

**MACROECONOMIC  
DEVELOPMENTS  
REPORT**

**2014**

**MARCH**

# MACROECONOMIC DEVELOPMENTS REPORT

## March 2013

MACROECONOMIC DEVELOPMENTS REPORT  
March 2014, No 18

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## Abbreviations

CIF – cost, insurance and freight at the importer's border  
CIS – Commonwealth of Independent States  
CPI – Consumer Price Index  
CSB – Central Statistical Bureau of Latvia  
EC – European Commission  
ECB – European Central Bank  
EMU – Economic and Monetary Union  
ESA 95 – European System of Accounts 1995  
EU – European Union  
EU15 – EU countries before 1 May 2004  
EU27 – EU countries from 1 January 2007 to 30 June 2013  
EU28 – EU countries from 1 July 2013  
EURIBOR – Euro Interbank Offered Rate  
Eurostat – Statistical Office of the European Union  
FCMC – Financial and Capital Market Commission  
FOB – free on board at the exporter's border  
FRS – Federal Reserve System  
GDP – gross domestic product  
HICP – Harmonised Index of Consumer Prices  
IMF – International Monetary Fund  
JSC – joint stock company  
MFI – monetary financial institution  
NA – no answer  
n.i. – no information  
OFI – other financial intermediary (other than an insurance corporation or a pension fund)  
OMXR – NASDAQ OMX Riga index  
PMI – Purchasing Managers Index  
RIGIBOR – Riga Interbank Offered Rate  
SEA – State Employment Agency  
SJSC – state joint stock company  
ULC – unit labour costs  
UK – United Kingdom  
UN – United Nations  
US – United States of America  
VAT – value added tax  
WTO – World Trade Organisation

## Executive Summary

In January 2014, the IMF revised upward the global GDP growth perspective for 2014 in comparison with October 2013 and downgraded the respective forecast for 2015. Of Latvia's major trade partners, the growth forecast was lowered significantly for Russia, since, with the depreciation of the Russian ruble persisting, the slowdown of the economic growth continued at the end of 2013. As a result of the political crisis in Ukraine, the negative trends in its economy grew more pronounced. Unfavourable dynamics was also observed in Estonia, with its GDP moving down by 0.1% in the fourth quarter. As to the euro area, the seasonally and working-day adjusted GDP picked up stronger-than-expected in the fourth quarter.

At the end of 2013, Latvia's foreign trade activity weakened due to the high base and seasonal factors; however, high competitiveness of the Latvian economy persisted. The current account deficit of Latvia's balance of payments decreased to 0.8% of GDP in 2013. In the fourth quarter, the market shares of Latvian exports in global imports continued to expand. With the economy of EU countries strengthening gradually, Latvian exports to EU countries resumed their growth. In 2014, higher external demand in EU countries, the sustainable capability of Latvian manufacturers to compete in markets with weak demand, and the anticipated pick-up in investment activity are expected to ensure an increase in the growth of exports of goods. Still the external environment in general, inter alia investment activity, is likely to be affected by uncertainty and the negative sentiment effects related to the developments in Russia and Ukraine.

As of 1 January 2014, Latvijas Banka became a full-fledged member of the Eurosystem, implementing the single monetary policy of the Economic and Monetary Union together with other national central banks of the euro area and the ECB. In January–March, the ECB did not change the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility also remained unchanged at 0.25%, 0.75% and 0.00% respectively. Despite the low level of interest rates, Latvian credit institutions have been active participants in fixed-term deposit tenders with a maturity of 1 week since the beginning of 2014.

December was the last month when the lats was the sole legal tender in Latvia. In line with expectations, with the euro changeover approaching, the amount of cash in lats in circulation shrank sharply as savings were deposited with credit institutions and the volume of non-cash transactions increased. And January 2014 – the first month since the introduction of the euro – saw the anticipated trend that the changeover to the euro was also a changeover to a more active employment of non-cash settlements. Most of the funds households and enterprises deposited with credit institutions in December were also kept there in January.

Loans granted to resident households, financial institutions and non-financial corporations continued on a downward trend in December and January. Households are expected to refrain from taking new loans also in the future, and their debt level will gradually fall, while lending to selected businesses, e.g. exporting companies, traders and service providers is likely to increase. Overall, however, sustainable loan portfolio growth could rebound only over the next couple of years.

Latvia's GDP growth remained among the strongest in the EU in the fourth quarter. Private consumption was the main growth engine throughout the year. On the supply side, the services sector was the major contributor to the annual GDP growth. Latvijas Banka's GDP growth forecast for 2014 remained unchanged at 4.0%. Risks related to the external environment are on the downside, and they have increased significantly; consequently, risks to the forecast are generally considered to be on the downside.



The rate of real unemployment continued to moderate in the fourth quarter. The decline in unemployment in Latvia, having been quite notable in the previous three years, is expected to decelerate in 2014. In the future, sustainable decrease in unemployment will take place mostly on account of a fall in structural unemployment, and it cannot happen quickly. A moderate increase in the average monthly gross nominal wage in the fourth quarter suggests there is no reason for concern over deterioration of competitiveness and pressure on inflation at this stage. Both the nominal and the real unit labour cost levels still remain considerably lower than in 2008.

Although annual core inflation posted a rise in January and February, neither the monthly nor the annual price rises exceeded the averages observed in the respective months over the last ten years. We will be able to draw conclusions regarding the impact of the euro changeover on prices only at the end of the year; nevertheless, the data available to date suggest that the effect of the euro changeover on the average consumer prices could be at the level estimated in 2013 (approximately 0.2 percentage point).

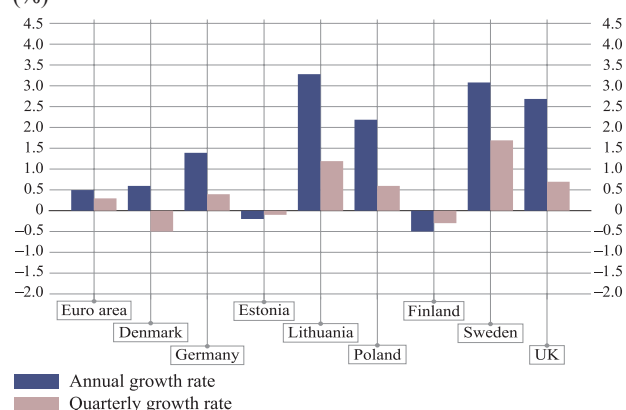
In January and February 2014, annual inflation still remained low (0.4% and 0.5% respectively), while approaching inflation rates associated with economic growth. Inflation continued to be low due to supply-side factors – the annual rate of increase in prices of fuel and heating energy still remained negative. Currently Latvijas Banka's forecast of the average annual inflation for 2014 remains unchanged at 1.7%; however, risks to the above forecast are considered to be on the downside, mostly on account of the postponement of electricity market liberalisation for households.

Table 1  
GDP GROWTH FORECASTS FOR LATVIA'S MAJOR  
TRADE PARTNERS IN 2013 AND 2014  
(%)

	2014 <sup>1</sup>	2014 <sup>2</sup>	2014 <sup>3</sup>	2015 <sup>1</sup>	2015 <sup>2</sup>	2015 <sup>3</sup>
Total global economy	4.0	3.6	3.7	4.4	4.0	3.9
US	3.0	2.6	2.8	3.6	3.4	3.0
Euro area	1.1	1.0	1.0	1.4	1.4	1.4
Germany	1.5	1.4	1.6	1.3	1.4	1.4
UK	1.5	1.9	2.4	1.8	2.0	2.2
Russia	3.8	3.0	2.0	3.7	3.5	2.5
Denmark	1.3	1.2	n.i.	1.5	1.5	n.i.
Sweden	2.2	2.3	n.i.	2.3	2.3	n.i.
Finland	1.2	1.1	n.i.	1.5	1.4	n.i.
Estonia	3.2	2.5	n.i.	3.4	3.5	n.i.
Lithuania	3.3	3.4	n.i.	3.5	3.5	n.i.
Poland	2.2	2.4	n.i.	2.7	2.7	n.i.

Sources: April 2013 (1), October 2013 (2) and January 2014 (3) *World Economic Outlook* (IMF).

Chart 1.1  
ANNUAL AND QUARTERLY GDP GROWTH RATE  
IN Q4 2013 IN LATVIA'S MAJOR TRADE PARTNER  
COUNTRIES  
(%)



# 1. External Sector and Exports

## 1.1 External economic environment

In January 2014, the IMF revised upward the global GDP growth perspective for 2014 in comparison to October 2013 and downgraded the respective forecast for 2015. The 2014 downward revisions particularly affected Russia, while those for 2015 concerned Russia and the US. At the same time, projections were upgraded for the UK and, for 2014, also for Germany (see Table 1).

In the fourth quarter of 2013, the euro area seasonally and working-day adjusted GDP picked up stronger-than-expected 0.3% quarter-on-quarter (see Chart 1.1). The contribution to the GDP growth from private consumption (0.1 percentage point), investment (0.2 percentage point) and net exports (0.4 percentage point) was positive, while that from inventories was negative (0.3 percentage point). The growth in the euro area was enhanced by the advancing French and German economies. In addition, the euro area unemployment declined somewhat.

The euro area peripheral countries sent likewise positive signals. The rating agency Moody's revised Spain's credit rating upward in February, the fourth quarter GDP in Italy picked up for the first time since the second quarter of 2011, and Portugal bought back 1.3 billion euro in bonds, due to be redeemed in 2014 and 2015, to ease the debt repayment time frame. In Greece, in turn, the 2013 current account of the payment balance recorded a surplus for the first time over almost 70 years.

Germany's GDP posted a 0.4% quarter-on-quarter increase in the fourth quarter. Even though the domestic demand was falling in the fourth quarter, the GDP growth was on account of exports, which were expanding, albeit were also subdued by weak growth in Germany's trade partner countries. Export growth might weaken in 2014, while the domestic demand is likely to strengthen due to anticipated income rise.

In Estonia, the fourth quarter GDP dropped 0.1% quarter-on-quarter in 2013. In the face of a sluggish external demand, Estonia's exports contracted towards the end of the year. Despite a year-on-year lower overall unemployment level, the decline in unemployment slowed down quarter-on-quarter, with even a slight rise recorded in the fourth quarter.

In the fourth quarter, Lithuania's GDP accelerated by 1.2% quarter-on-quarter. The rise in GDP was driven by private consumption augmented by rising wages. In the meantime, the role of exports in economic growth diminished due to external demand losing momentum.

In the fourth quarter of 2013, Poland recorded a 0.6% quarter-on-quarter GDP pickup. At the close of the year, the labour market situation eased somewhat, yet the unemployment rate still lingered at a relatively high level (10.1% in December).

The quarter-on-quarter rise in UK's GDP was 0.7% in the fourth quarter of 2013, with the sustainability of economic activity being spurred by more favourable lending standards and improved confidence. Unemployment rate decelerated at the end of the year almost reaching the Bank of England's target of 7%.

In Sweden in the fourth quarter of 2013, GDP gained 1.7% quarter-on-quarter. The economic development was strengthened by the expansion in industrial production, and consumption, both private and government, grew.

With private consumption and investment shrinking in Denmark, its GDP contracted by 0.5% quarter-on-quarter in the fourth quarter of 2013.

Despite an overall GDP growth over the year in Russia, its pace lagged notably behind that of the previous year. Towards the end of the year, depreciation of the Russian ruble continued. Export growth was curbed by the relatively weak external demand and somewhat low oil and gas prices, while, with unemployment soaring, the demand weakened also domestically. Russia's involvement in the events in Ukraine resulted in a further depreciation of the Russian ruble and also stock market price falls. In an attempt to mitigate the risks related to financial stability and inflation, the Central Bank of the Russian Federation raised its main refinancing rate. Taking into account the previous downgrading of Russia's economic forecast for 2014 and 2015 (more impressive than for other countries), a further escalation of the situation in Ukraine and the uncertainty about the future direction of developments herein may figure as an extra obstruction to Russia's economic growth.

## **1.2 Latvia's competitiveness and dynamics of goods exports**

Towards the close of 2013, Latvia's foreign trade activity moderated due to the high basis and effects of



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

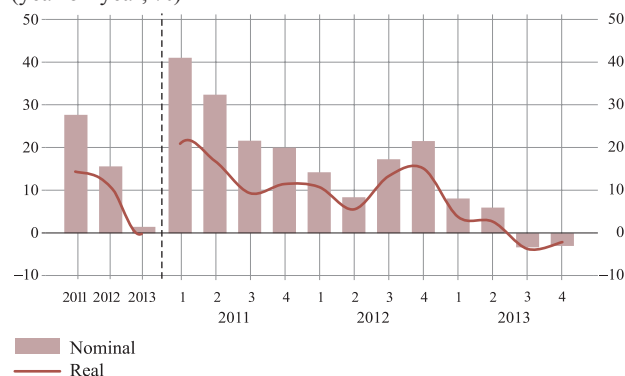
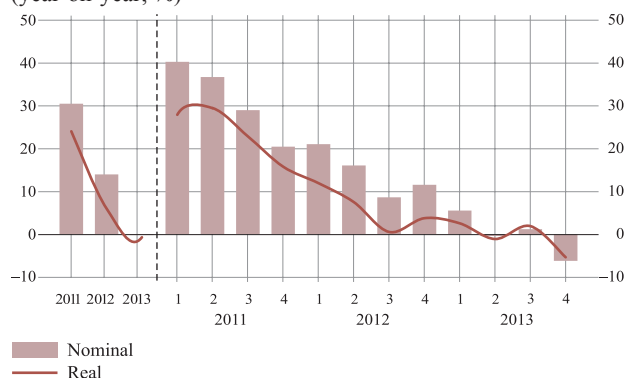


Chart 1.3  
IMPORTS OF GOODS  
(year-on-year; %)

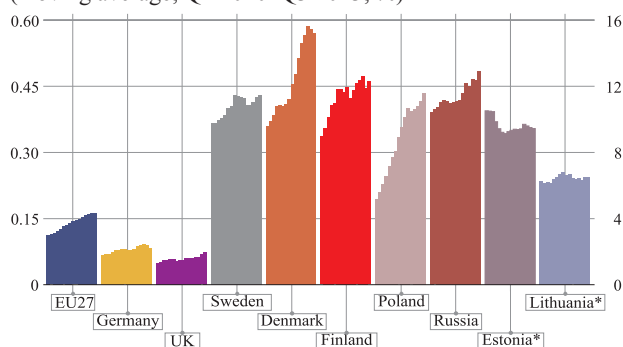


seasonal factors. In the fourth quarter, Latvia's exports and imports of goods posted year-on-year declines in both nominal (2.9% and 6.2% respectively) and real (2.0% and 5.4%) terms (see Charts 1.2 and 1.3).

Although the value of goods exports in the fourth quarter was by 6.6% higher quarter-on-quarter, it had contracted by 2.9% against the fourth quarter of 2012. In general, seasonal export contractions are typical for the end of the year, as traditionally exports expand in the third quarter, owing to rising exports of vegetable product after the harvesting season. Determined by the record-high grain harvest in 2012 and the rising global prices, the reference point for vegetable product exports was high; hence, most of the export shrinkage at the end of 2013 resulted from by far smaller grain exports year-on-year. The contribution from exports of base metals and articles of base metals as well as transport vehicles continued to affect the overall annual export growth adversely. Meanwhile, the negative impact on overall exports, exerted by the falling transport vehicle re-exporting, continued to diminish; similar negative effects on overall exports coming from the wind-up of the JSC *Liepājas Metalurģs* were partly easing due to successful operation of the producers of base metals and articles of base metals. The growth in exports of wood and articles of wood remained positive at the close of 2013 (annual growth of 15.8% in the fourth quarter). In the meantime, the data on wood industry's performance testify that its volume expansion in 2013 proceeded at a slower pace than did the growth in turnover and export value therein, most likely on account of both wood price rises in the global market and higher value added within the industry itself. Exports of food, with a 13.2% increase, and animal products, with a 7.7% rise, continued to demonstrate a stable annual growth in the fourth quarter, whereas the export value of meat, dairy and fish products as well as of other export goods was going up. Export performance of other smaller industries, e.g. manufacture of paper and products of the printing industry (16.4%), textile articles (6.7%), articles of stone, plaster, cement, glassware and ceramic products (6.3%), optical instruments, photo and filming apparatus, medical, measuring equipment and similar instruments (62.3%) testifies to the growth being stable as well and in part offsetting a decline in exports of base metals and transport vehicles and enhancing a diversified export portfolio.

According to the data of the WTO, Latvia's export market shares in global imports continued to expand

Chart 1.4  
LATVIA'S EXPORTS AGAINST MAJOR TRADE PARTNER  
COUNTRIES' IMPORTS  
(moving average; Q1 2010–Q3 2013; %)



\* Estonia and Lithuania – right-hand scale.

in the fourth quarter. As the EU economy gradually strengthened, Latvia's exports to the EU countries recommenced expanding (see Chart 1.4).

In the fourth quarter, imports of goods contracted more than did the respective exports. Regarding imports, shrinkages were reported by almost all commodity groups, except wood. Imports of the latter continued on an upward trend, thus testifying to limited accessibility to raw materials and offsetting their shortages by imported resources on an ever larger scale. At the end of the year, imports of goods contracted primarily on account of the completion of major investment projects as well as a weak new investment activity, underpinned by external uncertainties. The dampening effect on imports of intermediate goods of the wind-up of the JSC *Liepājas Metalurģs* continued, whereas the contractions in imports of mineral products resulted from dropping oil prices. It is true however, that these contractions in goods imports may also evidence that Latvia's dependence on imports has diminished, for imported goods can be well replaced by the local output on an ever growing scale. The declining imports of goods also signal a narrowing of the re-exporting activities, for instance, in the car market.

In the fourth quarter, export and import prices decreased somewhat year-on-year (by 0.9%). The respective prices for vegetable products fell most. Overall terms of trade posted a slight quarter-on-quarter improvement in the fourth quarter (0.1%). The terms of trade in transport vehicles improved notably, whereas those for machinery and mechanical appliances, electrical equipment deteriorated most.

Confidence indicators published by the EC show that Latvia's economic sentiment, including also so far volatile business sentiment, has improved. The domestic demand has served as a primary driver, as the export order volume assessment deteriorated in January. In the first quarter of 2014, the assessment of both export order volumes and competitiveness worsened, businesses' future perception of competitiveness within and outside the EU including.

All above said notwithstanding, it can be expected that the rising external demand in several Latvia's export market countries, sustained competitiveness of Latvia's producers in markets where the demand is weak, and anticipated buoyancy of investment activity all will contribute to a more resilient growth in exports of goods in 2014.

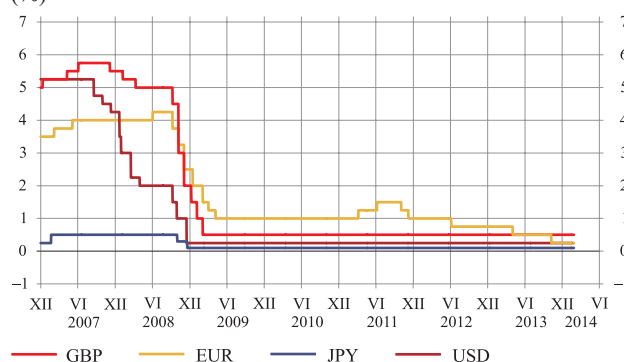
## 2. Monetary Policy and Financial Markets

### 2.1 Global financial markets

In the first two months of 2014, a number of central banks continued to pursue accommodative monetary policy. This move was determined by low inflation and inflation expectations as well as gradually recovering economic activity. The FRS was an exception, for it proceeded with the wind-down of the asset purchase programme.

Similar to the ECB, other central banks kept their refinancing rates close to zero as well (see Chart 2.1). Following a decision passed in December 2013, the FRS tapered its government bond-buying programme from 85 billion US dollars to 75 billion US dollars in January 2014, and to 65 billion US dollars from February. Hence, beginning in February, the volume of the US government bond-buying programme is 35 billion US dollars per month in longer-term Treasury securities and 30 billion US dollars per month in agency mortgage-backed securities. The FRS based this decision on the US economy continuing to show progress. Analysts' forecasts suggest that market participants expect the FRS to keep up such monthly pace of asset-buying tapering.

Chart 2.1  
EURO MONEY MARKET INTEREST RATES  
(%)



The global financial market experienced high volatility and a change in investors' risk perceptions in January when China, a significant driver of global economy, reported falling production activity. Along with other factors, like moderating growth rate in the emerging markets and further tapering of stimulus measures in the US, the weakening of China's manufacturing sector at the beginning of the year gave rise to investors' worries about the prospects of economic recovery in all emerging market countries and spurred up the outflow of investment from the latter countries. Investors returned to investing in safer-deemed government bonds of developed countries, which caused a sizable price drop in stock markets where investing was considered more risky, while the government bond prices of developed countries soared. With the outflow of capital from emerging market economies, the demand for currencies of these countries weakened, thus making them depreciate against the currencies of developed countries. Against the euro, the Turkish lira depreciated by 2.9%, whereas the Ukrainian hryvnia, affected by the political crisis, lost 17% of its

Chart 2.2

EURO EXCHANGE RATE AGAINST US DOLLAR, SWISS FRANC AND UK POUND STERLING  
(index: 1 January 2014 = 100)

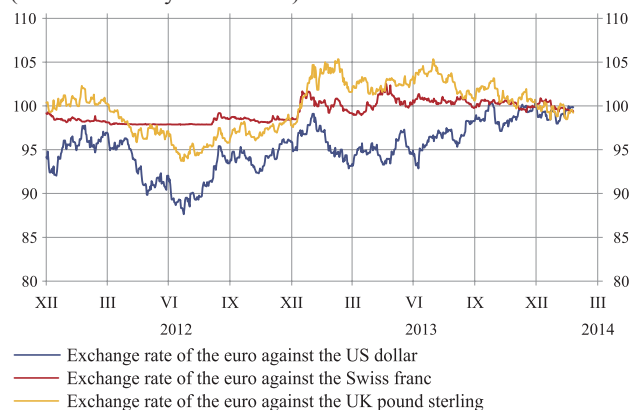
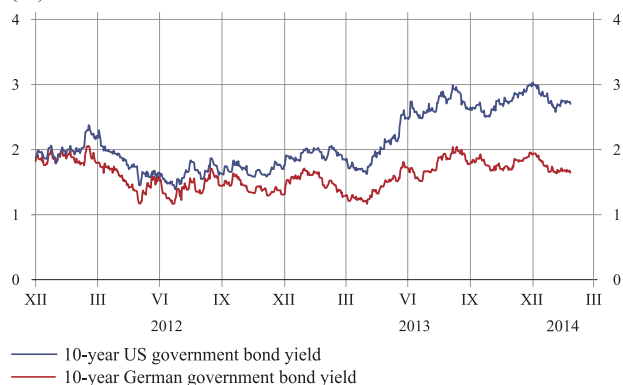


Chart 2.3

10-YEAR GERMAN AND US GOVERNMENT BOND YIELDS  
(%)



value in the reference period. Similarly, the Russian ruble depreciated sharply against the currencies of developed countries. It was driven by several factors, among them weak performance data of Russia's economy, dropping commodity prices, and the national central bank's transition from managed floating exchange rate regime to floating exchange rate regime, hence increasing the market's role in exchange rate determination. In the period between 1 January and 25 February, the exchange rate of the Russian ruble against the euro fell by 8.0%. The value continued to decrease, with investors responding to Russia's intervention in Crimea, the latter causing international community to condemn it and give warnings of eventual sanctions against Russia. The value of the Russian ruble was adversely affected by the growing concerns about Ukrainian solvency, considering substantial linkages of the Russian economy with the crisis-hit country. Sensing devaluation danger, investors and the Russian people hurried to dispose of the Russian ruble, thus making its value slip to a record-low level (50.64 rubles per 1 euro). Under the impact of financial market turmoil, the Central Bank of the Russian Federation raised the main refinancing rate from 5.5% to 7%. From the beginning of 2014 to 4 March overall, the Russian ruble depreciated against the euro by 11.0%.

In contrast to significant exchange rate fluctuations in emerging market economies, the developed countries saw marginal exchange rate fluctuations. In the reporting period, the US dollar fluctuated against the euro within the margin of 1.35 US dollars per euro to 1.38 US dollars per euro. The euro preserved stability also against the Swiss franc and the British pound sterling (see Chart 2.2).

As in the reporting period overall the investors opted for investing in safer-deemed securities, the yields on the government bonds of developed countries tended to go down along with the increasing demand. The yield on the US government 2-year bonds dropped from 0.38% to 0.32%, whereas that on the 10-year bonds decreased from 3.0% to 2.7% in the reporting period. Meanwhile, the yield on the German government short-term bonds from 0.21% declined to 0.13%, whereas that on the respective long-term bonds contracted from 1.93% to 1.62% (see Chart 2.3).

Chart 2.4

### AUCTIONS OF GOVERNMENT DEBT SECURITIES (millions of euro)

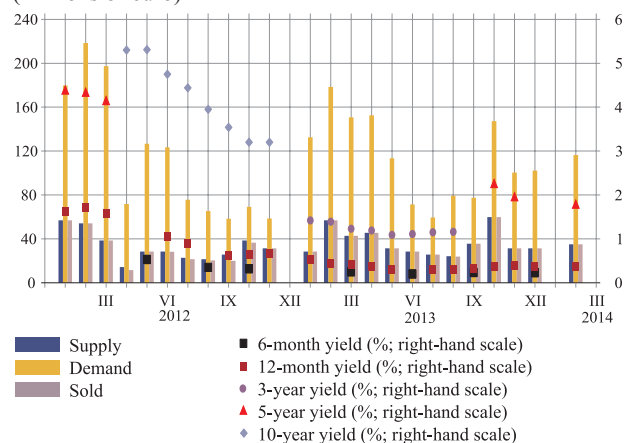
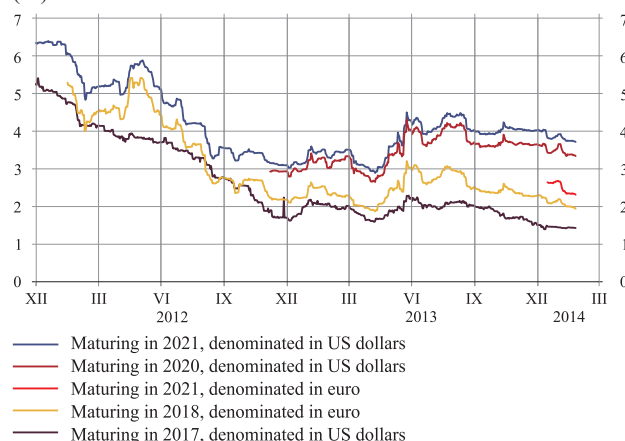


Chart 2.5

### LATVIAN GOVERNMENT BOND BID YIELDS (%)



## 2.2 Securities market

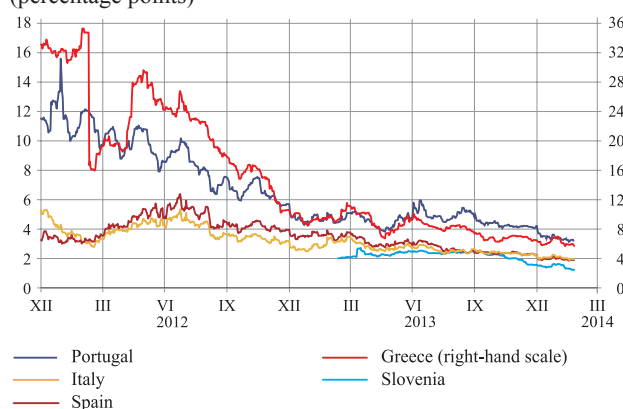
The primary tenders of the Latvian government securities were not organised in January, but in December 2013 the primary tenders of 6-month and 12-month Treasury bills were held, while in February 2014 – the primary tenders of 12-month Treasury bills and 5-year bonds (see Chart 2.4). The total amount supplied amounted to 66.3 million equivalent in euro, the demand reached 218.6 million euro, and the entire amount supplied was sold. The average yield on 6-month Treasury bills remained unchanged (0.23%) in comparison with the previous tenders. It decreased by 2 basis points for 12-month Treasury bills (to 0.37%), but for 5-month bonds – by 17 basis points (to 1.79%). At the end of February, the overall issuance in net terms in circulation was 972.4 million euro (by 2.4% more than at the end of November).

In January, Latvia issued 7-year eurobonds in the external market. The demand was 4.5 billion euro but the issued amount – 1 billion euro. The average bond selling rate applied was 2.815% (the mid-swap rate plus 120 basis points) and the coupon rate – 2.625%. The bonds were bought by approximately 300 investors; majority of them were from Europe and the rest – from the US. This rate was lower than that for the EC loan maturing at the end of March (3.125%). The Treasury data suggest that at the end of January the balance of the Treasury accounts with credit institutions, including Latvijas Banka, was 2.3 billion euro.

The bid yield on Latvian government euro-denominated bonds maturing in 2018 decreased from 1.71% at the end of November to 1.43% on 28 February (see Chart 2.5); the spread between the above and the German government bonds of the respective maturity narrowed from 118 basis points to 98 basis points. The bid yield on Latvian government bonds denominated in US dollars and maturing in 2021 declined from 4.04% to 3.65%, and the spread between the above and that of the US government bonds of the same maturity shrank from 177 basis points to 141 basis points.

Comparing yields on 10-year government bonds in EU countries in the national currency, in December and January the EU countries can be divided into two groups. In the first group of countries this yield on 10-year bonds edged up (the strongest growth was in December, however, in January it also remained below 2.5%). Bond yields rose as a result of the FRS decision

Chart 2.6  
SPREAD BETWEEN 10-YEAR GOVERNMENT BOND  
YIELDS OF EURO AREA PERIPHERAL COUNTRIES  
AND THE RESPECTIVE GERMAN GOVERNMENT BOND  
YIELD  
(percentage points)



to reduce the amount of the securities purchased, better sentiment indicators and economic growth forecasts in Europe in 2014. In the second group of countries the yields on 10-year government bonds (with a few exceptions) decreased, standing within the range of 2.5%–8.7% in December and January.

Latvia ranked 16th among the 27 EU countries (Estonia does not have government long-term securities). In November, the weighted average yield on Latvian government 10-year bonds was 3.71%, it stood at 3.62% in December and in January it was down to 3.48%. In January, compared to November, the spreads between Latvian government bonds vis-à-vis German, Swedish and French government bonds shrank by 31 basis points, 30 basis points and 34 basis points respectively. When comparing Latvia with the countries where the yield level of government 10-year bonds is higher, it should be concluded that the spread between Italian and Latvian government bonds remained unchanged, it decreased by 9 basis points between Spanish and Latvian government bonds, and it dropped 54 basis points between Portuguese and Latvian government bonds. The yield risk premium on bonds of the euro area countries facing difficulties continued to decline as these countries started to see signs of economic recovery. Developments in Greece and other peripheral countries sent positive signals to financial markets. The preliminary data suggested that in 2013 Greece showed better GDP and fiscal surplus data than expected. In the fourth quarter of 2013, Portugal experienced economic growth, and it continued negotiations on exiting the international bailout programme already in May 2014. Of the euro area countries facing difficulties, the spread between the yield on long-term government bonds of Portugal, Slovenia and Greece and that of the German government bonds of the respective maturity decreased most notably (see Chart 2.6).

On 28 February, NASDAQ OMX Riga share price index OMXR increased by 3.5% in comparison with 1 January. At the same time, the Baltic share price index OMXBBGI rose by 2.5%. In contrast, higher volatility was observed in foreign stock markets in January primarily associated with developments in emerging market economies, but in February stock prices slightly stabilised. From 1 January to 28 February the European stock market index DJ EURO STOXX 50 edged up by 1.3%, the US stock market index S & P 500 augmented a little by 0.6%, but the Japanese stock market index Nikkei 225



Chart 2.7  
STOCK PRICE INDICES  
(1 January 2014 = 100)



experienced correction going down by 8.9% during the first two months of 2014 after the astoundingly high rise in 2013 (see Chart 2.7).

### 2.3 The ECB monetary policy decisions, Eurosystem operations, liquidity and money market developments

In January–March, the ECB did not change the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility also remained unchanged at 0.25%, 0.75% and 0.00% respectively. The ECB did not employ other monetary policy instruments either, although inflation in the euro area remained low. The ECB's decisions were based on signals that the situation in the euro area was quite controversial: on the one hand, consumer and producer confidence was gradually improving; on the other hand, economic recovery was slow and uneven. In turn, medium-term inflation expectations still remain stable at the level in line with the Governing Council's target. ECB representatives also continued to show their commitment to keep interest rates low in the future, and expressed their readiness to use all available instruments at the ECB's disposal when necessary to meet its primary objective of maintaining price stability in the euro area. Decisions of the ECB Governing Council were no surprise to market participants, therefore, they did not have a significant impact on behaviour of financial market participants.

The ECB carried out the main refinancing operations (on a weekly basis) as fixed rate tenders with full allotment and a maturity of 1 week. Interest of Eurosystem credit institutions in the main refinancing operations declined; the amount allotted in tenders contracted from 169 billion euro at the end of 2013 to 94 billion euro at the end of February 2014.

With regard to longer-term refinancing operations, the ECB lent funds to euro area credit institutions twice a month with full allotment and a maturity of 1 month and 3 months, with an interest rate equal to the average interest rate on the main refinancing operations during the life of the respective longer-term refinancing operation. During the reporting period credit institutions took the opportunity to make an early partial repayment of funds borrowed in December 2011 and March 2012 when the ECB carried out longer-term refinancing operations with a maturity of 3 years. In February 2014, credit institutions of the euro area countries had repaid the ECB 487.7 billion euro or 48% of funding allotted through these operations.

Once a week the ECB organised fixed-term deposit tenders with a maturity of 1 week to sterilise the increase in the money supply associated with the Securities Markets Programme. The maximum amount of deposits accepted from Eurosystem credit institutions within this operation on 8 and 15 January were 179.0 billion euro and 175.5 billion euro in all February tenders. The weighted average interest rate on time deposits in the tenders organised during the reporting period was 0.17%–0.24%.

Excess liquidity (the reserve account of credit institutions plus the deposit facility minus the marginal lending facility minus reserve requirements) in the euro area fell from 283.5 billion euro on 3 January to 125.3 billion euro on 28 February. This deceleration was caused by several factors: the decline (88.3 billion euro) in the main and longer-term refinancing operations, the increase in time deposits (70.7 billion euro), the growth of government deposits (43.8 billion euro) and the cutback of banknotes in circulation (19.1 billion euro). Consequently, the fall in liquidity was not on account of the autonomous factors but on account of credit institutions themselves by participating in ECB monetary operations.

The contraction in excess liquidity in the Eurosystem had an upward impact on the euro money market rates. Although interest rates on short-term interbank loans gradually stabilised after the volatility caused by the end of 2013 effect, they remained close to the high level of the post-crisis period. EONIA fluctuated within the range of 0.10%–0.45% (averaging 0.18% from 1 January to 28 February). At the same time, fluctuations of the 3-month EURIBOR were considerably less pronounced (within the range of 0.28%–0.30%), and EONIA volatility did not have a direct impact on EURIBOR (see Chart 2.8).

