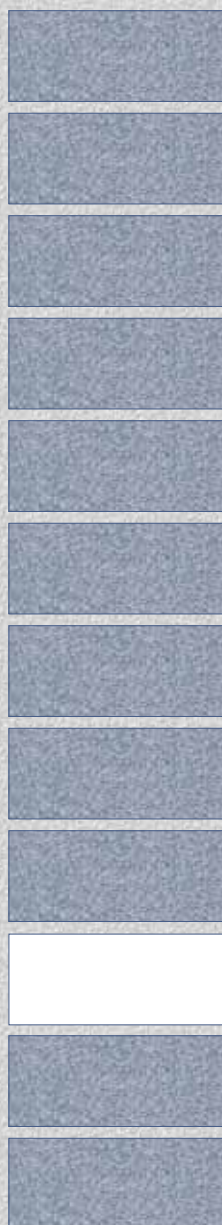


**MACROECONOMIC
DEVELOPMENTS
REPORT**

2012



OCTOBER

MACROECONOMIC DEVELOPMENTS REPORT

October 2012

MACROECONOMIC DEVELOPMENTS REPORT
October 2012, No 12

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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
EU – European Union
EU12 – countries which joined the EU on 1 May 2004 and 1 January 2007
EU15 – EU countries before 1 May 2004
EU27 – current EU countries
EURIBOR – Euro Interbank Offered Rate
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
Ltd. – limited liability company
MFI – monetary financial institution
NA – no answer
OECD – Organisation for Economic Cooperation and Development
OFI – other financial intermediary (other than an insurance corporation or a pension fund)
OMXR – NASDAQ OMX Riga index
PPI – producer price index
RIGIBOR – Riga Interbank Offered Rate
SDR – Special Drawing Rights
SEA – State Employment Agency
UK – United Kingdom
ULC – unit labour costs
US – United States of America
VAT – value added tax
WTO – World Trade Organisation

Executive Summary

The situation in foreign markets has remained broadly unchanged in comparison with the previous reporting period. Despite a negative external background associated with the uncertainty about the future of Europe's economy, Latvia's exporters, relying on improved competitiveness during the crisis years, have succeeded in maintaining a relatively better position vis-à-vis their competitors; hence the volumes of exports and imports remained bulky. Moreover, the confidence indicators also point to slightly improving export order assessment in August, while in the third quarter better assessment was recorded for both export order volumes and competitiveness, including highly improved perception of the future competitiveness within and outside the EU by businesses.

The world leading central banks launched a set of measures as early as the beginning of July of the current year to facilitate the growth of their economies, which had been under adverse effects of the protracted turmoil of financial markets. In September, the ECB and FRS announced the launching of a new bond purchase programme, supporting a further decline in money market interest rates.

As a result of persisting excess lats liquidity in the lats market, the weighted average interest rate on interbank overnight transactions declined. The major effect on the downside of the lats money market rates was caused by the Bank of Latvia's resolution to reduce its interest rates. The continuous decline in the yield on Latvian government securities in the primary and secondary markets was determined by the decisions of the euro area institutions, good macroeconomic indicators of Latvia's economy and sound resilience to the deteriorating financial indicators of some peripheral euro area countries.

In June–July, the dynamics of interest rates on MFI loans to and deposits from households and non-financial corporations was affected by a further decline in the lats and euro money market indices.

In June and August, total domestic loans have increased for the first time since autumn 2008. In the last three months the annual rate of decrease of domestic loans moderated slightly. A decrease in loans to households had a dampening effect on the loan portfolio, while loans to non-financial corporations posted an increase. This situation reflects Latvia's overall economic growth; however, taking into account the moderating growth rate and high external risks, no surge in deposits and notable strengthening of lending are expected as yet.

Latvia's economy continued to develop buoyantly in the second quarter, retaining the leader position among the EU Member States in terms of the growth rate. Domestic demand became increasingly more convincing in its role as the main driver of the economic growth. The private consumption growth was not so much influenced by the rise in the average wage and salary than by other income, previously-accumulated savings and borrowing. Since July, the reduction of the VAT rate probably also contributed slightly to the improved purchasing power.

As regards production, manufacturing was still one of the major contributors to the annual GDP growth in the second quarter; however, the growth (both the annual and quarterly) in the sector moderated on account of the developments associated with external environment uncertainty. In the third quarter, businesses still reported the limited demand to be the major factor hampering growth; however, the number of respondents identifying no substantial growth-restrictive factors reached a historic high. As regards manufacturing, adverse developments in external markets notwithstanding, preliminary data for July suggest that output volumes still remain substantial in the sector.

In line with sustained economic growth, the registered unemployment rate followed a gradual downward trend, albeit at a somewhat slower pace year-on-year. Lower unemployment rate also involves smaller cyclical component of unemployment, containing further decline in unemployment. In the second quarter, the share of jobseekers slightly contracted mostly on account of the recently growing and strong economic activity – currently it is close to its historic high.

A moderate rise in remuneration notwithstanding, the purchasing power of the average wage in the second quarter reached a record high of the last 3.5 years on the backdrop of a slower consumer price rise. The purchasing power of the wage is expected to increase also in the second half of the year, on account of a slightly faster rise in remuneration and moderate inflation. However, the rise in the average wage and salary is commensurate with the labour productivity growth, with the wages and salaries and productivity remaining balanced, therefore the increase in the average wage and salary is sustainable in the long term and causes no pressure on inflation.

This is confirmed by the fact that the annual inflation continued to decelerate in June–August. Both global and domestic factors contributed positively to the inflation rate dynamics. In June, global oil prices reached the lowest level registered in 2012 and fuel prices in Latvia recorded a decrease. In July, the oil prices in the global market rebounded; fuel prices, however, followed a gradual upward trend and their average level remained lower than that observed in June, contributing positively to inflation. The global food price developments were favourable and also supported the decline in food prices in Latvia until June. In July, the global food price index grew rapidly along with the first modest estimates of the new grain harvest, and the prices of sugar also rose significantly. However, already in August the food price index stabilised, inter alia the prices of sugar decreased, but grain prices remained unchanged.

Risks to inflation forecast for 2012 are balanced: uncertainty in the oil market is high, but the level of oil prices has stabilised, the exchange rate of the US dollar follows a downward trend, easing the impact on energy prices in lats. The domestic factors have a favourable effect on inflation: currently there are no plans to raise indirect taxes that would directly change the price levels of consumer goods and service. At the same time, the developments in wages and salaries and labour productivity suggest that ULC in the economy does not on the whole exert any pressure on the level of consumer prices.

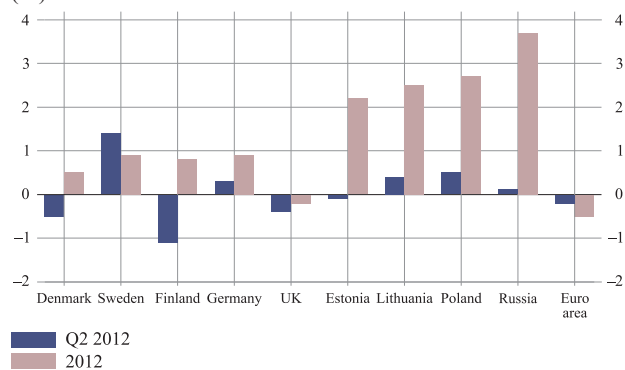
A strong possibility of materialisation of the risks related to future developments in the external environment persists. After a significant decline in early summer the global oil prices have recorded an increase again and remain at a high level, being a potential negative threat to the global economic growth. For its part, the ECB has communicated new measures to deal with the sovereign debt crisis in the EU countries, undertaking to purchase unlimited amount of short-term (with maturity of up to three years) bonds of the countries facing problems. This will temporarily alleviate tensions, particularly in the financial markets, thus providing for extra time to address and solve the most crucial economic issues. Latvia's GDP growth forecast for 2012 remains unchanged (3.5%–4%). Risks to the national economic growth prospects in the medium-term can be considered balanced.

Table 1
GDP FORECASTS
(%)

	2012 ¹	2013 ¹	2012 ²	2013 ²
Denmark	0.5	1.2	n.i.	n.i.
Sweden	0.9	2.3	n.i.	n.i.
Finland	0.6	1.8	n.i.	n.i.
Germany	0.6	1.5	1.0	1.4
UK	0.8	2.0	0.2	1.4
Estonia	2.0	3.6	n.i.	n.i.
Lithuania	2.0	2.7	n.i.	n.i.
Poland	2.6	3.2	n.i.	n.i.
Russia	4.0	3.9	4.0	3.9
Euro area	-0.3	0.9	-0.3	0.7
US	2.1	2.4	2.0	2.3
Total global economy	3.5	4.1	3.5	3.9

Sources: April 2012 (1) and June 2012 (2) *World Economic Outlook* (IMF).

Chart 1.1
GDP QUARTERLY GROWTH RATE IN Q2 2012 AND
CONSENSUS ECONOMICS SEPTEMBER GDP GROWTH
FORECAST FOR 2012
(%)



1. External Sector and Exports

1.1 External economic environment

In comparison with the previous reporting period, the economic situation in Latvia's main trade partners has not changed much. The GDP forecasts for 2012 produced by the IMF have predominantly been raised or remained unchanged, whereas for 2013 they have been revised downwards due to the base effect (see Table 1).

In the second quarter of 2012, the euro area GDP declined quarter-on-quarter (see Chart 1), exports (net exports including) recorded a rise but private consumption, investment and inventories contracted. The relatively strong economic growth in Germany had an immediate positive impact on the euro area economy.

In Lithuania in the second quarter, GDP picked up 0.5% quarter-on-quarter (an increase of 0.3% in the first quarter), which, taking into account the disruption in oil processing at the company *Orlen Lietuva* due to repairs in May, can be considered fairly good. Growth in manufacturing, except oil processing, remained buoyant, while retail trade lost some of its momentum in the second quarter.

Estonia recorded a 0.4% GDP increase in the second quarter (0.3% in the first quarter). With the external demand shrinking, export growth decelerated. At the same time, wages continued on an upward trend and unemployment contracted. Moreover, confidence indicators in Estonia continued to linger above historical averages.

In the second quarter, GDP in the UK was down for the third consecutive quarter. Massive fiscal consolidation negatively impacted the economic growth, yet the expansionary monetary policy is likely to encourage banks to expand lending.

Russia's economic advance was rather dynamic in the first half of the year, yet due to the falling external demand and losses in agriculture the growth is most likely to decelerate in the third quarter. Strong private consumption, a healthy labour market, dropping unemployment, rising wages, expanding consumer lending and increasing consumer confidence all are positively contributing to GDP.

In Poland, the GDP growth rate decelerated somewhat in the second quarter. The growth in exports, manufacturing and retail trade lost momentum. Labour market did not see any substantial improvement either. As the business climate index worsened, the central bank of Poland revised its GDP forecast for 2012 and 2013 slightly downwards.

Due to both private consumption and export rising, GDP in Sweden recorded a notable rate of increase in the second quarter. The steep appreciation of the Swedish krona and more impressive productivity improvements than expected offset the inflationary pressures. As a result, *Sveriges Riksbank* lowered its base rate by 0.25 percentage points (to 1.25%) and increased the GDP growth forecast for 2012 and 2013.

As exports, imports, private consumption and investment contracted, the growth rate of Finland's GDP became negative in the second quarter. In addition in August, the business confidence indicator dropped to its lowest level since February 2012. According to *Suomen Pankki – Finlands Bank* projections, country's GDP is expected to gain 1.5% in 2012.

With private consumption weakening in the second quarter, the quarterly GDP growth rate turned negative also in Denmark. Statements about early pension payments and tax refunds on business investment may have a positive impact on the economy in the quarters to come. The July data on falling unemployment is an additional positive signal.

1.2 Latvia's competitiveness and growth of goods exports

Despite a negative external background associated with the uncertainty about the future of Europe's economy, Latvia's exporters, relying on improved competitiveness during the crisis years, have succeeded in maintaining a relatively better position vis-à-vis their competitors; hence the volumes of exports and imports remained bulky.

Exports and imports recorded quarter-on-quarter expansion in the second quarter in both nominal (4.7% and 6.2% respectively) and real (3.9% and 4.9% respectively) terms. In this reporting period, the annual growth in exports and imports in real terms did not differ substantially (3.9% and 5.1% respectively). The annual growth in both exports and imports of goods remained positive, albeit its rate is ever more on

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

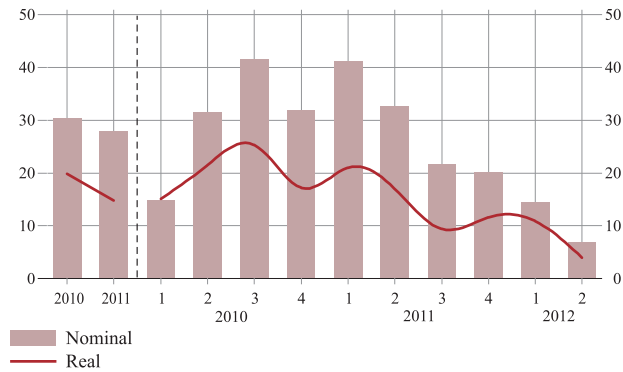


Chart 1.3
IMPORTS OF GOODS
(year-on-year; %)

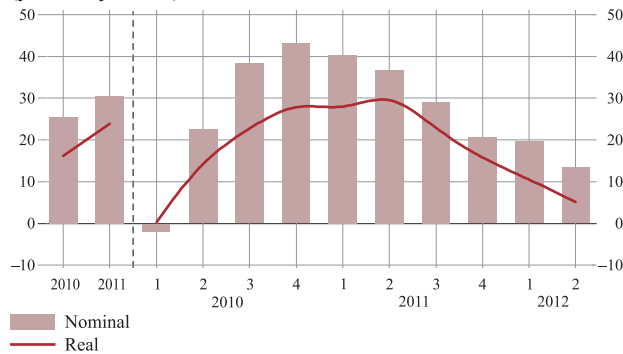
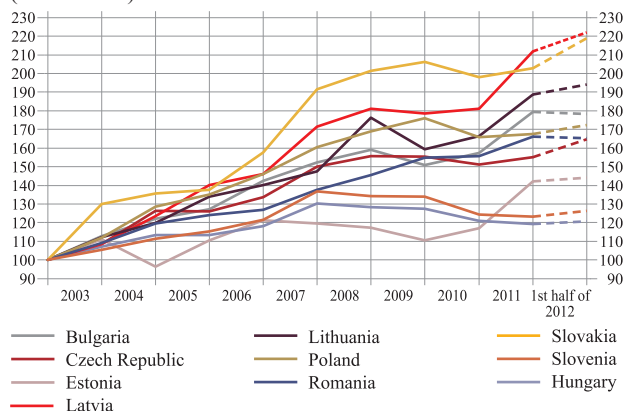


Chart 1.4
COUNTRY GOODS EXPORT SHARES IN GLOBAL IMPORTS
(2002 = 100)



a downward trend due to the higher base and limited foreign demand (see Charts 1.2 and 1.3).

Of exports of goods in the second quarter, agricultural and food products grew at the fastest year-on-year rate (by 27.2%). As previously, increases were posted by exports of base metals and articles of base metals (12.5%) as well as machinery and electrical equipment (8.9%). Due to protracted slack in the construction sector in Europe, exports of wood and articles of wood have substantially slowed down, posting a mere 1.5% annual increase in the second quarter; wood manufacturers confirm that a decline is slowly taking root in the industry, with no positive developments expected in the second half of the year either.

Even though Latvia's export market share in global imports at the beginning of the year contracted in response to unwelcome circumstances in the euro area, the Latvian exporters demonstrated that they were ready to act flexibly; without much delay, supported by on-going diversification of exported commodities they not only restored but also expanded their export shares in the following months; moreover, according to the WTO data, Latvia excelled among the other EU simultaneously acceding countries in the strongest market share expansion in the first half of the year (see Chart 1.4).

In the second quarter, export and import prices rose both year-on-year and quarter-on-quarter; in addition, import prices recorded a steeper rise than did export ones. Within a year, export prices increased by 2.7%, while import prices rose by 8.0% (quarter-on-quarter increases of 0.8% and 1.2% respectively). Year-on-year, export prices dropped somewhat for wood and articles of wood, and transport vehicles, while on an annual basis, they went up most for food products (by 13.1%), plastics and articles thereof (by 13.6%), building materials (by 11.8%), textiles (by 11.4%), and machinery and electrical equipment (by 4.5%). Over the year, import prices elevated most for mineral products (by 14.4%) and transport vehicles (by 11.6%).

As import price hikes outpaced those of export prices in the second quarter, terms of trade deteriorated overall (by 0.4%). In the breakdown by sector, they worsened most for mineral products, live animals and animal products as well as transport vehicles and their parts and accessories. The dynamics of terms of trade remained favourable for vegetable products, plastics and articles thereof, and food products.

The confidence indicators disseminated by the EC suggest that, the current trends in the EU economy notwithstanding, the export order volume assessment improved slightly in August, while in the third quarter better assessment was recorded for both export order volumes and competitiveness, including highly improved perception of the future competitiveness within and outside the EU by businesses. This supports the assumption that Latvian exporters feel convincingly comfortable with the successful on-going diversification of goods and market share expansion. Likewise, in the latest global competitiveness rating of the World Economic Forum, Latvia has moved up from the 64th position to the 55th.

2 Financial Market Developments

2.1 Foreign financial markets

The world leading central banks launched a set of measures as early as the beginning of July of the current year to facilitate the growth of their economies, which had been under adverse effects of the protracted turmoil of financial markets. When the ECB Governing Council decided to lower the euro base rate by 0.25% on 5 July, interest rates on the euro money market started to go down rapidly, backed also by the market participants' expectations of this trend to continue into the months to come. These revised euro base rates supported the reduction of euro area bank financing costs albeit were not sufficiently strong to dispel market participants' worries about the real situation in the sovereign-debt-crisis-hit euro area countries.

In the euro area countries with high public debt and general government budget deficit levels, yields on government bonds soared in July (see Chart 2.1). At the month's end, the Italian 10-year government bond yields exceeded 6% and those of the Spanish government went even above 7%, i.e. levels that are deemed unsustainable. In order to mitigate financial market tensions, towards the close of July, the ECB alluded to the possibility of restarting bond purchases, provided the financial market situation deteriorated. Additionally, the Eurogroup meeting on 20 July succeeded in reaching a unanimous agreement on the programme conditions for the recapitalisation of Spain's banking sector. Following these steps, yields on government bonds in the sovereign-debt-depressed euro area countries started to ease slowly. This trend was temporary interrupted in Spain in August by financial market participant speculations about the necessity for a more comprehensive rescue programme for the country which was caused by potential insolvency of a number of Spain's regions and potential requesting for bailout money from the central government. The actual situation in Greece was also a source of constant worries, where, in order to receive the next tranche of the bailout package, the newly formed government was expected to introduce serious fiscal consolidation measures to the two-year budget plan and to seek for the approval of the international lenders (see Chart 2.2).

As market participants anticipated the world major central banks to take fresh steps towards enhancing the economic growth, the prices of risky assets were

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

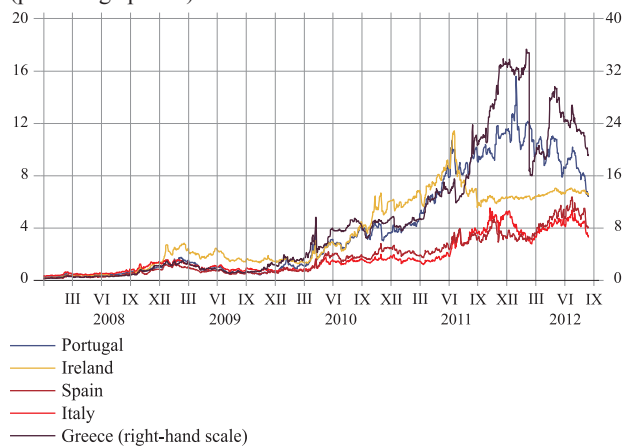


Chart 2.2
RISK PERCEPTION INDICATORS OF LATVIA, GREECE AND IRELAND
(thousands of basis points)

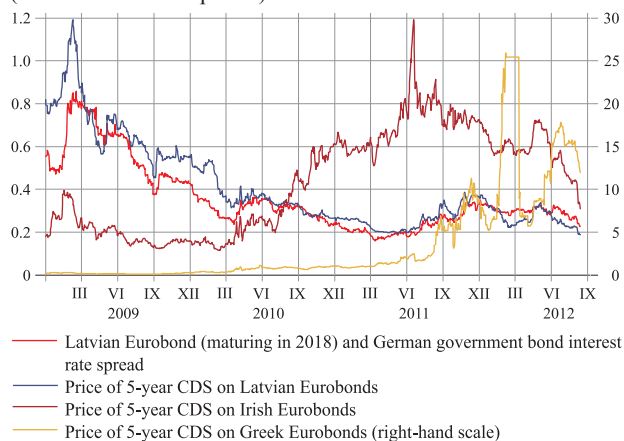
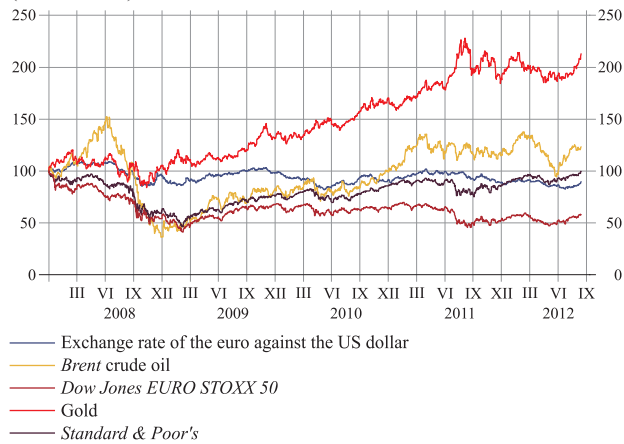


Chart 2.3
STOCK, OIL AND GOLD PRICE INDICES AND EURO
EXCHANGE RATE
(2008 = 100)



on a moderate upward trend, while those of risk-free assets, by contrast, diminished. Consequently in the reference period, the US and European stock price indices increased, the euro stabilised against the US dollar (see Chart 2.3), and, overall, the yields on German and US government bonds rose. In addition to the above factors, stock price rises were driven by better-than-expected six-month corporate financial performance. Higher prices of *Brent* crude oil, on the other hand, resulted from the aggravating conflict situation in oil-producing Middle East countries, the contracting oil production in the OECD countries due to employee strikes and various one-off factors, and seasonally rising demand for oil in the third quarter.

In September, the ECB launched the Outright Monetary Transactions (OMTs) Programme, a new government bond-buying plan, and made an announcement on technical features of OMTs. The OMTs Programme provides for unlimited buying of 1-year to 3-year sovereign bonds. A strict condition for ECB bond-buying is the EU Member State going in for the support of the European Financial Stability Facility (EFSF) and the European Stabilisation Mechanism (ESM), and country's adherence to its commitments under support programmes. The ECB, at the same time, will rank *pari passu* with other holders of the same bonds, meaning that in the event of default of the issuing country the ECB will not be entitled to enjoy any precedence over others. In order not to cause inflationary pressures, the OMTs Programme will be fully sterilised via other new liquidity absorbing mechanisms. On 6 September, the ECB also resolved to further ease the conditions for collateral, providing access to a wider range of Eurosystem's liquidity providing operations. Affected by the ECB September resolutions, stock prices on European markets rose swiftly and the euro appreciated, while the borrowing costs, for short-term securities in particular, dropped in sovereign-debt-laden euro area countries. The effects of the ECB decisions were supported and market participants provided with further relief by the ruling of Germany's Federal Constitutional Court of 12 September, that the ESM and the new EU treaty to tighten the euro area financial discipline were compatible with the German Constitution. The related judgement eliminated any remaining legal barriers so far keeping Germany from the ratification of both legal acts and setting the two euro area bailout instruments in motion.

Consistently with the anticipated, on 13 September the FRS decided to increase the purchase of agency mortgage-backed securities at a pace of 40 billion US

Chart 2.4
AVERAGE BALANCES OF THE BANK OF LATVIA'S MONETARY OPERATIONS AND GOVERNMENT LATS DEPOSITS
(billions of lats)

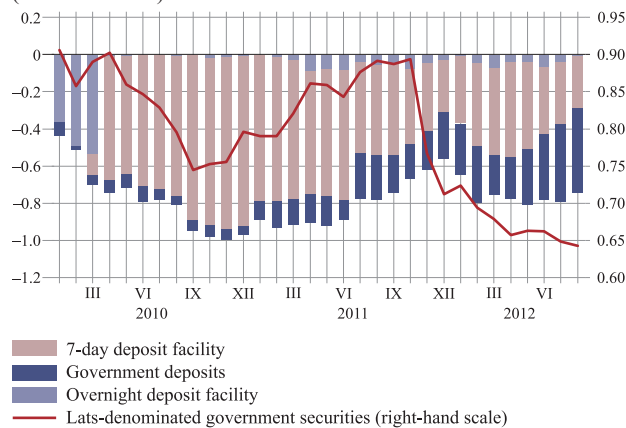


Chart 2.5
NET FOREIGN ASSETS, MONETARY BASE AND BANK OF LATVIA'S DEPOSIT FACILITY
(end-of-day balance; billions of lats)

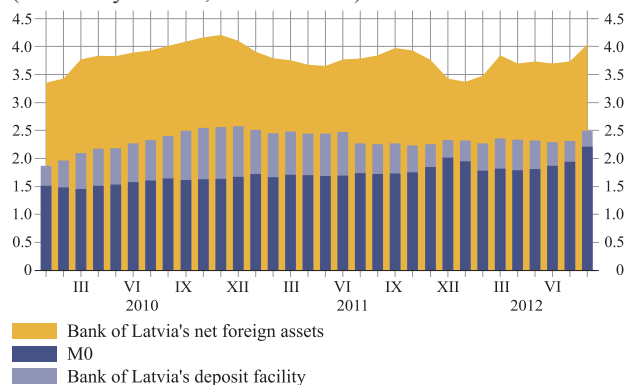
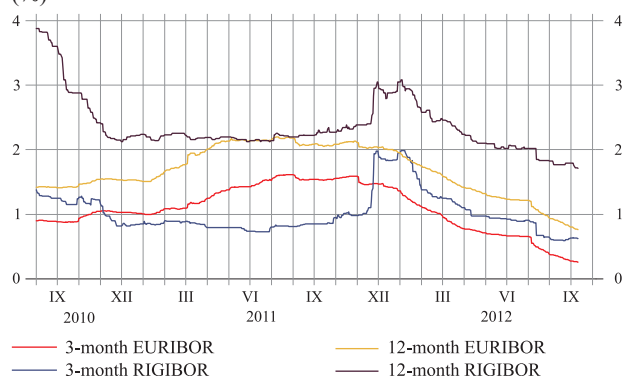


Chart 2.6
THE LATS AND EURO MONEY MARKET RATES
(%)



dollars per month in order to enhance the growth of US economy. The FRS extended (by one year, through mid-2015) the period of keeping the target range of the federal funds rate at 0%–0.25%. These FRS resolutions are likely to reduce long-term interest rates on US bonds and push up global stock and resources prices.

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

In June–August the bank excess liquidity shrank by 196.6 million lats in comparison with the three previous months on account of an increase in the government lats deposit with the Bank of Latvia, the bank minimum reserves and average outstanding amount of currency in circulation. The government continued to convert euro into lats and expanded the lats deposit with the Bank of Latvia to be able to finance its expenditure in the last few months of the year which is traditionally larger than in the first half of the year. The increase in the government lats deposit was the major factor reducing bank liquidity. With the economy continuing on its upward trend, the bank reserve base as well as currency in circulation posted an increase (see Charts 2.4. and 2.5).

As the funds in lats deposited on bank accounts with the Bank of Latvia contracted, the average Bank of Latvia's overnight and 7-day deposit facility saw a 32.3% decline, down to 360.1 million lats. Like in the previous period, banks did not resort to the Bank of Latvia's liquidity-providing operations.

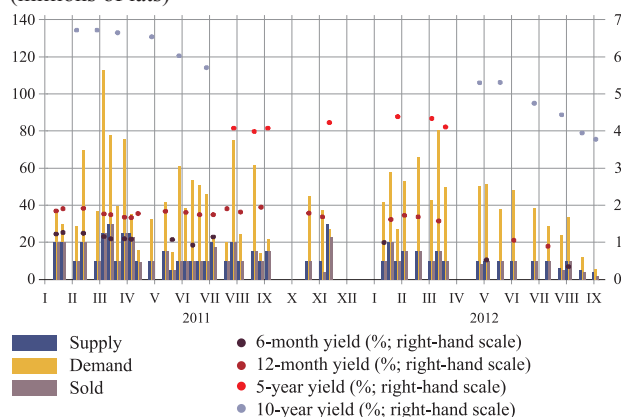
As a result of persisting excess lats liquidity in the money market, in June–August the weighted average interest rate on interbank overnight transactions stood at 0.24%, down from 0.31% observed in March–May. In June–August, 3- and 6-month RIGIBOR declined from 0.93% to 0.63% and from 1.43% to 1.25% respectively. The major effect on the downside of the lats money market rates was caused by the Bank of Latvia's resolution to reduce its interest rates. At the same time the ECB decision on cutting its interest rates (deposit rate with the ECB was reduced to 0%) facilitated a more rapid decline in EURIBOR and the spread between the lats and euro money market indices widened somewhat (see Chart 2.6). Following the increase in the spread between the lats and euro market rates, banks began selling foreign currency to the Bank of Latvia in July, and in July–August, financial market participants sold foreign currency in the amount of 107.1 million lats (as per transaction

date) to the Bank of Latvia, increasing the lats liquidity of banks. In the previous months of 2012 financial market participants did not engage in foreign exchange spot transactions with the Bank of Latvia.

As reported in the previous Macroeconomic Development Report, the Bank of Latvia reduced interest rates as of 24 July. The Bank of Latvia Council meeting of 13 September resolved on further changes in interest rates: as of 24 September, the refinancing rate was reduced from 3.0% to 2.5%, the bank overnight deposit facility rate – from 0.1% to 0.050%, and bank 7-day deposit facility rate – from 0.125% to 0.075%. Marginal lending facility rates were also cut: from 4.0% to 3.0%, in case a credit institution has resorted to the lending facility no more than 5 working days within the previous 30 day period; from 7.0% to 6.0%, in case a credit institution has resorted to the lending facility 6–10 working days within the previous 30 day period; and from 10.0% to 9.0%, in case a credit institution has resorted to the lending facility for more than 10 working days within the previous 30 day period.

The interest rates set by the Bank of Latvia were reduced in view of the contained inflation risks, the persistent excess lats liquidity in the banking sector and continuous decrease in domestic loans, albeit at a slower pace. Moreover, the last few months saw a rise in the demand for lats in the foreign exchange market, related to the ECB's decision to reduce its deposit rate to 0% made in early July. The drop in the interest rates set by the Bank of Latvia will be an extra stimulus for banks to channel their excess lats funds into lending to the economy.

Chart 2.7
AUCTIONS OF LATS-DENOMINATED GOVERNMENT DEBT SECURITIES
(millions of lats)



2.3 Securities market

In June–August the Treasury held primary auctions of 6-month and 12-month Treasury bills and 10-year Treasury bonds (see Chart 2.7). The securities were supplied in the amount of 55.0 million lats, with the demand 3.5 times exceeding the supply. The average yield on 6-month Treasury bills at auctions declined substantially: from 0.53% in May to 0.35% in August. The average yield on 12-month Treasury bills shrank from 1.58% in March to 0.90% in July, with that on 10-year Treasury bonds (supplied in a relatively small amount) posting a decline from 5.31% in May to 3.78% in early September. The fall in the average yield on government 10-year bonds is particularly significant as their interest rates on the secondary market will be used for the assessment of the

compliance with the Maastricht criterion of long-term interest rates in spring 2013.

Similar trends in the interest rates on Latvian government bonds were also observed in the international markets. The bid rate of the Latvian government bonds, denominated in US dollars and maturing in 2021, also posted a pronounced decline from 5.79% at the end of May down to 4.13% at the end of August). In the reporting period the Latvian government long-term bond yields in US dollars and lats were relatively close. The bid rate on Latvian government bonds denominated in euro and maturing in 2018 shrank from 3.83% to 3.29% in the above period.

