3.1	2.6	2.6	2.3
Total global economy	4.2	4.8	4.3	4.2

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

1. External Sector and Exports

At the end of 2010, the global economic development is likely to gain stronger momentum than anticipated; nevertheless, serious downward risks to the growth outlook for 2011 are prevailing. This is going to affect Latvia's export performance directly: despite the current export growth being relatively favourable, uncertainty surrounding financial perspectives in a number of European countries may jeopardise it in the near future.

1.1 External economic environment

As in the third quarter of 2010 growth had been stronger than anticipated, GDP forecasts for 2010 were revised upwards for a number of major world countries. Nevertheless, the assessment of further growth in the global economy signals the presence of downward risks, including the impact of fiscal consolidation on the recovery process and uncertainty about indebtedness problems of some debt-ridden euro area countries. In addition, unemployment is also soaring in many countries. Hence, the prospects of economic growth in 2011 remain cautious (see Table 1).

The pace of recovery in the euro area lost some momentum in the third quarter, while growth differed notably across countries. In Germany, exports and investments grew buoyantly, in PIIGS countries (Portugal, Ireland, Italy, Greece and Spain) the economic downturn continued and obstructed the recovery of the entire euro area. Ireland formally accepted the financial bailout offer of the EU and IMF and pursuant to mutual agreement will receive aid in the amount of 67.5 billion euro. On account of current uncertainty surrounding some euro area countries, in January 2011 the European Financial Stability Facility is planning to issue bonds to refinance debt.

Estonia continued to advance at a brisk pace, primarily on account of booming exports. In the third quarter, private consumption growth turned positive for the first time in several last quarters. Euro adoption in Estonia provides a boost to the economic recovery. At the same time, however, inflation risks in this country intensify. Notable long-term unemployment risks are present there as well. In Lithuania, by contrast, the GDP growth was more moderate than anticipated in the third quarter, primarily associated with the weak private sector demand.

In the UK, in turn, the third quarter GDP growth not only exceeded expectations but was also more widely-based. Export growth is supported by depreciation of the British pound sterling, with a simultaneous, slightly negative effect of a potential slowdown in manufacturing on further expansion of exports. In addition, fiscal consolidation measures to be launched by the government and soaring unemployment may hold down GDP growth.

Contrary to stronger-than-expected GDP growth in Russia in 2010 overall, the second half of the year saw some loss of growth momentum. Moreover, the general government budget deficit, at a still high level, poses as an additional risk factor.

The outlook for the Polish economy is viewed as positive, as the GDP growth, more buoyant than in most other EU countries, stood at 4.7% in the third quarter. Exports expanded substantially and unemployment has likely reached its peak. However, the current risk is related to parliamentary election projected for 2011, which aggravates uncertainty about the future fiscal policy stance. Inflation hikes are fuelled also by higher food and energy prices, VAT increases, and a gradual pickup in domestic consumption. Hence, market participants expect the central bank to raise interest rates in the near term and, consequently, the economic growth to slow down. The Polish zloty may appreciate as a result of higher interest rate expectations due to capital inflows and privatisation-related income. The real effective exchange rate is rising due to more buoyant hikes in inflation than in trade partners, with potentially negative effects on exports.

In Denmark, the economic development was stronger than expected in the third quarter. Instead of depending on inventories and the domestic demand, the growth was spurred by the expansion of exports and strengthening private consumption. The absence of positive labour market trends notwithstanding as yet, the overall future outlook is optimistic, for unemployment typically responds to economic recovery with a delay. The GDP growth in Sweden in the third quarter was more impressive than previously expected, overall reaching a high not observed since 1994. Exports grew briskly despite the appreciation of Swedish krona. Also, the expansion of stocks and real estate markets was very dynamic. Due to the strong economic progress and augmenting lending, *Sveriges Riksbank* raised its interest rates on several occasions. The recovery of the Finnish economy was likewise

Chart 1.1
LATVIA'S EXPORTS TO ESTONIA AND LITHUANIA AND UNDERLYING FACTORS
(annual percentage changes)

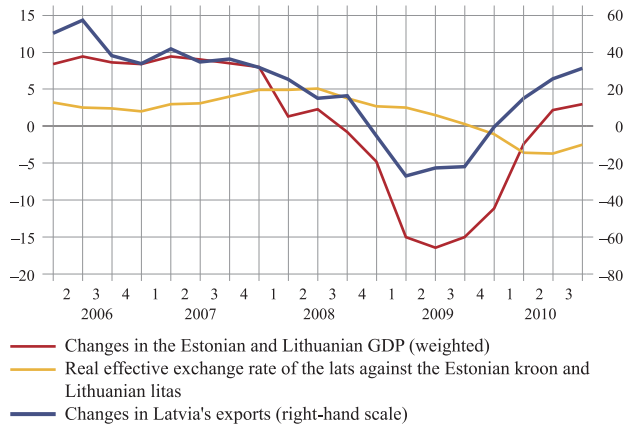


Chart 1.2
LATVIA'S Ex PORTS TO RUSSIA AND UNDERLYING FACTORS
(annual percentage changes)

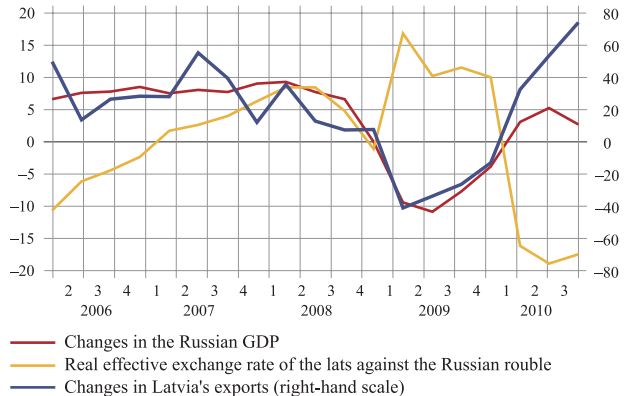
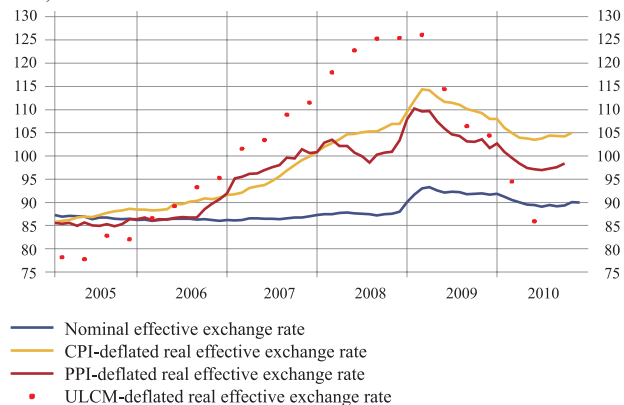


Chart 1.3
EFFECTIVE EXCHANGE RATE OF THE LATS
(monthly/quarterly data; index: January 2000/first quarter = 100)



buoyant. Unemployment declined from the high of the beginning of 2010. The recovery in Finland was underpinned by the relatively stable pre-crisis structure, including the small general government debt and surpluses in the budget and current account.

1.2 Latvia's competitiveness and developments in exports

Latvia's export competitiveness in terms of prices and costs has become more favourable than in the pre-crisis period: despite the absence of pronounced domestic price and cost contractions, the optimisation measures have been effective so far. At this juncture, price changes are moderate in Latvia, while in some of its trade partners, e.g. neighbouring Russia and Estonia, annual inflation is above 5%. Hence real effective exchange rate of the lats continues to decline (see Charts 1.1–1.3).

Stable and expanding market shares are indicative of robust competitiveness. In many major trade partners, e.g. Germany, the UK, Finland, Poland, Russia and Lithuania, Latvia's market shares expanded in the third quarter (see Charts 1.4 and 1.5).

Consequently, Latvia's average monthly foreign trade volume was on an upward trend since the mid-year, and in this period exports were among the main drivers of economic progress. In October month-on-month, however, foreign trade contracted somewhat, yet the annual pace of growth remained steady, at 24.9% for exports and 27.9% for imports. In more general terms, Latvia's exports have been growing robustly since the middle of 2010 and currently are outperforming a number of Central European countries (including those with a floating exchange rate; see Chart 1.6).

In the third quarter, exports of articles of base metals and wood recorded the steepest rise, with positive quarterly and annual growth rates in other commodity groups as well (e.g. food and agricultural products, textiles, etc). Exports in these areas continued to expand also in October; at the same time, monthly and annual growth in such significant groups as chemical products and machinery and mechanical appliances was also notable.

Recent confidence surveys suggest that the future growth of potential external demand should be assessed with some caution: according to November

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

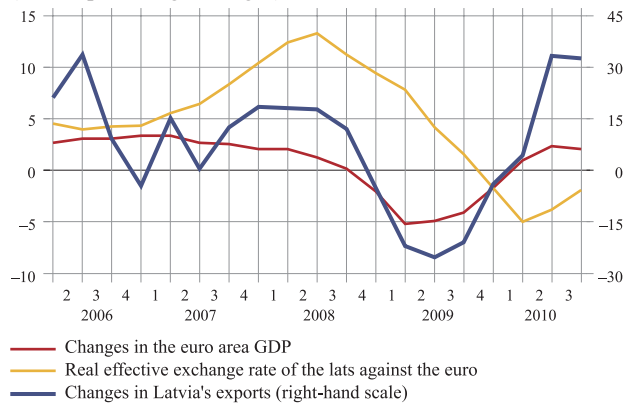


Chart 1.5
LATVIA'S EXPORTS TO THE EU COUNTRIES OUTSIDE
THE EURO AREA AND UNDERLYING FACTORS
(annual percentage changes)

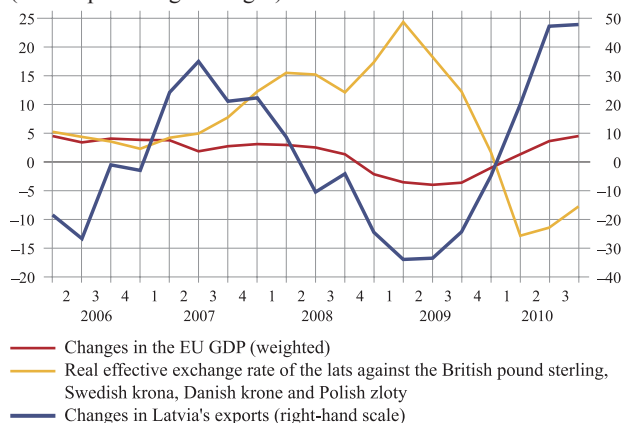
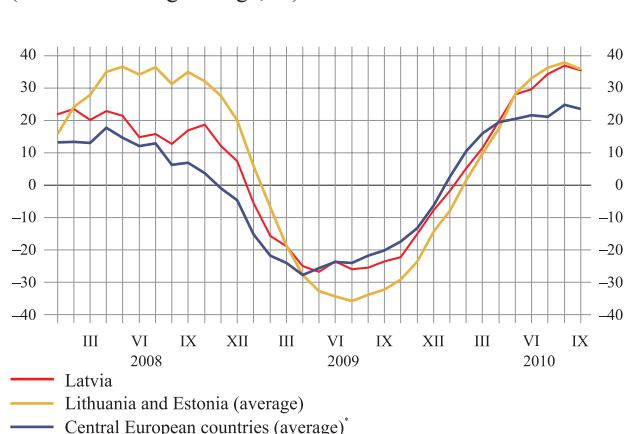


Chart 1.6
ANNUAL EXPORT CHANGES IN LATVIA AND SOME
CENTRAL AND EAST EUROPEAN COUNTRIES
(4-month moving average; %)



* Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia.

data, businesses cite uncertainties with regard to export opportunities in the near future on the grounds of rather significant financial problems in several euro area countries where restrictive budgetary policies are needed to address them.

Regarding a longer term outlook, improvements in competitiveness and export expansion should be supported by productivity enhancement and additional investments, which, in turn, depend on the health and predictability of business environment. Foreign direct investment inflows have already been on the rise in some industries, e.g. manufacturing; yet, a major part of large financing comes from the companies already established in Latvia, while the activity of new businesses is moderate. Although Latvia's credit rating has recently improved, it still lags notably behind the investment category assigned to Latvia in the pre-crisis period; hence, the focus on economic development policies that help improve business environment should remain a priority.

2. Financial Market Developments

2.1 Foreign financial markets

Emerging optimism of market participants following the successful addressing of the sovereign debt crisis in Greece and the release of the positive euro area bank stress test results is among the most important developments of the global financial market. Over time, investment decisions of market participants were affected by the discouraging US economic data and the November FRS announcement to launch a second cycle of quantitative stimuli by buying up long-term Treasury securities. The concluding months of 2010 saw financial market turmoil in Ireland and other euro area peripheral states. Speculations regarding a potential FRS decision to boost the buy-up of government bonds gave rise to market participants' concerns about inflation and the US dollar exchange rate in the future; hence, investing in gold, raw material markets and assets in euro rose in popularity. When the situation aggravated in Ireland, market agents became even more cautious, particularly so relative to investments in euro assets, securities and stocks of euro area peripheral countries, and the euro area banking sector.

The global oil prices tended to move up. On the one hand, the financial market agents, on the backdrop of higher inflation expectations and a more dynamic economic growth, resorted to oil transactions as a more reliable investment instrument. On the other hand, the supply of oil turned out to be insufficient in the context of global economic recovery and rising demand for oil.

The euro was appreciating against the US dollar from June to mid-October on account of abating concerns of market participants about the situation in Greece and renewed risk appetite. In August, however, the euro exchange rate depreciated somewhat as a result of re-emerging concerns of market participants due to weak economic performance in the US. The euro exchange rate against the US dollar appreciated again in September and October when speculations re-emerged about the FRS projections to boost bond purchases. Since mid-October, the euro exchange rate has continuously been on a downward trend, fuelled by concerns about potential financial problems in the euro area peripheral countries.

As market agents had anticipated, the ECB did not change its euro key rate (1.0%). This ECB decision was supported by economic analysis, which suggested low internal price pressures and moderate, fragile and highly uneven economic development across regions and sectors. In September, the ECB made a decision to proceed into mid-January of 2011 with the main refinancing operations using a fixed rate tender procedure with full allotment, and to conduct several supplementary LTROs. On account of the drop in the value of purchased securities, in December the ECB decided nearly to double its subscribed capital, increasing it by 5 billion euro.

Similarly, the FRS decided to leave the US dollar key rate unchanged, at 0%–0.25%, for the third and fourth quarters as well. It was reiterated that such low rates were projected for a longer time period to more effectively address the unemployment problem. On November 3, the FRS announced its plan to launch a second asset purchase programme, under which it was going to buy 600 billion US dollar worth Treasury securities over 8 months. Market participants had already speculated about the feasibility of such a programme, and the FRS-announced value, duration and terms of the securities purchase programme were in line with their expectations.

2.2 The Bank of Latvia's operations and bank liquidity

In August–November, Latvia's relative assessment improved relative to other European economies, allowing for a more positive evaluation of developments in Latvia as the overall financial situation in Europe deteriorated rather than improved (see Chart 2.1).

The lats liquidity conditions were affected by a 1.2% fall in the average balance of the bank reserve requirement in July–November, whereas the average balance of currency in circulation posted a notable increase (5.1%) over the same period. The balance of the government deposit in lats shrank by 1.8% in the respective period. Obviously companies and households preferred more liquid assets, depositing less money with banks. Overall, bank liquidity contracted by 33.9 million lats as a result of the above three factors. On the other hand, the lats liquidity expanded on account of foreign currency sold to the Bank of Latvia in spot transactions. In August–November, the Bank of Latvia bought euro for lats in spot transactions in the net amount of 273.9 million

Chart 2.1
RISK PERCEPTION INDICATORS FOR LATVIA,
IRELAND AND GREECE
(in basis points)

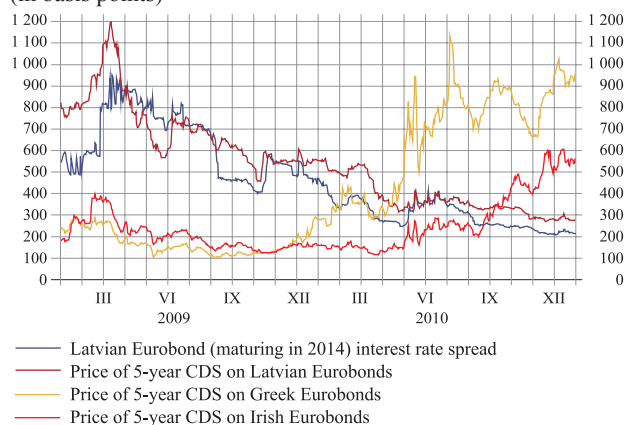
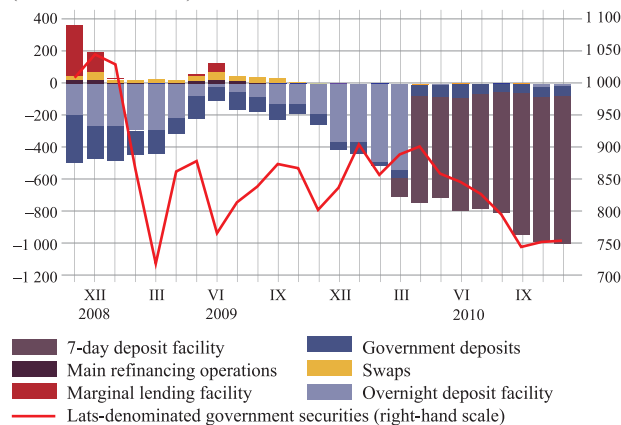


Chart 2.2
AVERAGE BALANCES OF THE BANK OF LATVIA'S
MONETARY OPERATIONS AND GOVERNMENT LAT'S
DEPOSITS
(in millions of lats)



lats. Major foreign exchange transactions at the Bank of Latvia were executed by the Treasury.

Overall, the lats liquidity surplus increased. In November, the average recourse to the overall deposit facility surged by 29.7% in comparison with July, standing at 935.8 million lats. In August–November, no demand and no recourse to the marginal lending facility was reported in foreign exchange swap auctions, and the average balance (a minor one) of the main refinancing operations was recorded only in August (0.1 million lats; see Chart 2.2).

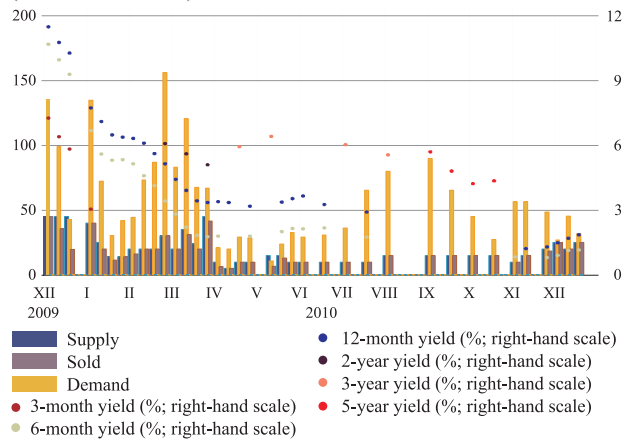
In the conditions where banks accumulate funds on the central bank accounts rather than channel them for lending to the national economy, the Bank of Latvia reduced its interest rates on deposit facility, thus decreasing bank motivation to continue accumulating their excess liquidity. As of November 24, the overnight deposit facility rate was reduced from 0.375% to 0.25%, whereas the 7-day deposit facility rate was cut from 0.5% to 0.375%. Refinancing rate and marginal lending facility rate remained unchanged.

The broadly stable financial market conditions in Latvia and the growing lats liquidity surplus strengthened the market participants' confidence in the sufficiency of lats resources in foreseeable future, also promoting a decrease in longer-term interest rates in the lats money market. Although a smaller budget deficit has been planned for 2011 in comparison with 2010, it will nevertheless remain substantial; therefore the Treasury will continue to perform foreign exchange transactions. However, at this stage it is impossible to definitely project further lats liquidity growth: currently the lats liquidity surplus has reached so high a level that the domestic market finds it increasingly difficult to absorb its further increase.

2.3 Securities market

Between August and November the Treasury supplied government securities at a total value of 120 million lats on the primary market. The bid amount was 468.3 million lats and the amount sold stood at 118.3 million lats. Not only the ample liquidity surplus in the banking system could account for the pickup in the demand for government securities, but also the fact that bonds of both 3-year and 5-year maturity were offered.

Chart 2.3
AUCTIONS OF LATS-DENOMINATED GOVERNMENT
DEBT SECURITIES
(in millions of lats)



In view of the robust demand, the average yields on government securities on the securities primary market declined. At the end of July, the average yield on 6-month Treasury bills was 1.75%, decreasing to 0.81% at the end of November, while that on 12-month Treasury bills shrank from 2.91% to 1.30% respectively. The average yield on 3-year bonds moved from 6.02% in July to 5.55% in August. In the first 2010 auction in September, the 5-year bond yield averaged 5.69%, standing at 4.35% at the end of October (see Chart 2.3).

The outstanding amount of lats-denominated government securities stood at 755.5 million lats in November, down from 828.4 million lats in July due to less active recourse to the security market than to the external funds received before for financing government spending. The following changes were observed in the structure of investors: the share of Latvian credit institutions grew from 55.4% to 58.5%, while that of other residents shrank from 42.1% to 39.3% and the share of non-residents recorded a decline from 2.5% to 2.1%.

On the NASDAQ OMX Riga secondary market the bid yield on Treasury bonds maturing in 2019 was 9.00% at the end of November (down from 13.00% at the end of July), moving further to stand at 6.10% in the second week of December, a better result than in some EMU countries (Greece, Ireland, Portugal). The bid yield on mortgage bonds of the SJSC *Latvijas Hipotēku un zemes banka* maturing in 2013 declined from 7.25% at the end of July to 3.50% at the end of November. Since the turnover on the NASDAQ OMX Riga is small, these yields should be treated with caution; nevertheless, it should be borne in mind that yields on the secondary market have also declined, moreover, with those on long-term securities having a particularly rapid fall.

According to Bloomberg, the yield on Latvian Eurobonds maturing in 2018 also shrank from 5.70% at the end of July to 5.40% at the end of November. The spread vis-à-vis the benchmark narrowed from 328 basis points to 310 basis points.

In the next 12 months, the Treasury might keep extending the maturity of the issued securities, remaining cautious with respect to the amounts. Fiscal consolidation measures have improved Latvia's image in the eyes of investors, and the decline in the yields of government securities testifies to that. With implementing further fiscal consolidation measures, no significant interest rate surge is expected.