Chart 2.8  
BASE RATES  
(%)

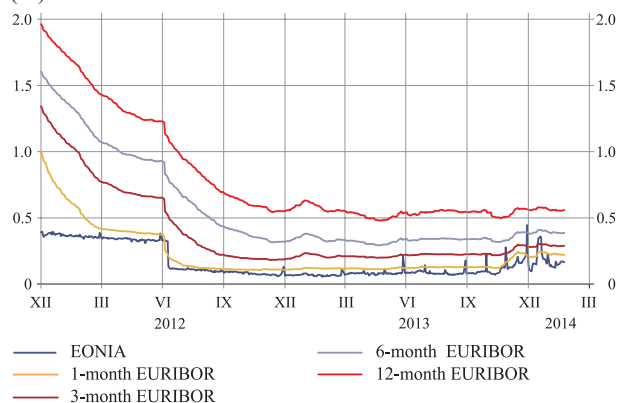


Chart 2.9

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

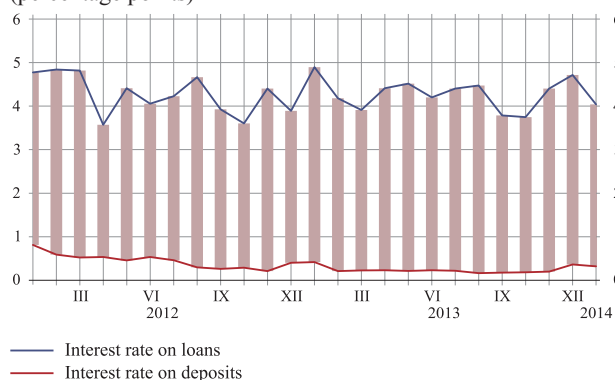


Chart 2.10

INTEREST RATES ON MFI NEW LOANS IN EURO TO NON-FINANCIAL CORPORATIONS IN 2013  
(%)

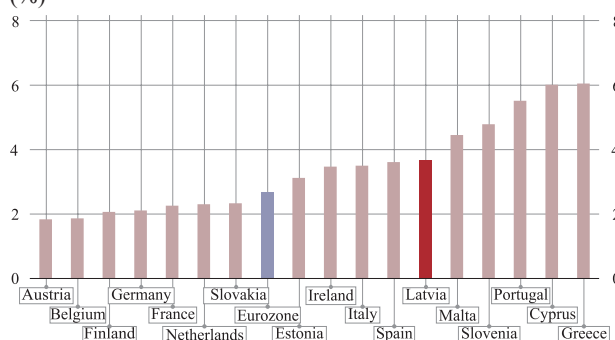
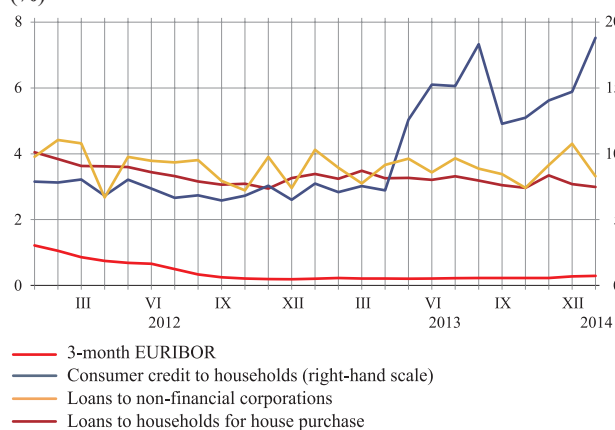


Chart 2.11

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



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

## 2.4 Lending and deposit rates

With lending supply and demand factors remaining basically unchanged, lending rates continued to fluctuate within a small range, remaining, however, higher than deposit rates, and thus ensuring profitability of credit institutions (see Chart 2.9).

After joining the euro area, interest rates on new euro loans in the Latvian financial market were lower than in the euro area countries hardest hit by the European sovereign debt crisis; however, they were higher than in other euro area countries not so badly affected by the crisis (see Chart 2.10). This leads to the conclusion that convergence possibilities of Latvian lending rates still exist, and if the Latvian government continues to implement a prudent and sustainable fiscal policy and economic competitiveness improves further, interest rates on loans granted in Latvia should decrease in the medium-term approaching the interest rate level of the euro area countries less affected by the European sovereign debt crisis.

The weighted average interest rate on new loans in all currencies to non-financial corporations increased in December 2013, while in January 2014 it dropped to 3.5% reaching a lower level than in November (3.9%). Overall, the weighted average interest rate on new loans in euro to non-financial corporations continued to fluctuate within a small range (see Chart 2.11) as the lending supply and demand factors did not change significantly: in 2013 the interest rate on large size loans (exceeding 1 million euro) was 2.6%–4.3% but on loans of up to 1 million euro it was higher (4.0%–4.9%).

The weighted average interest rate on new loans in all currencies to households for house purchase moderated in comparison with November (3.5%) shrinking to 3.1% in January as the respective interest rate on loans granted in euro fell, and loans granted in lats with a higher interest rate were replaced by loans in other currencies with a lower interest rate. The weighted average interest rate on loans in euro to households for house purchase also tended to fluctuate within a small range (3.1%–3.5%) in 2013. In January, the interest rate on loans to households for house purchase reached the lowest level since 2004 (3.1%), i.e. from the moment when statistics on these interest rates is available.

The weighted average interest rate on new consumer credit in all currencies in comparison with November recorded a slight increase (from 20.2% in November to 21.0% in January). The upward trend of interest

rates on consumer credits observed since the beginning of 2013 persisted as new loans in the consumer credit market were increasingly granted by smaller credit institutions having lower credit risk requirements.

Although interest rates on new deposits made by households and non-financial corporations remained low, they increased somewhat in December 2013 and January 2014 as credit institutions carried out seasonal campaigns to attract new deposits by offering slightly more favourable rates. At the end of 2013, credit institutions increased interest rates particularly on deposits in euro at a slightly accelerated pace to facilitate timely replacement of deposits in lats with those in euro. The rising interest rates of these deposits were also affected by the upward fluctuations of the euro money market index at the close of 2013 and in January 2014 as excess liquidity in the euro area money market contracted. Overall, the weighted average interest rate on new deposits attracted in all currencies from households and non-financial corporations edged up from 0.2% in November 2013 to 0.3% in January 2014.

Chart 2.12  
ANNUAL RATE OF CHANGE IN MONETARY  
AGGREGATES  
(%)

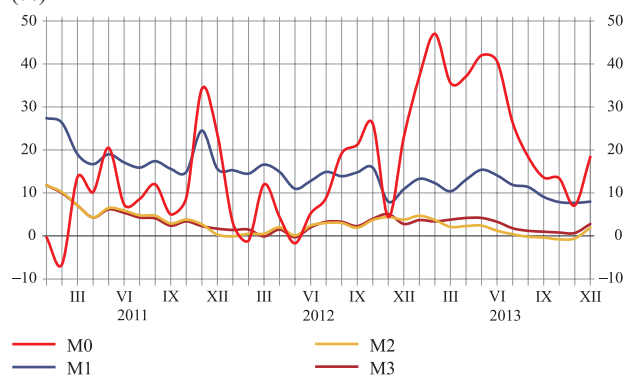
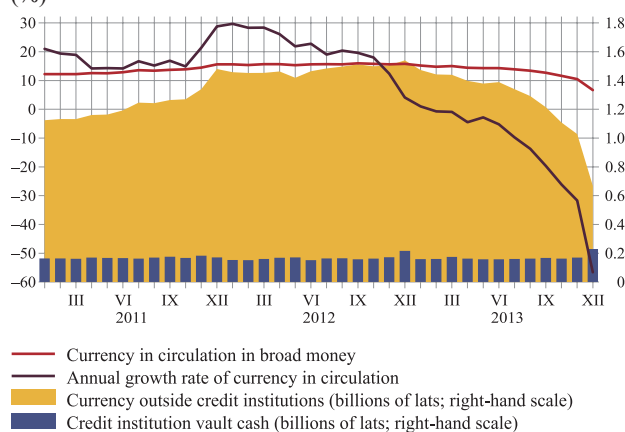


Chart 2.13  
CURRENCY IN CIRCULATION  
(%)



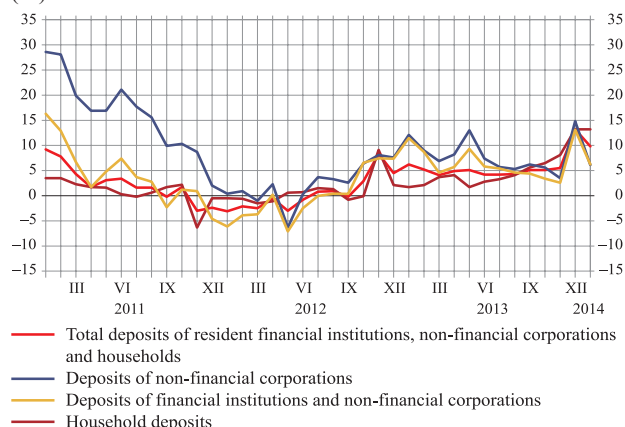
## 2.5 Dynamics of domestic loans and deposits

December was the last month when the lats was the only legal tender in Latvia. In line with expectations, with the euro changeover approaching, the amount of cash in lats in circulation shrank sharply as both households and enterprises deposited their savings with credit institutions and the number of non-cash transactions increased. In December, the total money supply augmented due to a rise in government spending and economic growth. In turn, January 2014 – the first month since the introduction of the single European currency – confirmed the forecast that the changeover to the euro was also a changeover to a more active employment of non-cash settlements. Most of the funds households and enterprises deposited with credit institutions in December were kept there also in January suggesting that cash was losing the important role it played in settlements before.

The monetary aggregate M3 grew by 2.7% in December, and its annual growth rate reached 2.8% (see Chart 2.12). The amount of lats in circulation declined by 360.3 million euro in the last month of 2013 and in comparison with the end of 2012 it decreased by 56.6%, but the cash component in broad money shrank to 6.7% in December (15.8% in December 2012; see Chart 2.13). This was one of the

Chart 2.14

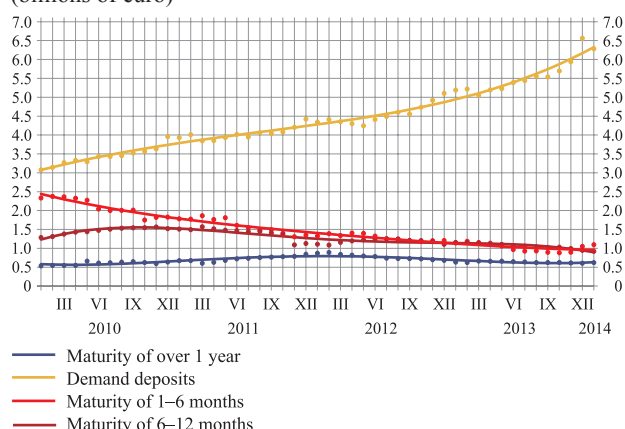
ANNUAL RATE OF CHANGE IN RESIDENT DEPOSITS (%)



factors determining the record high monthly growth of deposits by financial institutions, non-financial corporations and households (721.8 million euro). Household deposits posted a rapid increase of 6.3% in December, with the annual growth rate amounting to 13.2%, and deposits of non-financial corporations grew at an even faster pace by 11.7% and 14.8% month-on-month and year-on-year respectively. At the end of December, domestic deposits with credit institutions reached 9.2 billion euro overall. In January, deposits seasonally decreased, albeit standing at significantly higher levels than in November. Household deposits went down by a mere 1.4% month-on-month, with the annual growth rate remaining unchanged, but deposits by non-financial corporations declined by 5.8%, and their annual rate of increase was 6.1% (see Charts 2.14 and 2.15).

Chart 2.15

ANNUAL RESIDENT DEPOSIT DYNAMICS (billions of euro)



Although funds attracted from foreign parent credit institutions continued to diminish, the uplift of the total foreign liabilities of credit institutions was determined by non-resident non-MFI deposits (see Charts 2.16 and 2.17).

Chart 2.16

NON-MFI DEPOSIT DYNAMICS (billions of euro)

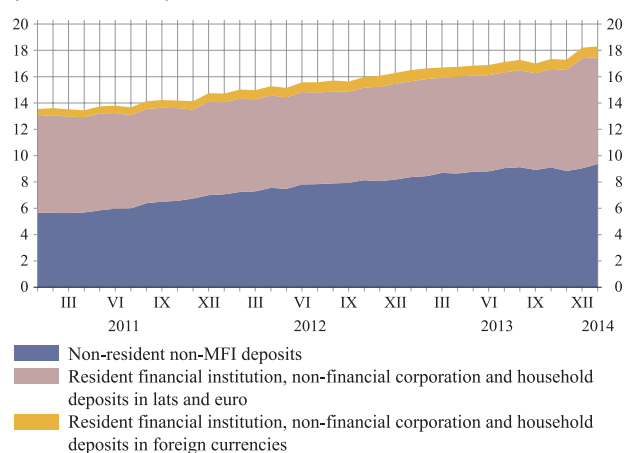


Chart 2.17

CREDIT INSTITUTION FOREIGN LIABILITIES  
(billions of euro)

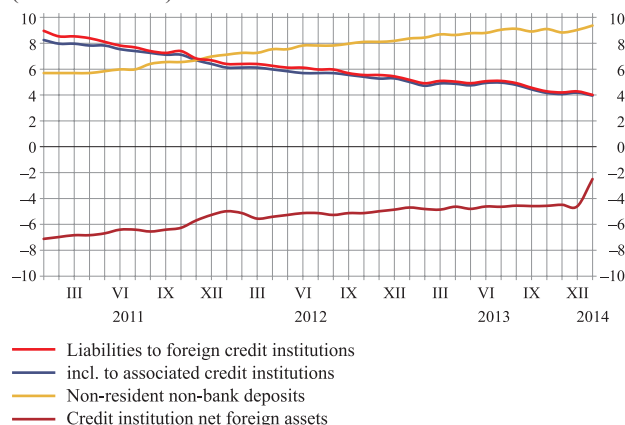


Chart 2.18

ANNUAL RATE OF CHANGE IN LOANS TO RESIDENTS  
(%)

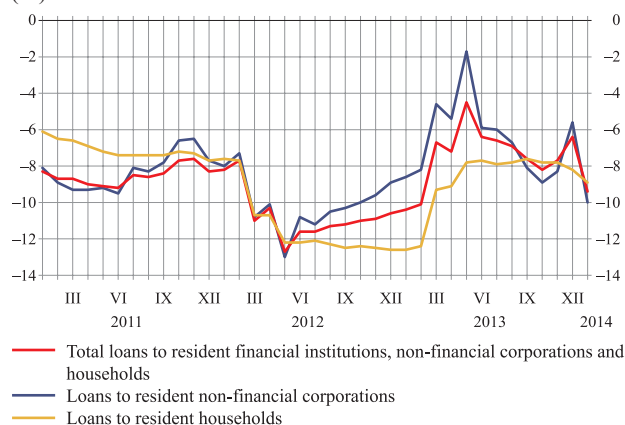
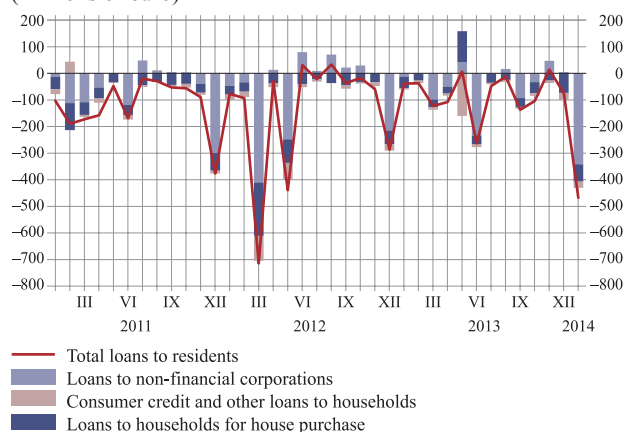


Chart 2.19

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

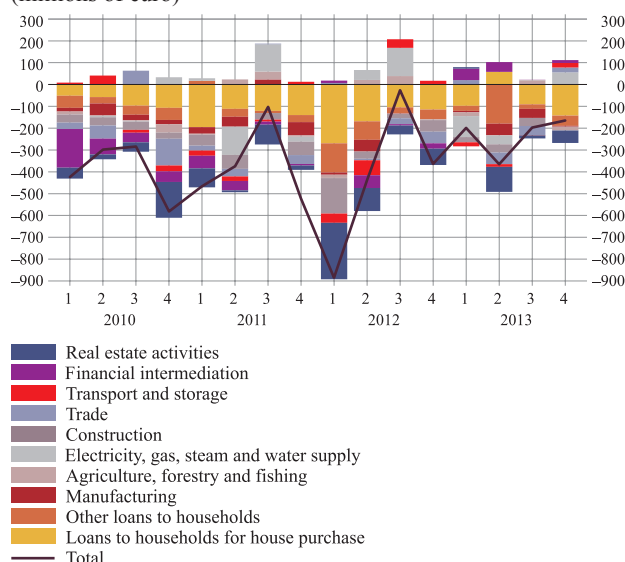


Although December was characterised by a significant decrease in the loan portfolio for several years due to both increased repayment of loans and write-off of bad loans, it was only the household loans that dropped modestly in December 2013, with the aggregate loan portfolio decreasing by a mere 0.6%. In turn, loans to financial institutions and non-financial corporations augmented; their annual rate of decrease and the negative annual growth rate of the total deposits reached 4.9% and 6.4% respectively. In January 2014, the aggregate loan portfolio of credit institutions contracted by 3.5%; however, two thirds of the decline were on account of structural changes – the SJSC *Latvijas Hipotēku un zemes banka* and JSC UniCredit Bank gave up their credit institution licences as of January. Loans to non-financial corporations and households in January decreased by 4.8% and 1.5% respectively. Thus, in January the annual rate of decrease of loans reached 9.4% (see Charts 2.18 and 2.19); however, excluding data on the credit institutions which surrendered their licences, the annual rate of decrease of loans was only 3.4%, and household indebtedness continued on a slow but steady downward trend as household loans gradually contracted. After the merger of the lats and euro loan portfolios, at the end of January 95.1% of all domestic loans were granted in euro and 4.9% – in foreign currencies thus minimising borrowers' currency risk.



Chart 2.20

CHANGES IN THE STRUCTURE OF THE DOMESTIC LOAN PORTFOLIO  
(millions of euro)



In November and December 2013, credit investments in forestry, individual subsectors of manufacturing (wood production and printing), energy, water supply, wholesale and retail trade, storage, information and financial services increased. The annual growth rate of loans in forestry, fishing, individual subsectors of manufacturing, water supply, wholesale trade, land transport and other sectors was positive in December (for changes in the structure of the domestic loan portfolio see Charts 2.20 and 2.21).

With GDP increasing, the ratio of loans to GDP continued to decline (in 2013 – 58.1%; in 2012 – 65.5%). Since the total resident deposits increased and the loan portfolio contracted, the ratio of loans to residents and resident deposits dropped to 1.46 in January (1.61 in November; see Chart 2.22).

The positive economic growth and changes in habits enhanced by the introduction of the euro will foster an increasing elimination of cash settlements by boosting popularity of payment card transactions and internet banking. Against the background of improving external demand and ongoing positive economic growth, deposits by non-financial corporations and households with credit institutions will continue to expand in 2014; however, the rate of increase will not be fast. Development trends of loans to enterprises will determine the lending dynamics, while households will still refrain from taking new loans, and their debt level will gradually fall. Although the aggregate loan portfolio of credit institutions will continue to diminish, statements by representatives of individual major credit institutions suggest that exporting companies, traders and service providers could be creditworthy customers. Overall, however, sustainable loan portfolio growth could rebound only over the next couple of years.

Chart 2.21

CHANGES IN LOANS TO RESIDENTS  
(billions of euro)

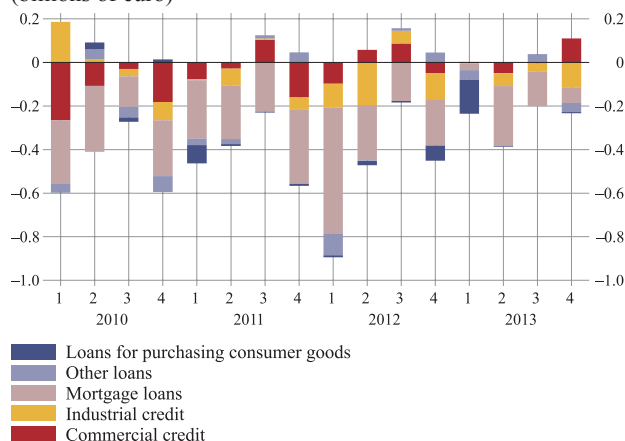


Chart 2.22

RESIDENT LOAN TO DEPOSIT RATIO

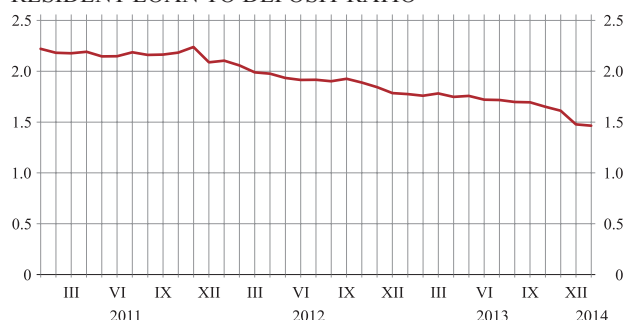


Chart 3.1  
CHANGES IN GDP  
(constant prices; %)

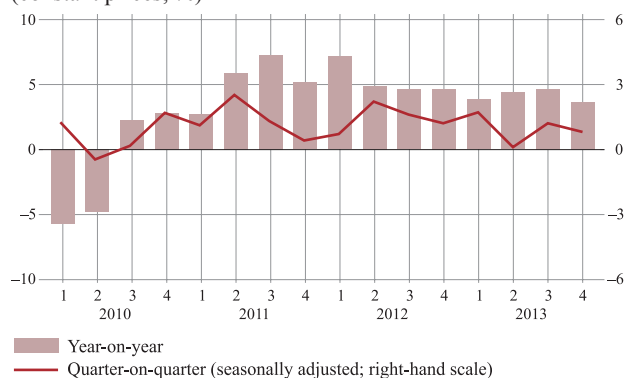


Chart 3.2  
CONTRIBUTION TO ANNUAL CHANGES IN GDP  
(demand side; percentage points)

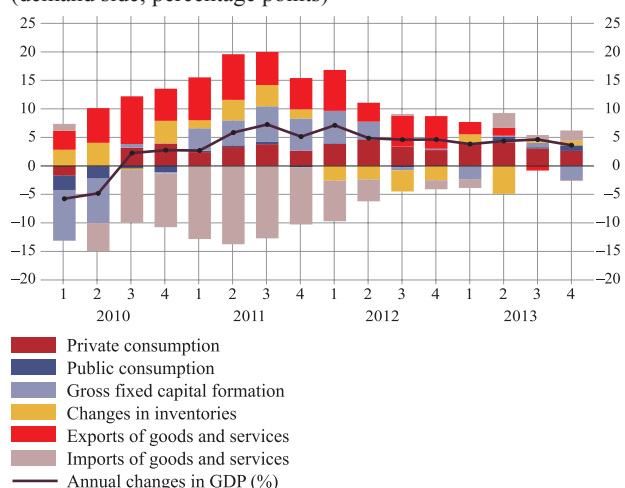
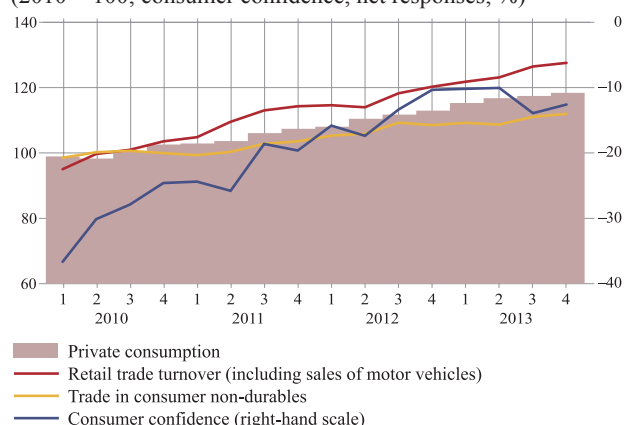


Chart 3.3  
INDICATORS CHARACTERISING CONSUMPTION  
(2010 = 100; consumer confidence, net responses; %)



## 3. Domestic Demand

Latvia's GDP growth remained one of the strongest in the EU in the fourth quarter. The GDP increased by 0.8% quarter-on-quarter in seasonally non-adjusted terms and by 3.6% year-on-year (see Chart 3.1). Private consumption remained the main growth engine throughout the year (see Chart 3.2). The purchasing power of households continued to improve, primarily on account of rising employment and real wages. Household confidence improved more notably towards the turn of the year, supported by the well-organised euro changeover in combination with the prevalence of consumer-friendly price developments.

Investment growth was weak in 2013 and gross fixed capital formation contracted by 10.3% in the fourth quarter. In 2013, investment developments were affected by external uncertainties, the "wait-and-see" attitude with regard to the euro changeover and the completion of some major investment projects.

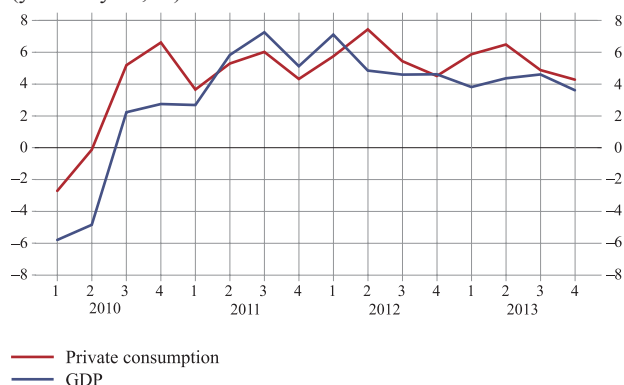
The growth of the real exports of goods and services decelerated and even entered a negative territory in the third quarter. In the fourth quarter, the exports were at the level observed a year ago. Considering the high base (including the good harvest of 2012) and the decline in exports by JSC *Liepājas Metalurģs*, the performance of exports and the manufacturing sector in the fourth quarter should be viewed as decent.

Real imports of goods and services continued to contract in the fourth quarter, falling by 3.0% and, given the unchanged level of exports, made a positive contribution to GDP growth (1.8 percentage points).

### 3.1 Private consumption and investment

Private consumption remained the main driver of economic growth in 2013 (see Chart 3.3), increasing further by 4.3% in the fourth quarter and contributing 2.6 percentage points to the overall GDP growth. At the turn of the year, price developments were consumer-friendly. Consumption increased towards the end of the year *inter alia* on account of reducing the previously-accumulated savings. Although households placed part of their cash savings on current accounts in anticipation of the euro changeover, a certain share of those savings was spent, thereby resulting in higher consumption (see Chart 3.4). Consumer confidence (see Chart 3.5) improved more notably in the last two months of the

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



year, implying that the euro changeover proceeded more smoothly than expected.

The developments in retail trade turnover also pointed to rising consumption: the increase in sales towards the turn of the year was more substantial in the case of food (includes all sales, *inter alia* the sales of non-food items at shops primarily selling food), clothing and furniture. The developments with regard to the number of cars newly-registered with the Road Traffic Safety Department (see Chart 3.6) and car sales were volatile: following a more notable increase in September and October, the sales volumes dropped in November and December.

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

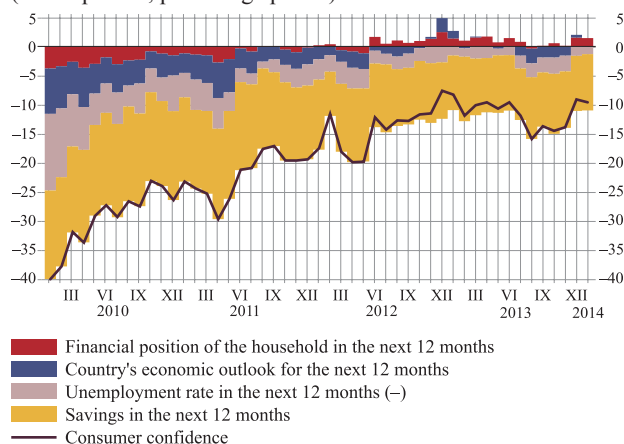


Chart 3.6  
NUMBER OF VEHICLES NEWLY REGISTERED WITH  
THE ROAD TRAFFIC SAFETY DEPARTMENT  
(thousands)

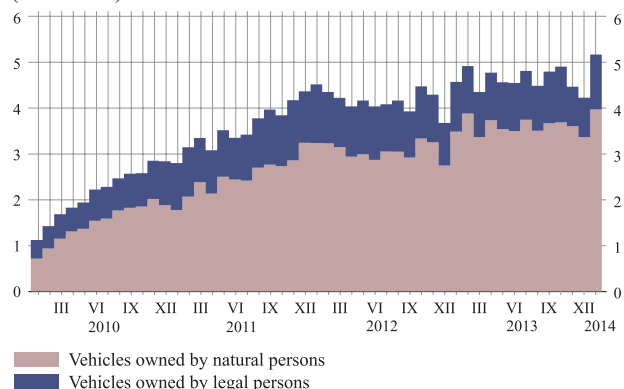
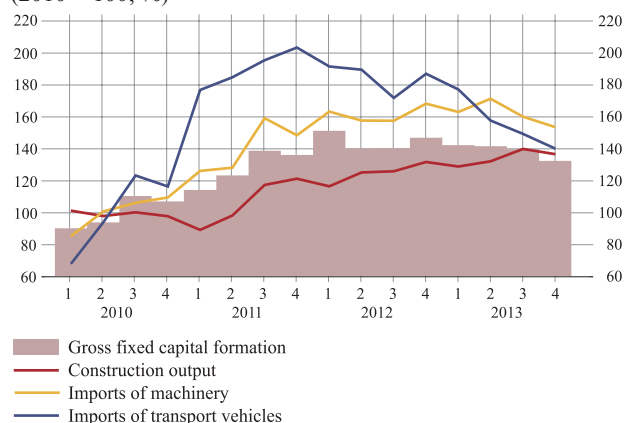


Chart 3.7  
INDICATORS CHARACTERISING INVESTMENT  
(2010 = 100; %)



Investment growth was weak in 2013 overall (see Charts 3.7 and 3.8), and a 10.3% fall was reported in the fourth quarter. According to the data on non-financial investment, the drop was slightly more pronounced for investment in public administration and public services; nevertheless, private investment also contracted as suggested by the shrinking imports of capital goods (see Chart 3.9). The decline of investment was affected by external uncertainties, the "wait-and-see" attitude with regard to the euro changeover and the completion of some major investment projects. Better industrial and export performance towards the end of the year allowed hoping for more favourable investment developments in the future. However, the events in Ukraine have renewed and even exacerbated the concerns with regard to the opportunities to attract investment. Therefore, the EU funding inflows will be particularly important to support development.

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

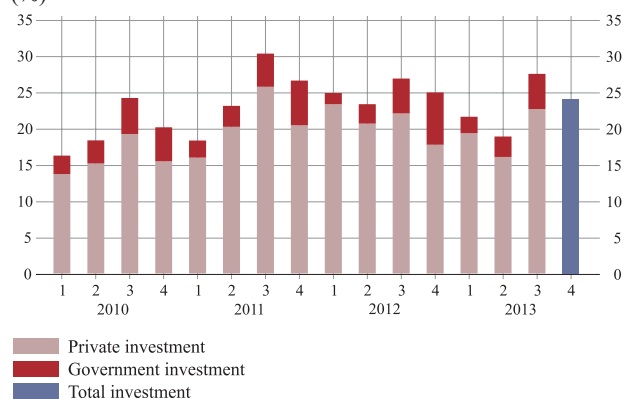


Chart 3.9  
NON-FINANCIAL INVESTMENT BY SECTOR  
(% of total non-financial investment)

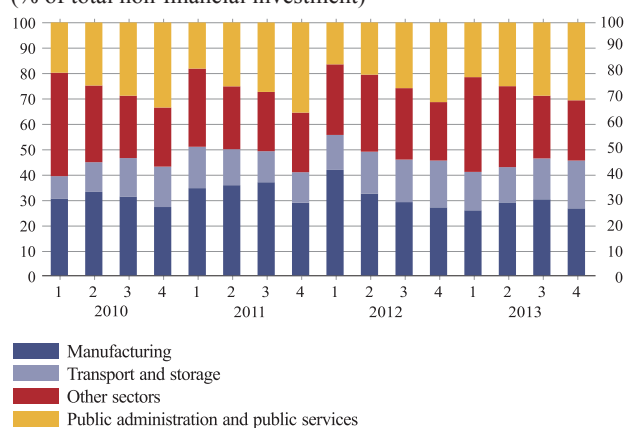


Chart 3.10

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

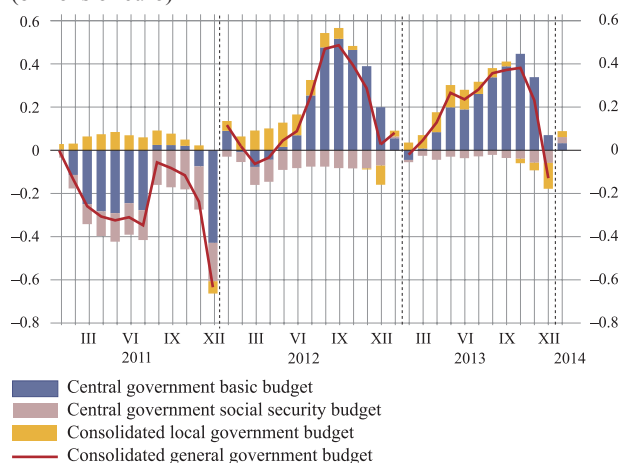


Chart 3.11

SELECTED TAX REVENUE  
(January; millions of euro)

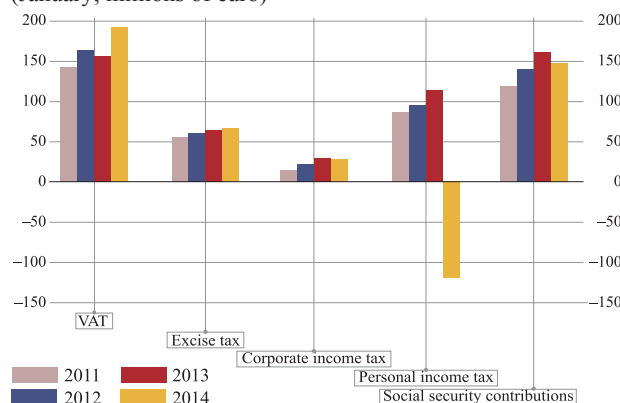
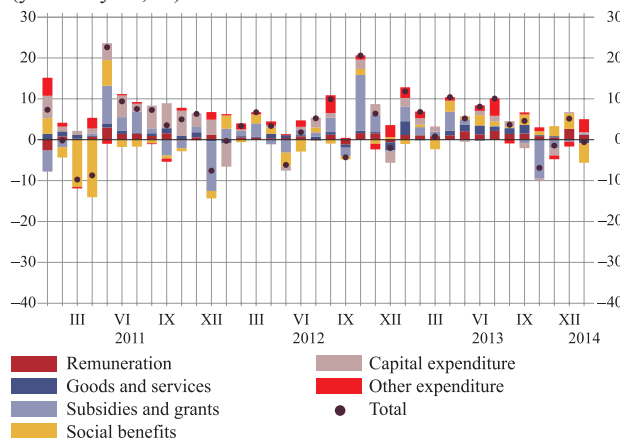


Chart 3.12

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



### 3.2 Government expenditure and budget

According to the official information by the Treasury, the surplus of the consolidated general government budget estimated on a cash flow basis amounted to 91.3 million euro or 0.4% of the forecast GDP in January 2014, representing a year-on-year increase of 10.5 million euro (see Chart 3.10). However, there was a deficit of 128.3 million euro or 0.6% of GDP in 2013 overall in the consolidated general government budget estimated on a cash flow basis as opposed to a 27.2 million euro surplus accumulated at the end of 2012.