The decline in the yields on Latvian government securities in the primary and secondary markets as well as in the domestic and external markets was affected by Latvia's good macroeconomic indicators in comparison with the euro area countries and sound resilience to the deteriorating financial indicators of some peripheral euro area countries, as well as several significant developments in the euro area: the remarks made by the ECB's President at the end of July that the high sovereign debt premia in the euro area hampered the monetary policy transmission and the following expectations by financial market participants that the ECB would resume purchasing of government securities, and the subsequent decision to launch a new bond purchase programme made by the ECB on 6 September. At the same time, the 10-year German government bond yields moved up since the end of July.

At the end of August NASDAQ OMX Riga share price index OMXR was 2.9% higher than at the end of May (in the previous reporting period the index shrank by 5.5%). Indices declined by 3%–15% on the major global stock exchanges. Europe saw a more accelerated rise in stock prices, driven by the above financial market expectations of ECB purchases of government bonds. In Latvia, however, despite the economic growth indicators exceeding the European averages and many businesses seeing persistent improvement in corporate profits, there were no additional stimuli, hence the rise in stock prices was slower.

2.4. Interest rates

In June–July, the dynamics of interest rates on MFI loans to and deposits from households and non-financial corporations was affected by a further decline in the lats and euro money market indices.

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

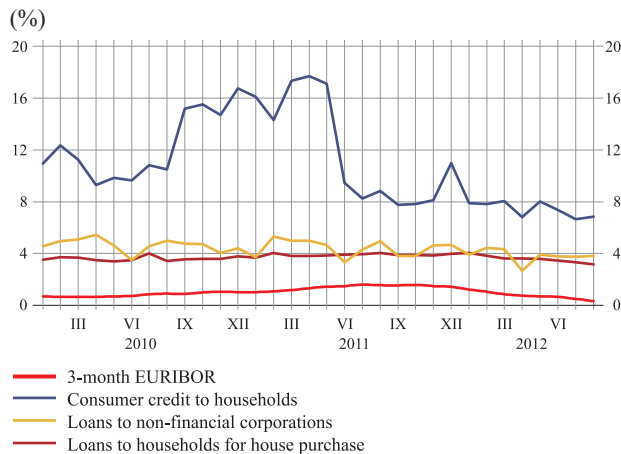
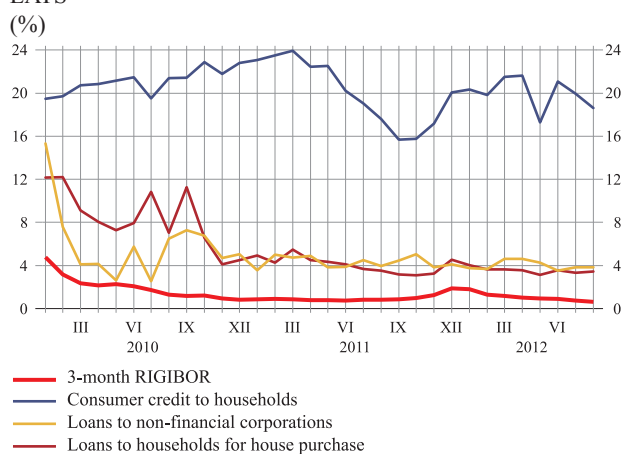


Chart 2.9
INTEREST RATES ON MFI SHORT-TERM LOANS IN LATS (%)



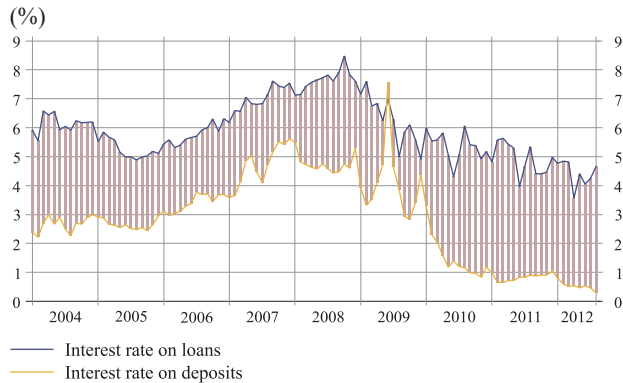
In the reporting period MFIs made no essential changes in the lending standards to households and non-financial corporations. The relatively stable interest rate spreads over the money market indices on new loans pointed to that. Interest rates on new loans granted in lats to households and non-financial corporations and on lats deposits received from the above segments remained close to the levels of the respective interest rates in euro. It facilitated an increase in the share of lats loans in loans granted to residents and a decrease in the share of lats deposits in the deposits received.

The impact of the declining money market indices on the interest rates on new loans granted to non-financial corporations becomes stronger on account of other factors as well. Interest rates spreads over the money market indices on medium value (from 250 thousand euro to 1 million euro or an equivalent in lats) and large value loans (over 1 million euro or an equivalent in lats) granted to non-financial corporations are relatively stable, while financing conditions for low value loans (up to 250 thousand euro or an equivalent in lats) granted to non-financial corporations have improved in the last few years, with the respective interest rates on loans in euro approaching and those in lats falling below the interest rates on medium value loans in June and July (see Charts 2.8 and 2.9).

Floating interest rates and interest rates with the initial rate fixation period of up to 1 year on new loans to households for house purchase reflected a drop in money market indices, with the interest rate spreads over the money market indices remaining broadly unchanged. At the same time interest rates on new loans with an initial interest rate fixation period of over one year granted to households for house purchase are more volatile and their downward trend is less notable. It can be explained both by more pronounced precautionary practices by credit institutions, pricing higher risk premia in interest rates with a longer initial rate fixation period, and the shallow market segment.

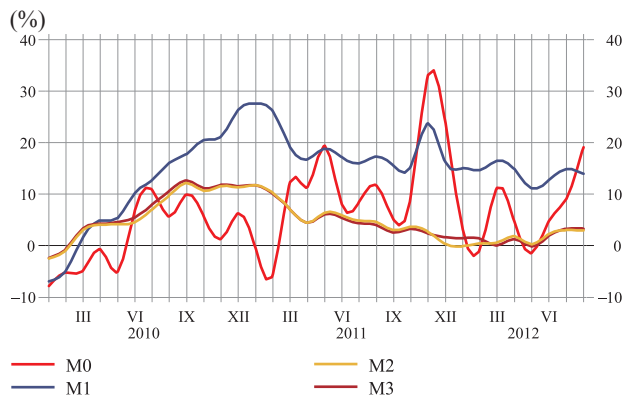
Interest rates on new deposits received from non-financial corporations also declined in response to the downside in money market indices. In June and July the more favourable terms for deposits typically offered in the middle of summer had a slightly upward effect on the interest rates on new household deposits. With the excess liquidity persisting and the trust in the stability of Latvia's financial system strengthening, as of December 2011 the interest rate on new household deposits in lats fell by 0.8 percentage point.

Chart 2.10
SPREAD BETWEEN INTEREST RATES ON NEW LOANS
AND NEW DEPOSITS



The spread between the MFI interest rates on new loans and new deposits began narrowing gradually (see Chart 2.10). Such a development might have a negative impact on the credit institution profitability in the future. Deposit rates, reduced by credit institutions at a more accelerated pace due to decreasing money market indices, have reached a relatively low level and the decline is moderating. At the same time lending rates, having had a more sluggish response to the decline in money market earlier (as a result of credit institution pricing and the fact that loans with a fixed interest rate account for a certain share in new loans), continue on a gradual downward trend at this stage.

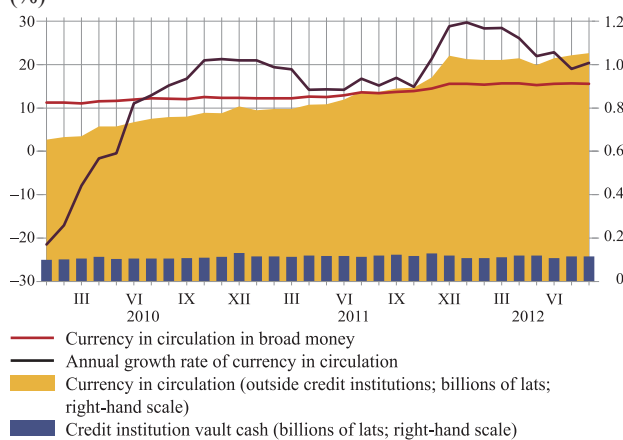
Chart 2.11
ANNUAL RATE OF CHANGE IN MONETARY
AGGREGATES



2.5. Money supply

June–August saw insignificant changes in monetary aggregates, reflecting a minor drop in household deposits and an increase in demand for cash, typical for the summer season. Nevertheless, the increase in deposits by non-financial corporations was notable, thus contributing to a moderate rise in money supply. The annual rate of change of domestic deposits returned to positive territory. For the first time after a lengthy decrease, the domestic lending saw a slight upturn in June and August on account of loans granted to businesses.

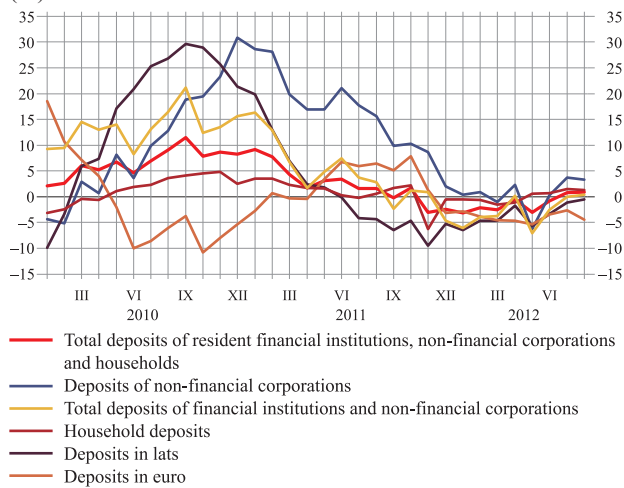
Chart 2.12
CURRENCY IN CIRCULATION



Currency outside MFIs, posting seasonal growth throughout all summer months, exceeded a previous high of December 2011 already in July, with the total money supply reaching a record high (6.7 billion lats) in August. In June–August broad money M3 grew by 3.0%, recording a 3.3% increase year-on-year, with the annual rate of change stabilising in the positive territory (see Chart 2.11). Of broad money M3, an increase seemed to have become a typical trend in its component M1, the most liquid one of money supply, with its annual growth rate moving up from 11.0% in May to 13.9% in August (for the dynamics of currency in circulation, see Chart 2.12). With the interest rate downward trend persisting, the average maturity of deposits also continued to shrink: overnight deposits in June–August grew by 7.1% whereas deposits with an agreed maturity of up to 2 years decreased by 6.3%.

The annual rate of change in deposits of resident financial institutions, non-financial corporations and households since July was positive (0.9% in August). The euro and lats deposits slightly contracted year-on-year, by 4.4% and 0.5% respectively in August, while

Chart 2.13
ANNUAL RATE OF CHANGE IN RESIDENT DEPOSITS (%)



deposits in other currencies picked up 40.3% over the year (see Charts 2.13 and 2.14 for deposit dynamics).

The contribution of resident deposits in financing domestic lending grew from 51.7% in May to 52.6% in August, while funds received from foreign parent banks saw almost no decline over the last few months and non-resident non-MFI deposits continued on a stable upward path (see Chart 2.15).

Chart 2.14
RESIDENT DEPOSIT DYNAMICS (billions of lats)

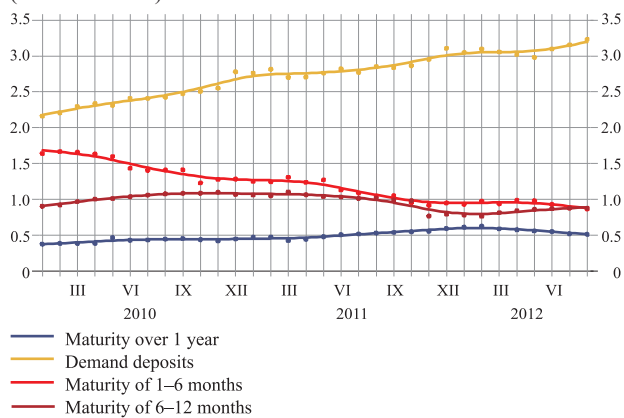


Chart 2.15
NON-MFI DEPOSIT DYNAMICS (billions of lats)

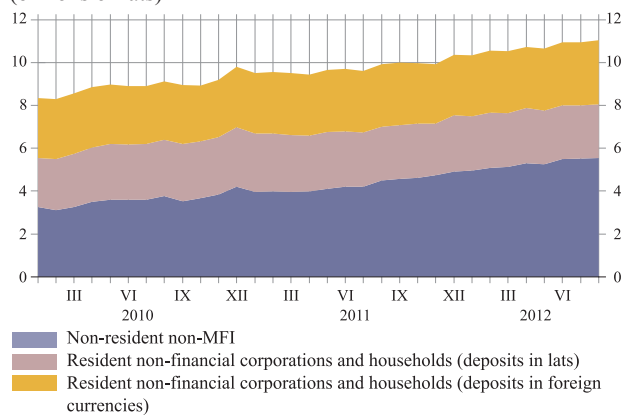
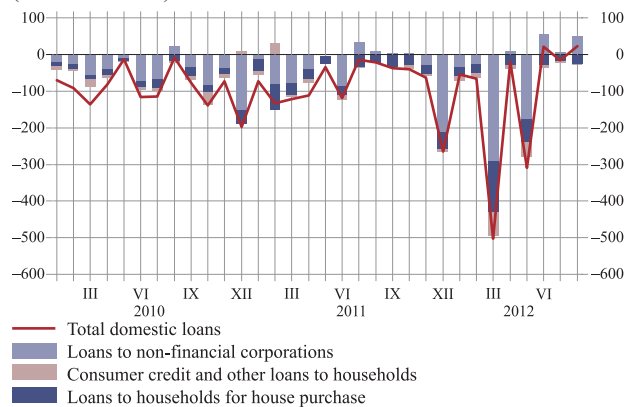
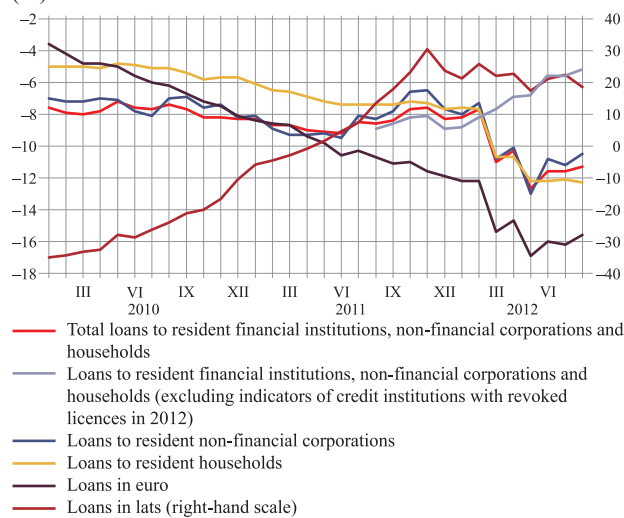


Chart 2.16
MONTHLY CHANGE IN LOANS TO RESIDENT HOUSEHOLDS AND NON-FINANCIAL CORPORATIONS (millions of lats)



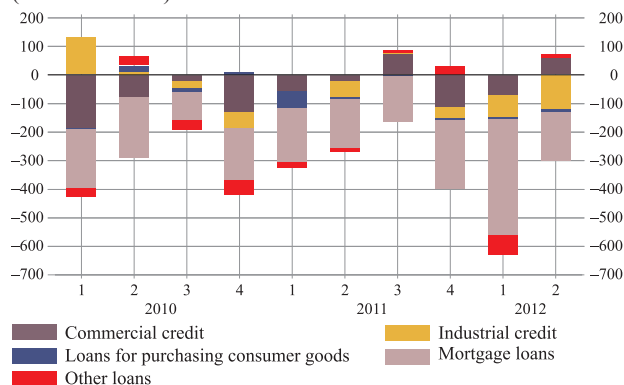
In June and August, total domestic loans increased for the first time since autumn 2008 (see Chart 2.16), exceeding the figure observed in May by 0.3% at the end of August. In the last three months the annual rate of decrease of domestic loans moderated slightly (11.3%; or 5.2% excluding indicators of credit institutions with revoked licences in 2012; see Chart 2.17). A decrease in loans to households (1.8% over three months as a result of a fall in loans for house purchase) had a dampening effect on the loan portfolio while loans granted to non-financial corporations grew by 2.1%, mostly on account of commercial credit (see Chart 2.18). Loans granted in euro continued on a downward trend until July whereas the loan portfolios of other foreign currencies and lats expanded. The share of loans granted in lats in the total domestic loan portfolio increased by 0.6 percentage point, to 12.5%.

Chart 2.17
ANNUAL RATE OF CHANGE IN LOANS TO RESIDENTS (%)



In the breakdown by sector, credit investment in the last few months grew in energy (by 25.1% in June and July), manufacturing of metals (by 8.8%), mining and quarrying (5.8%), crop and animal production (5.0%) and several other sectors (to a lesser extent). The annual growth rate of loans was positive in the significant sectors of energy, woodworking, crop and animal production, manufacture of food products and transportation by road.

Chart 2.18
ANNUAL CHANGE IN LOANS TO RESIDENTS (millions of lats)



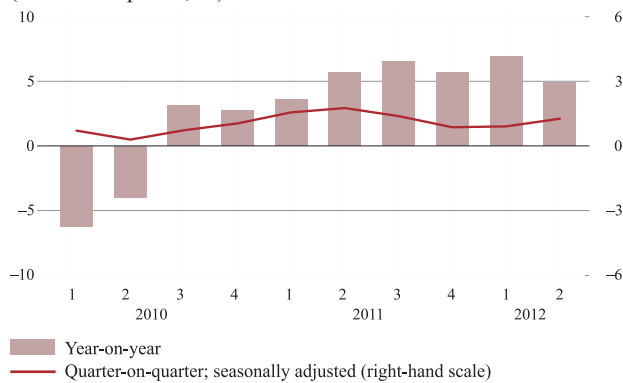
Given the volatile and not too positive impact of the external environment, as well as the turmoils experienced by some Latvian credit institutions over the last year, the stability of money supply and situation in the Latvian credit market could be assessed as relatively positive. There has been no sharp fall either in deposits (just the other way round – domestic deposits saw the annual growth return to positive territory) or lending performance indicators. This situation reflects Latvia's overall economic growth; however, taking into account the moderating growth rate and high external risks, no surge in deposits and notable strengthening of lending are expected as yet. Nevertheless, a gradual increase in savings of businesses and an opportunity to develop manufacturing by way of taking loans will provide basis for taking advantage of the growing domestic demand and the recovered competitiveness in external markets.

Table 2
MONETARY AGGREGATES
(quarterly figures are averages)

	Outstanding amount as percentage of M3	Annual growth rates (%)								
		2011		2012						
		2012 VIII	Q3	Q4	Q1	IV	V	VI	Q2	VII
M1	66.9	16.3	18.3	15.5	14.9	11.0	12.8	12.9	14.9	13.9
Currency in circulation	15.6	16.3	21.7	28.8	26.1	21.9	22.8	23.6	19.0	20.4
Overnight deposits	51.3	16.3	17.4	11.9	11.7	8.0	10.0	9.9	13.7	12.1
M2 – M1 (= other short-term deposits)	31.4	-10.7	-19.2	-20.9	-16.2	-15.5	-13.4	-15.0	-15.3	-14.5
Deposits with an agreed maturity of up to 2 years	28.3	-11.5	-20.2	-20.9	-16.1	-15.6	-13.6	-15.1	-16.0	-15.1
Deposits redeemable at notice of up to 3 months	3.1	-2.2	-9.6	-20.4	-17.5	-14.5	-12.1	-14.7	-9.0	-8.5
M2	98.3	4.1	2.3	0.3	2.0	0.1	2.4	1.5	3.0	3.0
M3 – M2 (= marketable instruments)	1.7	-22.5	18.9	42.8	-32.7	-26.8	-24.9	-28.1	23.9	25.2
M3	100.0	3.6	2.5	0.9	1.5	-0.3	2.0	1.1	3.3	3.3
Credit to residents		-6.9	-6.7	-8.2	-9.8	-12.0	-10.7	-10.8	-11.1	-11.1
Credit to general government		15.6	1.8	-12.3	-18.4	-15.5	-12.6	-15.5	-16.2	-17.3
Credit to the private sector		-7.8	-7.0	-8.0	-9.4	-11.8	-10.7	-10.6	-10.8	-10.8
Loans to the private sector		-8.5	-7.9	-9.0	-10.3	-12.7	-11.6	-11.5	-11.6	-11.3
Longer-term financial liabilities (excluding capital and reserves)		-14.4	23.8	43.3	-25.3	-16.4	-13.8	-18.5	-15.5	-13.0

Source: Bank of Latvia.

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

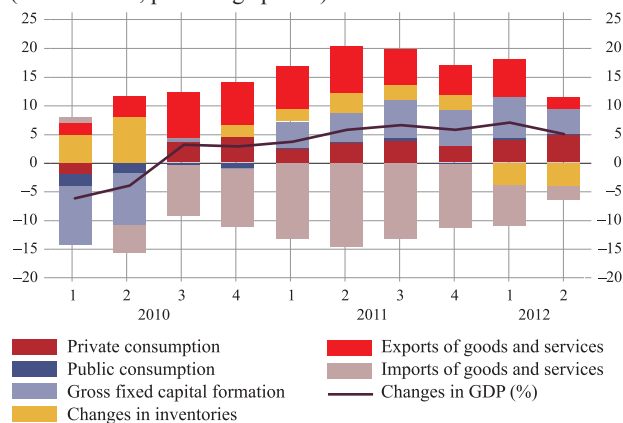


3. Domestic Demand

Latvia's economy continued to develop buoyantly in the second quarter, retaining the leader position among the EU Member States in terms of the growth rate. In the second quarter, GDP increased by 1.2% quarter-on-quarter (see Chart 3.1) and by 5.0% year-on-year.

Domestic demand became increasingly more convincing in its role as the main driver of the economic growth (see Chart 3.2). Consumption was last seen in the dominant position almost five years ago, in the third quarter of 2007.

Chart 3.2
BREAKDOWN OF ANNUAL CHANGES IN GDP
(demand side; percentage points)

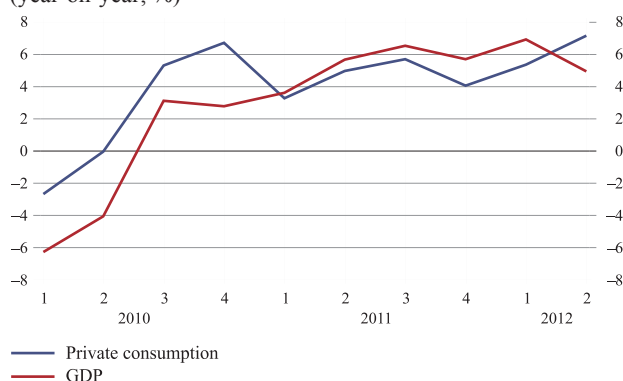


Fixed capital formation retained a comparatively high growth rate, yet it was three times lower than that of consumption and its contribution was smaller (4.3 percentage points). The budgetary spending was still subject to limitations; therefore, the contribution of the government consumption to GDP growth was negligible (0.1 percentage point).

As a result of a higher base, the growth rates of exports and imports declined considerably. Their contributions to the GDP changes in the second quarter also decreased accordingly: the contribution of real exports of goods and services declined to merely 2.1 percentage points, whereas the negative contribution of imports shrank to 2.4 percentage points.

The negative contribution of inventories (-4.1 percentage points) acted as a significant dampener of the GDP growth for already the second consecutive quarter. Nevertheless, this decrease in stock building should be viewed as a positive development rather: as a result of stabilised demand, less goods are piled up at warehouses and are traded more actively.

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



3.1 Private consumption

The annual growth of private consumption accelerated notably in the second quarter (7.2%; Chart 3.3), making the largest contribution to the GDP growth (4.9 percentage points). Moreover, consumption increased quarter-on-quarter as well (by 2.6%; seasonally adjusted data).

The private consumption growth was not so much influenced by the rise in the average wage and salary than by other income, previously-accumulated savings and borrowing. Looking at the revenue side of the GDP, compensation of employees grew by only

Chart 3.4
NUMBER OF VEHICLES NEWLY-REGISTERED WITH
THE ROAD TRAFFIC SAFETY DEPARTMENT
(net responses; thousands)

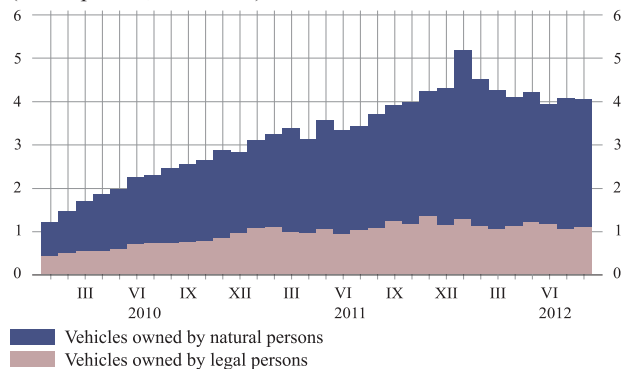
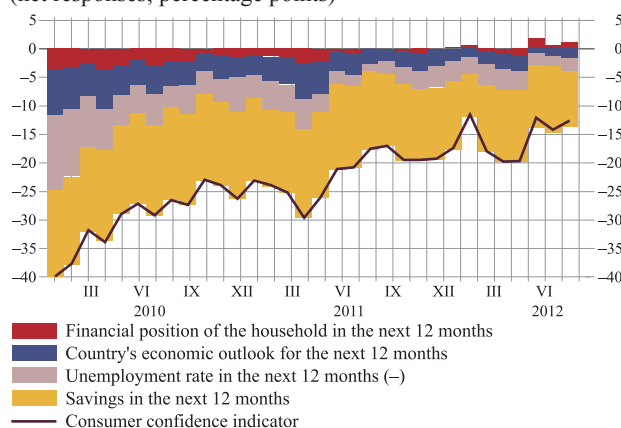


Chart 3.5
CONSUMER CONFIDENCE INDICATOR AND
UNDERLYING FACTORS
(net responses; percentage points)



4.2% year-on-year in nominal terms in the second quarter, which, considering the inflation, represents a moderate increase in the real disposable income of households. Higher growth (11.3%) was observed for gross operating surplus and gross mixed income, i.e. corporate profit and mixed income which includes both the wages and profit. This mainly concerns self-employed persons, farms and fisheries exempt from the statutory requirement of keeping detailed accounts.

In the first quarter, households became more cautious in their spending. Overall, the household behaviour remained similar in the second quarter as well. Nevertheless, towards the end of the quarter there was a slight shift in their behaviour: the demand for consumer durables related to postponed consumption rebounded again. The demand for consumer durables continued on an upward trend in July as well. This is confirmed by both the trade data and the statistics on motor vehicles newly-registered with the Road Traffic and Safety Department (a steeper increase in the number of cars registered in the ownership of natural persons; see Chart 3.4). Similarly as in the case of the rising number of newly-registered cars in the recent months, consumer confidence remained at a stable level in July and August, following a notable improvement in June. Chart 3.5 reveals an improvement under all survey questions underlying the estimates of consumer confidence. A particularly noteworthy development is the fact that the perception of the future financial position of the households has returned to positive, something that was last registered in Latvia in 2007.

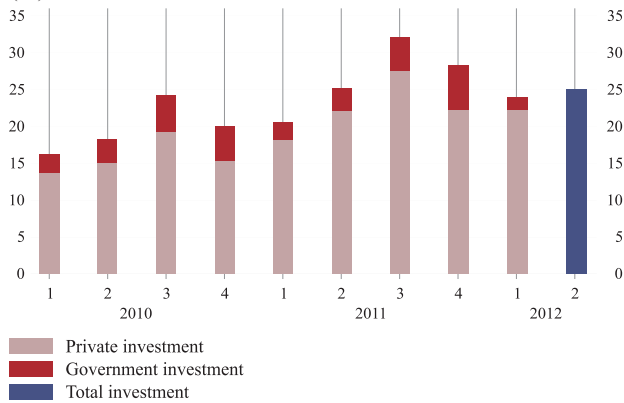
Since July, the reduction of the VAT rate probably also contributed slightly to the improved purchasing power. This effect is insignificant in terms of numbers, but it has improved the household sentiment and has served as a symbolic confirmation of the fact that the crisis has been overcome and the government has responded by cutting taxes in comparison with the considerable increases in the tax burden implemented in the recent years.

July and August data on trade and consumer confidence suggest that the private consumption could preserve the dominant role in the GDP growth in the nearest future.

3.2 Private investment

The growth rate of fixed capital formation remained high at 20.5%, yet it was three times lower than that

Chart 3.6
CONTRIBUTION OF PRIVATE AND GOVERNMENT INVESTMENT TO GDP (%)

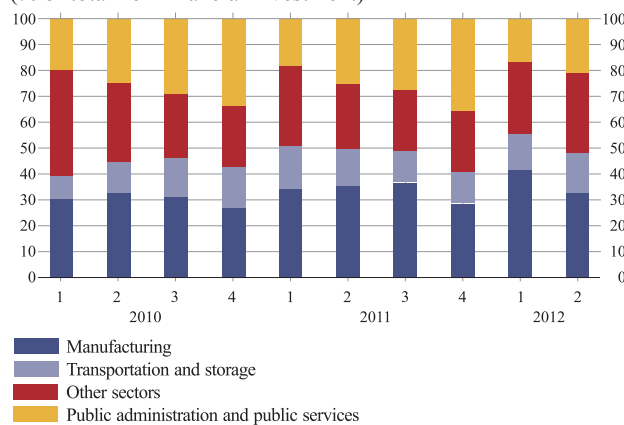


of consumption and its contribution to the annual changes in GDP was smaller (4.3 percentage points). Gross fixed capital formation remained at the level of the previous quarter.

In the second quarter, investment grew primarily on account of private investment (see Chart 3.6), the same as in the first quarter. This is suggested by the data on non-financial investment revealing a year-on-year decline in the contribution of the public administration and public services (education, health) sectors.

The sectoral distribution of private investment changed slightly in comparison with the beginning of the year (see Chart 3.7), with investment in transport and storage, trade as well as financial services and real estate activities growing at a higher rate.

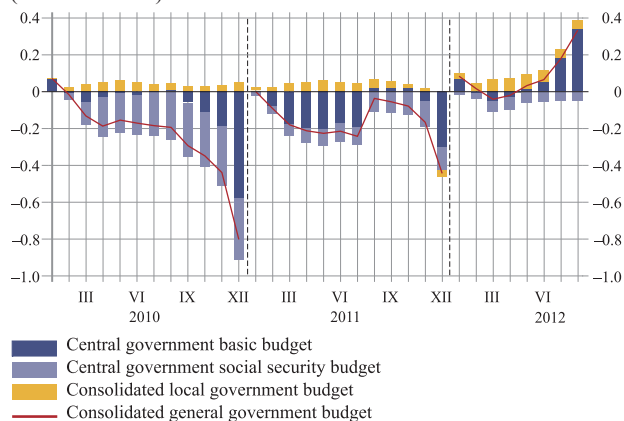
Chart 3.7
NON-FINANCIAL INVESTMENT BY SECTOR (% of total non-financial investment)



The steep rise in investment is an important factor to support longer-term economic development, as the currently dominant role of the rising private consumption lacks sustainability. The growing productive investment, in turn, provides new incentives to exporters, particularly in the sectors where the capacity utilisation is close to maximum and demand for output exceeds the production capacity.

3.3 Government expenditure and budget

Chart 3.8
ACCRUED BALANCE OF THE CONSOLIDATED GENERAL GOVERNMENT BUDGET BY SUB-BUDGET (billions of lats)



According to the official information by the Treasury, the deficit of the consolidated general government budget estimated on a cash flow basis amounted to 330.1 million lats or 2.2% of GDP in the first eight months of 2012 (see Chart 3.8). In comparison with the respective period of 2011 when the expenditure exceeded the revenue by 39.2 million lats, the budgetary balance improved by 369.3 million lats in the first eight months of 2012. This improvement was determined by the rise in revenue (471.9 million lats) exceeding that of expenditure (102.6 million lats).