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

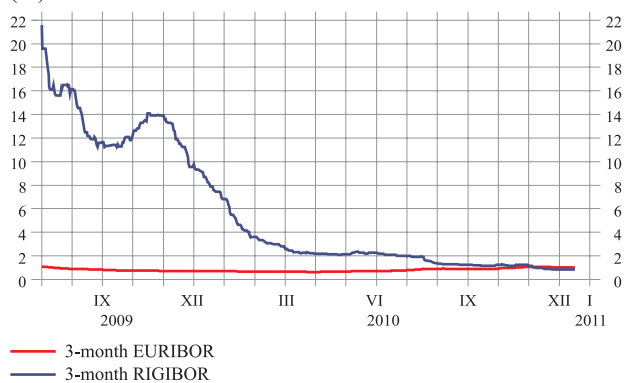
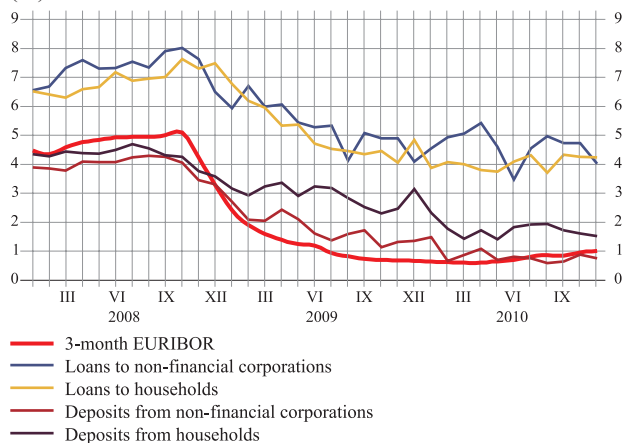


Chart 2.5
SHORT-TERM INTEREST RATES ON NEW LOANS IN
EURO TO AND TIME DEPOSITS FROM RESIDENTS
(%)



Depending on the progress made in ensuring sustainable government fiscal position, yields on government securities could gradually decline in the future.

2.4 Interest rates

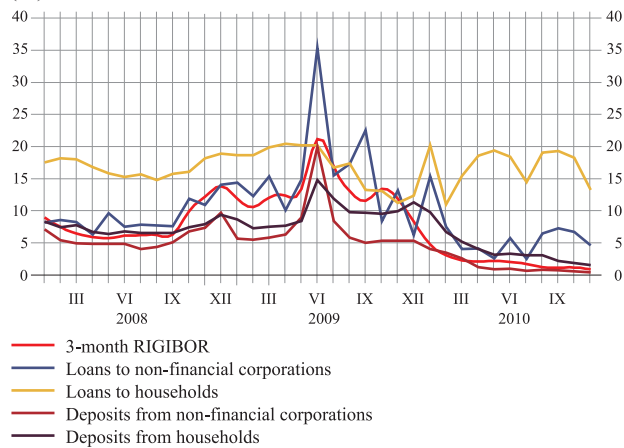
Euro area money market rates continued on a slight upward trend in the third quarter as well as in October and November, with 3-month EURIBOR exceeding the refinancing rate set by the ECB, whereas interest rates on the Latvian money market with maturity of up to 12 months recorded further fall, in parallel with an increase in the lats resources at the disposal of banks. For example, 3-month RIGIBOR, normally used as a reference rate for interest rates on loans, was lower than 3-month EURIBOR (see Chart 2.4).

The downward dynamics of the lats money market affected interest rates on loans to households for house purchase and those to enterprises, with the interest rate downward trend becoming increasingly stronger. Shrinking margins in October and November contributed to it. Interest rates of the same types of loans in euro scarcely moved up in the respective period as the impact of the increase in EURIBOR was offset by the stabilisation and reduction of the bank margins over the last months of the year.

The fall in the margin was affected by a more certain political, economic and financial situation on the domestic market, as well as a more open attitude by banks towards borrowers, particularly so in the segment of lending to non-financial corporations. Hence, in the second and third quarters the margin on household loans for house purchase granted in euro (exceeding 3-month EURIBOR) averaged 2.8%, standing already at 2.6% on average in October and November. In the second and third quarters, the respective average interest rate on loans granted to non-financial corporations in euro was 3.9%, while in October and November it averaged 3.4% (see Chart 2.5). Margins on loans granted in lats remained volatile: those on loans granted to households in lats shrank from 5.9% in June to 3.3% in November whereas those on loans to non-financial corporations were broadly unchanged (3.7% in June; 3.9% in November; see Chart 2.6).

Overall, interest rates on loans granted in lats considerably exceeded those on the respective loans granted in euro again. It could be on account of a larger share of consumer credit and a smaller share

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



of collateralised credit in total new loans granted in lats, and a higher share of loans to non-financial corporations and collateralised loans in total new loans granted in euro.

The impact of the drop of the money market indices on the interest rates on time deposits in lats remained strong. From June to November, the weighted average interest rate on time deposits of households in lats with a maturity of up to one year decreased more than twofold (from 3.4% to 1.6%) and that of non-financial corporations fell as sharply (from 1.0% to 0.4%). Hence, interest rates on lats deposits reached the low level of those on euro, levelling out the return on lats and euro deposits. The rise in euro money market interest rates notwithstanding, the rates on euro deposits declined, suggesting ample liquidity and easing tension on the funding market. The weighted average interest rate on time deposits of households in euro with a maturity of up to one year shrank from 1.9% in June to 1.6% in November while that of non-financial corporations remained unchanged at 0.8%.

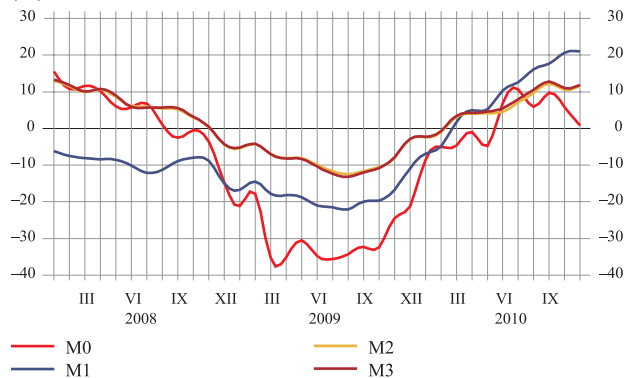
With MFIs reducing deposit rates at a more rapid pace, the spreads between interest rates on loans granted and deposits received by MFIs continued to widen gradually (2.1 percentage points in June; 2.8 percentage points in November), pointing to improving bank profitability in the lending and deposit segments.

2.5 Money supply

Along with real economy sector indicators, the growth in money supply also marked the end of recession in Latvia. Both the high demand for cash in July and August, associated with the summer season, and a pickup in deposits of resident non-financial corporations in August and September, driven by the growth in export and industrial sectors, supported the overall increase in broad money in the third quarter.

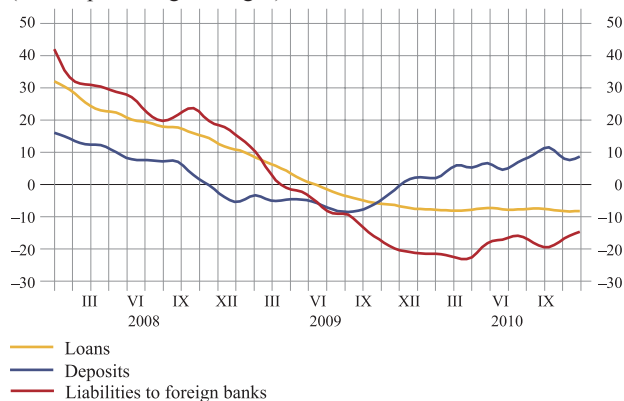
Demand for cash strengthened on account of the stabilisation of retail trade turnover and wages and salaries. To a certain extent it was probably also stimulated by grey economy settlements, with the increasing amount of ATM cash deposits testifying to that. With currency outside MFIs expanding throughout the third quarter and also in October (overall by 5.9%) and remaining broadly unchanged in November, it posted a 21.3% year-on-year increase at the end of the period.

Chart 2.7
ANNUAL CHANGES IN MONETARY AGGREGATES (%)



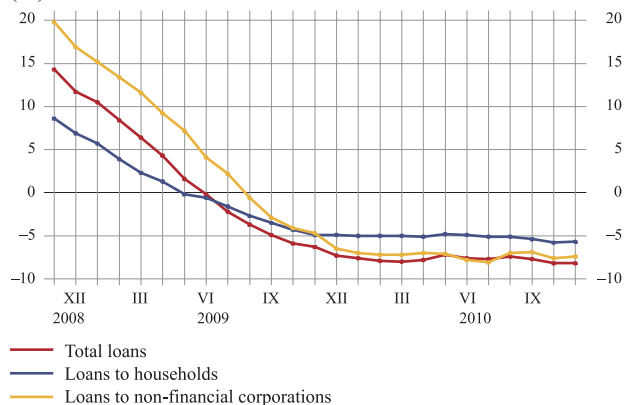
Like in the second quarter, the overall macroeconomic situation and uncertain economic outlook underlay the economic agents' preference to place their funds in more liquid assets; hence, M1, the most liquid component of broad money, considerably outpaced the growth of the overall money supply in July–November, while that of monetary aggregates M2 and M3 was slower. Consequently, the annual growth rate of both broader aggregates and M1 exceeded 10% and 20% respectively (see Chart 2.7).

Chart 2.8
LOANS, DEPOSITS AND LIABILITIES TO FOREIGN BANKS (annual percentage changes)



In the third quarter, deposits of resident financial institutions, non-financial corporations and households expanded by 2.2% (having remained broadly unchanged in the second quarter), with overnight deposits, deposits with an agreed maturity of up to two years and deposits redeemable at notice recording increases of 3.1%, 3.3% and 0.6% respectively. In October, the amount of deposits with an agreed maturity posted a fall due to a particular large-value transaction, but in November it recovered its growth; overnight deposits and deposits redeemable at notice continued to expand in both months. Thus the overall annual growth of deposits was 8.7% in November. Against the background of the pick-up in industry, exports and retail trade reported in 2010, deposits by non-financial corporations continued to expand robustly in July–November (13.2%), whereas household deposits shrank moderately (by 1.9%), reflecting higher consumption.

Chart 2.9
ANNUAL CHANGES IN LENDING (%)



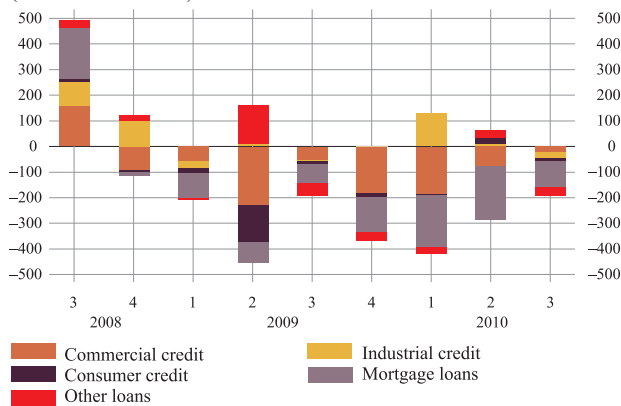
Not merely an increase in resident deposits but also stability of non-resident funds suggested the recovery of the confidence in Latvia's banking sector: overall, non-resident non-bank deposits expanded in July–November, liabilities to foreign parent banks shrank by a mere 0.3%, whereas liabilities to other foreign banks contracted as a result of the repayment of syndicated loans (see Chart 2.8).

The generally positive development trends notwithstanding, the banking sector remained cautious with respect to granting new loans. In the third quarter, loans granted to the private sector decreased by 1.5% (1.6% in the second quarter); in October the fall accelerated, reaching already 1.1% per month while in November the drop in lending moderated again (0.6%). The annual rate of decrease in loans granted to the private sector picked up from -7.6% in June to -8.2% in November (see Chart 2.9).

This can be explained, inter alia, by the following reasons: the persistently weak demand for loans,

with market participants continuing to watch the complex economic situation, waiting for the results of the election of the tenth Saeima of the Republic of Latvia, the developments of the formation of the government and the processes of approving the budget for 2011 and additional fiscal consolidation, as well as the increasing risks of external demand downside. Supply side factors also contributed, with loan delinquency rate moving up, Latvia's credit rating remaining low and the attitude of the parent banks of the major market players remaining on the conservative side in the third quarter.

Chart 2.10
CHANGES IN LOANS TO RESIDENTS
(in millions of lats)



Moderate decrease was observed in all major types of lending: industrial credit, commercial credit and mortgage loans to enterprises, as well as loans for house purchase and consumer credit for households (see Chart 2.10). The fall in loans to most sectors of the economy notwithstanding, funds invested in several more export-capable industries increased (inter alia the manufacture of wood and products of wood and chemicals) in June–October. The portfolio of loans granted to wholesale and storage companies also recorded growth.

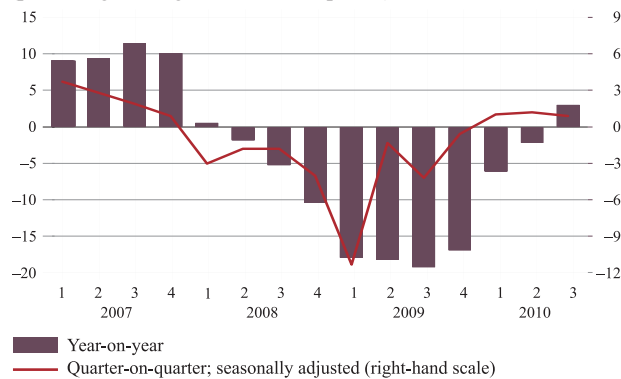
In the future, the overall recovery of the economy, along with a rise in wages and salaries and employment growth, as well as the end of the deflationary period will drive the money supply growth. On the other hand, further expansion of lending could be promoted by improvement in the competitiveness of Latvian companies in external markets, further upgrading of Latvia's credit rating, as well as increasing competitiveness among banks. Nevertheless, risks hindering lending growth also persist: a potential slowdown in external demand if the economic situation aggravates in the euro area, several tax-related changes introduced in the 2011 budget, as well as continued risk aversion of the major Latvian banks and their parent banks with regard to lending expansion in the Baltic region.

Table 2
MONETARY VARIABLES
(quarterly figures are averages)

	Outstanding amount as percentage of M3	Annual growth rates								
		2009	2010							
		2010 x I	Q4	Q1	Q2	VII	VIII	Ix	Q3	x
M1	55.6	-15.8	-3.3	6.9	12.6	16.2	17.7	15.5	20.7	21.0
Currency in circulation	12.3	-27.6	-15.5	3.0	12.9	15.2	16.7	14.9	21.0	21.3
Overnight deposits	43.3	-11.7	0.8	8.1	12.6	16.5	18.0	15.7	20.6	20.9
M2 – M1 (= other short-term deposits)	42.7	4.3	3.7	1.4	1.0	2.7	6.5	3.4	-0.4	1.5
Deposits with an agreed maturity of up to 2 years	38.7	5.7	5.6	4.0	3.0	4.6	8.3	5.3	0.3	1.6
Deposits redeemable at notice of up to 3 months	4.0	-7.3	-12.4	-20.5	-16.0	-14.3	-9.9	-13.4	-6.7	0.7
M2	98.3	-7.2	-0.1	4.2	7.1	9.7	12.3	9.7	10.5	11.7
M3 – M2 (= marketable instruments)	1.7	-5.0	17.9	50.1	89.4	84.0	44.6	72.7	41.1	26.5
M3	100.0	-7.2	0.2	4.8	8.0	10.6	12.8	10.5	11.0	11.9
Credit to residents		-7.2	-8.5	-7.5	-8.1	-7.8	-8.1	-8.0	-8.3	-7.7
Credit to general government		-22.2	-23.3	-16.7	-23.6	-24.7	-24.2	-24.2	-22.0	-8.7
Credit to the private sector		-5.8	-7.2	-7.1	-7.3	-7.0	-7.3	-7.2	-7.7	-7.7
Loans to the private sector		-6.5	-7.8	-7.5	-7.7	-7.4	-7.7	-7.6	-8.2	-8.2
Longer-term financial liabilities (excluding capital and reserves)		-3.8	-6.9	13.9	16.6	19.9	21.8	19.4	18.7	9.6

Source: Bank of Latvia.

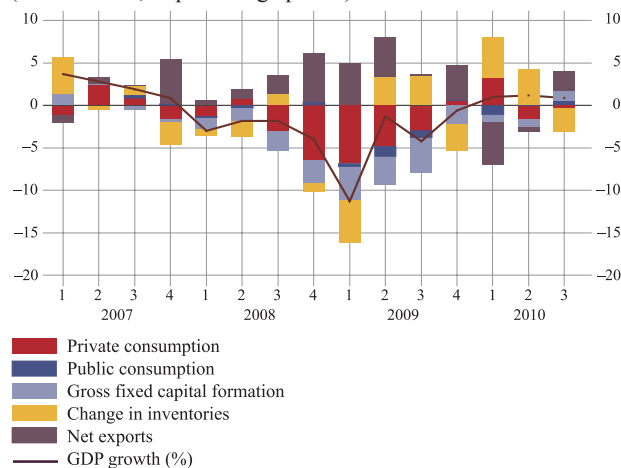
Chart 3.1
GDP GROWTH
(percentage changes; at constant prices)



3. Domestic Demand

In the third quarter, GDP became positive in annual terms for the first time since the beginning of the economic downturn (it grew by 2.9% year-on-year; see Chart 3.1). The growth was determined both by a lower base in the previous year and the slight yet sustainable growth for the third consecutive quarter – the GDP growth reached 3.1% in comparison with the lowest level in the fourth quarter of 2009. The growth rate could be positive also in the fourth quarter, although it is likely to moderate on account of the increasing uncertainty resulting from the external sector and the central government budget planning.

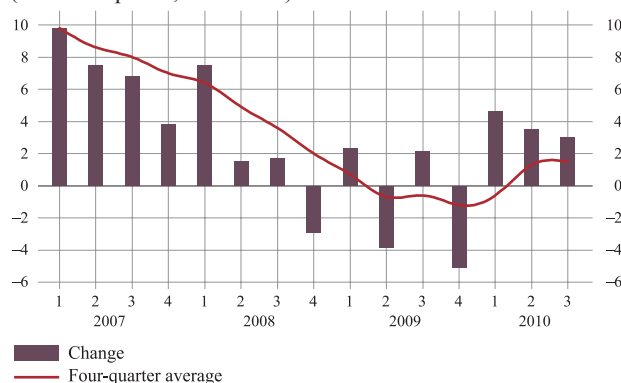
Chart 3.2
CONTRIBUTIONS TO GDP QUARTERLY GROWTH BY COMPONENT
(demand side; in percentage points)



Real exports of goods and services that are currently the major driving force of the economy increasingly contributed to the annual rate of change. In the third quarter, the growth of exports had already reached 15.5% year-on-year (in the previous quarter, the growth was two times lower; 7.5%). The increase in exports was driven by both the regained competitiveness in manufacturing and the strengthening external demand.

Although the growth in external demand was by far more rapid, the dynamics of domestic demand also followed an upward trend (see Chart 3.2).

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



First, total gross capital formation remained at the level of the corresponding period of the previous year in the third quarter, although in the previous quarter the decline reached 36% (it was determined by a lower base and a rise in investment in the third quarter in comparison with the previous period (6.3%); seasonally adjusted data).

Second, the positive contribution of the change in inventories shrank rapidly in the third quarter (to 0.9 percentage point; in the previous quarter – 11.2 percentage points). This suggests that the trend towards the resumption of inventories that plummeted during the slowdown of the economic growth has followed a downward path, and further on, the inventories will not have such a significant impact on the GDP growth, while being more dependent on the dynamics of exports, consumption and fixed investment (see Chart 3.3).

Third, the growth of the largest component of domestic demand – private consumption – was also observed in the third quarter for the first time year-on-year. This can be primarily attributed to the

base effect. The annual rate of decrease in public consumption also decline from 11.5% in the second quarter to 2.3% in the third quarter due to both a lower base and the quarterly growth.

Improvement of domestic demand and imports of raw materials needed for the production determined a high annual growth rate of imports (12.8%); however, along with a more rapid rise in exports, the contribution of net exports turned again positive year-on-year (0.7 percentage point). The dynamics of the seasonally adjusted quarterly growth rate was ever more pronounced (the positive contribution of net exports – as high as 2.3 percentage points).

3.1 Private consumption

Although private consumption, like domestic demand, turned positive for the first time year-on-year (an increase of 2.5%), no improvement in its growth rate was observed in the seasonally adjusted series in recent quarters. These data are likely to be subject to revision; however, the dynamics of private consumption does not point to the revival of consumption and some private consumption indicators follow no clearly determined trends.

On the one hand, the developments in the labour market – a drop in the unemployment rate and a gradual increase in the number of the persons employed – provide a boost to private consumption. The growth in retail trade turnover in the third quarter confirms the trend towards recovering demand. Given the significant positive contribution of the sales of motor vehicles to trade in the third quarter (this is usually underestimated as respondents sometimes do not want to report purchases of durable goods in the surveys of household budgets), this could also signal underestimated private consumption. Part of these purchases of motor vehicles relate to investment of enterprises; however, this is not the major one. The Road Traffic Safety Department data suggest that the number of registered cars owned by natural persons increased more rapidly than that of registered cars owned by legal persons (see Chart 3.4).