The rise in the revenue of the consolidated general government budget decelerated to 1.1% in January 2014 in comparison with the 4.0% increase reported a year ago. Although the VAT revenue grew by 23.6%, the revenue from social insurance contributions and personal income tax, albeit rising towards the end of 2013, was overall smaller. January tax collections (see Chart 3.11) were broadly as planned: the revenue target was exceeded, although less than in the respective period of the previous year (100.3% and 104.9% of the target in January 2014 and January 2013 respectively). Non-tax revenue was 13.5 million euro smaller year-on-year, mainly on account of the shrinking repayments of the unspent funding from the EU funds to the central government basic budget.

The general government consolidated budget expenditure decreased by 0.6% year-on-year in January (see Chart 3.12). The decline in spending was largely a result of lower disbursements of social benefits (by 27.8 million euro or 14.4%), as part of them were made at the end of 2013.

The general government debt totalled 9 195.2 million euro on a cash flow basis at the end of January 2014 (37.0% of the forecast GDP for 2014; estimated as 39.8% of the forecast GDP for 2014 according to ESA 95 methodology). There is an increase of 923.0 million euro in comparison with January 2013 which is largely attributable to the 7-year Eurobonds issued by Latvia in January 2014 in the amount of 1 billion euro and maturing in January 2021. Debt is expected to decrease due to a partial repayment (1 billion euro) of the principal amount of the loan received from the EC scheduled for the end of March and the maturing of 10-year government bonds in the amount of 400 million euro in April.

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

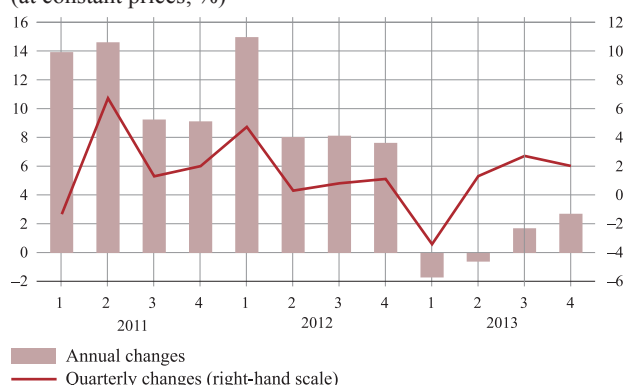
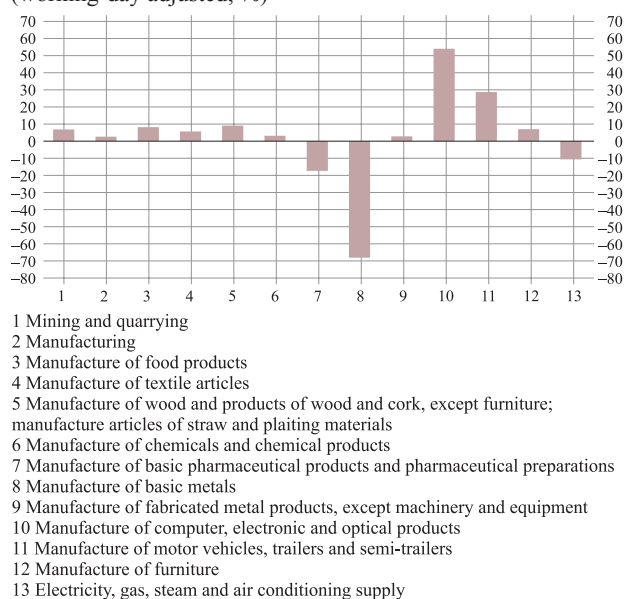


Chart 4.2  
ANNUAL INDUSTRIAL OUTPUT CHANGES IN THE  
FOURTH QUARTER OF 2013  
(working-day adjusted; %)



## 4. Aggregate Supply

### 4.1 Industry and construction

In the fourth quarter, the value added of manufacturing at constant prices recorded a year-on-year expansion of 2.6% (contribution to the annual GDP growth – 0.3 percentage point). At the same time, the value added of manufacturing (seasonally adjusted) recorded a quarter-on-quarter rise of 1.5% in the fourth quarter.

In the fourth quarter, the volume of output in manufacturing at constant prices increased by 2.0% quarter-on-quarter and grew by 2.7% year-on-year (see Chart 4.1). Higher output (6.2%) of the largest subsector of manufacturing – the manufacture of products of wood – accounted for the major positive contribution to the development of manufacturing in the fourth quarter. Expanding manufacture of food products (2.7%), basic metals (18.3%) and chemicals (8.9%) also supported the manufacturing growth. At the same time, the quarterly decline in the output of the volatile manufacture of other transport equipment (51.9%) as well as a reduction in the manufacture of beverages (9.4%) and wearing apparel (5.1%) exerted a negative impact.

Year-on-year, the manufacture of food products, products of wood as well as the manufacture of computer, electronic and optical products had a positive impact on the growth of manufacturing in the fourth quarter. The manufacture of basic metals exerted the most pronounced adverse effect in annual terms. The manufacture of basic pharmaceutical products and pharmaceutical preparations and other transport equipment and the repair and installation of machinery and equipment also affected the dynamics of manufacturing negatively (see Chart 4.2 for the changes in the manufacturing output in the fourth quarter of 2013 in comparison with the respective period of the previous year).

After falling for two quarters the turnover in manufacturing at current prices recorded a year-on-year rise of 1.4% in the fourth quarter. Meanwhile, the turnover in the external market continued on a downward trend for the third consecutive quarter (a 3.1% drop in the fourth quarter). The turnover rose by 9.2% in the domestic market, and this was the highest increase since the beginning of 2012, pointing to a growth in the domestic demand.



Chart 4.3

PRODUCTION CAPACITY UTILISATION IN MANUFACTURING (%)

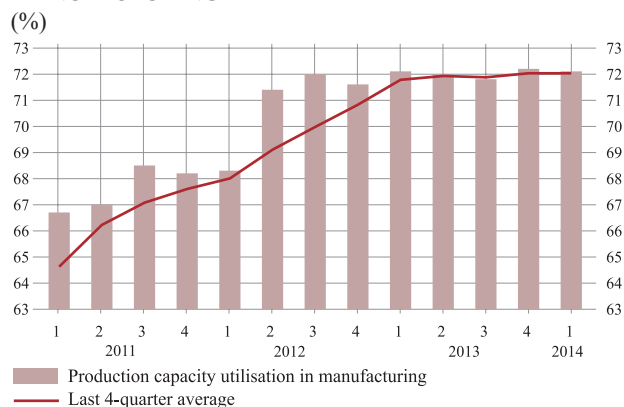
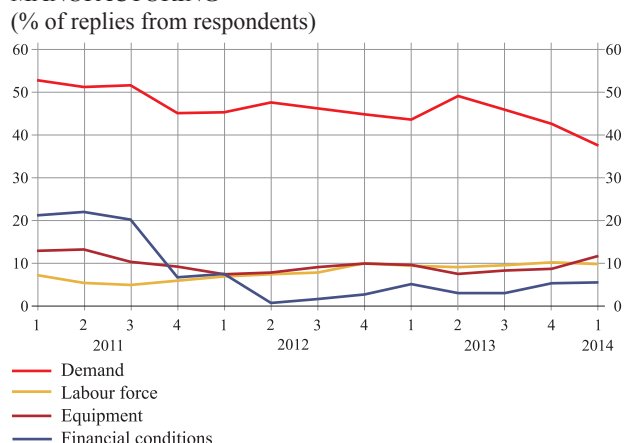


Chart 4.4

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



The industrial confidence indicator of manufacturing aggregated by the EC for the fourth quarter was 0.8 point higher quarter-on-quarter. It was primarily attributable to a higher assessment of order volume as well as the assessment of output volume for the coming months. The sales prices and employment assessment for the coming months improved considerably, while the assessment of the export order volume recorded the only subdued decline. Hence the signals from Latvia's business surveys regarding the fourth quarter are to be considered positive overall.

Production capacity utilisation projected for the first quarter of 2014 has remained almost unchanged (72.2% in the fourth quarter of 2013 and 72.1% in the first quarter of 2014; see Chart 4.3). In the breakdown by sector, production capacity utilisation was high in the manufacture of wood and of products of wood and cork (80.2%), paper products (78.3%), printing and reproduction of recorded media (78.1%) and electrical equipment (76.8%). Production capacity utilisation recorded the most buoyant expansion in the manufacture of electrical equipment (an increase of 9.8 percentage points), motor vehicles, trailers and semi-trailers (a rise of 9.0 percentage points) and pharmaceutical preparations (a growth of 7.3 percentage points). At the same time, the manufacture of basic metals (41.6%; 6.5 percentage points – the sharpest drop in this sector), beverages (59.8%), non-metallic mineral products (64.2%) as well as the manufacture of textile articles (64.6%) accounted for low projected production capacity utilisation. A notable decline in the production capacity utilisation has also been projected in the food industry (4.4 percentage points; to 66.0%).

Businesses reported the lack of demand as a growth-restrictive factor also in the first quarter of 2014 (37.7% of the total number of respondents; see Chart 4.4); however, this indicator continued on a downward trend. A larger number of respondents than in the previous quarter pointed to the lack of equipment (11.9%) and the lack of available financing (5.7%). In the latest business survey, however, the number of respondents identifying no substantial constraint for the production was an all-time high (35.5%).

As regards manufacturing, preliminary data for January were particularly negative. In January, the volume of output shrank by 17.3% in comparison with December (seasonally adjusted), whereas the annual fall was 11.3%. In the post-crisis period seasonality of manufacturing changed every year, this being the

most likely reason why the seasonality filters allowed the drop in the non-adjusted data to be as strongly reflected in the seasonally adjusted data. However, not all can be explained by seasonality. The deterioration of the non-adjusted data this January has been considerable even for the usually volatile beginning of the year. The negative development of manufacturing was attributable to the subsector of the manufacture of basic metals, showing a very steep fall in output. In annual terms, it was still mainly on account of the impact of the wind-up of JSC *Liepājas Metalurģs*, since January 2013 was the last month when the company operated at full capacity. At the same time, the decline against December 2013 is in line with the information published recently in mass media about the problems encountered by some metalworking companies as well as the long-term stagnation in the metallurgical industry of the EU. However, other data do not point to any serious problems in the industry. The Latvian business confidence indicators improved in January and February due to a lower assessment of the inventories of finished goods. High business confidence indicator is consistent with the one observed at the beginning of 2008.

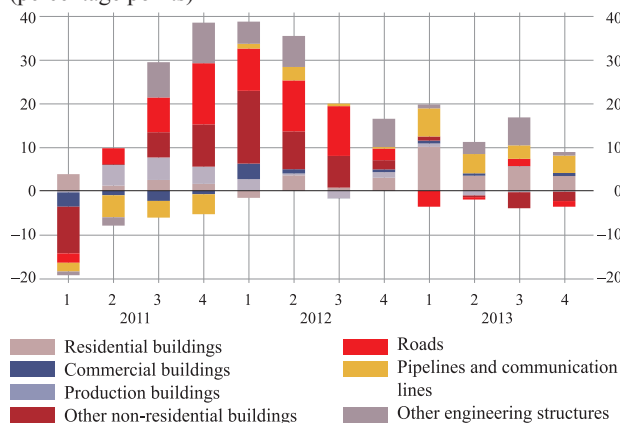
In 2014, the growth in manufacturing will depend to a large extent on the developments in the external environment, since exports account for about 62% of the overall turnover. The development outlook for the euro area gives rise to hopes that the external demand for Latvia's export goods will follow an upward path. The construction sector in the major trade partner countries is also recovering, suggesting that, for instance, the wood industry could be expected to expand further also in 2014, if the access to raw materials is sufficient. However, in 2014 the domestic developments are expected to play a more significant role in manufacturing than before. Private consumption has become the main driver of GDP growth as a result of a rise in disposable income and more active spending of savings. In line with that, data on manufacturing also reflect an ever increasing rise in turnover in the domestic market, whereas the turnover in exports has shrunk over the last quarters. In 2014, the recovery of investment activity may be reasonably anticipated in the sector since a new round of inflows of financing from the EU funds begins. Successful implementation of the investment projects should lead to an expanding volume of output and higher value added in the sector.

In the fourth quarter, the value added of the construction sector recorded a year-on-year rise of

Chart 4.5

CONTRIBUTION OF SOME TYPES OF CONSTRUCTION OBJECTS TO ANNUAL CONSTRUCTION GROWTH AT CURRENT PRICES

(percentage points)



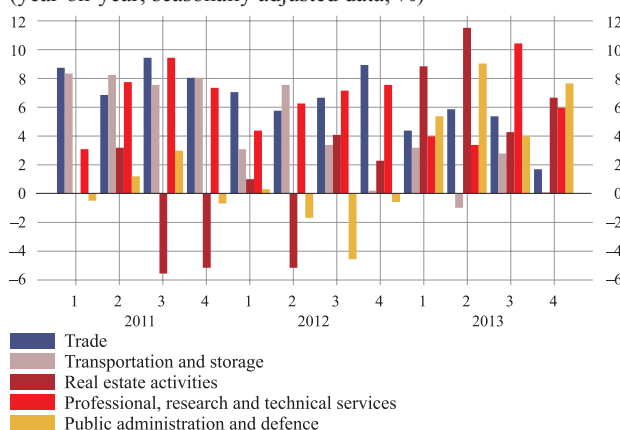
3.9%. The value added (seasonally adjusted) of the construction sector declined by 0.5% quarter-on-quarter. The contribution of the construction sector to the annual GDP growth was 0.3 percentage point. At the same time, construction output at current prices recorded a year-on-year increase of 5.2% in the fourth quarter (see Chart 4.5). The construction of engineering structures (3.5 percentage points), including that of pipelines and communication lines (3.9 percentage points) and bridges and tunnels (1.1 percentage points), accounted for the major contribution to the annual growth. The construction of apartment blocks (contribution – 3.1 percentage points) was the main driver of the expanding construction of residential buildings (contribution – 3.3 percentage points). The negative contribution of non-residential buildings segment, observed in the previous two quarters, persisted (1.6 percentage points); however, the construction of administrative buildings was a notable positive contributor (3.2 percentage points) to the sector.

The construction confidence indicator assessed by the EC declined by 1.6 percentage points in the fourth quarter. This development was mainly attributable to a sharply deteriorating assessment of employment expectations for the next three months. Builders primarily pointed to a lack of demand (43.2%) and weather conditions (23.8%) as the constraint for business growth. One-fourth of builders did not refer to any construction hampering factors. In January the construction confidence indicator improved (associated with a higher assessment of employment for the next three months); however, in February the confidence indicator deteriorated moderately, mainly on account of a lower order assessment.

Chart 4.6

CHANGES IN VALUE ADDED BY MAIN TYPES OF SERVICES

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



## 4.2 Services

In the fourth quarter of 2013, the value added of the services sector at constant prices recorded a year-on-year increase of 4.3%. The overall contribution of the services sector to the annual GDP growth was 2.7 percentage points (see Chart 4.6 for the changes in value added of the main types of services). Public administration (0.6 percentage point), real estate activities (0.5 percentage point) and professional services (0.4 percentage point) were the major positive contributors to GDP growth in the fourth quarter of 2013.

Growth in retail trade turnover also continued in the fourth quarter (see Chart 4.7). Retail trade turnover

Chart 4.7

BREAKDOWN BY QUARTERLY CHANGES IN RETAIL  
TRADE TURNOVER

(percentage points)

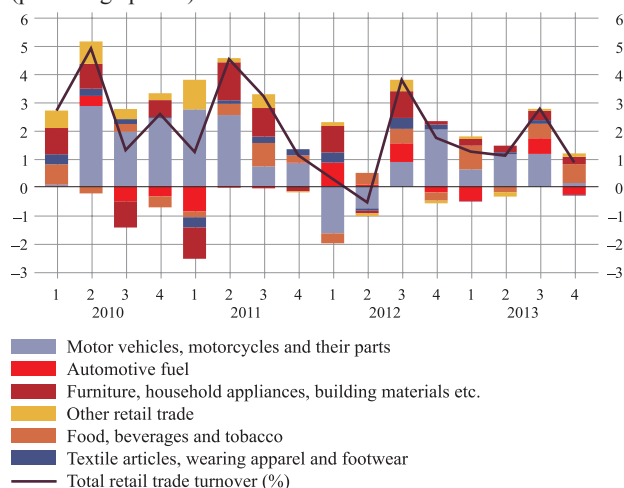
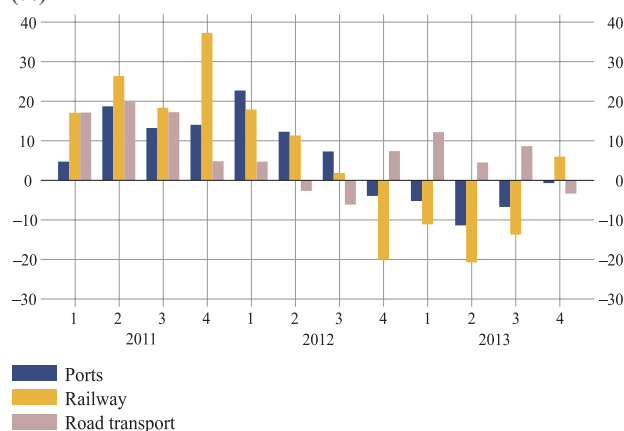


Chart 4.8

ANNUAL CHANGES IN FREIGHT TURNOVER BY MAIN  
TYPE OF FREIGHT TRAFFIC

(%)



increased by 1.0% quarter-on-quarter (including the sales of motor vehicles – by 0.8%). The rise was mainly attributable to an increasing sales volume of food products, furniture and household goods, probably on account of the households spending their savings prior to the euro changeover. It should be noted that the breakdown is based on the main operating activity of the companies; hence the expanding sales volume of supermarkets may be associated not only with the purchase of food products, but also with the purchase of household goods, wearing apparel and other consumer durables. Retail trade turnover rose by 4.0% year-on-year (including the sales of motor vehicles – by 6.0%).

In the fourth quarter, the value added of the transportation and storage sector reported a year-on-year rise of 0.1% (see Chart 4.8 for the annual changes in freight turnover by the main types of transport). The value added of the sector shrank by 0.6% quarter-on-quarter (seasonally adjusted data), increasing by 1.3% in 2013 overall.

With the negative trend observed at the end of 2012 persisting, cargoes loaded and unloaded overall at Latvia's ports in the fourth quarter of 2013 declined by 0.8% year-on-year. The situation had improved more over the last quarter of the year than was usually observed. The sharply declining volume of cargoes loaded and unloaded at Liepāja port (34.3%) contributed most to the shrinking overall cargo traffic, albeit the ports of Riga and Ventspils recorded a pickup (4.7% and 3.2% respectively). A notable reduction in cargo volume at Liepāja port is, most likely, associated with both the wind-up of the JSC *Liepājas Metalurģs* and the fact that harvests were smaller in 2013 than in 2012.

The turnover of freight traffic by rail (indicator based on the distance covered and freight weight) grew by 4.9% in the fourth quarter, discontinuing the downward trend that started in the fourth quarter of 2012. The increasing turnover was on account of a rise in international freightage (6.1%). At the same time, the turnover of domestic freight shrank steeply (by 30.7%). The volume of freight traffic by rail (indicator based on the freight weight only) rose more than the turnover (by 6.3%) over the year. It was underpinned by expanding imports (11.6%). However, exports and freight transit declined (by 14.2% and 19.2% respectively).

In the fourth quarter, the volume of freight traffic by road increased by 11.7% year-on-year, whereas the

turnover of freight traffic by road (indicator based on the distance covered and freight weight) fell by 3.4%. The overall annual reduction was for the most part determined by the decreasing turnover of international freight traffic by road (3.0%); however, the domestic turnover of road freight also shrank (by 4.6%).

Preliminary data for the first quarter of 2014 point to a minor improvement of the situation. The increase in the volume and turnover of rail freight that started in the fourth quarter of 2013 continued in January and February. Freight traffic at ports also recorded an expansion. Improving performance of the transport sector might be associated with the trend of a gradual economic recovery observed in the EU; however, concern about the sustainability of the situation persists.

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



### 4.3 Labour market

Real unemployment or the rate of jobseekers continued to decline in the fourth quarter of 2013 reaching 11.3% of the economically active population, despite of the lay-offs at JSC *Liepājas Metalurģs* (the estimated impact of the wind-up of this company on unemployment is about 0.2 percentage point). Consequently, the rise in registered unemployment observed in the last three months (9.8% at the end of January; see Chart 4.9) reflects the impact of the problems associated with the wind-up of JSC *Liepājas Metalurģs* and the seasonal effects rather than suggests any shifts in the underlying labour market trends.

The rate of jobseekers in the euro area stabilised towards the turn of 2013 at the level of 12%, close to the historical maximum. The high unemployment rate of the euro area, however, was determined by the rates reported by individual Member States (e.g. Spain and Greece), as their competitiveness deteriorated sharply during the period of the economic boom and they attempted to postpone the fiscal austerity measures after the onset of the crisis. In several other euro area Member States (including Latvia), the current unemployment rate is close to the average of the last 15 years, whereas in some Member States (e.g. Germany and Estonia) it is considerably below the historical average.

An increase in job vacancies also points to improved employment opportunities. As at the end of January 2014, there were 4.7 thousand vacancies registered in the SEA databases (about 1 000 vacancies more than

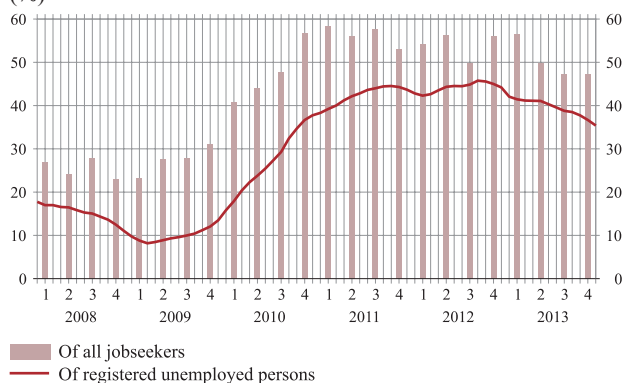
Chart 4.10

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



Chart 4.11

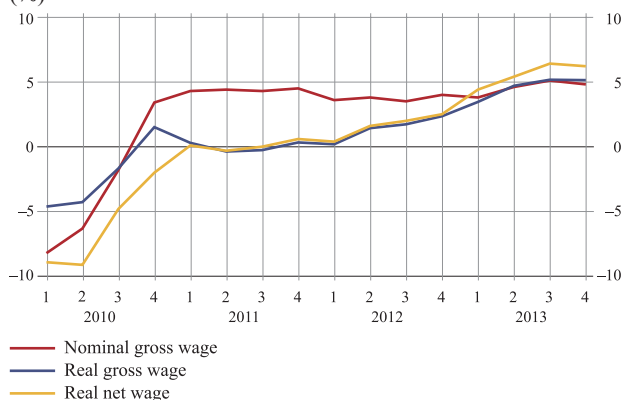
LONG-TERM UNEMPLOYED\*  
(%)



\* Persons registered with the SEA for a period of over 1 year.

Chart 4.12

ANNUAL CHANGES IN AVERAGE NOMINAL AND REAL FULL-TIME MONTHLY WAGE  
(%)



in January 2013; see Chart 4.10). On average, 5% of the registered unemployed found a permanent job in a period of one month, the same as in 2006. The number of long-term unemployed decreased gradually as well as their proportion in the total number of unemployed (see Chart 4.11).

Average monthly gross nominal wage continued to increase moderately in the fourth quarter, rising by 4.8% and thereby easing the concerns over potential deterioration of competitiveness and creating no significant upward pressure on inflation. Both private and public sector wages increased at a similar rate (see Chart 4.12). One of the factors suggesting that Latvia is currently in a state of a macroeconomic balance is the fact that the average wage is in line with the labour productivity (see Chart 4.13). Consequently, sustainable wage increases can only be achieved through raising productivity.



Chart 4.13

REAL WAGE AND SALARY AND LABOUR  
PRODUCTIVITY INDEX

(historical average = 100; seasonally adjusted data)

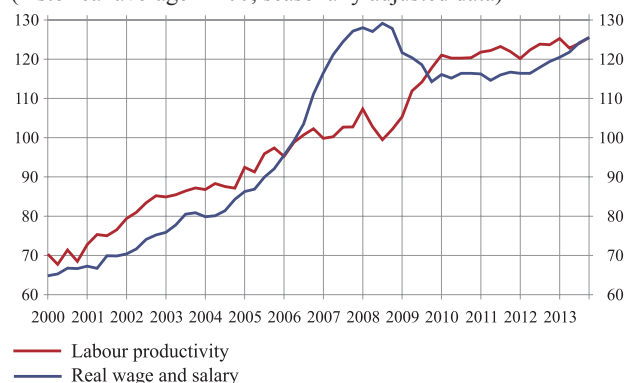
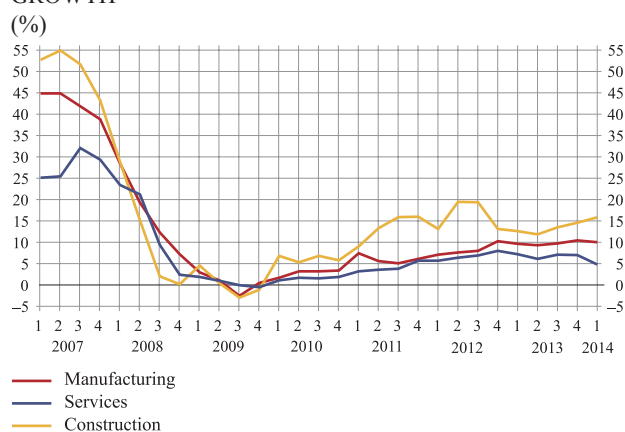


Chart 4.14

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



Businesses' views on the presence of labour shortage have stabilised at a moderate level, suggesting that any wage increases will be based on productivity gains; hence they will be sustainable and will not impair the competitiveness of the economy (see Chart 4.14).

Nominal unit labour costs followed a gradual upward trend, confirming the sustainability of the revival in competitiveness. Both nominal and real unit labour costs were notably lower than in 2008.

The decline in unemployment in Latvia which was quite notable in the previous three years is expected to decelerate in 2014. A sustainable decrease in Latvia's unemployment can only be achieved through reducing the structural unemployment, which could be supported by both robust economic development as well as the implementation of active labour market policy initiatives. Yet this cannot happen quickly. Therefore, Latvia's medium-term economic growth will be increasingly more based on productivity gains rather than higher employment. According to the CSB labour survey, the annual rise in the number of employed was 0.8% in the fourth quarter, which is one of the weakest performances since overcoming the economic crisis. The SRS data on the number of employed also point to decelerating employment growth. Considering the notable GDP growth, the annual increase of labour productivity could reach about 3% which, in turn, is one of the best achievements of late. Consequently, Latvia's economic growth is gradually shifting from an extensive development to an intensive one, supporting sustainable wage increases.

Chart 5.1  
CHANGES IN CPI BY COMPONENT  
(percentage points)

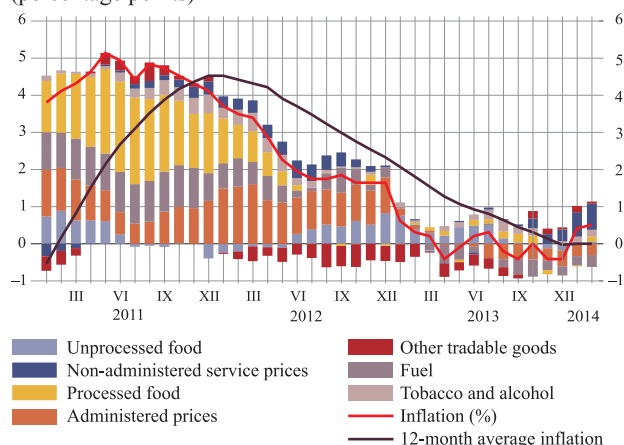


Chart 5.2  
IMPACT OF ENERGY AND FOOD PRICE CHANGES ON ANNUAL CONSUMER PRICE INFLATION  
(percentage points)

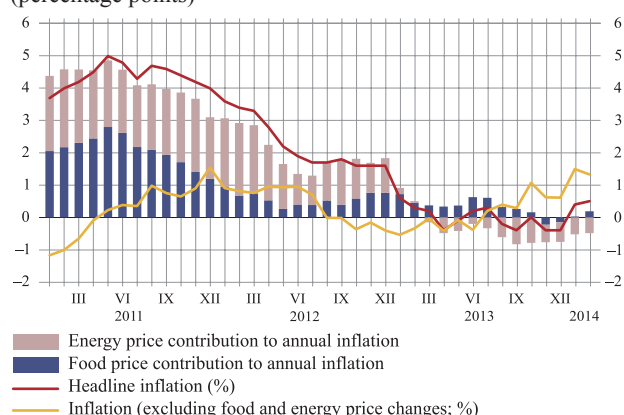
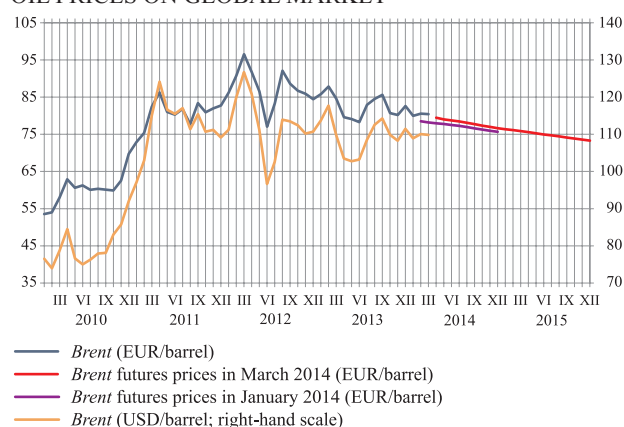


Chart 5.3  
OIL PRICES ON GLOBAL MARKET



## 5. Costs and Prices

In January and February 2014, annual inflation remained low (0.4% and 0.5% respectively), while approaching inflation rates associated with economic growth. Inflation continued to be low due to supply-side factors – the annual rate of increase in fuel and heating prices still remained negative (see Chart 5.1).

The negative contribution of energy prices (see Chart 5.2) is related to both the base effect of the cogeneration projects launched or expanded in 2013 and offering a lower heating tariff and the price level of fuel resources (oil products) which remained relatively stable and did not affect the dynamics of fuel prices significantly. Although the contribution of heating prices was still negative, it declined somewhat as contrary to January 2013, a moderate heating price increase (e.g. in Valmiera) was observed in January 2014. However, already in February the dynamics of the prices of resources (natural gas) contributed to a further decrease in heating prices in Latvia, while in March the heating tariff was reduced in Daugavpils under the impact of the factors unrelated to fuel resources, and this will be reflected in inflation data in the future. The price of Brent crude oil fluctuated in a relatively narrow band (107–112 US dollars per barrel) in January–March, falling slightly at the end of the reporting period (see Chart 5.3). The price of Brent crude oil was primarily affected by the demand and supply ratio. According to the International Energy Agency's estimates, the global demand for crude oil is projected to strengthen moderately in the second quarter of 2014. Likewise, an increase in supply which will be more rapid than an increase in demand, thus exerting a downward effect on crude oil prices is expected.

Chart 5.4

### GLOBAL FOOD PRICES

(average monthly indicator of 2002–2004 = 100)

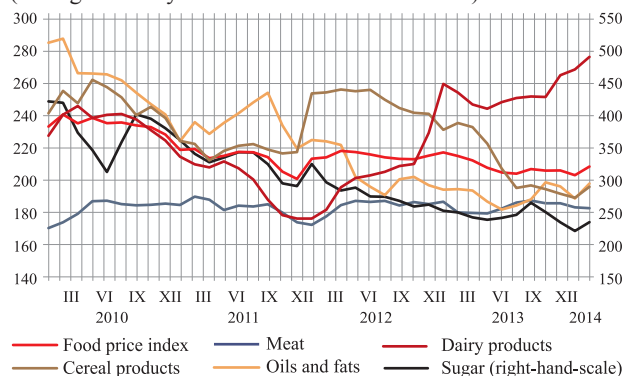
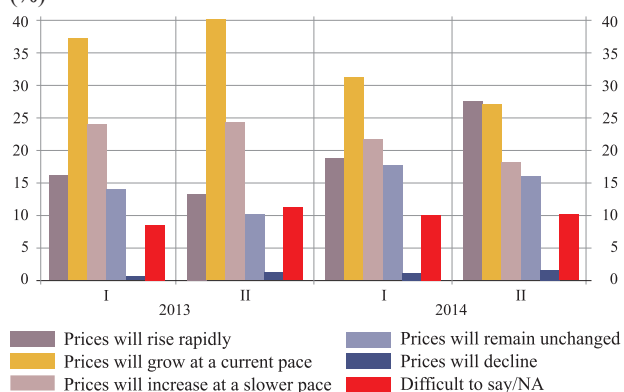


Chart 5.5

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



The global food price developments had a stabilising effect on food prices in Latvia in January, with only prices of dairy products recording a rise due to the growing demand. Other major food commodity groups posted a minor price drop, which was favourably affected by the harvest estimates in the countries having the harvest season at the beginning of the year (see Chart 5.4). In January, the seasonal increase in potato and vegetable prices in Latvia exceeded the seasonal price rise in this group in 2013, accounting for 0.2 percentage point (half) of annual consumer price inflation. The majority of food commodity groups recorded an increase in prices on the global market in February. There are concerns about the expected harvest in several regions of the northern hemisphere due to unusual winter weather conditions, and this could be one of the reasons why the prices of agricultural commodity futures have followed an upward trend somewhat.

Although annual core inflation rose to 1.3% in January and 1.4% in February along with an increase in non-administered service prices, neither the monthly nor the annual price rise in total consumption and services exceeded the average level observed in January and February 2004–2013 in January and February 2014. The data for the beginning of the year is too small an amount of information to estimate the impact of the introduction of the euro on prices as many price changes may be temporary. Thus, it will be possible to estimate the impact of the price changes untypical for the season (e.g. the introduction of the euro) on inflation during the year. However, the flash impact assessment made by using the data of price monitoring and the price changes typical for January suggests that the price changes which are not underpinned by concrete factors or are related to maintaining attractive prices may have influenced the average consumer price level, without exceeding the amount estimated in 2013 (approximately 0.2 percentage point of total inflation both between September 2013 and January 2014 and only in January 2014).

The share of the respondents who considered that consumer prices would rise rapidly during the year, affecting overall inflation expectations favourably decreased temporarily in January (see Chart 5.5). At the same time, the share of the respondents whose answers indicate that a moderate price rise is expected increased. The share of the respondents who considered that consumer prices had risen rapidly during the year declined in December and January.

This indicator showed a slight increase in February (data on inflation in January that was higher than in December were available), but did not reach the level observed in November. At the same time, the share of the respondents who considered that consumer prices would rise rapidly during the year rebounded again to the December level in February. The decrease in heating prices observed in February did not improve the people's price perception, but it could become more optimistic in March and April, while knowing that the heating price is expected to decline further in several cities. Likewise, liberalisation of the electricity market has been postponed, thus limiting electricity price rises temporarily, and the Public Utilities Commission has approved reductions in the inter-operator tariffs for the providers of telecommunications services.