The revenue collected in the consolidated general government budget in January–August 2012 grew on account of higher tax collections (an increase of 319.1 million lats or 12.7%; see Chart 3.9). All types of taxes demonstrated impressive increases: 18.6%, 10.9% and 9.0% in the case of VAT, personal income tax and social insurance contributions respectively. Revenue from corporate income tax went up 33.1% which was the highest growth rate (this particular type of tax is characterised by higher growth rates in comparison with other taxes during periods of

Chart 3.9
SELECTED TAX REVENUE
(January–August; millions of lats)

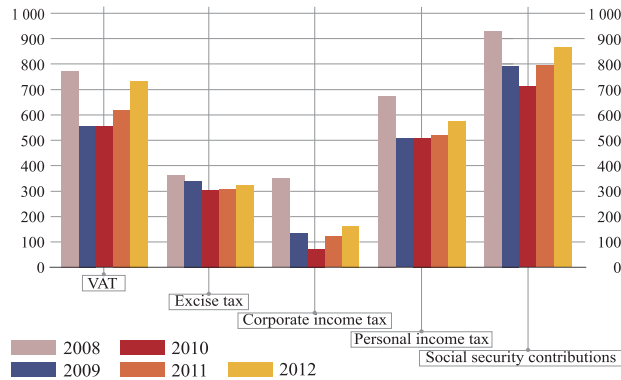
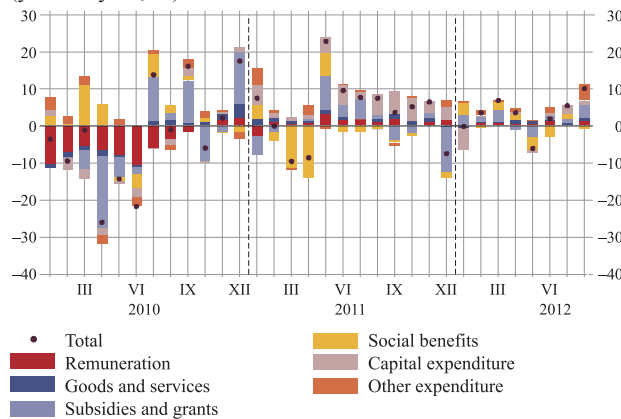


Chart 3.10
RATE OF CHANGE IN CONSOLIDATED GENERAL
GOVERNMENT BUDGET EXPENDITURE
(year-on-year; %)



economic growth when corporate profit is back on an upward path). The increase in the social insurance contributions and personal income tax was supported by the strengthening of the labour market, whereas the steep rise in the VAT revenue can be partly explained by the quick recovery of the private consumption confirmed by the GDP data for the first half of the year.

Non-tax revenue also improved considerably in January–August, contributing 55.6 million lats more to the budget than in the respective period of 2011; nevertheless, that can be largely explained by the repayment to the central government budget of the funding unspent within the framework of a European Regional Development Fund programme (22.6 million lats) made in the end of January. Non-tax revenue was also boosted by the rising income from dividends received for the use of the state capital, the income received in March from the sales of state-owned greenhouse gas emission units and increased revenue from the state fee for the maintenance of the security reserves of petroleum products.

The austerity measures implemented in the previous years and the government's pragmatic approach to the formulation of the 2012 budget resulted in the expenditure of the consolidated general government budget increasing at a considerably slower rate than the revenue in January–August (by 102.6 million lats or 3.0%; see Chart 3.10). The expenditure rise was supported by a 37.0 million lats increase in subsidies and grants and a 14.2 million lats expansion in current payments to the EC budget. In the first eight months of 2012, 23.5 million lats more were spent in interest payments as well as more was paid for goods and services. The spending on compensation to employees grew at a slower rate than the average spending under all other items, with the overall growth in the first eight months of 2012 totalling 16.7 million lats or 2.3%.

The general government debt totalled 5 732.5 million lats or 37.4% of GDP on a cash flow basis at the end of August 2012, representing an increase of 383.8 million lats over December 2011. This masked an increase in the external debt of the central government by 461.7 million lats and a decline in its domestic debt by 70.9 million lats. The external debt expanded on account of the Eurobond issue worth 1 billion USD launched by the Treasury on 14 February 2012. At the same time, repayments of the international loan to the IMF in the amount of 133.8 million SDR were made as scheduled, whereas on 14 September

Latvia made an early repayment of the IMF loan amounting to 152 million lats, thereby saving several millions of lats in interest. The debt expansion was inter alia significantly affected by the US dollar appreciation vis-à-vis the euro and vis-à-vis the lats which is pegged to the euro. The domestic debt shrank primarily on account of net redemption of Treasury bills and bonds in the amount of 63.3 million lats.

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

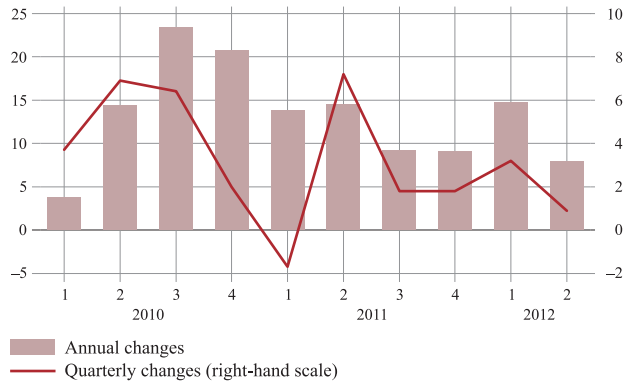


Chart 4.2
ANNUAL INDUSTRIAL OUTPUT CHANGES IN THE
FIRST SIX MONTHS OF 2012
(working-day adjusted; %)

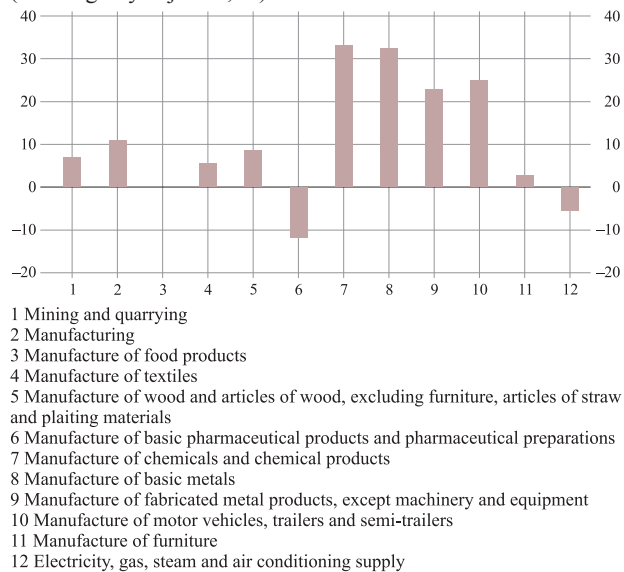
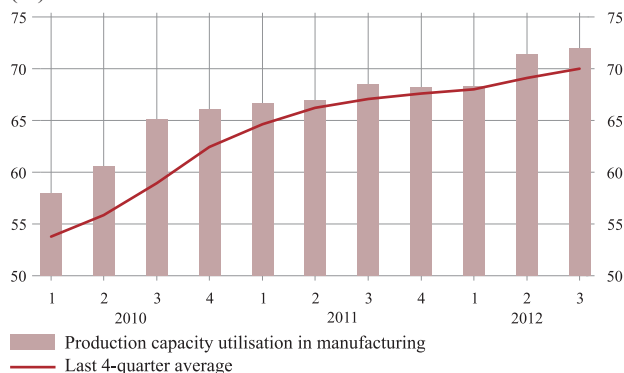


Chart 4.3
PRODUCTION CAPACITY UTILISATION IN
MANUFACTURING
(%)



4. Aggregate Supply

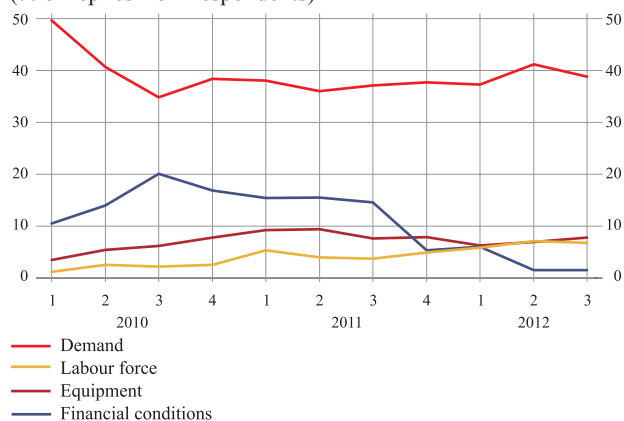
4.1 Industry and construction

In the second quarter, the value added of manufacturing at constant prices recorded a year-on-year expansion of 9.0% (contribution to the annual GDP growth – 1.2 percentage points). At the same time, seasonally adjusted value added of manufacturing rose by 1.1% quarter-on-quarter (see Chart 4.1). Hence manufacturing still was one of the major positive contributors to the annual GDP growth in the second quarter, while both the annual and monthly rates of increase moderated. It was on account of the developments associated with the external environment uncertainty.

In the second quarter, industrial output in manufacturing recorded a year-on-year increase of 8.0% and a quarter-on-quarter rise of 0.9% (seasonally adjusted data). In the second quarter, the expansion of manufacturing was attributable to a quarterly growth in manufacturing of textiles (5.5%), wearing apparel (5.9%), paper and paper products (9.5%), chemicals and chemical products (13.1%), metals (8.0%), electrical equipment (14.7%), motor vehicles, trailers and semi-trailers (11.9%) and other transport equipment (11.9%). At the same time, the declining volume of output in the manufacturing of wood and articles of wood and cork (0.5%), non-metallic mineral products (4.5%), fabricated metal products (2.3%) and rubber and plastic products (5.2%) contributed to further moderating expansion of manufacturing. In the first half of 2012, manufacturing of chemicals and chemical products, metals, fabricated metal products and motor vehicles, trailers and semi-trailers recorded the highest annual rate of increase (see Chart 4.2), while the growth rate of pharmaceutical sector remained negative.

The industrial sentiment indicator aggregated by the EC for the second quarter was 1.7 points lower quarter-on-quarter. The above development was mainly on account of the expected future deterioration of output volume assessment. At the same time, the production capacity utilisation projected for the third quarter rose to 72.0% (a high since 2007; see Chart 4.3). Situation was quite different by sub-sectors: the production capacity utilisation remained high in manufacturing of wearing apparel (75.6%), products of wood and cork (80.2%), fabricated metal products (73.3%), furniture (75.0%) and metals (70.7%). At the same time, a very low production capacity utilisation

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



was observed in the manufacture of beverages (64.8%), non-metallic mineral products (63.5%), chemicals and chemical products (55.0%) and motor vehicles, trailers and semi-trailers (59.5%).

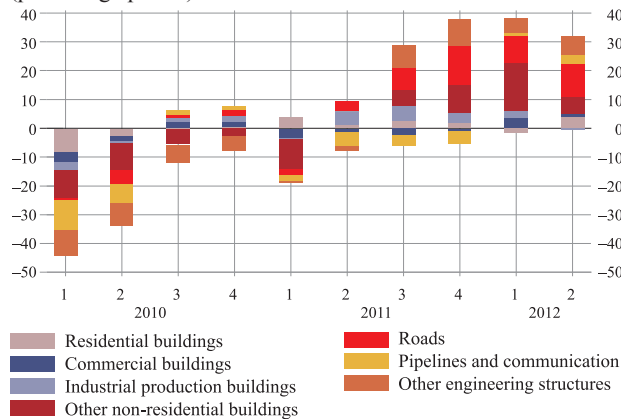
The turnover in manufacturing at current prices increased by 11.7% (in July 2012) since the end of 2011, of which, the turnover on domestic market recorded a 5.6% expansion and that of exports rose by 17.7%. The turnover in manufacturing accelerated notably on account of the manufacture of textiles (33.8%), basic pharmaceutical products and pharmaceutical preparations (37.6%), metals (33.4%), electrical equipment (15.2%) and that of computers, electronic equipment and optical products (17.5%).

Manufacturers still reported the limited demand to be the major growth-restrictive factor (38.8% of the total number of respondents; see Chart 4.4) in the third quarter, while the number of respondents identifying no substantial growth-hampering factors reached a historic high (27.5%). A decreasing number of respondents pointed to labour shortage (6.8%) or technical problems (7.8%) and only 1.5% of respondents indicated financing to be the primary growth-restrictive factor.

As regards manufacturing, adverse developments in external markets notwithstanding, preliminary data for July suggest that the output volume still remains high in the sector. In July, the output volume remained unchanged month-on-month (seasonally adjusted data), recording a 7.3% rise in annual terms. The data on manufacturing turnover point to an increasing turnover of industrial output in July: it grew by 2.9% on the domestic market and rose by 3.6% in exports. The EC business sentiment ratio deteriorated by 3.1 points in July and improved by 2.0 points in August, remaining relatively high as compared to other EU Member States in particular. A further expansion of manufacturing is expected in the coming quarters, albeit more subdued than before. Problems caused by the euro area sovereign debt crisis will contribute to the above development. Output volume may decline in quarterly terms; however, further investment is made in the sector to develop new products and opportunities to diversify the sales market are sought, and given the changing conditions, the above may contribute to additional stability of the sector in the medium-term.

In the second quarter, the value added of the construction sector rose by 23.5% year-on-year, reporting a quarter-on-quarter increase of 5.2%

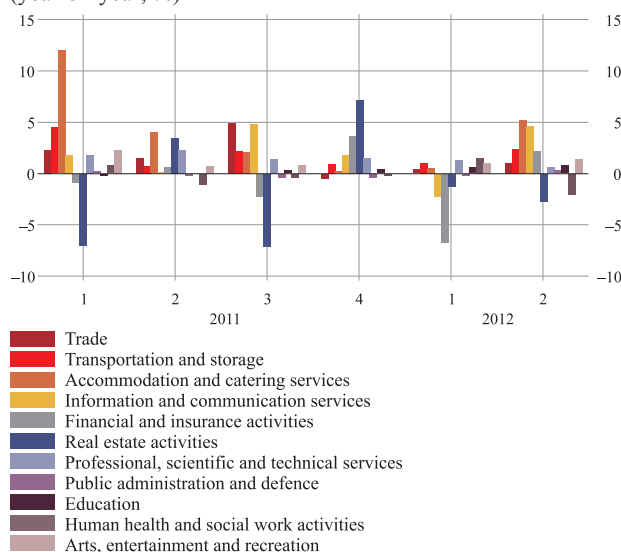
Chart 4.5
CONTRIBUTION OF SOME TYPES OF CONSTRUCTION OBJECTS TO THE ANNUAL CONSTRUCTION GROWTH AT CURRENT PRICES
(percentage points)



(seasonally adjusted data). Hence the contribution of manufacturing to the annual GDP growth was 1.0 percentage points. In the second quarter, construction output at current prices rose by 31.3% year-on-year. Engineering structures (20.9 percentage points), including construction of motorways, streets, roads (11.3 percentage point) and pipelines (3.0 percentage points; see Chart 4.5), accounted for the major contribution to the annual increase. The contribution of the construction of non-residential buildings (6.4 percentage points), including that of administrative buildings (1.1 percentage points), commercial buildings (1.0 percentage point) and other non-residential buildings (4.4 percentage points) was also notable. However, given a buoyant annual growth momentum (60.1%), the contribution of the residential building construction was minor (3.9 percentage points), including that of the apartment blocks – 3.3 percentage points.

The construction sentiment indicator assessed by the EC improved by 10.0 points in the second quarter. An improving assessment of the overall order volumes and employment expectations was attributable to the above development. Construction businesses still refer to insufficient demand as the major growth-restrictive factor (28.9% of the total number of respondents), however, the above is at its low since February 2008.

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



4.2 Services

In the second quarter, value added in the services sector at constant prices recorded a year-on-year increase of 3.2% (see Chart 4.6). The overall contribution of the services sector to the annual GDP growth amounted to 2.2 percentage points. Wholesale and retail trade (1.1 percentage points), transportation and storage (0.9 percentage point), information and communication services (0.4 percentage point) and professional, scientific and technical services (0.2 percentage point) accounted for the major positive contribution, while the largest negative contribution came from real estate activities (0.6 percentage point). Negative contribution in the amount of 0.1 percentage point was attributable to several sectors: health and social care, public administration and defence, compulsory social security and financial and insurance activities.

In the second quarter, retail trade turnover remained at the level of the previous quarter (with motor vehicle sales included, the above turnover decreased

Chart 4.7
CONTRIBUTION TO QUARTERLY RETAIL GROWTH IN REAL TERMS

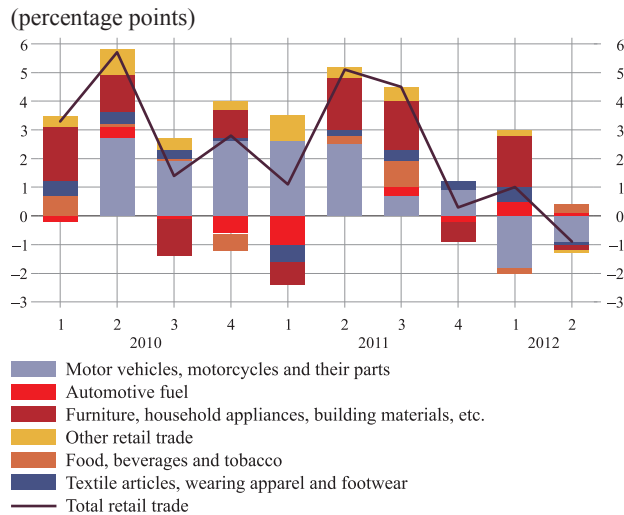
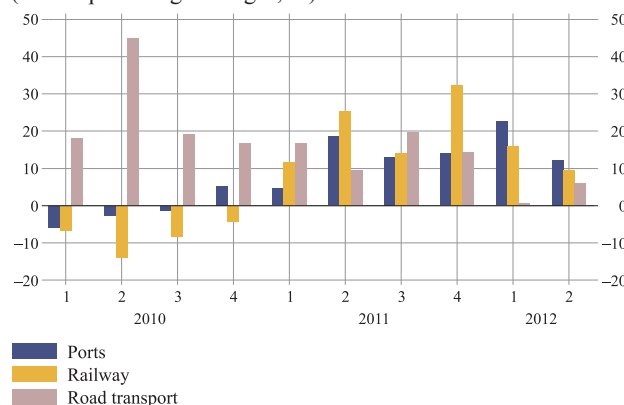


Chart 4.8
FREIGHT TURNOVER
(annual percentage changes; %)



slightly – by 0.9%; see Chart 4.7), and in annual terms the turnover rose by 8.0% (with motor vehicle sales included, it was 5.0%). Increasing household and tourist spending and legal person purchases (those of motor vehicles, in particular) contributed to the expanding sales volume.

In the second quarter, value added of the transportation and storage sector increased by 7.5% year-on-year (see Chart 4.8 for the annual changes in freight turnover in the major areas of transportation). Value added of the sector rose by 2.4% quarter-on-quarter (seasonally adjusted data). The contribution of transportation and storage to Latvia's GDP growth still remained one of the highest, amounting to 0.9 percentage point. Overall, cargoes loaded and unloaded at Latvia's ports accounted for 20.3 million tons in the second quarter (a year-on-year expansion of 11.2% and a quarter-on-quarter rise of 11.4%). The annual rise in the volume of cargoes loaded and unloaded was attributable to the increasing volume of cargoes loaded and unloaded at Liepāja port (by 54.3%), at Riga port (by 1.9%) and Ventspils port (by 20.0%). At the same time, the volume of cargoes loaded and unloaded at small ports of Latvia that serviced the fishing and recreational vessels and loaded and unloaded the articles of wood reported a decline of 14.7%.

The rail freight accounted for 16.5 million tons in the second quarter (a year-on-year rise of 9.7%). The overall expansion of the volume of freight transportation by rail was attributable to the growing transportation to and from the ports by 8.3% (transportation to the ports rose by 9.3%, while that from the ports decreased by 3.9%).

The volume of freight traffic by road recorded a year-on-year increase of 6.0% in the second quarter. The above development was on account of the expanding international freight traffic by road (by 13.1%), while the volume of domestic freight traffic grew less pronouncedly (by 4.4%).

Annual rate of increase in the transportation sector moderated gradually. The annual growth of rail freight and cargoes loaded and unloaded at ports gradually dropped, however, the volume of transported freight remained high. Over-utilised infrastructure of railroad and some port terminals contribute to the above development, thus dampening further expansion of cargo turnover. Currently, several investment projects are implemented in the transportation sector that will provide for an increasing capacity of loading and

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

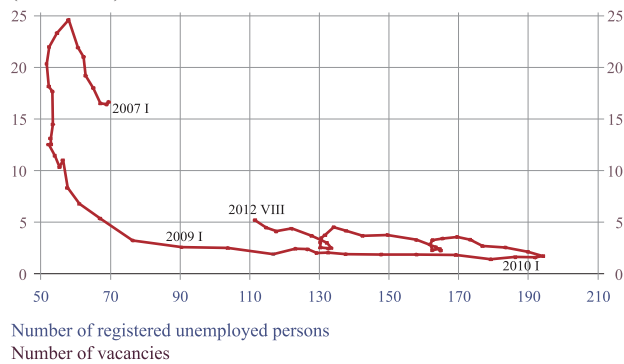


Chart 4.10
DATA FROM BUSINESS SURVEYS ON PROJECTED 3-MONTH EMPLOYMENT DYNAMICS
(balance of replies; percentage points)

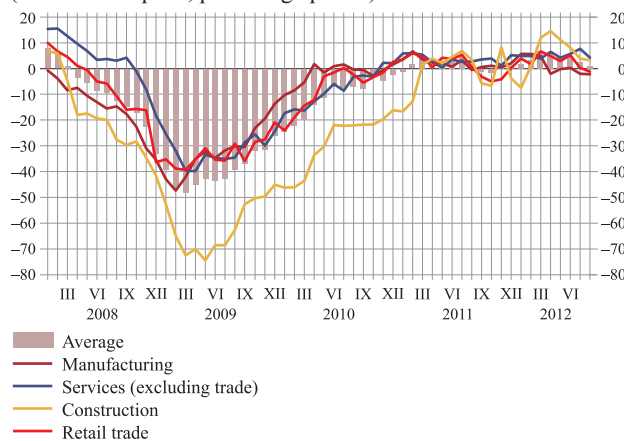
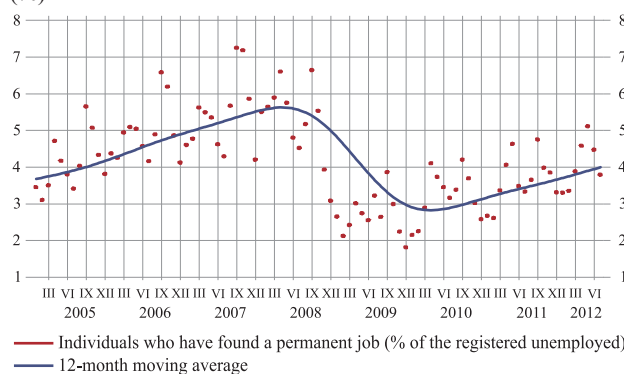


Chart 4.11
RATE OF REGISTERED UNEMPLOYED WHO HAVE FOUND PERMANENT JOB WITHIN A MONTH
(%)



unloading in the future, while substantial volatility of the volume of goods transported is not expected until then.

4.3 Labour market

The registered unemployment rate continued on a gradual downward trend, albeit at a somewhat slower pace year-on-year, and stood at 11.3% of the economically active population at the end of August. Lower unemployment rate also involves smaller cyclical component of unemployment, containing further decline in unemployment. The number of unemployed persons registered with the SEA (111.5 thousand) was a low of the last 3.5 years (see Chart 4.9) and several thousand below the number of unemployed registered at the beginning of 1999, when employees were dismissed following the Russian financial crisis of 1998.

Overall, employment expectations of businesses have become more pessimistic, although the majority of businesses still forecast employment growth rather than fall (see Chart 4.10). The issue of the extent to which future expectations of businesses help to predict the future rather than reflect their assessment of the company's past performance and current situation is vital.

Currently, the deteriorating business perception of future has not notably affected the Latvian labour market. The number of newly-registered unemployed, an indicator mirroring the dynamics of employee layoffs and pointing to the tightening labour market most rapidly, remained stable and at sufficiently low level (in August, 8.4 thousand; similar to that of mid-2005 and mid-2008). The number of vacancies registered with the SEA increased gradually, exceeding 5 thousand in August for the first time since 2008. The rate of registered unemployed who found a permanent job within a month followed an upward path, and the value of 12-month moving average of the above indicator reached 4% in mid-2012 (close to that of 2005; see Chart 4.11). Such trends point to a gradual recovery of labour market and increasingly improved job opportunities.

The assessment of labour shortage by businesses, stabilising in manufacturing, is slowly improving in the construction and services sectors. Businesses still complain about the labour shortage in construction twice as much as the businesses in other sectors. Pursuant to the EC confidence survey data (seasonally

Chart 4.12
SHARE OF BUSINESSES WHO DEEM LABOUR SHORTAGE TO BE THE MAIN BUSINESS GROWTH-RESTRICTIVE FACTOR (%)

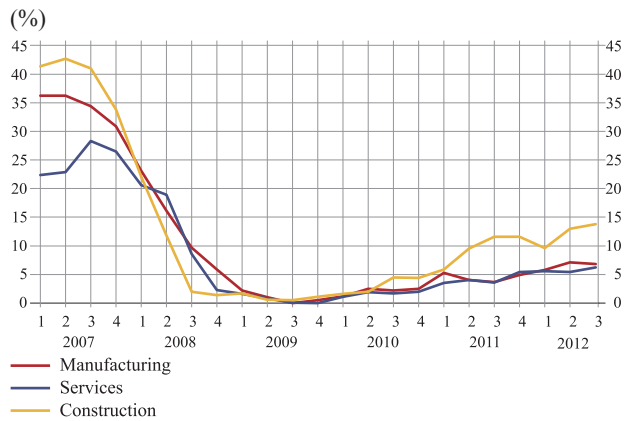


Chart 4.13
INDEX OF THE AVERAGE MONTHLY GROSS NOMINAL WAGE AND SALARY FOR FULL-TIME JOB (Q4 2008 = 100; seasonally adjusted data)

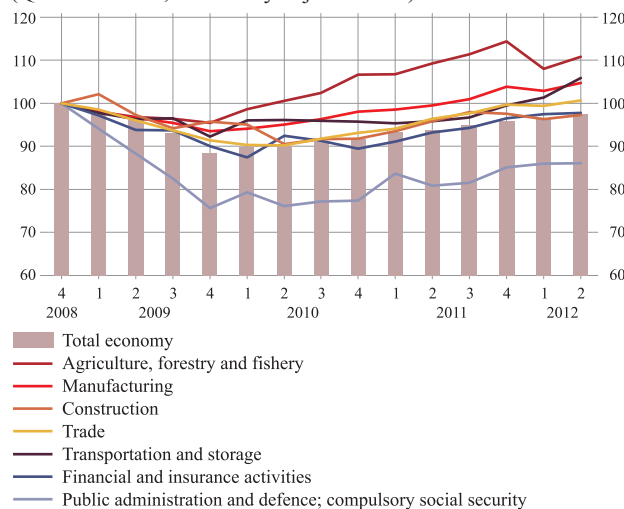
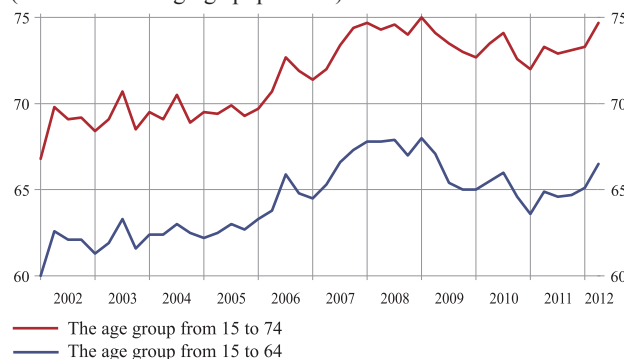


Chart 4.14
THE ECONOMIC ACTIVITY RATE (% of the working-age population)

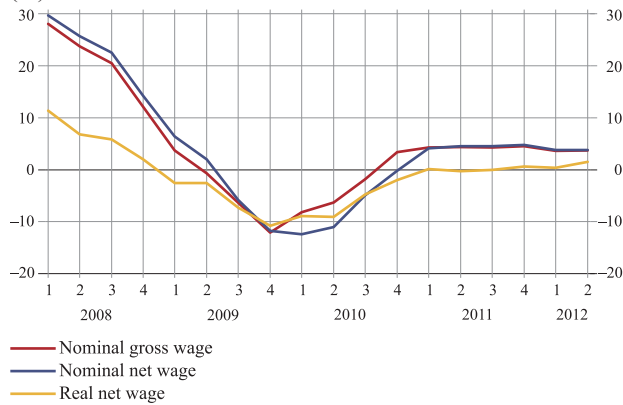


adjusted), in August, 13.6% of construction businesses singled out the labour shortage as the main constraint for business growth (see Chart 4.12).

Currently the average remuneration data do not capture complaints of construction businesses about the labour shortage. The average monthly gross wage and salary for full-time employment in construction still remains below the average indicator of the economy. Moreover, an increase in the wage and salary did not exceed the average growth rate of the wage and salary in other sectors in recent quarters (see Chart 4.13).

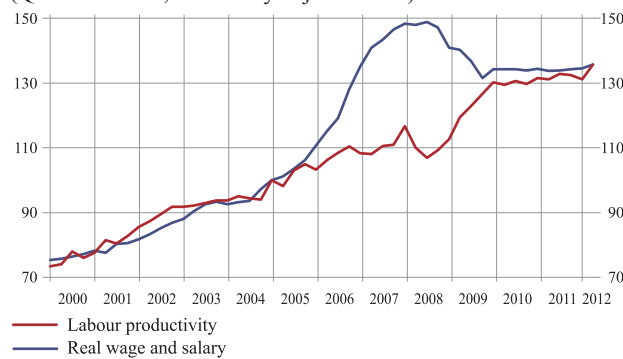
The rate of jobseekers decreased by 0.2 percentage point in the second quarter, to 16.1% of the economically active population. The rate of decrease is atypically low, given the spring and summer seasonal jobs and a slightly larger number of individuals involved in the temporary employment activities of the SEA. Such sustainable rate of jobseekers is attributable to strong economic activity – currently it is close to its historic high (despite the fact that the CSB data on economic activity until 2011, most likely, are overstated; see Chart 4.14). The employment data suggest a continued recovery of labour market. According to the CSB labour survey data, in the second quarter the number of employed had increased by 19 thousand year-on-year. According to the State Revenue Service data, employment had substantially expanded: in June 2012, the number of employed paying their social insurance contributions (778 thousand) was 27.5 thousand higher year-on-year and 68 thousand higher in comparison with the lowest level in March 2010.

Chart 4.15
ANNUAL CHANGES IN THE AVERAGE MONTHLY WAGE AND SALARY FOR FULL-TIME JOB (%)



A moderate increase in remuneration notwithstanding (the annual growth rate fluctuating around 4% since the end of 2010), the purchasing power of the average wage rose notably in the second quarter of 2012 (the annual rate of increase – 1.5%) on the backdrop of a slower consumer price rise (see Chart 4.15). The expansion of the purchasing power of the average wage was the most buoyant in the last 3.5 years. The purchasing power of the wage is expected to increase also in the second half of the year, on account of a slightly faster expansion of the remuneration and moderate inflation.

Chart 4.16
REAL WAGE AND SALARY AND LABOUR PRODUCTIVITY INDICES (Q1 2005 = 100; seasonally adjusted data)



The increasing wages and salaries are commensurate with the labour productivity growth, with the remuneration and productivity remaining balanced (see Chart 4.16). Against this background, higher remuneration is sustainable in the long run and exerts no pressure on inflation. Annual rise in compensation of employees still was attributable to increasing man-hours, labour productivity and general level of prices, while the contribution of ULC remained negative (see Chart 4.17). The ULC index has anchored at a level which is one-quarter lower than the relevant high in the second half of 2008 (see Chart 4.18), pointing to a sustainable revival of competitiveness in recent years.