On the other hand, the unchanged level of private consumption is also reasonable. According to the Bank of Latvia's assessment, the reviving precautionary saving was again observed in the third quarter (see Chart 3.5), and it was underpinned by several factors – the expected increase in the utilities costs in the new heating season, the planned

Chart 3.4
NEW CAR REGISTRATIONS WITH THE ROAD TRAFFIC SAFETY DEPARTMENT
(year-on-year; %)

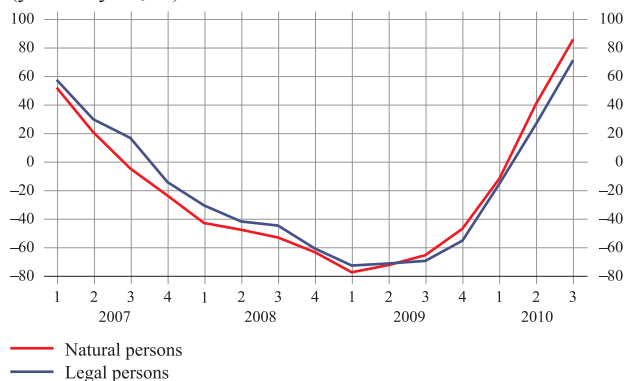
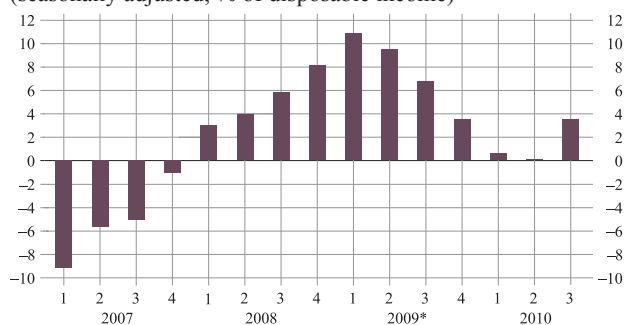
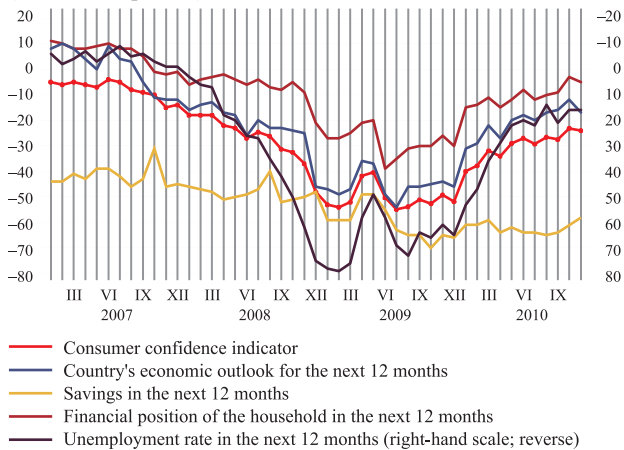


Chart 3.5
SAVINGS
(seasonally adjusted; % of disposable income)



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

Chart 3.6
CONSUMER CONFIDENCE INDICATOR AND
UNDERLYING FACTORS
(% of net responses)

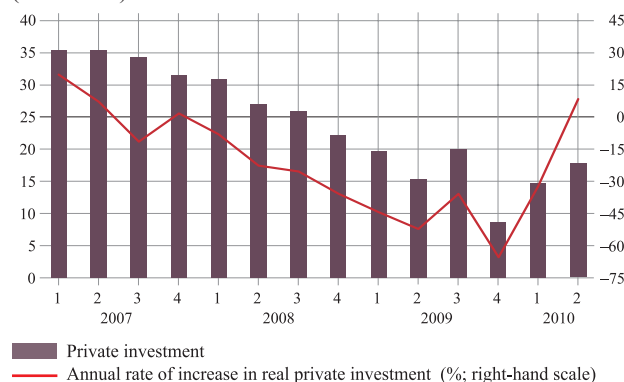


tax payments for housing (introduced in 2010) and land where the payments were mainly due in the fourth quarter, as well as the discussion of the fiscal consolidation measures implemented in the general government budget for 2011 causing more uncertainty surrounding the change in the purchasing power in the future. The unstable sentiment is suggested by the consumer confidence indicator which, although generally improving, however, is very volatile in the breakdown by month (see Chart 3.6).

These factors strengthened further in the fourth quarter. The fiscal consolidation measures implemented in the budget for 2011 were formulated more precisely thus confirming the expected increase in the tax burden and pointing also towards expenditure cutting. More evident were also the developments in foreign markets, for instance, the problems in Ireland's financial sector, causing growing concern about the sustainability of external demand in the future.

3.2 Private investment

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

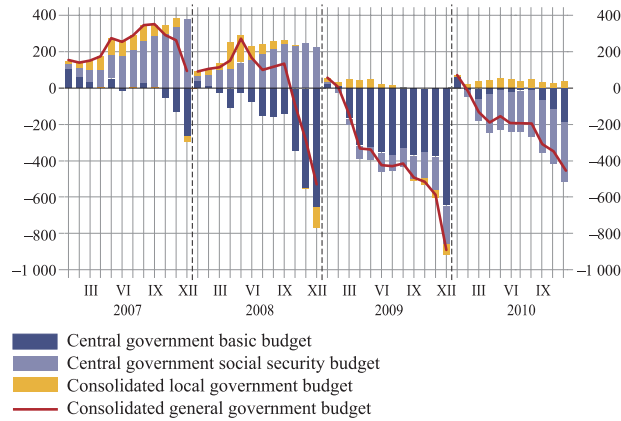


Total gross capital formation remained at the level of the corresponding period of the previous year in the third quarter following a sharp fall in the previous quarter (36%). This was determined by both a lower base and a rise in investment in the third quarter in comparison with the previous quarter (6.3%; seasonally adjusted data; see Chart 3.7).

The need for new investments was already evidenced by the change in the assessment of capacity utilisation. In the third quarter, the level of utilisation of the production capacity increased (by more than 5 percentage points) reaching 65.8% (a historic high in Latvia – 75%). At the same time, this growth was insignificant in the fourth quarter. This might point to the different dynamics at the manufacturing subsectors – if domestic demand-oriented companies could have some spare capacity, a large part of export-oriented companies have already used their capacity or got spare capacity alongside with new investments. The statistics of building permits granted for the construction of industrial production buildings and warehouses pointed to an increase observed already since the beginning of the year in comparison with the corresponding period of the previous year, particularly in the third quarter.

Significant amount of investment was ensured by the state aid schemes and EU funding including

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

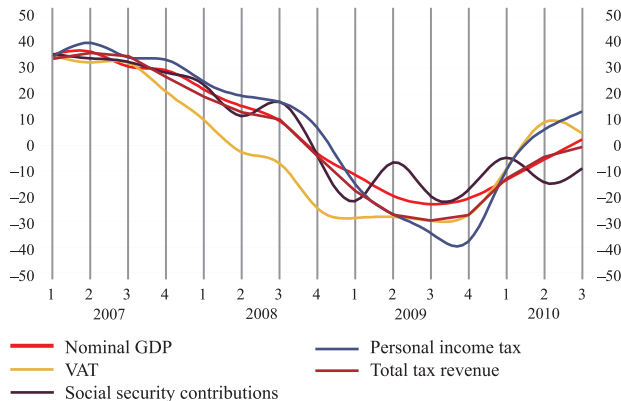


also the projects on heat insulation of schools and enhancement of road infrastructure, mostly put into operation in the third quarter. At the same time, the cautious bank lending policies will serve as the factor restricting investment in the future.

3.3 Government expenditure and budget

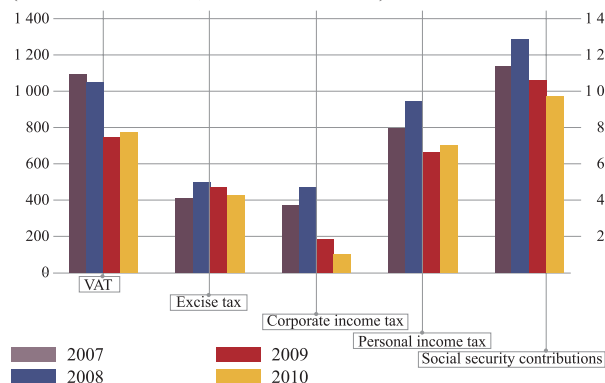
In the third quarter, the consolidated general government budget indicators generally deteriorated quarter-on-quarter, with the expenditure growing in September. Expenditure recorded a further increase also in October and November (including expenditure from the projects co-financed by the EU funds); therefore, the deficit accumulated at the end of November amounted to 440.0 million lats (3.5% of the GDP projected in 2010; see Chart 3.8).

Chart 3.9
RATE OF CHANGE IN NOMINAL GDP AND SELECTED TAXES (year-on-year; %)



Tax revenue posted a small rise already in the second quarter, while in the third quarter and in the coming months, tax revenue collections even improved reflecting a rebound of the economic growth (see Chart 3.9). Indirect tax (VAT and excise tax) revenue posted a particularly buoyant growth due to both the increase in retail trade turnover and the change in the conditions for the refund of VAT. Revenue from personal income tax reflecting the legislative amendments continued to rise. In November, the social security contribution revenue trend was also positive for the first time in the last two years (see Chart 3.10).

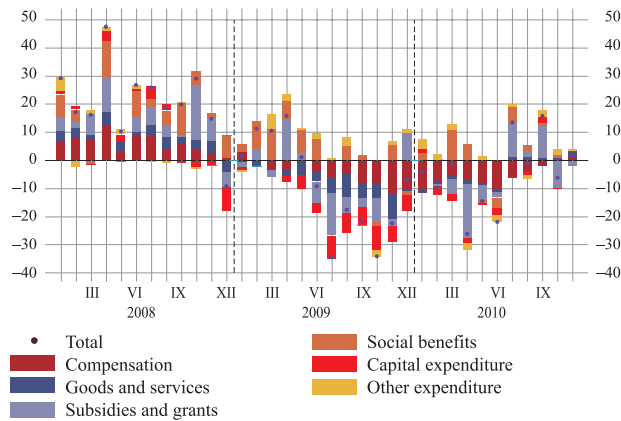
Chart 3.10
SELECTED TAX REVENUE (11 months of 2010; in millions of lats)



year-on-year, the consolidated general government budget expenditure was higher in some months mainly due to a rise in expenditure on subsidies and grants. With the implementation of the social security network strategy, social expenditure also posted an increase, and expenditure on goods and services rose slightly. At the same time, expenses on compensation to employees from institutions financed from the state budget continued to contract (see Chart 3.11).

On 6 December 2010, the Cabinet of Ministers of the Republic of Latvia accepted the draft law "On the State Budget for 2011". It projects the adjustment of the consolidated general government budget balance in the amount of 290.7 million lats through the increase of revenue (by 157.0 million lats) and reduction of expenditure (by 79.0 million lats), as well as through leaving the rate of contributions to the second pillar of pension funds in the amount of 2% (44.0 million lats will be saved by not raising the rate to the previously planned 4%). Moreover, local

Chart 3.11
RATE OF CHANGE IN CONSOLIDATED GENERAL
GOVERNMENT b UDGET Ex PENDITURE
(year-on-year; %)



governments are expected to reduce expenditure by 9.8 million lats.

The increase in the key rate of VAT from 21% to 22%, the rise in the reduced rates from 10% to 12% (electricity – to 22%), higher profit payable in dividends of the state capital companies and the increase in the real estate tax rate on two occasions are the most significant revenue increasing measures. A rise in tax rates will have an adverse effect on the population's purchasing power and private consumption. A shift of the tax burden from the personal income tax (reducing its rate by 1 percentage points and raising the untaxed minimum by 10 lats) to social security contributions (raising the rate of social security contributions from 33.09% to 35.09%) is projected. This will improve the central government social security budget balance by slightly strengthening the progressiveness of the personal income tax burden.

Expenditure cuts are fairly broadly spread across the ministries, but the most pronounced reduction is projected for the Ministry of Transport (18.3 million lats) primarily through expenditure cuts for the reconstruction of public roads and capital repairs, as well covering of losses to public transport providers, the Ministry of Welfare (11.5 million lats) through changing the conditions for granting family allowances, and the Ministry of Health (12.3 million lats) through the on-going structural reforms in the health care system.

The said expenditure-reducing measures will have an adverse effect (albeit, possibly, a minor one) on domestic demand in the next year. First, expenditure cuts are not large; second, it is possible to reduce the costs and improve the cost-efficiency of the public sector without presenting any threat to private consumption when implementing the on-going structural reforms.

The general government debt stood at 5 028.5 million lats (39.7% of the GDP projected in 2010) at the end of November, with the increase over the last five months amounting to 162.0 million lats. The increase was mainly on account of the EC (139.3 million lats in October), the IMF (73.7 million lats) and the World Bank (69.6 million lats) loans. Thus, the amount of the international loan received by the end of November amounted to 3 041.8 million lats.

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

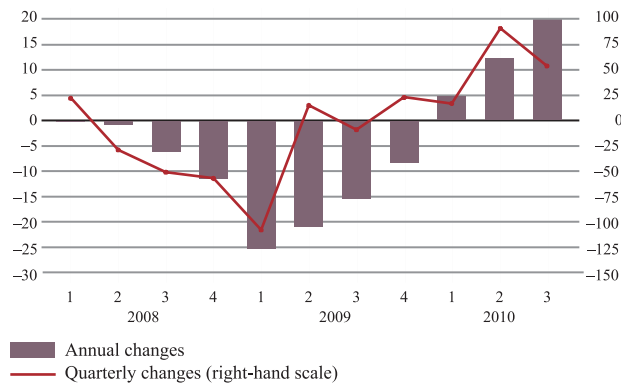


Chart 4.2
OUTPUT INDEX IN MANUFACTURING AND
CONFIDENCE INDICATORS

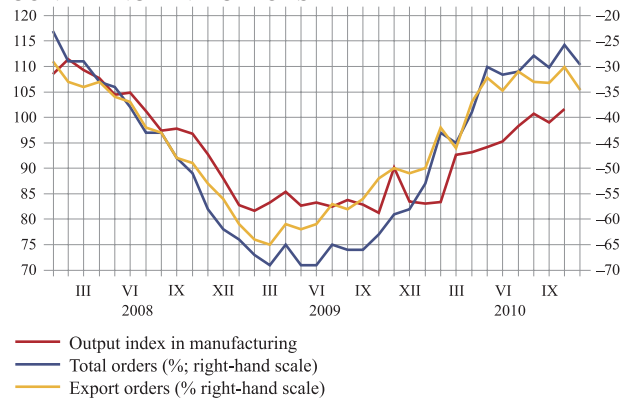
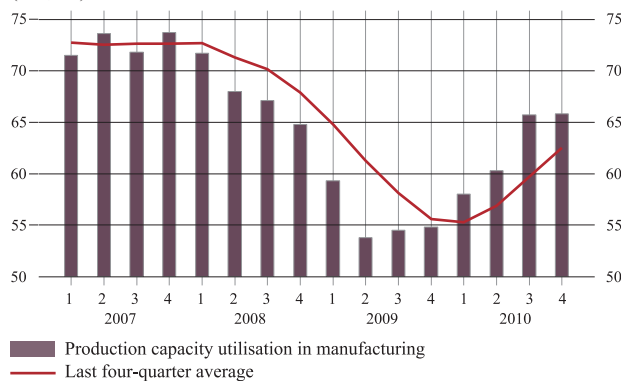


Chart 4.3
PRODUCTION CAPACITY UTILISATION IN
MANUFACTURING
(net; %)



4. Aggregate Supply

4.1 Industry and construction

The economic growth was still mainly attributable to the external demand related manufacturing, with the output increasing in the third quarter by 5.4% quarter-on-quarter (annual rise – 19.9%; see Chart 4.1).

Vigorously expanding manufacturing of other transport equipment, fabricated metal products, non-metallic mineral products, wood and articles of wood, textile articles and beverages as well as printing and reproduction of recorded media mostly accounted for a quarterly rise. Over the year, growth was observed across almost all sectors, except the manufacture of furniture and repair and installation of machinery and equipment.

A notable year-on-year increase in the volume of new orders and turnover points to a gradual rise in the demand for wood and paper products, chemical products, metal products as well as products of engineering sector on the domestic market. However, external demand was the major driving factor behind the development in the third quarter as well. On the domestic market, total turnover posted a year-on-year expansion of 9.7% in manufacturing while in exports it rose by 42.9% (see Chart 4.2).

Output growth contributed further to improving capacity utilisation in manufacturing, reaching 65.8% in the third quarter (see Chart 4.3).

Looking ahead and taking into account confidence indicators in October and November, businesses are more optimistic than before about the overall situation in the manufacturing sector in the fourth quarter due to the expected increase in orders and strengthening of competitiveness on the domestic market and its anchoring on the EU markets (see Chart 4.4). In Latvia, however, industrial confidence improves at a slower pace (see Chart 4.5) as compared to other EU Member States, and is mainly driven by concern about the sustainability of domestic and external demand (for the detailed analysis see Appendix). This suggests that the future dynamic growth potential of the sector should be viewed with caution.

Weak domestic demand had a further effect on the development of the construction sector. However, following a period of protracted and steep downturn,

Chart 4.4
ECONOMIC SENTIMENT AND CONFIDENCE INDICATORS (net; %)

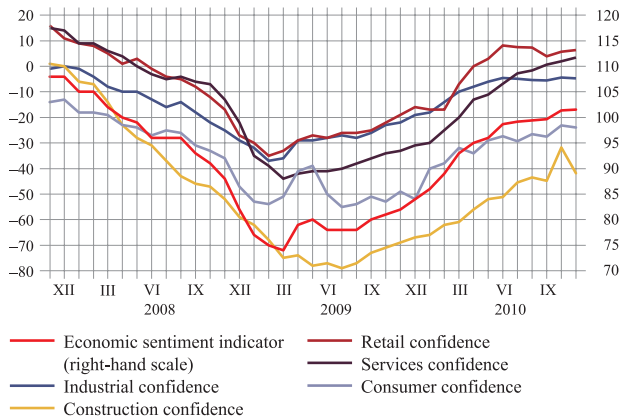
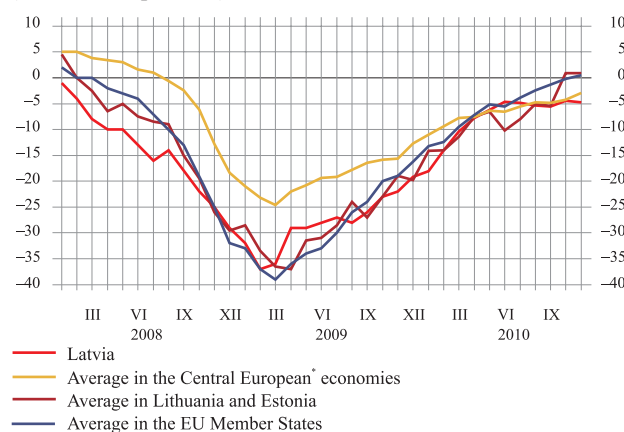


Chart 4.5
INDUSTRIAL CONFIDENCE INDICATORS IN LATVIA AND SELECTED EU MEMBER STATES (balance of replies; %)



* Bulgaria, the Czech Republic, Hungary, Poland and Romania.

construction output recorded a notable rise for the first time in the third quarter, with the annual rate of decrease contracting substantially at the same time. Over the quarter, the expansion of the sector was attributable to an increase in housing construction (16.1%) and engineering structures (9.7%). In the sector of housing construction, the construction of single dwelling houses and two apartment dwelling houses, commercial buildings and other non-residential buildings as well as production buildings edged up rapidly. In the sector of engineering structures, the construction of bridges and tunnels as well as that of main pipelines, communication and power lines posted a very steep expansion.

When forecasting further developments in construction, it should be taken into account that the number of building permits issued for the construction of particular categories of buildings (commercial buildings, production buildings, education, health care and mass entertainment buildings) rose substantially in the third quarter. The construction confidence indicator continued to show notable improvement in the third quarter and October. In November, confidence indicator deteriorated, nevertheless remaining higher than in the third quarter. This suggests that the situation in the above sector is not entirely stable yet; however, some signs of stabilisation have emerged, and this is likely to persist in the fourth quarter.

4.2 Services

In the third quarter, retail trade turnover rose by 1.0% quarter-on-quarter (seasonally adjusted data) and grew by 3.0%, including the trade of motor vehicles and motorcycles. As in the second quarter, the trade of motor vehicles accounted for the major real positive contribution to the retail trade expansion (see Chart 4.6). In view of the fact that households may have resumed increased precautionary saving, a slowdown of the quarterly growth rate observed in the third quarter may become more pronounced in the fourth quarter. However, there is also an upward risk that sales volumes may move up at the turn of the year due to the expected VAT rise, nevertheless its overall impact is likely to be moderate.

In the third quarter, successful economic development was also driven by a substantial contribution from transport and communication sector whose expansion was on account of a steep rise in freight transportation by road, improving passenger traffic as well as the

Chart 4.6
CONTRIBUTION TO REAL QUARTERLY RETAIL GROWTH
(in percentage points)

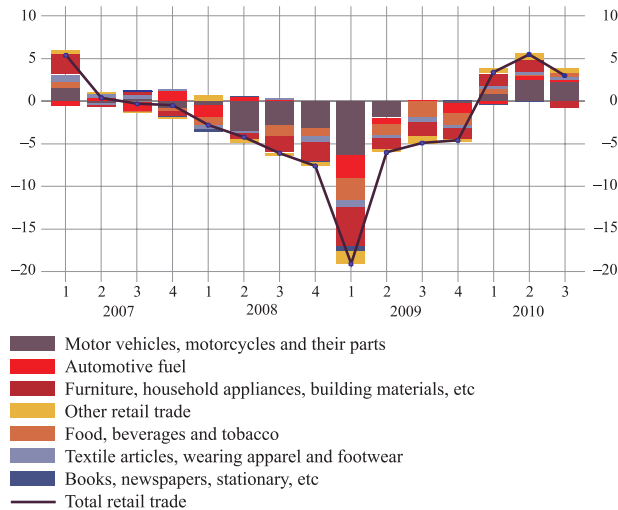
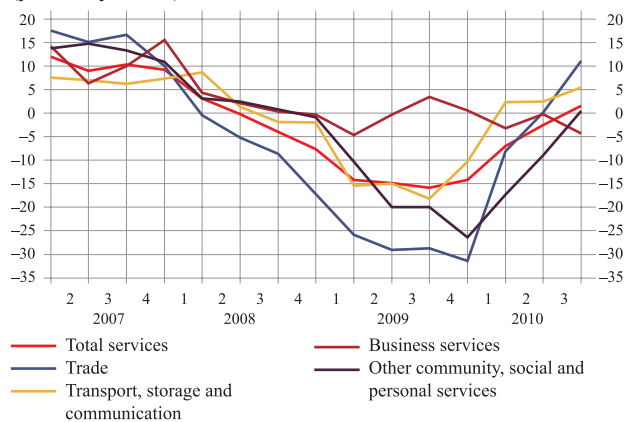


Chart 4.7
CHANGES IN MAIN TYPES OF SERVICES
(year-on-year; %)



performance of SJSC Riga International Airport (see Chart 4.7). The contraction of freight transportation by rail in Latvia and total turnover of ports exerted a negative impact.

In the third quarter, the turnover of freight transportation by rail in Latvia was at its lowest point since 2006. It dropped by 8.4% year-on-year, mainly on account of a decrease in freight turnover at Latvian ports (15.2%). At the same time, freight transit by road and domestic transportation posted a notable pickup. Freight turnover at Latvian ports also continued to decline quarter-on-quarter (by 1.5%), while the rate of decrease was slower than in the previous quarters (5.9% and 2.7% respectively). The narrowing of the total turnover was attributable to the shrinking turnover at Ventspils port (9.2%), driven by the fall in the volume of transshipment of oil products (22%). An increase in freight turnover at other ports (2.2% at Riga port, 3.9% at Liepāja port and 37.0% at small ports) did not offset such a significant downside.

The annual growth in freight transportation by road (38.9%) accounted for a positive contribution of transport sector to the GDP dynamics, with the rise in the turnover of international carriage reaching almost 50%. Oil product transportation by pipeline to Ventspils port posted a notable upsurge. In the third quarter, their volume exceeded that of the oil products transported quarter-on-quarter (by 87%). The dynamics of passenger transportation was also positive. The number of rail passengers grew by 8.7% year-on-year. The number of air passengers serviced at SJSC Riga International Airport rose by 19.9%.