Chart 6.1

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

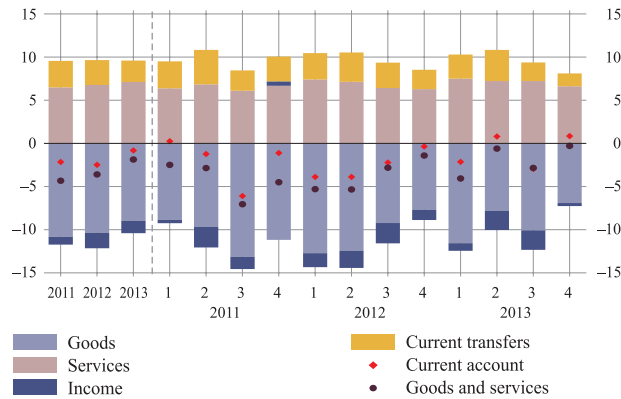


Chart 6.2

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

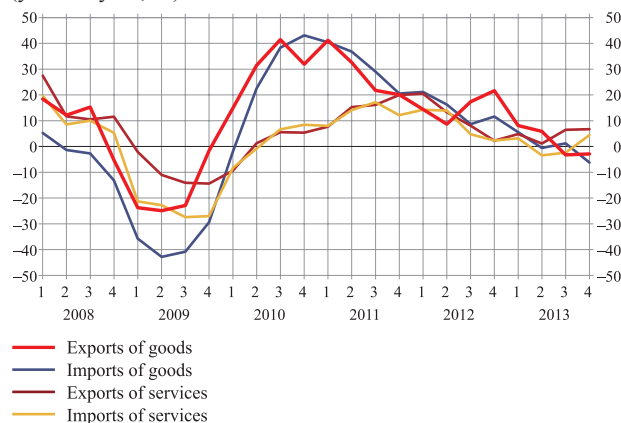
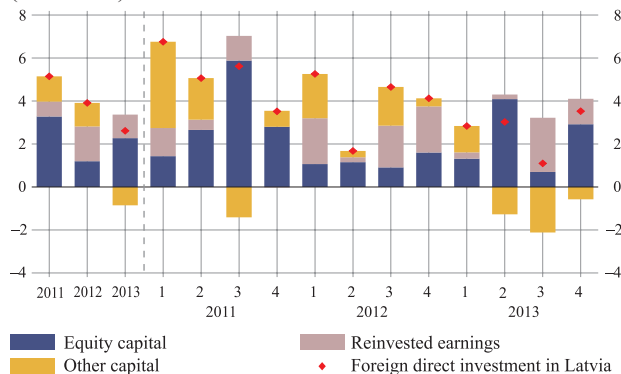


Chart 6.3

FOREIGN DIRECT INVESTMENT IN LATVIA  
(% of GDP)



## 6. Balance of Payments

The current account deficit of Latvia's balance of payments decreased to 134.3 million lats or 0.8% of GDP in 2013 (see Chart 6.1). It was driven by a decline in foreign trade deficit in goods and the growing foreign trade surplus in services.

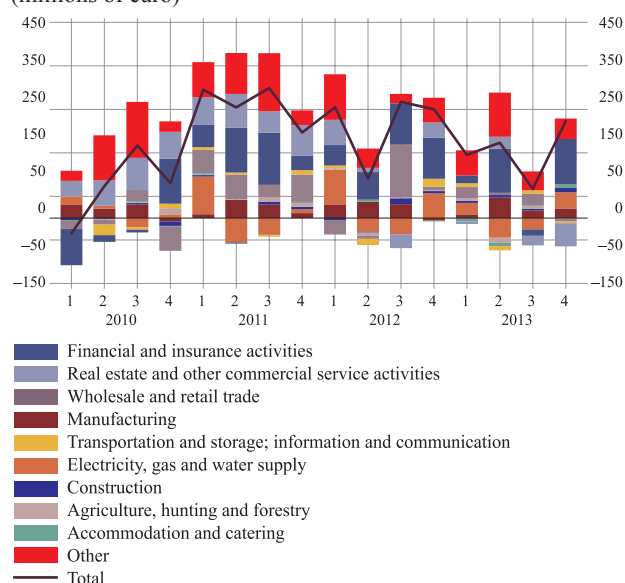
The goods and services foreign trade balance improved in 2013, with the foreign trade deficit decreasing to 305.9 million lats or 1.9% of GDP. At the same time, exports of services increased by 4.8%, while imports of services expanded merely by 0.3% (see Chart 6.2). Transportation services were dampened by the relative weakness of external demand, while exports of all other services posted a rise.

The income account deficit dropped to 233.5 million lats or 1.4% of GDP in 2013 as profit earned by foreign direct investors in Latvia decreased somewhat. The surplus of the current transfers account and the capital account likewise declined (to 405.0 million lats or 2.5% of GDP and 402.7 million lats or 2.5% of GDP respectively) in comparison with 2012. The dynamics of the current transfers and capital accounts was primarily determined by a change in the amount of the EU funds received. 738.9 million lats were received from EU funds in 2013; however, albeit less than year-on-year, the amount corresponded to 4.5% of GDP.

The financial account recorded a deficit of 135.2 million lats or 0.8% of GDP in 2013. Foreign direct investment inflows into Latvia amounted to 427.9 million lats or 2.6% of GDP in 2013 (see Chart 6.3). The amount of foreign direct investment recorded in financial and insurance activities increased in comparison with the previous year, while investment in real estate activities decreased. The contribution of investment to manufacturing expanded from approximately 10% in 2012 to approximately 15% of total foreign direct investment in 2013 (see Chart 6.4). The fourth quarter of 2013 when the largest inflows of investment were recorded in financial and insurance activities (from Russia, Sweden and the Netherlands), the energy sector (from Russia and Germany) as well as manufacturing (manufacture of food products – from Lithuania, Cyprus and Malta, woodworking – from Cyprus and the Netherlands, and manufacturing of chemicals and chemical products – from Russia and Czech Republic) was successful to attract foreign direct investment.

Chart 6.4

NET FLOWS OF FOREIGN DIRECT INVESTMENT  
(millions of euro)



In late 2013 and early 2014, several international credit rating agencies have confirmed Latvia's credit rating at the present level, but Standard & Poor's raised Latvia's credit rating outlook from stable to positive, thus acknowledging stable economic development. The balance of payments financial flows at the beginning of 2014 will be also affected by the fact that Latvia successfully launched an issue of bonds in the amount of 1 billion euro on the international markets (the previous issue of the Latvian government bonds on the international markets took place in December 2012). The payments for the loan received from the EC within the framework of the international financial assistance programme and the bonds issued on the international markets previously are to be made in 2014.



## 7. Conclusions and Forecasts

### 7.1 Economic developments

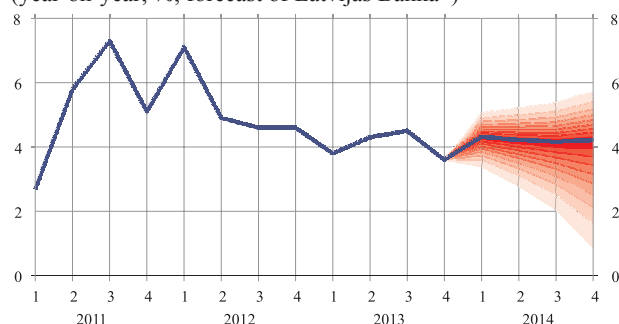
In the fourth quarter of 2013, the economic growth in Latvia was slightly slower than projected. GDP grew by 3.6% year-on-year (0.8% over the previous quarter). Contribution of retail trade turnover and manufacturing allowed us to hope for more rapid GDP growth; however, the latter slightly moderated on account of weak performance in the energy and construction sectors.

In 2014, the economic development prospects will be affected by domestic factors, generally favourable for further growth. The contribution of industry in 2013 and the publicly available investment projects suggest that growth in industrial output will also continue in 2014; however, new investments might be hindered by negative sentiment effects caused by the impact of the Russian–Ukrainian crisis. Retail trade turnover saw a robust increase, and there is no reason to expect it to fall significantly in 2014. As regards construction, its growth will mostly depend on the available funding and the overall investment activity in the private sector. Private and public funding will remain at approximately the same levels as in 2013, while the amount of EU funds will be cardinally different when broken down by subprogramme. Nevertheless, growth is generally expected to persist in construction as well.

The growth prospects of the transportation and storage sector cause the most prominent concern. 2013 was quite unfavourable for the sector in general: the increase in the demand for freight transportation in the Baltic Sea region moderated and the mutual competition of ports for the freight flow became more pronounced. Moreover, several taxes and duties (port tax and road use duty) have been introduced in 2014; they might hinder more accelerated growth of the sector. With growth recovery in EU countries in the next few years, the demand for transportation services is also expected to increase gradually in the Baltic Sea region; however, it might be dampened by the slowdown of the Russian economic growth.

Despite the persisting gradual improvement of the economic situation in the euro area countries, growing uncertainty regarding the developments in Russia and Ukraine is observed in the external environment. In 2014, the euro area GDP is expected to increase for the first time since 2011. At the beginning of the year

Chart 7.1  
CHANGES IN GDP  
(year-on-year; %; forecast of Latvijas Banka\*)



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

several economic confidence indicators (confidence indicators aggregated by the EC, PMI, etc.) suggested gradual economic recovery. Gradual strengthening of the US economic growth is also observed; nevertheless, the tapering of the FRS securities purchase programme might have a negative effect.

The emerging market economies, having been the driving force of the global economic growth in recent years, have lately shown signs of moderating economic growth. In 2013, weaker growth was also observed in two Baltic Sea region countries (Estonia and Finland). The gradual moderation of the Russian economic growth rate is particularly significant for the economy of Latvia. The situation is aggravated by the accelerating tension and uncertainty about the mutual relationship of Ukraine and Russia that could lead to further weakening of the economic growth in the region, with a potentially unfavourable effect also on the Latvian economy, e.g. manufacturing exports and travel and transportation sectors in particular.

Sectoral performance indicators for the fourth quarter of 2013 and the preliminary indicators for the first quarter of 2014 suggest sustainable economic growth. In view of the high production capacity utilisation, as well as intensive drawdown of selected EU funds from the previous planning period in 2014 and 2015, investment growth is likely to be more rapid than projected. External risks, however, are on the downside, and they have increased significantly. They are mostly related to the weakening of the Russian economic activity and uncertainty regarding the future developments in Russia and Ukraine. Consequently, the medium-term risks to the national economic growth outlook are generally considered to be on the downside (see Chart 7.1). At this stage, the development of the new forecasts is in progress; they will be published in June 2014.

## 7.2 Inflation

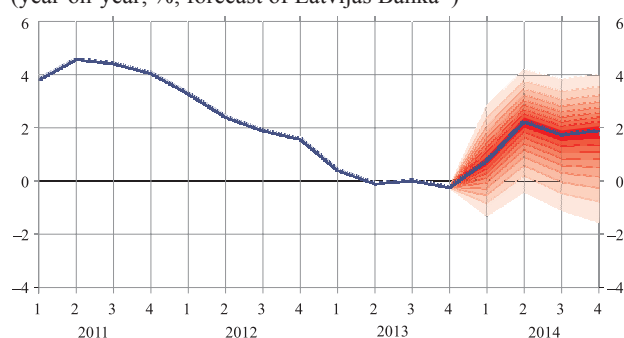
Annual inflation remained low mostly on account of supply side factors. Nevertheless, the inflation rate became positive and was closer to a level characteristic of economic growth periods. The global raw material prices have a favourable impact and inflation expectations are moderate.

Annual core inflation rose to 1.3% and 1.4% in January and February respectively, including a pick-up in prices on non-administered services; however, neither the overall price rise (in monthly and annual

Chart 7.2

SCPI CHANGES

(year-on-year, %; forecast of Latvijas Banka\*)



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

terms) nor the increase in service prices exceeded the averages observed in the respective months over the last ten years. The data for the beginning of the year is too small an amount of information to estimate the effect of the euro changeover on prices as many price changes may be temporary. Thus, it will be possible to estimate the impact of the price changes unusual for the season (e.g. the euro changeover) on inflation over a year.

Risks to the average inflation (HICP) for 2014 mostly lie in the postponement of electricity market liberalisation for households. The impact of the above decision on the inflation rate forecast for 2014 is significant (even a decline of 0.6 percentage point could be reached), with a respective increase in the inflation forecast for 2015 (see Chart 7.2).

The risks related to administered price dynamics might mutually offset each other. Public transport fares in Riga will be lower in 2014 in comparison with 2013. Inter-operator tariffs for telecommunications services have also been reduced. Heating tariffs continue on the downward trend in several cities and towns, both on account of the natural gas price and other factors. However, prices of water supply and sewage are likely to rise in several cities and towns, and the uncertain dynamics of the Ukrainian–Russian relationship might affect the energy price developments. Due to political factors and natural conditions, there is uncertainty regarding the levels of grain prices in this season. Overall, the risks to the inflation outlook currently could be considered to be on the downside.

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## 1. MONETARY INDICATORS AND INTEREST RATES

	2012					2013				
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
M1 <sup>1</sup>	10.9	16.6	12.8	14.8	10.9	8.0	10.4	14.1	9.1	8.0
M2 <sup>1</sup>	3.8	0.5	2.4	1.9	3.8	1.9	2.1	1.2	-0.4	1.9
M3 <sup>1</sup>	2.8	-0.1	2.0	2.3	2.8	2.8	3.8	3.3	1.0	2.8
M2X <sup>1</sup>	4.5	1.3	2.3	2.6	4.5	2.0	3.3	2.7	1.0	2.0
Loans to resident financial institutions, non-financial corporations and households <sup>1</sup>	-10.6	-11.0	-11.6	-11.2	-10.6	-6.4	-6.7	-6.4	-7.6	-6.4
Deposits of resident financial institutions, non-financial corporations and households <sup>1</sup>	4.5	-2.5	-0.8	-0.2	4.5	13.2	4.1	4.2	5.1	13.2
Long-term interest rate for convergence assessment purposes <sup>2</sup>	4.57	5.45	5.11	4.35	3.36	3.34	3.20	3.14	3.32	3.70
RIGIBOR (3-month loans) <sup>3</sup>	0.9	1.4	1.0	0.6	0.5	0.4	0.5	0.4	0.3	0.3
Average yield on government bonds	4.9 <sup>4</sup>	4.3 <sup>5</sup>	5.2 <sup>4</sup>	4.1 <sup>4</sup>	3.1 <sup>4</sup>	2.2 <sup>5</sup>	1.4 <sup>6</sup>	1.1 <sup>6</sup>	1.2 <sup>6</sup>	2.2 <sup>5</sup>
OMXR <sup>3</sup>	383.9	388.3	379.4	382.8	384.7	432.5	405.8	416.5	457.7	448.2

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M1 <sup>1</sup>	15.9	8.0	10.9	13.3	12.3	10.4	13.1	15.4	14.1	11.9	11.4	9.1	7.9	7.7	8.0
M2 <sup>1</sup>	3.7	4.4	3.8	4.7	3.7	2.1	2.3	2.4	1.2	0.4	-0.2	-0.4	-0.8	-0.6	1.9
M3 <sup>1</sup>	4.0	5.1	2.8	3.7	3.4	3.8	4.2	4.2	3.3	1.8	1.2	1.0	0.8	0.7	2.8
M2X <sup>1</sup>	5.1	8.9	4.5	5.4	4.2	3.3	3.4	3.9	2.7	2.0	1.4	1.0	0.1	-0.4	2.0
Loans to resident financial institutions, non-financial corporations and households <sup>1</sup>	-11.0	-10.9	-10.6	-10.4	-10.1	-6.7	-7.2	-4.5	-6.4	-6.6	-6.9	-7.6	-8.2	-7.7	-6.4
Deposits of resident financial institutions, non-financial corporations and households <sup>1</sup>	2.9	8.3	4.5	6.2	5.2	4.1	4.9	5.1	4.2	4.2	4.3	5.1	5.1	5.5	13.2
Long-term interest rate for convergence assessment purposes <sup>2</sup>	3.52	3.32	3.24	3.21	3.22	3.17	3.15	3.10	3.17	3.25	3.25	3.45	3.78	3.71	3.62
RIGIBOR (3-month loans) <sup>3</sup>	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.3
Average yield on government bonds	3.1 <sup>4</sup>	—	—	1.4 <sup>6</sup>	1.4 <sup>6</sup>	1.2 <sup>6</sup>	1.2 <sup>6</sup>	1.1 <sup>6</sup>	1.1 <sup>6</sup>	1.1 <sup>6</sup>	1.2 <sup>6</sup>	—	2.3 <sup>5</sup>	2.0 <sup>5</sup>	—
OMXR <sup>3</sup>	384.6	381.3	389.3	404.7	399.5	413.2	412.3	410.7	427.3	452.3	468.1	452.9 <sup>7</sup>	447.2	446.9	451.2

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

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

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

<sup>4</sup> Weighted average primary market yield of 10-year government bonds.

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

<sup>6</sup> Weighted average primary market yield of 3-year government bonds.

<sup>7</sup> Data have been revised.



## 2.a REAL SECTOR INDICATORS AND PRICES

	2012					2013				
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Industrial output <sup>1</sup>										
Increase/decrease <sup>2</sup> (at constant prices; working day adjusted data; %)	9.3	14.9	8.0	8.1	7.6	0.6	-1.7	-0.6	1.7	2.7
Cargoes loaded and unloaded at ports										
Turnover (thousands of tons)	75 193	20 032	20 309	17 722	17 129	70 480	18 969	17 990	16 523	16 999
Increase/decrease <sup>2</sup> (%)	9.3	22.6	12.2	7.2	-4.0	-6.3	-5.3	-11.4	-6.8	-0.8
Retail trade turnover <sup>1, 3</sup>										
Turnover (at current prices; millions of lats)	4 273.3	946.9	1 047.7	1 147.9	1 130.8	4 407.8	984.3	1 084.1	1 177.1	1 162.3
Increase/decrease <sup>2</sup> (at constant prices; %)	7.3	9.0	6.3	7.7	6.6	3.8	4.7	4.0	2.6 <sup>4</sup>	4.0
Unemployment rate (%)	10.5	11.7	11.9	11.0	10.5	9.5	10.8	9.6	9.1	9.5
Producer prices <sup>1</sup> (increase/decrease compared with the previous period; %)	3.7	1.6	0.5	0.8	0.4	1.5	0.3	0.4	0.3	-0.1
Consumer price inflation										
Year-on-year basis (%)	2.3	3.4	2.3	1.8	1.6	0	0.3	-0.1	-0.1	-0.3
Quarter-on-quarter basis (%)	x	1.1	0.9	-0.6	0.2	x	-0.1	0.5	-0.6	0
Financial surplus/deficit in the consolidated general government budget										
Surplus/deficit (millions of lats)	19.1	-43.9	106.3	279.0	-322.2	-90.2	31.8	133.8	95.9	-351.7
Ratio to GDP (%)	0.1	1.3	2.8	6.9	7.6	0.6	0.9	3.3	2.2	7.9

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

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

<sup>3</sup> Sale of motor vehicles and motorcycles not included.

<sup>4</sup> Data have been revised.

## 2.b REAL SECTOR INDICATORS AND PRICES

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Industrial output <sup>1</sup>															
Increase/decrease <sup>2</sup> (at constant prices; working day adjusted data; %)	5.5	7.4	10.2	-0.2	1.6	-5.6	-2.7	0	0.9	4.7	-1.3	1.9	2.2	2.6	3.3
Cargoes loaded and unloaded at ports															
Turnover (thousands of tons)	5 337	5 825	5 967	6 553	5 614	6 802	6 268	6 034	5 688	5 491	5 724	5 308	5 307	5 336	6 356
Increase/decrease <sup>2</sup> (%)	-9.3	0.4	-3.0	-6.4	-3.2	-6.0	-11.5	-12.7	-10.0	-7.1	-2.9	-10.3	-0.6	-8.4	6.5
Retail trade turnover <sup>1,3</sup>															
Turnover (at current prices; millions of lats)	373.6	350.5	406.8	330.1	310.5	343.7	338.4	374.2	371.5	396.8	401.8	378.5	381.9	361.0	419.4
Increase/decrease <sup>2</sup> (at constant prices; %)	6.9	4.3	8.4	4.0	4.0	5.9	3.4	6.0	2.7 <sup>4</sup>	3.4	2.1 <sup>4</sup>	2.2 <sup>4</sup>	2.6	5.3	4.2
Unemployment rate (%)	10.7	10.6	10.5	10.9	10.9	10.8	10.4	9.9	9.6	9.5	9.3	9.1	9.1	9.3	9.5
Producer prices <sup>1</sup> (increase/decrease compared with the previous period; %)	0.2	-0.2	0.2	0.3	-0.2	0.1	0.1	0.3	0.1	-0.1	0.2	0.3	0	-0.2	-0.7
Consumer price inflation															
Year-on-year basis (%)	1.6	1.6	1.6	0.6	0.3	0.2	-0.4	-0.1	0.2	0.3	-0.2	-0.4	0	-0.4	-0.4
Month-on-month basis (%)	0	-0.1	0	-0.2	-0.1	0.5	0	0.1	0.2	-0.3	-0.8	0.3	0.3	-0.5	0
Annual core inflation (%)	-0.5	0.1	-0.6	-0.5	-0.3	0	-0.2	-0.2	-0.1	0.2	0.4	0.5	1.2	0.4	0.6
Financial surplus/deficit in the consolidated general government budget (millions of lats)	-63.1	-76.2	-182.9	56.8	-70.7	45.7	58.4	96.9	-21.5	32.0	53.0	10.9	6.8	-105.5	-253.0

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

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

<sup>3</sup> Sale of motor vehicles and motorcycles not included.

<sup>4</sup> Data have been revised.

## 3. MONETARY BASE

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Currency in circulation	1 167.7	1 179.0	1 234.1	1 147.3	1 126.3	1 134.8	1 096.7	1 080.3	1 086.8	1 054.3	1 022.5	971.0	893.5	841.8	630.8
Currency as percent of the monetary base	50.5	48.2	46.3	46.7	43.1	44.8	43.1	41.1	40.3	40.5	39.1	37.9	34.1	32.2	20.0
Deposits with Latvijas Banka in lats	676.4	708.9	866.3	654.0	748.7	671.3	669.9	661.0	807.9	773.5	818.7	820.5	921.4	1 027.3	1 714.3
Deposits with Latvijas Banka in foreign currencies	466.6	555.7	567.2	657.7	736.6	724.5	776.4	889.4	805.2	777.0	771.9	770.8	806.1	749.0	813.3
Deposits as percent of the monetary base	49.5	51.8	53.7	53.3	56.9	55.2	56.9	58.9	59.7	59.5	60.9	62.1	65.9	67.8	80.0
M0	2 310.7	2 443.6	2 667.7	2 459.1	2 611.7	2 530.7	2 542.9	2 630.7	2 699.9	2 604.8	2 613.2	2 562.3	2 621.0	2 618.1	3 158.3
Net foreign assets	3 759.8	3 874.9	4 025.8	3 874.1	3 988.3	4 051.7	4 038.6	4 140.7	4 060.1	4 019.7	4 032.6	4 064.4	4 172.4	4 063.1	4 073.8
Loans to MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10.0
Credit to central government (net)	-766.7	-792.7	-761.2	-625.4	-528.7	-606.5	-600.8	-657.8	-591.0	-581.7	-617.0	-616.6	-624.3	-492.9	-239.2
Other items (net)	-682.4	-638.5	-597.0	-789.6	-847.8	-914.6	-894.9	-852.3	-769.3	-833.2	-802.5	-885.4	-927.1	-952.1	-686.2
Total	2 310.7	2 443.6	2 667.7	2 459.1	2 611.7	2 530.7	2 542.9	2 630.7	2 699.9	2 604.8	2 613.2	2 562.3	2 621.0	2 618.1	3 158.3

#### 4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Monetary aggregates															
M3	6 682.8	6 802.7	6 845.7	6 824.8	6 869.0	6 754.8	6 822.3	6 800.0	6 831.6	6 774.0	6 801.1	6 696.6	6 739.4	6 851.0	7 034.8
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	66.2	66.2	62.0	64.7	64.4	63.6	62.4	62.0	61.2	57.1	55.9	54.8	53.0	51.1	46.6
Debt securities issued with maturity of up to 2 years	50.0	72.8	77.7	77.6	96.9	120.7	130.2	130.3	152.3	149.8	153.0	150.4	172.3	176.8	154.7
M2	6 566.7	6 663.7	6 706.1	6 682.5	6 707.7	6 570.5	6 629.7	6 607.8	6 618.0	6 567.1	6 592.2	6 491.3	6 514.1	6 623.1	6 833.5
Deposits with an agreed maturity of up to 2 years	1 754.3	1 729.1	1 658.6	1 600.5	1 613.0	1 586.3	1 553.4	1 499.8	1 398.0	1 355.7	1 322.3	1 283.6	1 263.5	1 237.2	1 300.1
Deposits redeemable at notice of up to 3 months	209.9	212.9	215.7	220.1	225.0	234.2	236.6	240.2	245.0	251.3	260.0	270.3	286.2	299.0	314.4
M1	4 602.5	4 721.7	4 831.7	4 862.0	4 869.6	4 750.0	4 839.7	4 867.8	4 975.0	4 960.0	5 009.9	4 937.4	4 964.4	5 086.9	5 219.0
Currency outside MFIs	1 053.4	1 058.2	1 082.4	1 035.3	1 013.7	1 011.8	982.3	969.1	976.0	941.7	908.2	853.5	778.8	722.6	469.3
Overnight deposits	3 549.1	3 663.4	3 749.3	3 826.7	3 855.9	3 738.2	3 857.4	3 898.7	3 999.1	4 018.3	4 101.7	4 084.0	4 185.6	4 364.3	4 749.7
Counterparts of monetary aggregates and longer-term financial liabilities															
Deposits of central government	1 242.5	1 232.8	1 287.3	1 292.5	1 151.2	1 202.7	1 216.7	1 295.7	1 216.2	1 199.3	1 284.0	1 309.1	1 311.4	1 142.7	896.8
Longer-term financial liabilities	2 583.0	2 576.2	2 585.3	2 602.8	2 631.4	2 585.7	2 605.6	2 604.4	2 600.3	2 617.6	2 629.7	2 654.5	2 674.6	2 698.3	2 679.7
Deposits with an agreed maturity of over 2 years	246.0	247.5	250.6	255.8	258.9	267.2	262.1	257.6	255.7	254.0	247.8	242.3	243.8	232.1	223.7
Deposits redeemable at notice of over 3 months	0	0	0	0	0	0	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5
Debt securities issued with maturity of over 2 years	63.5	65.9	61.9	61.5	62.5	67.1	66.0	65.2	79.9	79.8	80.4	79.7	79.6	101.4	79.9
Capital and reserves	2 273.6	2 262.8	2 272.8	2 285.6	2 310.0	2 251.4	2 275.0	2 279.2	2 262.3	2 281.3	2 299.0	2 330.1	2 348.8	2 362.4	2 373.7
Credit to residents	11 278.7	11 233.4	11 051.1	11 024.0	10 929.4	10 858.3	10 762.1	10 798.9	10 650.4	10 642.4	10 659.1	10 591.4	10 480.5	10 515.4	10 488.6
Credit to general government	542.2	542.8	554.0	549.5	476.7	484.6	462.4	491.7	507.5	515.3	525.7	529.9	527.0	535.5	547.0
Credit to other residents	10 736.5	10 690.7	10 497.1	10 474.5	10 452.7	10 373.7	10 299.7	10 307.1	10 142.9	10 127.1	10 133.4	10 061.5	9 953.5	9 979.9	9 941.5
Loans	10 408.8	10 367.1	10 165.4	10 138.1	10 111.9	10 025.5	9 949.6	9 953.9	9 768.9	9 735.4	9 726.6	9 630.3	9 557.2	9 567.2	9 514.4
Net external assets	202.8	378.0	613.7	577.3	610.8	642.1	786.2	771.4	820.1	763.1	837.7	845.4	967.2	915.3	844.1
Other items (net)	973.0	999.7	946.4	881.2	888.7	957.2	903.7	870.2	822.5	814.6	782.0	776.6	722.3	738.7	721.3

#### 5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M1	4 643.4	4 720.3	4 727.4	4 841.3	4 841.4	4 790.0	4 881.8	4 915.9	4 938.2	4 949.7	5 012.8	4 976.1	5 003.6	5 093.0	5 085.0
M2	6 658.9	6 705.2	6 622.5	6 678.4	6 664.4	6 567.3	6 592.8	6 595.0	6 592.4	6 581.2	6 589.9	6 562.8	6 610.6	6 665.6	6 747.0
M3	6 778.8	6 846.0	6 768.2	6 825.3	6 824.3	6 744.6	6 784.0	6 786.3	6 803.4	6 785.2	6 794.2	6 772.8	6 842.0	6 898.9	6 956.2

## 6. ASSETS AND LIABILITIES OF LATVIJAS BANKA

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>ASSETS</b>															
Loans to residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10.0
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	10.0
Holdings of securities other than shares issued by residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity issued by residents	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
External assets	3 786.5	3 892.9	4 053.5	3 925.7	4 046.8	4 083.1	4 078.6	4 165.9	4 107.9	4 055.8	4 056.4	4 098.9	4 198.4	4 107.3	4 098.4
Fixed assets	32.2	32.1	32.0	31.7	31.6	31.4	31.3	31.1	31.0	30.8	30.7	30.5	30.3	30.2	30.2
Remaining assets	0.7	0.8	0.9	0.8	1.1	1.1	1.0	1.0	1.0	0.9	0.9	0.9	0.8	0.8	0.7
<b>Total</b>	<b>3 819.5</b>	<b>3 925.8</b>	<b>4 086.3</b>	<b>3 958.2</b>	<b>4 079.5</b>	<b>4 115.6</b>	<b>4 110.9</b>	<b>4 198.1</b>	<b>4 139.9</b>	<b>4 087.5</b>	<b>4 088.0</b>	<b>4 130.3</b>	<b>4 229.6</b>	<b>4 138.3</b>	<b>4 139.4</b>
<b>LIABILITIES</b>															
Currency in circulation	1 167.7	1 179.0	1 234.1	1 147.3	1 126.3	1 134.8	1 096.7	1 080.3	1 086.8	1 054.3	1 022.5	971.0	893.5	841.8	630.8
Deposits of residents	2 261.2	2 364.5	2 460.3	2 399.7	2 529.5	2 565.3	2 617.6	2 754.4	2 671.7	2 664.0	2 715.2	2 790.3	2 969.5	2 912.4	3 150.2
Central government	766.7	792.7	761.2	625.4	528.7	606.5	600.8	657.8	591.0	581.7	617.0	616.6	624.3	492.9	239.2
Other residents	32.5	11.4	10.8	11.5	21.7	10.2	11.2	19.4	18.9	20.8	10.2	12.8	15.7	25.2	10.0
MFIs	1 462.0	1 560.3	1 688.3	1 762.8	1 979.0	1 948.7	2 005.6	2 077.3	2 061.8	2 061.5	2 088.1	2 160.9	2 329.6	2 394.3	2 901.0
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	361.4	362.3	362.0	356.7	362.3	359.8	342.4	335.8	330.8	330.4	324.4	331.8	337.7	337.6	330.3
External liabilities	26.7	18.1	27.7	51.6	58.5	31.4	40.0	25.2	47.8	36.1	23.8	34.5	26.1	44.3	24.7
Remaining liabilities	2.5	1.9	2.2	2.8	2.9	24.3	14.2	2.4	2.8	2.7	2.0	2.7	2.8	2.2	3.4
<b>Total</b>	<b>3 819.5</b>	<b>3 925.8</b>	<b>4 086.3</b>	<b>3 958.2</b>	<b>4 079.5</b>	<b>4 115.6</b>	<b>4 110.9</b>	<b>4 198.1</b>	<b>4 139.9</b>	<b>4 087.5</b>	<b>4 088.0</b>	<b>4 130.3</b>	<b>4 229.6</b>	<b>4 138.3</b>	<b>4 139.4</b>

## 7. AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING LATVIJAS BANKA)

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>ASSETS</b>															
Loans to residents	12 166.0	12 226.0	12 173.1	12 232.1	12 361.4	12 246.5	12 280.6	12 373.6	12 151.2	12 137.9	12 118.3	12 113.3	12 238.2	12 304.6	12 720.9
General government	70.5	70.6	73.0	75.7	75.2	74.6	76.0	79.8	81.3	83.0	83.6	83.6	83.5	84.5	86.7
Other residents	10 408.8	10 367.1	10 165.4	10 138.1	10 111.9	10 025.5	9 949.6	9 953.9	9 768.9	9 735.4	9 726.6	9 630.3	9 557.2	9 567.2	9 514.4
MFIs	1 686.6	1 788.4	1 934.7	2 018.3	2 174.4	2 146.4	2 255.0	2 339.9	2 301.0	2 319.5	2 308.1	2 399.4	2 597.4	2 652.9	3 119.7
Holdings of securities other than shares issued by residents	472.8	473.4	485.3	484.0	411.1	422.1	397.0	426.2	440.5	446.1	455.7	460.2	457.1	470.9	480.4
General government	471.7	472.2	481.0	473.8	401.5	410.0	386.4	411.9	426.2	432.3	442.1	446.3	443.5	451.0	460.3
Other residents	0.2	0.2	4.3	10.2	9.6	12.1	10.6	14.3	14.3	13.8	13.6	13.9	13.6	19.9	20.1
MFIs	1.0	1.0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Holdings of shares and other equity issued by residents	327.5	323.4	327.4	326.2	331.3	336.1	339.6	338.9	359.7	377.9	393.2	417.3	382.6	392.9	407.1
External assets	6 232.8	6 186.8	6 323.3	6 404.5	6 179.2	6 419.1	6 556.1	6 504.5	6 673.3	6 844.2	6 817.7	6 449.8	6 394.7	6 265.1	6 368.2
Fixed assets	87.1	88.4	87.2	85.1	89.6	89.8	89.9	90.4	90.4	90.8	91.4	92.0	90.0	91.8	93.7
Remaining assets	475.7	462.2	523.7	464.4	449.8	472.5	471.7	459.9	471.5	461.2	465.2	463.5	442.2	453.2	491.7
<b>Total</b>	<b>19 762.2</b>	<b>19 760.7</b>	<b>19 920.5</b>	<b>19 996.7</b>	<b>19 822.8</b>	<b>19 986.5</b>	<b>20 135.3</b>	<b>20 194.0</b>	<b>20 187.0</b>	<b>20 358.5</b>	<b>20 341.9</b>	<b>19 996.5</b>	<b>20 005.2</b>	<b>19 978.8</b>	<b>20 562.3</b>
<b>LIABILITIES</b>															
Deposits of residents	6 426.6	6 513.2	6 635.9	6 813.7	6 748.6	6 609.8	6 766.1	6 779.5	6 746.5	6 736.5	6 811.9	6 806.3	6 917.0	7 014.1	7 464.1
Central government	475.9	440.1	526.2	667.1	622.4	596.3	615.9	637.9	625.1	617.5	667.0	692.5	687.1	649.8	657.6
Other residents	5 726.8	5 841.5	5 863.5	5 891.4	5 931.2	5 815.8	5 900.7	5 879.3	5 881.3	5 861.0	5 924.0	5 869.9	5 965.9	6 109.9	6 580.4
MFIs	224.0	231.6	246.2	255.1	195.0	197.7	249.4	262.2	240.0	258.0	220.8	243.9	264.0	254.4	226.2
Money market fund shares and units	66.6	66.5	62.4	65.0	64.8	64.0	62.8	62.4	61.6	57.5	56.3	55.2	53.3	51.5	47.0
Debt securities issued	113.5	138.7	139.6	139.0	159.4	187.8	196.1	195.5	232.2	229.7	233.4	230.1	251.9	278.1	234.6
Capital and reserves	1 912.2	1 900.5	1 910.8	1 928.9	1 947.8	1 891.6	1 932.7	1 943.4	1 931.5	1 950.9	1 974.6	1 998.3	2 011.1	2 024.8	2 043.4
External liabilities	9 789.8	9 683.7	9 735.5	9 701.3	9 556.6	9 828.7	9 808.4	9 873.8	9 913.3	10 100.7	10 012.7	9 668.8	9 599.9	9 412.9	9 597.9
Remaining liabilities	1 453.6	1 458.1	1 436.4	1 348.7	1 345.6	1 404.6	1 369.1	1 339.5	1 302.0	1 283.2	1 253.0	1 237.8	1 172.0	1 197.3	1 175.4
<b>Total</b>	<b>19 762.2</b>	<b>19 760.7</b>	<b>19 920.5</b>	<b>19 996.7</b>	<b>19 822.8</b>	<b>19 986.5</b>	<b>20 135.3</b>	<b>20 194.0</b>	<b>20 187.0</b>	<b>20 358.5</b>	<b>20 341.9</b>	<b>19 996.5</b>	<b>20 005.2</b>	<b>19 978.8</b>	<b>20 562.3</b>