Chart 4.17
ANNUAL RATE OF INCREASE IN NOMINAL LABOUR COSTS BY COMPONENT (contribution; percentage points)

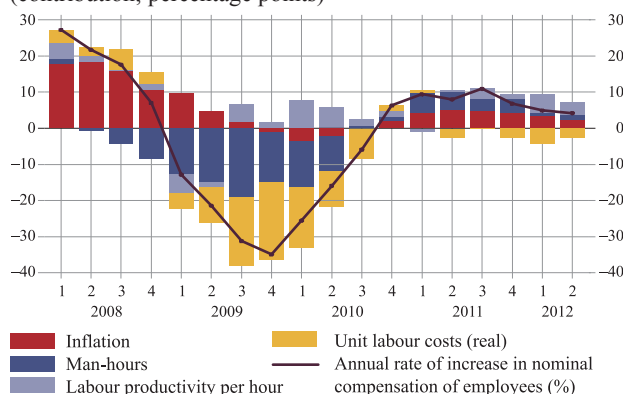


Chart 4.18

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

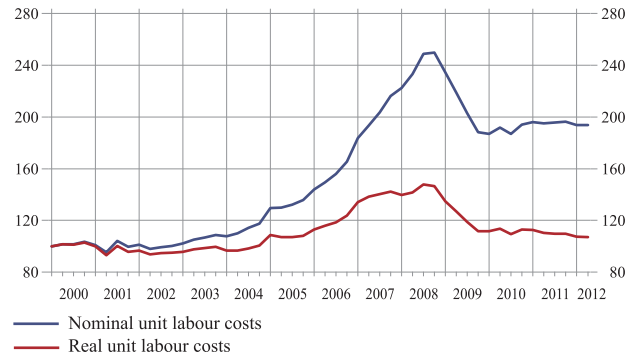


Chart 5.1
CHANGES IN CPI BY COMPONENT
(percentage points)

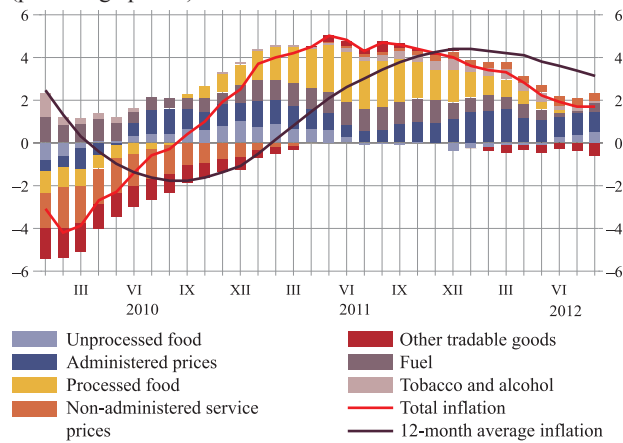


Chart 5.2
OIL PRICES ON GLOBAL MARKET
(lats/barrel)

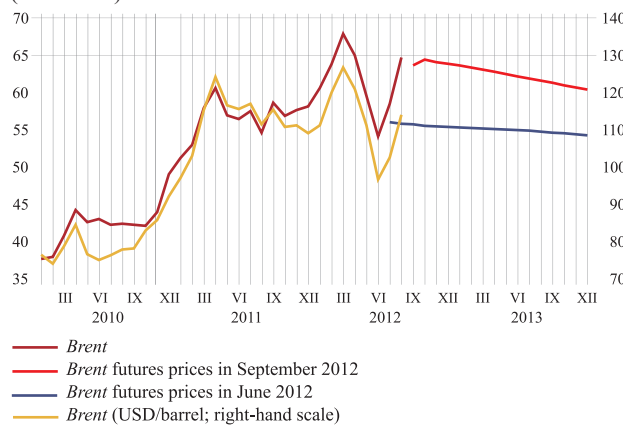
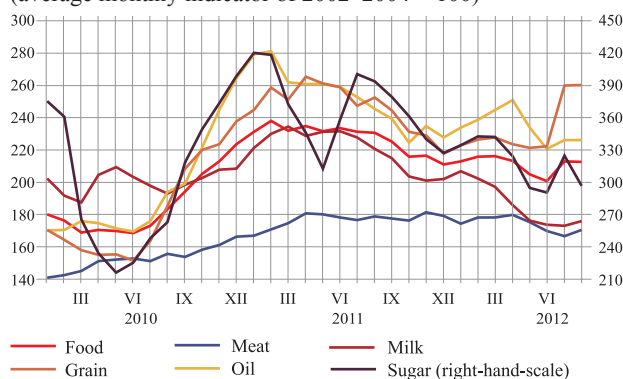


Chart 5.3
GLOBAL FOOD PRICES
(average monthly indicator of 2002–2004 = 100)



5. Costs and Prices

In June–August, annual inflation continued to decelerate. It declined to levels below 2.0% (1.7% in July and August; see Chart 5.1). Both global and domestic factors contributed positively to the inflation rate dynamics.

In June, global oil prices reached the lowest level registered in 2012 (see Chart 5.2) and fuel prices in Latvia recorded a decrease. In July, the hikes in oil prices on the global market rebounded; fuel prices, however, followed a gradual upward trend and their average level remained lower than that observed in June, affecting inflation favourably. The contribution of energy prices to headline inflation did not contract notably as heating tariffs incorporated with a lag the increase in the prices of oil products in the previous months. Oil prices continued to rise until mid-August, stabilising within a rather narrow range for about a month (115 US dollars per barrel on average, which is a much lower level than that observed in spring 2012).

The global food price developments (see Chart 5.3) were favourable and also supported the decline in food prices in Latvia until June (see Chart 5.4). In July, the global food price index grew rapidly along with the first modest estimates of the new grain harvest; the prices of sugar also rose significantly. Such price developments facilitated Latvia's exports of grain, while exerted pressure on the grain prices on the domestic market at the same time. However, already in August the food price index stabilised, inter alia the prices of sugar decreased, whereas grain prices remained unchanged as the estimation of the harvest no longer deteriorated and Russia did not put restrictions on exports. The harvest and stocks of the new season were estimated as poorer than in the previous year; however, the ratio of stocks to consumption was higher than, for instance, in the buoyant economic growth period in the seasons of 2006/2007 and 2007/2008.

In July, the VAT base rate was reduced by 1 percentage point (from 22% to 21%) and its effect on the economy was seen mainly through the partial (tax) relief to businesses, i.e. through alleviating the tax burden to be paid in the budget and levelling this burden with the other Baltic States. Nevertheless, the price level could not fully reflect such changes in VAT rates as the decrease of 1 percentage point is small. To ensure that a unit price of the goods declines by at least one santims, the goods had to cost more than 60

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

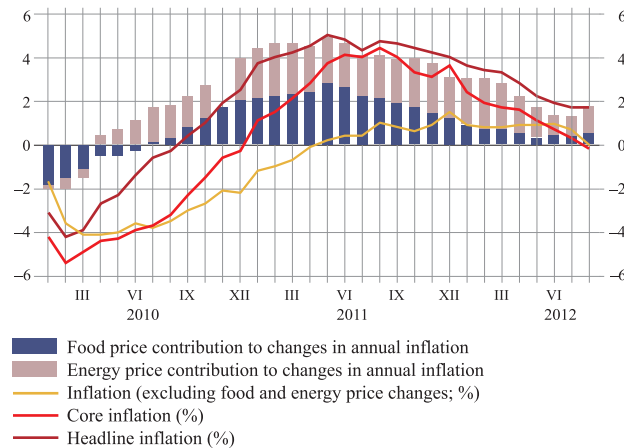
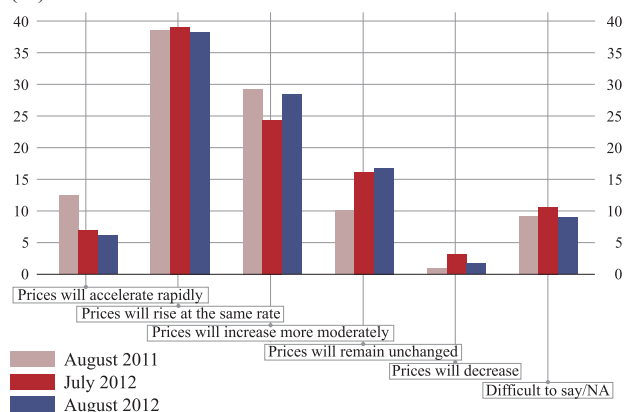


Chart 5.5
BREAKDOWN OF HOUSEHOLD EXPECTATIONS FOR CONSUMER PRICE CHANGES IN NEXT 12 MONTHS (%)

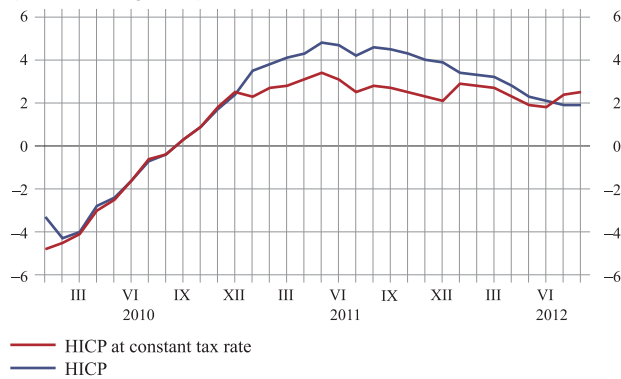


santims prior to the changes in VAT rates (this group does not include many food products). Furthermore, it could be problematic to adjust the so called round prices, e.g. the prices for payments at parking meters. At the same time, heating tariffs recorded an increase and the hikes in oil prices rebounded that could give rise to businesses' concerns about a rise in various costs and did not motivate them to change the price list due to the reduction of VAT by 1 percentage point. With the impact of VAT (i.e. 0.6–0.7 percentage point, taking into account the share of goods and services subject to the base rate) and the seasonal impact of the decrease in prices (it is usually noticeable for food products, wearing apparel and footwear in July) being fully reflected, the monthly fall of consumer prices in July could reach approximately 1.0 percentage point; however, consumer prices dropped only by 0.5% under the impact of the above factors.

The favourable impact of the seasonal factors on the prices of wearing apparel and footwear persisted also in August. Although the sales of wearing apparel and footwear of the new season began, the sales of the summer seasonal goods dominated these price developments overall accounting for the second largest negative contribution to monthly inflation (it was outpaced only by the seasonal impact of food prices by 12 consumption groups as food accounts for the a larger share in the consumption basket). The prices of wearing apparel and footwear, communication services, several goods related to recreation and culture, transport vehicles and some household goods posted a decline over the year. Consequently, core inflation was negative for the first time since December 2010. It also reflected the quite insignificant influence of demand side that is related to the balanced dynamics of the labour market indicators: the developments in remuneration and labour productivity suggest that the annual and quarterly increases in ULC in nominal terms was negative in the second quarter, while ULC have decreased in real terms over the year remaining unchanged over the quarter. Thus, ULC did not weaken competitiveness and did not exert pressure on the price level (see Chart 5.5 for the expectations of changing household consumer prices).

The 12-month average inflation narrowed to 3.1% both according to the national price index and HICP that is an important precondition for meeting the Maastricht criterion. In August, it was estimated at 3.0% and Latvia could achieve this level already in September. Consumer prices grew temporarily in

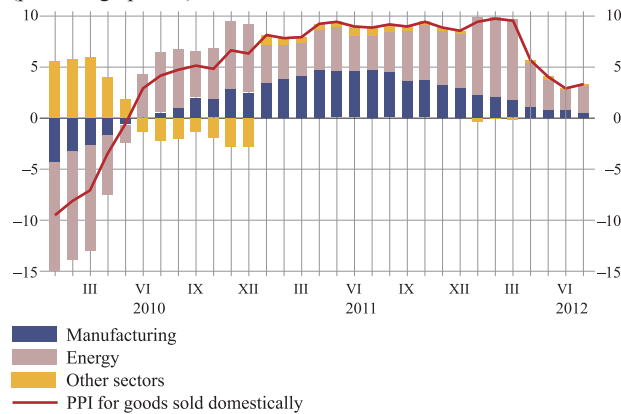
Chart 5.6
HICP AND HICP AT CONSTANT TAX RATE
(annual changes: %)



segments related to consumption by non-residents in the summer season, but with the active tourist season ending, the price rise in these goods and service groups also declined having a lesser effect on HICP (see Chart 5.6 for HICP and the annual changes in HICP at unchanged tax rate).

The annual rate of increase in producer prices continued a downward trend (2.1% in July). The increase was mainly on account of the price index for goods sold on the domestic market (see Chart 5.7), in which the contribution of the sector of energy production increased due to higher heating tariffs. In July, producer prices in manufacturing remained unchanged month-on-month, with producer prices in the manufacture of metal and fabricated metal products that plays a significant role in Latvia's export decreasing.

Chart 5.7
ANNUAL RATE OF CHANGE IN PPI AND CONTRIBUTION OF ITS COMPONENTS
(percentage points)



Changes in the real effective CPI-based exchange rate (see Chart 5.8) are favourable to ensure price competitiveness. Latvia's export data point to competitive trade with several EU countries that are major trade partners (see Chart 5.9) and Russia (see Chart 5.10). Latvia's exports to these countries grew at a faster pace than their external demand, and Latvia's market share in the above countries overall expanded (see Chart 5.11). Available data on the impact of ULC on the real effective exchange rate suggest that the balance between remuneration and labour productivity continues to contribute positively to Latvia's competitiveness.

Chart 5.8
EFFECTIVE EXCHANGE RATE OF THE LATS
(monthly/quarterly data; index: January 2000/Q1 = 100)

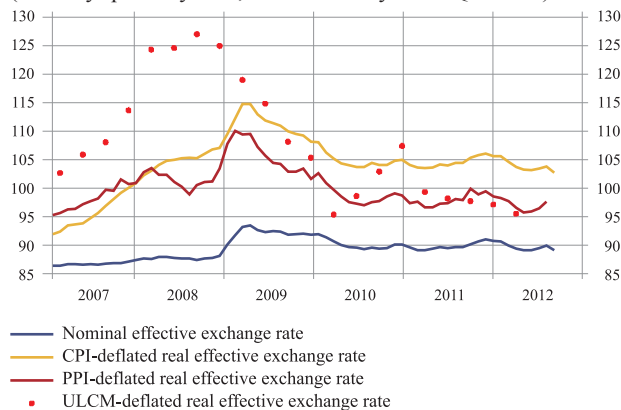


Chart 5.9

LATVIA'S EXPORTS TO THE EU COUNTRIES OUTSIDE THE EURO AREA AND UNDERLYING FACTORS

(year-on-year; %)

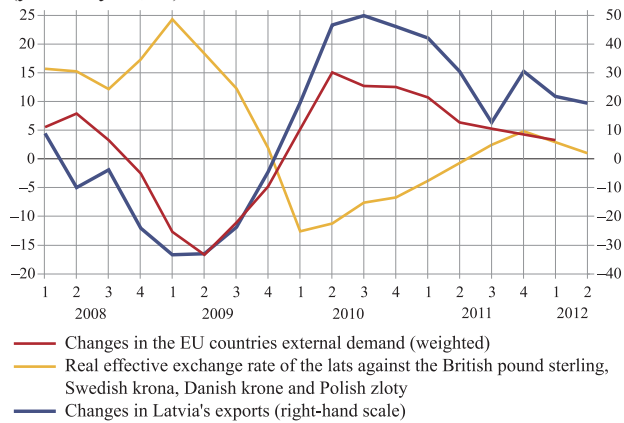


Chart 5.10

LATVIA'S EXPORTS TO RUSSIA AND UNDERLYING FACTORS

(year-on-year; %)

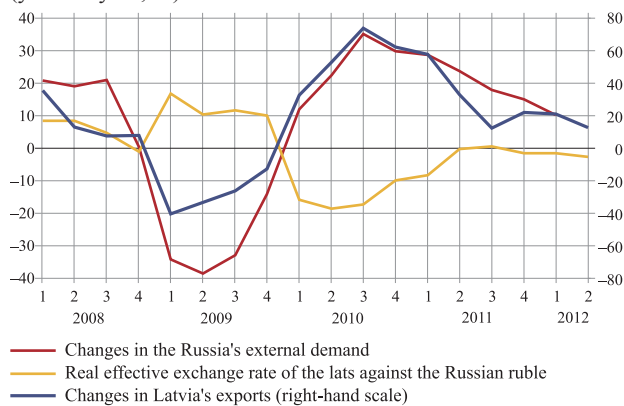
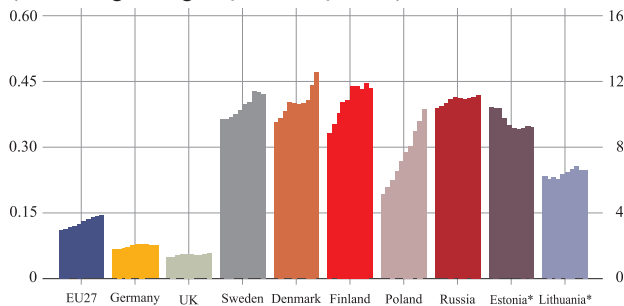


Chart 5.11

LATVIA'S EXPORTS AGAINST MAJOR TRADE PARTNERS' IMPORTS

(%; moving average; Q1 2010–Q2 2012)



* Estonia and Lithuania – right-hand scale.

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

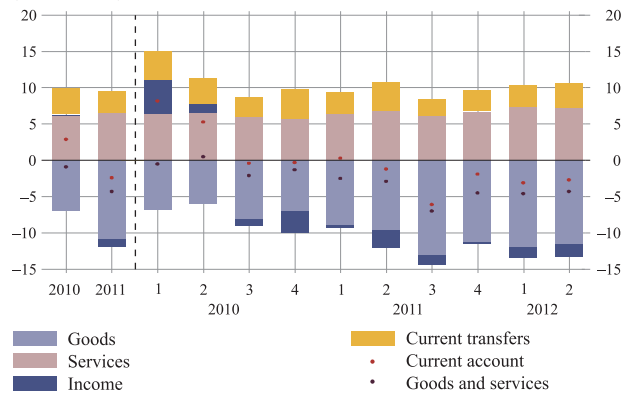
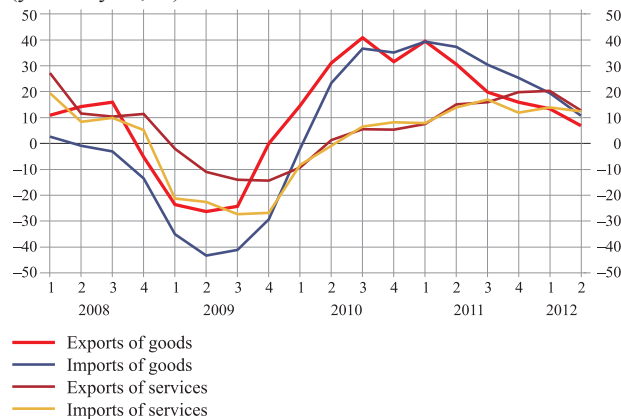


Chart 6.2
GROWTH RATE OF EXPORTS AND IMPORTS OF GOODS AND SERVICES
(year-on-year; %)



6. Balance of Payments

In the second quarter, the current account deficit of Latvia's balance of payments amounted to 103.4 million lats or 2.7% of GDP (see Chart 6.1). The build-up of the deficit was affected by the rise in the foreign trade deficit in goods and the income account deficit. Data for July suggest that the current account deficit has declined (to 22.2 million lats) in comparison with the monthly average level observed previously over the year.

Foreign trade deficit in goods and services expanded to 164.9 million lats (4.3% of GDP) in the second quarter as the growth in imports of goods slightly outpaced that of exports of goods quarter-on-quarter (see Chart 6.2 for the changes in exports and imports of goods and services).

In accordance with Eurostat data on the first half of 2012, Latvia recorded the second steepest growth of exports (13.7%) and the most rapid growth of imports (17.4%) in comparison with other EU countries suggesting that Latvia's foreign trade activity is high in comparison with other EU countries and it can give external trade a boost even against the backdrop of economic uncertainties. The outlook for Latvia's foreign trade will be also positively affected by the fact that in July the Russian Parliament approved Russia's accession to the WTO. Russia already now is the third Latvia's major export partner country and the reduction of import duties and other trade restrictions will strengthen the development of the economic relations between the countries.

In the second quarter, exports of services grew more rapidly than imports. The growth of services exports was underpinned by the increase in transportation (particularly in the area of transportation services by air and by road); however, it declined in July when transportation services exports contracted in all transport sectors. In the second quarter, travel services posted a seasonal growth and the increase was recorded in other services sectors (communication, financial, information and computer services).

The deficit of the income account grew to 68.1 million lats (1.8% of GDP) in the second quarter on account of an increase in the dividends paid to foreign investors. The current transfers surplus rose to 129.5 million lats (3.4% of GDP) in the second quarter and this account received substantial inflows (58.8 million lats) also in July as the inflows of some part

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

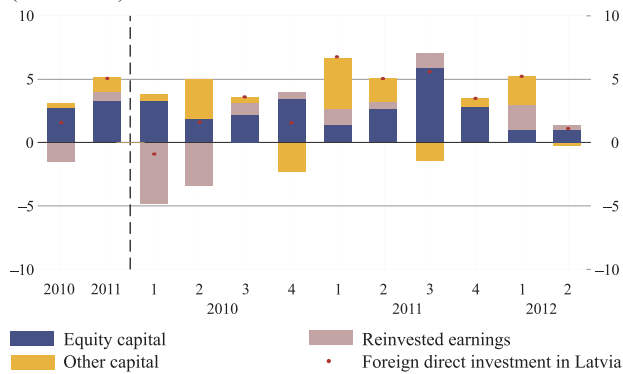
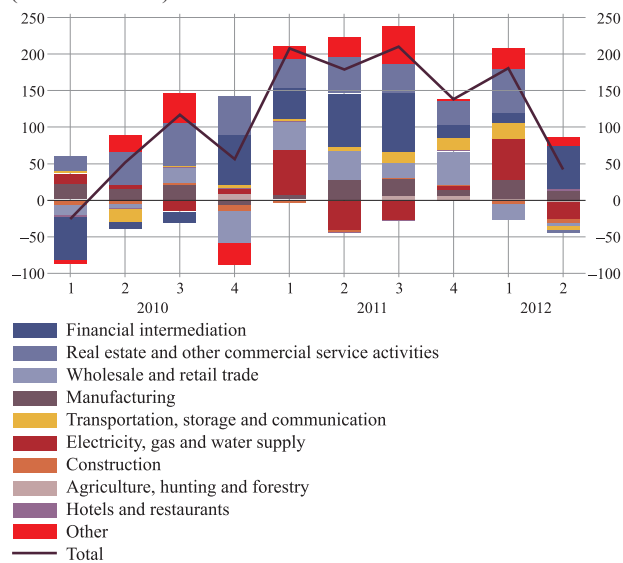


Chart 6.4
NET FLOWS OF FOREIGN DIRECT INVESTMENT
(millions of lats)



of the suspended EU funds payments to Latvia were resumed. Overall, 361.4 million lats were received from EU funds in the first seven months of the year.

The financial account recorded a small deficit of 53.3 million lats or 1.4% of GDP in the second quarter. In the first half of the year, foreign direct investment inflows in Latvia totalled 223.2 million lats (3.1% of GDP). In the second quarter, foreign direct investment in Latvia was lower quarter-on-quarter; however, the growth of investment was recorded in financial intermediation. In May, the rating agency Standard & Poor's upgraded Latvia's rating on long-term and short-term obligations in national and foreign currency by one notch, and Latvia is still an attractive alternative for investment in comparison with other regions whose ratings and their future prospects are downgraded.

Thus, the inflow of foreign direct investment in Latvia (including in production) persists, promising potential growth of exports. In the second quarter, the inflow of foreign direct investment amounted to 1.1% of GDP (see Chart 6.3). The largest inflows of foreign direct investment (see Chart 6.4) were recorded in financial intermediation (58.5 million lats) and manufacturing (12.9 million lats). The majority of investment came from Cyprus (4.0 million lats were invested in the manufacture of products of wood, 3.0 million lats in the manufacture of food products, 5.2 million lats in wholesale trade and 2.3 million lats in financial intermediation). The bulk of foreign direct investment in financial intermediation came from Sweden (32.7 million lats), France (10.9 million lats) and Finland (6.5 million lats).

7. Conclusions and Forecasts

In the first half of the year, the pace of Latvia's economic development remained buoyant despite the economic problems faced by the euro area countries. Latvia's economic growth is projected to continue in the second half of the year albeit at a more moderate pace. This will be mostly on account of the external environment developments – the sovereign debt crisis in the euro area and the recession in several EU countries that will determine the weakening external demand. The risks which are related both to external environment factors that could mainly have an adverse effect on Latvia's economic development and domestic factors that are most likely to contribute positively to the economic growth currently persist in the forecasts. Both the positive internal and negative external environment risks are balanced.

7.1 Economic developments

A strong possibility of materialisation of the risks related to future developments in the external environment persists. After a significant decline in early summer the global oil prices have recorded an increase again and remain at a high level, being a potential negative threat to the global economic growth. The situation is also reflected by the Purchasing Managers' Index suggesting further deterioration in manufacturing in the euro area. This points to significant risks related to the decrease in external demand that may have a negative impact on the development of Latvia's export-oriented sectors and the whole economy.

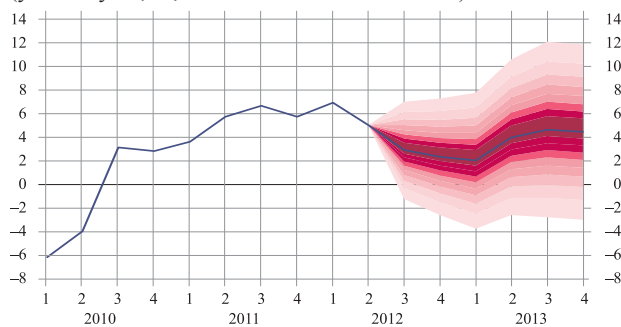
The ECB has communicated new measures to deal with the sovereign debt crisis in the EU countries, undertaking to purchase unlimited amount of short-term (with maturity of up to three years) bonds of the countries facing problems. The FRS has also announced the economic growth stimulus programme, under which it undertakes to purchase bonds in the amount of 40.0 billion US dollars on a monthly basis. These measures taken by the monetary institutions are sure to temporarily alleviate tensions, particularly in the financial markets, thus providing for extra time to address and solve the most crucial economic issues.

When analysing the risks to Latvia's economic development related to domestic factors, several aspects should be mentioned. First, if the disposable

Chart 7.1

GDP CHANGES

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



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

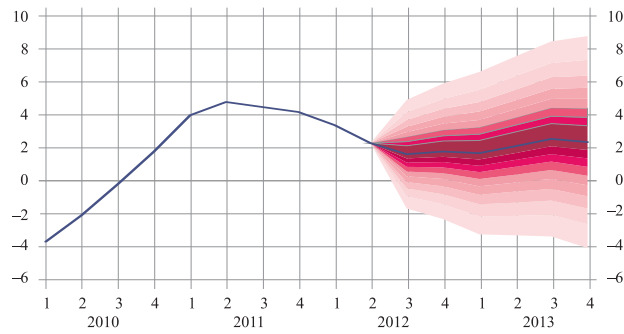
income of households posts a more rapid increase than expected and the assumption regarding the accumulation of precautionary savings does not materialise, the growth of private consumption is likely to boost the economic activity. It should be noted, however, that the level of household savings is currently low, but household expenditure cannot persistently exceed the real income growth if lending is limited. Second, the successful development of Latvia's economy could promote more rapid than expected investment growth in the economy in comparison with other EU countries, thus also contributing to more rapid GDP growth.

The GDP growth forecast for 2012 remains unchanged (3.5%–4%; see Chart 7.1). As Latvia's economic activity is not expected to be so pronounced in the second half of 2012 on account of unfavourable external factors and external demand is unlikely to become more pronounced also at the beginning of 2013, a slightly lower economic growth rate is projected for 2013. Risks to the national economic growth prospects in the medium-term can be considered balanced. Upside risks related to domestic environment dominate in 2012, while downside risks related to unfavourable external environment developments prevail in 2013.

7.2 Inflation

Risks to inflation forecast for 2012 are balanced: uncertainty in the oil market is high, but the level of oil prices has stabilised, the exchange rate of the US dollar follows a downward trend, easing the impact on energy prices in lats. Some small local governments have submitted to the Public Utilities Commission the new heating tariff plans which provide for a reduction of heating tariffs, but overall the heating tariffs in the new heating season can remain broadly unchanged as the prices of oil products slightly exceed the level observed in the respective period of the previous year. The increase in global food prices might have moderated as the estimation of the harvest of the 2012/2013 season is approximately known. For example, the estimation of the grain stocks in relation to consumption for the season of 2012/2013 is better than during the years of the buoyant growth. The dynamics of ULC is favourable and does not exert any pressure on consumer prices. In terms of competition, for instance, the fact that two leading and well-known European brands have come into the Latvian market with three trading sites opened in September 2012 could limit the rise in the prices of wearing apparel.

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



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

The domestic factors have a favourable effect on inflation: currently there are no plans to raise indirect taxes that would directly change the price level of consumer goods and services.

The developments in wages and salaries and labour productivity suggest that ULC in the economy does not on the whole exert any pressure on the level of consumer prices. In the second quarter, the costs have declined year-on-year both in nominal and real terms, while they have remained unchanged in nominal terms and decreased in real terms quarter-on-quarter.

Therefore, the inflation forecast for 2012 and 2013 remains unchanged (2.4% and 2.3% respectively; see Chart 7.2) and its risks are deemed balanced.

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1. MONETARY INDICATORS AND INTEREST RATES

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

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
M1 ¹	16.7	19.0	17.1	15.9	17.4	15.6	14.9	24.5	15.6	15.3	14.5	16.6	14.9	11.0	12.8	
M2 ¹	4.3	6.5	5.9	4.8	4.7	2.9	3.8	2.7	0.3	-0.1	0.5	0.5	2.0	0.1	2.4	
M3 ¹	4.3	6.2	5.4	4.3	4.1	2.4	3.4	2.3	1.7	1.4	1.5	-0.1	1.5	-0.3	2.0	
M2X ¹	3.1	4.4	4.8	3.4	3.3	1.9	3.4	0.1	1.5	1.0	1.7	1.3	3.0	0.2	2.3	
Loans to resident financial institutions, non-financial corporations and households ¹	-9.0	-9.1	-9.2	-8.5	-8.6	-8.4	-7.7	-7.6	-8.3	-8.2	-7.7	-11.0	-10.3	-12.7	-11.6	
Deposits of resident financial institutions, non-financial corporations and households ¹	1.7	3.1	3.4	1.6	1.6	-0.2	1.7	-3.0	-2.4	-3.1	-2.1	-2.5	-0.5	-3.0	-0.8	
Long-term interest rate for convergence assessment purposes ²	6.47	6.36	5.87	5.67	5.60	5.60	5.62	5.73	5.93	5.74	5.45	5.15	5.10	5.15	5.07	
RIGIBOR (3-month loans) ³	0.8	0.8	0.7	0.8	0.8	0.9	1.0	1.3	1.9	1.8	1.3	1.2	1.0	0.9	0.9	
Average yield on government bonds	6.5 ⁵	6.0 ⁵	5.7 ⁵	4.1 ⁴	4.0 ⁴	4.1 ⁴	-	4.2 ⁴	-	4.4 ⁴	4.3 ⁴	4.1 ⁴	5.3 ⁵	5.3 ⁵	4.8 ⁵	
OMXR ³	418.6	412.8	428.9	438.4	403.6	386.7	385.0	379.9	373.0	379.9	391.4	393.7	392.3	380.3	367.6	

¹ Year-on-year changes (%).

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

³ Average of the period.

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

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

2.a REAL SECTOR INDICATORS AND PRICES

	2011				2012		
	Q1	Q2	Q3	Q4	Q1	Q2	
Industrial output¹							
Increase/decrease ² (at constant prices; working day adjusted data; %)	11.5	13.8 ³	14.6	9.2	9.1	14.8	8.0
Cargoes loaded and unloaded at ports							
Turnover (thousands of tons)	68 821	16 345	18 105	16 532	17 838	20 032	20 309
Increase/decrease ² (%)	12.5	4.7	18.6	13.1	13.9	22.6	12.2
Retail trade turnover¹							
Turnover (at current prices; millions of lats)	4 819.1 ³	1 032.2	1 192.8	1 284.5	1 309.5 ³	1 150.7 ³	1 259.5
Increase/decrease ² (at constant prices; %)	14.0	13.0	13.0	15.7	13.9	11.5 ³	5.6
Unemployment rate (%)	11.5	14.4	12.6	11.6	11.5	11.7	11.9
Producer prices ¹ (increase/decrease compared with the previous period; %)	7.7	2.0	3.9	1.4	-0.6	1.6	0.5
Consumer price inflation							
Year-on-year basis (%)	4.4	4.0	4.8	4.5	4.2	3.4	2.3
Quarter-on-quarter basis (%)	x	1.9	2.0	-0.1	0.3	1.1	0.9
Financial surplus/deficit in the consolidated general government budget							
Surplus/deficit (millions of lats)	-444.9	-181.8	-35.5	159.8	-387.4	-43.9	106.3
Ratio to GDP (%)	3.1	5.9	1.0	4.3	9.9	1.3	2.8

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

² Year-on-year basis.