Overall, an expansion of freight transportation by road is also expected to contribute positively to the development of the sector in the fourth quarter, especially in view of the fact that an agreement on issuing additional permits for transportation to Russia has been reached. The business survey data released by the EC also suggest a further very substantial improvement of confidence of transport and communication companies in October and November. The above trend also allows to project good performance in the transport sector in the near future.

4.3 Labour market

Although a decline in the registered unemployment rate decelerated at the turn of 2010 (161.8 thousand

Chart 4.8
REGISTERED UNEMPLOYMENT AND JOB SEEKER RATES (%)



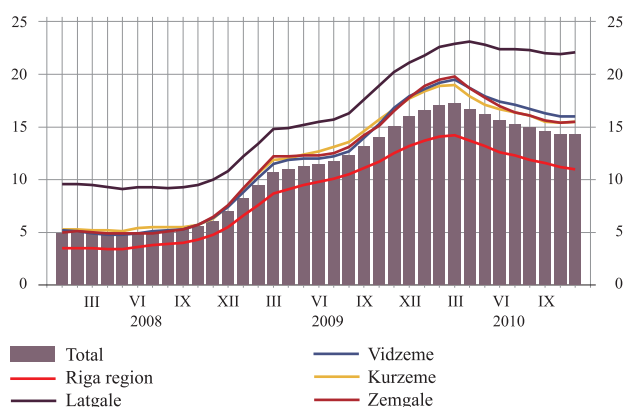
or 14.3% of the economically active population at the end of November), the number of registered unemployed persons shrank already for the eighth consecutive month, and in November was lower year-on-year for the first time in the last 27 months (see Charts 4.8 and 4.9).

Chart 4.9
BEVERAGE CURVE: NUMBER OF UNEMPLOYED PERSONS REGISTERED WITH THE STATE EMPLOYMENT AGENCY AND THAT OF VACANCIES (thousands)



At the same time, regional disparities in the registered unemployment rate gained strength. In Latgale, the registered unemployment rate exceeded that of Riga more than twofold (22.1% and 10.1% respectively). Hence, the gap between the registered unemployment rate in Latgale and Riga increased twice in comparison with the pre-crisis period, reaching 12 percentage points (see Chart 4.10). At the same time, the disparities in the rate of jobseekers within the regions of Latvia are not that notable. According to the CSB labour survey data, in 2009, the rate of jobseekers in Latgale (the latest available data) was similar to that of Riga (17.6%), while the average registered unemployment rate stood at 16.3% and 9.5% respectively. Thus overall, the regional disparities in the registered unemployment rate reflect different levels of motivation to register with the State Employment Agency rather than the regional disparities in labour availability.

Chart 4.10
REGISTERED UNEMPLOYMENT RATE IN LATVIA'S REGIONAL AREAS (% of the economically active population)



According to the CSB labour survey data, in the third quarter, the rate of jobseekers declined by 1.4 percentage points quarter-on-quarter (up to 18.0% of the economically active population). In view of the increase in the number of economically active population, the dynamics of the number of employed persons indicates more explicitly a turning point on Latvia's labour market – as featured in the CSB labour survey, the employment grew by 24.5 thousand or 2.6% in the third quarter (in accordance with the seasonally adjusted data – by 2.1%). Moreover, the year-on-year increase in the employment has been observed for the first time in the last two years (0.7%).

In the breakdown by sector, the developments in manufacturing and transport were the main contributors to the annual growth in employment. The disparities in the rate of jobseekers by education remain vast, pointing not only to the cyclical, but also structural nature of unemployment (see Chart 4.11).

Although the EC survey data no longer confirm the intention of enterprises to lay off staff, businesses are still sceptical with respect to the increase in employment in the longer term. For instance, the balance of replies by businesses in manufacturing has been hovering around zero for six months already

Chart 4.11
JOB SEEKERS by EDUCATIONAL LEVEL
(% of the economically active population)

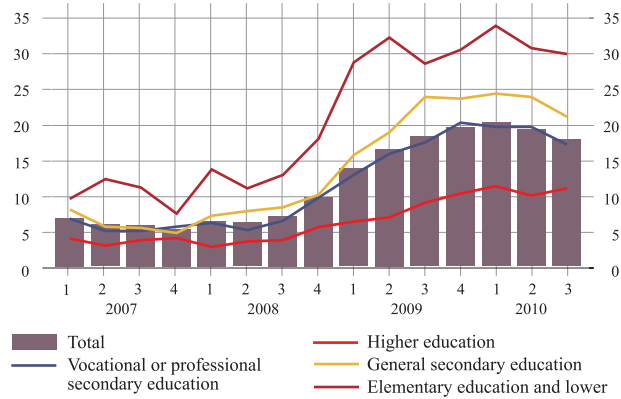


Chart 4.12
DATA FROM BUSINESS SURVEYS ON PROJECTED
3-MONTH EMPLOYMENT DYNAMICS
(balance of replies; in percentage points)

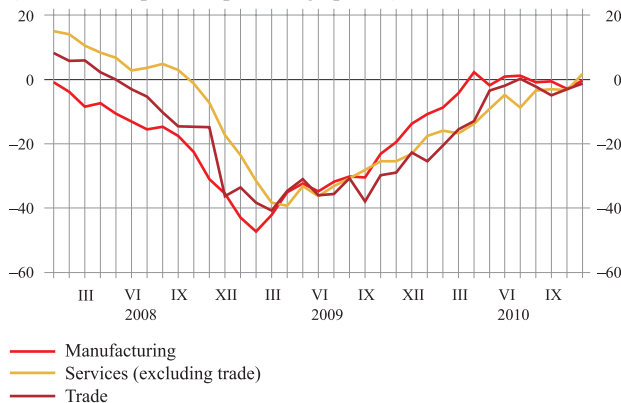
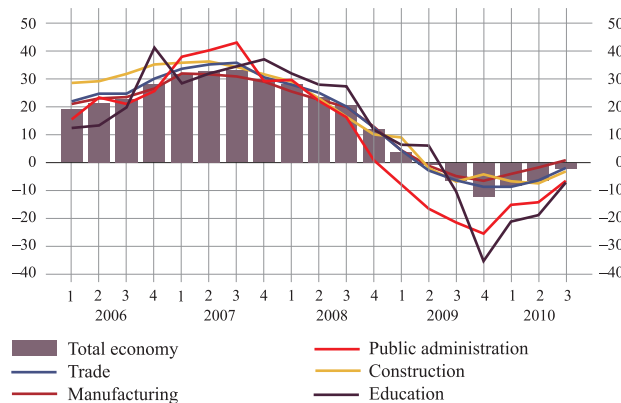


Chart 4.13
ANNUAL CHANGES IN GROSS NOMINAL
HOURLY WAGE AND SALARY BY SECTOR
(%)



(see Chart 4.12). At that time, the balance of replies by businesses in retail trade and other services sectors also approached zero from very negative rates.

However, a sustained increase in the number of posts is still not to be expected in any economic sector in the future. This might be explained by a situation in which the decision on involving new employees may be implemented without delay due to a large number of jobseekers. The enterprise perception of the future has, however, remained cautious as the increase in new orders and output is heterogeneous, reflected, for instance, by monthly changes in the volume of output in manufacturing, retail trade turnover or new orders. Another potential reason for the above – jobs are created by new enterprises which do not participate in the EC survey.

In September, the annual dynamics of gross hourly wages and salaries was positive for the first time in the last 17 months. However, the rate of net wages and salaries was still slightly lower compared with that of the corresponding period of the previous year, and this development was associated with a rise in the personal income tax rate from 23% to 26% in January 2010. In the third quarter, dynamics of gross hourly wages and salaries remained negative (-1.9%; see Chart 4.13). A more notable annual decrease in wages and salaries continued to persist in the public sector (-4.5%), including public administration (-6.3%), while hourly wages and salaries shrank by 0.1% in the private sector over the year.

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

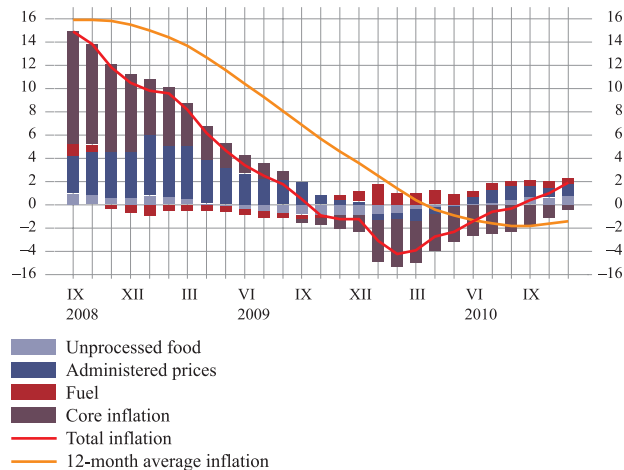


Chart 5.2
THE WEIGHTED BREAKDOWN OF ANNUAL GROWTH
RATE by CPI GROUPS
(%)

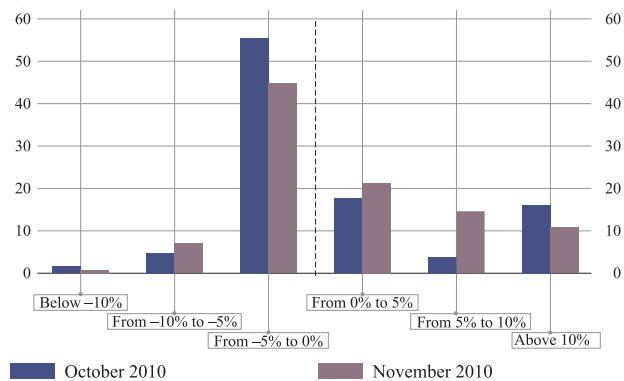
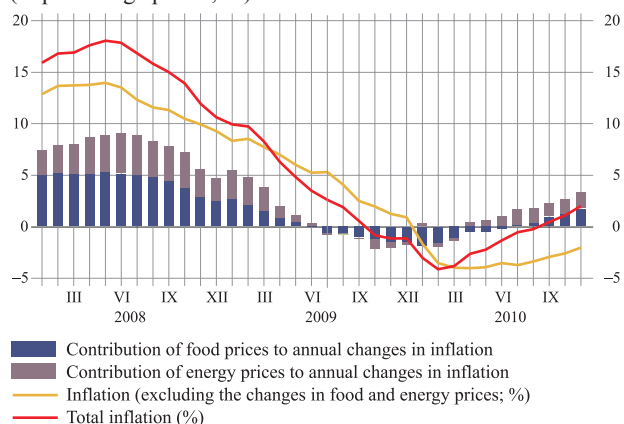


Chart 5.3
IMPACT OF ENERGY AND FOOD PRICE CHANGES ON
INFLATION
(in percentage points; %)



5. Prices and Costs

The annual consumer price inflation was negative for 11 months, turning positive in September 2010 and reaching 1.9% already in November (see Chart 5.1). Prices were pushed up by the supply-side factors. The dynamics of global food and energy prices contributed to domestic food and fuel price rise. Base effect also accounted for a steep increase in annual inflation (2.2 percentage points in four months).

Unemployment rate remained high and retail trade posted unbalanced recovery, suggesting that households were reluctant spenders; however, the number of commodity and services groups recording a price decline diminished further (see Chart 5.2).

The depreciation of the euro against the US dollar and other currencies of trade partners also accounted for price rise, 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 which was mostly faster-than-expected previously, in Estonia in particular.

The monthly growth of CPI in September, October and November was largely on account of higher food and fuel prices accompanied by the appreciation of the US dollar (see Chart 5.3). Global food prices followed a steep upward trend during the above three months due to unfavourable weather conditions for agriculture and concern about sufficiency of food supply. As regards cost increase, the dynamics of cereal and dairy product prices reflected the global price rise most strongly. They moved up by 8.8% and 4.2% respectively in comparison with August. Vegetable prices also edged up notably and in November were 54.9% higher than in the previous year. Overall, food price growth accounted for 1.7 percentage points of annual inflation in November. Fuel prices also rose on account of the global price increase and appreciation of the US dollar, picking up by 1.6% during three months and their contribution to the annual inflation reaching 0.5 percentage point.

However, service prices continued on a downslide as a result of a persistently negative pressure from the demand side. The above prices shrank by 0.5% in three months and by 2.6% over the year, with the annual negative impact accounting for 0.7 percentage point (dropping from their peak in March 2009 by 6.9%). Fees for insurance services, hairdressing and health care recorded a particular decrease. Despite

Chart 5.4
PROFIT MARGINS
(%)

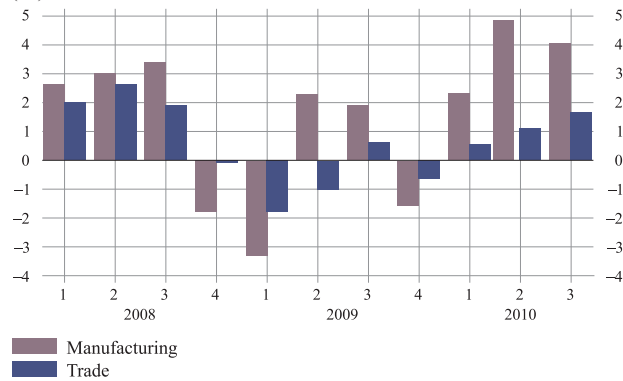


Chart 5.5
THE ANNUAL RATE OF CHANGE IN PRODUCER PRICE INDEX AND CONTRIBUTION OF ITS COMPONENTS
(in percentage points)

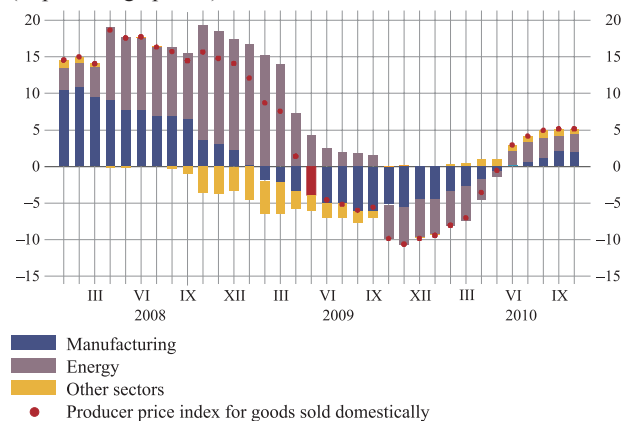
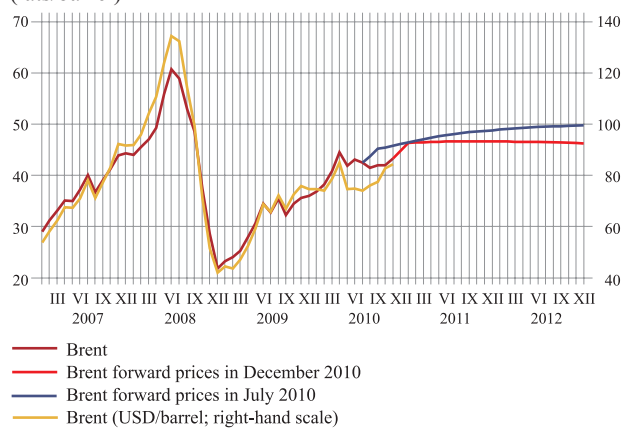


Chart 5.6
OIL PRICES ON GLOBAL MARKET
(lats/barrel)



the global energy price rise, trading prices of natural gas started falling again in Latvia, thus contributing to the reduction of heating tariffs whose calculation is related to the natural gas price. Heating tariffs declined by 6.5% in comparison with August, nevertheless remaining by 19.4% higher than in the previous year (0.8 percentage point of the overall annual inflation).

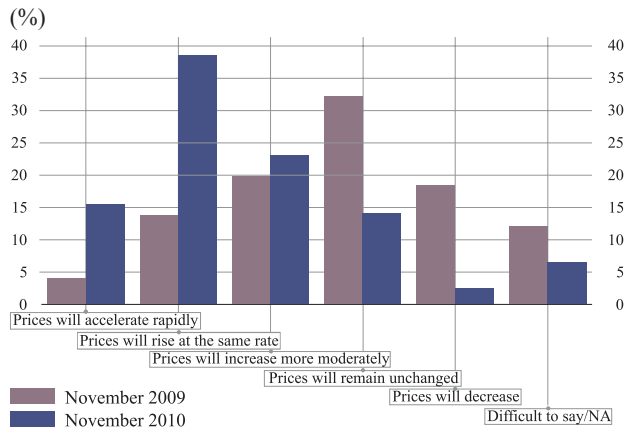
Despite the global resource price expansion, pre-tax profit margin after interest increased substantially in manufacturing and trade in 2010 (see Chart 5.4). Profit margins in manufacturing posted a particularly steep rise, reflecting a pickup in turnover attributable to the improved competitiveness on export markets. Hence a sustained increase in producer prices persists in Latvia since mid-2010 (see Chart 5.5).

The US Energy Information Administration projects that the upward trend of oil prices will also continue in the near future, recording a moderate growth due to the expected increase in the global demand for oil. Gradually declining oil stocks are also expected to foster price surge in the future (see Chart 5.6). The global food price rise is expected to slow down in the near future. Their impact on food prices in Latvia has diminished due to the decelerating rate of growth in global grain and milk prices.

As the annual inflation turned positive and households experienced steep increase in food and fuel prices, inflation expectations moved up rapidly from August onwards and this rise ceased in October and November. More than a half of the survey respondents selected for estimating inflation expectations believed in November that price hike will be similarly buoyant or even more buoyant over the next 12 months than currently experienced. Only 16.6% respondents (50.5% respondents in the previous year) expect prices to remain unchanged or even decrease (see Chart 5.7).

High unemployment and heterogeneous recovery of domestic demand notwithstanding, a moderate consumer price increase will continue in the near future (see Chart 5.8). The above development will be mostly attributable to the global energy and food price expansion as well as the appreciation of the US dollar. A notable rise in domestic demand is not to be expected in the near future, however, changes in indirect taxes will substantially contribute to consumer price dynamics. The planned increase in VAT rates is expected to contribute to higher average

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



annual inflation (in the amount of 1.0 percentage points) in 2011.

Chart 5.8
SEASONALLY ADJUSTED MONTHLY CHANGES IN CPI

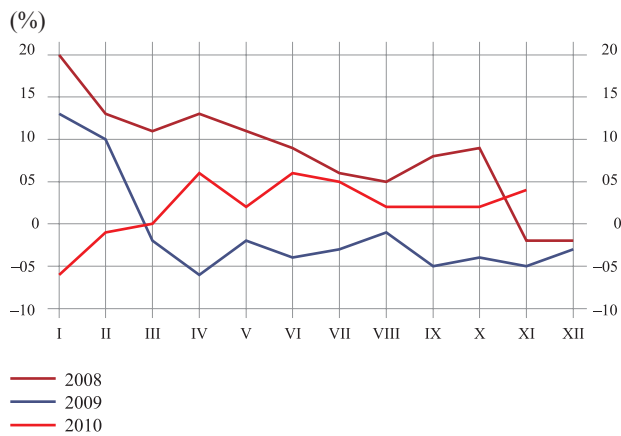


Chart 6.1
CURRENT ACCOUNT OF LATVIA'S BALANCE OF PAYMENTS AND ITS COMPONENTS
(percentage of GDP)

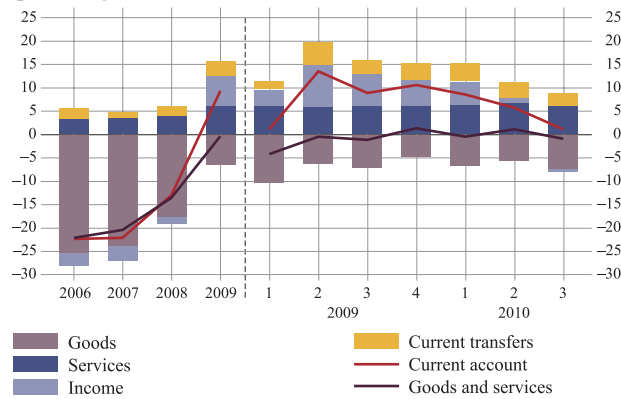
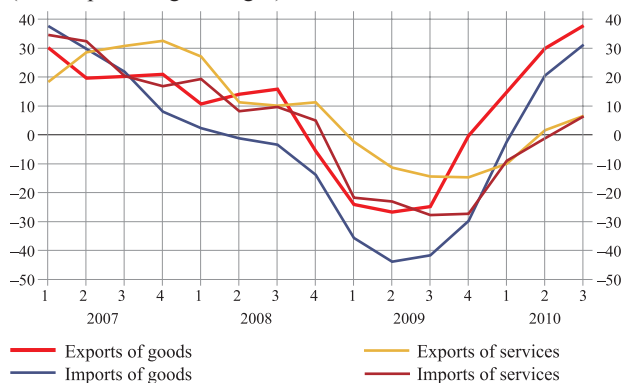


Chart 6.2
IMPORT AND EXPORT GROWTH RATES OF GOODS AND SERVICES
(annual percentage changes)



6. Balance of Payments

The current account of Latvia's balance of payments was in surplus also in the third quarter (37.0 million lats or 1.1% of GDP); however, the surplus was much smaller than in the previous quarters (see Chart 6.1). This decrease in the current account surplus was on account of the recovering economic activity and is considered more positive than negative.

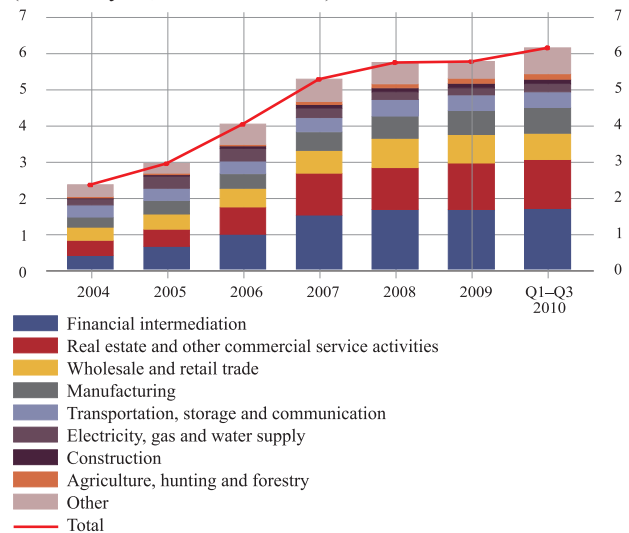
On the backdrop of renewed production growth, the need for imports of intermediate goods and capital goods increased in the third quarter; therefore, no further improvement of the trade balance was observed (see Chart 6.2). With the economic growth recovering, foreign direct investment companies also became more profitable as they did not suffer losses on the scale observed previously, hence net position of the income account turned negative for the first time since the third quarter of 2008. The overall impact of the current transfers on the current account surplus also diminished; however, inflows of the EU funding (mainly from the social fund) increased. In the capital account, some funding received from the EU funds (mostly that of the Cohesion Fund related to the implementation of environmental projects) recorded an increase. In the financial account, also in the third quarter quite substantial inflows were determined by government borrowing which expanded the reserve assets managed by the Bank of Latvia at the same time. The pickup in the inflows of foreign direct investment in comparison with the first half of 2010, including higher investment in manufacturing is a positive sign (see Chart 6.3).