## 8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>ASSETS</b>															
Loans to residents	10 479.3	10 437.6	10 238.5	10 213.8	10 187.0	10 100.1	10 025.6	10 033.7	9 850.3	9 818.4	9 810.2	9 713.9	9 640.8	9 651.7	9 601.1
General government	70.5	70.6	73.0	75.7	75.2	74.6	76.0	79.8	81.3	83.0	83.6	83.6	83.5	84.5	86.7
Other residents	10 408.8	10 367.1	10 165.4	10 138.1	10 111.9	10 025.5	9 949.6	9 953.9	9 768.9	9 735.4	9 726.6	9 630.3	9 557.2	9 567.2	9 514.4
Holdings of securities other than shares issued by other residents	471.8	472.4	485.3	484.0	411.1	422.1	397.0	426.2	440.5	446.1	455.7	460.2	457.1	470.9	480.4
General government	471.7	472.2	481.0	473.8	401.5	410.0	386.4	411.9	426.2	432.3	442.1	446.3	443.5	451.0	460.3
Other residents	0.2	0.2	4.3	10.2	9.6	12.1	10.6	14.3	14.3	13.8	13.6	13.9	13.6	19.9	20.1
Holdings of shares and other equity issued by other residents	327.5	323.4	327.4	326.2	331.3	336.1	339.6	338.9	359.7	377.9	393.2	417.3	382.6	392.9	407.1
External assets	10 019.3	10 079.8	10 376.8	10 330.2	10 225.9	10 502.2	10 634.6	10 670.5	10 781.2	10 899.9	10 874.2	10 548.7	10 593.2	10 372.4	10 466.6
Fixed assets	119.3	120.5	119.2	116.8	121.2	121.2	121.2	121.6	121.3	121.7	122.1	122.5	120.3	121.9	123.9
Remaining assets	362.1	342.2	372.9	353.1	338.3	350.6	358.4	349.7	361.9	349.5	351.8	346.9	328.3	334.8	331.0
<b>Total</b>	<b>21 779.4</b>	<b>21 775.9</b>	<b>21 920.0</b>	<b>21 824.2</b>	<b>21 614.8</b>	<b>21 832.3</b>	<b>21 876.4</b>	<b>21 940.6</b>	<b>21 914.8</b>	<b>22 013.5</b>	<b>22 007.2</b>	<b>21 609.5</b>	<b>21 522.3</b>	<b>21 344.6</b>	<b>21 410.1</b>
<b>LIABILITIES</b>															
Currency outside MFIs	1 053.4	1 058.2	1 082.4	1 035.3	1 013.7	1 011.8	982.3	969.1	976.0	941.7	908.2	853.5	778.8	722.6	469.3
Deposits of central government	1 242.5	1 232.8	1 287.3	1 292.5	1 151.2	1 202.7	1 216.7	1 295.7	1 216.2	1 199.3	1 284.0	1 309.1	1 311.4	1 142.7	896.8
Deposits of other general government and other residents	5 759.3	5 853.0	5 874.3	5 903.0	5 952.9	5 825.9	5 911.9	5 898.7	5 900.2	5 881.8	5 934.2	5 882.7	5 981.6	6 135.1	6 590.3
Money market fund shares and units	66.2	66.2	62.0	64.7	64.4	63.6	62.4	62.0	61.2	57.1	55.9	54.8	53.0	51.1	46.6
Debt securities issued	112.5	137.7	139.6	139.0	159.4	187.8	196.1	195.5	232.2	229.7	233.4	230.1	251.9	278.1	234.6
Capital and reserves	2 273.6	2 262.8	2 272.8	2 285.6	2 310.0	2 251.4	2 275.0	2 279.2	2 262.3	2 281.3	2 299.0	2 330.1	2 348.8	2 362.4	2 373.7
External liabilities	9 816.5	9 701.8	9 763.1	9 752.9	9 615.1	9 860.1	9 848.4	9 899.0	9 961.1	10 136.8	10 036.5	9 703.3	9 626.0	9 457.2	9 622.5
Remaining liabilities	1 456.1	1 459.9	1 438.5	1 351.5	1 348.5	1 429.0	1 383.5	1 341.9	1 304.8	1 285.8	1 255.0	1 240.5	1 174.8	1 199.6	1 178.8
Excess of inter-MFI liabilities	-0.6	3.5	-0.1	-0.4	-0.3	0	0.1	-0.4	0.9	0	1.0	5.5	-3.9	-4.2	-2.5
<b>Total</b>	<b>21 779.4</b>	<b>21 775.9</b>	<b>21 920.0</b>	<b>21 824.2</b>	<b>21 614.8</b>	<b>21 832.3</b>	<b>21 876.4</b>	<b>21 940.6</b>	<b>21 914.8</b>	<b>22 013.5</b>	<b>22 007.2</b>	<b>21 609.5</b>	<b>21 522.3</b>	<b>21 344.6</b>	<b>21 410.1</b>



**9.a AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING LATVIJAS BANKA )**

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
MFI reserves	1 576.3	1 681.1	1 840.1	1 874.8	2 091.7	2 071.7	2 120.0	2 188.4	2 172.6	2 174.1	2 202.4	2 278.4	2 444.3	2 513.5	3 062.5
Vault cash in national currency	114.3	120.8	151.8	112.0	112.7	123.0	114.4	111.2	110.8	112.6	114.3	117.5	114.7	119.2	161.4
Deposits with Latvijas Banka	1 462.0	1 560.3	1 688.3	1 762.8	1 979.0	1 948.7	2 005.6	2 077.3	2 061.8	2 061.5	2 088.1	2 160.9	2 329.6	2 394.3	2 901.1
Foreign assets	6 232.8	6 186.8	6 323.3	6 404.5	6 179.2	6 419.1	6 556.1	6 504.5	6 673.3	6 844.2	6 817.7	6 449.8	6 394.7	6 265.1	6 368.2
Claims on the central government	472.6	473.5	483.1	477.0	404.8	413.0	389.4	415.1	430.0	437.1	446.5	450.2	446.8	454.4	465.0
Loans	1.1	1.5	2.2	3.4	3.4	3.2	3.2	3.4	4.0	5.0	4.6	4.1	3.6	3.6	4.9
Holdings of securities other than shares	471.5	472.0	480.8	473.6	401.3	409.8	386.2	411.7	426.0	432.1	441.9	446.1	443.3	450.8	460.1
Claims on the local government	69.5	69.2	71.0	72.5	71.9	71.6	73.1	76.6	77.5	78.1	79.2	79.7	80.2	81.1	82.1
Loans	69.4	69.1	70.8	72.3	71.7	71.4	72.9	76.4	77.3	78.0	79.0	79.5	80.0	80.9	81.9
Holdings of securities other than shares	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Claims on the financial institutions	539.8	529.3	529.1	543.7	547.9	562.2	543.0	547.9	582.3	597.1	614.1	641.0	592.0	607.9	631.9
Loans	285.4	277.1	279.5	295.4	294.5	304.4	287.6	293.3	303.3	298.6	300.6	298.2	284.9	287.4	302.8
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	6.6	6.8
Holdings of shares and other equity	254.4	252.2	249.6	248.3	253.4	257.8	255.4	254.6	279.0	298.5	313.5	342.8	307.1	313.9	322.3
Claims on public non-financial corporations	499.5	503.2	504.5	504.1	496.2	499.2	497.0	492.2	482.5	483.0	480.9	482.6	491.6	489.9	489.4
Loans	499.5	503.2	502.0	502.2	494.9	495.8	495.1	488.9	479.3	480.1	478.2	479.7	489.1	487.7	487.1
Holdings of securities other than shares	0	0	2.5	1.9	1.3	3.4	1.9	3.3	3.3	2.8	2.6	2.8	2.6	2.2	2.3
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	4 979.4	4 972.2	4 830.4	4 828.3	4 833.6	4 764.1	4 735.1	4 773.5	4 615.0	4 611.5	4 625.4	4 553.1	4 521.7	4 559.4	4 568.7
Loans	4 906.2	4 900.8	4 750.8	4 742.2	4 747.5	4 677.1	4 642.3	4 678.2	4 523.4	4 521.1	4 534.6	4 467.5	4 435.1	4 469.4	4 472.9
Holdings of securities other than shares	0.2	0.2	1.8	8.3	8.3	8.7	8.7	11.0	11.0	11.0	11.0	11.1	11.1	11.1	11.1
Holdings of shares and other equity	73.1	71.2	77.8	77.8	77.9	78.4	84.1	84.4	80.6	79.4	79.7	74.5	75.5	79.0	84.7
Claims on households	4 717.7	4 686.0	4 633.1	4 598.4	4 575.0	4 548.2	4 524.6	4 493.6	4 463.0	4 435.5	4 413.1	4 384.8	4 348.2	4 322.7	4 251.6
Loans	4 717.7	4 686.0	4 633.1	4 598.4	4 575.0	4 548.2	4 524.6	4 493.6	4 463.0	4 435.5	4 413.1	4 384.8	4 348.2	4 322.7	4 251.6
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	87.1	88.4	87.2	85.1	89.6	89.8	89.9	90.4	90.4	90.8	91.4	92.0	90.0	91.8	93.7
Other assets	361.4	341.5	372.0	352.4	337.1	349.5	357.4	348.7	360.8	348.6	350.9	346.0	327.5	333.9	330.1
Claims on resident MFIs	224.7	228.1	246.3	255.5	195.3	197.7	249.3	262.7	239.2	258.0	220.0	238.4	267.8	258.6	218.7
Holdings of MFI securities other than shares	1.0	1.0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b>19 762.2</b>	<b>19 760.7</b>	<b>19 920.5</b>	<b>19 996.7</b>	<b>19 822.8</b>	<b>19 986.5</b>	<b>20 135.3</b>	<b>20 194.0</b>	<b>20 187.0</b>	<b>20 358.5</b>	<b>20 341.9</b>	<b>19 996.5</b>	<b>20 005.2</b>	<b>19 978.8</b>	<b>20 562.3</b>

**9.b AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING LATVIJAS BANKA)**

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Overnight deposits in lats	1 828.4	1 903.6	2 025.7	1 964.6	1 984.1	1 935.5	1 980.9	1 984.5	2 044.1	2 068.3	2 093.8	2 111.7	2 164.7	2 266.9	2 575.2
Financial institutions	69.5	60.1	67.1	63.7	59.8	52.1	61.2	58.5	68.5	72.9	80.8	90.1	98.8	103.3	95.6
Public non-financial corporations	107.1	125.2	121.6	126.3	143.4	144.3	144.6	142.8	154.2	147.6	134.7	146.9	125.8	143.0	135.6
Private non-financial corporations	773.7	812.4	877.2	847.7	838.4	784.7	805.1	811.2	804.9	827.9	851.6	834.5	873.2	894.3	1 041.3
Households	878.1	905.9	959.8	926.9	942.5	954.4	970.1	972.0	1 016.4	1 019.9	1 026.7	1 040.2	1 066.8	1 126.2	1 302.7
Time deposits in lats	643.4	623.8	593.6	588.8	582.4	583.3	572.0	539.6	510.7	462.8	455.6	457.5	460.0	442.0	418.5
Financial institutions	118.8	118.1	108.3	106.4	109.7	112.4	108.2	106.5	99.4	96.6	101.0	96.4	90.7	84.0	112.0
Public non-financial corporations	79.5	73.2	87.9	71.6	69.8	77.2	77.3	64.1	54.3	45.4	30.4	29.3	35.4	35.3	21.8
Private non-financial corporations	77.0	76.0	70.7	83.9	79.1	77.1	77.2	66.0	67.1	38.9	46.9	55.6	57.5	50.5	25.8
Households	368.0	356.4	326.7	327.0	323.8	316.6	309.4	303.0	289.9	281.9	277.3	276.2	276.3	272.2	258.9
Deposits redeemable at notice in lats	88.1	90.7	93.7	96.6	99.0	103.9	105.8	104.9	106.8	110.9	115.0	120.9	127.0	137.5	149.5
Financial institutions	7.4	7.4	7.3	7.4	7.3	7.2	7.3	7.2	7.2	7.1	7.2	7.2	7.3	7.3	7.3
Public non-financial corporations	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.9	0.9	0.9
Private non-financial corporations	5.3	5.1	5.2	5.1	5.4	8.6	8.6	6.5	5.5	5.7	6.0	6.6	5.9	9.8	10.3
Households	74.9	77.6	80.6	83.5	85.6	87.4	89.3	90.7	93.6	97.6	101.3	106.6	112.9	119.5	131.0
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	2 949.9	3 007.9	2 980.0	3 060.5	3 084.7	3 003.2	3 032.9	3 032.7	3 017.0	3 025.2	3 064.6	2 992.1	3 037.0	3 089.1	3 299.6
Financial institutions	275.2	271.1	280.4	300.0	331.5	291.9	274.1	254.1	275.6	272.2	270.5	255.3	244.0	254.0	270.5
Public non-financial corporations	131.0	156.8	150.2	156.9	153.9	134.1	188.1	207.0	187.6	179.6	165.3	140.9	159.8	183.8	242.6
Private non-financial corporations	939.9	972.8	925.0	989.8	977.2	948.6	929.4	925.5	906.6	924.7	969.1	936.4	973.5	982.4	1 091.6
Households	1 603.7	1 607.2	1 624.5	1 613.8	1 622.1	1 628.7	1 641.3	1 646.1	1 647.2	1 648.8	1 659.7	1 659.5	1 659.6	1 668.9	1 694.9
Deposits of central government	475.9	440.1	526.2	667.1	622.4	596.3	615.9	637.9	625.1	617.5	667.0	692.5	687.1	649.8	657.6
Overnight deposits in lats	17.7	16.1	13.6	12.8	12.7	11.9	14.0	13.4	10.7	17.1	14.1	13.9	12.1	9.4	9.9
Time deposits in lats	57.0	50.7	52.6	56.1	45.7	47.6	48.7	47.5	22.8	10.3	18.8	13.8	11.8	5.5	5.0
Deposits redeemable at notice and repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0.5	0.8	0.8
Foreign currency deposits	401.1	373.3	460.0	598.2	563.9	536.7	553.2	576.9	591.6	590.1	634.0	664.7	662.8	634.1	641.9
Deposits of local government	217.0	215.6	170.5	180.9	181.0	189.9	209.0	217.7	202.8	193.7	195.0	187.7	177.3	174.4	137.6
Overnight deposits in lats	145.0	145.4	106.6	120.7	124.7	130.7	153.0	153.9	143.8	138.1	140.5	139.7	125.4	122.9	90.6
Time deposits in lats	14.4	14.6	12.8	2.0	2.0	2.1	2.6	1.9	1.7	0.7	0.7	0.7	0.6	0.5	0.5
Deposits redeemable at notice and repos in lats	2.1	2.1	2.0	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5
Foreign currency deposits	55.5	53.5	49.1	56.5	52.6	55.3	51.9	60.3	55.7	53.3	52.2	45.7	49.7	49.5	45.0
Transit funds	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

**9.b AGGREGATED BALANCE SHEET OF MFIs (EXCLUDING LATVIJAS BANKA) (CONT.)**

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Foreign liabilities	9 789.8	9 683.7	9 735.5	9 701.3	9 556.6	9 828.7	9 808.4	9 873.8	9 913.3	10 100.7	10 012.7	9 668.8	9 599.9	9 412.9	9 597.9
Liabilities to Latvijas Banka	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10.0
Money market fund shares and units	66.6	66.5	62.4	65.0	64.8	64.0	62.8	62.4	61.6	57.5	56.3	55.2	53.3	51.5	47.0
Debt securities issued	113.5	138.7	139.6	139.0	159.4	187.8	196.1	195.5	232.2	229.7	233.4	230.1	251.9	278.1	234.6
Capital and reserves	1 912.2	1 900.5	1 910.8	1 928.9	1 947.8	1 891.6	1 932.7	1 943.4	1 931.5	1 950.9	1 974.6	1 998.3	2 011.1	2 024.8	2 043.4
Residents	512.2	500.5	493.4	511.5	529.2	471.3	516.0	531.9	520.2	539.6	563.3	581.3	594.1	607.3	580.4
Retained earnings of the reporting year	140.5	128.3	122.4	22.7	39.7	45.8	74.8	89.2	77.1	92.5	117.7	133.2	169.5	183.9	172.6
Non-residents	1 400.0	1 400.0	1 417.4	1 417.4	1 418.6	1 420.2	1 416.6	1 411.5	1 411.3	1 411.3	1 411.3	1 417.0	1 417.0	1 417.5	1 463.0
Provisions	1 126.4	1 115.3	1 053.3	1 033.4	1 027.6	1 015.3	998.8	1 006.7	967.5	956.6	929.8	876.8	846.5	837.2	791.4
Other liabilities (incl. subordinated liabilities)	327.0	342.7	383.1	315.4	318.0	389.3	370.3	332.8	334.5	326.6	323.3	361.0	325.5	360.2	383.8
Liabilities to resident MFIs	224.0	231.6	246.2	255.1	195.0	197.7	249.4	262.2	240.0	258.0	220.8	243.9	264.0	254.4	216.2
<b>TOTAL LIABILITIES</b>	<b>19 762.2</b>	<b>19 760.7</b>	<b>19 920.5</b>	<b>19 996.7</b>	<b>19 822.8</b>	<b>19 986.5</b>	<b>20 135.3</b>	<b>20 194.0</b>	<b>20 187.0</b>	<b>20 358.5</b>	<b>20 341.9</b>	<b>19 996.5</b>	<b>20 005.2</b>	<b>19 978.8</b>	<b>20 562.3</b>
Memo items															
Trust assets	578.8	688.7	686.0	647.3	704.3	716.2	668.0	802.1	696.4	834.0	782.3	839.8	901.6	667.4	895.4
Foreign	484.7	612.1	611.5	534.5	595.3	609.0	561.1	693.2	584.6	730.5	682.0	740.6	809.0	579.1	805.7
Domestic	94.0	76.6	74.5	112.8	108.9	107.2	106.9	109.0	111.8	103.5	100.3	99.2	92.6	88.4	89.7
Trust liabilities	578.8	688.7	686.0	647.3	704.3	716.2	668.0	802.1	696.4	834.0	782.3	839.8	901.6	667.4	895.4
Foreign	523.4	633.2	636.1	597.5	653.1	664.9	616.3	750.8	645.5	783.0	732.1	789.2	852.3	612.9	840.7
Domestic	55.4	55.4	49.9	49.8	51.2	51.3	51.7	51.3	50.9	51.0	50.2	50.6	49.2	54.6	54.7

## 10. MONETARY SURVEY

(at end of period; millions of lats)

	Currency outside MFIs	Overnight deposits (resident)				Time deposits (resident)				Total (M2X)
			Households	Financial institutions and private non-financial corporations	Public non-financial corporations		Households	Financial institutions and private non-financial corporations	Public non-financial corporations	
2012										
X	1 053.4	3 327.6	1 556.8	1 600.0	170.8	2 182.3	1 367.9	666.9	147.5	6 563.2
XI	1 058.2	3 457.1	1 614.3	1 643.1	199.7	2 168.9	1 332.8	680.0	156.1	6 684.2
XII	1 082.4	3 586.6	1 712.4	1 692.3	181.9	2 106.4	1 279.1	648.9	178.4	6 775.4
2013										
I	1 035.3	3 647.0	1 668.7	1 774.2	204.1	2 063.4	1 282.4	629.8	151.2	6 745.8
II	1 013.7	3 667.1	1 686.0	1 775.5	205.6	2 083.2	1 288.1	632.9	162.2	6 763.9
III	1 011.8	3 550.6	1 709.4	1 649.5	191.7	2 075.3	1 277.7	633.0	164.6	6 637.7
IV	982.3	3 650.4	1 746.0	1 712.6	191.8	2 041.3	1 264.1	558.4	218.8	6 674.1
V	969.1	3 673.9	1 762.1	1 700.8	211.0	1 987.7	1 249.6	534.7	203.4	6 630.7
VI	976.0	3 788.1	1 831.7	1 722.6	233.8	1 890.4	1 215.4	512.2	162.8	6 654.5
VII	941.7	3 823.8	1 850.1	1 750.1	223.6	1 843.5	1 198.0	495.9	149.6	6 609.0
VIII	908.2	3 906.2	1 871.2	1 833.5	201.4	1 822.8	1 193.8	499.5	129.5	6 637.1
IX	853.5	3 893.0	1 891.6	1 786.8	214.6	1 789.1	1 190.9	495.2	103.0	6 535.6
X	778.8	4 002.5	1 928.5	1 881.5	192.5	1 786.2	1 187.2	469.5	129.5	6 567.4
XI	722.6	4 174.4	2 011.1	1 929.3	234.0	1 761.1	1 175.7	456.3	129.1	6 658.0
XII	469.3	4 611.5	2 239.6	2 141.2	230.7	1 831.4	1 148.0	513.2	170.2	6 912.1
	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				
2012										
X	202.8	9 819.2	-917.3	4 717.7	5 519.3	499.5	-3 458.8	6 360.4	6 563.2	
XI	378.0	9 785.1	-905.6	4 686.0	5 501.5	503.2	-3 478.8	6 306.3	6 684.2	
XII	613.7	9 593.3	-903.8	4 633.1	5 359.5	504.5	-3 431.6	6 161.7	6 775.4	
2013										
I	577.3	9 550.6	-923.9	4 598.4	5 372.0	504.1	-3 382.0	6 168.6	6 745.8	
II	610.8	9 597.3	-855.4	4 575.0	5 381.5	496.2	-3 444.3	6 153.0	6 763.9	
III	642.1	9 465.7	-908.0	4 548.2	5 326.3	499.2	-3 470.1	5 995.6	6 637.7	
IV	786.2	9 336.4	-963.3	4 524.6	5 278.1	497.0	-3 448.6	5 887.8	6 674.1	
V	771.4	9 285.6	-1 021.6	4 493.6	5 321.4	492.2	-3 426.3	5 859.3	6 630.7	
VI	820.1	9 231.3	-911.5	4 463.0	5 197.3	482.5	-3 397.0	5 834.3	6 654.5	
VII	763.1	9 249.5	-877.6	4 435.5	5 208.6	483.0	-3 403.6	5 845.9	6 609.0	
VIII	837.7	9 180.2	-953.3	4 413.1	5 239.5	480.9	-3 380.7	5 799.5	6 637.1	
IX	845.4	9 094.6	-966.9	4 384.8	5 194.1	482.6	-3 404.4	5 690.2	6 535.6	
X	967.2	8 991.8	-961.7	4 348.2	5 113.7	491.6	-3 391.6	5 600.2	6 567.4	
XI	915.3	9 198.3	-781.6	4 322.7	5 167.3	489.9	-3 455.5	5 742.8	6 658.0	
XII	844.1	9 454.2	-487.4	4 251.6	5 200.6	489.4	-3 386.2	6 068.0	6 912.1	

**11.a FOREIGN ASSETS AND LIABILITIES OF MFIs (EXCLUDING LATVIJAS BANKA)**

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Claims on MFIs	3 792.7	3 760.7	3 953.6	4 088.7	3 734.2	3 891.4	3 956.7	3 831.0	4 137.0	4 339.1	4 228.1	3 846.4	3 927.2	3 774.4	3 764.8
Loans															
Overnight	2 326.3	2 283.4	2 332.3	2 456.9	2 190.6	2 262.4	2 180.9	2 301.4	2 519.9	2 621.7	2 305.5	2 100.3	2 195.9	2 042.7	2 170.6
Short-term	877.0	859.8	1 010.0	1 021.5	903.6	1 006.5	1 154.3	914.1	1 007.5	1 148.0	1 354.8	1 145.3	1 115.3	1 104.3	937.0
Long-term	15.2	15.3	15.1	15.0	22.1	22.5	21.6	17.1	20.4	18.1	19.7	19.4	18.6	15.3	31.0
Redeemable at notice	0	13.7	13.1	17.4	11.1	10.8	10.8	15.9	12.8	13.3	15.1	14.3	9.6	12.5	14.3
Holdings of securities other than shares	518.7	532.9	527.4	522.1	551.0	533.4	533.3	526.5	520.2	482.4	477.5	511.2	529.6	541.1	553.4
Holdings of shares and other equity	0.9	1.0	1.1	1.2	1.2	1.2	1.3	1.4	1.6	1.1	0.9	1.3	3.6	3.8	3.8
Other claims	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6
Claims on non-MFIs	2 163.2	2 174.8	2 115.0	2 077.8	2 172.7	2 239.7	2 297.4	2 413.9	2 301.1	2 307.2	2 402.4	2 403.3	2 270.6	2 318.0	2 372.4
Loans															
Short-term	459.1	484.3	471.2	443.8	464.9	486.0	469.1	520.7	478.5	499.2	507.7	494.1	492.9	506.1	487.2
Long-term	702.3	706.3	702.8	700.1	717.3	742.1	815.9	888.0	874.4	886.5	881.9	852.2	849.5	855.8	866.1
Holdings of securities other than shares															
Government	620.2	578.1	537.9	539.3	573.4	592.1	577.7	576.5	534.0	522.1	590.2	634.9	496.4	509.6	575.9
Private sector	320.5	342.1	337.5	324.9	347.9	351.3	366.0	360.0	343.7	330.4	348.2	348.2	358.6	369.1	368.7
Holdings of shares and other equity	31.9	34.8	34.5	38.5	38.5	37.5	38.1	38.1	38.0	36.5	42.0	41.4	40.8	41.8	39.9
Other claims	29.3	29.3	31.1	31.1	30.6	30.6	30.6	30.6	32.5	32.4	32.4	32.4	32.4	35.6	34.5
Vault cash in foreign currencies	76.1	70.1	76.9	72.7	70.6	63.5	72.1	67.2	66.9	67.2	61.0	64.1	61.7	65.3	71.1
Other assets															
Other assets	200.7	181.2	177.8	165.3	201.7	224.6	229.9	192.4	168.3	130.7	126.2	136.1	135.3	107.4	160.0
Total foreign assets	6 232.8	6 186.8	6 323.3	6 404.5	6 179.2	6 419.1	6 556.1	6 504.5	6 673.3	6 844.2	6 817.7	6 449.8	6 394.7	6 265.1	6 368.2
Memo items															
Trust assets	484.7	612.1	611.5	534.5	595.3	609.0	561.1	693.2	584.6	730.5	682.0	740.6	809.0	579.1	805.7

## 11.b FOREIGN ASSETS AND LIABILITIES OF MFIs (EXCLUDING LATVIJAS BANKA)

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Liabilities to MFIs															
Overnight	333.1	339.1	313.0	377.0	343.2	502.1	487.0	415.4	442.0	463.1	516.0	545.1	535.2	532.1	523.3
Short-term	545.9	511.8	552.2	372.7	345.9	373.1	389.4	409.6	503.1	636.0	528.3	502.4	363.0	365.6	546.2
Long-term	3 023.1	3 008.7	2 963.1	2 886.8	2 763.2	2 702.8	2 665.4	2 630.8	2 617.0	2 479.4	2 414.1	2 160.6	2 114.6	2 055.3	1 942.4
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	3 776.1	3 736.8	3 713.5	3 518.0	3 311.8	3 439.5	3 419.1	3 332.8	3 466.4	3 481.4	3 356.4	3 115.0	2 922.3	2 862.4	2 935.4
Non-MFI deposits															
Overnight	4 828.4	4 799.9	4 901.9	5 095.6	5 130.7	5 290.4	5 289.6	5 415.1	5 434.2	5 598.0	5 698.9	5 551.8	5 713.1	5 611.1	5 682.3
Short-term	341.1	324.3	326.9	294.3	309.9	288.8	279.5	248.4	254.6	269.2	231.2	236.5	216.3	199.6	258.4
Long-term	452.1	457.0	441.2	421.9	421.4	455.6	439.3	445.5	442.4	440.5	422.5	411.0	407.6	335.9	347.6
Redeemable at notice	97.0	87.3	81.8	74.4	72.9	73.4	66.2	62.9	56.9	53.1	60.8	67.2	62.4	65.9	61.0
Other liabilities															
Other liabilities <sup>1</sup>	169.2	155.5	155.5	178.7	169.4	142.5	192.1	246.1	163.0	161.5	140.9	194.2	187.8	247.3	236.7
Total foreign liabilities	9 789.8	9 683.7	9 735.5	9 701.3	9 556.6	9 828.7	9 808.4	9 873.8	9 913.3	10 100.7	10 012.7	9 668.8	9 599.9	9 412.9	9 597.9
Memo items															
Trust liabilities	523.4	633.2	636.1	597.5	653.1	664.9	616.3	750.8	645.5	783.0	732.1	789.2	852.3	612.9	840.7

<sup>1</sup> Including subordinated liabilities.

## 12. SELECTED ITEMS IN THE MONTHLY FINANCIAL POSITION REPORT OF MFIs (EXCLUDING LATVIJAS BANKA) BY GROUP OF COUNTRIES

(at end of period; millions of lats)

	Claims on MFIs			Loans to non-MFIs			Liabilities to MFIs			Deposits by non-MFIs		
	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions
2012												
X	2 389.6	1 352.6	828.9	532.8	364.6	628.7	3 261.9	1 694.2	640.2	1 745.8	619.1	3 972.8
XI	2 287.8	1 189.2	884.4	548.8	349.2	641.8	3 169.1	1 688.5	690.5	1 714.3	614.7	3 954.3
XII	2 380.9	1 225.2	989.6	549.3	351.4	624.7	3 144.9	1 705.1	683.4	1 727.4	640.3	4 024.4
2013												
I	2 548.1	1 555.1	962.7	546.0	355.5	597.9	2 933.0	1 647.3	703.5	1 790.5	642.7	4 095.8
II	2 178.9	1 320.1	948.5	541.4	352.5	640.8	2 814.7	1 626.7	637.5	1 772.6	609.3	4 162.4
III	2 187.4	1 339.2	1 114.8	575.0	363.9	653.1	2 943.8	1 670.9	634.2	1 872.3	667.9	4 217.4
IV	2 267.2	1 407.9	1 100.3	652.5	428.9	632.5	2 922.7	1 688.6	619.1	1 840.2	726.4	4 234.3
V	2 161.9	1 375.4	1 086.6	752.1	455.2	656.5	2 843.6	1 695.1	612.2	1 874.3	747.8	4 297.6
VI	2 461.3	1 557.5	1 099.3	713.1	446.9	639.8	2 948.4	1 697.2	613.8	1 873.2	760.8	4 314.9
VII	2 700.4	1 663.4	1 100.7	732.1	464.2	653.7	2 932.3	1 621.3	646.3	1 976.2	889.2	4 384.5
VIII	2 667.8	1 611.7	1 027.3	743.1	472.4	646.4	2 844.9	1 589.3	613.5	2 055.2	942.5	4 358.2
IX	2 283.2	1 377.4	996.1	709.9	443.6	636.4	2 603.2	1 416.8	604.9	1 931.0	801.9	4 335.4
X	2 332.5	1 437.9	1 006.9	700.3	436.9	642.0	2 407.9	1 359.8	604.8	2 023.4	869.7	4 376.0
XI	2 178.9	1 319.6	996.0	681.6	408.3	680.3	2 355.7	1 307.4	597.3	2 038.5	909.6	4 174.0
XII	1 969.6	1 240.7	1 183.4	683.9	400.0	669.5	2 403.9	1 283.3	608.0	2 082.2	913.4	4 267.1



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

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Overnight deposits															
Amount	3 327.5	3 457.1	3 586.6	3 647.1	3 667.0	3 550.6	3 650.4	3 673.9	3 788.2	3 823.8	3 906.2	3 893.1	4 002.5	4 174.4	4 611.4
% <sup>1</sup>	60.4	61.5	63.0	63.9	63.8	63.1	64.2	64.9	66.7	67.5	68.2	68.5	69.2	70.3	71.6
Time deposits															
Maturity of 1–6 months															
Amount	620.2	633.0	635.5	594.6	610.4	578.9	563.1	509.0	436.8	402.0	396.8	361.2	336.2	333.8	425.9
% <sup>1</sup>	11.2	11.3	11.2	10.4	10.6	10.3	9.9	9.0	7.7	7.1	6.9	6.4	5.8	5.6	6.6
Maturity of 6–12 months															
Amount	847.3	833.4	778.4	803.6	810.9	797.1	781.4	776.1	756.3	743.1	729.7	719.8	725.2	698.9	666.9
% <sup>1</sup>	15.4	14.8	13.7	14.1	14.1	14.2	13.7	13.7	13.3	13.1	12.7	12.7	12.5	11.8	10.4
Long-term															
Amount	506.9	491.7	479.0	446.9	438.5	466.9	459.5	461.8	451.4	446.4	435.6	437.0	437.7	428.6	423.3
% <sup>1</sup>	9.2	8.7	8.4	7.8	7.6	8.3	8.1	8.2	8.0	7.9	7.7	7.7	7.6	7.2	6.6
Maturity of 1–2 years															
Amount	260.9	244.2	228.4	191.1	179.6	199.6	197.4	204.2	195.7	192.4	187.8	194.7	194.0	196.6	199.7
% <sup>1</sup>	4.7	4.3	4.0	3.3	3.1	3.5	3.5	3.6	3.4	3.4	3.3	3.4	3.4	3.3	3.1
Maturity of over 2 years															
Amount	246.0	247.5	250.6	255.8	258.9	267.2	262.1	257.6	255.7	254.0	247.8	242.3	243.8	232.0	223.6
% <sup>1</sup>	4.5	4.4	4.4	4.5	4.5	4.7	4.6	4.6	4.5	4.5	4.4	4.3	4.2	3.9	3.5
Deposits redeemable at notice															
Up to 3 months															
Amount	207.8	210.8	213.7	218.3	223.3	232.5	234.9	238.4	243.3	249.6	258.3	268.6	284.6	297.4	312.8
% <sup>1</sup>	3.8	3.7	3.7	3.8	3.9	4.1	4.1	4.2	4.3	4.4	4.5	4.7	4.9	5.0	4.8
Over 3 months															
Amount	0	0	0	0	0	0	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5
% <sup>1</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0
Repos															
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% <sup>1</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	5 509.8	5 626.0	5 693.0	5 710.5	5 750.2	5 625.9	5 691.7	5 661.7	5 678.5	5 667.3	5 729.0	5 682.2	5 788.6	5 935.5	6 442.7