³ Data have been revised.

2.b REAL SECTOR INDICATORS AND PRICES

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Industrial output¹																
Increase/decrease ² (at constant prices; working day adjusted data; %)	14.6 ³	14.3 ³	14.8	9.9	6.9 ³	11.0 ³	6.0 ³	12.1	9.5 ³	17.6	11.3	15.4	8.5	7.4	8.1	
Cargoes loaded and unloaded at ports																
Turnover (thousands of tons)	6 350	6 327	5 429	5 851	5 372	5 309	5 887	5 801	6 150	6 999	5 800	7 233	7 082	6 910	6 317	
Increase/decrease ² (%)	15.8	26.0	14.0	11.0	16.3	12.3	13.2	11.4	17.2	36.4	21.8	12.0	11.5	9.2	16.4	
Retail trade turnover¹																
Turnover (at current prices; millions of lats)	376.9	406.8	409.2	424.0	436.3	424.1	427.8	410.6	471.1	379.4	365.3 ³	405.8 ³	398.7	425.4	435.4	
Increase/decrease ² (at constant prices; %)	9.4	14.7	14.8	14.5	17.3	15.4	14.9	13.9	13.0	16.4 ³	10.3 ³	8.3 ³	5.8	4.6	6.4	
Unemployment rate (%)	13.9	13.2	12.6	12.1	11.8	11.6	11.5	11.5	11.5	11.7	11.8	11.7	12.9	12.3	11.9	
Producer prices ¹ (increase/decrease compared with the previous period; %)	2.3	1.0	0.5	0.7	0.4	-0.4	0	-0.5	-0.1	1.8	0.2	-0.4	0.9	-0.4	0.2	
Consumer price inflation																
Year-on-year basis (%)	4.5	5.0	4.8	4.3	4.7	4.6	4.4	4.2	4.0	3.6	3.4	3.3	2.8	2.2	1.9	
Month-on-month basis (%)	1.1	0.4	0.3	-0.3	-0.3	0.4	0.2	0	0	0.8	0.1	0.6	0.6	-0.2	-0.1	
Annual core inflation (%)	2.8	3.7	4.1	4.0	4.4	4.4	3.3	3.1	3.6	2.5	1.9	1.7	1.6	1.1	0.5	
Financial surplus/deficit in the consolidated general government budget (millions of lats)	-33.1	-12.8	10.4	-26.0	204.1	-18.3	-23.8	-85.7	-277.9	82.0	-68.1	-57.8	20.5	55.2	30.6	

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

² Year-on-year basis.

³ Data have been revised.

3. MONETARY BASE

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Currency in circulation	935.2	935.6	955.0	990.2	993.0	1 012.3	1 010.6	1 070.2	1 160.2	1 132.4	1 127.6	1 133.6	1 146.8	1 117.3	1 136.2	
Currency as percent of the monetary base	52.7	49.7	52.4	52.4	53.6	54.4	55.2	45.7	53.5	63.2	63.5	60.8	61.8	60.3	59.2	
Deposits with the Bank of Latvia in lats	818.1	922.6	842.2	873.8	823.3	820.7	794.1	1 189.1	865.1	562.3	578.4	649.4	625.8	597.2	616.0	
Deposits with the Bank of Latvia in foreign currencies	22.3	26.1	26.9	27.1	35.1	27.5	27.4	81.0	143.7	98.4	71.1	82.6	81.6	137.8	167.6	
Deposits as percent of the monetary base	47.3	50.3	47.6	47.6	46.4	45.6	44.8	54.3	46.5	36.8	36.5	39.2	38.2	39.7	40.8	
M0	1 775.6	1 884.2	1 824.2	1 891.2	1 851.4	1 860.5	1 832.1	2 340.4	2 168.9	1 793.0	1 777.1	1 865.7	1 854.2	1 852.3	1 919.9	
Net foreign assets	3 657.1	3 684.6	3 827.3	3 769.6	3 984.2	3 987.5	3 881.0	3 602.9	3 435.2	3 316.3	3 865.2	3 789.6	3 675.0	3 736.4	3 643.5	
Loans to MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Credit to central government (net)	-917.3	-895.6	-1 138.8	-1 207.4	-1 385.2	-1 388.0	-1 361.3	-950.3	-737.1	-793.0	-1 240.6	-1 104.4	-1 066.7	-1 124.8	-1 064.8	
Other items (net)	-964.2	-904.8	-864.4	-671.0	-747.6	-738.9	-687.5	-312.2	-529.1	-730.3	-847.4	-819.5	-754.1	-759.3	-658.8	
Total	1 775.6	1 884.2	1 824.2	1 891.2	1 851.4	1 860.5	1 832.1	2 340.4	2 168.9	1 793.0	1 777.1	1 865.7	1 854.2	1 852.3	1 919.9	

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Monetary aggregates																
M3	6 454.4	6 545.3	6 480.0	6 441.1	6 506.5	6 486.5	6 424.1	6 474.6	6 659.7	6 582.7	6 642.8	6 509.9	6 549.2	6 526.9	6 611.9	
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Money market fund shares and units	82.7	81.1	75.7	72.6	72.0	70.3	70.2	69.9	64.2	67.5	68.5	71.8	69.4	74.4	72.4	
Debt securities issued with maturity of up to 2 years	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	133.1	133.1	107.4	0	0	0	0	
M2	6 351.1	6 443.6	6 383.7	6 347.9	6 413.9	6 395.6	6 333.3	6 384.0	6 462.4	6 382.1	6 467.0	6 438.0	6 479.7	6 452.4	6 539.5	
Deposits with an agreed maturity of up to 2 years	2 380.7	2 403.1	2 274.7	2 262.2	2 237.2	2 228.7	2 137.2	1 789.3	1 885.5	1 893.4	1 931.5	1 932.8	1 998.4	2 028.3	1 966.4	
Deposits redeemable at notice of up to 3 months	244.9	242.6	241.0	230.3	227.5	226.4	225.7	222.5	219.5	196.7	199.0	201.3	202.0	207.5	211.9	
M1	3 725.6	3 797.8	3 867.9	3 855.3	3 949.2	3 940.6	3 970.5	4 372.2	4 357.4	4 292.0	4 336.5	4 303.9	4 279.3	4 216.6	4 361.2	
Currency outside MFIs	815.6	817.7	838.1	876.0	873.4	888.6	892.5	941.6	1 040.0	1 024.6	1 020.8	1 021.2	1 028.2	997.2	1 029.3	
Overnight deposits	2 909.9	2 980.1	3 029.8	2 979.4	3 075.8	3 052.0	3 078.0	3 430.6	3 317.4	3 267.4	3 315.7	3 282.6	3 251.1	3 219.4	3 331.9	
Counterparts of monetary aggregates and longer-term financial liabilities																
Deposits of central government	1 596.0	1 575.0	1 815.6	1 879.5	2 058.8	2 031.6	2 003.9	1 602.9	957.0	1 011.8	1 430.8	1 290.9	1 268.8	1 343.4	1 261.2	
Longer-term financial liabilities	2 345.9	2 319.9	2 346.5	2 357.7	2 394.0	2 466.6	2 490.7	2 471.0	2 615.7	2 629.7	2 591.0	2 245.5	2 250.5	2 405.6	2 465.9	
Deposits with an agreed maturity of over 2 years	241.0	264.3	275.5	252.5	255.1	255.8	257.2	261.7	258.3	257.7	258.8	230.4	230.7	227.7	233.3	
Deposits redeemable at notice of over 3 months	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0	0	
Debt securities issued with maturity of over 2 years	139.8	74.7	74.6	74.6	70.4	71.2	67.2	68.0	409.9	409.1	385.3	52.8	53.6	55.5	68.4	
Capital and reserves	1 965.0	1 980.9	1 996.4	2 030.6	2 068.5	2 139.6	2 166.3	2 141.2	1 947.5	1 962.9	1 946.9	1 962.4	1 966.2	2 122.3	2 164.2	
Credit to residents	12 812.2	12 761.3	12 639.7	12 652.1	12 689.3	12 638.9	12 611.3	12 484.7	12 194.3	12 158.6	12 093.6	11 586.7	11 556.3	11 228.6	11 281.9	
Credit to general government	594.9	575.6	573.6	593.8	611.7	599.7	610.1	540.0	485.1	504.2	489.1	492.7	485.4	486.6	501.3	
Credit to other residents	12 217.3	12 185.7	12 066.0	12 058.3	12 077.6	12 039.2	12 001.2	11 944.8	11 709.2	11 654.3	11 604.5	11 093.9	11 070.9	10 742.0	10 780.6	
Loans	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4	11 697.0	11 634.2	11 369.4	11 314.9	11 249.1	10 747.3	10 726.9	10 418.2	10 439.3	
Net external assets	-1 109.2	-1 010.5	-717.5	-771.9	-567.7	-466.9	-543.8	-435.6	-224.8	-183.2	270.1	-131.4	-121.9	64.2	54.2	
Other items (net)	1 306.8	1 310.6	1 280.0	1 202.0	1 162.3	1 187.2	1 148.8	1 500.7	1 737.1	1 751.1	1 699.0	1 409.1	1 365.8	1 017.0	997.1	

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
M1	3 756.3	3 813.2	3 812.2	3 809.4	3 931.0	3 966.5	4 011.6	4 396.2	4 288.2	4 307.2	4 337.5	4 354.1	4 290.5	4 242.4	4 317.1	
M2	6 306.8	6 420.8	6 347.8	6 346.1	6 406.8	6 424.6	6 422.8	6 450.0	6 392.7	6 409.9	6 452.4	6 422.6	6 438.7	6 432.8	6 503.6	
M3	6 416.8	6 525.4	6 447.9	6 442.3	6 500.5	6 520.7	6 520.9	6 548.8	6 572.4	6 587.4	6 609.6	6 504.2	6 516.8	6 511.7	6 581.3	

6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
ASSETS																
Loans to residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Holdings of securities other than shares issued by residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Holdings of shares and other equity issued by residents	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
External assets	3 687.5	3 711.0	3 854.0	3 820.7	4 027.6	4 036.8	3 924.3	3 642.2	3 507.5	3 350.7	3 891.7	3 813.9	3 709.1	3 818.0	3 685.2	
Fixed assets	30.4	30.2	30.0	30.1	30.1	30.1	30.2	30.3	30.7	30.5	30.5	30.4	30.8	30.9	31.2	
Remaining assets	1.7	1.8	1.6	1.6	1.6	1.6	1.4	1.2	1.0	1.1	1.1	1.1	1.2	1.2	1.0	
Total	3 719.6	3 743.0	3 885.7	3 852.3	4 059.3	4 068.6	3 955.9	3 673.7	3 539.2	3 382.2	3 923.3	3 845.3	3 741.1	3 850.0	3 717.4	
LIABILITIES																
Currency in circulation	935.2	935.6	955.0	990.2	993.0	1 012.3	1 010.6	1 070.2	1 160.2	1 132.4	1 127.6	1 133.6	1 146.8	1 117.3	1 136.2	
Deposits of residents	2 464.9	2 491.8	2 613.6	2 518.4	2 714.1	2 698.6	2 592.4	2 274.6	1 977.5	1 868.3	2 416.0	2 308.9	2 223.6	2 311.7	2 196.9	
Central government	917.3	895.6	1 138.8	1 207.4	1 385.2	1 388.0	1 361.3	950.3	737.1	793.0	1 240.6	1 104.4	1 066.7	1 124.8	1 064.8	
Other residents	79.6	79.5	80.0	84.9	85.2	85.0	90.7	263.4	42.7	31.0	24.9	21.4	22.3	65.9	66.7	
MFIs	1 468.0	1 516.7	1 394.8	1 226.1	1 243.6	1 225.6	1 140.4	1 061.0	1 197.7	1 044.4	1 150.5	1 183.1	1 134.6	1 121.0	1 065.4	
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capital and reserves	274.9	286.6	287.6	289.7	305.9	306.0	306.6	286.7	327.2	344.3	350.5	354.5	334.5	336.8	340.6	
External liabilities	30.4	26.4	26.7	51.1	43.4	49.4	43.3	39.3	72.4	34.3	26.6	24.3	34.1	81.6	41.7	
Remaining liabilities	14.2	2.7	2.8	3.0	2.9	2.3	3.0	2.8	2.0	2.8	2.6	24.1	2.1	2.7	2.0	
Total	3 719.6	3 743.0	3 885.7	3 852.3	4 059.3	4 068.6	3 955.9	3 673.7	3 539.2	3 382.2	3 923.3	3 845.3	3 741.1	3 850.0	3 717.4	

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

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
ASSETS																
Loans to residents	13 973.5	13 730.5	13 493.6	13 377.8	13 397.3	13 334.0	13 211.3	13 086.0	13 013.6	12 751.1	12 786.5	12 290.8	12 234.3	11 840.1	11 895.5	
General government	63.1	61.1	60.3	60.8	63.2	62.6	63.4	64.0	64.3	65.1	64.7	64.2	63.8	64.1	64.7	
Other residents	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4	11 697.0	11 634.2	11 369.4	11 314.9	11 249.1	10 747.3	10 726.9	10 418.2	10 439.3	
MFIs	1 949.7	1 741.9	1 624.8	1 522.5	1 560.5	1 535.0	1 450.9	1 387.8	1 580.0	1 371.0	1 472.6	1 479.4	1 443.6	1 357.8	1 391.5	
Holdings of securities other than shares issued by residents	550.0	529.9	528.8	548.5	563.7	552.4	560.6	489.4	432.5	451.3	425.8	430.0	423.0	423.6	437.7	
General government	531.9	514.4	513.4	533.0	548.6	537.1	546.7	476.0	420.8	439.1	424.4	428.6	421.6	422.5	436.6	
Other residents	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	
MFIs	18.1	15.4	15.4	15.4	15.0	15.1	13.7	13.2	11.5	11.9	1.2	1.1	1.1	1.0	0.9	
Money market fund shares and units	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
Holdings of shares and other equity issued by residents	256.5	258.2	257.4	263.8	303.9	302.6	303.9	310.4	339.6	339.1	355.1	346.3	343.6	323.7	341.1	
External assets	5 277.9	5 257.9	5 264.0	5 199.2	5 295.8	5 412.6	5 493.5	5 713.1	6 066.5	6 048.6	6 103.9	5 997.1	6 096.5	6 020.3	6 314.9	
Fixed assets	116.9	127.5	126.3	125.5	123.9	124.2	125.9	125.1	100.4	99.7	99.8	98.8	98.2	91.1	88.1	
Remaining assets	662.9	662.7	661.0	675.1	669.3	660.5	671.7	677.2	657.0	621.1	690.1	691.5	718.5	530.6	507.6	
Total	20 838.1	20 567.1	20 331.5	20 190.3	20 354.3	20 386.7	20 367.4	20 401.5	20 610.1	20 311.3	20 461.6	19 855.0	19 914.5	19 229.8	19 585.3	
LIABILITIES																
Deposits of residents	6 857.3	6 725.9	6 640.4	6 589.0	6 655.4	6 584.1	6 513.1	6 374.7	6 197.3	6 088.0	6 147.8	6 062.3	6 124.1	6 071.3	6 200.6	
Central government	678.7	679.4	676.9	672.1	673.6	643.6	642.7	652.7	219.9	218.8	190.2	186.5	202.1	218.6	196.4	
Other residents	5 696.9	5 810.7	5 741.0	5 639.5	5 710.4	5 677.9	5 607.3	5 440.8	5 638.0	5 584.3	5 680.1	5 625.8	5 660.0	5 617.0	5 676.7	
MFIs	481.7	235.8	222.5	277.4	271.4	262.6	263.1	281.2	339.4	284.9	277.6	250.1	262.0	235.7	327.4	
Money market fund shares and units	83.0	81.5	76.1	73.0	72.4	70.7	70.6	70.3	64.5	67.9	68.8	72.2	69.8	74.8	72.8	
Debt securities issued	160.4	95.3	95.2	95.2	91.0	91.8	87.8	88.6	543.0	542.2	492.7	52.8	53.6	55.5	68.4	
Capital and reserves	1 690.1	1 694.3	1 708.8	1 740.8	1 762.6	1 833.6	1 859.7	1 854.5	1 620.2	1 618.5	1 596.4	1 607.9	1 631.6	1 785.4	1 823.6	
External liabilities	10 044.2	9 953.0	9 808.9	9 740.7	9 847.7	9 867.0	9 918.3	9 751.5	9 726.6	9 548.1	9 699.0	9 918.1	9 893.5	9 692.5	9 904.2	
Remaining liabilities	2 003.0	2 017.1	2 002.1	1 951.6	1 925.2	1 939.5	1 918.0	2 261.9	2 458.4	2 446.5	2 456.9	2 141.7	2 141.9	1 550.3	1 515.7	
Total	20 838.1	20 567.1	20 331.5	20 190.3	20 354.3	20 386.7	20 367.4	20 401.5	20 610.1	20 311.3	20 461.6	19 855.0	19 914.5	19 229.8	19 585.3	

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
ASSETS																
Loans to residents	12 023.8	11 988.5	11 868.9	11 855.3	11 836.8	11 799.0	11 760.4	11 698.1	11 433.6	11 380.1	11 313.9	10 811.5	10 790.7	10 482.3	10 504.0	
General government	63.1	61.1	60.3	60.8	63.2	62.6	63.4	64.0	64.3	65.1	64.7	64.2	63.8	64.1	64.7	
Other residents	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4	11 697.0	11 634.2	11 369.4	11 314.9	11 249.1	10 747.3	10 726.9	10 418.2	10 439.3	
Holdings of securities other than shares issued by other residents	531.9	514.5	513.4	533.0	548.6	537.3	546.9	476.2	421.0	439.4	424.6	429.2	421.9	422.7	436.8	
General government	531.9	514.4	513.4	533.0	548.6	537.1	546.7	476.0	420.8	439.1	424.4	428.9	421.6	422.5	436.6	
Other residents	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	
Holdings of shares and other equity issued by other residents	256.5	258.2	257.4	263.8	303.9	302.6	303.9	310.4	339.6	339.1	355.1	346.3	343.6	323.7	341.1	
External assets	8 965.4	8 968.9	9 118.0	9 019.9	9 323.4	9 449.5	9 417.8	9 355.3	9 574.2	9 399.3	9 995.7	9 811.0	9 805.6	9 838.3	10 000.1	
Fixed assets	147.3	157.7	156.4	155.5	154.0	154.3	156.1	155.4	131.1	130.2	130.3	129.2	129.0	122.0	119.2	
Remaining assets	545.0	546.7	545.7	562.5	551.2	538.4	555.0	549.8	537.7	514.4	584.4	580.2	601.1	411.7	401.7	
Total	22 469.9	22 434.6	22 459.8	22 390.0	22 718.0	22 781.1	22 740.2	22 545.2	22 437.3	22 202.4	22 804.0	22 107.4	22 091.9	21 600.6	21 802.9	
LIABILITIES																
Currency outside MFIs	815.6	817.7	838.1	876.0	873.4	888.6	892.5	941.6	1 040.0	1 024.6	1 020.8	1 021.2	1 028.2	997.2	1 029.3	
Deposits of central government	1 596.0	1 575.0	1 815.6	1 879.5	2 058.8	2 031.6	2 003.9	1 602.9	957.0	1 011.8	1 430.8	1 290.9	1 268.8	1 343.4	1 261.2	
Deposits of other general government and other residents	5 776.6	5 890.2	5 821.1	5 724.4	5 795.6	5 762.8	5 698.0	5 704.2	5 680.7	5 615.2	5 705.0	5 647.2	5 682.3	5 683.0	5 743.5	
Money market fund shares and units	82.7	81.1	75.7	72.6	72.0	70.3	70.2	69.9	64.2	67.5	68.5	71.8	69.4	74.4	72.4	
Debt securities issued	142.3	79.9	79.8	79.8	75.9	76.8	74.1	75.4	531.5	530.3	491.5	51.7	52.5	54.6	67.5	
Capital and reserves	1 965.0	1 980.9	1 996.4	2 030.6	2 068.5	2 139.6	2 166.3	2 141.2	1 947.5	1 962.9	1 946.9	1 962.4	1 966.2	2 122.3	2 164.2	
External liabilities	10 074.6	9 979.4	9 835.6	9 791.7	9 891.1	9 916.4	9 961.6	9 790.9	9 799.0	9 582.5	9 725.5	9 942.3	9 927.5	9 774.1	9 945.9	
Remaining liabilities	2 017.2	2 019.9	2 004.9	1 954.5	1 928.1	1 941.8	1 921.0	2 264.7	2 460.2	2 449.3	2 459.5	2 165.8	2 144.0	1 552.8	1 517.7	
Excess of inter-MFI liabilities	0	10.5	-7.5	-19.0	-45.5	-46.8	-47.4	-45.7	-42.8	-41.7	-44.5	-45.9	-47.0	-1.1	1.3	
Total	22 469.9	22 434.6	22 459.8	22 390.0	22 718.0	22 781.1	22 740.2	22 545.2	22 437.3	22 202.4	22 804.0	22 107.4	22 091.9	21 600.6	21 802.9	

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

(at end of period; millions of lats)

	2011									2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
MFI reserves	1 587.5	1 624.0	1 501.2	1 340.3	1 363.2	1 349.3	1 258.5	1 189.7	1 315.4	1 149.6	1 254.8	1 295.5	1 253.2	1 241.1	1 172.3
Vault cash in national currency	119.6	117.8	116.9	114.2	119.6	123.7	118.1	128.6	120.2	107.8	106.8	112.4	118.6	120.1	106.9
Deposits with the Bank of Latvia	1 468.0	1 506.1	1 384.3	1 226.1	1 243.6	1 225.6	1 140.4	1 061.0	1 195.2	1 041.9	1 148.0	1 183.1	1 134.6	1 121.0	1 065.4
Foreign assets	5 277.9	5 257.9	5 264.0	5 199.2	5 295.8	5 412.6	5 493.5	5 713.1	6 066.5	6 048.6	6 103.9	5 997.1	6 096.5	6 020.3	6 314.9
Claims on the central government	534.9	514.4	513.4	533.0	548.6	537.1	546.7	476.0	420.6	439.0	424.2	428.4	421.4	422.3	436.4
Loans	3.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of securities other than shares	531.9	514.4	513.4	533.0	548.6	537.1	546.7	476.0	420.6	439.0	424.2	428.4	421.4	422.3	436.4
Claims on the local government	60.0	61.1	60.3	60.8	63.2	62.6	63.4	64.0	64.4	65.3	64.9	64.3	64.0	64.3	64.8
Loans	60.0	61.1	60.3	60.8	63.2	62.6	63.4	64.0	64.3	65.1	64.7	64.2	63.8	64.1	64.7
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Claims on the financial institutions	541.0	533.4	534.7	528.0	561.5	554.3	549.3	549.5	570.7	586.2	586.8	582.6	588.7	555.7	561.8
Loans	340.8	333.2	336.6	325.0	318.4	312.5	308.2	302.1	302.1	318.0	315.0	308.3	315.2	285.8	287.6
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0.1	0.2	0	0
Holdings of shares and other equity	200.2	200.3	198.1	203.1	243.2	241.7	241.1	247.4	268.6	268.1	271.8	274.2	273.4	269.8	274.1
Claims on public non-financial corporations	472.2	474.0	452.6	450.4	449.6	453.5	453.7	443.3	434.9	430.4	431.7	430.6	436.7	430.5	487.4
Loans	472.2	474.0	452.6	450.4	449.6	453.5	453.7	443.3	434.9	430.4	431.7	430.6	436.7	430.5	487.4
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on private non-financial corporations	5 628.8	5 628.0	5 567.2	5 604.5	5 612.1	5 611.5	5 615.9	5 599.1	5 404.8	5 376.5	5 363.8	5 065.3	5 066.5	4 881.7	4 893.9
Loans	5 572.4	5 570.0	5 507.8	5 543.7	5 551.3	5 550.5	5 552.9	5 535.9	5 333.6	5 305.3	5 280.3	4 993.0	4 996.1	4 827.7	4 826.8
Holdings of securities other than shares	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Holdings of shares and other equity	56.3	57.9	59.3	60.8	60.7	60.8	62.8	62.9	71.0	71.0	83.3	72.1	70.2	53.8	67.0
Claims on households	5 575.4	5 550.2	5 511.6	5 475.4	5 454.4	5 419.9	5 382.2	5 352.9	5 298.7	5 261.2	5 222.2	5 015.4	4 979.0	4 874.1	4 837.5
Loans	5 575.4	5 550.2	5 511.6	5 475.4	5 454.4	5 419.9	5 382.2	5 352.9	5 298.7	5 261.2	5 222.2	5 015.4	4 979.0	4 874.1	4 837.5
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	116.9	127.5	126.3	125.5	123.9	124.2	125.9	125.1	100.4	99.7	99.8	98.8	98.2	91.1	88.1
Other assets	543.3	544.9	544.0	560.9	549.7	536.8	553.6	548.5	537.0	513.4	583.3	579.1	599.8	410.5	400.6
Claims on resident MFIs	481.7	235.8	240.5	296.5	316.9	309.4	310.5	326.8	384.7	329.1	324.6	296.3	309.0	236.8	326.2
Holdings of MFI securities other than shares	18.1	15.4	15.4	15.4	15.0	15.1	13.7	13.2	11.5	11.9	1.2	1.1	1.1	1.0	0.9
Money market fund shares and units	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	20 838.1	20 567.1	20 331.5	20 190.3	20 354.3	20 386.7	20 367.4	20 401.5	20 610.1	20 311.3	20 461.6	19 855.0	19 914.5	19 229.8	19 585.3

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

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Overnight deposits in lats	1 591.2	1 613.6	1 628.2	1 603.1	1 621.1	1 625.1	1 662.1	1 670.2	1 821.3	1 733.3	1 754.8	1 715.9	1 731.4	1 667.6	1 695.8	
Financial institutions	66.8	60.3	61.4	60.6	55.4	49.8	58.5	67.0	47.1	53.8	57.3	57.3	58.9	50.8	50.5	
Public non-financial corporations	113.6	98.1	99.8	101.1	104.1	104.3	118.7	162.1	166.8	147.1	151.9	166.8	157.5	100.6	83.3	
Private non-financial corporations	643.3	692.8	702.9	681.6	713.8	710.8	724.1	704.2	782.2	734.6	732.9	682.1	691.9	674.1	688.0	
Households	767.6	762.4	764.1	759.8	747.8	760.2	760.8	737.0	825.1	797.7	812.6	809.7	823.1	842.1	874.0	
Time deposits in lats	922.2	956.2	871.1	835.1	817.0	801.3	781.4	665.3	722.2	728.9	741.3	729.4	747.4	758.5	722.4	
Financial institutions	221.8	215.6	222.7	202.6	186.8	181.0	170.2	154.3	146.7	144.9	141.8	141.3	140.1	137.3	137.6	
Public non-financial corporations	177.2	194.5	133.8	138.0	152.7	143.9	138.0	90.4	87.0	76.8	76.3	90.8	92.1	102.2	98.1	
Private non-financial corporations	124.5	152.2	133.9	119.6	103.6	102.9	100.9	107.8	103.2	105.8	117.4	117.5	133.4	134.1	113.0	
Households	398.8	393.8	380.6	374.9	373.9	373.5	372.3	312.9	385.3	401.5	405.8	379.8	381.8	384.9	373.7	
Deposits redeemable at notice in lats	90.8	90.9	89.7	80.6	80.7	80.2	81.1	81.3	84.4	78.6	79.5	80.8	81.4	83.0	84.3	
Financial institutions	7.2	7.2	7.5	7.5	7.4	7.4	7.4	7.4	7.4	7.5	7.4	7.4	7.4	7.4	7.4	
Public non-financial corporations	1.1	1.3	1.1	1.2	0.9	1.0	1.1	0.9	0.9	0.8	0.9	0.9	0.9	0.8	0.9	
Private non-financial corporations	12.9	12.4	11.8	12.2	11.8	9.5	9.5	9.0	8.4	7.2	7.8	7.7	7.3	6.6	6.6	
Households	69.6	70.0	69.4	59.7	60.6	62.3	63.2	63.9	67.7	63.1	63.4	64.8	65.9	68.2	69.5	
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Foreign currency deposits of residents	2 851.1	2 893.9	2 906.7	2 874.1	2 927.6	2 915.0	2 829.3	2 777.2	2 818.3	2 835.4	2 892.5	2 876.0	2 867.9	2 876.4	2 948.7	
Financial institutions	219.1	228.4	234.8	235.3	261.3	267.1	202.3	208.5	234.1	233.4	266.3	281.4	268.7	261.4	261.0	
Public non-financial corporations	119.3	118.7	107.1	89.5	96.4	90.5	88.7	84.2	86.0	111.1	122.1	128.4	119.1	105.7	160.5	
Private non-financial corporations	825.2	829.3	833.7	836.7	843.1	811.6	806.4	897.6	846.4	852.7	871.7	840.8	860.2	843.6	879.5	
Households	1 687.4	1 717.6	1 731.1	1 712.6	1 726.8	1 745.8	1 731.8	1 586.8	1 651.7	1 638.2	1 632.3	1 625.4	1 619.9	1 665.7	1 647.6	
Deposits of central government	678.7	679.4	676.9	672.1	673.6	643.6	642.7	652.7	219.9	218.8	190.2	186.5	202.1	218.6	196.4	
Overnight deposits in lats	13.3	10.4	13.7	12.3	13.1	14.4	9.3	11.1	11.4	9.5	10.1	9.9	9.6	10.7	11.4	
Time deposits in lats	31.7	35.6	34.9	31.8	59.8	63.7	65.1	68.2	88.3	86.8	90.0	86.0	80.7	82.0	55.4	
Deposits redeemable at notice and repos in lats	0.6	0.6	0.4	0.3	0.3	0.3	0.3	0.3	0.4	0.1	0.1	0.1	0.1	0.1	0.1	
Foreign currency deposits	633.1	632.8	628.0	627.7	600.3	565.1	567.9	573.0	119.7	122.5	90.0	90.5	111.8	125.9	129.6	
Deposits of local government	241.7	256.1	245.3	246.6	263.9	256.4	253.4	246.8	191.9	208.0	212.0	223.7	231.9	231.5	225.6	
Overnight deposits in lats	165.3	177.6	168.5	168.1	183.8	172.1	170.8	179.2	130.5	143.0	148.9	161.8	163.1	158.7	155.2	
Time deposits in lats	30.2	30.5	28.8	31.4	34.3	34.7	33.0	20.5	16.4	16.2	15.3	15.5	16.1	15.3	15.5	
Deposits redeemable at notice and repos in lats	4.0	4.4	5.9	4.8	4.1	4.3	5.1	5.5	5.6	2.0	2.1	1.9	1.9	2.0	2.0	
Foreign currency deposits	42.1	43.6	42.1	42.3	41.8	45.3	44.5	41.6	39.3	46.8	45.7	44.5	50.8	55.5	52.9	
Transit funds	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	