In October, the current account surplus rose slightly again (28.7 million lats). The goods and services trade balance also became positive (7.2 million lats). The increase in the surplus in the current transfers account was largely driven by the revenue received from CO² emission quotas sold by the government. Net inflow of the financial account was positive in September as the instalment of the received international loan was larger than in September (139.3 million lats from the EC). Latvian banks attracted more non-resident deposits (it suggests that confidence in the financial market is improving) which were mainly placed in foreign assets.

With the impact of directly falling prices and costs on the improvement of competitiveness, an increase in manufacturing keeps the current account close to balance at this stage. Unlike losses suffered by foreign

Chart 6.3
FOREIGN DIRECT INVESTMENT IN LATVIA AND ITS
STRUCTURE

(at end of year; in billions of lats)



direct investment companies or a decline in imports caused by contracting consumption (significant factors underlying the current account improvement in the previous periods), this is a sustainable factor; however, it will require additional investment in the future. The positive assessment by the international credit rating agency Standard & Poor's and Latvia's credit rating raised in December testify to the fact that investment environment is becoming more stable and transparent. From this point of view, positive net investment flows could be expected in several financial account positions in 2011; however overall, investment inflows will decrease as no instalments of the international loan are planned to be received in the current amount. The budget adopted in due time and the opportunities to provide for the necessary co-financing within the limits of the budget will considerably contribute to inflows of the EU funds.

The surplus in the current account is likely to persist in 2011 (albeit lower than in 2010). Further developments in the external sector will be affected both by domestic and foreign economic developments, and currently a rapid increase in the demand for exports seems unlikely. The latest confidence surveys reflect sceptical views expressed by businesses on the volume of the expected export orders. The most significant risks to the current account forecast are negative as the difficult financial conditions in several euro area countries and the related broad implementation of the austerity measures within the framework of a tight fiscal policy are of concern. Along with reduced opportunities to expand commodity exports, a decrease could be also observed in the value of exports of services (including the value of transportation services and financial services) as they are directly related to trading. However, although no rapid economic growth is expected in the EU countries, no severe economic downturn is projected either; thus, there is no reason to expect sustained positive contribution of foreign direct investment companies' reinvested earnings to the current account surplus.

7. Conclusions and Forecasts

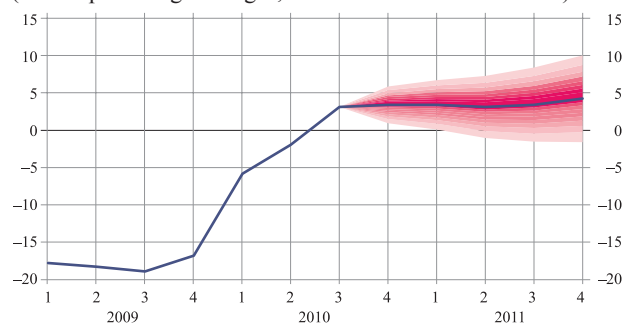
Latvia's real GDP has been improving since the beginning of 2010. As a result, in the third quarter, the annual growth of real GDP finally turned positive after eight quarters (2.9%). The economic recovery is expected to continue also in the upcoming years, albeit with comparatively strong uncertainty surrounding the outlook for Latvia's economic development. Several risks tilted to the downside and related primarily to external factors exist; they may have an adverse effect on growth in Latvia in 2011. At the same time, some risks are tilted to the upside and may fuel positive economic developments in Latvia.

7.1 Economic developments

At the close of 2010, the economic situation in the euro area deteriorated substantially. The financial market conditions aggravated most notably due to economic problems in Ireland. Risks of a potential problem spill-over from financial markets into the real economy intensified: the Latvian economy and its recovery might adversely be affected by it via the foreign trade channel. Moreover, concerns surfaced about the effects of the EU fiscal consolidation measures on external demand: they may potentially slow down the growth of Latvia's export oriented sectors. At world stock exchanges, raw material prices continued to soar and in the short term would potentially affect those manufacturers in Latvia who use them in their production processes. The budget of 2011 also contains a number of risks in terms of fiscal consolidation measures that may have a negative impact on both private consumption and overall business environment. Most important among them are the raised VAT rate (from 21% to 22%), raised reduced VAT rate (from 10% to 12%; to 22% for electricity), and doubled real estate tax rate for housing. Some expenditure cutting measures may also have a negative impact, yet when supported by structural reforms, their effects may be positive in the longer term.

Confidence improvements in Latvia and most EU countries are also positive signals. The development of the budget plan according to schedule and its discussion without much political controversy are likely to be assessed positively as providing international partners and credit rating agencies with additional confirmation about Latvia's potential in

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).

the upcoming years. Following the adoption of the budget by government, Standard & Poor's has already upgraded Latvia's sovereign credit rating. Other credit rating agencies are also likely to lift Latvia's rating if budget developments continue to be favourable also in the future; this should promote investment inflows, alleviate the activities of both exporters and the banking sector, and assist the government in its attempts to refinance the international loan.

To sum up, the risks dealt with above may be viewed as balanced. The ongoing economic recovery notwithstanding, real GDP in 2010 is expected to slightly lag behind the level of 2009. Nevertheless, due to private consumption and investment, the growth momentum has been more buoyant than expected. As a result, at constant prices the GDP growth forecast has been revised upwards to -0.4% for 2010 and 3.3% for 2011 (see Chart 7.1).

7.2 Inflation

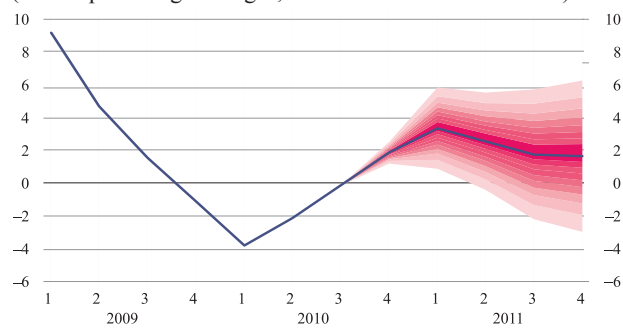
The period of deflation in Latvia is over. In September 2010, annual price changes became positive, with annual inflation at 1.9% in November. Higher prices were fuelled by the global food and energy price dynamics. Depreciation of the euro against the US dollar and currencies of other trade partners acted as an additional trigger of price rises, as a result of which imports, including those of energy and food products, became more costly. Import prices rose also due to price hikes in trade partner countries where (particularly in Estonia) their pace was more rapid than projected.

According to the forecasts of the US Energy Information Administration, oil price hikes potentially augmenting inflation risks are likely to persist also in the near future. Global food price rises, on the other hand, may become less pronounced in the future.

Rising inflation expectations and the labour market situation are among the most crucial domestic-demand-related upside risks. A steep upward trend in population's inflation expectations in recent months has created a favourable environment for companies to raise consumer prices without reasonably increasing inputs. The labour market, in turn, displays signs of supply and demand imbalances, due to which total labour remuneration may go up even if a rather high unemployment level is sustained in the future.

At the same time in the situation of high unemployment, the companies with still some potential for reducing operational costs would be able to offset higher food and energy prices without implications for final consumption. Moreover, overall higher prices due to raised VAT rates are likely to result in declining demand at the beginning of 2011.

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).

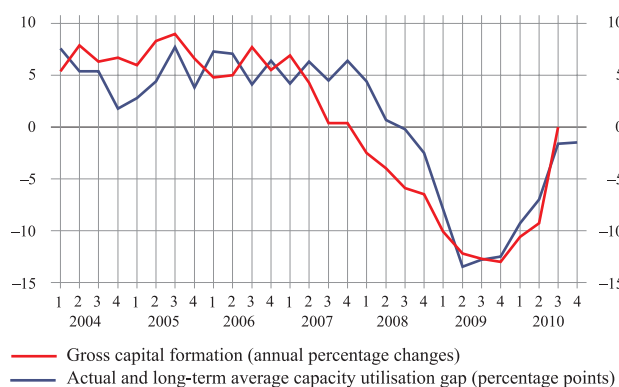
Due to projected increases in VAT rates, Latvia's inflation forecast for 2011 has been adjusted and revised upwards: inflation is expected to stand at 2.4%. In general, the medium-term risks related to the inflation forecast are broadly balanced (see Chart 7.2).

Appendix

Low yet different by enterprise utilisation of production capacity

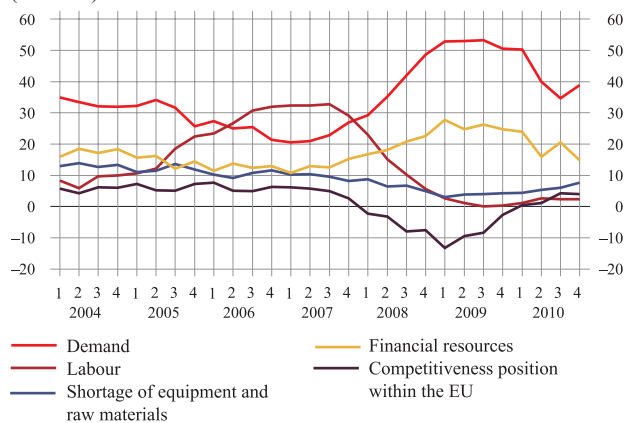
Production capacity utilisation in manufacturing amounted to 65.8% in the fourth quarter (77.9% in EU countries on average, 77.6% in euro area countries on average). This indicator is relatively low when compared with the pre-crisis and other EU countries' level. It should be noted, however, that structural reforms in the economy, due to which substantial changes took place in the industrial output sales market structure, were implemented in Latvia in the crisis period. During crisis, when the domestic demand weakened at a fast pace, businesses were compelled to re-direct their sales towards export markets. In order to do so, they were not only looking for new markets but also for new opportunities to manufacture novel and competitive products; they optimised production processes and promoted productivity improvements. As a result, new production facilities came into existence, while the former ones were used to a lesser extent or even stood idle. Due to this effect, confidence surveys reflect lower levels of production capacity utilisation.

Chart A1
LINK BETWEEN CAPACITY UTILISATION AND INVESTMENT
(%)



The economic theory states that lower production capacity utilisation minimises the need for additional investment in boosting overall capacity. This rule captures the recent situation in Latvia quite well. The assessment of the gap between actual capacity utilisation and 10-year average capacity utilisation discloses a strong linkage of capacity utilisation with the pace of growth of gross capital formation (investment; see Chart A1). Even though overall capacity utilisation in the economy has been on the rise for six consecutive quarters, it is still lagging behind the 10-year average by 1.5 percentage points. In the fourth quarter, capacity utilisation improved only by 0.1 percentage point quarter-on-quarter. Thus, the potential for new investment flows remains limited, at least theoretically. This is also confirmed by investment statistics: in the third quarter, gross capital formation has remained unchanged year-on-year. The situation, however, is not completely daunting and differs across domestically selling and exporting companies. The exporting companies are close to maximum capacity utilisation already now; in the context of sustained demand, new capacity and investment will be needed in the future.

Chart A2
GROWTH-RESTRICTIVE FACTORS IN
MANUFACTURING
(balance)



In the crisis years, gross capital formation was a GDP component to shrink most buoyantly; in the third quarter, however, it improved rapidly. Could it be indicative of a renewed investment flow? At this juncture, the answer to this question could be positive, yet sustainability of investment flows will depend on a number of factors like manufacturers' perception of the future economic situation within the EU and availability of financing (banks' ability and willingness to issue industrial credit).

Inadequate demand as a key restrictive factor

In the context of capacity utilisation, it is interesting to analyse the EC survey indicators about the main growth-restrictive factors in manufacturing. Already at the outset of the crisis, the number of respondents opting for weak demand as the main growth-restrictive factor steeply increased (see Chart A2). A sharp drop in the respective number in 2010 notwithstanding, this factor still figures as the main limitation to growth. It stems from the constantly low domestic demand and uncertainty about the outlook for external demand.

Manufacturers' expectations regarding orders in the future strongly depend on the developments in the global market where the situation is relatively complex at present. On the one hand, raw material prices go up, while on the other, the projected fiscal consolidation measures give rise to concerns about sustainability of external demand in most EU countries. A slow, yet progressive increase is observed in the number of those respondents who emphasise shortages of equipment and/or raw materials and problems with recruiting competent labour; meanwhile, the number of respondents admitting alleviation of financing restrictions is decreasing.

At the same time, the fact that constantly improving competitiveness indicators are acknowledged also by businesses who note higher competitiveness within the EU in the surveys, should be assessed positively. Apparently, businesses would be able to attract funding to launch new production facilities, yet concerns about the outlook for demand figure as the main factor restricting expansion.

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1. MONETARY INDICATORS AND INTEREST RATES

	2009					2010				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3			
M1 ¹	-10.9	-17.8	-21.0	-19.9	-10.9	1.8	10.4	17.7		
M2 ¹	-2.8	-6.9	-9.9	-11.6	-2.8	3.2	4.5	12.3		
M3 ¹	-2.8	-7.0	-10.4	-12.0	-2.8	3.5	5.5	12.8		
M2X ¹	-1.9	-6.2	-8.3	-10.2	-1.9	4.2	5.4	12.1		
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	-7.7		
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	11.5		
Long-term interest rate for convergence assessment purposes ²	12.36	11.15	11.66	12.94	13.67	12.64	10.13	9.99		
RIGIBOR (3-month loans) ³	13.2	11.6	16.0	13.9	11.2	3.5	2.2	1.4		
Average yield on government bonds	-	-	-	-	-	5.4 ⁴	6.1 ⁵	5.2 ⁶		
OMXR ³	260.4	227.8	225.3	286.9	297.0	320.7	349.7	384.5		

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1 ¹	-21.5	-22.1	-19.9	-19.7	-16.8	-10.9	-6.9	-4.9	1.8	5.0	5.2	10.4	12.6	16.2	17.7
M2 ¹	-11.6	-12.5	-11.6	-10.6	-8.1	-2.8	-2.4	-1.0	3.2	4.0	4.2	4.5	7.1	9.7	12.3
M3 ¹	-12.3	-13.2	-12.0	-10.8	-7.9	-2.8	-2.3	-0.7	3.5	4.2	4.6	5.5	8.0	10.6	12.8
M2X ¹	-10.1	-11.1	-10.2	-8.9	-6.1	-1.9	-1.3	-0.1	4.2	4.4	5.8	5.4	7.6	9.8	12.1
Loans to resident financial institutions, non-financial corporations and households ¹	-2.2	-3.7	-4.9	-5.9	-6.3	-7.3	-7.6	-7.9	-8.0	-7.8	-7.2	-7.6	-7.7	-7.4	-7.7
Deposits of resident financial institutions, non-financial corporations and households ¹	-7.7	-8.4	-7.6	-5.2	-1.7	1.7	2.1	2.6	6.0	5.2	6.7	4.6	6.9	9.1	11.5
Long-term interest rate for convergence assessment purposes ²	12.75	12.81	13.27	13.51	13.75	13.75	13.76	13.62	10.54	10.13	10.13	10.12	10.00	10.00	9.97
RIGIBOR (3-month loans) ³	16.9	13.2	11.6	13.5	11.8	8.3	4.9	3.1	2.3	2.1	2.2	2.1	1.8	1.3	1.2
Average yield on government bonds	-	-	-	-	-	-	-	6.1 ⁴	5.3 ⁴	5.9 ⁵	6.4 ⁵	-	6.0 ⁵	5.6 ⁵	5.2 ⁶
OMXR 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	358.1	397.4	398.0

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.

⁶ Weighted average primary market yields of 5-year government bonds.

2.a REAL SECTOR INDICATORS AND PRICES

	2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Industrial output^{1,2}								
Increase/decrease ³ (at constant prices; working day adjusted data; %)	-15.8	-22.2	-19.0	-15.0	-6.7	7.3	12.3	19.4
Cargoes loaded and unloaded at ports								
Turnover (in thousands of tons)	61 976	16 597	15 688	14 832	14 859	15 618	15 268	14 616
Increase/decrease ³ (%)	-2.6	-1.4	2.0	-3.3	-7.7	-5.9	-2.7	-1.5
Retail trade turnover (excluding retail trade at market-places)^{1,2}								
Turnover (at current prices; in millions of lats)	4 172.6	1 041.5	1 077.8	1 048.9	1 004.3	913.4	1 055.7	1 109.1
Increase/decrease ³ (at constant prices; %)	-30.8	-28.8	-32.3	-32.1	-29.5	-12.3	-2.1	5.7
Unemployment rate (%)	16.0	10.7	11.5	13.2	16.0	17.3	15.6	14.6
Producer prices ¹ (increase/decrease compared with the previous period; %)	-4.7	-3.0	-3.5	-1.6	-0.7	1.1	4.5 ²	1.8
Consumer price inflation								
Year-on-year basis (%)	3.5	9.2	4.7	1.6	-1.1	-3.8 ²	-2.1	-0.1
Quarter-on-quarter basis ² (%)	x	2.6	-0.4	-1.9	-1.3	-0.2	1.3	0.1
Financial surplus/deficit in the consolidated general government budget								
Surplus/deficit (in millions of lats)	-892.1	-142.1	-283.1	-68.5	-398.4	-132.7	-41.0	-120.1
Ratio to GDP ² (%)	6.8	4.3	8.5	2.1	12.4	4.7	1.3	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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Industrial output ^{1,2}															
Increase/decrease ³ (at constant prices; working day adjusted data;%)	-17.3	-12.6	-15.0	-13.7	-2.6	-3.3	6.0	4.4	11.2	9.8	13.5	13.7	18.5	20.8	19.0
Cargoes loaded and unloaded at ports															
Turnover (in thousands of tons)	5 197	5 219	4 416	5 134	4 543	5 182	4 995	5 171	5 452	5 483	5 021	4 764	5 274	4 617	4 726
Increase/decrease ³ (%)	-5.5	10.0	-13.5	3.4	-15.5	-10.1	-10.4	-5.0	-2.3	6.4	-2.1	-11.9	1.5	-11.5	7.0
Retail trade turnover (excluding retail trade at market-places) ^{1,2}															
Turnover (at current prices; in millions of lats)	365.3	350.7	333.0	335.6	309.6	359.2	295.0	286.4	332.0	344.6	354.8	356.3	370.4	372.0	366.7
Increase/decrease ³ (at constant prices; %)	-32.4	-31.3	-32.7	-30.6	-29.7	-28.8	-16.3	-14.5	-6.3	-3.6	-2.1	-0.4	1.4	6.1	10.4
Unemployment rate (%)	11.8	12.3	13.2	14.1	15.1	16.0	16.6	17.1	17.3	16.7	16.2	15.6	15.3	15.0	14.6
Producer prices ¹ (increase/decrease compared with the previous period; %)	-0.3	0	0.3	0.1	-1.7	0.4	0.9	0.4	0.8	2.3 ²	1.8	0.8	0.1	0.6	0.5
Consumer price inflation															
Year-on-year basis (%)	2.5	1.8	0.5	-0.9	-1.2	-1.2	-3.1	-4.2	-3.9	-2.7	-2.3	-1.4	-0.6	-0.3	0.4
Month-on-month basis (%)	-0.6	-1.0	-0.2	-0.2	-0.7	-0.5	0.2	0	0.5	0.9	-0.1	0.4	0.2	-0.7	0.4
Annual core inflation (%)	1.8	1.0	-0.4	-0.8	-1.6	-2.0	-5.0	-5.6	-5.0	-4.4	-4.2	-3.6	-3.5	-3.3	-2.5
Financial surplus/deficit in the consolidated general government budget (in millions of lats)	-3.7	12.2	-77.0	-20.8	-73.6	-304.0	70.7	-87.8	-115.5	-55.6	32.9	-18.4	-12.8	-9.4	-98.0

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

² Data have been revised.

³ Year-on-year basis.