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

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

(at end of period; millions of lats)

Insurance corporations and pension funds									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2012									
X	84.9	108.5	46.1	51.0	0.5	0	0	291.0	148.1
XI	82.3	117.9	47.8	51.5	0.5	0	0	300.0	138.0
XII	88.4	117.6	45.1	52.5	0.4	0	0	304.0	138.3
2013									
I	113.3	105.5	43.1	53.0	0.4	0	0	315.3	130.0
II	129.7	116.7	41.7	56.3	0.4	0	0	344.8	135.7
III	111.6	88.4	52.4	57.6	0.4	0	0	310.4	135.6
IV	106.7	73.9	50.5	54.3	0.3	0	0	285.8	132.4
V	97.5	68.1	56.3	48.8	0.3	0	0	271.1	134.2
VI	106.9	61.4	52.6	47.8	0.3	0	0	269.0	135.0
VII	95.5	62.7	54.0	46.1	0.3	0	0	258.6	143.7
VIII	92.7	58.3	55.7	42.7	0.3	0	0	249.8	144.6
IX	108.8	50.8	54.5	41.4	0.3	0	0	255.7	144.8
X	119.5	50.3	52.9	44.8	0.3	0	0	267.8	145.3
XI	126.1	43.7	54.9	35.5	0.3	0	0	260.5	136.7
XII	84.5	96.7	57.7	35.5	0.3	0	0	274.8	134.6
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			
2012									
X	58.5	51.1	2.6	60.3	7.4	0	0	179.9	47.6
XI	61.6	27.6	1.1	59.0	7.4	0	0	156.8	47.7
XII	64.8	26.7	1.1	59.1	7.3	0	0	159.1	44.4
2013									
I	65.5	25.9	4.9	58.6	7.4	0	0	162.2	47.4
II	66.7	25.7	5.1	58.8	7.3	0	0	163.6	41.1
III	57.2	18.7	5.1	65.0	7.2	0	0	153.2	36.2
IV	68.8	19.6	4.3	65.1	7.3	0	0	165.0	44.2
V	58.8	19.6	4.4	65.2	7.2	0	0	155.2	38.1
VI	73.3	31.0	4.4	65.8	7.2	0	0	181.7	40.2
VII	56.2	60.5	1.0	65.4	7.1	0	0	190.1	32.9
VIII	78.4	61.2	1.0	61.8	7.2	0	0	209.7	44.4
IX	60.0	62.3	4.1	59.6	7.2	0	0	193.2	48.8
X	72.4	27.6	6.2	59.6	7.2	0	0	173.1	51.5
XI	85.4	28.3	6.4	60.8	7.3	0	0	188.1	57.8
XII	119.2	21.3	6.9	56.0	7.2	0	0	210.7	80.3

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

(at end of period; millions of lats)

Public non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2012									
X	170.8	125.0	20.3	0.1	2.1	0	0	318.2	187.2
XI	199.7	138.1	15.8	0.1	2.2	0	0	355.8	199.0
XII	181.9	162.1	15.4	0.1	0.8	0	0	360.3	210.1
2013									
I	204.1	141.0	9.2	0.1	0.9	0	0	355.4	198.5
II	205.6	151.8	9.2	0.1	1.1	0	0	367.7	213.8
III	191.7	153.1	10.2	0.1	1.2	0	0	356.3	222.2
IV	191.8	207.2	10.2	0.1	1.3	0	0	410.7	222.5
V	211.0	195.9	6.1	0.1	1.3	0	0	414.4	207.4
VI	233.8	155.9	5.4	0.1	1.4	0	0	396.6	209.0
VII	223.6	138.7	8.8	0.6	1.5	0	0	373.2	193.6
VIII	201.4	121.9	5.4	0.6	1.7	0	0	331.0	165.6
IX	214.6	95.9	4.6	0.6	1.9	0	0	317.6	176.7
X	192.5	116.6	2.3	0.6	10.0	0	0	322.0	162.2
XI	234.0	116.1	2.3	0.6	10.2	0	0	363.1	179.3
XII	230.7	158.7	2.3	0.6	8.6	0	0	400.8	158.3
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			
2012									
X	1 456.5	278.2	20.3	24.3	16.7	0	0	1 796.0	856.0
XI	1 499.1	306.4	21.0	24.7	15.1	0	0	1 866.3	893.4
XII	1 539.1	278.5	21.0	24.7	14.8	0	0	1 878.1	953.1
2013									
I	1 595.5	274.5	15.8	25.9	14.7	0	0	1 926.5	936.7
II	1 579.1	265.0	14.9	26.0	15.1	0	0	1 900.1	922.9
III	1 480.8	270.3	20.6	26.5	20.7	0	0	1 818.9	870.4
IV	1 537.1	214.8	21.1	26.7	20.6	0	0	1 820.2	890.8
V	1 544.5	193.2	25.9	27.2	18.5	0	0	1 809.2	883.6
VI	1 542.5	174.0	23.2	26.4	18.0	0	0	1 784.1	877.5
VII	1 598.4	132.9	22.5	25.7	17.8	0	0	1 797.2	872.5
VIII	1 662.3	147.0	20.8	25.3	18.1	0	0	1 873.6	904.5
IX	1 618.0	143.6	27.4	24.9	19.2	0	0	1 833.1	896.7
X	1 689.5	151.4	28.4	22.0	18.9	0	0	1 910.2	936.6
XI	1 717.8	150.3	28.3	18.9	21.7	0	0	1 937.0	954.6
XII	1 937.4	167.3	25.7	15.2	23.3	0	0	2 168.9	1 077.3

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

(at end of period; millions of lats)

	Households								
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2012									
X	1 556.8	904.8	171.6	110.4	181.1	0	0	2 924.7	1 320.9
XI	1 614.3	876.5	158.5	112.2	185.7	0	0	2 947.1	1 339.9
XII	1 712.4	828.9	145.8	114.1	190.4	0	0	2 991.6	1 367.1
2013									
I	1 668.7	851.4	118.1	118.0	194.9	0	0	2 951.1	1 337.4
II	1 686.0	862.0	108.8	117.7	199.4	0	0	2 974.0	1 351.9
III	1 709.4	845.5	111.3	117.9	202.9	0	0	2 987.1	1 358.5
IV	1 746.0	828.9	111.4	115.9	205.4	2.4	0	3 010.1	1 368.8
V	1 762.1	808.4	111.5	116.2	211.1	2.4	0	3 011.7	1 365.6
VI	1 831.7	770.9	110.2	115.5	216.3	2.4	0	3 047.1	1 399.9
VII	1 850.1	750.3	106.2	116.3	222.8	2.4	0	3 048.2	1 399.4
VIII	1 871.2	738.1	104.9	117.4	230.9	2.4	0	3 065.0	1 405.3
IX	1 891.6	728.3	104.2	115.8	240.1	2.4	0	3 082.5	1 423.0
X	1 928.5	715.7	104.2	116.8	248.1	2.4	0	3 115.6	1 456.0
XI	2 011.1	694.3	104.8	116.2	257.9	2.5	0	3 186.8	1 517.9
XII	2 239.6	648.8	107.1	116.3	273.4	2.5	0	3 387.6	1 692.7

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

(at end of period; millions of lats)

	General government				Non-residents						In lats
	Central government	Local government		In lats	MFIs	Non-MFIs					
							General government	Other			
2012											
X	475.9	217.0	692.8	236.2	3 902.0	5 718.6	8.2	5 710.4	9 620.7	139.1	
XI	440.1	215.6	655.7	228.9	3 859.6	5 668.6	8.2	5 660.4	9 528.2	137.6	
XII	526.2	170.5	696.7	187.5	3 828.2	5 751.7	10.9	5 740.9	9 580.0	162.4	
2013											
I	667.1	180.9	848.0	193.4	3 636.5	5 886.2	7.9	5 878.3	9 522.7	187.3	
II	622.4	181.0	803.4	186.9	3 452.3	5 935.0	4.0	5 930.9	9 387.2	171.7	
III	596.3	189.9	786.1	194.1	3 578.0	6 108.2	4.2	6 104.0	9 686.2	171.2	
IV	615.9	209.0	825.0	219.8	3 541.8	6 074.5	4.5	6 070.0	9 616.3	136.8	
V	637.9	217.7	855.6	218.4	3 455.8	6 171.9	4.0	6 167.9	9 627.7	135.8	
VI	625.1	202.8	827.9	180.6	3 562.2	6 188.1	3.5	6 184.7	9 750.3	114.6	
VII	617.5	193.7	811.2	167.8	3 578.5	6 360.7	3.5	6 357.3	9 939.3	131.8	
VIII	667.0	195.0	862.1	175.9	3 458.4	6 413.3	3.6	6 409.7	9 871.8	134.1	
IX	692.5	187.7	880.2	169.7	3 208.1	6 266.4	3.6	6 262.9	9 474.6	180.4	
X	687.1	177.3	864.4	151.9	3 012.8	6 399.4	3.2	6 396.1	9 412.1	165.1	
XI	649.8	174.4	824.3	140.7	2 953.0	6 212.6	3.3	6 209.2	9 165.6	162.7	
XII	657.6	137.6	795.2	108.3	3 011.9	6 349.3	3.0	6 346.3	9 361.2	96.6	

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

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Short-term															
Amount	1 856.4	1 825.2	1 671.6	1 685.4	1 723.8	1 657.7	1 625.5	1 716.4	1 648.4	1 613.8	1 637.8	1 593.5	1 570.8	1 556.1	1 566.7
% <sup>1</sup>	17.8	17.6	16.4	16.6	17.0	16.5	16.3	17.2	16.9	16.6	16.8	16.5	16.4	16.3	16.5
Maturity of 1–5 years															
Amount	1 646.2	1 695.1	1 694.7	1 692.3	1 676.3	1 692.2	1 693.7	1 671.2	1 707.6	1 764.6	1 778.3	1 785.9	1 779.2	1 824.8	1 819.8
% <sup>1</sup>	15.8	16.4	16.7	16.7	16.6	16.9	17.0	16.8	17.5	18.1	18.3	18.5	18.6	19.1	19.1
Maturity of over 5 years															
Amount	6 906.2	6 846.8	6 799.1	6 760.3	6 711.8	6 675.6	6 630.4	6 566.4	6 412.9	6 357.0	6 310.5	6 250.9	6 207.2	6 186.3	6 127.9
% <sup>1</sup>	66.4	66.0	66.9	66.7	66.4	66.6	66.7	66.0	65.6	65.3	64.9	65.0	65.0	64.6	64.4
Total loans	10 408.8	10 367.1	10 165.4	10 138.1	10 111.9	10 025.5	9 949.6	9 953.9	9 768.9	9 735.4	9 726.6	9 630.3	9 557.2	9 567.2	9 514.4

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

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

(at end of period; millions of lats)

	Insurance corporations and pension funds			OFIs and financial auxiliaries			Public non-financial corporations					Private non-financial corporations				
	Up to 1 year		In lats	Up to 1 year		In lats	Up to 1 year	1–5 years	Over 5 years		In lats	Up to 1 year	1–5 years	Over 5 years		In lats
2012																
X	0	0	0	162.2	285.4	53.8	3.3	31.9	464.4	499.5	27.8	1 255.2	1 218.5	2 432.5	4 906.2	763.5
XI	0	0	0	144.1	277.1	59.4	3.3	30.7	469.2	503.2	30.0	1 246.9	1 239.7	2 414.2	4 900.8	777.0
XII	0	0	0	144.6	279.5	62.6	10.2	30.0	461.8	502.0	38.1	1 100.4	1 246.0	2 404.4	4 750.8	780.3
2013																
I	0	0.1	0	140.7	295.3	69.0	11.1	31.6	459.4	502.2	43.2	1 115.7	1 229.2	2 397.3	4 742.2	779.2
II	0	0	0	142.8	294.5	66.9	10.8	31.1	453.0	494.9	42.4	1 155.8	1 216.3	2 375.3	4 747.5	794.2
III	0	0	0	144.9	304.4	70.9	10.3	30.4	455.1	495.8	41.6	1 094.5	1 231.4	2 351.1	4 677.1	785.8
IV	0	0	0	124.7	287.5	60.9	11.2	29.7	454.3	495.1	42.8	1 086.7	1 228.2	2 327.3	4 642.3	784.6
V	0	0	0	134.1	293.3	62.6	3.9	29.2	455.8	488.9	35.7	1 182.1	1 234.0	2 262.1	4 678.2	813.1
VI	0	0	0	148.3	303.2	63.6	4.1	28.8	446.4	479.3	35.5	1 111.7	1 276.9	2 134.8	4 523.4	706.2
VII	0	0	0	140.9	298.6	63.4	3.7	28.0	448.5	480.1	35.5	1 090.0	1 332.5	2 098.7	4 521.1	705.1
VIII	0	0	0	142.0	300.6	63.4	3.8	34.5	439.9	478.2	35.7	1 111.6	1 347.6	2 075.4	4 534.6	706.5
IX	0	0	0	134.0	298.2	63.5	4.1	34.1	441.5	479.7	35.6	1 078.9	1 355.0	2 033.6	4 467.5	698.2
X	0	0	0	118.8	284.9	59.8	2.9	35.2	450.9	489.1	36.5	1 080.9	1 345.9	2 008.3	4 435.1	693.5
XI	0	0	0	120.7	287.4	56.7	3.7	38.2	445.7	487.7	37.4	1 074.6	1 403.7	1 991.1	4 469.4	697.8
XII	0	0	0	136.3	302.7	40.1	4.3	43.3	439.5	487.1	37.5	1 093.1	1 404.3	1 975.6	4 472.9	696.8

## 16.b LOANS TO HOUSEHOLDS

(at end of period; millions of lats)

	Households													
	Consumer credit				Lending for house purchase				Other lending				In lats	
		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		
2012														
X	563.7	189.9	93.7	280.0	3 806.4	176.6	146.5	3 483.3	347.6	69.2	61.6	216.8	4 717.7	499.1
XI	554.8	186.9	92.7	275.3	3 785.0	176.0	165.2	3 443.9	346.1	68.1	62.7	215.4	4 686.0	499.7
XII	546.0	183.6	90.4	272.1	3 748.9	171.1	158.7	3 419.1	338.2	61.7	63.3	213.1	4 633.1	497.5
2013														
I	545.6	184.9	90.4	270.4	3 717.5	170.4	151.3	3 395.8	335.2	62.5	62.8	209.9	4 598.4	499.4
II	502.6	181.4	89.7	231.4	3 700.4	170.6	152.0	3 377.8	372.0	62.4	62.6	247.0	4 575.0	500.0
III	500.5	179.6	89.5	231.4	3 680.3	168.2	147.9	3 364.2	367.5	60.3	62.4	244.7	4 548.2	500.2
IV	498.9	179.1	90.5	229.3	3 662.1	163.6	148.6	3 349.9	363.6	60.0	62.0	241.6	4 524.6	501.1
V	391.3	169.6	88.4	133.3	3 743.7	165.8	127.8	3 450.1	358.5	60.8	59.2	238.5	4 493.6	499.2
VI	386.1	164.6	88.2	133.2	3 721.2	162.4	125.8	3 433.0	355.7	57.3	59.1	239.3	4 463.0	497.0
VII	386.1	164.3	88.9	132.9	3 697.6	158.2	124.1	3 415.2	351.8	56.7	58.6	236.6	4 435.5	498.5
VIII	383.3	161.3	89.1	132.9	3 680.4	156.6	120.5	3 403.3	349.4	62.5	52.7	234.2	4 413.1	499.0
IX	384.6	160.6	90.9	133.2	3 657.4	154.2	118.1	3 385.2	342.8	61.7	48.0	233.1	4 384.8	499.9
X	383.7	158.3	90.7	134.6	3 628.1	149.0	116.6	3 362.5	336.4	60.8	48.1	227.4	4 348.2	497.2
XI	377.3	156.5	86.1	134.8	3 609.1	146.1	114.9	3 348.0	336.3	54.5	50.4	231.4	4 322.7	493.2
XII	364.1	146.4	84.9	132.8	3 557.5	136.2	112.0	3 309.4	330.0	50.4	49.6	230.0	4 251.6	477.4

## 16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; millions of lats)

	General government				Non-residents					
	Central government	Local government		In lats	MFIs	Non-MFIs				In lats
							General government	Other		
2012										
X	1.1	69.4	70.5	8.6	3 218.5	1 161.4	0	1 161.4	4 379.9	319.7
XI	1.5	69.1	70.6	9.3	3 172.2	1 190.6	0	1 190.6	4 362.8	298.5
XII	2.2	70.8	73.0	10.3	3 370.5	1 174.0	0	1 174.0	4 544.5	316.3
2013										
I	3.4	72.3	75.7	11.6	3 510.9	1 143.9	0	1 143.9	4 654.8	275.5
II	3.4	71.7	75.2	11.3	3 127.4	1 182.2	0	1 182.2	4 309.6	270.2
III	3.2	71.4	74.6	10.6	3 302.2	1 228.2	0	1 228.2	4 530.4	296.9
IV	3.2	72.9	76.0	10.8	3 367.5	1 285.0	0	1 285.0	4 652.5	295.6
V	3.4	76.4	79.8	10.6	3 248.5	1 408.7	11.4	1 397.3	4 657.2	320.6
VI	4.0	77.3	81.3	11.0	3 560.6	1 352.9	11.4	1 341.6	4 913.5	372.7
VII	5.0	78.0	83.0	12.1	3 801.1	1 385.8	11.3	1 374.5	5 186.8	381.1
VIII	4.6	79.0	83.6	12.1	3 695.1	1 389.5	11.1	1 378.5	5 084.6	358.1
IX	4.1	79.5	83.6	12.2	3 279.3	1 346.3	11.0	1 335.3	4 625.6	345.6
X	3.6	80.0	83.5	10.2	3 339.3	1 342.3	11.0	1 331.4	4 681.7	330.3
XI	3.6	80.9	84.5	11.2	3 174.9	1 361.9	6.8	1 355.1	4 536.8	326.4
XII	4.9	81.9	86.7	12.9	3 153.0	1 353.4	6.8	1 346.6	4 506.4	362.6

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

(at end of Q4 2013, millions of lats; structure, %)

	With residual maturity of up to 1 year				With residual maturity of over 1 and up to 5 years				With residual maturity of over 5 years				Total loans			
	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%
<b>Total</b>	1 828.8	100.0	399.6	100.0	2 589.3	100.0	264.9	100.0	844.5	100.0	136.8	100.0	5 262.6	100.0	801.3	100.0
<b>A</b> Agriculture, forestry and fishing	102.9	5.6	29.1	7.3	182.6	7.0	52.8	19.9	60.4	7.2	23.0	16.8	345.9	6.6	104.9	13.1
<b>B</b> Mining and quarrying	4.2	0.2	1.0	0.2	12.0	0.5	0.5	0.2	2.3	0.3	0	0	18.6	0.3	1.5	0.2
<b>C</b> Manufacturing	271.1	14.8	47.8	12.0	360.6	13.9	29.2	11.0	52.5	6.2	1.8	1.3	684.3	13.0	78.8	9.8
<b>D</b> Electricity, gas, steam and air conditioning supply	72.5	4.0	7.5	1.9	221.5	8.6	24.8	9.4	79.6	9.4	2.4	1.8	373.6	7.1	34.7	4.3
<b>E</b> Water supply; sewerage, waste management and remediation activities	15.1	0.8	9.0	2.3	29.8	1.1	6.4	2.4	21.7	2.6	8.4	6.1	66.6	1.3	23.8	3.0
<b>F</b> Construction	66.8	3.6	18.4	4.6	104.2	4.0	8.3	3.1	165.8	19.6	36.7	26.8	336.7	6.4	63.4	7.9
<b>G</b> Wholesale and retail trade; repair of motor vehicles and motorcycles	352.2	19.3	66.1	16.5	183.4	7.1	22.6	8.5	33.4	4.0	5.0	3.7	569.0	10.8	93.7	11.7
<b>H</b> Transportation and storage	62.7	3.4	5.6	1.4	193.2	7.5	16.5	6.2	111.9	13.3	1.3	1.0	367.9	7.0	23.4	2.9
<b>I</b> Accommodation and food service activities	24.7	1.4	4.3	1.1	62.1	2.4	3.2	1.2	24.7	2.9	0.5	0.4	111.5	2.1	8.0	1.0
<b>J</b> Information and communication	9.5	0.5	6.5	1.6	12.2	0.5	0.5	0.2	11.4	1.3	0.1	0.1	33.0	0.6	7.1	0.9
<b>K</b> Financial and insurance activities	188.6	10.3	32.7	8.2	191.5	7.4	13.2	5.0	12.9	1.5	0.6	0.4	392.9	7.5	46.5	5.8
<b>L</b> Real estate activities	535.4	29.3	111.0	27.8	933.8	36.1	65.4	24.7	178.2	21.1	30.9	22.6	1 647.4	31.3	207.3	25.9
<b>M</b> Professional, scientific and technical activities	8.2	0.4	2.5	0.6	9.9	0.4	2.5	1.0	2.8	0.3	0.2	0.2	20.9	0.4	5.2	0.6
<b>N</b> Administrative and support service activities	74.3	4.1	43.6	10.9	10.7	0.4	0.5	0.2	10.8	1.3	0.6	0.4	95.8	1.8	44.7	5.6
<b>O</b> Public administration and defence; compulsory social security	0	0	0	0	1.3	0	0.3	0.1	18.8	2.2	6.3	4.6	20.1	0.4	6.6	0.8
<b>P</b> Education	1.5	0.1	0.4	0.1	3.1	0.1	0.1	0	0.7	0.1	0	0	5.2	0.1	0.5	0.1
<b>Q</b> Human health and social work activities	5.6	0.3	2.1	0.5	10.9	0.4	1.5	0.6	2.3	0.3	1.4	1.0	18.8	0.4	5.0	0.6
<b>R</b> Arts, entertainment and recreation	4.6	0.3	1.2	0.3	5.1	0.2	0.6	0.2	8.0	0.9	1.0	0.7	17.7	0.3	2.8	0.4
<b>S</b> Other service activities	29.0	1.6	10.8	2.7	61.5	2.4	16.0	6.1	46.3	5.5	16.6	12.1	136.8	2.6	43.4	5.4

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

(at end of period; millions of lats)

	2012	2013			
	XII	III	VI	IX	XII
Commercial credit	1 656.3	1 658.0	1 623.1	1 620.0	1 697.4
Industrial credit	1 759.9	1 757.2	1 715.6	1 688.4	1 608.4
Reverse repo	0.5	0.6	0.6	0.6	0.8
Financial leasing	30.9	29.8	27.4	30.5	31.3
Consumer credit	343.7	234.1	231.9	233.4	229.8
Mortgage loans	5 563.8	5 541.4	5 348.0	5 237.1	5 186.2
Factoring	1.8	1.9	2.6	2.2	2.0
Other credit	778.2	748.5	751.5	773.5	743.5
<b>Total loans</b>	<b>10 135.1</b>	<b>9 971.6</b>	<b>9 700.7</b>	<b>9 585.7</b>	<b>9 499.4</b>

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



## 19.a HOLDINGS OF SECURITIES OTHER THAN SHARES

(at end of period; millions of lats)

	Securities other than shares									In lats
	MFIs		General government		Other residents		Non-residents			
		incl. long-term		incl. long-term		incl. long-term		incl. long-term		
2012										
X	1.0	1.0	471.7	326.7	0.2	0.2	1 459.4	1 384.6	1 932.2	400.2
XI	1.0	1.0	472.2	327.4	0.2	0.2	1 453.1	1 387.9	1 926.5	398.4
XII	0	0	481.0	336.1	4.3	4.3	1 402.8	1 349.9	1 888.0	395.5
2013										
I	0	0	473.8	352.7	10.2	10.2	1 386.3	1 332.1	1 870.3	380.8
II	0	0	401.5	301.2	9.6	9.6	1 472.4	1 415.8	1 883.5	296.6
III	0	0	410.0	305.1	12.1	12.1	1 476.8	1 416.8	1 898.9	303.0
IV	0	0	386.4	280.7	10.6	10.6	1 477.0	1 414.0	1 874.0	284.0
V	0	0	411.9	295.5	14.3	14.3	1 463.1	1 396.0	1 889.2	303.7
VI	0	0	426.2	310.9	14.3	14.3	1 398.0	1 338.0	1 838.4	310.5
VII	0	0	432.3	313.3	13.8	13.8	1 334.9	1 288.3	1 781.0	313.5
VIII	0	0	442.1	312.1	13.6	13.6	1 415.9	1 291.7	1 871.6	326.3
IX	0	0	446.3	310.9	13.9	13.9	1 494.3	1 296.2	1 954.5	329.8
X	0	0	443.5	311.4	13.6	13.6	1 384.7	1 286.4	1 841.8	330.5
XI	0	0	451.0	316.6	19.9	19.9	1 419.8	1 319.5	1 890.7	336.6
XII	0	0	460.3	315.2	20.1	20.1	1 498.0	1 442.7	1 978.4	345.1

## 19.b HOLDINGS OF SHARES AND OTHER EQUITY

(at end of period; millions of lats)

	Shares and other equity					In lats
	MFIs	Other residents	Non-residents			
2012						
X	0.4	327.5	116.7	444.6	223.9	
XI	0.4	323.4	119.6	443.4	222.9	
XII	0.4	327.4	121.3	449.1	233.1	
2013						
I	0.4	326.2	125.4	452.0	233.0	
II	0.4	331.3	124.9	456.5	237.5	
III	0.4	336.1	123.9	460.4	243.8	
IV	0.4	339.6	124.6	464.6	249.5	
V	0.4	338.9	124.7	464.0	249.7	
VI	0.4	359.7	126.6	486.7	248.0	
VII	0.4	377.9	124.5	502.8	246.8	
VIII	0.4	393.2	129.9	523.5	246.7	
IX	0.4	417.3	129.7	547.4	241.2	
X	0.4	382.6	131.4	514.4	232.7	
XI	0.4	392.9	135.8	529.0	237.1	
XII	0.4	407.1	132.8	540.3	207.4	

## 20.a CURRENCY BREAKDOWN OF RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2012										
X	224.0	31.8	68.2	43.4	22.6	6 202.6	45.1	54.9	45.6	7.3
XI	231.6	31.1	68.9	36.3	30.8	6 281.7	45.3	54.7	45.1	7.3
XII	246.2	23.8	76.2	38.6	35.4	6 389.7	45.4	54.6	45.6	6.9
2013										
I	255.1	18.6	81.4	39.9	39.6	6 558.5	43.4	56.6	47.6	6.9
II	195.0	21.1	78.9	49.6	26.2	6 553.6	43.5	56.5	47.7	6.8
III	197.7	24.0	76.0	46.2	27.0	6 412.1	43.9	56.1	47.5	6.6
IV	249.4	20.1	79.9	40.5	38.1	6 516.7	44.2	55.8	47.7	6.1
V	262.2	24.0	76.0	38.3	35.9	6 517.2	43.7	56.3	48.2	6.1
VI	240.0	26.7	73.3	40.6	31.0	6 506.5	43.7	56.3	48.0	6.2
VII	258.0	25.1	74.9	42.9	30.3	6 478.5	43.4	56.6	47.9	6.5
VIII	220.8	24.3	75.7	40.4	33.6	6 591.0	43.1	56.9	48.6	6.2
IX	243.9	25.0	75.0	38.1	34.9	6 562.4	43.6	56.4	48.3	6.1
X	264.0	23.5	76.5	34.9	40.0	6 653.1	43.6	56.4	48.3	6.0
XI	254.4	17.8	82.2	46.7	33.9	6 759.7	44.2	55.8	47.8	6.0
XII	226.2	16.4	83.6	47.5	35.3	7 237.9	44.9	55.1	47.2	5.9

## 20.b CURRENCY BREAKDOWN OF NON-RESIDENT DEPOSITS

(at end of period)

		MFIs				Non-MFIs				
		Outstanding amount (all currencies; millions of lats)	Structure (%)			Outstanding amount (all currencies; millions of lats)	Structure (%)			
			In lats	In foreign currencies			In lats	In foreign currencies		
	incl. EUR	incl. USD			incl. EUR	incl. USD				
2012										
X	3 902.0	1.7	98.3	87.1	4.1	5 718.6	1.3	98.7	27.0	67.0
XI	3 859.6	1.7	98.3	87.1	3.9	5 668.6	1.3	98.7	28.0	66.1
XII	3 828.2	2.3	97.7	87.4	3.4	5 751.7	1.3	98.7	26.7	66.8
2013										
I	3 636.5	3.3	96.7	85.6	3.7	5 886.2	1.2	98.8	26.5	67.4
II	3 452.3	3.2	96.8	84.7	4.5	5 935.0	1.1	98.9	27.0	67.1
III	3 578.0	2.9	97.1	85.0	4.7	6 108.2	1.1	98.9	26.6	66.9
IV	3 541.8	2.2	97.8	86.0	4.0	6 074.5	1.0	99.0	27.4	66.6
V	3 455.8	2.0	98.0	86.7	3.8	6 171.9	1.1	98.9	28.2	65.6
VI	3 562.2	1.5	98.5	88.0	3.5	6 188.1	1.0	99.0	27.3	65.9
VII	3 578.5	2.0	98.0	88.2	3.0	6 360.7	1.0	99.0	26.9	65.2
VIII	3 458.4	2.0	98.0	88.1	2.7	6 413.3	1.0	99.0	26.9	66.6
IX	3 208.1	3.7	96.3	86.0	2.5	6 266.4	1.0	99.0	27.2	66.8
X	3 012.8	3.4	96.6	86.1	2.4	6 399.4	1.0	99.0	27.5	66.6
XI	2 953.0	3.5	96.5	85.6	2.5	6 212.6	1.0	99.0	27.9	65.7
XII	3 011.9	1.4	98.6	88.2	2.6	6 349.3	0.8	99.2	27.5	66.5

## 20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; millions of lats)	Structure (%)				
		In lats	In foreign currencies		incl. EUR	incl. USD
2012						
X	10 479.3	12.9	87.1	82.3	2.0	
XI	10 437.6	13.2	86.8	82.0	2.1	
XII	10 238.5	13.6	86.4	81.5	2.2	
2013						
I	10 213.8	13.7	86.3	81.4	2.2	
II	10 187.0	13.9	86.1	81.1	2.3	
III	10 100.1	13.9	86.1	80.9	2.4	
IV	10 025.6	14.0	86.0	81.0	2.3	
V	10 033.7	14.2	85.8	80.9	2.2	
VI	9 850.3	13.3	86.7	81.8	2.3	
VII	9 818.4	13.4	86.6	81.7	2.3	
VIII	9 810.2	13.4	86.6	81.7	2.3	
IX	9 713.9	13.5	86.5	81.7	2.2	
X	9 640.8	13.5	86.5	81.6	2.3	
XI	9 651.7	13.4	86.6	81.6	2.3	
XII	9 601.1	13.2	86.8	82.0	2.3	

## 20.d CURRENCY BREAKDOWN OF LOANS TO NON-RESIDENTS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
				incl. EUR	incl. USD				incl. EUR	incl. USD
2012										
X	3 218.5	9.3	90.7	33.5	49.5	1 161.4	1.8	98.2	31.9	63.6
XI	3 172.2	8.8	91.2	33.1	50.9	1 190.6	1.7	98.3	31.2	64.2
XII	3 370.5	8.8	91.2	34.1	49.6	1 174.0	1.7	98.3	30.7	64.8
2013										
I	3 510.9	7.3	92.7	36.2	50.0	1 143.9	1.8	98.2	32.1	62.8
II	3 127.4	8.1	91.9	35.4	48.4	1 182.2	1.3	98.7	31.2	64.2
III	3 302.2	8.5	91.5	30.2	53.6	1 228.2	1.3	98.7	30.8	64.6
IV	3 367.5	8.3	91.7	33.2	50.9	1 285.0	1.3	98.7	35.9	60.1
V	3 248.5	9.4	90.6	29.8	52.7	1 408.7	1.1	98.9	39.6	56.4
VI	3 560.6	10.0	90.0	29.6	53.0	1 352.9	1.2	98.8	39.6	57.4
VII	3 801.1	10.0	90.0	26.5	55.9	1 385.8	0.2	99.8	39.3	58.4
VIII	3 695.1	9.6	90.4	26.5	56.8	1 389.5	0.1	99.9	38.7	59.3
IX	3 279.3	10.4	89.6	21.6	59.1	1 346.3	0.3	99.7	37.5	60.1
X	3 339.3	9.8	90.2	19.7	62.4	1 342.3	0.1	99.9	37.8	59.8
XI	3 174.9	10.2	89.8	20.0	61.3	1 361.9	0.1	99.9	35.4	62.0
XII	3 153.0	11.3	88.7	16.4	64.1	1 353.4	0.4	99.6	35.1	62.3

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

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2012										
X	1.0	0	100.0	100.0	0	471.8	84.8	15.2	8.0	7.2
XI	1.0	0	100.0	100.0	0	472.4	84.3	15.7	8.4	7.3
XII	0	0	0	0	0	485.3	81.5	18.5	9.6	8.9
2013										
I	0	0	0	0	0	484.0	78.7	21.3	12.6	8.7
II	0	0	0	0	0	411.1	72.2	27.8	16.8	11.0
III	0	0	0	0	0	422.1	71.8	28.2	16.9	11.3
IV	0	0	0	0	0	397.0	71.5	28.5	16.9	11.6
V	0	0	0	0	0	426.2	71.3	28.7	17.9	10.8
VI	0	0	0	0	0	440.5	70.5	29.5	18.6	10.9
VII	0	0	0	0	0	446.1	70.3	29.7	18.8	10.9
VIII	0	0	0	0	0	455.7	71.6	28.4	17.5	10.9
IX	0	0	0	0	0	460.2	71.7	28.3	17.5	10.8
X	0	0	0	0	0	457.1	72.3	27.7	17.0	10.7
XI	0	0	0	0	0	470.9	71.5	28.5	16.7	10.6
XII	0	0	0	0	0	480.4	71.8	28.2	16.4	10.5

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

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
				incl. EUR	incl. USD					incl. EUR
2012										
X	518.7	0	100.0	26.7	72.1	940.6	0	100.0	18.5	79.2
XI	532.9	0	100.0	26.8	71.5	920.2	0	100.0	19.6	78.0
XII	527.4	0	100.0	25.7	72.7	875.3	0	100.0	18.6	78.9
2013										
I	522.1	0	100.0	25.7	72.7	864.2	0	100.0	18.8	78.6
II	551.0	0	100.0	23.9	74.7	921.4	0	100.0	17.7	79.8
III	533.4	0	100.0	22.1	76.9	943.4	0	100.0	16.3	81.4
IV	533.3	0	100.0	23.0	75.8	943.7	0	100.0	14.7	82.2
V	526.5	0	100.0	23.7	74.7	936.5	0	100.0	14.1	82.6
VI	520.2	0	100.0	24.6	73.6	877.7	0	100.0	14.9	81.8
VII	482.4	0	100.0	23.2	74.8	852.5	0	100.0	16.3	80.0
VIII	477.5	0	100.0	23.0	75.0	938.4	0	100.0	15.6	80.8
IX	511.2	0	100.0	25.5	72.7	983.1	0	100.0	13.7	82.9
X	529.6	0	100.0	27.1	70.6	855.1	0	100.0	15.6	80.0
XI	541.1	0	100.0	26.6	70.4	878.7	0	100.0	16.7	79.9
XII	553.4	0	100.0	27.6	69.6	944.5	0	100.0	16.5	80.6