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

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Foreign liabilities	10 044.2	9 953.0	9 808.9	9 740.7	9 847.7	9 867.0	9 918.3	9 751.5	9 726.6	9 548.1	9 699.0	9 918.1	9 893.5	9 692.5	9 904.2	
Liabilities to the Bank of Latvia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Money market fund shares and units	83.0	81.5	76.1	73.0	72.4	70.7	70.6	70.3	64.5	67.9	68.8	72.2	69.8	74.8	72.8	
Debt securities issued	160.4	95.3	95.2	95.2	91.0	91.8	87.8	88.6	543.0	542.2	492.7	52.8	53.6	55.5	68.4	
Capital and reserves	1 690.1	1 694.3	1 708.8	1 740.8	1 762.6	1 833.6	1 859.7	1 854.5	1 620.2	1 618.5	1 596.4	1 607.9	1 631.6	1 785.4	1 823.6	
Residents	354.9	345.4	356.8	378.3	400.0	366.4	385.7	380.5	146.2	144.4	134.0	204.6	220.2	406.3	443.1	
Retained earnings of the reporting year	58.6	61.7	68.8	90.3	114.1	67.9	76.8	78.5	-175.2	-1.1	-6.6	37.3	54.6	72.5	78.7	
Non-residents	1 335.1	1 348.9	1 352.0	1 362.6	1 362.6	1 467.3	1 473.9	1 473.9	1 474.0	1 474.1	1 462.3	1 403.3	1 411.4	1 379.1	1 380.5	
Provisions	1 698.4	1 706.4	1 664.5	1 639.3	1 619.7	1 634.0	1 604.5	1 592.6	1 792.7	1 813.5	1 809.6	1 506.3	1 494.5	1 206.5	1 183.2	
Other liabilities (incl. subordinated liabilities)	304.7	310.6	337.6	312.3	305.6	305.4	313.5	669.3	665.7	633.2	647.3	635.4	647.3	343.8	332.6	
Liabilities to resident MFIs	481.7	235.8	222.5	277.4	271.4	262.6	263.1	281.2	339.4	284.9	277.6	250.1	262.0	235.7	327.4	
TOTAL LIABILITIES	20 838.1	20 567.1	20 331.5	20 190.3	20 354.3	20 386.7	20 367.4	20 401.5	20 610.1	20 311.3	20 461.6	19 855.0	19 914.5	19 229.8	19 585.3	
Memo items																
Trust assets	377.6	403.0	445.5	417.2	441.3	483.3	486.1	803.1	664.6	614.8	710.5	573.8	586.5	534.0	717.6	
Foreign	298.6	316.9	367.4	338.3	354.7	390.9	395.3	458.5	537.6	501.9	604.1	471.7	486.9	434.8	624.6	
Domestic	79.0	86.1	78.1	78.9	86.6	92.4	90.8	344.6	127.0	112.9	106.4	102.0	99.6	99.2	93.0	
Trust liabilities	377.6	403.0	445.5	417.2	441.3	483.3	486.1	803.1	664.6	614.8	710.5	573.8	586.5	534.0	717.6	
Foreign	322.9	348.2	391.5	360.3	387.0	429.6	434.0	489.8	572.4	538.3	639.1	507.5	524.5	475.0	660.3	
Domestic	54.7	54.9	54.0	57.0	54.3	53.7	52.1	313.3	92.2	76.5	71.4	66.3	62.0	59.0	57.3	

10. MONETARY SURVEY

(at end of period; millions of lats)

	Currency outside MFIs	Overnight deposits (resident)			Time deposits (resident)				Total (M2X)	
		Households	Financial institutions and private non-financial corporations	Public non-financial corporations	Households	Financial institutions and private non-financial corporations	Public non-financial corporations			
2011										
IV	815.6	2 707.8	1 336.4	1 239.7	131.7	2 747.5	1 587.0	881.0	279.5	6 270.9
V	817.7	2 763.7	1 350.0	1 298.3	115.4	2 790.9	1 593.7	899.9	297.3	6 372.3
VI	838.1	2 823.0	1 358.6	1 346.0	118.4	2 672.6	1 586.6	862.6	223.4	6 333.8
VII	876.0	2 773.3	1 344.9	1 314.6	113.8	2 619.7	1 562.2	841.5	216.0	6 268.9
VIII	873.4	2 855.0	1 329.3	1 404.9	120.8	2 591.6	1 579.9	778.4	233.3	6 319.9
IX	888.6	2 839.2	1 340.5	1 382.0	116.7	2 582.4	1 601.3	758.1	223.0	6 310.2
X	892.5	2 866.6	1 335.7	1 387.7	143.2	2 487.3	1 592.3	691.7	203.3	6 246.4
XI	941.6	2 954.8	1 295.2	1 470.7	188.9	2 239.2	1 405.4	685.1	148.7	6 135.6
XII	1 040.0	3 109.2	1 442.7	1 475.4	191.1	2 336.9	1 487.0	700.2	149.7	6 486.1
2012										
I	1 024.6	3 051.4	1 415.1	1 462.5	173.8	2 324.9	1 485.4	677.5	162.0	6 400.9
II	1 020.8	3 100.3	1 417.0	1 499.8	183.5	2 367.7	1 497.1	702.8	167.8	6 488.9
III	1 021.2	3 058.9	1 423.3	1 434.6	200.9	2 343.3	1 456.3	700.9	186.0	6 423.4
IV	1 028.2	3 023.2	1 433.5	1 394.5	195.2	2 404.8	1 457.1	773.3	174.4	6 456.3
V	997.2	2 982.9	1 476.8	1 377.4	128.7	2 402.7	1 484.1	737.9	180.7	6 382.8
VI	1 029.3	3 100.3	1 520.2	1 422.6	157.5	2 350.7	1 444.5	720.9	185.3	6 480.4
	Net foreign assets	Net domestic assets						Other items (net)	Total (M2X)	
		Credit to residents				General government (net)	Households			Financial institutions and private non-financial corporations
2011										
IV	-1 109.2	10 974.6	-1 242.7	5 575.4	6 169.7	472.2	-3 594.4	7 380.2	6 270.9	
V	-1 010.5	10 930.1	-1 255.6	5 550.2	6 161.5	474.0	-3 547.4	7 382.7	6 372.3	
VI	-656.7	10 578.7	-1 487.3	5 511.6	6 101.8	452.6	-3 588.2	6 990.5	6 333.8	
VII	-771.9	10 526.1	-1 532.3	5 475.4	6 132.6	450.4	-3 485.3	7 040.8	6 268.9	
VIII	-567.7	10 366.6	-1 711.0	5 454.4	6 173.6	449.6	-3 479.0	6 887.6	6 319.9	
IX	-466.9	10 351.0	-1 688.2	5 419.9	6 165.8	453.5	-3 573.9	6 777.1	6 310.2	
X	-543.8	10 353.9	-1 647.2	5 382.2	6 165.2	453.7	-3 563.7	6 790.2	6 246.4	
XI	-435.6	10 635.1	-1 309.7	5 352.9	6 148.6	443.3	-4 063.9	6 571.2	6 135.6	
XII	-224.8	11 045.4	-663.8	5 298.7	5 975.6	434.9	-4 334.5	6 710.9	6 486.1	
2012										
I	-183.2	10 938.7	-715.6	5 261.2	5 962.7	430.4	-4 354.6	6 584.1	6 400.9	
II	270.1	10 450.8	-1 153.7	5 222.2	5 950.6	431.7	-4 232.1	6 218.7	6 488.9	
III	-131.4	10 072.1	-1 021.8	5 015.4	5 647.9	430.6	-3 517.4	6 554.7	6 423.4	
IV	-121.9	10 055.6	-1 015.3	4 979.0	5 655.2	436.7	-3 477.3	6 578.3	6 456.3	
V	64.2	9 653.7	-1 088.3	4 874.1	5 437.4	430.5	-3 335.1	6 318.6	6 382.8	
VI	54.2	9 795.0	-985.6	4 837.5	5 455.7	487.4	-3 368.8	6 426.2	6 480.4	

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

(at end of period; millions of lats)

	2011									2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Claims on MFIs	3 025.7	2 944.8	3 043.7	3 046.2	3 084.2	3 045.8	3 201.5	3 322.0	3 680.5	3 616.1	3 655.9	3 634.3	3 701.3	3 604.9	3 788.5
Loans															
Overnight	1 872.0	1 897.7	2 023.1	1 897.9	1 943.2	1 777.9	1 849.9	2 012.9	2 346.8	2 485.2	2 380.4	2 295.4	1 998.0	2 233.1	2 380.8
Short-term	616.2	521.9	548.8	665.1	625.7	742.8	828.8	788.6	736.4	523.8	665.3	676.5	1 020.1	665.0	852.6
Long-term	188.5	191.9	191.4	190.9	189.8	192.0	178.1	173.8	172.8	172.8	172.7	173.7	173.7	175.3	14.1
Redeemable at notice	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0
Holdings of securities other than shares	296.5	292.1	239.2	251.2	284.5	292.2	303.7	305.6	383.4	393.2	396.2	447.5	468.3	490.2	499.8
Holdings of shares and other equity	0.7	0.6	0.5	0.5	0.4	0.3	0.4	0.4	0.4	0.5	0.7	0.6	0.6	0.8	0.8
Other claims	51.7	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5
Claims on non-MFIs	2 064.3	2 123.9	2 093.6	1 911.7	2 000.7	2 155.9	2 080.5	2 177.7	2 091.8	2 165.8	2 146.0	2 094.5	2 110.2	2 090.8	2 225.9
Loans															
Short-term	436.2	459.7	434.9	395.9	413.9	449.3	458.5	533.2	494.8	540.1	563.7	464.5	456.1	432.4	448.9
Long-term	915.1	916.4	900.3	893.3	848.9	872.5	842.6	835.7	865.6	859.1	802.0	666.7	692.0	682.7	694.9
Holdings of securities other than shares															
Government	461.8	493.5	488.4	340.6	342.5	439.8	417.8	404.8	335.0	351.8	365.5	564.3	547.5	557.4	672.1
Private sector	198.2	200.9	212.4	216.2	332.1	331.1	298.7	340.4	332.4	350.0	343.7	330.4	341.8	352.5	344.1
Holdings of shares and other equity	19.2	19.7	23.9	30.6	28.2	28.5	28.4	29.3	29.6	30.4	36.7	37.8	42.2	35.2	33.4
Other claims	33.7	33.7	33.7	35.1	35.1	34.8	34.4	34.4	34.4	34.4	34.4	30.7	30.7	30.7	32.4
Vault cash in foreign currencies	66.5	68.5	69.2	78.4	74.2	73.4	72.1	65.0	112.8	87.0	82.2	71.6	74.0	113.8	74.3
Other assets															
Other assets	121.4	120.8	118.3	162.9	136.7	137.5	139.5	148.3	181.4	179.7	219.8	196.8	211.0	210.8	226.1
Total foreign assets	5 277.9	5 257.9	5 324.9	5 199.2	5 295.8	5 412.6	5 493.5	5 713.1	6 066.5	6 048.6	6 103.9	5 997.1	6 096.5	6 020.3	6 314.9
Memo items															
Trust assets	298.6	316.9	367.4	338.3	354.7	390.9	395.3	458.5	537.6	501.9	604.1	471.7	486.9	434.8	624.6

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

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Liabilities to MFIs																
Overnight	701.2	786.4	649.9	600.5	600.7	565.4	611.5	376.4	267.9	295.2	246.3	220.8	280.5	269.9	272.3	
Short-term	498.5	508.4	328.1	234.0	167.8	204.2	190.7	115.7	272.8	168.6	185.8	208.8	226.8	213.5	440.4	
Long-term	4 672.6	4 413.2	4 503.8	4 571.7	4 452.8	4 373.5	4 357.1	4 357.3	4 144.5	3 994.2	4 035.1	4 054.6	3 931.3	3 799.8	3 567.2	
Redeemable at notice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
From which liabilities to associated and affiliated MFIs	5 534.3	5 528.6	5 305.2	5 217.9	5 063.5	4 972.6	5 008.0	4 696.6	4 530.3	4 305.1	4 319.6	4 308.1	4 247.5	4 098.1	4 019.2	
Non-MFI deposits																
Overnight	2 791.7	2 923.2	3 013.0	2 984.7	3 256.4	3 321.5	3 379.9	3 527.9	3 620.3	3 867.8	3 982.9	4 018.5	4 167.4	4 210.0	4 436.3	
Short-term	581.5	542.1	540.0	548.4	564.5	595.2	541.1	564.5	608.1	449.4	439.6	444.2	498.2	458.5	467.1	
Long-term	466.3	494.3	483.8	512.4	513.5	493.7	514.6	496.2	511.7	493.2	506.7	505.9	498.6	468.3	454.0	
Redeemable at notice	155.3	147.2	163.7	167.3	155.1	164.1	180.0	149.8	179.1	152.7	161.7	151.6	145.5	122.4	134.9	
Other liabilities																
Other liabilities ¹	177.2	138.3	126.6	121.7	136.9	149.3	143.4	163.8	122.3	127.1	141.0	313.7	145.1	150.1	132.0	
Total foreign liabilities	10 044.2	9 953.0	9 808.9	9 740.7	9 847.7	9 867.0	9 918.3	9 751.5	9 726.6	9 548.1	9 699.0	9 918.1	9 893.5	9 692.5	9 904.2	
Memo items																
Trust liabilities	322.9	348.2	391.5	360.3	387.0	429.6	434.0	489.8	572.4	538.3	639.1	507.5	524.5	475.0	660.3	

¹ Including subordinated liabilities.

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

(at end of period; millions of lats)

	Claims on MFIs			Loans to non-MFIs			Liabilities to MFIs			Deposits by non-MFIs		
	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions
2011												
IV	2 080.1	1 098.8	596.6	618.9	361.7	732.5	4 975.5	2 056.5	896.8	1 127.3	499.7	2 867.5
V	1 989.3	1 095.1	622.3	622.7	364.1	753.4	4 836.0	2 142.2	871.9	999.9	360.0	3 106.9
VI	2 083.6	1 075.9	619.0	607.0	358.5	728.2	4 611.3	1 985.2	870.4	1 061.9	417.0	3 138.7
VII	2 118.6	1 055.5	635.5	610.8	367.3	678.4	4 564.8	1 949.7	841.4	1 098.7	392.4	3 114.1
VIII	2 142.2	1 156.3	616.7	620.3	369.1	642.5	4 361.4	1 923.6	859.9	1 204.5	490.4	3 285.0
IX	2 050.5	1 183.6	662.2	651.0	393.6	670.8	4 322.2	1 898.6	821.0	1 192.0	416.9	3 382.6
X	2 099.3	1 233.8	757.6	647.2	373.7	654.0	4 338.5	1 940.2	820.8	1 209.8	412.1	3 405.8
XI	2 255.5	1 228.5	720.0	676.6	389.7	692.2	4 060.5	1 831.4	788.8	1 320.8	523.2	3 417.6
XII	2 352.4	1 350.4	903.8	619.1	348.0	741.2	3 921.2	1 756.0	763.9	1 288.2	425.2	3 630.9
2012												
I	2 402.2	1 289.1	779.7	651.5	374.8	747.7	3 690.4	1 751.2	767.5	1 379.0	432.0	3 584.0
II	2 417.9	1 183.0	800.6	651.9	374.6	713.8	3 778.8	1 794.8	688.4	1 533.0	580.9	3 557.8
III	2 365.6	1 246.8	780.1	531.2	320.8	600.1	3 738.4	1 746.0	745.9	1 540.5	579.5	3 579.8
IV	2 348.1	1 263.3	843.8	537.5	322.3	610.6	3 695.9	1 764.8	742.7	1 618.1	616.2	3 691.7
V	2 317.9	1 225.4	755.4	509.5	318.6	605.7	3 540.2	1 643.0	743.0	1 522.5	551.3	3 736.8
VI	2 434.3	1 200.5	813.1	535.1	342.6	608.7	3 516.3	1 705.1	763.5	1 609.2	602.6	3 883.1

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

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Overnight deposits																
Amount	2 707.8	2 763.7	2 823.1	2 773.3	2 855.0	2 839.2	2 866.6	2 954.8	3 109.2	3 051.3	3 100.3	3 058.9	3 023.3	2 982.9	3 100.3	
% ¹	49.7	49.8	51.4	51.4	52.4	52.4	53.6	56.9	57.1	56.8	56.7	56.6	55.7	55.4	56.9	
Time deposits																
Maturity of 1–6 months																
Amount	998.0	1 034.2	896.3	862.6	819.8	828.9	736.5	701.3	736.6	737.6	779.3	740.2	787.0	775.0	719.9	
% ¹	18.3	18.6	16.3	16.0	15.1	15.3	13.8	13.5	13.5	13.7	14.3	13.7	14.5	14.4	13.2	
Maturity of 6–12 months																
Amount	1 065.5	1 039.6	1 034.0	1 013.9	1 017.6	992.2	982.0	767.0	793.0	780.4	764.3	814.7	841.9	862.1	870.0	
% ¹	19.5	18.7	18.8	18.8	18.7	18.3	18.3	14.8	14.6	14.5	14.0	15.1	15.5	16.0	16.0	
Long-term																
Amount	443.0	478.9	507.2	517.5	530.7	539.1	548.2	553.9	593.4	612.2	627.3	589.0	575.9	560.0	551.0	
% ¹	8.1	8.6	9.2	9.6	9.7	9.9	10.2	10.6	10.9	11.4	11.5	10.9	10.6	10.4	10.1	
Maturity of 1–2 years																
Amount	202.0	214.6	231.7	265.1	275.6	283.4	291.1	292.2	335.1	354.4	368.5	358.7	345.1	332.3	317.8	
% ¹	3.7	3.9	4.2	4.9	5.1	5.2	5.4	5.6	6.2	6.6	6.7	6.6	6.4	6.2	5.8	
Maturity of over 2 years																
Amount	241.0	264.3	275.5	252.5	255.1	255.8	257.2	261.7	258.3	257.7	258.8	230.4	230.7	227.7	233.3	
% ¹	4.4	4.8	5.0	4.7	4.7	4.7	4.8	5.0	4.7	4.8	4.7	4.3	4.3	4.2	4.3	
Deposits redeemable at notice																
Up to 3 months																
Amount	240.9	238.1	235.1	225.5	223.4	222.1	220.6	216.9	213.8	194.7	196.8	199.4	200.1	205.5	209.9	
% ¹	4.4	4.3	4.3	4.2	4.1	4.1	4.1	4.2	3.9	3.6	3.6	3.7	3.7	3.8	3.8	
Over 3 months																
Amount	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0	0	
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Repos																
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total deposits	5 455.3	5 554.6	5 495.7	5 393.0	5 446.5	5 421.6	5 354.0	5 194.0	5 446.1	5 376.2	5 468.1	5 402.1	5 428.1	5 385.5	5 451.1	

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

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

(at end of period; millions of lats)

Insurance corporations and pension funds									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2011									
IV	69.2	138.2	45.9	37.2	0.5	0	0	291.0	212.9
V	76.3	124.3	49.4	35.7	0.4	0	0	286.2	204.5
VI	79.1	133.1	51.6	47.0	0.5	0	0	311.3	227.8
VII	75.5	120.5	55.1	46.1	0.5	0	0	297.8	213.1
VIII	83.6	112.8	54.7	46.1	1.0	0	0	298.2	193.4
IX	91.1	97.3	49.1	45.5	0.8	0	0	283.8	181.6
X	88.0	86.6	48.7	45.7	0.6	0	0	269.7	178.6
XI	107.4	69.8	47.4	48.6	0.8	0	0	274.1	174.0
XII	106.1	78.9	47.5	44.8	0.8	0	0	278.2	150.2
2012									
I	107.1	78.4	47.3	44.7	0.8	0	0	278.3	153.0
II	117.4	77.6	50.4	43.4	0.7	0	0	289.6	151.8
III	98.3	81.1	49.5	47.8	0.7	0	0	277.4	147.9
IV	79.3	92.0	47.2	47.8	0.7	0	0	267.0	152.0
V	88.0	102.3	42.8	52.2	0.7	0	0	286.1	143.8
VI	80.1	100.5	40.6	51.4	0.7	0	0	273.4	143.5
OFIs and financial auxiliaries									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2011									
IV	59.4	89.1	5.3	61.6	8.5	0	0	223.9	82.9
V	56.7	91.4	5.1	63.6	8.4	0	0	225.3	78.6
VI	49.8	96.4	4.8	56.1	7.9	0	0	215.1	63.8
VII	41.9	90.0	11.1	57.1	7.9	0	0	208.2	57.5
VIII	45.9	88.9	11.1	58.3	8.6	0	0	212.8	56.3
IX	51.4	90.5	12.3	59.1	8.2	0	0	221.5	56.6
X	55.2	32.5	12.3	60.7	8.1	0	0	168.8	57.5
XI	57.9	23.9	12.3	60.9	8.1	0	0	163.2	54.6
XII	45.4	28.0	12.3	61.6	9.8	0	0	157.1	51.0
2012									
I	48.9	28.6	12.3	61.6	10.0	0	0	161.3	53.2
II	48.3	49.0	14.3	61.8	9.9	0	0	183.3	54.7
III	78.3	44.9	13.7	63.1	9.9	0	0	209.9	58.1
IV	53.3	69.6	12.7	63.1	9.3	0	0	208.0	54.4
V	35.0	54.2	12.4	61.3	7.9	0	0	170.8	51.7
VI	41.2	60.8	11.8	61.3	7.9	0	0	183.0	51.9

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

(at end of period; millions of lats)

Public non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2011									
IV	131.7	275.5	2.3	0.5	1.2	0	0	411.2	291.9
V	115.4	293.3	2.0	0.5	1.5	0	0	412.7	294.0
VI	118.4	215.4	6.2	0.5	1.3	0	0	341.9	234.8
VII	113.8	206.0	8.2	0.5	1.3	0	0	329.8	240.3
VIII	120.8	223.6	8.1	0.5	1.0	0	0	354.0	257.6
IX	116.7	213.2	8.1	0.5	1.1	0	0	339.7	249.1
X	143.2	193.2	8.4	0.5	1.2	0	0	346.5	257.8
XI	188.9	134.2	12.9	0.5	1.1	0	0	337.6	253.4
XII	191.1	130.8	17.3	0.5	1.0	0	0	340.8	254.8
2012									
I	173.8	142.8	18.1	0	1.0	0	0	335.7	224.6
II	183.5	147.6	19.1	0	1.1	0	0	351.3	229.2
III	200.9	164.7	19.8	0	1.5	0	0	387.0	258.6
IV	195.2	153.0	19.8	0	1.6	0	0	369.6	250.5
V	128.7	155.0	23.9	0	1.7	0	0	309.3	203.7
VI	157.5	159.6	23.9	0	1.8	0	0	342.8	182.3
Private non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2011									
IV	1 111.2	425.0	23.0	19.5	27.2	0	0	1 605.8	780.6
V	1 165.3	448.2	25.1	21.2	26.9	0	0	1 686.7	857.4
VI	1 217.1	388.8	26.3	23.4	26.8	0	0	1 682.3	848.6
VII	1 197.1	365.5	36.3	22.1	29.1	0	0	1 650.1	813.4
VIII	1 275.5	311.5	37.8	22.0	25.6	0	0	1 672.3	829.2
IX	1 239.5	313.2	36.5	21.9	23.7	0	0	1 634.9	823.2
X	1 244.5	315.7	38.5	20.2	22.2	0	0	1 641.0	834.5
XI	1 305.4	331.2	36.7	24.6	20.8	0	0	1 718.6	821.0
XII	1 323.8	340.7	36.5	20.6	18.6	0	0	1 740.3	893.9
2012									
I	1 306.5	320.9	36.3	18.9	17.8	0	0	1 700.4	847.7
II	1 334.1	322.8	34.7	19.1	19.0	0	0	1 729.7	858.0
III	1 258.0	316.7	34.0	20.6	18.9	0	0	1 648.2	807.3
IV	1 261.9	358.0	33.8	20.8	18.4	0	0	1 692.8	832.5
V	1 254.4	341.5	29.7	14.6	18.4	0	0	1 658.5	814.8
VI	1 301.2	321.6	27.5	16.8	20.0	0	0	1 687.1	807.6

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

(at end of period; millions of lats)

	Households									In lats
	Overnight	With agreed maturity			Redeemable at notice		Repos			
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2011										
IV	1 336.4	1 135.7	125.5	122.2	203.5	0.1	0	2 923.4	1 236.0	
V	1 350.0	1 116.6	133.0	143.1	200.9	0.1	0	2 943.7	1 226.1	
VI	1 358.6	1 096.6	142.9	148.5	198.7	0.1	0	2 945.2	1 214.0	
VII	1 344.9	1 094.6	154.3	126.6	186.7	0.1	0	2 907.1	1 194.4	
VIII	1 329.2	1 100.5	164.0	128.2	187.2	0.1	0	2 909.1	1 182.3	
IX	1 340.5	1 107.0	177.2	128.8	188.3	0.1	0	2 941.8	1 196.0	
X	1 335.7	1 090.5	183.2	130.1	188.4	0	0	2 928.0	1 196.2	
XI	1 295.2	909.2	182.9	127.1	186.1	0	0	2 700.6	1 113.8	
XII	1 442.7	951.2	221.5	130.8	183.5	0	0	2 929.8	1 278.1	
2012										
I	1 415.1	947.3	240.4	132.6	165.2	0	0	2 900.5	1 262.3	
II	1 417.0	946.7	249.8	134.4	166.2	0	0	2 914.2	1 281.8	
III	1 423.3	947.5	241.5	98.8	168.5	0	0	2 879.7	1 254.3	
IV	1 433.5	956.3	231.6	99.0	170.1	0	0	2 890.6	1 270.8	
V	1 476.8	984.2	223.4	99.6	176.8	0	0	2 960.9	1 295.2	
VI	1 520.3	947.4	213.9	103.8	179.4	0	0	2 964.8	1 317.1	

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	In lats	MFIs	Non-MFIs				
							General government	Other		
2011										
IV	678.7	241.7	920.3	245.1	5 872.2	3 994.7	2.8	3 991.9	9 867.0	161.2
V	679.4	256.1	935.6	259.2	5 707.9	4 106.8	2.1	4 104.7	9 814.7	182.4
VI	676.9	245.3	922.2	252.1	5 481.7	4 200.6	2.4	4 198.1	9 682.3	142.5
VII	672.1	246.6	918.6	248.7	5 406.2	4 212.8	2.4	4 210.4	9 618.9	157.0
VIII	673.6	263.9	937.5	295.4	5 221.4	4 489.5	2.5	4 487.1	9 710.9	138.3
IX	643.6	256.3	899.9	289.5	5 143.2	4 574.5	2.7	4 571.8	9 717.8	176.7
X	642.7	253.4	896.0	283.7	5 159.3	4 615.6	2.1	4 613.5	9 774.8	168.0
XI	652.7	246.8	899.4	284.8	4 849.3	4 738.4	2.4	4 736.0	9 587.8	166.3
XII	219.9	191.9	411.8	252.8	4 685.2	4 919.2	10.4	4 908.8	9 604.3	145.6
2012										
I	218.8	208.0	426.9	257.6	4 458.0	4 963.0	6.2	4 956.9	9 421.0	159.6
II	190.2	212.0	402.2	266.4	4 467.2	5 090.8	7.7	5 083.1	9 558.0	97.0
III	186.5	223.7	410.1	275.2	4 484.2	5 120.3	7.8	5 112.5	9 604.5	112.6
IV	202.1	231.9	434.0	271.5	4 438.6	5 309.7	8.3	5 301.4	9 748.4	116.9
V	218.6	231.5	450.1	268.7	4 283.2	5 259.3	7.3	5 252.0	9 542.5	98.1
VI	196.4	225.6	422.0	239.5	4 279.9	5 492.3	2.5	5 489.8	9 772.2	117.0

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

(at end of period; millions of lats)

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Short-term																
Amount	1 995.5	1 990.4	2 007.2	1 987.1	1 996.3	2 000.2	2 037.2	2 062.8	1 936.3	1 991.6	1 982.8	1 786.2	1 811.9	1 726.2	1 725.4	
% ¹	16.7	16.7	17.0	16.9	17.0	17.0	17.4	17.7	17.1	17.6	17.6	16.6	16.9	16.6	16.5	
Maturity of 1–5 years																
Amount	2 146.3	2 159.9	2 047.4	1 972.1	1 982.4	1 969.2	1 956.0	1 897.1	1 823.7	1 795.5	1 766.3	1 675.2	1 678.2	1 606.9	1 612.7	
% ¹	17.9	18.1	17.3	16.7	16.8	16.8	16.7	16.3	16.0	15.9	15.7	15.6	15.6	15.4	15.5	
Maturity of over 5 years																
Amount	7 819.0	7 777.1	7 753.9	7 835.2	7 795.0	7 767.1	7 703.9	7 674.2	7 609.4	7 527.8	7 500.1	7 285.9	7 236.8	7 085.0	7 101.3	
% ¹	65.4	65.2	65.7	66.4	66.2	66.2	65.9	66.0	66.9	66.5	66.7	67.8	67.5	68.0	68.0	
Total loans	11 960.8	11 927.4	11 808.6	11 794.5	11 773.6	11 736.4	11 697.0	11 634.2	11 369.4	11 314.9	11 249.1	10 747.3	10 726.9	10 418.2	10 439.3	

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

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

(at end of period; millions of lats)

	Insurance corporations and pension funds			OFIs and financial auxiliaries			Public non-financial corporations				Private non-financial corporations					
	Up to 1 year		In lats	Up to 1 year		In lats	Up to 1 year	1–5 years	Over 5 years		In lats	Up to 1 year	1–5 years	Over 5 years	In lats	
2011																
IV	0	1.4	0	120.0	339.3	41.5	35.6	51.0	385.6	472.2	7.0	1 356.3	1 474.6	2 741.5	5 572.4	418.4
V	0	1.4	0	124.4	331.7	39.9	26.4	65.1	382.5	474.0	11.9	1 356.4	1 495.1	2 718.6	5 570.0	470.5
VI	0.1	1.4	0	130.9	335.2	39.4	16.4	63.5	372.7	452.6	12.6	1 375.4	1 404.0	2 728.4	5 507.8	467.1
VII	0.4	1.2	0.3	120.5	323.8	36.2	13.9	42.6	393.9	450.4	11.6	1 386.6	1 367.4	2 789.7	5 543.7	479.9
VIII	0.5	1.3	0.5	116.8	317.0	37.5	13.7	41.6	394.3	449.6	10.2	1 395.7	1 378.9	2 776.7	5 551.3	521.7
IX	0.1	0.1	0.1	116.4	312.4	39.2	15.9	41.2	396.4	453.5	9.6	1 396.4	1 381.3	2 772.8	5 550.5	546.7
X	0.1	0.1	0.1	119.9	308.1	40.8	15.8	40.5	397.5	453.7	8.5	1 426.5	1 380.6	2 745.8	5 552.9	579.2
XI	0.1	0.1	0.1	142.7	302.1	43.4	9.7	39.6	394.0	443.3	9.8	1 427.7	1 366.4	2 741.8	5 535.9	634.0
XII	0.5	0.5	0.5	143.1	301.7	45.7	6.0	39.0	390.0	434.9	9.7	1 311.4	1 299.3	2 722.9	5 333.6	608.8
2012																
I	0.8	0.9	0.6	161.0	317.2	57.1	5.8	38.3	386.3	430.4	10.2	1 315.0	1 292.7	2 697.6	5 305.3	623.3
II	0.1	0.1	0.1	162.5	314.9	58.1	4.5	32.6	394.6	431.7	17.1	1 300.1	1 283.2	2 697.0	5 280.3	659.0
III	0.1	0.1	0.1	161.2	308.2	59.6	4.4	33.9	392.2	430.6	17.1	1 166.6	1 212.1	2 614.4	4 993.0	629.9
IV	0.1	0.1	0.1	168.7	315.1	61.0	4.2	33.0	399.5	436.7	17.3	1 191.4	1 221.1	2 583.6	4 996.1	642.8
V	0.3	0.3	0.3	138.1	285.6	60.4	2.8	31.7	396.0	430.5	17.5	1 154.0	1 164.2	2 509.6	4 827.7	674.8
VI	0	0.1	0.1	141.4	287.6	60.6	2.8	31.1	453.5	487.4	17.8	1 154.1	1 181.6	2 491.1	4 826.8	710.3

16.b LOANS TO HOUSEHOLDS

(at end of period; millions of lats)