3. MONETARY BASE

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Currency in circulation	767.1	756.7	748.7	745.6	739.5	788.2	752.4	767.7	774.2	827.1	819.0	838.3	856.4	864.5	866.8
Currency as percent of the monetary base	49.0	48.1	46.7	46.8	42.8	47.9	43.1	39.9	52.9	51.3	52.4	49.3	49.2	52.3	48.9
Deposits with the Bank of Latvia in lats	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	869.9	773.5	887.8
Deposits with the Bank of Latvia in foreign currencies	7.7	7.6	14.2	9.3	47.4	19.9	9.8	10.9	16.7	14.5	15.1	24.2	14.9	14.8	16.6
Deposits as percent of the monetary base	51.0	51.9	53.3	53.2	57.2	52.1	56.9	60.1	47.1	48.7	47.6	50.7	50.8	47.7	51.1
M0	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	1 741.2	1 652.7	1 771.2
Net foreign assets	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	3 939.4	4 088.0	4 139.8
Loans to MFIs	255.0	235.0	225.0	226.1	145.2	140.4	131.7	117.6	117.6	116.3	0	0	0	0	0
Credit to central government (net)	-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	-1 347.0	-1 372.3	-1 327.7
Other items (net)	-253.7	-261.7	-266.3	-262.9	-258.0	-515.9	-350.0	-384.0	-974.5	-853.0	-882.4	-819.2	-851.2	-1 063.0	-1 041.0
Total	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	1 741.2	1 652.7	1 771.2

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Monetary aggregates															
M3	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	6 173.7	6 252.0	6 332.9
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3	98.4	99.9	98.1	97.5	103.2	94.6
Debt securities issued with maturity of up to 2 years	1.7	1.7	0.9	0.9	0.9	0.9	0.9	0.9	0	0	12.4	20.6	20.6	20.6	20.6
M2	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	6 055.6	6 128.1	6 217.7
Deposits with an agreed maturity of up to 2 years	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	2 496.4	2 532.7	2 573.7
Deposits redeemable at notice of up to 3 months	277.5	270.2	261.0	257.0	253.4	251.6	249.9	248.2	241.0	234.3	229.4	233.7	233.1	231.5	235.1
M1	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	3 326.1	3 364.0	3 408.9
Currency outside MFIs	664.9	658.3	651.5	641.8	639.6	667.3	653.0	666.5	669.2	713.9	715.3	733.6	750.8	758.5	760.1
Overnight deposits	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	2 575.3	2 605.5	2 648.8
Counterparts of monetary aggregates and longer-term financial liabilities															
Deposits of central government	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	2 046.2	2 094.5	2 050.6
Longer-term financial liabilities	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	2 197.6	2 315.2	2 322.5
Deposits with an agreed maturity of over 2 years	162.1	162.2	163.2	162.6	159.5	159.3	158.2	158.9	160.3	162.6	241.1	206.8	203.4	213.1	213.3
Deposits redeemable at notice of over 3 months	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	0
Debt securities issued with maturity of over 2 years	159.0	156.1	156.1	153.6	152.3	152.6	149.3	157.7	157.8	158.0	171.4	171.6	171.2	168.6	175.6
Capital and reserves	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	1 823.0	1 933.6	1 933.5
Credit to residents	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	13 644.5	13 613.3	13 522.6
Credit to general government	710.7	685.8	663.9	665.0	580.8	590.8	641.9	644.0	664.3	583.3	554.2	553.8	543.1	516.7	503.1
Credit to other residents	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	13 101.3	13 096.6	13 019.5
Loans	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	12 893.7	12 885.2	12 808.1
Net external assets	-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	-1 658.0	-1 470.6	-1 320.1
Other items (net)	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	1 569.0	1 481.0	1 496.5

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1	2 890.8	2 871.8	2 890.6	2 883.8	2 923.1	2 932.8	2 971.8	3 045.3	3 150.3	3 209.6	3 197.7	3 227.6	3 266.0	3 327.3	3 413.2
M2	5 612.3	5 579.6	5 578.7	5 579.7	5 645.9	5 743.0	5 763.9	5 858.7	5 968.5	6 028.8	6 029.0	5 961.3	6 016.0	6 119.0	6 267.6
M3	5 674.0	5 646.6	5 656.8	5 657.8	5 736.2	5 817.7	5 856.1	5 964.2	6 064.0	6 125.3	6 143.6	6 080.5	6 136.3	6 241.4	6 386.7

6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	255.0	235.0	225.0	226.1	145.2	140.4	131.7	117.6	117.6	116.3	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	255.0	235.0	225.0	226.1	145.2	140.4	131.7	117.6	117.6	116.3	0	0	0	0	0
Holdings of securities other than shares issued by residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity issued by residents	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
External assets	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	3 960.6	4 117.5	4 175.8
Fixed assets	33.1	33.3	33.3	33.2	33.1	33.2	33.0	32.8	32.6	32.3	32.1	31.9	32.0	31.8	31.7
Remaining assets	4.7	6.3	2.8	4.3	4.1	2.0	2.7	3.6	2.0	2.7	1.2	1.2	1.2	1.3	1.4
Total	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	3 993.7	4 150.6	4 208.9
LIABILITIES															
Currency in circulation	767.1	756.7	748.7	745.6	739.5	788.2	752.4	767.7	774.2	827.1	819.0	838.3	856.4	864.5	866.8
Deposits of residents	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	2 827.8	2 954.9	3 004.8
Central government	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	1 347.0	1 372.3	1 327.7
Other residents	5.7	1.8	1.5	2.1	2.1	1.9	2.5	2.4	2.1	3.0	3.6	4.0	11.2	20.2	40.2
MFIs	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	1 469.6	1 562.4	1 637.0
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	283.7	290.5	296.6	296.4	288.4	287.7	298.0	307.5	310.2	268.4	275.3	281.6	286.1	299.0	298.6
External liabilities	12.1	11.2	18.5	16.6	44.1	71.5	41.7	40.0	22.0	42.3	49.4	18.3	21.2	29.5	36.0
Remaining liabilities	6.4	9.5	4.3	3.6	6.5	3.4	3.1	3.1	27.5	4.6	3.3	3.1	2.3	2.8	2.7
Total	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	3 993.7	4 150.6	4 208.9

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

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	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	14 617.7	14 705.3	14 749.3
General government	160.7	159.1	156.8	157.7	157.5	156.5	155.0	154.4	152.1	66.8	66.9	67.8	66.3	65.7	65.1
Other residents	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	12 893.7	12 885.2	12 808.1
MFIs	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	1 657.8	1 754.4	1 876.1
Holdings of securities other than shares issued by residents	584.2	559.9	540.8	539.3	454.8	467.2	518.2	516.2	541.2	545.8	512.4	510.4	500.4	471.9	459.5
General government	550.0	526.7	507.1	507.3	423.2	434.3	486.9	489.7	512.2	516.5	487.3	486.0	476.8	451.0	437.9
Other residents	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
MFIs	34.1	33.1	33.6	31.9	31.5	32.9	31.2	26.4	28.9	29.3	25.1	24.2	23.5	20.9	21.5
Money market fund shares and units	x	x	x	x	x	x	x	x	x	x	0.4	0.4	0.4	0.4	0.4
Holdings of shares and other equity issued by residents	162.4	163.7	167.5	165.5	168.0	164.0	157.9	163.7	172.4	177.1	190.2	206.0	207.6	211.3	211.3
External assets	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	4 742.8	4 905.8	4 579.5
Fixed assets	164.8	160.0	158.4	156.4	154.6	148.5	146.7	144.9	135.2	134.0	106.0	93.9	92.8	91.4	90.2
Remaining assets	496.9	515.3	539.2	551.9	580.1	597.6	575.9	577.5	594.3	609.0	601.1	609.9	599.9	630.7	622.4
Total	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	20 761.5	21 016.9	20 712.6
LIABILITIES															
Deposits of residents	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	6 490.9	6 480.6	6 593.2
Central government	664.9	662.8	680.5	642.3	644.1	640.2	640.8	711.9	715.4	715.5	747.2	798.8	699.2	722.2	723.0
Other residents	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	5 497.0	5 562.6	5 630.8
MFIs	359.0	335.6	309.4	312.4	364.8	284.9	254.1	266.5	248.9	245.4	283.0	195.3	294.7	195.8	239.5
Money market fund shares and units	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3	98.4	100.3	98.5	97.9	103.6	94.9
Debt securities issued	160.7	157.7	157.0	154.5	153.2	153.5	150.2	158.6	157.8	158.0	183.8	192.2	191.8	189.2	196.2
Capital and reserves	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	1 536.9	1 634.6	1 634.9
External liabilities	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	10 340.2	10 464.4	10 039.4
Remaining liabilities	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	2 103.9	2 144.6	2 153.9
Total	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	20 761.5	21 016.9	20 712.6

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	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	12 960.0	12 950.9	12 873.2
General government	160.7	159.1	156.8	157.7	157.5	156.5	155.0	154.4	152.1	66.8	66.9	67.8	66.3	65.7	65.1
Other residents	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	12 893.7	12 885.2	12 808.1
Holdings of securities other than shares issued by other residents	550.1	526.8	507.2	507.4	423.3	434.4	487.0	489.7	512.3	516.5	487.4	486.1	476.9	451.1	438.0
General government	550.0	526.7	507.1	507.3	423.2	434.3	486.9	489.7	512.2	516.5	487.3	486.0	476.8	451.0	437.9
Other residents	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of shares and other equity issued by other residents	162.4	163.7	167.5	165.5	168.0	164.0	157.9	163.7	172.4	177.1	190.2	206.0	207.6	211.3	211.3
External assets	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	8 703.4	9 023.3	8 755.3
Fixed assets	197.9	193.3	191.7	189.6	187.6	181.7	179.7	177.7	167.7	166.4	138.2	125.8	124.8	123.2	121.9
Remaining assets	399.4	423.2	444.8	452.5	484.3	478.9	479.2	479.9	491.4	498.6	498.4	506.6	495.4	526.0	517.1
Total	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	22 968.0	23 285.8	22 916.9
LIABILITIES															
Currency outside MFIs	664.9	658.3	651.5	641.8	639.6	667.3	653.0	666.5	669.2	713.9	715.3	733.6	750.8	758.5	760.1
Deposits of central government	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	2 046.2	2 094.5	2 050.6
Deposits of other general government and other residents	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	5 508.3	5 582.8	5 671.0
Money market fund shares and units	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3	98.4	99.9	98.1	97.5	103.2	94.6
Debt securities issued	126.5	124.6	123.4	122.6	121.7	120.6	119.1	132.2	128.9	128.7	158.8	168.0	168.3	168.3	174.7
Capital and reserves	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	1 823.0	1 933.6	1 933.5
External liabilities	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	10 361.3	10 493.9	10 075.4
Remaining liabilities	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	2 106.2	2 147.3	2 156.7
Excess of inter-MFI liabilities	4.4	4.8	4.5	3.4	3.2	3.1	4.1	6.1	0.1	0.7	-7.5	1.6	106.5	3.8	0.3
Total	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	22 968.0	23 285.8	22 916.9

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

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
MFI reserves	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	1 567.7	1 664.9	1 740.2
Vault cash in national currency	102.2	98.4	97.1	103.8	99.9	120.8	99.4	101.3	105.0	113.1	103.7	104.7	105.7	106.0	106.7
Deposits with the Bank of Latvia	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	1 462.0	1 558.9	1 633.4
Foreign assets	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	4 742.8	4 905.8	4 579.5
Claims on the central government	634.4	611.1	591.5	591.7	508.0	519.1	572.0	574.4	600.5	520.3	491.2	489.6	479.9	454.0	441.0
Loans	84.4	84.4	84.4	84.4	84.8	84.8	85.0	84.7	88.3	3.9	3.9	3.6	3.1	3.1	3.1
Holdings of securities other than shares	550.0	526.7	507.1	507.3	423.2	434.3	486.9	489.7	512.2	516.5	487.3	486.0	476.8	451.0	437.9
Claims on the local government	76.3	74.7	72.3	73.3	72.8	71.8	70.0	69.6	63.8	62.9	63.0	64.2	63.2	62.6	62.1
Loans	76.3	74.7	72.3	73.3	72.8	71.8	70.0	69.6	63.8	62.9	63.0	64.2	63.2	62.6	62.1
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	777.1	806.2	832.0	814.2	821.2	729.6	694.3	646.9	608.1	627.8	654.4	641.6	630.7	622.2	615.0
Loans	647.2	677.2	702.3	686.6	690.9	624.9	595.8	548.4	501.4	484.9	490.1	469.8	457.5	448.9	442.0
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	129.9	129.0	129.7	127.6	130.3	104.7	98.5	98.5	106.7	142.9	164.3	171.7	173.2	173.3	173.0
Claims on public non-financial corporations	382.9	382.5	392.5	390.5	396.6	395.7	405.5	405.8	403.8	407.2	409.4	407.7	410.8	414.4	418.6
Loans	382.9	382.5	392.5	390.5	396.6	395.7	405.5	405.8	403.8	407.2	409.4	407.7	410.8	414.4	418.6
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on private non-financial corporations	6 746.2	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	6 145.4	6 167.0	6 131.0
Loans	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	6 110.9	6 129.0	6 092.7
Holdings of securities other than shares	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of shares and other equity	32.6	34.7	37.8	37.8	37.7	59.3	59.4	65.2	65.6	34.2	25.9	34.3	34.4	38.0	38.3
Claims on households	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	5 914.5	5 893.0	5 854.9
Loans	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	5 914.5	5 893.0	5 854.9
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	164.8	160.0	158.4	156.4	154.6	148.5	146.7	144.9	135.2	134.0	106.0	93.9	92.8	91.4	90.2
Other assets	394.7	416.9	442.0	448.1	480.2	476.8	476.5	476.3	489.3	495.9	497.2	505.2	494.2	524.7	515.7
Claims on resident MFIs	358.1	334.3	308.5	312.5	365.1	285.3	253.6	265.4	252.3	248.2	290.5	197.8	195.8	195.5	242.6
Holdings of MFI securities other than shares	34.1	33.1	33.6	31.9	31.5	32.9	31.2	26.4	28.9	29.3	25.1	24.2	23.5	20.9	21.5
Money market fund shares and units	x	x	x	x	x	x	x	x	x	x	0.4	0.4	0.4	0.4	0.4
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	21 139.8	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	20 761.5	21 016.9	20 712.6

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

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Overnight deposits in lats	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	1 389.6	1 409.4	1 439.8
Financial institutions	51.5	36.5	36.0	43.5	46.3	38.8	57.6	92.0	71.6	81.4	82.8	86.7	88.7	88.6	88.2
Public non-financial corporations	66.7	60.9	74.6	67.2	75.9	70.4	76.6	73.1	93.8	79.4	83.5	93.6	93.5	84.2	67.8
Private non-financial corporations	403.7	418.0	421.0	410.8	431.3	448.2	444.2	440.7	448.0	471.4	496.6	502.3	524.8	566.9	601.3
Households	520.6	499.8	502.1	486.6	502.8	557.5	516.6	541.7	597.5	625.9	622.7	669.8	682.5	669.7	682.5
Time deposits in lats	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	1 173.2	1 157.1	1 173.6
Financial institutions	260.2	246.4	243.9	249.1	254.5	296.6	256.3	265.7	271.9	280.3	284.3	293.1	294.7	293.7	306.1
Public non-financial corporations	163.4	175.0	179.8	192.8	208.8	200.9	231.2	244.7	261.6	275.0	284.4	208.3	206.6	218.7	244.3
Private non-financial corporations	107.2	122.4	95.9	91.1	88.9	117.9	120.6	163.2	181.0	178.1	188.3	181.5	175.9	150.7	136.0
Households	469.5	463.8	464.5	461.3	464.2	504.2	511.0	515.1	495.7	492.7	512.4	498.2	496.0	494.1	487.3
Deposits redeemable at notice in lats	52.4	52.9	50.6	49.2	51.5	51.7	53.2	55.9	57.8	58.9	57.4	58.6	62.6	65.4	67.8
Financial institutions	0.8	1.9	0.8	0.8	1.5	3.9	5.2	5.1	5.7	5.3	5.6	5.9	6.4	7.5	7.5
Public non-financial corporations	0.1	0.1	0.4	0.5	0.7	0.7	0.8	0.9	0.7	0.8	1.1	1.1	1.1	1.0	1.2
Private non-financial corporations	7.6	7.2	7.4	7.1	7.8	8.0	8.6	11.6	11.5	11.2	8.3	7.1	8.7	9.0	9.8
Households	43.9	43.6	42.0	40.9	41.5	39.1	38.7	38.3	39.9	41.6	42.5	44.5	46.4	47.9	49.3
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	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	2 685.0	2 729.7	2 749.1
Financial institutions	275.3	281.2	302.5	329.7	340.3	380.6	368.7	380.5	391.6	396.5	322.2	317.6	324.0	325.8	340.2
Public non-financial corporations	45.2	43.8	29.1	62.2	52.8	50.6	34.6	34.2	82.7	67.6	92.1	44.4	43.5	52.1	55.8
Private non-financial corporations	737.2	727.1	703.0	677.5	668.6	663.6	660.6	641.8	635.0	642.5	641.8	633.3	628.2	670.4	680.3
Households	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	1 689.2	1 681.5	1 672.7
Deposits of central government	664.9	662.8	680.5	642.3	644.1	640.2	640.8	711.9	715.4	715.5	747.2	798.8	699.2	722.2	723.0
Overnight deposits in lats	3.5	4.8	7.2	5.6	8.9	7.2	5.6	3.9	6.4	5.1	5.9	5.6	6.7	8.0	8.3
Time deposits in lats	17.8	15.8	24.0	19.0	17.9	16.5	18.7	11.8	12.3	14.0	22.8	38.3	35.9	35.6	44.4
Deposits redeemable at notice and repos in lats	0	1.0	0	0.4	0.1	0	0.2	0.1	0.3	0	0	0.1	0.6	0.6	0.6
Foreign currency deposits	643.6	641.1	649.2	617.3	617.2	616.5	616.4	696.2	696.4	696.4	718.5	754.8	655.9	678.0	669.7
Deposits of local government	180.1	175.6	173.2	162.1	158.3	133.3	135.0	147.1	159.8	171.5	186.6	185.0	186.7	201.0	200.6
Overnight deposits in lats	121.2	119.6	116.7	103.6	102.3	73.3	73.4	87.8	97.9	100.3	122.7	120.5	121.6	136.7	134.3
Time deposits in lats	17.6	15.4	8.9	10.1	7.4	13.2	14.3	10.6	10.8	18.3	10.9	10.2	11.3	11.4	14.7
Deposits redeemable at notice and repos in lats	1.1	1.2	1.1	0.7	0.7	1.2	1.6	1.6	1.9	1.9	2.7	4.7	4.3	4.0	4.9
Foreign currency deposits	40.3	39.3	46.5	47.6	48.0	45.6	45.7	47.2	49.2	51.0	50.3	49.7	49.5	48.8	46.7
Transit funds	3.2	3.2	3.2	3.2	3.0	3.0	3.0	3.0	3.0	3.0	x	x	x	x	x
Foreign liabilities	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	10 340.2	10 464.4	10 039.4

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

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Liabilities to the Bank of Latvia	255.0	235.0	225.0	226.1	145.2	140.4	131.7	118.1	117.6	116.3	0	0	0	0	0
Money market fund shares and units	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3	98.4	100.3	98.5	97.9	103.6	94.9
Debt securities issued	160.7	157.7	157.0	154.5	153.2	153.5	150.2	158.6	157.8	158.0	183.8	192.2	191.8	189.2	196.2
Capital and reserves	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	1 536.9	1 634.6	1 634.9
Residents	758.9	704.1	535.3	507.9	478.8	392.8	391.6	432.5	350.1	378.5	343.0	313.0	272.1	356.8	357.0
Retained earnings of the reporting year	-396.6	-450.6	-573.5	-636.7	-713.0	-762.0	-34.8	-58.3	-131.3	-173.6	-203.1	-244.7	-297.7	-293.0	-307.4
Non-residents	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	1 264.9	1 277.8	1 277.9
Provisions	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	1 852.9	1 827.4	1 807.4
Other liabilities (incl. subordinated liabilities)	421.1	440.1	439.7	426.8	416.9	375.7	399.9	383.4	466.7	397.7	302.3	298.4	251.0	317.2	346.6
Liabilities to resident MFIs	359.0	335.6	309.4	312.4	364.8	284.9	254.1	266.5	248.9	245.4	283.0	195.3	294.7	195.8	239.5
TOTAL LIABILITIES	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	20 761.5	21 016.9	20 712.6
Memo items															
Trust assets	349.5	327.5	316.1	316.5	357.7	391.5	405.1	430.2	422.1	387.5	375.8	533.5	414.5	424.0	439.1
Foreign	225.5	204.0	207.8	208.1	251.2	282.7	294.1	319.7	313.5	295.5	307.8	452.4	330.4	347.1	370.9
Domestic	124.0	123.5	108.3	108.4	106.6	108.8	111.0	110.5	108.6	92.0	68.0	81.1	84.1	76.9	68.2
Trust liabilities	349.5	327.5	316.1	316.5	357.7	391.5	405.1	430.2	422.1	387.5	375.8	533.5	414.5	424.0	439.1
Foreign	293.2	270.6	257.9	257.6	300.6	335.4	348.8	359.0	350.1	316.5	308.7	473.8	354.0	368.6	382.4
Domestic	56.3	56.9	58.2	59.0	57.1	56.0	56.2	71.2	72.0	71.0	67.1	59.8	60.5	55.4	56.7

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										
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
VII	750.8	2 410.6	1 225.8	1 080.4	104.4	2 899.7	1 688.3	971.1	240.3	6 061.1
VIII	758.5	2 427.9	1 208.6	1 124.8	94.5	2 933.8	1 684.6	987.7	261.5	6 120.1
IX	760.1	2 476.6	1 217.5	1 181.3	77.8	2 953.6	1 674.3	988.0	291.3	6 190.3
	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										
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	
VII	-1 658.0	11 411.7	-1 689.7	5 914.5	6 776.1	410.8	-3 692.6	7 719.1	6 061.1	
VIII	-1 470.6	11 317.8	-1 778.8	5 893.0	6 789.2	414.4	-3 727.1	7 590.7	6 120.1	
IX	-1 320.1	11 271.4	-1 748.1	5 854.8	6 746.1	418.6	-3 761.0	7 510.4	6 190.3	

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

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Claims on MFIs	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	2 579.2	2 662.2	2 464.5
Loans															
Overnight	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	1 477.9	1 684.7	1 487.4
Short-term	549.8	625.7	601.6	501.2	550.9	886.1	863.5	650.9	551.9	800.9	794.7	622.5	704.3	570.7	592.1
Long-term	58.7	56.4	53.3	52.4	52.1	55.5	54.6	58.8	56.0	56.7	57.9	32.1	32.1	29.7	29.9
Redeemable at notice	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of securities other than shares	470.9	467.5	461.2	459.6	424.4	424.4	400.9	401.5	398.5	325.7	311.7	296.4	287.2	314.3	292.1
Holdings of shares and other equity	0.3	0.3	0.4	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.8	0.4	0.5	0.5
Other claims	67.8	77.1	77.1	77.1	90.1	77.2	77.2	77.2	77.2	77.2	77.2	77.2	77.2	62.2	62.2
Claims on non-MFIs	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	1 998.0	2 050.2	1 941.0
Loans															
Short-term	289.5	304.3	295.6	284.2	245.2	246.3	235.9	260.4	318.4	324.1	389.9	397.0	443.4	471.8	430.5
Long-term	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	1 032.3	1 057.6	994.4
Holdings of securities other than shares															
Government	202.6	180.7	180.6	172.7	164.4	160.3	147.3	138.1	168.0	243.9	270.6	279.1	311.3	304.3	297.3
Private sector	158.7	156.8	158.5	158.0	155.4	158.5	167.7	169.0	152.4	138.5	164.6	167.4	156.4	161.1	164.2
Holdings of shares and other equity	30.0	28.8	31.0	28.7	28.2	25.9	26.8	27.0	27.4	27.3	25.6	25.9	25.3	26.1	25.4
Other claims	17.2	12.5	12.5	12.5	12.5	26.3	26.9	27.5	27.9	29.2	29.2	29.2	29.2	29.2	29.2
Vault cash in foreign currencies	72.0	68.1	67.6	61.6	64.8	63.4	68.1	67.4	67.9	67.8	75.7	74.1	70.0	81.6	64.1
Other assets															
Other assets	106.8	102.8	108.1	90.8	99.7	95.6	107.7	107.6	84.1	100.1	131.5	118.5	95.6	111.7	109.9
Total foreign assets	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	4 742.8	4 905.8	4 579.5
Memo items															
Trust assets	225.5	204.0	207.8	208.1	251.2	282.7	294.1	319.7	313.5	295.5	307.8	452.4	330.4	347.1	370.9

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

(at end of period; in millions of lats)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Liabilities to MFIs															
Overnight	269.6	357.1	251.3	225.4	170.5	170.5	285.3	341.1	385.5	362.1	342.7	396.5	413.7	451.9	563.9
Short-term	586.2	622.4	544.2	532.7	470.0	491.2	410.1	464.8	458.6	439.8	552.5	738.5	687.1	607.7	579.7
Long-term	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	5 528.4	5 491.5	5 229.3
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	6 244.1	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	5 518.1	5 556.8	5 508.2
Non-MFI deposits															
Overnight	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	2 412.1	2 506.2	2 320.2
Short-term	810.5	909.8	889.8	914.4	884.7	998.1	884.8	769.1	764.6	750.7	746.1	687.2	626.2	689.3	611.4
Long-term	112.5	112.8	115.4	118.0	119.4	154.1	146.4	147.6	278.2	267.8	335.3	378.8	388.7	385.8	425.9
Redeemable at notice	165.1	168.9	158.6	144.3	142.7	181.7	171.0	173.1	149.7	171.6	172.4	170.2	161.4	178.9	170.1
Other liabilities															
Other liabilities ¹	480.9	479.8	560.5	578.2	579.6	554.0	541.6	523.0	673.5	527.4	128.5	119.6	122.7	153.1	138.9
Total foreign liabilities	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	10 340.2	10 464.4	10 039.4
Memo items															
Trust liabilities	293.2	270.6	257.9	257.6	300.6	335.4	348.8	359.0	350.1	316.5	308.7	473.8	354.0	368.6	382.4

¹ Including subordinated liabilities.