## 20.g CURRENCY BREAKDOWN OF DEBT SECURITIES ISSUED BY MFIs

(at end of period)

	Outstanding amount (all currencies; millions of lats)	Structure (%)	
		In lats	In foreign currencies
2012			
X	113.5	0	100.0
XI	138.7	0	100.0
XII	139.6	0	100.0
2013			
I	139.0	0	100.0
II	159.4	0	100.0
III	187.8	0	100.0
IV	196.1	0	100.0
V	195.5	0	100.0
VI	232.2	0	100.0
VII	229.7	0	100.0
VIII	233.4	0	100.0
IX	230.1	0	100.0
X	251.9	0	100.0
XI	278.1	0	100.0
XII	234.6	0	100.0

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

(%)

1. Interest rates on deposits (new business)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Deposits from households															
Overnight <sup>1</sup>	0.14	0.13	0.12	0.12	0.12	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.09
With agreed maturity															
Up to 1 year	0.88	0.62	1.10	1.09	0.65	0.62	0.66	0.69	0.62	0.69	0.49	0.40	0.41	0.47	0.67
Over 1 and up to 2 years	1.81	1.64	1.25	1.60	1.15	0.94	1.17	0.96	0.80	0.91	0.79	0.83	0.89	0.98	1.23
Over 2 years	3.67	3.70	3.80	3.92	1.99	1.69	2.09	2.11	1.50	1.56	0.95	1.02	1.45	0.70	0.83
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.13	0.13	0.13	0.13	0.13	0.14	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Over 3 months	—	—	—	—	x	—	—	—	—	—	—	—	—	—	—
Deposits from non-financial corporations															
Overnight <sup>1</sup>	0.05	0.05	0.04	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.04	0.03
With agreed maturity															
Up to 1 year	0.10	0.08	0.12	0.12	0.06	0.09	0.06	0.06	0.05	0.04	0.04	0.06	0.05	0.03	0.04
Over 1 and up to 2 years	1.36	0.92	1.05	0.97	0.90	0.90	1.64	0.76	x	1.12	0.35	0.53	x	1.01	0.65
Over 2 years	1.26	1.61	1.06	1.45	x	0.80	0.80	0.52	1.26	0.61	0.63	x	0.44	0.74	0.55
Repos	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

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

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Households															
Overnight <sup>1</sup>	0.14	0.13	0.12	0.12	0.12	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.09
With agreed maturity															
Up to 2 years	1.86	1.79	1.49	1.35	1.32	1.29	1.24	1.21	1.17	1.11	1.07	1.04	1.01	0.98	0.89
Over 2 years	4.57	4.50	4.36	4.27	4.26	4.13	4.08	3.99	3.95	3.89	3.77	3.81	3.75	3.63	3.51
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.13	0.13	0.13	0.13	0.13	0.14	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Over 3 months	–	–	–	–	x	–	–	–	–	–	–	–	–	–	–
Non-financial corporations															
Overnight <sup>1</sup>	0.05	0.05	0.04	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.04	0.03
With agreed maturity															
Up to 2 years	0.97	0.91	0.83	0.78	0.72	0.69	0.66	0.63	0.63	0.77	0.60	0.55	0.47	0.46	0.54
Over 2 years	2.26	2.24	2.17	2.13	2.16	2.31	2.29	2.27	2.26	2.25	2.08	2.06	2.00	2.02	1.65
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

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

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

(%)

3. Interest rates on loans to households (new business)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Revolving loans and overdraft <sup>1</sup>	22.61	22.56	22.55	22.65	22.67	22.91	22.90	22.62	22.72	22.82	22.90	23.02	22.84	22.89	22.73
Extended credit card credit <sup>1</sup>	23.09	23.08	23.07	23.00	22.99	22.99	22.95	22.94	22.94	22.93	22.99	22.97	23.09	23.09	23.07
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	2.88	2.84	2.94	3.06	2.83	3.26	3.55	3.10	3.24	3.19	3.16	3.30	3.39	3.71	3.29
of wich with collateral or guarantees	2.88	2.81	2.99	3.02	2.82	3.15	3.51	3.04	3.22	3.18	3.12	3.25	3.36	3.53	3.20
Over 1 and up to 5 years	6.95	9.66	13.15	14.22	6.61	16.90	11.37	12.26	15.16	15.46	15.08	17.51	14.91	19.48	21.40
of wich with collateral or guarantees	5.55	7.27	x	9.14	8.46	12.66	8.55	10.06	12.44	10.31	10.16	11.18	8.28	x	x
Over 5 and up to 10 years	7.28	x	x	6.52	x	4.75	4.53	x	6.98	x	7.25	x	x	x	x
of wich with collateral or guarantees	7.28	x	x	6.92	x	4.54	4.33	x	x	x	x	x	x	x	x
Over 10 years	x	4.57	4.95	x	x	x	x	x	x	x	5.48	x	x	6.28	x
of wich with collateral or guarantees	x	4.02	4.52	x	x	x	x	x	x	x	5.48	x	x	6.28	x
Annual percentage rate of charge <sup>2</sup>	3.20	3.23	3.25	3.90	3.26	4.17	4.04	3.68	3.86	3.68	3.99	4.26	4.42	5.14	4.08
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	19.59	20.40	20.21	16.71	21.69	22.23	21.45	23.06	22.71	22.60	21.72	20.17	21.82	23.04	23.21
of wich with collateral or guarantees	4.76	4.54	3.52	4.92	4.81	4.94	4.08	5.20	5.68	5.05	5.66	5.03	5.25	5.43	8.83
Over 1 year	14.31	16.12	13.84	6.19	18.34	19.28	18.55	18.87	18.47	7.48	18.47	17.08	16.89	16.38	18.16
of wich with collateral or guarantees	5.02	7.28	5.28	1.25	8.57	12.01	11.74	13.78	10.72	1.33	9.91	6.73	7.73	9.98	8.71
Annual percentage rate of charge <sup>2</sup>	21.84	21.31	22.05	19.30	22.41	23.12	22.80	22.87	22.84	20.77	22.55	22.47	22.28	22.77	23.04
Other lending by initial rate fixation															
Floating rate and up to 1 year	6.15	7.26	6.87	5.28	5.48	5.69	6.10	6.12	4.97	7.01	5.44	5.14	6.17	5.35	5.84
Over 1 year	x	14.50	11.91	14.50	x	x	x	x	x	x	x	x	x	x	x

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

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



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

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	2.67	2.60	2.43	2.43	2.43	2.50	2.49	2.35	2.38	2.33	2.29	2.25	2.24	2.26	2.13
Extended credit card credit <sup>1</sup>	24.36	24.29	24.55	24.97	25.25	25.97	25.34	24.38	24.43	24.47	25.11	24.41	24.34	25.28	23.63
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	4.34	4.58	4.81	4.57	4.70	4.89	4.18	4.68	4.67	4.23	4.34	4.40	4.67	4.76	4.23
of wich with collateral or guarantees	4.14	4.38	4.66	4.50	4.52	4.79	4.10	4.70	4.63	4.38	4.29	4.36	4.69	4.63	4.09
Over 1 year	x	x	5.35	5.21	5.07	x	5.04	4.39	3.03	4.50	4.95	x	5.39	5.34	5.48
of wich with collateral or guarantees	x	x	5.59	4.82	5.88	x	5.06	4.39	3.03	5.15	4.95	x	x	x	x
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	4.86	3.41	3.46	4.91	4.74	4.43	4.43	3.86	3.99	3.34	7.15	4.18	4.21	4.09	5.46
of wich with collateral or guarantees	4.69	3.41	3.39	4.98	4.96	4.50	4.41	3.87	3.78	x	4.57	4.28	3.95	x	5.79
Over 1 year	x	x	x	x	x	–	–	x	–	3.51	x	x	x	x	x
of wich with collateral or guarantees	x	x	x	x	x	–	–	x	–	x	x	x	x	x	x
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	x	6.08	–	4.09	4.62	4.57	4.76	x	x	5.25	x	2.35	x	x
of wich with collateral or guarantees	x	x	x	–	x	4.62	x	4.76	x	x	5.25	x	x	x	x
Over 1 year	–	x	x	x	–	x	–	–	x	–	x	x	x	–	x
of wich with collateral or guarantees	–	–	–	x	–	x	–	–	x	–	x	x	–	–	x

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

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

(%)

5. Interest rates on loans (outstanding amounts)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	5.76	5.94	6.20	6.28	5.86	5.49	6.02	7.72	7.42	7.81	7.56	6.87	8.01	8.14	8.67
Over 1 and up to 5 years	4.72	4.94	4.96	4.98	4.96	4.92	4.88	4.80	4.78	4.77	4.86	4.93	5.02	5.14	5.15
Over 5 years	3.68	3.52	3.46	3.42	3.38	3.32	3.29	3.26	3.23	3.17	3.12	3.07	3.06	3.03	3.03
Consumer credit and other loans, with maturity <sup>1</sup>															
Up to 1 year <sup>2</sup>	23.15	23.11	23.20	23.18	23.13	23.04	23.21	23.28	23.05	23.15	23.20	23.21	23.24	23.33	23.32
Over 1 and up to 5 years	17.31	17.26	17.29	17.26	17.22	17.40	17.34	17.57	17.52	17.54	17.60	17.69	17.77	17.80	17.82
Over 5 years	8.12	8.01	7.80	8.34	8.22	8.12	8.04	8.13	7.88	7.98	7.94	7.81	7.76	7.69	7.62
Loans to non-financial corporations															
With maturity <sup>1</sup>															
Up to 1 year <sup>2</sup>	3.12	2.99	2.85	2.81	2.80	2.85	2.78	2.73	2.74	2.71	2.73	2.70	2.68	2.62	2.46
Over 1 and up to 5 years	4.12	4.06	4.11	4.05	4.05	4.02	3.96	3.98	3.96	3.87	3.74	3.65	3.62	3.58	3.54
Over 5 years	3.79	3.75	3.84	3.78	3.74	3.74	3.76	3.76	3.00	3.05	3.02	3.01	3.02	3.04	3.04

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

<sup>2</sup> Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Deposits from households															
Overnight <sup>1</sup>	0.14	0.13	0.12	0.12	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.12	0.11	0.12
With agreed maturity															
Up to 1 year	0.43	0.34	0.68	0.72	0.31	0.41	0.45	0.35	0.36	0.41	0.26	0.31	0.40	0.36	0.54
Over 1 and up to 2 years	2.09	1.63	1.95	2.33	1.54	1.19	1.20	1.28	0.85	0.93	0.96	0.89	1.36	1.73	1.32
Over 2 years	3.85	3.92	3.48	3.55	1.29	2.23	2.56	2.33	2.44	2.28	5.52	1.41	1.21	1.59	1.62
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.21	0.20	0.20	0.20	0.20	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.16
Over 3 months	–	–	–	–	x	–	x	x	x	x	x	x	x	x	x
Deposits from non-financial corporations															
Overnight <sup>1</sup>	0.08	0.07	0.08	0.06	0.05	0.05	0.05	0.06	0.06	0.05	0.05	0.07	0.08	0.07	0.08
With agreed maturity															
Up to 1 year	0.24	0.14	0.14	0.17	0.16	0.16	0.17	0.14	0.14	0.12	0.08	0.14	0.16	0.19	0.26
Over 1 and up to 2 years	1.19	0.62	0.89	x	0.99	1.09	0.98	0.72	x	0.77	0.83	0.62	1.31	0.66	1.36
Over 2 years	x	–	x	4.70	2.17	x	0.72	x	x	0.35	2.69	0.06	x	1.09	0.98
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Deposits from households															
Overnight <sup>1</sup>	0.14	0.13	0.12	0.12	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.12	0.11	0.12
With agreed maturity															
Up to 2 years	2.01	1.91	1.61	1.39	1.32	1.27	1.20	1.16	1.10	1.02	0.99	0.97	0.96	0.94	0.91
Over 2 years	4.62	4.56	4.36	4.15	4.14	4.12	4.05	4.01	4.00	3.94	3.90	3.90	3.88	3.84	3.81
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.21	0.20	0.20	0.20	0.20	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.16
Over 3 months	–	–	–	–	x	–	x	x	x	x	x	x	x	x	x
Deposits from non-financial corporations															
Overnight <sup>1</sup>	0.08	0.07	0.08	0.06	0.05	0.05	0.05	0.06	0.06	0.05	0.05	0.07	0.08	0.07	0.08
With agreed maturity															
Up to 2 years	1.04	0.85	0.75	0.64	0.59	0.56	0.51	0.50	0.52	0.49	0.48	0.54	0.53	0.51	0.46
Over 2 years	2.73	2.69	2.67	2.47	2.43	2.41	2.41	2.64	2.62	2.54	2.55	2.54	2.36	2.39	2.14
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

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

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

(%)

3. Interest rates on loans to households (new business)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	4.47	4.48	4.61	4.79	4.91	4.97	5.00	5.00	4.98	4.99	4.97	5.88	4.72	4.75	4.89
Extended credit card credit <sup>1</sup>	23.81	23.93	23.84	23.56	23.96	23.65	24.33	23.56	23.67	23.37	23.15	23.14	23.55	22.89	22.83
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.09	2.94	3.26	3.39	3.24	3.49	3.25	3.27	3.21	3.31	3.19	3.05	2.97	3.34	3.08
of wich with collateral or guarantees	3.06	2.91	3.22	3.36	3.25	3.25	3.19	3.16	3.14	3.35	3.05	2.99	2.90	3.33	3.07
Over 1 and up to 5 years	5.11	5.15	4.77	3.64	4.30	4.63	4.28	5.09	4.12	4.94	5.71	5.54	6.76	5.83	4.77
of wich with collateral or guarantees	5.06	5.13	4.76	3.62	4.16	4.59	4.23	4.98	3.93	4.76	5.50	5.40	6.74	5.76	4.77
Over 5 and up to 10 years	7.03	6.49	x	x	x	7.38	6.03	6.55	7.32	x	6.48	x	x	x	x
of wich with collateral or guarantees	7.06	x	x	x	x	7.58	5.80	6.55	7.32	x	x	x	x	x	x
Over 10 years	x	x	5.93	x	x	x	x	6.00	5.37	x	x	5.86	5.96	5.36	5.91
of wich with collateral or guarantees	x	x	5.90	x	x	x	x	5.94	x	x	x	6.10	6.27	5.20	5.97
Annual percentage rate of charge <sup>2</sup>	3.41	3.20	3.48	3.63	3.96	3.92	3.43	3.51	3.39	3.48	3.40	3.38	3.34	3.54	3.35
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	6.82	7.57	6.51	7.73	7.09	7.55	7.22	12.60	15.26	15.14	18.32	12.27	12.74	14.05	14.71
of wich with collateral or guarantees	x	x	4.22	x	x	x	x	5.05	x	x	x	3.67	4.24	5.45	4.30
Over 1 year	18.29	17.55	18.35	23.55	22.80	22.81	23.20	23.90	24.76	26.27	24.52	24.27	21.61	23.18	25.36
of wich with collateral or guarantees	8.19	7.78	8.67	11.79	9.95	9.81	13.56	11.50	12.57	16.19	10.53	13.71	12.77	11.50	13.74
Annual percentage rate of charge <sup>2</sup>	17.78	18.65	18.30	21.82	19.34	20.74	21.49	29.02	28.05	30.14	31.29	26.16	25.45	27.13	31.11
Other lending by initial rate fixation															
Floating rate and up to 1 year	4.53	4.16	4.89	3.74	5.07	5.04	5.73	4.73	5.16	4.55	4.78	3.52	4.03	4.95	5.99
Over 1 year	6.67	x	4.16	x	x	x	x	x	x	x	x	x	x	x	x

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

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

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

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	3.71	4.28	3.42	3.37	3.52	3.52	3.51	3.48	3.43	3.27	3.24	3.72	3.25	3.33	3.24
Extended credit card credit <sup>1</sup>	24.62	23.42	23.74	23.47	23.77	23.66	24.14	23.43	17.15	23.14	24.47	24.08	24.28	24.41	24.01
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	3.97	3.93	3.96	3.83	4.32	4.27	3.75	3.85	4.31	5.45	4.17	4.39	5.34	4.07	4.23
of wich with collateral or guarantees	3.83	3.90	3.98	3.81	4.22	4.23	3.71	3.81	4.30	5.44	4.31	4.25	3.86	4.02	4.23
Over 1 year	4.39	x	3.88	3.61	4.18	7.91	4.66	4.82	x	3.72	4.15	3.83	5.21	5.39	4.32
of wich with collateral or guarantees	4.39	x	7.63	3.61	x	x	4.55	4.82	x	4.98	3.68	4.97	5.04	6.17	5.30
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	3.57	3.77	3.99	4.28	4.27	4.17	4.43	3.66	4.00	4.76	4.04	4.29	4.06	3.98	4.60
of wich with collateral or guarantees	3.49	3.84	3.97	4.25	3.94	4.14	4.45	3.66	3.98	4.16	4.14	4.27	4.09	3.96	4.61
Over 1 year	x	x	5.24	x	x	x	x	x	x	3.87	4.23	6.79	x	2.94	5.70
of wich with collateral or guarantees	x	x	x	x	x	x	x	x	x	x	x	7.49	x	4.15	6.08
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	2.73	3.94	2.82	4.14	3.41	2.92	3.57	3.87	3.31	3.53	3.47	3.26	2.57	3.57	4.29
of wich with collateral or guarantees	3.35	3.95	2.42	4.31	3.59	2.90	3.78	3.88	3.30	3.83	3.48	3.13	2.40	3.57	3.19
Over 1 year	4.92	x	3.71	x	x	x	x	x	x	4.90	x	x	x	x	4.32
of wich with collateral or guarantees	3.53	x	4.26	x	x	x	x	x	x	4.90	x	x	x	x	4.32

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

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

(%)

5. Interest rates on loans (outstanding amounts)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	2.85	20.81	5.02	3.79	3.05	19.81	13.10	2.75	2.72	2.80	2.79	3.00	2.50	2.33	2.43
Over 1 and up to 5 years	4.17	4.07	4.15	4.07	4.08	4.05	4.07	3.99	3.95	3.98	3.97	3.95	3.97	3.97	3.97
Over 5 years	2.80	2.72	2.67	2.61	2.59	2.57	2.55	2.59	2.57	2.56	2.55	2.54	2.54	2.54	2.54
Consumer credit and other loans, with maturity <sup>1</sup>															
Up to 1 year <sup>2</sup>	9.33	9.45	9.75	9.81	10.09	10.25	10.47	11.11	10.98	11.19	10.73	11.48	11.01	11.39	12.71
Over 1 and up to 5 years	9.94	9.92	10.01	10.10	10.23	10.24	10.64	10.74	10.83	10.93	11.70	11.83	11.87	11.95	12.18
Over 5 years	4.39	4.32	4.28	4.23	4.22	4.21	4.22	4.19	4.18	4.20	4.22	4.22	4.25	4.23	4.40
Loans to non-financial corporations															
With maturity <sup>1</sup>															
Up to 1 year <sup>2</sup>	3.84	4.43	3.58	3.51	3.87	3.69	3.76	3.59	3.73	3.40	3.39	3.41	3.78	3.33	3.19
Over 1 and up to 5 years	3.51	3.43	3.43	3.47	3.50	3.37	3.39	3.35	3.32	3.38	3.32	3.36	3.36	3.33	3.34
Over 5 years	3.00	2.95	2.93	2.89	2.88	2.87	2.85	2.77	2.76	2.80	2.86	2.84	2.84	2.82	2.83

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

<sup>2</sup> Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Deposits from households															
Overnight <sup>1</sup>	0.18	0.18	0.15	0.14	0.13	0.13	0.15	0.16	0.15	0.14	0.15	0.22	0.21	0.20	0.20
With agreed maturity															
Up to 1 year	0.27	0.25	0.52	0.37	0.24	0.28	0.19	0.17	0.14	0.18	0.12	0.15	0.23	0.24	0.37
Over 1 and up to 2 years	1.58	1.52	2.05	1.83	1.72	3.82	0.88	0.93	1.42	0.89	0.90	0.95	1.25	0.98	2.68
Over 2 years	4.44	3.56	3.65	4.00	2.82	1.92	2.62	3.46	1.50	2.53	1.75	0.81	0.72	1.27	1.69
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.21	0.21	0.21	0.21	0.21	0.19	0.19	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Over 3 months	—	—	—	—	x	—	—	—	—	—	—	—	—	—	—
Deposits from non-financial corporations															
Overnight <sup>1</sup>	0.08	0.09	0.07	0.07	0.09	0.10	0.07	0.05	0.05	0.05	0.06	0.06	0.06	0.05	0.07
With agreed maturity															
Up to 1 year	0.13	0.12	0.15	0.13	0.13	0.14	0.11	0.11	0.06	0.08	0.07	0.13	0.19	0.08	0.06
Over 1 and up to 2 years	—	—	—	—	—	—	x	x	—	—	x	—	—	—	x
Over 2 years	—	—	—	—	—	—	x	—	—	—	—	x	—	x	—
Repos	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

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

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Deposits from households															
Overnight <sup>1</sup>	0.18	0.18	0.15	0.14	0.13	0.13	0.15	0.16	0.15	0.14	0.15	0.22	0.21	0.20	0.20
With agreed maturity															
Up to 2 years	1.27	1.24	1.12	1.05	1.07	1.07	1.05	1.05	1.03	1.00	0.99	0.95	0.94	0.93	0.90
Over 2 years	3.38	3.30	3.19	3.10	3.17	3.19	3.18	3.17	3.16	3.13	3.10	3.05	3.02	2.91	2.88
Redeemable at notice <sup>2</sup>															
Up to 3 months	0.21	0.21	0.21	0.21	0.21	0.19	0.19	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Over 3 months	–	–	–	–	x	–	–	–	–	–	–	–	–	–	–
Deposits from non-financial corporations															
Overnight <sup>1</sup>	0.08	0.09	0.07	0.07	0.09	0.10	0.07	0.05	0.05	0.05	0.06	0.06	0.06	0.05	0.07
With agreed maturity															
Up to 2 years	0.56	0.44	0.38	0.47	0.45	0.49	0.39	0.37	0.37	0.32	0.25	0.39	0.47	0.66	0.58
Over 2 years	3.57	3.53	3.53	3.53	3.53	3.53	3.53	3.53	1.40	0.87	0.87	0.87	0.86	0.89	0.89
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

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



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

(%)

3. Interest rates on loans to households (new business)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Revolving loans and overdraft <sup>1</sup>	7.32	7.47	7.57	7.79	8.14	6.17	6.12	6.76	7.39	7.38	7.53	6.24	6.38	6.41	6.41
Extended credit card credit <sup>1</sup>	25.04	25.66	25.92	25.86	24.76	24.96	25.78	24.97	25.33	24.66	24.85	24.79	25.10	24.95	24.68
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	4.02	2.50	2.46	5.27	3.44	2.38	3.71	2.19	3.01	2.31	3.23	2.90	2.82	2.45	5.26
of wich with collateral or guarantees	3.93	2.16	2.91	5.87	3.27	2.44	3.83	1.92	3.01	2.25	3.21	2.90	2.81	2.28	5.43
Over 1 and up to 5 years	—	—	—	—	—	x	x	x	x	x	x	x	x	x	—
of wich with collateral or guarantees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Over 5 and up to 10 years	x	x	x	x	x	—	—	—	x	—	—	—	—	—	—
of wich with collateral or guarantees	x	—	x	—	—	—	—	—	x	—	—	—	—	—	—
Over 10 years	—	x	—	—	—	—	—	x	—	—	x	x	x	x	—
of wich with collateral or guarantees	—	x	—	—	—	—	—	x	—	—	—	—	—	—	—
Annual percentage rate of charge <sup>2</sup>	4.29	3.54	2.66	5.75	3.75	2.57	4.14	2.52	3.54	2.42	3.51	3.42	3.20	2.80	5.42
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	12.43	x	17.92	x	16.12	15.75	13.70	16.68	16.94	x	16.53	x	x	16.72	17.00
of wich with collateral or guarantees	x	x	x	x	x	x	x	x	—	—	x	—	—	x	x
Over 1 year	x	x	—	—	x	—	x	x	x	x	x	x	x	x	x
of wich with collateral or guarantees	x	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual percentage rate of charge <sup>2</sup>	18.25	15.00	14.37	24.55	13.82	18.21	13.15	13.75	14.83	13.85	21.38	14.59	14.05	14.31	18.09
Other lending by initial rate fixation															
Floating rate and up to 1 year	x	6.37	4.83	—	x	6.21	x	x	5.17	x	x	x	3.83	4.41	3.77
Over 1 year	x	—	x	x	—	x	—	—	—	x	—	x	—	—	—

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

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

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

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Bank overdraft <sup>1</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft <sup>1</sup>	3.65	3.72	3.73	3.74	3.63	3.67	3.59	3.59	3.71	3.53	3.48	3.52	3.56	3.56	3.51
Extended credit card credit <sup>1</sup>	13.94	17.66	15.94	17.10	16.38	15.02	13.03	14.47	21.53	16.34	15.28	16.77	12.33	13.34	15.99
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	x	x	x	x	6.33	7.00	7.13	7.72	7.04	3.58	x	x	x	x	x
of wich with collateral or guarantees	x	x	x	x	x	x	x	7.60	7.13	x	x	x	x	x	–
Over 1 year	x	–	–	–	–	–	–	–	–	x	–	–	–	x	–
of wich with collateral or guarantees	x	–	–	–	–	–	–	–	–	x	–	–	–	x	–
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	x	x	x	9.14	x	x	x	8.47	x	–	x	–	x	x
of wich with collateral or guarantees	x	x	x	x	x	x	–	x	8.47	x	–	x	–	x	x
Over 1 year	–	–	–	–	–	–	–	x	–	–	x	–	–	–	–
of wich with collateral or guarantees	–	–	–	–	–	–	–	x	–	–	x	–	–	–	–
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	–	x	7.77	x	x	x	x	x	x	x	7.80	–	x	x	x
of wich with collateral or guarantees	–	x	7.77	x	x	x	x	x	x	x	7.80	–	x	x	x
Over 1 year	x	–	x	–	–	–	x	–	–	–	–	–	–	–	–
of wich with collateral or guarantees	x	–	x	–	–	–	x	–	–	–	–	–	–	–	–

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

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

(%)

5. Interest rates on loans (outstanding amounts)															
	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	2.05	2.19	1.97	1.98	2.84	2.71	1.35	2.19	3.26	1.52	3.90	2.07	2.09	4.16	3.42
Over 1 and up to 5 years	5.63	5.50	5.57	5.85	5.39	5.36	5.38	5.60	5.61	5.62	6.07	6.07	6.12	6.13	6.19
Over 5 years	3.00	2.94	2.91	2.87	2.83	2.82	2.80	2.84	2.82	2.80	2.79	2.77	2.77	2.77	2.75
Consumer credit and other loans, with maturity <sup>1</sup>															
Up to 1 year <sup>2</sup>	11.35	10.98	9.50	9.57	9.57	10.08	10.25	9.64	9.81	10.27	10.06	10.09	9.52	9.86	11.34
Over 1 and up to 5 years	7.39	7.30	7.31	7.33	7.14	6.71	6.68	6.76	7.10	7.18	7.26	7.30	7.21	7.26	7.47
Over 5 years	3.96	3.90	3.93	3.90	3.92	3.81	3.78	3.73	3.72	3.75	3.75	3.73	3.72	3.79	3.84
Loans to non-financial corporations															
With maturity <sup>1</sup>															
Up to 1 year <sup>2</sup>	4.13	4.35	4.66	4.77	4.59	4.72	4.67	4.60	4.57	4.77	4.19	4.25	3.99	4.23	4.21
Over 1 and up to 5 years	5.73	5.21	5.23	5.35	5.45	5.54	5.56	5.68	5.75	5.78	5.82	5.58	5.44	5.50	5.56
Over 5 years	4.36	4.67	5.79	5.83	5.54	5.48	5.54	5.48	5.47	5.59	5.41	5.41	5.52	5.48	5.72

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

<sup>2</sup> Including bank overdraft.

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

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

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>In lats</b>															
Loans up to an amount of 0.25 million euro	4.23	4.53	4.74	4.70	4.92	4.99	4.55	4.66	4.65	4.47	4.36	4.42	4.55	4.70	4.37
of wich with collateral or guarantees	3.96	4.37	4.50	4.60	4.57	4.82	4.43	4.57	4.61	4.39	4.18	4.31	4.44	4.56	4.27
Loans over an amount of 0.25 million euro and up to 1 million euro	4.11	3.17	3.48	4.19	4.63	4.07	x	3.94	3.97	3.80	7.70	4.08	3.87	4.30	4.99
of wich with collateral or guarantees	4.11	3.17	3.39	4.15	4.63	4.14	x	3.94	3.74	x	4.72	4.13	3.95	4.30	5.15
Loans over 1 million euro	x	4.86	x	–	4.47	4.78	4.57	5.21	–	2.45	5.07	x	x	x	x
of wich with collateral or guarantees	x	5.10	x	–	4.47	4.78	x	5.21	–	2.45	5.07	x	x	–	x
<b>In euro</b>															
Loans up to an amount of 0.25 million euro	3.93	3.87	4.11	3.83	4.01	4.05	3.95	3.97	4.43	4.24	4.18	4.35	4.19	4.28	3.87
of wich with collateral or guarantees	3.82	3.83	4.04	3.80	3.94	3.99	3.87	3.79	4.42	4.22	4.21	4.24	4.07	4.17	3.83
Loans over an amount of 0.25 million euro and up to 1 million euro	3.45	3.61	4.11	4.09	3.95	4.19	4.28	3.58	4.18	4.34	4.16	4.42	4.18	3.84	4.06
of wich with collateral or guarantees	3.33	3.69	4.02	4.06	3.95	4.15	4.29	3.58	4.16	4.35	4.13	4.40	4.22	3.85	4.06
Loans over 1 million euro	2.65	3.77	2.80	4.01	3.33	3.00	3.47	3.73	3.42	3.18	3.17	3.31	2.37	3.63	5.35
of wich with collateral or guarantees	3.26	3.77	2.37	4.30	3.47	2.99	3.68	3.75	3.33	3.40	3.16	3.35	2.25	3.62	3.68
<b>In US dollars</b>															
Loans up to an amount of 0.25 million euro	x	x	x	6.75	6.71	x	6.69	6.61	6.07	x	5.49	x	x	x	x
of wich with collateral or guarantees	–	x	x	x	6.59	x	6.51	6.45	5.95	x	5.37	x	x	x	–
Loans over an amount of 0.25 million euro and up to 1 million euro	x	x	x	–	x	x	x	–	x	x	–	–	–	x	x
of wich with collateral or guarantees	x	x	x	–	x	x	–	–	x	x	–	–	–	x	x
Loans over 1 million euro	–	x	7.13	–	x	x	–	–	x	–	x	–	–	–	x
of wich with collateral or guarantees	–	x	7.13	–	x	x	–	–	x	–	x	–	–	–	x

## 22. LENDING IN THE INTERBANK MARKETS

(transactions; millions of lats)

	Loans to resident MFIs										
	In lats					In foreign currencies					
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months		
2012											
X	475.3	23.4	7.1	–	505.8	1 009.3	165.3	–	–	1 174.6	1 680.4
XI	477.6	51.2	3.0	–	531.8	1 173.5	176.5	–	4.0	1 354.0	1 885.8
XII	339.0	42.0	–	0.5	381.5	1 051.9	167.1	4.0	–	1 223.0	1 604.5
2013											
I	472.8	48.2	9.1	–	530.1	1 068.4	215.8	2.8	10.9	1 297.9	1 828.0
II	248.2	26.5	–	5.0	279.7	618.1	129.8	–	–	747.9	1 027.6
III	236.6	18.8	0.3	1.5	257.2	727.7	167.6	0.3	–	895.6	1 152.8
IV	335.9	6.1	7.8	–	349.8	1 008.9	127.6	13.8	–	1 150.3	1 500.1
V	524.8	26.3	–	–	551.1	1 278.8	183.6	–	–	1 462.4	2 013.5
VI	520.6	16.0	0.5	–	537.1	1 216.7	116.9	7.9	0.5	1 342.0	1 879.1
VII	669.2	10.9	5.2	–	685.3	1 301.4	148.5	5.3	–	1 455.2	2 140.5
VIII	520.0	11.2	–	–	531.2	1 743.8	101.2	–	–	1 845.0	2 376.2
IX	226.0	15.1	0.4	–	241.5	1 221.7	95.6	5.5	0.3	1 323.1	1 564.6
X	566.9	14.3	–	–	581.2	1 359.9	182.3	7.7	–	1 549.9	2 131.1
XI	445.8	6.0	–	–	451.8	1 053.3	232.6	3.5	–	1 289.4	1 741.2
XII	336.6	31.3	–	–	367.9	1 087.9	215.7	7.5	–	1 311.1	1 679.0
	Loans to non-resident MFIs									Total loans	
	Overnight		Up to 1 month		1–3 months		Over 3 months				
2012											
X	23 274.4		1 362.8		17.7		15.1		24 670.0		26 350.4
XI	20 294.9		1 367.2		7.6		12.8		21 682.5		23 568.3
XII	19 114.4		1 101.7		74.3		11.7		20 302.1		21 906.6
2013											
I	19 923.1		2 576.6		35.4		13.4		22 548.5		24 376.5
II	18 295.5		1 584.2		4.6		36.7		19 921.0		20 948.6
III	19 353.9		2 137.4		83.8		28.6		21 603.7		22 756.5
IV	20 953.5		1 925.3		109.5		63.8		23 052.1		24 552.2
V	19 867.6		2 394.9		2.9		30.5		22 295.9		24 309.4
VI	20 748.8		1 569.9		92.5		29.3		22 440.5		24 319.6
VII	26 712.7		1 842.0		28.4		21.3		28 604.4		30 744.9
VIII	25 717.9		2 254.6		17.8		19.9		28 010.2		30 386.4
IX	22 870.0		1 659.1		92.7		26.1		24 647.9		26 212.5
X	23 340.1		2 128.6		11.7		7.1		25 487.5		27 618.6
XI	18 980.8		1 582.6		241.0		14.6		20 819.0		22 560.2
XII	17 954.9		2 496.2		16.1		15.6		20 482.8		22 161.8

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

(% per annum)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Weighted average interest rates on loans in lats															
Overnight	0.1	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
Up to 1 month	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1–3 months	0.3	0.7	–	0.3	–	0.1	0.2	–	0.1	0.2	–	0.1	–	–	–
Over 3 months	–	–	0.1	–	0.7	0.8	–	–	–	–	–	–	–	–	–
Weighted average interest rates on loans in foreign currencies															
Overnight	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Up to 1 month	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1–3 months	–	–	0.4	0.2	–	0.2	0.1	–	0.3	0.2	–	0.2	0.2	0.3	0.2
Over 3 months	–	0.8	–	0.4	–	–	–	–	0.5	–	–	0.3	–	–	–

## 23.b INTEREST RATES SET BY LATVIJAS BANKA

(% per annum)

Effective date (dd.mm.yyyy)	Refinancing rate of Latvijas Banka	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	–	–
		Marginal lending facility rate with Latvijas Banka			Deposit facility rate with Latvijas Banka (overnight deposits)	
24.03.2007	5.5			6.5		2.0
18.05.2007	6.0			7.5		–
24.02.2008	–			–		3.0
		To credit institutions that have used the facility no more than 5 working days within the previous 30 day period	To credit institutions that have used the facility 6–10 working days within the previous 30 day period	To credit institutions that have used the facility more than 10 working days within the previous 30 day period		
09.12.2008	–	7.5	15.0	30.0		–
24.01.2009	–	–	–	–		2.0
24.03.2009	5.0	–	–	–		1.0
24.05.2009	4.0	–	–	–		–
					Deposit facility rate with Latvijas Banka	
					Overnight deposits	7-day deposits
24.03.2010	3.5	–	–	–	0.5	1.0
24.07.2010	–	–	–	–	0.375	0.5
24.11.2010	–	–	–	–	0.25	0.375
24.03.2012	–	5.0	10.0	15.0	–	–
24.07.2012	3.0	4.0	7.0	10.0	0.1	0.125
24.09.2012	2.5	3.0	6.0	9.0	0.05	0.075
24.07.2013	2.0	2.5	4.75	7.0	–	–
24.09.2013	1.5	2.0	3.5	5.0	–	–
24.11.2013	0.25	0.75	1.5	2.5	–	–

### 23.c INTEREST RATES IN LATVIJAS BANKA TENDERS OF REPURCHASE AGREEMENTS AND SHORT-TERM CURRENCY SWAP CONTRACTS

(% per annum)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Main refinancing operation with maturity 7 days average interest rate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.5
Weighted average interest rate on short-term currency swaps	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

(millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Type of transaction															
Spot exchange transactions	32 272.4	29 128.7	23 204.4	20 526.2	23 588.8	23 904.6	22 343.6	20 878.8	21 318.8	22 762.1	21 325.0	21 644.4	23 385.8	19 077.0	24 781.2
Forward exchange contracts	315.8	410.2	714.0	374.4	326.6	562.2	348.6	526.3	320.5	360.4	428.8	366.4	318.8	396.6	475.5
Currency swap arrangements	48 919.5	43 290.0	39 273.8	46 723.3	40 305.8	37 633.1	39 531.5	39 804.5	42 257.6	45 742.6	49 376.9	46 936.3	50 135.1	41 887.1	50 424.0
Counterparties															
Resident MFIs	7 411.2	6 263.0	3 603.8	3 703.2	2 874.4	1 521.1	1 536.4	3 143.6	3 930.8	4 753.5	3 702.0	2 567.6	2 543.1	2 220.1	2 758.6
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	327.3	294.0	307.1	381.6	289.1	271.8	199.5	249.5	290.0	183.2	187.7	264.2	177.9	238.6	438.9
Resident government, non-financial corporations and non-profit institutions serving households	972.1	906.0	1 038.8	800.6	858.9	898.2	881.2	880.7	809.9	933.8	804.3	810.5	830.8	795.6	1 216.7
Non-resident MFIs	47 995.8	44 145.3	39 074.6	43 693.8	40 820.0	39 118.6	41 224.8	40 065.3	40 641.6	43 746.8	45 461.3	42 977.2	46 131.7	38 209.1	45 749.8
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	633.7	647.0	659.0	475.5	716.7	663.1	771.7	834.4	1 186.4	1 135.0	1 405.6	3 475.5	3 043.4	3 298.4	3 817.2
Non-resident government, non-financial corporations and non-profit institutions serving households	19 133.1	16 148.6	14 466.8	14 891.5	14 672.2	13 886.3	13 704.8	11 606.4	11 090.7	11 715.9	12 320.8	12 272.7	13 855.9	10 631.0	18 570.6
Households	5 034.3	4 425.0	4 042.2	3 677.6	3 990.0	5 740.7	3 905.3	4 429.8	5 947.5	6 396.8	7 248.9	6 579.5	7 256.8	5 967.9	3 129.0
Currencies															
Total in all currencies	81 507.6	72 828.9	63 192.2	67 623.9	64 221.3	62 099.9	62 223.7	61 209.6	63 897.0	68 865.1	71 130.7	68 947.2	73 839.7	61 360.7	75 680.8
incl. lats for euro	6 618.7	10 970.5	8 985.4	8 736.6	6 508.2	6 139.3	6 642.4	8 461.4	9 131.7	9 488.6	8 457.9	6 388.6	7 558.6	6 912.3	11 715.4
incl. lats for US dollars	712.0	352.3	282.7	311.6	213.4	221.1	209.5	206.0	162.7	681.5	311.5	220.0	333.9	205.4	251.0
incl. lats for other currencies	84.2	74.5	78.2	58.4	55.4	68.5	67.9	65.5	65.0	71.8	71.8	70.7	66.3	64.7	76.4

<sup>1</sup> Including the cash and non-cash transactions performed by credit institutions. The volume of cash and non-cash transactions has been translated into lats applying the exchange rate of the respective foreign currency as set by Latvijas Banka on the last day of the reporting month.