	Households													In lats
	Consumer credit				Lending for house purchase				Other lending					
		Up to 1 year	1–5 years	Over 5 years		Up to 1 year	1–5 years	Over 5 years		Up to 1 year	1–5 years	Over 5 years		
2011														
IV	636.9	210.3	104.6	322.0	4 443.1	172.1	276.9	3 994.1	495.3	101.0	112.6	281.7	5 575.4	536.3
V	636.7	209.6	104.7	322.4	4 419.5	172.7	268.1	3 978.7	493.9	100.8	113.4	279.7	5 550.2	537.3
VI	631.1	205.9	103.8	321.4	4 393.5	175.6	261.8	3 956.1	487.0	102.8	105.0	279.2	5 511.6	535.4
VII	627.8	192.8	106.0	329.0	4 362.0	174.0	244.0	3 944.0	485.6	98.9	103.6	283.0	5 475.4	528.0
VIII	628.7	194.1	106.6	327.9	4 339.3	177.3	242.7	3 919.3	486.4	98.1	106.4	281.9	5 454.4	531.9
IX	628.3	192.4	107.2	328.7	4 308.6	179.4	235.0	3 894.2	482.9	99.7	99.9	283.4	5 419.9	534.5
X	625.9	191.4	106.8	327.7	4 280.7	186.2	231.2	3 863.3	475.6	97.4	93.6	284.6	5 382.2	537.3
XI	624.9	192.0	105.3	327.6	4 256.8	196.4	218.6	3 841.8	471.1	94.3	91.8	285.0	5 352.9	539.9
XII	610.9	181.4	103.8	325.6	4 210.3	192.5	213.2	3 804.6	477.5	101.4	93.6	282.6	5 298.7	529.3
2012														
I	601.7	201.8	94.1	305.8	4 186.7	201.9	208.0	3 776.8	472.8	105.3	88.1	279.3	5 261.2	528.4
II	594.0	199.6	93.9	300.5	4 161.9	210.2	198.6	3 753.0	466.3	105.8	85.6	274.9	5 222.2	524.6
III	587.4	195.2	93.6	298.7	4 021.0	177.0	187.8	3 656.3	407.0	81.8	78.6	246.5	5 015.4	513.2
IV	583.4	193.8	93.0	296.5	3 993.9	171.9	185.9	3 636.1	401.7	81.8	75.9	244.1	4 979.0	509.7
V	571.9	193.4	89.1	289.4	3 931.6	167.9	180.1	3 583.6	370.6	69.8	73.1	227.7	4 874.1	490.6
VI	567.4	190.6	89.5	287.3	3 902.7	162.8	175.5	3 564.4	367.4	73.7	67.8	225.9	4 837.5	488.8

16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; millions of lats)

	General government				Non-residents						In lats
	Central government	Local government		In lats	MFIs	Non-MFIs			In lats		
						General government	Other				
2011											
IV	3.1	60.0	63.1	2.2	2 676.7	1 351.3	0.1	1 351.3	4 028.1	265.9	
V	0	61.1	61.1	2.2	2 611.6	1 376.1	0.1	1 376.0	3 987.7	259.7	
VI	0	60.3	60.3	2.2	2 702.6	1 335.3	0.1	1 335.2	4 037.9	268.6	
VII	0	60.8	60.8	2.1	2 754.1	1 289.2	0.1	1 289.1	4 043.3	257.7	
VIII	0	63.2	63.2	2.3	2 758.8	1 262.8	0.1	1 262.7	4 021.6	256.0	
IX	0	62.6	62.6	2.6	2 712.8	1 321.8	0.1	1 321.7	4 034.6	263.5	
X	0	63.4	63.4	3.7	2 856.9	1 301.1	0.1	1 301.0	4 158.1	263.8	
XI	0	64.0	64.0	4.0	2 975.5	1 368.9	0.1	1 368.8	4 344.3	262.7	
XII	0	64.3	64.3	4.7	3 256.1	1 360.3	0	1 360.3	4 616.5	301.5	
2012											
I	0	65.1	65.1	5.6	3 181.9	1 399.2	0	1 399.2	4 581.1	330.0	
II	0	64.7	64.7	5.3	3 218.5	1 365.7	0	1 365.7	4 584.2	283.4	
III	0	64.2	64.2	5.3	3 145.7	1 131.3	0	1 131.3	4 276.9	255.1	
IV	0	63.8	63.8	5.2	3 191.9	1 148.0	0	1 148.0	4 339.9	302.2	
V	0	64.1	64.1	5.6	3 073.3	1 115.1	0	1 115.1	4 188.4	294.5	
VI	0	64.7	64.7	6.0	3 247.4	1 143.9	0	1 143.9	4 391.3	279.2	

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

(at end of Q2 2012, millions of lats; structure, %)

	With residual maturity of up to 1 year				With residual maturity of over 1 and up to 5 years				With residual maturity of over 5 years				Total loans			
	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%
Total	1 926.8	100.0	351.1	100.0	2 528.4	100.0	314.5	100.0	1 149.3	100.0	123.4	100.0	5 604.5	100.0	789.0	100.0
A Agriculture, forestry and fishing	116.4	6.0	27.4	7.8	154.5	6.1	40.4	12.9	61.9	5.4	17.8	14.4	332.8	5.9	85.6	10.9
B Mining and quarrying	7.1	0.4	1.8	0.5	8.4	0.3	0.7	0.2	2.9	0.3	0	0	18.4	0.3	2.5	0.3
C Manufacturing	296.2	15.4	46.0	13.1	348.1	13.8	18.6	5.9	148.1	12.9	3.3	2.7	792.4	14.1	67.9	8.6
D Electricity, gas, steam and air conditioning supply	25.5	1.3	1.8	0.5	237.1	9.4	12.9	4.1	105.1	9.1	6.0	4.9	367.8	6.6	20.7	2.6
E Water supply; sewerage, waste management and remediation activities	2.8	0.1	0.2	0.1	14.4	0.6	1.8	0.6	25.8	2.2	2.0	1.6	43.0	0.8	4.0	0.5
F Construction	129.5	6.7	19.7	5.6	136.5	5.4	9.3	3.0	192.8	16.8	37.2	30.1	458.8	8.2	66.2	8.4
G Wholesale and retail trade; repair of motor vehicles and motorcycles	365.4	19.0	85.4	24.3	193.2	7.6	29.4	9.4	103.6	9.0	14.1	11.4	662.2	11.8	128.9	16.3
H Transportation and storage	55.5	2.9	12.6	3.6	174.6	6.9	3.1	1.0	98.6	8.6	9.2	7.4	328.6	5.9	24.9	3.2
I Accommodation and food service activities	36.1	1.9	5.3	1.5	65.0	2.6	3.8	1.2	39.0	3.4	1.1	0.9	140.1	2.5	10.2	1.3
J Information and communication	12.2	0.6	8.3	2.4	16.6	0.6	0.4	0.1	13.9	1.2	0.1	0.1	42.6	0.8	8.8	1.1
K Financial and insurance activities	111.3	5.8	32.1	9.1	206.9	8.2	37.4	11.9	17.7	1.5	0.1	0.1	335.9	6.0	69.6	8.8
L Real estate activities	654.2	33.9	74.8	21.3	886.9	35.1	147.0	46.7	277.9	24.2	27.8	22.5	1 819.0	32.4	249.6	31.6
M Professional, scientific and technical activities	6.1	0.3	1.7	0.5	5.0	0.2	0.6	0.2	6.3	0.5	0.2	0.2	17.3	0.3	2.5	0.3
N Administrative and support service activities	51.4	2.7	24.5	7.0	13.2	0.5	1.3	0.4	12.3	1.1	0.2	0.2	76.9	1.4	26.0	3.3
O Public administration and defence; compulsory social security	0.7	0	0.4	0.1	13.2	0.5	0.1	0	0	0	0	0	13.9	0.2	0.5	0.1
P Education	1.4	0.1	0.2	0.1	2.3	0.1	0.1	0	1.0	0.1	0	0	4.7	0.1	0.3	0
Q Human health and social work activities	6.9	0.4	2.3	0.6	10.8	0.4	3.2	1.0	4.0	0.3	1.5	1.2	21.7	0.4	7.0	0.9
R Arts, entertainment and recreation	13.5	0.7	1.6	0.5	7.0	0.3	0.9	0.3	11.2	1.0	1.0	0.8	31.7	0.6	3.5	0.5
S Other service activities	34.6	1.8	5.0	1.4	34.7	1.4	3.5	1.1	27.3	2.4	1.8	1.5	96.6	1.7	10.3	1.3

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

(at end of period; millions of lats)

	2011			2012	
	VI	IX	XII	III ¹	VI
Commercial credit	1 696.7	1 769.9	1 657.0	1 588.2	1 645.8
Industrial credit	2 053.4	2 057.5	2 019.4	1 943.1	1 825.7
Reverse repo	0.9	0.8	0.6	0.6	0.6
Financial leasing	17.4	22.0	23.5	23.3	33.6
Consumer credit	426.7	424.2	417.5	411.2	398.1
Mortgage loans	6 819.7	6 660.6	6 419.9	6 013.5	5 843.7
Factoring	0.6	1.5	2.3	2.3	2.1
Other credit	782.9	787.7	818.3	747.7	752.6
Total loans	11 798.2	11 724.1	11 358.5	10 730.0	10 502.3

¹ Data have been revised.

19.a HOLDINGS OF SECURITIES OTHER THAN SHARES

(at end of period; millions of lats)

	Securities other than shares								In lats	
	MFIs		General government		Other residents		Non-residents			
		incl. long-term		incl. long-term		incl. long-term		incl. long-term		
2011										
IV	18.1	18.1	531.9	289.1	0.1	0.1	956.6	839.9	1 506.6	518.1
V	15.4	15.4	514.4	291.0	0.1	0.1	986.5	870.2	1 516.5	500.3
VI	15.4	15.4	513.4	302.3	0.1	0.1	940.0	852.6	1 468.8	493.8
VII	15.4	15.4	533.0	317.7	0.1	0.1	808.0	780.0	1 356.5	511.3
VIII	15.0	15.0	548.6	334.1	0.1	0.1	959.1	889.7	1 522.7	525.2
IX	15.1	15.1	537.1	342.0	0.2	0.2	1 063.0	986.7	1 615.4	512.7
X	13.7	13.7	546.7	344.7	0.2	0.2	1 020.1	951.3	1 580.8	520.7
XI	13.2	13.2	476.0	289.5	0.2	0.2	1 050.8	997.5	1 540.2	455.6
XII	11.5	11.5	420.8	287.8	0.2	0.2	1 050.9	1 020.0	1 483.4	402.0
2012										
I	11.9	11.9	439.1	302.7	0.3	0.3	1 095.0	1 088.8	1 546.3	416.5
II	1.2	1.2	424.4	265.1	0.3	0.3	1 105.3	1 097.3	1 531.2	389.1
III	1.1	1.1	428.6	283.2	0.3	0.3	1 342.2	1 246.3	1 772.3	386.9
IV	1.1	1.1	421.6	287.0	0.3	0.3	1 357.6	1 294.2	1 780.6	375.9
V	1.0	1.0	422.5	292.7	0.2	0.2	1 400.0	1 339.9	1 823.6	369.7
VI	0.9	0.9	436.6	310.9	0.2	0.2	1 516.0	1 363.9	1 953.7	368.6

19.b HOLDINGS OF SHARES AND OTHER EQUITY

(at end of period; millions of lats)

	Shares and other equity				In lats	
	MFIs		Other residents	Non-residents		
2011						
IV		0.4	256.5	105.3	362.2	231.4
V		0.4	258.2	94.5	353.1	221.9
VI		0.4	257.4	98.6	356.3	221.4
VII		0.4	263.8	106.7	370.9	222.9
VIII		0.4	303.9	104.2	408.5	223.1
IX		0.4	302.6	104.2	407.1	221.1
X		0.4	303.9	103.8	408.1	223.1
XI		0.4	310.4	104.7	415.4	223.2
XII		0.4	339.6	105.0	444.9	238.6
2012						
I		0.4	339.1	105.8	445.3	238.6
II		0.4	355.1	112.4	467.9	250.9
III		0.4	346.3	109.6	456.3	235.9
IV		0.4	343.6	114.0	458.0	233.9
V		0.4	323.7	107.3	431.3	206.1
VI		0.4	341.1	107.2	448.7	219.2

20.a CURRENCY BREAKDOWN OF RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2011										
IV	481.7	24.5	75.5	64.8	10.7	6 375.6	44.7	55.3	49.5	5.0
V	235.8	34.7	65.3	46.1	19.1	6 490.1	45.0	55.0	49.1	5.1
VI	222.5	22.7	77.3	58.2	18.9	6 417.9	44.3	55.7	49.6	5.3
VII	277.4	35.1	64.9	46.7	18.0	6 311.6	43.9	56.1	49.6	5.6
VIII	271.4	30.1	69.9	56.4	12.5	6 384.0	44.1	55.9	49.3	5.3
IX	262.6	42.1	57.9	45.0	9.7	6 321.5	44.2	55.8	49.2	5.5
X	263.1	43.0	57.0	43.7	10.8	6 250.0	44.9	55.1	48.6	5.5
XI	281.2	36.8	63.2	55.4	5.6	6 093.5	44.3	55.7	48.4	6.1
XII	339.4	43.0	57.0	35.2	20.0	5 857.9	49.2	50.8	42.9	6.5
2012										
I	284.9	33.6	66.4	47.9	16.5	5 803.1	48.2	51.8	43.9	6.2
II	277.6	38.5	61.5	47.5	11.9	5 870.3	48.4	51.6	43.3	6.6
III	250.1	46.9	53.1	40.8	10.0	5 812.3	48.2	51.8	43.4	6.7
IV	262.0	45.1	54.9	41.4	10.4	5 862.1	48.3	51.7	43.2	6.9
V	235.7	52.3	47.7	35.8	9.7	5 835.7	47.6	52.4	43.7	6.9
VI	327.4	29.7	70.3	48.0	20.0	5 873.1	46.7	53.3	44.3	7.1

20.b CURRENCY BREAKDOWN OF NON-RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2011										
IV	5 872.2	2.0	98.0	93.4	1.9	3 994.7	1.1	98.9	36.1	58.6
V	5 707.9	2.5	97.5	92.5	2.3	4 106.8	1.0	99.0	33.9	60.7
VI	5 481.7	1.8	98.2	92.5	2.0	4 200.6	1.1	98.9	34.0	60.5
VII	5 406.2	1.9	98.1	92.3	2.0	4 212.8	1.3	98.7	35.5	57.7
VIII	5 221.4	1.5	98.5	92.4	2.0	4 489.5	1.4	98.6	32.9	47.7
IX	5 143.2	2.5	97.5	91.1	2.5	4 574.5	1.0	99.0	33.6	59.8
X	5 159.3	2.3	97.7	91.0	2.6	4 615.6	1.1	98.9	32.7	61.4
XI	4 849.3	2.4	97.6	91.1	2.3	4 738.4	1.0	99.0	31.8	61.6
XII	4 685.2	1.9	98.1	91.3	2.4	4 919.2	1.2	98.8	30.5	61.5
2012										
I	4 458.0	2.5	97.5	90.0	2.2	4 963.0	1.0	99.0	30.9	63.2
II	4 467.2	1.0	99.0	91.6	2.3	5 090.8	1.0	99.0	29.6	65.2
III	4 484.2	1.4	98.6	90.3	2.5	5 120.3	1.0	99.0	29.9	65.1
IV	4 438.6	1.5	98.5	89.6	3.2	5 309.7	0.9	99.1	29.8	64.7
V	4 283.2	1.0	99.0	90.0	3.3	5 259.3	1.1	98.9	29.6	64.4
VI	4 279.9	1.5	98.5	87.5	4.6	5 492.3	1.0	99.0	27.7	64.8

20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; millions of lats)	Structure (%)				
		In lats		In foreign currencies		
				incl. EUR	incl. USD	
2011						
IV	12 023.8	8.4	91.6	88.8	1.7	
V	11 988.5	8.9	91.1	88.1	1.8	
VI	11 868.9	8.9	91.1	87.6	1.8	
VII	11 855.3	8.9	91.1	87.6	1.8	
VIII	11 836.8	9.3	90.7	87.2	1.8	
IX	11 799.0	9.6	90.4	86.8	1.9	
X	11 760.4	9.9	90.1	86.4	1.9	
XI	11 698.1	10.5	89.5	85.8	2.0	
XII	11 433.6	10.5	89.5	85.8	2.0	
2012						
I	11 380.1	10.8	89.2	85.2	1.9	
II	11 313.9	11.2	88.8	84.9	1.9	
III	10 811.5	11.3	88.7	84.7	1.9	
IV	10 790.7	11.5	88.5	84.5	2.0	
V	10 482.3	11.9	88.1	83.9	2.1	
VI	10 504.0	12.2	87.8	83.2	2.1	

20.d CURRENCY BREAKDOWN OF LOANS TO NON-RESIDENTS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2011										
IV	2 676.7	9.1	90.9	36.3	48.6	1 351.3	1.6	98.4	44.8	50.9
V	2 611.6	9.1	90.9	31.9	52.4	1 376.1	1.7	98.3	44.1	51.5
VI	2 763.5	9.0	91.0	29.6	52.8	1 335.3	1.6	98.4	45.2	50.6
VII	2 754.1	8.6	91.4	27.3	57.0	1 289.2	1.6	98.4	47.2	48.0
VIII	2 758.8	8.5	91.5	25.8	55.9	1 262.8	1.6	98.4	46.7	48.3
IX	2 712.8	8.9	91.1	28.4	54.8	1 321.8	1.6	98.4	44.4	50.2
X	2 856.9	8.5	91.5	26.7	58.2	1 301.1	1.6	98.4	45.1	49.1
XI	2 975.5	8.1	91.9	30.3	54.1	1 368.9	1.6	98.4	42.4	51.9
XII	3 256.1	8.6	91.4	31.8	49.8	1 360.3	1.6	98.4	40.7	53.4
2012										
I	3 181.9	9.7	90.3	30.1	54.0	1 399.2	1.5	98.5	41.2	53.0
II	3 218.5	8.1	91.9	28.1	58.6	1 365.7	1.6	98.4	41.2	53.7
III	3 145.7	7.4	92.6	28.7	58.2	1 131.3	2.1	97.9	35.7	59.7
IV	3 191.9	8.7	91.3	30.2	53.6	1 148.0	2.2	97.8	35.5	59.8
V	3 073.3	8.7	91.3	33.3	51.1	1 115.1	2.4	97.6	32.3	62.5
VI	3 247.4	7.8	92.2	35.8	48.9	1 143.9	2.3	97.7	32.8	62.0

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

(at end of period)

	MFIs					Non-MFIs					
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)				
		In lats	In foreign currencies				In lats	In foreign currencies			
			incl. EUR	incl. USD				incl. EUR	incl. USD		
2011											
IV	18.1	22.0	78.0	74.2	3.8	531.9	96.6	3.4	3.4	0	
V	15.4	25.9	74.1	69.4	4.7	514.5	96.5	3.5	3.5	0	
VI	15.4	25.9	74.1	69.4	4.7	513.4	95.4	4.6	3.8	0.8	
VII	15.4	25.9	74.1	69.4	4.7	533.0	95.2	4.8	3.7	1.1	
VIII	15.0	24.7	75.3	70.8	0	548.6	95.2	4.8	3.6	1.2	
IX	15.1	25.8	74.2	74.2	0	537.3	94.7	5.3	3.7	1.6	
X	13.7	28.5	71.5	71.5	0	546.9	94.5	5.5	3.8	1.7	
XI	13.2	29.3	70.7	70.7	0	476.2	94.9	5.1	3.0	2.1	
XII	11.5	33.9	66.1	66.1	0	421.0	94.5	5.5	3.0	2.5	
2012											
I	11.9	33.6	66.4	66.4	0	439.4	93.9	6.1	3.3	2.8	
II	1.2	0	100.0	100.0	0	424.6	91.6	8.4	3.4	5.0	
III	1.1	0	100.0	100.0	0	428.9	90.2	9.8	3.7	6.1	
IV	1.1	0	100.0	100.0	0	421.9	89.1	10.9	3.8	7.1	
V	1.0	0	100.0	100.0	0	422.7	87.5	12.5	4.1	8.4	
VI	0.9	0	100.0	100.0	0	436.8	84.4	15.6	7.2	8.4	

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

(at end of period)

	MFIs					Non-MFIs					
	Outstanding amount (all currencies; millions of lats)	Structure (%)				Outstanding amount (all currencies; millions of lats)	Structure (%)				
		In lats	In foreign currencies				In lats	In foreign currencies			
			incl. EUR	incl. USD				incl. EUR	incl. USD		
2011											
IV	296.5	0	100.0	49.3	48.1	660.1	0	100.0	34.2	61.2	
V	292.1	0	100.0	43.6	53.7	694.4	0	100.0	37.2	58.8	
VI	239.2	0	100.0	35.4	61.2	700.8	0	100.0	37.7	58.2	
VII	251.2	0	100.0	28.7	68.0	556.8	0	100.0	47.2	47.8	
VIII	284.5	0	100.0	28.1	69.8	674.6	0	100.0	37.8	56.6	
IX	292.2	0	100.0	27.6	70.4	770.8	0	100.0	36.6	59.8	
X	303.7	0	100.0	27.7	69.0	716.5	0	100.0	34.4	62.3	
XI	305.6	0	100.0	26.7	71.2	745.2	0	100.0	35.8	60.8	
XII	383.4	0	100.0	32.7	65.2	667.4	0	100.0	30.2	65.8	
2012											
I	393.2	0	100.0	31.0	66.9	701.8	0	100.0	22.7	73.5	
II	396.2	0	100.0	36.0	61.9	709.2	0	100.0	20.9	75.3	
III	447.5	0	100.0	29.9	68.9	894.7	0	100.0	17.2	80.4	
IV	468.3	0	100.0	29.0	70.2	889.3	0	100.0	19.9	77.9	
V	490.2	0	100.0	27.3	71.8	909.8	0	100.0	18.8	79.0	
VI	499.8	0	100.0	26.4	72.2	1 016.2	0	100.0	16.9	80.7	

20.g CURRENCY BREAKDOWN OF DEBT SECURITIES ISSUED BY MFIs

(at end of period)

	Outstanding amount (all currencies; millions of lats)	Structure (%)	
		In lats	In foreign currencies
2011			
IV	160.4	6.2	93.8
V	95.3	10.5	89.5
VI	95.2	10.5	89.5
VII	95.2	10.5	89.5
VIII	91.0	9.7	90.3
IX	91.8	9.7	90.3
X	87.8	10.1	89.9
XI	88.6	10.0	90.0
XII	543.0	3.2	96.8
2012			
I	542.2	3.2	96.8
II	492.7	1.7	98.3
III	52.8	0	100.0
IV	53.6	0	100.0
V	55.5	0	100.0
VI	68.4	0	100.0

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

(%)

1. Interest rates on deposits (new business)															
	2011									2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Deposits from households															
Overnight ¹	0.27	0.23	0.23	0.21	0.20	0.22	0.22	0.29	0.31	0.28	0.30	0.26	0.23	0.24	0.23
With agreed maturity															
Up to 1 year	0.56	0.50	0.68	0.80	0.63	0.51	0.61	1.52	1.84	1.54	1.12	1.40	1.40	1.13	1.16
Over 1 and up to 2 years	2.99	3.00	3.03	2.87	2.99	3.37	3.44	3.43	2.81	3.27	3.06	2.24	2.48	2.02	1.83
Over 2 years	2.78	2.37	4.04	3.46	3.30	4.14	4.98	4.83	3.87	4.36	3.46	3.49	2.93	3.26	2.50
Redeemable at notice ²															
Up to 3 months	0.39	0.40	0.38	0.38	0.37	0.37	0.37	0.27	0.28	0.24	0.23	0.22	0.21	0.21	0.18
Over 3 months	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Deposits from non-financial corporations															
Overnight ¹	0.18	0.12	0.12	0.10	0.10	0.10	0.11	0.14	0.12	0.13	0.15	0.12	0.11	0.13	0.11
With agreed maturity															
Up to 1 year	0.26	0.35	0.30	0.32	0.48	0.38	0.43	0.42	0.31	0.39	0.40	0.34	0.31	0.31	0.34
Over 1 and up to 2 years	1.20	2.79	2.44	2.66	2.89	1.93	2.08	x	2.48	2.42	1.81	1.76	1.81	2.10	1.61
Over 2 years	1.45	1.58	2.29	2.11	1.23	1.35	2.05	1.00	2.60	1.97	x	x	x	1.74	2.78
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2011									2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Households															
Overnight ¹	0.27	0.23	0.23	0.21	0.20	0.22	0.22	0.29	0.31	0.28	0.30	0.26	0.23	0.24	0.23
With agreed maturity															
Up to 2 years	3.09	3.04	2.92	2.73	2.60	2.51	2.47	2.34	2.21	2.13	2.09	2.09	2.09	2.06	2.02
Over 2 years	5.29	4.86	4.84	5.22	5.19	5.17	5.15	5.15	5.02	4.96	4.93	5.09	5.03	4.88	4.82
Redeemable at notice ²															
Up to 3 months	0.39	0.40	0.38	0.38	0.37	0.37	0.37	0.27	0.28	0.24	0.23	0.22	0.21	0.21	0.18
Over 3 months	2.11	2.11	2.11	2.13	2.20	2.20	2.16	x	x	x	x	x	x	x	x
Non-financial corporations															
Overnight ¹	0.18	0.12	0.12	0.10	0.10	0.10	0.11	0.14	0.12	0.13	0.15	0.12	0.11	0.13	0.11
With agreed maturity															
Up to 2 years	1.50	1.22	1.44	1.59	1.72	1.71	1.74	1.58	1.66	1.77	1.72	1.66	1.53	1.33	1.36
Over 2 years	3.99	3.95	3.89	3.78	3.72	3.68	3.62	3.53	3.42	3.16	2.69	2.23	2.22	2.06	2.25
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to households (new business)															
	2011										2012				
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	23.70	23.63	22.87	22.84	22.79	22.76	22.77	22.60	23.01	22.76	22.80	22.71	22.62	22.65	22.53
Extended credit card credit ¹	20.39	20.34	24.04	24.05	23.98	23.97	24.09	24.15	24.18	24.14	24.11	23.23	23.25	23.24	23.29
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	4.51	4.34	4.10	3.69	3.51	3.17	3.10	3.25	4.53	4.04	3.63	3.65	3.57	3.14	3.56
of wich with collateral or guarantees	4.48	4.33	3.93	3.64	3.55	3.16	3.03	3.24	4.46	3.80	3.50	3.56	3.66	3.13	3.56
Over 1 and up to 5 years	5.55	6.72	7.82	7.98	8.46	6.16	6.72	9.57	7.95	9.57	7.50	9.66	4.39	6.54	6.70
of wich with collateral or guarantees	x	x	7.70	7.91	7.62	5.71	5.94	7.29	6.27	x	6.00	8.93	3.75	5.86	5.91
Over 5 and up to 10 years	x	x	x	x	x	x	5.08	x	x	x	x	7.75	6.49	x	6.86
of wich with collateral or guarantees	x	x	x	x	x	x	5.08	x	x	x	x	8.70	x	x	x
Over 10 years	x	x	x	x	x	x	x	x	x	x	x	6.36	x	x	x
of wich with collateral or guarantees	x	x	x	x	x	x	x	x	x	x	x	6.17	x	x	–
Annual percentage rate of charge ²	4.95	4.73	4.46	4.18	4.08	3.78	3.59	3.69	4.88	4.56	4.10	4.44	3.89	3.73	4.06
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	22.45	22.53	20.24	19.03	17.62	15.70	15.76	17.16	20.07	20.34	19.85	21.50	21.63	17.29	21.07
of wich with collateral or guarantees	6.43	20.77	4.60	4.59	4.61	4.47	3.62	3.90	5.39	6.93	5.09	4.59	4.91	3.87	5.03
Over 1 year	19.03	18.80	17.75	17.63	17.36	16.00	14.09	13.41	12.18	15.70	16.46	17.04	18.67	17.44	17.54
of wich with collateral or guarantees	17.73	17.30	9.27	8.40	7.86	7.12	4.70	5.82	5.19	4.94	6.69	6.47	8.21	8.30	8.79
Annual percentage rate of charge ²	22.38	22.25	21.87	20.67	22.01	21.69	21.98	22.27	22.01	22.68	22.54	21.61	22.52	22.01	22.29
Other lending by initial rate fixation															
Floating rate and up to 1 year	4.63	6.19	5.03	5.19	5.64	6.34	4.72	4.87	6.03	7.24	6.37	7.25	6.95	7.29	6.49
Over 1 year	12.69	9.94	11.78	13.60	12.35	11.35	x	13.99	14.59	13.42	11.69	12.97	14.23	x	x

¹ End-of-period.

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

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

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2011									2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	3.29	2.92	3.04	3.01	3.01	3.11	3.13	3.20	3.62	3.50	3.41	3.38	3.27	2.86	2.87
Extended credit card credit ¹	21.64	22.18	23.30	23.16	23.29	22.72	23.12	24.32	23.03	23.32	23.61	23.03	23.03	24.16	24.15
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	5.88	5.41	6.25	5.79	5.43	5.03	4.50	4.62	5.01	5.78	5.45	4.97	5.07	4.93	4.73
of wich with collateral or guarantees	5.68	5.39	6.16	5.70	5.22	5.23	4.86	4.99	5.20	5.71	5.22	5.01	4.61	4.76	4.69
Over 1 year	x	6.31	6.98	5.08	6.64	5.85	5.19	4.27	5.04	4.92	5.62	x	4.59	3.35	4.70
of wich with collateral or guarantees	x	6.31	7.04	5.06	6.52	5.74	5.06	4.24	5.00	x	x	x	x	3.44	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	5.26	4.88	3.95	4.22	4.35	4.24	3.82	4.33	4.65	x	x	5.25	4.03	4.62	5.21
of wich with collateral or guarantees	5.54	4.76	4.34	4.41	4.66	4.49	4.01	4.66	5.61	x	x	5.49	4.06	4.62	5.03
Over 1 year	–	–	x	x	x	3.81	x	–	x	x	x	x	x	x	x
of wich with collateral or guarantees	–	–	x	x	x	x	x	–	x	x	x	x	x	x	x
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	x	x	x	x	x	5.63	3.83	3.62	x	3.26	x	x	x	3.09
of wich with collateral or guarantees	x	x	x	x	x	x	5.52	3.84	3.69	–	x	x	x	x	5.26
Over 1 year	–	–	x	–	–	x	x	x	x	x	x	x	x	x	x
of wich with collateral or guarantees	–	–	x	–	–	x	x	x	x	x	–	x	x	x	x

¹ End-of-period.

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

(%)

5. Interest rates on loans (outstanding amounts)																
	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Loans to households																
Lending for house purchase, with maturity																
Up to 1 year	6.93	5.49	1.84	5.13	5.13	5.38	5.00	4.99	5.25	6.15	5.19	4.99	2.18	4.82	5.00	
Over 1 and up to 5 years	6.00	5.87	5.60	4.97	4.91	4.38	4.38	4.52	4.95	4.91	4.94	5.12	5.03	4.94	4.95	
Over 5 years	5.13	5.12	4.93	4.75	4.61	4.48	4.39	4.36	4.50	4.60	4.60	4.48	4.30	4.20	4.11	
Consumer credit and other loans, with maturity¹																
Up to 1 year ²	24.36	24.22	23.56	23.77	23.67	23.60	23.24	22.73	22.69	23.03	23.11	23.45	23.28	23.21	23.22	
Over 1 and up to 5 years	19.92	20.35	19.56	19.23	19.25	18.97	18.88	18.69	18.62	18.00	18.03	18.08	18.00	17.62	17.49	
Over 5 years	10.07	8.98	9.92	10.38	10.34	10.28	10.20	10.12	10.03	9.64	9.60	9.62	9.60	9.11	8.92	
Loans to non-financial corporations																
With maturity¹																
Up to 1 year ²	4.06	3.70	3.88	3.77	3.67	3.76	3.77	3.89	4.29	4.37	4.18	4.41	3.83	3.17	3.29	
Over 1 and up to 5 years	5.08	4.68	4.56	4.40	4.31	4.35	4.37	4.36	4.32	4.41	4.36	4.55	4.35	4.28	4.39	
Over 5 years	4.43	4.29	4.34	4.37	4.38	4.33	4.32	4.41	4.52	4.75	4.70	4.40	4.37	4.22	4.00	

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

² Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)																
	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Deposits from households																
Overnight¹																
With agreed maturity	0.89	0.51	0.65	0.61	0.57	0.61	0.59	0.59	0.56	0.38	0.38	0.34	0.35	0.35	0.28	
Up to 1 year	1.53	1.56	1.82	1.73	1.68	1.68	1.76	1.74	1.86	1.46	1.05	0.99	1.02	0.80	1.00	
Over 1 and up to 2 years	3.01	3.39	3.47	3.52	3.59	3.46	3.34	3.95	3.32	3.45	3.13	2.39	2.39	2.22	2.12	
Over 2 years	2.77	8.75	3.69	3.50	3.15	4.01	3.06	3.66	5.10	4.27	5.52	4.01	5.35	3.58	5.45	
Redeemable at notice²																
Up to 3 months	0.62	0.66	0.71	0.77	1.03	1.22	0.84	0.73	0.71	0.72	0.72	0.65	0.65	0.42	0.34	
Over 3 months	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Deposits from non-financial corporations																
Overnight¹																
With agreed maturity	0.63	0.41	0.71	0.57	0.56	0.64	0.59	0.46	0.42	0.22	0.23	0.22	0.19	0.19	0.19	
Up to 1 year	1.13	1.04	1.23	1.14	1.22	1.16	1.14	0.95	0.78	0.62	0.57	0.47	0.53	0.49	0.40	
Over 1 and up to 2 years	1.52	2.07	3.66	2.67	2.35	2.45	3.29	2.10	2.86	1.84	1.98	2.23	2.38	1.56	1.70	
Over 2 years	1.28	2.08	x	4.30	2.35	4.02	x	6.91	3.65	x	x	2.25	1.42	2.58	1.92	
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

¹ End-of-period.