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

(at end of period; in millions of lats)

	2010		
	Q1	Q2	Q3
Foreign assets ¹	4 592.2	4 691.8	4 515.4
Claims on MFIs	2 263.8	2 243.2	2 109.6
EU	1 617.5	1 690.0	1 545.6
incl. EMU	764.1	794.5	692.1
Other countries	646.3	553.2	564.0
Loans to non-MFIs	1 392.7	1 454.1	1 424.9
EU	648.6	667.9	701.3
incl. EMU	391.6	402.2	383.0
Other countries and international institutions	744.1	786.2	723.6
Foreign liabilities ²	10 499.6	10 406.6	10 039.4
Liabilities to MFIs	6 563.9	6 696.9	6 372.8
EU	5 964.3	6 095.3	5 834.6
incl. EMU	2 475.6	2 483.4	2 458.2
Other countries and international institutions	599.6	601.6	538.2
Non-MFI deposits	3 262.2	3 590.1	3 527.6
EU	803.0	939.7	945.1
incl. EMU	395.8	443.5	450.0
Other countries and international institutions	2 459.2	2 650.4	2 582.5

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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Overnight deposits															
Amount	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	2 410.6	2 427.9	2 476.6
% 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	45.4	45.3	45.6
Time deposits															
Maturity of 1–6 months															
Amount	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	1 176.9	1 182.9	1 183.6
% ¹	25.5	25.9	26.0	26.7	26.7	27.9	27.4	27.4	26.8	26.2	25.5	22.7	22.2	22.1	21.8
Maturity of 6–12 months															
Amount	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	1 060.0	1 077.3	1 085.4
% ¹	18.1	18.1	17.7	17.4	17.2	17.0	17.8	17.8	18.2	18.7	18.8	19.5	20.0	20.1	20.0
Long-term															
Amount	398.4	390.3	388.5	388.5	383.1	385.0	375.5	385.8	385.1	386.6	465.1	429.1	434.0	446.2	454.5
% ¹	8.0	7.9	8.0	8.0	7.8	7.5	7.4	7.4	7.3	7.2	8.6	8.1	8.2	8.3	8.4
Maturity of 1–2 years															
Amount	236.4	228.2	225.4	226.0	223.6	225.7	217.4	227.0	224.9	224.1	224.0	222.3	230.7	233.2	241.2
% ¹	4.7	4.6	4.6	4.6	4.5	4.4	4.3	4.4	4.2	4.2	4.1	4.2	4.3	4.3	4.4
Maturity of over 2 years															
Amount	162.0	162.2	163.2	162.6	159.5	159.3	158.1	158.9	160.2	162.5	241.1	206.7	203.3	213.0	213.3
% 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	3.8	4.0	3.9
Deposits redeemable at notice															
Up to 3 months															
Amount	273.3	267.9	259.2	255.9	252.4	250.4	248.2	246.6	239.1	232.3	226.6	229.0	228.8	227.3	230.1
% ¹	5.5	5.5	5.3	5.2	5.1	4.9	4.9	4.8	4.5	4.3	4.2	4.3	4.3	4.2	4.2
Over 3 months															
Amount	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	0
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repos															
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	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	5 310.4	5 361.6	5 430.2

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

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

(at end of period; in millions of lats)

Insurance corporations and pension funds									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2009									
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
VII	82.5	218.6	34.3	32.0	0.5	0	0	368.0	297.7
VIII	87.5	216.0	35.1	34.4	0.5	0	0	373.5	294.5
IX	91.4	227.0	39.2	35.1	0.5	0	0	393.1	302.3
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									
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
VII	70.4	226.5	9.7	30.7	8.6	0	0	345.9	92.2
VIII	53.4	237.0	10.7	30.8	10.3	0	0	342.1	95.3
IX	62.8	237.0	10.6	30.8	7.6	0	0	348.8	99.4

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									
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
VII	104.4	236.5	0.8	1.5	1.5	0	0	344.7	301.2
VIII	94.5	257.5	1.0	1.5	1.4	0	0	356.0	303.9
IX	77.8	287.2	1.0	1.5	1.6	0	0	369.1	313.3
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									
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
VII	927.5	349.9	26.2	11.6	22.4	0	0	1 337.6	709.4
VIII	983.9	349.2	24.6	17.4	21.7	0	0	1 396.9	726.5
IX	1 027.1	329.0	28.6	16.8	25.9	0	0	1 427.4	747.1

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									
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
VII	1 225.8	1 205.3	159.7	127.5	195.7	0	0	2 914.1	1 224.9
VIII	1 208.6	1 200.4	161.7	128.9	193.5	0	0	2 893.2	1 211.7
IX	1 217.6	1 188.7	161.8	129.1	194.5	0	0	2 891.8	1 219.0

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

(at end of period; in millions of lats)

	General government				Non-residents				In lats	
	Central government	Local government	In lats		MFIs	Non-MFIs				
							General government	Other		
2009										
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
VII	699.2	186.7	885.9	180.4	6 629.1	3 588.4	2.9	3 585.5	10 217.5	198.8
VIII	722.2	201.0	923.2	196.3	6 551.1	3 760.2	2.0	3 758.2	10 311.3	180.7
IX	723.0	200.6	923.6	207.1	6 372.8	3 527.6	2.0	3 525.7	9 900.5	189.8

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								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Short-term															
Amount	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	2 217.7	2 264.5	2 277.6
% ¹	12.3	12.6	13.1	13.2	13.1	13.4	13.2	13.3	13.6	13.5	16.4	16.5	17.2	17.6	17.8
Maturity of 1–5 years															
Amount	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	2 536.7	2 500.8	2 446.4
% ¹	26.1	25.7	25.2	25.0	24.4	24.0	24.0	23.7	23.3	23.6	20.7	20.5	19.7	19.4	19.1
Maturity of over 5 years															
Amount	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	8 139.2	8 119.9	8 084.1
% ¹	61.6	61.7	61.7	61.8	62.5	62.6	62.8	63.0	63.1	62.9	62.9	63.0	63.1	63.0	63.1
Total loans	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	12 893.7	12 885.2	12 808.1

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																
VII	0.1	1.3	0.1	44.5	645.9	79.4	6.7	34.4	341.7	382.9	15.8	1 227.2	2 516.2	2 970.1	6 713.5	544.4
VIII	0.1	1.3	0.1	72.6	675.8	92.9	6.0	34.0	342.4	382.5	15.3	1 225.6	2 470.2	2 954.4	6 650.1	493.2
IX	0.1	1.3	0.1	86.3	701.0	96.3	10.3	36.8	345.4	392.5	13.6	1 244.7	2 426.5	2 929.0	6 600.1	444.3
X	0	1.3	0	86.8	685.3	93.6	7.6	36.2	346.7	390.5	14.1	1 247.3	2 394.8	2 924.3	6 566.5	429.5
XI	0.5	1.8	0.1	95.7	689.1	89.9	8.6	36.7	351.3	396.6	12.1	1 220.0	2 359.1	2 931.2	6 510.3	393.0
XII	0	1.3	0	87.5	623.6	88.8	9.4	35.7	350.7	395.7	11.6	1 237.7	2 269.9	2 898.5	6 406.0	364.2
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	362.4
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	356.4
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	354.9
IV	0	1.3	0	69.6	483.6	71.3	6.4	47.8	352.9	407.2	11.1	1 252.0	2 189.6	2 815.5	6 257.1	347.2
V	0.3	1.8	0.3	154.9	488.3	68.3	22.7	32.7	354.0	409.4	11.8	1 484.4	1 905.4	2 857.2	6 246.9	384.8
VI	0	1.5	0	151.3	468.3	64.0	20.8	31.9	355.0	407.7	10.7	1 481.5	1 873.4	2 823.3	6 178.2	362.5
VII	0	1.5	0	154.3	456.0	58.7	20.9	31.2	358.7	410.8	11.0	1 538.2	1 769.6	2 803.0	6 110.9	350.4
VIII	0	1.5	0	156.6	447.4	58.4	21.2	30.4	362.8	414.4	11.0	1 579.9	1 749.5	2 799.5	6 129.0	344.0
IX	0	1.5	0	158.0	440.5	53.6	21.4	29.3	367.8	418.6	10.9	1 596.5	1 709.7	2 786.5	6 092.7	341.0

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														
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
VII	660.3	223.5	112.3	324.5	4 726.1	186.3	325.3	4 214.5	528.1	94.4	125.1	308.6	5 914.5	563.2
VIII	657.6	225.0	109.0	323.6	4 710.4	188.2	322.1	4 200.0	525.0	93.6	123.9	307.5	5 893.0	557.6
IX	650.1	220.8	106.8	322.6	4 684.4	188.2	319.5	4 176.7	520.3	92.7	123.4	304.2	5 854.9	552.8

16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; in millions of lats)

	General government				Non-residents						
	Central government	Local government	In lats		MFIs	Non-MFIs			In lats		
						General government	Other				
2009											
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	
VII	3.1	63.2	66.3	2.3	2 214.4	1 475.8	0.3	1 475.4	3 690.2	260.8	
VIII	3.1	62.6	65.7	2.2	2 284.8	1 529.4	0.3	1 529.1	3 814.2	240.2	
IX	3.1	62.1	65.1	2.3	2 109.6	1 424.9	0.3	1 424.6	3 534.6	244.0	

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

(at end of Q3 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	2 723.7	100.0	276.3	100.0	2 157.0	100.0	93.9	100.0	2 071.9	100.0	35.1	100.0	6 952.6	100.0	405.4	100.0
A Agriculture, forestry and fishing	107.2	4.0	15.4	5.6	117.7	5.4	11.0	11.7	95.0	4.6	14.7	41.8	319.8	4.6	41.0	10.1
B Mining and quarrying	8.9	0.3	3.3	1.2	7.7	0.3	0.2	0.2	4.0	0.2	0.1	0.4	20.6	0.3	3.6	0.9
C Manufacturing	345.4	12.7	46.9	17.0	287.3	13.3	4.4	4.7	293.9	14.2	4.9	13.8	926.5	13.3	56.2	13.9
D Electricity, gas, steam and air conditioning supply	6.3	0.2	2.2	0.8	68.2	3.2	0.5	0.6	143.1	6.9	0.5	1.3	217.6	3.1	3.2	0.8
E Water supply; sewerage, waste management and remediation activities	5.9	0.2	0.6	0.2	7.7	0.4	1.0	1.1	14.2	0.7	0.4	1.1	27.9	0.4	2.0	0.5
F Construction	300.5	11.0	19.4	7.0	161.2	7.5	1.9	2.0	256.2	12.4	2.8	7.9	717.9	10.3	24.0	5.9
G Wholesale and retail trade; repair of motor vehicles and motorcycles	485.2	17.8	51.3	18.6	162.9	7.5	30.6	32.6	165.8	8.0	2.1	5.8	813.9	11.7	83.9	20.7
H Transportation and storage	109.9	4.0	17.9	6.5	146.5	6.8	0.5	0.5	172.5	8.3	0.3	0.8	428.8	6.2	18.7	4.6
I Accommodation and food service activities	55.3	2.0	4.0	1.4	43.5	2.0	1.3	1.4	82.6	4.0	1.6	4.6	181.4	2.6	6.9	1.7
J Information and communication	24.8	0.9	13.3	4.8	36.9	1.7	0.2	0.3	6.5	0.3	0	0.1	68.2	1.0	13.5	3.3
K Financial and insurance activities	211.2	7.8	52.1	18.8	250.2	11.6	7.6	8.1	27.2	1.3	0.1	0.3	488.7	7.0	59.8	14.8
L Real estate activities	964.3	35.4	40.3	14.6	745.7	34.6	19.3	20.6	628.0	30.3	5.7	16.2	2 338.0	33.6	65.3	16.1
M Professional, scientific and technical activities	8.0	0.3	1.3	0.5	16.6	0.8	11.4	12.1	10.2	0.5	0.1	0.4	34.8	0.5	12.8	3.2
N Administrative and support service activities	25.0	0.9	3.4	1.2	34.3	1.6	1.5	1.6	21.2	1.0	0.3	0.9	80.5	1.2	5.2	1.3
O Public administration and defence; compulsory social security	0.7	0	0.2	0.1	0	0	0	0	47.4	2.3	0.1	0.4	48.2	0.7	0.4	0.1
P Education	2.0	0.1	0.1	0	1.3	0.1	0.1	0.1	1.9	0.1	0	0.1	5.2	0.1	0.1	0
Q Human health and social work activities	5.4	0.2	0.4	0.1	9.2	0.4	0.5	0.5	8.4	0.4	0.8	2.2	22.9	0.3	1.7	0.4
R Arts, entertainment and recreation	12.0	0.5	1.0	0.4	10.7	0.5	0.5	0.5	24.0	1.1	0.2	0.5	46.8	0.7	1.6	0.4
S Other service activities	45.7	1.7	3.3	1.2	49.2	2.3	1.3	1.4	70.1	3.4	0.5	1.4	165.0	2.4	5.1	1.3

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

(at end of period; in millions of lats)

	2009						2010					
	VII	VIII	IX	X	XI	XII	I ¹	II	III ¹	IV	VI ³	IX ³
Commercial credit	2 384.6	2 366.1	2 374.3	2 333.4	2 296.1	2 193.6	2 158.5	2 088.4	1 994.9	1 963.3	1 919.0 ²	1 898.0
Industrial credit	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	2 170.8
Reverse repo	7.5	6.6	6.1	6.0	6.3	5.1	4.2	3.9	2.5	2.7	3.9	1.0
Financial leasing	15.4	14.9	14.0	13.4	15.5	15.3	12.4	12.2	11.8	11.7	11.2	13.4
Consumer credit	504.6	504.1	498.2	494.0	490.2	482.2	484.5	472.3	474.2	498.0	496.2 ²	481.7
Mortgage loans	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	7 459.7 ²	7 361.2
Factoring	4.7	4.5	4.4	4.2	4.1	3.9	0.5	0.5	0.5	0.5	0.5	0.4
Transit credit	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	x	x
Other credit	1 111.9	1 104.3	1 107.2	1 097.2	1 099.3	1 073.5	880.3	897.9	877.3	884.7	908.3 ²	875.2
Total loans	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	12 993.2²	12 801.7

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										
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
VII	23.5	23.5	476.8	257.8	0.1	0.1	755.0	584.4	1 255.4	480.4
VIII	20.9	20.9	451.0	262.5	0.1	0.1	779.8	614.8	1 251.7	451.8
IX	21.5	21.5	437.9	269.1	0.1	0.1	753.5	610.9	1 213.1	438.8

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						
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	
VII	0.4	207.6	132.0	340.0	223.4	
VIII	0.4	211.3	118.1	329.8	212.1	
IX	0.4	211.3	117.4	329.1	212.3	

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										
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
VII	294.7	68.5	31.5	27.3	4.1	6 196.2	45.3	54.7	48.9	5.0
VIII	195.8	59.0	41.0	32.4	8.1	6 284.8	45.0	55.0	49.0	5.2
IX	239.5	47.1	52.9	44.7	6.9	6 353.8	45.5	54.5	48.7	4.9

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										
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
VII	6 629.1	2.0	98.0	95.4	1.1	3 588.4	1.9	98.1	34.2	60.2
VIII	6 551.1	1.9	98.1	95.1	1.4	3 760.2	1.5	98.5	33.3	61.2
IX	6 372.8	2.1	97.9	94.9	1.4	3 527.6	1.7	98.3	36.2	57.7

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						
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
VII	12 960.0	7.6	92.4	89.3		2.4
VIII	12 950.9	7.5	92.5	89.2		2.5
IX	12 873.2	7.5	92.5	89.4		2.3

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										
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
VII	2 214.4	10.3	89.7	34.4	48.1	1 475.8	2.2	97.8	43.0	52.8
VIII	2 285.2	9.3	90.7	34.5	49.7	1 529.4	1.7	98.3	43.6	52.4
IX	2 109.6	10.1	89.9	35.3	47.1	1 424.9	2.2	97.8	45.0	50.8

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											
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	
VII	23.5	31.7	68.3	65.0	3.3	476.9	98.2	1.8	1.8	0	
VIII	20.9	23.1	76.9	73.1	3.8	451.1	98.0	2.0	2.0	0	
IX	21.5	22.7	77.3	73.9	3.5	438.0	97.9	2.1	2.1	0	

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											
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	
VII	287.2	1.7	98.3	47.6	49.3	467.8	0	100.0	32.6	64.0	
VIII	314.3	1.6	98.4	41.3	55.5	465.4	0	100.0	35.9	60.9	
IX	292.1	1.7	98.3	47.4	49.3	461.4	0	100.0	37.9	59.0	

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			
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
VII	191.8	7.9	92.1
VIII	189.2	6.5	93.5
IX	196.2	6.2	93.8

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											
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	–
VII	0.79	3.11	5.26	4.60	1.88	x	0.28	0.70	4.58	4.88	–
VIII	0.68	3.08	4.91	4.64	1.60	x	0.24	0.89	4.60	4.50	–
IX	0.77	2.25	4.98	5.68	1.62	x	0.21	0.74	4.43	3.61	–

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													
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
VII	x	21.99	22.16	10.84	8.31	–	x	10.36	19.53	23.94	19.52	8.73	11.79
VIII	x	22.08	22.53	7.05	x	–	–	7.44	21.38	21.52	19.42	6.77	14.31
IX	x	21.90	21.41	11.27	x	–	x	10.46	21.44	20.49	19.33	7.01	13.15

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										
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	–
VII	x	4.13	17.41	9.17	8.06	–	–	x	x	–
VIII	x	3.98	18.86	7.54	x	x	–	x	x	–
IX	x	4.04	19.35	8.00	x	6.04	x	x	x	–

¹ End-of-period.

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

(%)

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										
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	–	–
VII	0.79	7.64	11.15	1.88	3.64	0.28	3.55	5.89	–	–
VIII	0.68	7.05	4.08	1.60	3.67	0.24	3.31	5.30	–	–
IX	0.77	6.61	4.07	1.62	4.19	0.21	3.13	4.88	–	–

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									
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
VII	7.87	6.90	6.09	23.63	18.52	8.88	4.74	6.73	4.96
VIII	7.89	6.81	5.90	24.05	20.60	9.77	4.80	6.26	4.83
IX	7.20	5.69	5.75	24.19	20.82	9.73	4.42	5.95	4.65

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											
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	–
VII	0.54	1.96	4.62	3.52	0.96	x	0.24	0.80	4.36	x	–
VIII	0.49	1.97	4.19	4.17	0.95	x	0.22	0.62	3.71	2.91	–
IX	0.48	1.76	4.29	5.17	0.95	x	0.31	0.69	2.85	2.57	–

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													
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
VII	x	5.43	26.18	4.01	6.79	7.10	x	4.53	10.82	21.37	24.15	5.88	8.60
VIII	x	4.50	31.39	3.42	6.54	6.53	x	3.80	10.49	24.73	28.84	4.86	7.08
IX	x	4.63	30.23	3.55	6.61	4.80	x	3.88	15.18	23.35	25.44	4.35	5.31

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										
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	
VII	x	4.80	12.30	6.59	8.27	5.88	5.30	4.32	4.28	
VIII	x	4.73	16.16	6.83	9.27	5.75	2.34	4.38	x	
IX	x	4.90	16.58	6.27	7.65	6.01	3.82	4.42	2.80	

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										
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	–	
VII	0.54	3.53	6.15	0.96	2.18	0.24	2.15	4.01	–	
VIII	0.49	3.49	6.11	0.95	3.55	0.22	2.11	5.15	–	
IX	0.48	3.43	6.25	0.95	3.55	0.31	2.06	5.63	–	

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										
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	
VII	7.71	5.10	3.69	8.07	7.36	5.14	4.59	4.19	3.40	
VIII	6.47	5.12	3.68	7.60	7.60	5.22	4.60	4.37	3.50	
IX	6.89	5.10	3.72	7.55	7.70	5.23	5.13	4.36	3.52	

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												
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	–	–
VII	0.24	1.63	4.62	5.15	2.29	x	0.11	0.33	–	–	–	–
VIII	0.24	1.45	4.98	5.15	2.25	x	0.09	0.34	–	x	–	–
IX	0.20	0.90	4.64	5.42	2.22	1.10	0.07	0.27	x	–	–	–

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														
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	
VII	x	18.81	23.76	3.56	–	x	x	3.71	15.75	x	15.77	6.10	x	
VIII	x	20.84	18.38	3.65	–	x	–	4.04	20.84	–	23.83	6.38	x	
IX	x	19.76	23.70	7.50	x	–	–	9.00	20.19	x	29.88	3.73	x	

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										
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	
VII	x	6.96	18.76	8.14	x	8.59	–	–	–	
VIII	x	6.76	21.83	8.03	x	5.61	–	10.52	–	
IX	x	6.70	15.68	30.91	x	–	–	–	–	

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										
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	–	
VII	0.24	3.09	4.83	2.29	1.05	0.11	2.08	3.94	–	
VIII	0.24	3.09	4.83	2.25	1.09	0.09	1.95	3.94	–	
IX	0.20	3.06	4.86	2.22	1.10	0.07	1.64	3.83	–	

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									
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
VII	7.01	4.82	3.64	12.66	9.74	4.23	6.13	4.83	5.75
VIII	7.01	4.87	3.59	11.66	9.91	4.23	7.73	4.73	5.21
IX	5.84	4.72	3.55	12.21	9.91	4.21	7.89	4.87	5.22

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

² Including bank overdraft.