## 25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS<sup>1</sup>

(millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
EUR for LVL <sup>2</sup>															
Amount	6 539.6	10 853.8	8 891.0	8 660.5	6 461.8	6 107.9	6 602.1	8 413.5	9 098.9	9 455.2	8 430.3	6 363.7	7 529.1	6 889.8	11 681.6
% <sup>3</sup>	8.0	14.9	14.1	12.8	10.1	9.8	10.9	13.8	14.3	13.8	11.9	9.2	10.2	11.3	15.5
USD for LVL <sup>2</sup>															
Amount	689.9	339.9	271.0	303.0	196.5	206.2	196.7	192.0	150.7	675.9	301.1	212.3	326.7	198.7	242.5
% <sup>3</sup>	0.8	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.2	1.0	0.4	0.3	0.4	0.3	0.3
Other currencies for LVL <sup>2</sup>															
Amount	74.5	65.5	68.9	51.3	49.5	60.7	60.3	56.8	56.0	60.4	62.2	63.4	59.5	57.9	69.4
% <sup>3</sup>	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
USD for EUR															
Amount	46 707.5	37 984.4	31 461.8	36 893.3	39 026.3	34 853.5	34 119.7	32 507.2	34 297.6	38 137.6	40 020.6	39 036.5	44 564.6	35 794.4	39 479.3
% <sup>3</sup>	57.4	52.3	49.9	54.6	60.8	56.2	56.2	53.2	53.7	55.4	56.3	56.7	60.5	58.5	52.3
GBP for EUR															
Amount	1 713.4	1 432.6	689.7	724.8	1 180.7	1 087.5	829.5	814.8	753.5	848.3	803.4	1 341.6	840.9	803.4	986.6
% <sup>3</sup>	2.1	2.0	1.1	1.1	1.8	1.8	1.4	1.3	1.2	1.2	1.1	1.9	1.1	1.3	1.3
Other currencies (except LVL) for EUR															
Amount	3 881.0	3 441.7	2 783.2	3 282.0	2 859.1	2 483.0	2 829.9	2 555.3	3 223.9	3 035.3	2 776.7	2 532.1	2 563.0	2 602.3	3 020.2
% <sup>3</sup>	4.8	4.7	4.4	4.9	4.5	4.0	4.7	4.2	5.0	4.4	3.9	3.7	3.5	4.3	4.0
RUB for USD															
Amount	6 915.2	6 471.0	9 273.6	5 492.1	6 140.4	7 229.9	7 573.3	6 472.8	7 971.5	8 152.5	9 098.9	7 207.0	7 878.2	5 407.5	6 971.5
% <sup>3</sup>	8.5	8.9	14.7	8.1	9.6	11.7	12.5	10.6	12.5	11.8	12.8	10.5	10.7	8.8	9.2
GBP for USD															
Amount	4 831.1	3 983.9	3 387.1	5 515.4	3 150.3	4 326.0	3 116.5	3 629.4	2 726.8	2 964.7	3 201.3	5 437.6	4 108.0	3 700.8	6 483.3
% <sup>3</sup>	5.9	5.5	5.4	8.2	4.9	7.0	5.1	5.9	4.3	4.3	4.5	7.9	5.6	6.1	8.6
SEK for USD															
Amount	52.9	72.7	21.6	32.0	14.6	25.2	9.8	13.8	28.7	46.5	23.3	59.4	57.9	9.9	14.9
% <sup>3</sup>	0.1	0.1	0	0	0	0	0	0	0	0.1	0	0.1	0.1	0	0
Other currencies (except LVL and EUR) for USD															
Amount	8 417.3	5 774.6	4 188.6	4 644.1	3 182.3	3 106.7	4 365.5	4 662.7	2 976.4	3 371.5	4 387.9	4 790.4	3 760.9	3 759.5	4 537.2
% <sup>3</sup>	10.4	7.9	6.7	6.9	5.0	5.0	7.2	7.6	4.7	4.9	6.2	7.0	5.1	6.1	6.0
Other currencies (except LVL, EUR and USD) for other currencies															
Amount	1 574.2	2 270.7	2 040.3	1 927.7	1 890.5	2 559.2	956.1	1 820.6	2 559.1	2 053.6	1 977.4	1 758.2	1 963.9	1 958.9	2 031.0
% <sup>3</sup>	1.9	3.1	3.2	2.9	2.9	4.1	1.6	3.0	4.0	3.0	2.8	2.6	2.7	3.2	2.7

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

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

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

## 26. MONTHLY AVERAGES OF THE EXCHANGE RATES SET BY LATVIJAS BANKA

(LVL vs foreign currency)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
EUR	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028
USD	0.5421	0.5478	0.5361	0.5305	0.5243	0.5415	0.5408	0.5410	0.5330	0.5371	0.5277	0.5267	0.5161	0.5203	0.5138
GBP	0.8717	0.8748	0.8652	0.8487	0.8144	0.8168	0.8256	0.8285	0.8242	0.8164	0.8162	0.8337	0.8306	0.8365	0.8411
100 JPY	0.6875	0.6783	0.6421	0.5990	0.5641	0.5723	0.5543	0.5385	0.5464	0.5390	0.5396	0.5309	0.5275	0.5219	0.4977

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

(LVL vs foreign currency)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
EUR															
Buy	0.6914	0.6917	0.6915	0.6922	0.6961	0.6974	0.6967	0.6955	0.6961	0.6964	0.6974	0.6978	0.6988	0.6984	0.6995
Sell	0.6968	0.6977	0.6976	0.6991	0.7019	0.7034	0.7030	0.7018	0.7034	0.7045	0.7050	0.7054	0.7055	0.7052	0.7061
USD															
Buy	0.5334	0.5392	0.5273	0.5218	0.5207	0.5375	0.5352	0.5355	0.5280	0.5327	0.5238	0.5233	0.5122	0.5170	0.5102
Sell	0.5383	0.5437	0.5324	0.5254	0.5236	0.5408	0.5393	0.5398	0.5326	0.5371	0.5284	0.5268	0.5163	0.5215	0.5146
GBP															
Buy	0.8517	0.8481	0.8427	0.8288	0.8007	0.8061	0.8131	0.8141	0.8122	0.8037	0.8055	0.8218	0.8186	0.8271	0.8272
Sell	0.8645	0.8676	0.8577	0.8439	0.8146	0.8182	0.8254	0.8252	0.8240	0.8144	0.8166	0.8350	0.8314	0.8392	0.8413
100 JPY															
Buy	0.6392	0.6489	0.5860	0.5725	0.5379	0.5481	0.5397	0.4810	0.5232	0.5186	0.5185	0.5101	0.5001	0.5117	0.4837
Sell	0.6917	0.6597	0.6256	0.5923	0.5719	0.5736	0.5637	0.5292	0.5375	0.5364	0.5373	0.5309	0.5256	0.5261	0.4988
SEK															
Buy	0.0797	0.0796	0.0789	0.0794	0.0808	0.0826	0.0817	0.0806	0.0796	0.0796	0.0792	0.0799	0.0791	0.0778	0.0767
Sell	0.0813	0.0811	0.0807	0.0817	0.0825	0.0842	0.0832	0.0821	0.0816	0.0813	0.0812	0.0812	0.0810	0.0798	0.0791
RUB															
Buy	0.0171	0.0169	0.0170	0.0170	0.0171	0.0173	0.0170	0.0169	0.0162	0.0161	0.0157	0.0159	0.0159	0.0157	0.0154
Sell	0.0174	0.0173	0.0173	0.0173	0.0174	0.0176	0.0173	0.0172	0.0166	0.0164	0.0161	0.0162	0.0162	0.0160	0.0157
CHF															
Buy	0.5670	0.5695	0.5680	0.5618	0.5607	0.5638	0.5663	0.5530	0.5602	0.5588	0.5600	0.5601	0.5622	0.5639	0.5641
Sell	0.5785	0.5803	0.5789	0.5718	0.5709	0.5744	0.5759	0.5661	0.5698	0.5691	0.5716	0.5722	0.5716	0.5720	0.5764

## 28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Stock of government securities outstanding	670.9	675.1	675.1	665.1	581.0	594.2	574.5	596.7	606.7	606.7	631.7	636.7	653.1	667.3	679.3
Residents	651.5	655.9	654.5	643.2	559.0	571.5	551.6	570.2	578.5	577.9	601.3	607.4	624.5	639.4	651.1
Non-financial corporations	20.9	20.9	20.8	20.8	21.4	84.7	20.5	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.4
Credit institutions	371.2	363.7	364.5	347.2	272.2	277.4	264.9	282.9	290.5	295.3	307.8	312.5	315.3	319.7	336.5
Money market funds	18.8	23.6	21.5	22.7	17.5	17.9	12.8	13.9	12.7	11.1	11.7	10.9	8.5	9.6	3.0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	72.5	72.5	72.5	72.5	69.3	4.9	62.2	62.2	62.2	62.2	62.2	62.2	62.2	62.2	62.2
Financial auxiliaries	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0	0	0	0
Insurance corporations and pension funds	159.0	166.1	166.1	170.8	174.0	182.4	187.1	186.5	188.4	184.6	194.9	197.0	213.9	222.7	223.7
Central government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Households	3.5	3.5	3.5	3.6	2.9	2.5	2.5	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1
Non-profit institutions serving households	5.5	5.5	5.5	5.5	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	2.1	2.2
Non-residents	19.4	19.2	20.6	21.9	22.0	22.7	22.9	26.5	28.1	28.8	30.4	29.3	28.6	28.0	28.2
Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	12.4	13.9	13.9	13.9	15.2	15.7	15.2	18.7	21.0	22.3	23.8	22.8	22.0	21.7	21.7
Money market funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial auxiliaries	7.0	5.3	6.7	8.0	6.8	7.0	7.8	7.8	7.2	6.5	6.6	6.5	6.6	6.3	6.5
Insurance corporations and pension funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Households	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-profit institutions serving households	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## 29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q4 2013)

Date (dd.mm.)	Initial maturity (months)	Supply (thousands of lats)	Demand (thousands of lats)	Purchase (thousands of lats)	Weighted average discount rate (%)
Competitive multi-price auctions					
02.10.	60	8 000	22 210	8 000	2.216
09.10.	12	9 000	22 000	9 000	0.353
23.10.	60	9 000	22 570	9 000	2.294
30.10.	12	10 000	24 000	10 000	0.376
13.11.	12	10 000	24 000	10 000	0.386
27.11.	60	8 000	34 400	8 000	1.959
04.12.	6	8 000	27 500	8 000	0.228
11.12.	12	10 000	33 100	10 000	0.372
Primary placement of government securities via outright sales of securities					
03.10.	60	2 000	5 330	2 000	2.216
10.10.	12	1 000	1 170	1 000	0.353
24.10.	60	1 000	2 410	1 000	2.294
31.10.	12	2 000	3 750	2 000	0.376
14.11.	12	2 000	4 220	2 000	0.386
28.11.	60	2 000	8 000	2 000	1.959
05.12.	6	2 000	5 160	2 000	0.228
12.12.	12	2 000	6 100	2 000	0.372

## 30. LATVIJAS BANKA TRANSACTIONS IN THE SECONDARY MARKET FOR GOVERNMENT SECURITIES

(millions of lats)

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Securities purchased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## 31. DYNAMICS OF GDP

	2012					2013				
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
At current prices; millions of lats	15 519.8	3 406.7	3 808.4	4 042.4	4 262.3	16 386.2	3 601.2 <sup>2</sup>	4 032.3 <sup>2</sup>	4 303.5 <sup>2</sup>	4 449.2
At constant prices <sup>1</sup> ; millions of lats	14 164.8	3 128.1	3 526.4	3 675.2	3 835.1	14 747.0	3 247.7 <sup>2</sup>	3 680.4 <sup>2</sup>	3 844.9 <sup>2</sup>	3 974.0
Annual growth rate (%)	5.2	7.1	4.9	4.6	4.6	4.1	3.8	4.4 <sup>2</sup>	4.6 <sup>2</sup>	3.6
Gross value added	4.7	5.7	4.6	4.7	3.9	3.7	3.5	3.8 <sup>2</sup>	4.4 <sup>2</sup>	3.2
Goods-producing sector	6.7	10.1	7.1	5.3	5.0	0.9	-1.7 <sup>2</sup>	0.3 <sup>2</sup>	3.3 <sup>2</sup>	1.1
Services sector	4.0	3.6	3.7	4.5	4.0	5.0	5.6	5.4	5.0	4.3

<sup>1</sup> Chain-linked; average prices in 2010.

<sup>2</sup> Data have been revised.

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

	2012			2013											
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Average gross wages and salaries															
LVL per month	486	477	513	485	475	492	503	503 <sup>1</sup>	502 <sup>1</sup>	528	501	494 <sup>1</sup>	508	499	545
Year-on-year changes (%)	105.3	102.8	102.6	104.5	103.4	103.6	105.0 <sup>1</sup>	105.2 <sup>1</sup>	103.5 <sup>1</sup>	106.8	103.3 <sup>1</sup>	105.1	104.5	104.5	106.1
Real net wage index (year-on-year basis; %)	103.7	101.3	100.8	104.9	104.1	104.3	106.1 <sup>1</sup>	106.0 <sup>1</sup>	103.8 <sup>1</sup>	107.7 <sup>1</sup>	104.7	106.7 <sup>1</sup>	105.6	106.0	107.7
Number of registered unemployed persons															
At end of month	105 670	104 414	104 052	107 488	107 687	107 063	102 760	97 769	94 754	92 975	91 202	89 435	89 616	91 619	93 321
Year-on-year changes (%)	80.9	80.2	79.9	81.1	80.7	81.0	80.4	80.1	80.6	81.1	81.8	82.6	84.8	87.7	89.7

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

## 33. LATVIAN FOREIGN TRADE BALANCE

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

	2012 <sup>1</sup>					2013									
		Q1	Q2	Q3	Q4		Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4					
Exports	6 937.4	1 518.7	1 616.3	1 843.6	1 958.7	7 041.0	1 642.8	1 714.3	1 782.8	1 901.1					
Imports	8 793.7	2 008.4	2 153.0	2 276.1	2 356.2	8 776.3	2 120.2	2 143.8	2 303.2	2 209.1					
Balance	-1 856.3	-489.7	-536.6	-432.4	-397.5	-1 735.3	-477.3	-429.5	-520.4	-308.0					
	2012 <sup>1</sup>			2013											
	X	XI	XII	I <sup>1</sup>	II <sup>1</sup>	III <sup>1</sup>	IV <sup>1</sup>	V <sup>1</sup>	VI <sup>1</sup>	VII <sup>1</sup>	VIII <sup>1</sup>	IX <sup>1</sup>	X	XI	XII
Exports	698.3	698.2	562.2	531.7	544.4	566.8	586.1	573.0	555.2	541.9	595.8	645.0	690.9	644.4	565.8
Imports	862.3	795.9	698.0	684.5	673.0	762.7	767.0	702.7	674.1	763.5	759.1	780.6	794.4	723.1	691.6
Balance	-164.0	-97.7	-135.8	-152.8	-128.6	-195.9	-180.9	-129.7	-118.9	-221.6	-163.3	-135.6	-103.5	-78.7	-125.8

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

### 34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2012 <sup>1</sup>		2013									
	Millions of lats	%	Millions of lats	%	Q1 <sup>1</sup>		Q2 <sup>1</sup>		Q3 <sup>1</sup>		Q4	
					Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	6 937.4	100.0	7 041.0	100.0	1 642.8	100.0	1 714.3	100.0	1 782.8	100.0	1 901.1	100.0
Agricultural and food products	1 423.1	20.5	1 422.0	20.2	307.6	18.7	310.0	18.1	349.8	19.6	454.5	23.9
Mineral products	603.6	8.7	617.4	8.8	126.5	7.7	147.4	8.6	184.4	10.3	159.0	8.4
Products of the chemical and allied industries	447.6	6.5	472.2	6.7	115.0	7.0	102.6	6.0	111.8	6.3	142.8	7.5
Plastics and articles thereof; rubber and articles thereof	210.6	3.0	209.3	3.0	48.2	2.9	56.0	3.3	56.4	3.2	48.7	2.5
Wood and articles of wood	1 030.9	14.9	1 134.6	16.1	261.2	15.9	293.7	17.1	288.5	16.2	291.1	15.3
Pulp of wood; paper and paperboard	138.5	2.0	155.4	2.2	38.6	2.3	35.9	2.1	39.2	2.2	41.8	2.2
Textiles and textile articles	271.7	3.9	299.6	4.2	68.4	4.2	75.6	4.4	81.0	4.5	74.6	3.9
Articles of stone, plaster, cement, glassware and ceramic products	132.0	1.9	152.0	2.2	32.6	2.0	40.6	2.4	42.8	2.4	36.1	1.9
Base metals and articles of base metals	970.6	14.0	757.3	10.7	218.3	13.3	184.5	10.7	182.1	10.2	172.4	9.1
Machinery and mechanical appliances; electrical equipment	950.6	13.7	1 088.0	15.4	254.1	15.5	277.1	16.2	266.5	14.9	290.2	15.3
Transport vehicles	375.3	5.4	314.1	4.5	82.6	5.0	90.8	5.3	70.7	4.0	70.0	3.7
Miscellaneous manufactured articles	183.3	2.6	208.3	3.0	47.5	2.9	52.2	3.0	54.4	3.1	54.2	2.9
Other goods	199.6	2.9	210.8	3.0	42.2	2.6	47.9	2.8	55.2	3.1	65.6	3.4

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

### 35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2012 <sup>1</sup>		2013									
	Millions of lats	%	Millions of lats	%	Q1 <sup>1</sup>		Q2 <sup>1</sup>		Q3 <sup>1</sup>		Q4	
					Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	8 793.7	100.0	8 776.3	100.0	2 120.2	100.0	2 143.8	100.0	2 303.2	100.0	2 209.1	100.0
Agricultural and food products	1 356.3	15.4	1 389.1	15.8	316.6	14.9	345.0	16.1	355.2	15.4	372.3	16.8
Mineral products	1 552.9	17.7	1 499.2	17.1	409.1	19.3	342.4	16.0	394.3	17.1	353.4	16.0
Products of the chemical and allied industries	780.0	8.9	827.6	9.4	208.4	9.8	203.5	9.5	199.7	8.7	216.0	9.8
Plastics and articles thereof; rubber and articles thereof	453.9	5.2	486.1	5.5	109.9	5.2	123.9	5.8	141.8	6.1	110.6	5.0
Wood and articles of wood	139.6	1.6	175.6	2.0	42.2	2.0	45.1	2.1	43.0	1.9	45.3	2.1
Pulp of wood; paper and paperboard	187.7	2.1	215.3	2.5	49.7	2.4	51.1	2.4	55.2	2.4	59.2	2.7
Textiles and textile articles	370.4	4.2	417.7	4.8	104.1	4.9	99.6	4.6	122.7	5.3	91.3	4.1
Articles of stone, plaster, cement, glassware and ceramic products	138.9	1.6	150.7	1.7	29.8	1.4	38.8	1.8	44.9	1.9	37.2	1.7
Base metals and articles of base metals	916.2	10.4	781.0	8.9	200.8	9.5	186.9	8.7	199.4	8.7	193.9	8.8
Machinery and mechanical appliances; electrical equipment	1 605.3	18.2	1 615.4	18.4	367.9	17.4	402.5	18.8	424.4	18.4	420.6	19.0
Transport vehicles	757.8	8.6	648.8	7.4	153.6	7.2	178.3	8.3	162.6	7.1	154.3	7.0
Miscellaneous manufactured articles	190.7	2.2	198.6	2.3	42.9	2.0	47.9	2.2	52.0	2.3	55.9	2.5
Other goods	343.9	3.9	371.1	4.2	85.2	4.0	78.9	3.7	108.0	4.7	99.0	4.5

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

### 36. LATVIAN FOREIGN TRADE PARTNERS

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

	2012 <sup>1</sup>					2013				
	Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	6 937.4	8 793.7	–1 856.3	100.0	100.0	7 041.0	8 776.3	–1 735.3	100.0	100.0
EU15 countries	2 185.5	3 237.7	–1 052.2	31.5	36.8	2 187.9	3 251.4	–1 063.5	31.1	37.0
EU27 (EU28 as of Q3 of 2013) countries	4 823.0	6 803.0	–1 980.0	69.5	77.4	5 000.1	6 973.7	–1 973.6	71.0	79.5
incl. Germany	550.0	1 015.3	–465.3	7.9	11.5	513.8	988.7	–474.9	7.3	11.3
Sweden	359.3	296.4	62.9	5.2	3.4	358.3	297.5	60.9	5.1	3.4
UK	225.7	141.1	84.6	3.3	1.6	253.8	139.6	114.2	3.6	1.6
Finland	188.6	399.9	–211.3	2.7	4.5	186.8	408.9	–222.1	2.7	4.7
Denmark	273.1	198.5	74.6	3.9	2.3	291.3	194.8	96.5	4.1	2.2
Netherlands	189.0	298.3	–109.3	2.7	3.4	154.9	323.7	–168.7	2.2	3.7
Lithuania	1 110.2	1 747.3	–637.1	16.0	19.9	1 205.3	1 765.2	–559.9	17.1	20.1
Estonia	904.8	681.3	223.5	13.0	7.7	896.6	724.4	172.1	12.7	8.3
Poland	417.1	757.1	–340.0	6.0	8.6	462.6	867.6	–405.0	6.6	9.9
CIS	1 069.6	1 320.4	–250.8	15.4	15.0	1 118.2	1 091.7	26.5	15.9	12.4
incl. Russia	791.2	827.8	–36.6	11.4	9.4	811.5	743.7	67.8	11.5	8.5
Other countries	1 044.8	670.3	374.5	15.1	7.6	922.6	710.8	211.8	13.1	8.1
incl. USA	77.0	66.1	10.9	1.1	0.8	82.6	58.4	24.2	1.2	0.7
Norway	182.7	48.8	133.9	2.6	0.6	186.9	41.8	145.1	2.7	0.5
China	32.7	244.7	–212.0	0.5	2.8	59.0	236.6	–177.6	0.8	2.7

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

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

(at end of period; millions of lats)

	Non-financial corporations						Households					
	In lats			In euro			In lats			In euro		
	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit
2012												
X	251.7	1.0	0.9	501.1	0.3	0.1	50.5	15.9	98.6	17.2	1.3	2.6
XI	263.1	0.8	0.9	485.5	0.2	0.1	49.4	15.7	97.3	16.5	1.2	2.5
XII	267.8	0.9	0.9	451.9	0.2	0.1	47.9	14.1	95.7	14.5	1.2	2.4
2013												
I	265.6	0.9	0.9	465.9	0.2	0.1	48.8	14.2	96.2	13.9	1.2	2.5
II	277.4	0.8	0.8	466.8	0.2	0.1	47.8	13.9	94.6	13.4	1.2	2.4
III	265.1	0.8	0.8	442.2	0.2	0.1	47.0	13.8	94.2	13.5	1.2	2.4
IV	269.8	0.9	0.9	441.3	0.2	0.1	46.6	13.8	94.0	13.6	1.2	2.5
V	276.9	0.8	0.9	436.9	0.2	0.1	42.9	13.8	94.5	13.3	1.2	2.5
VI	279.6	0.7	0.9	410.5	0.2	0.2	41.1	13.5	92.9	13.0	1.2	2.4
VII	271.6	0.8	0.9	421.1	0.2	0.1	40.9	13.5	92.5	12.8	1.2	2.5
VIII	270.2	0.8	0.9	435.7	0.2	0.1	40.9	13.3	91.8	12.9	1.2	2.4
IX	261.5	0.8	0.9	426.5	0.2	0.1	41.0	13.2	90.5	12.7	1.2	2.4
X	255.1	0.9	0.9	413.3	0.2	0.1	38.4	13.2	90.6	12.0	1.2	2.5
XI	260.1	0.9	0.9	412.4	0.3	0.1	37.3	13.1	89.1	12.2	1.2	2.5
XII	263.7	1.0	0.8	401.4	0.3	0.1	34.9	8.4	86.3	11.7	1.0	2.4

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

(at end of period; millions of lats)

	In lats						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years
2012												
XII	515.2	51.4	363.2	485.6	111.4	239.1	3 356.1	711.7	2 215.0	3 125.9	887.3	1 991.0
2013												
III	527.0	66.4	360.1	500.0	124.6	240.0	3 267.2	655.8	2 193.0	3 071.9	894.2	1 949.7
VI	419.8	56.5	269.5	397.0	110.3	243.1	3 211.0	648.9	2 207.1	3 050.4	908.3	1 979.0
IX	434.1	59.9	256.9	404.3	116.1	223.6	3 181.4	607.3	2 240.8	3 028.7	862.7	2 008.4
XII	437.4	60.1	282.0	408.3	120.9	245.9	3 188.3	567.5	2 280.3	3 045.4	842.2	2 039.1



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

(at end of period; millions of lats)

	In lats						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years
2012												
XII	336.3	33.2	158.2	317.8	52.2	168.2	3 746.0	157.4	3 118.4	3 705.6	248.2	3 167.7
2013												
III	342.3	30.5	169.1	324.1	52.4	175.4	3 665.3	148.1	3 032.5	3 626.1	239.4	3 070.9
VI	349.4	29.9	178.3	330.9	53.8	183.2	3 603.4	147.6	2 977.6	3 564.7	242.8	3 007.5
IX	355.6	31.9	209.8	338.0	60.1	210.9	3 532.7	135.3	2 920.5	3 495.7	243.2	2 940.2
XII	349.7	32.1	215.0	333.9	61.5	210.8	3 453.2	125.3	2 870.7	3 416.8	238.7	2 879.6

## Additional Information

### General notes

The cut-off date for the information used in this report is 25 March 2014.

The Macroeconomic Developments Report published by Latvijas Banka is based on data provided by the CSB, Ministry of Finance of the Republic of Latvia, FCMC, NASDAQ OMX Riga and Latvijas Banka.

Data sources for charts are EC (Charts 1.1, 1.4, 3.4, 3.5, 4.3, 4.4, 4.14 and 5.5), CSB (Charts 1.2–1.4, 3.1–3.4, 3.7–3.9, 4.1, 4.2, 4.5–4.9, 4.11–4.13, 5.1 and 5.2), Bloomberg (Charts 2.1–2.4 and 2.6–2.8), Treasury (Charts 2.5 and 3.10–3.12), Latvijas Banka (Charts 2.9–2.22, 4.9, 4.13, 5.1, 5.2, 6.1–6.4, 7.1 and 7.2), ECB (Chart 2.10), Road Traffic Safety Directorate (Chart 3.6), SEA (Chart 4.9–4.11), Reuters (Chart 5.3) and Food and Agriculture Organisation of the United Nations (Chart 5.4).

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

Details may not add because of rounding-off.

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

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

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

### Money and banking sector

Calculation of monetary aggregates includes the balance sheet data of Latvijas Banka and information from the financial position reports of other MFIs, prepared using methodology of Latvijas Banka (see Latvijas Banka 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 Latvijas Banka, credit institutions and other MFIs in compliance with the List of Monetary Financial Institutions of the Republic of Latvia compiled by Latvijas Banka. In the EU, MFIs include the ECB, the national central banks of the euro area, credit institutions and other monetary financial institutions (money market funds) in compliance with the original List of Monetary Financial Institutions published by the ECB.

Non-MFIs – entities other than MFIs.

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

OFIs – financial corporations that are primarily engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and close substitutes for deposits from their customers other than MFIs, or insurance technical reserves. OFIs are corporations engaged in lending (e.g. financial leasing companies, factoring companies, export/import financing companies), investment funds, investment brokerage companies, financial vehicle corporations, financial holding corporations, and venture capital corporations. OFIs data include also financial auxiliaries' data.

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

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

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

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

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

- 1) Assets and liabilities of Latvijas Banka (Table 6), expanding the range of reported financial instruments;
- 2) Aggregated balance sheet of MFIs (excluding Latvijas Banka), i.e. the sum of the harmonised balance sheets of Latvia's MFIs, excluding Latvijas Banka (Table 7);
- 3) Consolidated balance sheet of MFIs, obtained by netting out inter-MFI positions on the aggregated MFI balance sheet (Table 8). Due to slight differences in accounting techniques, the sum of inter-MFI positions does not always equal zero; therefore, the balance is included in the item "Excess of inter-MFI liabilities";
- 4) Monetary aggregates and counterparts (Table 4) comprise Latvia's monetary aggregates and their balance sheet counterparts derived from the consolidated balance sheet of MFIs. See Table 5 for seasonally adjusted monetary aggregates. When seasonally adjusting the time series, DEMETRA + Version 1.0.21605 of the programme is used. The following monetary aggregates are calculated and published:

M1 – narrow monetary aggregate, comprising currency in circulation (the lats banknotes and coins issued by Latvijas Banka 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 methodology of Latvijas Banka, the monetary base (Table 3) and monetary survey (Table 10) is published. According to this methodology, the calculated monetary aggregates comprise the following:

M0 – monetary base calculated on the basis of the methodology of Latvijas Banka and comprising the lats banknotes and coins issued by Latvijas Banka and demand deposits of resident MFIs and financial institutions (overnight deposits) with Latvijas Banka.

M2X – broad money, comprising currency in circulation (the lats banknotes and coins issued by Latvijas Banka 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 Latvijas Banka collects more comprehensive information, the following is also published:

- 1) Aggregated balance sheet of Latvia's MFIs (excluding Latvijas Banka) which is the sum of the harmonised balance sheets (Tables 9ab);
- 2) Information characterising foreign assets and foreign liabilities of MFIs (excluding Latvijas Banka; 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 Latvijas Banka; 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 Latvijas Banka) deposits by currency is provided in Tables 20ab;
- 4) Information characterising the maturity profile and types of MFI (excluding Latvijas Banka) 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 Latvijas Banka) loans by currency is provided in Tables 20cd;
- 5) Information characterising MFI (excluding Latvijas Banka) securities holdings other than shares (Tables 19ab and 20ef);
- 6) Information characterising debt securities issued by MFIs (excluding Latvijas Banka; Table 20g).

### **Interest rates**

In June 2010, Latvijas Banka introduced new methodology for interest rate statistics (see Latvijas Banka Regulation No. 42 "Regulation for Compiling Interest Rate Reports of Monetary Financial Institutions" of 10 September 2009). Using this methodology, credit institutions, branches of foreign credit institutions and particular credit unions registered

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

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

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

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

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

Interbank market lending interest rates (Table 23a) are reported as weighted average interest rates on new business, aggregating the information submitted by credit institutions, prepared based on the methodology of Latvijas Banka (see Latvijas Banka 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 methodology of Latvijas Banka (see Latvijas Banka Regulation No. 36 "Regulation for Purchasing and Selling Cash Foreign Currency" of 13 May 2009 and the Latvijas Banka Regulation No. 41 "Regulation for Compiling Reports on Foreign Currency Purchases and Sales" of 16 July 2009). The principal foreign exchange transactions (Table 24) comprise the cash and non-cash transactions conducted by credit institutions and branches of foreign credit institutions, reported by transaction type and counterparty, and currency. Non-cash foreign exchange transactions (Table 25) comprise non-cash transactions performed by credit institutions and branches of foreign credit institutions, reported by major currency.

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