22. LENDING IN THE INTERBANK MARKETS

(transactions; in millions of lats)

	Loans to resident MFIs											
	In lats					In foreign currencies						
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2009												
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	
VII	332.0	58.8	5.0	–	395.8	1 165.8	48.9	0.1	–	1 214.8	1 610.6	
VIII	246.4	42.6	–	–	289.0	1 099.5	39.2	0.1	–	1 138.8	1 427.8	
IX	284.9	33.0	5.7	–	323.6	1 142.8	54.5	0.2	–	1 197.5	1 521.1	
	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												
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						
VII	24 365.6	786.7	111.1	1.4	25 264.8	26 875.4						
VIII	25 319.1	841.2	22.8	0	26 183.1	27 610.9						
IX	22 250.9	688.0	29.0	24.5	22 992.4	24 513.5						

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2009						2010									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Weighted average interest rates on loans in lats																
Overnight	2.6	1.9	1.2	1.1	1.1	1.0	1.0	1.0	1.0	0.9	0.8	0.9	0.9	0.5	0.5	
Up to 1 month	3.1	2.3	1.7	1.8	1.5	1.2	1.1	1.0	0.9	0.9	0.9	0.8	0.8	0.6	0.6	
1–3 months	13.2	10.7	8.1	10.7	9.5	7.4	3.8	–	1.8	–	1.1	1.3	0.8	–	0.6	
Over 3 months	10.0	–	–	–	8.9	4.8	6.2	–	–	5.0	–	–	–	–	–	
Weighted average interest rates on loans in foreign currencies																
Overnight	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	
Up to 1 month	0.4	0.4	0.8	0.5	0.3	0.3	0.2	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.4	
1–3 months	1.0	–	0.6	4.0	–	–	3.5	–	–	–	–	–	0.4	0.3	0.2	
Over 3 months	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	–	–	–	0.5	1.0	
24.07.2010	–	–	–	–	0.375	0.5	
24.11.2010	–	–	–	–	0.25	0.375	

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

(% per annum)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Main refinancing operation with maturity 7 days average interest rate	4.5	4.1	–	4.0	4.0	–	–	4.0	–	–	–	–	–	3.5	–
Weighted average interest rate on short-term currency swaps	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	VII	VIII	IX
Type of transaction									
Spot exchange transactions	30 257.3	31 347.8	40 675.1	34 077.4	37 471.2	35 579.6	32 314.6	35 463.4	38 942.1
Forward exchange contracts	619.3	713.4	506.2	668.4	526.2	541.6	557.9	709.1	569.7
Currency swap arrangements	36 212.8	37 652.8	40 665.5	35 248.5	37 131.0	40 190.1	39 179.7	43 151.1	39 768.2
Counterparties									
Resident MFIs	3 307.1	3 018.6	5 030.1	4 054.8	3 527.5	3 315.1	3 534.2	5 621.7	5 127.2
Non-resident MFIs	27 381.8	29 180.7	34 376.6	31 688.0	36 888.6	39 217.0	35 193.0	37 104.8	37 367.4
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	251.6	223.9	299.6	220.1	514.1	420.3	540.4	647.8	708.1
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	5 898.6	6 917.0	5 098.9
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	1 260.7	1 254.6	1 008.8
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	22 242.8	24 350.7	27 036.8
Households	3 837.2	3 791.8	3 926.2	3 091.0	3 064.1	3 237.1	3 382.5	3 427.0	2 932.9
Currencies									
Total in all currencies	67 089.4	69 714.0	81 846.7	69 994.3	75 128.4	76 311.3	72 052.2	79 323.6	79 280.1
incl. lats for euro	8 582.4	9 464.0	11 440.9	13 290.8	12 874.0	12 619.7	11 933.1	12 907.5	11 409.3
incl. lats for US dollars	1 136.2	889.7	970.3	809.8	786.2	746.6	1 092.6	2 008.2	1 355.6
incl. lats for other currencies	40.3	44.6	53.4	77.0	55.8	65.4	78.0	298.1	178.1

25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS

(in millions of lats)

	2010								
	I ¹	II ¹	III ¹	IV ¹	V ¹	VI ¹	VII	VIII	IX
EUR for LVL									
Amount	8 609.9	9 491.3	11 474.8	13 324.1	12 897.4	12 643.2	11 944.3	12 942.3	11 451.9
% ²	12.8	13.6	14.0	19.0	17.2	16.6	16.6	16.3	14.4
USD for LVL									
Amount	1 111.2	871.9	956.3	789.8	762.6	742.8	1 100.9	1 958.7	1 421.5
% ²	1.7	1.3	1.2	1.1	1.0	1.0	1.5	2.5	1.8
Other currencies for LVL									
Amount	33.4	38.1	44.8	68.8	46.1	54.0	65.1	281.6	176.0
% ²	0	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.2
USD for EUR									
Amount	32 274.9	30 418.8	35 749.1	26 523.3	28 545.7	27 588.2	29 311.4	31 083.8	29 431.0
% ²	48.1	43.6	43.7	37.9	38.0	36.1	40.7	39.2	37.1
GBP for EUR									
Amount	716.3	579.4	771.3	629.6	512.4	396.8	636.9	743.3	688.8
% ²	1.1	0.8	0.9	0.9	0.7	0.5	0.9	0.9	0.9
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	1 967.6	2 074.8	2 551.9
% ²	2.8	3.4	2.6	2.1	3.3	3.6	2.7	2.6	3.2
RUB for USD									
Amount	9 951.8	11 157.1	19 844.9	17 661.8	19 792.9	20 427.1	18 057.7	19 050.2	21 255.7
% ²	14.8	16.0	24.2	25.2	26.3	26.8	25.1	24.0	26.8
GBP for USD									
Amount	3 966.2	4 182.4	4 936.7	3 737.7	3 679.8	3 768.5	2 835.9	2 979.0	2 993.9
% ²	5.9	6.0	6.0	5.4	4.9	4.9	3.9	3.8	3.8
SEK for USD									
Amount	1 129.9	1 243.8	1 502.4	1 324.1	1 245.7	1 398.4	1 439.1	1 548.3	1 675.9
% ²	1.7	1.8	1.8	1.9	1.7	1.8	2.0	2.0	2.1
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	3 367.0	5 146.9	6 284.9
% ²	6.7	9.3	4.1	4.7	5.0	6.8	4.7	6.4	7.9
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	1 333.0	1 483.5	1 455.0
% ²	4.4	4.1	1.4	1.7	1.8	1.8	1.8	1.9	1.8

¹ Data have been revised.

² As percentage of the total.

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

(LVL vs foreign currency)

	2009						2010								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
EUR	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028
USD	0.4991	0.4934	0.4831	0.4745	0.4709	0.4808	0.4916	0.5131	0.5175	0.5231	0.5564	0.5739	0.5535	0.5441	0.5408
GBP	0.8169	0.8166	0.7902	0.7670	0.7820	0.7822	0.7938	0.8039	0.7791	0.8009	0.8194	0.8445	0.8431	0.8527	0.8407
100 JPY	0.5283	0.5199	0.5276	0.5268	0.5273	0.5374	0.5379	0.5685	0.5729	0.5609	0.6031	0.6290	0.6310	0.6357	0.6403

27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)

(LVL vs foreign currency)

	2010								
	I	II	III	IV	V	VI	VII	VIII	IX
EUR									
Buy	0.7031	0.7039	0.7033	0.7022	0.7017	0.7016	0.7019	0.7016	0.7032
Sell	0.7100	0.7096	0.7088	0.7081	0.7076	0.7081	0.7085	0.7083	0.7088
USD									
Buy	0.4929	0.5141	0.5180	0.5241	0.5583	0.5741	0.5514	0.5420	0.5387
Sell	0.4962	0.5182	0.5220	0.5275	0.5635	0.5809	0.5563	0.5469	0.5437
GBP									
Buy	0.7892	0.7984	0.7745	0.7956	0.8136	0.8400	0.8345	0.8465	0.8321
Sell	0.8026	0.8130	0.7876	0.8096	0.8262	0.8531	0.8473	0.8582	0.8477
100 JPY									
Buy	0.5375	0.5211	0.5178	0.5081	0.5199	0.5336	0.5329	0.5282	0.5210
Sell	0.5409	0.5811	0.5760	0.5789	0.6246	0.6354	0.6446	0.6409	0.6406
SEK									
Buy	0.0679	0.0702	0.0715	0.0715	0.0718	0.0723	0.0726	0.0737	0.0751
Sell	0.0698	0.0708	0.0729	0.0731	0.0729	0.0739	0.0741	0.0749	0.0762
RUB									
Buy	0.0163	0.0171	0.0175	0.0180	0.0184	0.0185	0.0180	0.0178	0.0175
Sell	0.0166	0.0173	0.0178	0.0182	0.0187	0.0188	0.0183	0.0181	0.0178
CHF									
Buy	0.4717	0.4760	0.4837	0.4879	0.4881	0.5037	0.5141	0.5208	0.5288
Sell	0.4806	0.4849	0.4905	0.4931	0.4994	0.5116	0.5270	0.5252	0.5422

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; in millions of lats)

	2010								
	I	II	III	IV	V	VI	VII	VIII	IX
Stock of government securities outstanding	905.6	857.8	890.0	902.3	859.7	846.8	828.4	795.6	744.6
Residents	879.6	833.9	862.7	872.6	829.8	823.4	807.4	773.2	726.1
Non-financial corporations	16.3	3.5	2.9	2.9	0.3	0.3	0.2	0.1	0.1
Credit institutions	489.5	488.2	503.7	506.4	471.9	469.0	458.7	431.7	420.5
Money market funds	7.4	6.8	8.0	13.0	17.4	17.3	16.3	14.9	8.2
MFIs excluding central banks, credit institutions and money market funds	2.0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	36.8	49.9	49.9	50.0	83.3	81.5	81.2	81.2	80.4
Financial auxiliaries	0	0.4	0.4	0.4	1.0	1.0	1.0	1.0	1.0
Insurance corporations and pension funds	322.0	278.9	291.3	293.6	250.2	249.2	244.8	239.1	210.8
Central government	0	0	0.4	0.2	0	0	0	0	0
Households	1.3	1.9	1.8	1.8	1.7	1.3	1.3	1.3	1.2
Non-profit institutions serving households	4.3	4.3	4.3	4.3	4.0	3.8	3.9	3.9	3.9
Non-residents	25.9	23.9	27.3	29.7	29.9	23.4	21.0	22.4	18.5
Non-financial corporations	1.8	1.8	1.8	1.8	1.8	0	0	0	0
Credit institutions	5.5	5.5	5.7	5.9	6.0	5.2	5.2	7.0	5.3
Money market funds	0	0	0	0	0	0	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0	0	0	0
Financial auxiliaries	0	0	0	0	0	0	0	0	0
Insurance corporations and pension funds	18.5	16.5	19.7	21.9	22.0	18.1	15.7	15.3	13.1
Central government	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Households	0	0	0	0	0	0	0	0	0
Non-profit institutions serving households	0	0	0	0	0	0	0	0	0

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q3 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					
07.07.	36	8 000	26 900	8 000	6.022 ¹
21.07.	6	4 000	22 662	4 000	1.733
21.07.	12	4 000	26 450	4 000	2.827
04.08.	36	12 000	53 180	12 000	5.550 ¹
01.09.	60	12 000	54 900	12 000	5.691 ¹
15.09.	60	12 000	38 220	12 000	4.799 ¹
Primary placement of government securities via outright sales of securities					
08.07.	36	2 000	9 400	2 000	6.022 ¹
22.07.	6	1 000	8 000	1 000	1.733
22.07.	12	1 000	8 000	1 000	2.827
05.08.	36	3 000	26 750	3 000	5.550 ¹
02.09.	60	3 000	34 780	3 000	5.691 ¹
16.09.	60	3 000	27 000	3 000	4.799 ¹

¹ Weighted average yield.

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

(in millions of lats)

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

31. DYNAMICS OF GDP

	2009					2010						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
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	3 142.8	3 286.8				
At constant prices ¹ ; in millions of lats	6 828.4	1 555.7	1 710.4	1 751.4	1 810.9	1 462.9	1 675.3	1 801.8				
Annual growth rate (%)	-18.0	-17.8	-18.1	-19.1	-16.8	-6.0	-2.1	2.9				
Gross value added	-15.8	-15.9	-16.0	-16.8	-14.6	-6.2	-2.2	2.8				
Goods-producing sector	-19.5	-21.3	-20.6	-20.1	-16.1	-3.5	-1.3	6.4				
Services sector	-14.6	-14.1	-14.4	-15.6	-14.2	-7.0	-2.5	1.6				

¹ Chain-linked; average prices in 2000.

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

	2009						2010									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Average gross wages and salaries																
LVL per month	483	450	433	429	426	464	427	426	441	442	443	447	456	444	442	
Year-on-year changes (%)	95.8	95.0	89.9	87.8	87.5	88.3	90.8	91.8	92.8	94.1	94.3	92.6 ¹	94.3	98.7	101.9	
Real net wage index (year-on-year basis; %)	94.0	93.9	90.0	88.9	89.0	89.8	89.4	91.3 ¹	92.1	91.9	91.7	89.2 ¹	91.9	95.9	98.4	
Number of registered unemployed persons																
At end of month	132 519	137 586	147 754	157 897	169 236	179 235	186 295	192 032	194 253	189 881	183 476	176 879	173 301	169 676	165 386	
Year-on-year changes (%)	239.0	244.2	256.3	258.6	252.3	234.5	206.0	185.1	166.4	154.2	144.9	136.8	130.8	123.3	111.9	

¹ Data have been revised.

33. LATVIAN FOREIGN TRADE BALANCE

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

	2009				2010			
	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3	
Exports	3 602.2	819.3	854.7	912.1	1 016.1	945.9	1 122.0	1 261.2
Imports	4 709.8	1 205.5	1 106.3	1 173.4	1 224.6	1 183.6	1 351.2	1 558.5
Balance	-1 107.6	-386.2	-251.6	-261.3	-208.5	-237.7	-229.2	-297.3

	2009						2010								
	VII	VIII	IX	X	XI	XII	I ¹	II ¹	III ¹	IV ¹	V ¹	VI ¹	VII	VIII	IX
Exports	273.6	286.1	352.4	363.0	336.4	316.7	268.7	312.4	364.8	378.0	376.6	367.4	388.1	412.4	460.7
Imports	376.1	376.9	420.3	417.2	403.1	404.4	348.9	381.7	453.0	433.9	469.2	448.1	486.7	524.2	547.6
Balance	-102.5	-90.8	-67.9	-54.2	-66.7	-87.7	-80.2	-69.3	-88.2	-55.9	-92.6	-80.7	-98.6	-111.8	-86.9

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2009		2010					
			Q1 ¹		Q2 ¹		Q3	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	3 602.2	100.0	945.9	100.0	1 122.0	100.0	1 261.2	100.0
Agricultural and food products	669.8	18.6	136.7	14.4	159.6	14.2	180.9	14.3
Mineral products	199.6	5.5	59.4	6.3	74.1	6.6	71.2	5.7
Products of the chemical and allied industries	307.0	8.5	74.2	7.8	91.9	8.2	93.2	7.4
Plastics and articles thereof, rubber and articles thereof	102.9	2.9	29.0	3.1	38.0	3.4	42.7	3.4
Wood and articles of wood	595.4	16.5	182.5	19.3	234.7	20.9	250.7	19.9
Pulp of wood; paper and paperboard	64.3	1.8	20.6	2.2	21.4	1.9	25.5	2.0
Textiles and textile articles	178.8	5.0	46.9	5.0	46.1	4.1	55.3	4.4
Articles of stone, plaster, cement, glassware and ceramic products	70.4	2.0	17.9	1.9	22.1	2.0	23.9	1.9
Base metals and articles of base metals	447.8	12.4	115.5	12.2	151.2	13.5	194.3	15.4
Machinery and mechanical appliances; electrical equipment	509.4	14.1	120.5	12.7	135.8	12.1	152.9	12.1
Transport vehicles	254.7	7.1	59.4	6.3	73.3	6.5	69.6	5.5
Miscellaneous manufactured articles	121.0	3.4	27.0	2.9	33.2	3.0	34.0	2.7
Other goods	81.1	2.2	56.3	5.9	40.6	3.6	67.0	5.3

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2009		2010						
			Q1 ¹			Q2 ¹		Q3	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	
Total	4 709.8	100.0	1 183.6	100.0	1 351.2	100.0	1 558.5	100.0	
Agricultural and food products	863.5	18.3	213.6	18.0	220.9	16.3	238.7	15.3	
Mineral products	808.6	17.2	217.4	18.4	183.5	13.6	247.0	15.9	
Products of the chemical and allied industries	557.3	11.8	158.2	13.4	164.7	12.2	168.6	10.8	
Plastics and articles thereof; rubber and articles thereof	237.8	5.0	60.8	5.1	89.5	6.6	95.3	6.1	
Wood and articles of wood	66.0	1.4	19.2	1.6	26.8	2.0	25.1	1.6	
Pulp of wood; paper and paperboard	134.6	2.9	36.2	3.1	39.9	2.9	44.7	2.9	
Textiles and textile articles	230.4	4.9	56.3	4.8	60.4	4.5	76.7	4.9	
Articles of stone, plaster, cement, glassware and ceramic products	97.9	2.1	18.7	1.6	26.8	2.0	29.1	1.9	
Base metals and articles of base metals	379.6	8.1	104.3	8.8	139.3	10.3	174.8	11.2	
Machinery and mechanical appliances; electrical equipment	740.3	15.7	173.7	14.7	222.3	16.4	250.1	16.0	
Transport vehicles	304.6	6.5	55.8	4.7	101.1	7.5	128.7	8.3	
Miscellaneous manufactured articles	115.2	2.4	28.9	2.4	34.6	2.6	34.3	2.2	
Other goods	174.0	3.7	40.5	3.4	41.4	3.1	45.4	2.9	

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2010														
	Q1 ¹					Q2 ¹					Q3				
	Millions of lats			% of the total		Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	945.9	1 183.6	-237.7	100.0	100.0	1 122.0	1 351.2	-229.2	100.0	100.0	1 261.2	1 558.5	-297.3	100.0	100.0
EU15 countries	332.7	451.5	-118.8	35.2	38.1	405.3	548.4	-143.1	36.1	40.6	428.2	594.6	-166.4	34.0	38.2
EU27 countries	671.0	864.7	-193.7	70.9	73.1	811.2	1 053.6	-242.4	72.3	78.0	892.6	1 167.5	-274.9	70.8	74.9
incl. Germany	79.9	128.3	-48.4	8.4	10.8	99.4	166.7	-67.3	8.9	12.3	108.2	186.5	-78.3	8.6	12.0
Sweden	66.2	39.4	26.8	7.0	3.3	72.1	53.0	19.1	6.4	3.9	73.1	57.2	15.9	5.8	3.7
UK	31.4	15.6	15.8	3.3	1.3	41.9	21.8	20.1	3.7	1.6	51.8	27.1	24.7	4.1	1.7
Finland	27.1	59.8	-32.7	2.9	5.1	34.8	71.4	-36.6	3.1	5.3	39.6	84.0	-44.4	3.1	5.4
Denmark	39.6	28.9	10.7	4.2	2.4	44.0	31.9	12.1	3.9	2.4	45.3	34.3	11.0	3.6	2.2
Netherlands	19.2	50.8	-31.6	2.0	4.3	26.3	58.1	-31.8	2.3	4.3	23.5	50.2	-26.7	1.9	3.2
Lithuania	136.2	186.8	-50.6	14.4	15.8	182.7	227.9	-45.2	16.3	16.9	209.9	281.0	-71.1	16.6	18.0
Estonia	139.1	88.1	51.0	14.7	7.4	151.5	101.3	50.2	13.5	7.5	155.5	106.1	49.4	12.3	6.8
Poland	44.4	93.7	-49.3	4.7	7.9	49.5	110.8	-61.3	4.4	8.2	75.6	120.5	-44.9	6.0	7.7
CIS	119.9	223.9	-104.0	12.7	18.9	169.3	171.8	-2.5	15.1	12.7	200.1	223.1	-23.0	15.9	14.3
incl. Russia	82.6	161.3	-78.7	8.7	13.6	116.7	101.3	15.4	10.4	7.5	147.2	136.4	10.8	11.7	8.8
Other countries	155.0	95.0	60.0	16.4	8.0	141.5	125.8	15.7	12.6	9.3	168.5	167.9	0.6	13.3	10.8
incl. USA	15.9	9.0	6.9	1.7	0.8	13.9	22.8	-8.9	1.2	1.7	13.5	35.1	-21.6	1.1	2.3
Norway	36.3	8.0	28.3	3.8	0.7	32.1	10.9	21.2	2.9	0.8	30.1	24.6	5.5	2.4	1.6
China	4.0	29.1	-25.1	0.4	2.5	3.9	33.9	-30.0	0.3	2.5	3.6	44.2	-40.6	0.3	2.8

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, 1.2 and 1.4–1.6), the Bank of Latvia (Charts 1.3, 2.2, 2.4–2.10, 5.7, 6.1–6.3, 7.1 and 7.2), Bloomberg (Charts 2.1 and 5.6), the Treasury (Charts 2.3 and 3.8–3.11), ECB (Chart 2.4), CSB (Charts 3.1–3.3, 3.5–3.7, 3.9, 4.1–4.3, 4.6, 4.7, 4.11–4.13, 5.1–5.5, 5.7, 5.8, 6.1, 7.1, 7.2 and A1), Road Traffic Safety Department (Chart 3.4), State Employment Agency (Charts 4.8–4.10), Eurostat (Charts 4.4 and 4.5) and EC (Chart A2).

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 NASDAQ OMX Riga shall be regarded as financial auxiliaries. Financial auxiliaries data are included in OFIs data.

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

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

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

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

- 1) The Bank of Latvia's assets and liabilities (Table 6), expanding the range of reported financial instruments;
- 2) Aggregated balance sheet of MFIs (excluding the Bank of Latvia), i.e. the sum of the harmonised balance sheets of Latvia's MFIs, excluding the Bank of Latvia (Table 7);
- 3) Consolidated balance sheet of MFIs, obtained by netting out inter-MFI positions on the aggregated MFI balance sheet (Table 8). Due to slight differences in accounting techniques, the sum of inter-MFI positions does not always equal zero; therefore, the balance is included in the item "Excess of inter-MFI liabilities";
- 4) Monetary aggregates and counterparts (Table 4) comprise Latvia's monetary aggregates and their balance sheet counterparts derived from the consolidated balance sheet of MFIs. See Table 5 for seasonally adjusted monetary aggregates. The following monetary aggregates are calculated and published:
 - M1 – narrow monetary aggregate, comprising currency in circulation (the lats banknotes and coins issued by the Bank of Latvia excluding vault cash of MFIs) plus overnight deposits in all currencies held with MFIs.
 - M2 – intermediate monetary aggregate comprising M1 and deposits redeemable at a period of notice of up to and including 3 months (i.e. short-term savings deposits) made in all currencies and deposits with an agreed maturity of up to and including 2 years (i.e. short-term time deposits) in all currencies held with MFIs.

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

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

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

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

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

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

Interest rates

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

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

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

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

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

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

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

Foreign exchange and exchange rates

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

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