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2011									2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Households															
Overnight ¹	0.89	0.51	0.65	0.61	0.57	0.61	0.59	0.59	0.56	0.38	0.38	0.34	0.35	0.35	0.28
With agreed maturity															
Up to 2 years	2.82	2.79	2.78	2.73	2.68	2.64	2.64	2.53	2.53	2.51	2.47	2.44	2.42	2.34	2.31
Over 2 years	5.97	6.05	5.96	6.22	6.15	6.14	6.06	6.10	6.06	6.03	5.99	4.82	4.79	4.74	4.75
Redeemable at notice ²															
Up to 3 months	0.62	x	0.71	0.77	1.03	1.22	0.84	0.73	0.71	0.72	0.72	0.65	0.65	0.42	0.34
Over 3 months	2.66	2.66	2.64	2.62	2.60	2.43	2.39	x	x	x	x	x	x	x	x
Non-financial corporations															
Overnight ¹	0.63	0.41	0.71	0.57	0.56	0.64	0.59	0.46	0.42	0.22	0.23	0.22	0.19	0.19	0.19
With agreed maturity															
Up to 2 years	1.76	1.87	2.01	2.04	2.21	2.12	2.11	1.97	1.88	1.84	1.81	1.70	1.66	1.61	1.54
Over 2 years	5.50	5.12	4.92	5.08	5.12	5.17	5.16	5.75	5.18	5.86	1.61	1.62	1.60	2.78	2.76
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to households (new business)															
	2011										2012				
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	5.63	5.66	5.57	5.72	5.75	5.79	5.68	5.56	6.07	5.53	5.27	5.11	5.01	4.92	4.90
Extended credit card credit ¹	31.08	31.04	30.61	30.95	31.05	30.60	30.69	30.62	30.75	31.77	31.34	23.85	24.06	24.05	23.93
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.83	3.85	3.90	3.96	4.03	3.87	3.89	3.84	3.99	4.04	3.84	3.63	3.62	3.60	3.44
of wich with collateral or guarantees	3.82	3.81	3.88	3.93	4.01	3.84	3.76	3.82	3.95	4.04	3.89	3.66	3.64	3.63	3.41
Over 1 and up to 5 years	6.48	6.46	6.05	5.48	6.15	5.59	5.28	6.35	5.35	5.47	5.54	5.53	5.51	4.78	5.83
of wich with collateral or guarantees	6.48	6.46	6.17	5.54	6.39	5.58	5.41	6.34	5.51	5.47	5.60	5.58	5.68	4.76	5.84
Over 5 and up to 10 years	6.28	x	6.42	5.09	5.09	6.34	6.50	6.07	4.35	5.87	4.96	x	4.79	5.46	x
of wich with collateral or guarantees	x	–	6.44	x	4.94	5.65	6.17	x	4.12	5.97	4.83	x	4.77	5.52	x
Over 10 years	2.37	–	5.51	5.34	x	x	5.13	4.73	x	x	x	5.27	5.09	x	x
of wich with collateral or guarantees	2.37	–	5.64	5.24	x	x	5.09	5.50	x	x	x	5.36	5.05	x	x
Annual percentage rate of charge ²	4.09	4.01	4.11	4.15	4.24	4.10	4.10	4.13	4.19	4.28	4.06	3.89	3.95	3.83	3.70
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	17.69	17.11	9.45	8.26	8.84	7.76	7.81	8.13	10.99	7.88	7.81	8.05	6.82	8.03	7.36
of wich with collateral or guarantees	15.54	15.35	5.43	5.60	x	x	5.12	4.75	x	x	x	4.43	4.59	x	x
Over 1 year	30.00	27.69	22.62	23.32	23.77	23.78	22.91	21.55	20.91	24.53	22.37	22.09	21.26	19.61	20.45
of wich with collateral or guarantees	18.72	14.24	11.40	13.07	12.22	12.69	12.62	12.36	11.68	13.44	12.91	10.10	9.44	11.00	10.29
Annual percentage rate of charge ²	16.04	20.84	16.14	17.90	19.94	16.20	15.58	17.51	21.14	16.48	18.32	18.66	18.50	19.77	18.94
Other lending by initial rate fixation															
Floating rate and up to 1 year	4.94	4.89	5.42	5.72	5.35	5.19	4.91	3.67	4.86	4.04	5.02	5.85	3.60	4.02	5.22
Over 1 year	7.26	4.94	3.17	6.95	4.24	8.04	4.71	x	4.73	3.68	7.45	8.03	8.31	x	x

¹ End-of-period.

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

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

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2011										2012				
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	4.83	4.70	4.85	4.83	4.79	4.73	4.49	4.56	4.68	4.40	4.41	4.51	3.98	3.91	3.92
Extended credit card credit ¹	22.18	25.68	25.88	25.39	25.78	23.28	24.84	25.43	24.68	24.90	24.30	23.34	23.35	23.59	23.90
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	6.49	5.90	6.00	5.95	5.95	5.26	5.40	5.53	5.53	4.70	5.08	4.89	4.66	4.14	4.52
of wich with collateral or guarantees	6.44	5.85	5.98	5.94	6.04	5.26	5.37	5.34	5.50	4.61	5.09	4.96	4.67	4.09	4.40
Over 1 year	6.75	8.27	x	5.03	6.00	5.49	4.57	5.54	4.94	4.89	6.13	6.18	5.74	5.00	x
of wich with collateral or guarantees	7.24	8.27	x	5.57	6.88	5.40	4.81	5.54	5.32	4.68	6.13	6.03	5.68	4.89	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	5.50	5.36	5.26	5.29	5.23	4.65	4.90	5.07	4.97	6.24	4.93	4.39	4.92	4.53	4.35
of wich with collateral or guarantees	5.49	5.41	5.26	5.29	5.28	4.66	5.06	5.11	5.00	6.52	4.75	4.38	4.89	4.48	4.37
Over 1 year	x	6.36	5.36	x	5.01	3.99	6.20	x	5.97	x	4.85	3.73	x	x	5.11
of wich with collateral or guarantees	x	x	x	x	6.92	5.84	5.86	x	6.73	x	x	x	x	x	x
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	4.66	4.47	3.07	4.15	4.75	3.69	3.58	4.41	4.54	3.60	4.31	4.26	2.31	3.82	3.72
of wich with collateral or guarantees	4.68	4.25	3.27	4.12	4.71	3.74	3.76	4.75	4.44	3.46	4.38	4.21	2.68	3.68	3.71
Over 1 year	x	x	x	x	4.91	x	x	x	3.79	x	5.60	x	x	x	x
of wich with collateral or guarantees	x	x	x	x	x	x	x	x	x	x	5.79	x	x	x	x

¹ End-of-period.

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

(%)

5. Interest rates on loans (outstanding amounts)															
	2011										2012				
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	4.07	4.25	3.95	25.15	6.32	4.53	6.57	22.35	22.68	2.99	21.40	25.58	4.04	25.49	21.25
Over 1 and up to 5 years	4.91	5.28	5.33	5.23	5.30	5.36	5.42	5.36	5.19	5.16	5.13	4.98	4.88	4.78	4.67
Over 5 years	3.62	3.67	3.72	3.80	3.81	3.82	3.82	3.80	3.77	3.71	3.62	3.50	3.37	3.28	3.21
Consumer credit and other loans, with maturity¹															
Up to 1 year ²	8.63	9.24	8.73	7.24	7.51	7.74	7.24	7.35	6.78	8.56	8.75	9.36	10.18	9.25	9.06
Over 1 and up to 5 years	8.29	8.63	8.65	9.30	9.19	9.54	9.88	9.87	10.11	9.84	9.93	10.12	10.12	10.01	9.95
Over 5 years	5.36	5.44	5.44	5.78	5.75	5.71	5.70	5.70	5.71	5.26	5.21	5.06	4.95	4.84	4.74
Loans to non-financial corporations															
With maturity¹															
Up to 1 year ²	5.15	5.81	5.63	5.99	5.87	5.60	5.29	5.49	5.46	5.22	5.27	4.81	4.38	4.36	4.28
Over 1 and up to 5 years	4.61	5.05	4.71	4.76	4.83	4.86	4.84	4.85	4.71	4.68	5.43	4.36	4.25	4.03	4.22
Over 5 years	3.68	3.74	3.82	3.87	4.04	3.97	3.96	3.90	3.77	3.69	3.62	3.47	3.39	3.24	3.22

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

² Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)															
	2011										2012				
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Deposits from households															
Overnight¹															
	0.19	0.17	0.19	0.18	0.18	0.21	0.18	0.18	0.16	0.17	0.23	0.18	0.18	0.28	0.26
With agreed maturity															
Up to 1 year	0.40	0.33	0.48	0.39	0.39	0.36	0.51	0.70	0.95	0.52	0.43	0.42	0.39	0.41	0.52
Over 1 and up to 2 years	2.57	2.62	2.82	3.23	2.80	2.85	3.05	2.92	2.50	2.89	2.37	1.77	1.43	1.59	1.43
Over 2 years	3.74	2.86	3.34	3.47	3.06	3.87	4.52	4.26	3.74	3.27	3.20	1.96	3.64	3.61	3.70
Redeemable at notice²															
Up to 3 months	0.31	0.31	0.30	0.29	0.29	0.29	0.30	0.28	0.28	0.27	0.25	0.25	0.25	0.24	0.24
Over 3 months	x	x	x	x	x	x	x	x	x	–	–	–	–	–	–
Deposits from non-financial corporations															
Overnight¹															
	0.10	0.05	0.11	0.08	0.09	0.05	0.05	0.12	0.05	0.06	0.07	0.05	0.08	0.06	0.08
With agreed maturity															
Up to 1 year	0.11	0.06	0.12	0.12	0.13	0.23	0.26	0.18	0.34	0.16	0.21	0.19	0.15	0.14	0.13
Over 1 and up to 2 years	–	x	–	–	x	–	–	–	x	x	–	–	x	–	–
Over 2 years	–	–	–	x	–	x	–	x	–	x	–	–	–	x	–
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2011									2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Households															
Overnight ¹	0.19	0.17	0.19	0.18	0.18	0.21	0.18	0.18	0.16	0.17	0.23	0.18	0.18	0.28	0.26
With agreed maturity															
Up to 2 years	2.19	2.23	2.06	1.99	1.91	1.84	1.81	1.64	1.60	1.57	1.48	1.50	1.49	1.42	1.41
Over 2 years	4.82	4.61	4.58	4.63	4.62	4.59	4.37	4.31	4.21	4.12	4.07	4.03	4.01	4.00	3.96
Redeemable at notice ²															
Up to 3 months	0.31	0.31	0.30	0.29	0.29	0.29	0.30	0.28	0.28	0.27	0.25	0.25	0.25	0.24	0.24
Over 3 months	1.01	1.01	1.01	1.01	1.01	1.01	1.01	x	–	–	–	–	–	–	–
Non-financial corporations															
Overnight ¹	0.10	0.05	0.11	0.08	0.09	0.05	0.05	0.12	0.05	0.06	0.07	0.05	0.08	0.06	0.08
With agreed maturity															
Up to 2 years	0.71	0.70	0.64	0.59	0.64	0.71	0.91	0.83	0.83	0.81	0.55	0.51	0.62	0.74	0.77
Over 2 years	4.05	4.05	4.05	4.03	4.03	3.98	3.98	3.98	3.98	3.58	3.58	3.58	3.58	3.58	3.55
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to households (new business)															
	2011										2012				
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	19.99	18.23	9.98	10.09	10.41	10.13	9.56	9.84	7.51	8.22	8.11	7.46	7.16	7.27	7.22
Extended credit card credit ¹	24.77	24.80	25.02	24.40	24.63	24.92	24.94	25.20	24.88	25.30	25.65	25.27	24.86	24.96	24.94
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.24	2.65	3.14	3.05	3.56	2.75	3.13	3.32	2.48	3.57	3.50	2.67	2.43	3.25	3.20
of wich with collateral or guarantees	3.01	2.34	3.03	2.98	3.33	2.50	2.84	3.03	2.48	3.78	3.50	2.67	2.63	3.09	3.17
Over 1 and up to 5 years	x	x	–	–	x	x	–	–	x	–	x	x	x	x	5.82
of wich with collateral or guarantees	–	x	–	–	x	x	–	–	–	–	x	x	x	x	x
Over 5 and up to 10 years	–	–	–	–	–	–	–	–	x	x	x	x	–	–	x
of wich with collateral or guarantees	–	–	–	–	–	–	–	–	x	x	x	x	–	–	x
Over 10 years	–	–	–	x	x	–	x	x	–	x	–	x	–	–	–
of wich with collateral or guarantees	–	–	–	x	x	–	x	x	–	x	–	–	–	–	–
Annual percentage rate of charge ²	3.41	2.52	3.34	3.27	3.79	4.56	3.31	3.38	2.50	3.63	3.63	3.24	2.69	3.27	3.49
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	x	20.48	19.42	12.44	19.57	10.97	14.22	16.94	19.31	x	x	15.54	15.03	13.57	x
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
of wich with collateral or guarantees	–	–	–	–	–	–	–	–	–	–	–	x	–	–	–
Annual percentage rate of charge ²	17.25	18.31	20.30	18.71	20.30	17.36	17.60	15.66	20.86	16.73	20.91	14.31	18.34	14.33	17.84
Other lending by initial rate fixation															
Floating rate and up to 1 year	x	x	5.02	x	x	6.03	x	x	x	5.14	4.20	4.46	4.64	7.26	4.35
Over 1 year	x	x	x	x	x	x	x	–	x	–	x	x	–	x	–

¹ End-of-period.

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

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

(%)

4. Interest rates on loans to non-financial corporations (new business)																
	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Revolving loans and overdraft ¹	7.57	7.85	6.29	6.00	5.48	5.02	4.04	4.24	4.46	4.56	4.80	4.70	4.35	3.97	3.89	
Extended credit card credit ¹	36.17	20.91	20.01	22.68	17.75	18.56	14.23	36.80	22.24	16.76	13.34	10.56	16.24	15.63	18.04	
Other loans up to 0.25 million euro by initial rate fixation																
Floating rate and up to 1 year	4.70	x	x	x	x	6.97	x	x	9.01	x	5.88	4.95	x	2.00	3.04	
of wich with collateral or guarantees	4.52	x	x	x	x	x	–	x	x	x	7.11	6.56	x	x	x	
Over 1 year	–	x	–	x	–	–	–	–	x	–	x	x	–	x	–	
of wich with collateral or guarantees	–	x	–	x	–	–	–	–	x	–	x	x	–	x	–	
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation																
Floating rate and up to 1 year	–	x	x	x	x	x	x	–	x	x	x	x	x	x	–	
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	
of wich with collateral or guarantees	–	x	–	–	x	–	–	x	–	–	x	–	–	x	x	
Other loans over 1 million euro by initial rate fixation																
Floating rate and up to 1 year	–	x	x	x	x	x	x	x	x	x	–	x	–	x	x	
of wich with collateral or guarantees	–	x	x	x	x	x	x	x	x	x	–	x	–	x	x	
Over 1 year	–	x	–	–	–	–	–	–	–	x	–	–	–	–	–	
of wich with collateral or guarantees	–	x	–	–	–	–	–	–	–	–	–	–	–	–	–	

¹ End-of-period.

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

(%)

5. Interest rates on loans (outstanding amounts)															
	2011										2012				
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	2.70	3.00	2.60	2.63	2.67	2.41	2.37	2.41	2.23	1.83	1.79	1.83	1.93	1.96	1.91
Over 1 and up to 5 years	4.05	4.09	3.83	3.89	3.79	3.75	3.96	3.95	3.92	4.27	4.77	4.77	4.72	5.11	5.29
Over 5 years	2.98	2.99	2.96	2.93	2.93	2.94	2.95	2.98	3.01	3.07	3.09	3.02	2.99	3.00	2.98
Consumer credit and other loans, with maturity¹															
Up to 1 year ²	13.30	12.73	13.60	13.95	13.86	14.16	14.21	13.11	13.53	14.14	13.89	10.55	10.58	9.66	11.22
Over 1 and up to 5 years	10.62	10.60	7.61	7.48	10.77	10.78	10.87	7.21	10.96	10.87	10.85	10.84	10.83	11.05	7.97
Over 5 years	4.20	4.26	4.20	4.19	4.18	4.13	4.00	4.02	4.16	4.22	4.24	4.23	4.17	4.09	4.02
Loans to non-financial corporations															
With maturity¹															
Up to 1 year ²	6.30	6.27	6.29	5.78	5.66	5.76	4.74	4.94	5.15	5.15	5.49	5.36	4.96	4.57	4.49
Over 1 and up to 5 years	4.94	5.18	4.96	5.01	5.15	5.09	5.24	5.20	5.03	5.37	5.50	5.33	5.35	5.15	5.26
Over 5 years	5.18	5.20	5.25	5.28	5.29	5.30	5.16	5.15	5.32	5.30	5.21	5.30	5.21	5.17	5.12

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

² Including bank overdraft.

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

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

	2011										2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
In lats																
Loans up to an amount of 0.25 million euro	5.31	4.78	4.77	5.14	4.90	4.91	4.79	4.87	5.24	5.94	5.35	5.40	4.61	4.94	4.82	
of wich with collateral or guarantees	5.34	4.75	4.90	5.10	4.74	4.88	4.62	4.73	5.05	5.72	5.18	5.32	4.53	4.73	4.75	
Loans over an amount 0.25 million euro and up to 1 million euro	x	x	4.49	x	4.42	5.31	x	4.04	4.48	x	x	5.25	3.94	3.86	4.92	
of wich with collateral or guarantees	x	x	4.67	x	4.42	5.45	x	4.17	4.48	x	x	5.49	3.98	3.86	4.67	
Loans over 1 million euro	x	x	x	x	x	4.22	5.52	3.96	3.24	x	x	x	4.49	x	2.85	
of wich with collateral or guarantees	x	x	x	x	x	4.25	5.52	x	3.24	–	x	x	4.49	x	4.22	
In euro																
Loans up to an amount of 0.25 million euro	6.76	5.82	6.18	5.92	6.20	5.22	5.12	5.56	5.40	3.90	5.08	4.87	4.60	4.10	4.64	
of wich with collateral or guarantees	6.72	5.74	6.14	5.91	6.34	5.23	5.02	5.33	5.34	3.86	5.08	4.90	4.59	4.01	4.53	
Loans over an amount 0.25 million euro and up to 1 million euro	5.55	5.23	5.39	5.16	5.23	4.47	4.65	5.05	4.80	5.22	4.74	4.44	4.68	4.64	4.71	
of wich with collateral or guarantees	5.55	5.28	5.52	5.16	5.33	4.47	4.66	5.10	4.92	5.34	4.72	4.44	4.63	4.56	4.70	
Loans over 1 million euro	4.96	4.62	3.14	3.33	4.48	3.71	3.57	4.34	4.55	3.11	3.82	4.14	2.14	3.70	3.97	
of wich with collateral or guarantees	4.48	4.39	3.24	3.19	4.32	3.78	3.68	4.71	4.41	2.82	3.72	4.06	2.47	3.50	4.03	
In US dollars																
Loans up to an amount of 0.25 million euro	x	x	x	x	x	x	x	x	x	x	7.97	5.56	x	x	x	
of wich with collateral or guarantees	x	–	x	x	–	x	–	–	x	x	x	5.56	–	x	x	
Loans over an amount 0.25 million euro and up to 1 million euro	–	x	x	x	x	x	x	–	x	x	x	x	x	x	–	
of wich with collateral or guarantees	–	x	x	x	x	x	x	–	x	–	x	x	x	x	–	
Loans over 1 million euro	–	–	x	x	x	–	x	3.95	x	x	–	–	–	–	x	
of wich with collateral or guarantees	–	–	x	x	x	–	x	x	x	x	–	–	–	–	x	

22. LENDING IN THE INTERBANK MARKETS

(transactions; millions of lats)

	Loans to resident MFIs											
	In lats					In foreign currencies						
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2011												
IV	108.3	40.6	–	1.1	150.0	2 124.1	153.2	–	–	2 277.3	2 427.3	
V	160.9	33.2	1.5	2.0	197.6	1 549.4	93.7	–	0	1 643.1	1 840.7	
VI	55.7	–	5.0	–	60.7	1 607.7	67.8	2.1	–	1 677.6	1 738.3	
VII	369.7	49.3	0.1	–	419.1	1 844.0	108.8	–	–	1 952.8	2 371.9	
VIII	181.2	133.2	–	–	314.4	1 442.0	276.9	–	0	1 718.9	2 033.3	
IX	191.7	183.6	2.0	–	377.3	1 302.3	171.3	2.1	–	1 475.7	1 853.0	
X	212.6	166.4	0.1	3.0	382.1	1 067.8	165.8	–	–	1 233.6	1 615.7	
XI	302.8	113.6	3.0	–	419.4	792.6	188.4	2.2	1.2	984.4	1 403.8	
XII	1 111.5	112.5	13.0	–	1 237.0	832.0	215.5	0.3	–	1 047.8	2 284.8	
2012												
I	779.2	28.6	2.6	5.5	815.9	971.9	330.5	–	–	1 302.4	2 118.3	
II	671.6	33.2	20.0	12.0	736.8	1 047.6	125.4	0.3	0.1	1 173.4	1 910.2	
III	710.2	33.5	1.0	1.0	745.7	589.7	120.5	0.1	–	710.3	1 456.0	
IV	603.6	60.6	6.6	5.0	675.8	451.0	139.1	0.3	–	590.4	1 266.2	
V	572.6	31.3	6.0	–	609.9	395.1	153.2	–	–	548.3	1 158.2	
VI	406.3	29.4	2.0	–	437.7	1 242.4	79.2	0.3	1.0	1 322.9	1 760.6	
	Loans to non-resident MFIs										Total loans	
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2011												
IV		24 956.9		679.2		87.3		14.8		25 738.2	28 165.5	
V		26 117.2		905.0		48.3		33.3		27 103.8	28 944.5	
VI		28 808.1		1 107.9		45.5		36.4		29 997.9	31 736.2	
VII		27 198.6		769.9		183.9		35.3		28 187.7	30 559.6	
VIII		32 790.7		1 049.7		66.1		14.2		33 920.7	35 954.0	
IX		24 538.3		970.1		15.6		48.6		25 572.6	27 425.6	
X		24 523.2		1 524.3		114.2		42.1		26 203.8	27 819.5	
XI		22 675.8		1 370.5		33.8		28.1		24 108.2	25 512.0	
XII		29 255.2		1 719.4		65.2		31.1		31 070.9	33 355.7	
2012												
I		33 585.8		1 245.3		57.1		51.3		34 939.5	37 057.8	
II		32 170.3		1 434.3		107.7		29.4		33 741.7	35 651.9	
III		34 120.7		1 441.1		18.4		66.7		35 646.9	37 102.9	
IV		27 346.0		2 274.8		99.5		1.6		29 721.9	30 988.1	
V		29 258.2		1 483.9		13.8		17.8		30 773.7	31 931.9	
VI		28 648.4		1 437.5		119.4		34.0		30 239.3	31 999.9	

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

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

23.b INTEREST RATES SET BY THE BANK OF LATVIA

(% per annum)

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

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

(% per annum)

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

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

(millions of lats)

	2011							2012						
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI		
Type of transaction														
Spot exchange transactions	37 324.9	40 720.4	41 992.4	50 410.1	34 977.6	27 884.5	21 732.7	23 864.7	26 231.6	22 706.6	26 075.0	21 324.6		
Forward exchange contracts	290.0	247.1	449.9	401.7	603.8	435.6	454.7	334.6	402.3	320.9	348.7	386.8		
Currency swap arrangements	34 027.8	40 226.8	36 653.6	33 210.1	27 747.6	29 662.4	23 783.4	25 676.9	30 060.8	31 561.8	38 531.2	40 220.2		
Counterparties														
Resident MFIs	6 833.6	6 942.9	4 618.2	4 469.5	4 857.0	6 129.7	3 579.7	3 059.2	3 536.1	3 084.6	3 882.6	4 457.0		
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	311.9	349.6	335.1	311.6	467.8	435.0	289.8	237.2	507.2	275.4	305.2	306.3		
Resident government, non-financial corporations and non-profit institutions serving households	1 174.0	978.0	873.4	904.0	1 339.0	1 380.8	838.2	1 070.5	1 184.9	926.3	1 083.5	932.2		
Non-resident MFIs	34 723.3	42 580.2	42 645.2	43 444.3	32 262.3	30 088.8	24 441.7	26 775.4	30 816.8	31 274.6	37 293.8	37 524.5		
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	689.6	1 112.2	917.1	1 009.4	969.2	1 088.2	1 784.4	1 556.6	903.7	1 283.3	1 052.8	1 076.4		
Non-resident government, non-financial corporations and non-profit institutions serving households	22 710.0	26 611.1	27 500.8	31 942.8	21 683.5	16 976.3	12 018.6	13 021.3	14 188.3	12 737.6	15 727.6	12 912.5		
Households	5 200.3	2 620.2	2 206.2	1 940.3	1 750.1	1 883.7	3 018.3	4 156.0	5 557.6	5 007.4	5 609.4	4 722.7		
Currencies														
Total in all currencies	71 642.7	81 194.3	79 095.9	84 021.9	63 329.0	57 982.4	45 970.8	49 876.3	56 694.7	54 589.2	64 954.8	61 931.5		
incl. lats for euro	11 503.9	13 509.0	14 300.7	10 519.2	10 284.7	7 324.5	5 685.2	4 677.7	5 009.3	4 109.5	4 812.1	5 487.8		
incl. lats for US dollars	1 217.9	1 466.3	886.4	644.5	745.0	844.4	605.2	606.3	584.8	426.5	469.1	515.6		
incl. lats for other currencies	120.3	123.3	134.5	97.6	97.9	145.9	80.7	86.2	91.0	65.8	90.0	83.2		

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

25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS¹

(millions of lats)

	2011						2012						
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	
EUR for LVL²													
Amount	11 565.5	13 589.2	14 395.3	10 562.2	10 267.7	7 235.7	5 628.7	4 633.5	4 960.1	4 073.0	4 763.0	5 425.4	
% ³	16.1	16.7	18.2	12.6	16.2	12.5	12.3	9.3	8.8	7.5	7.3	8.8	
USD for LVL²													
Amount	1 222.2	1 483.2	865.8	660.5	720.6	809.8	597.2	599.1	570.9	413.4	434.0	495.4	
% ³	1.7	1.8	1.1	0.8	1.1	1.4	1.3	1.2	1.0	0.8	0.7	0.8	
Other currencies for LVL²													
Amount	106.7	112.3	125.5	88.1	89.5	132.2	71.6	79.2	83.0	57.2	80.2	70.7	
% ³	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	
USD for EUR													
Amount	27 324.8	27 144.2	27 905.1	29 340.9	23 923.2	23 445.3	18 319.9	22 002.1	27 757.5	29 141.0	35 584.9	32 539.5	
% ³	38.1	33.4	35.2	34.9	37.8	40.5	39.9	44.2	49.0	53.4	54.9	52.6	
GBP for EUR													
Amount	341.3	187.1	507.0	641.4	845.8	696.3	589.5	660.7	787.6	706.7	824.1	832.6	
% ³	0.5	0.2	0.6	0.8	1.3	1.2	1.3	1.3	1.4	1.3	1.3	1.3	
Other currencies (except LVL) for EUR													
Amount	2 494.8	2 920.7	2 770.0	3 314.3	3 134.1	3 728.0	4 015.3	3 790.3	3 111.7	2 799.2	3 553.7	5 376.6	
% ³	3.5	3.6	3.5	3.9	5.0	6.5	8.7	7.6	5.5	5.1	5.4	8.7	
RUB for USD													
Amount	12 083.1	16 292.1	17 200.5	20 472.3	13 574.6	9 066.9	4 661.6	4 803.3	4 906.2	4 345.1	4 333.1	3 689.0	
% ³	16.9	20.1	21.7	24.4	21.5	15.7	10.2	9.6	8.7	8.0	6.7	6.0	
GBP for USD													
Amount	5 154.9	5 568.5	5 960.5	6 720.6	4 960.7	6 302.2	4 746.1	3 998.2	6 611.1	6 702.9	6 794.4	5 978.4	
% ³	7.2	6.9	7.5	8.0	7.8	10.9	10.3	8.0	11.7	12.3	10.5	9.7	
SEK for USD													
Amount	1 145.7	423.1	131.5	32.3	35.6	11.3	32.7	11.4	23.7	19.0	51.6	53.6	
% ³	1.6	0.5	0.2	0	0.1	0	0.1	0	0	0	0.1	0.1	
Other currencies (except LVL and EUR) for USD													
Amount	8 965.4	12 043.2	8 371.1	8 165.0	5 046.8	5 402.2	6 488.5	8 352.1	6 863.3	5 059.5	7 526.3	6 231.5	
% ³	12.5	14.8	10.6	9.7	8.0	9.3	14.1	16.8	12.1	9.3	11.6	10.1	
Other currencies (except LVL, EUR and USD) for other currencies													
Amount	1 290.8	1 516.8	928.6	4 073.8	680.3	1 015.2	746.1	887.9	948.4	1 214.1	915.4	1 143.7	
% ³	1.8	1.9	1.2	4.8	1.1	1.8	1.6	1.8	1.7	2.2	1.4	1.8	

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

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

³ As percentage of the total.

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

(LVL vs foreign currency)

	2011									2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
EUR	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028
USD	0.4881	0.4885	0.4886	0.4912	0.4904	0.5080	0.5137	0.5180	0.5328	0.5449	0.5320	0.5319	0.5334	0.5468	0.5603
GBP	0.7967	0.7996	0.7949	0.7920	0.8024	0.8039	0.8074	0.8191	0.8315	0.8446	0.8397	0.8412	0.8525	0.8732	0.8710
100 JPY	0.5854	0.6016	0.6066	0.6181	0.6350	0.6615	0.6705	0.6679	0.6845	0.7076	0.6808	0.6453	0.6534	0.6841	0.7069

27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)

(LVL vs foreign currency)

	2011						2012					
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
EUR												
Buy	0.7027	0.7038	0.7035	0.7014	0.6972	0.6934	0.6942	0.6942	0.6943	0.6947	0.6922	0.6913
Sell	0.7099	0.7100	0.7101	0.7076	0.7028	0.6985	0.6995	0.6991	0.6991	0.7006	0.6991	0.6983
USD												
Buy	0.4924	0.4909	0.5115	0.5133	0.5146	0.5270	0.5381	0.5257	0.5259	0.5278	0.5419	0.5520
Sell	0.4965	0.4954	0.5154	0.5163	0.5194	0.5316	0.5432	0.5295	0.5291	0.5316	0.5463	0.5587
GBP												
Buy	0.7891	0.7980	0.8023	0.7995	0.8061	0.8162	0.8286	0.8239	0.8255	0.8378	0.8554	0.8515
Sell	0.7997	0.8087	0.8136	0.8126	0.8193	0.8292	0.8418	0.8367	0.8368	0.8499	0.8688	0.8647
100 JPY												
Buy	0.6012	0.6044	0.6410	0.6404	0.6486	0.6603	0.6654	0.6495	0.6206	0.6427	0.6548	0.6722
Sell	0.6220	0.6216	0.6593	0.6616	0.6704	0.6771	0.7142	0.6606	0.6486	0.6435	0.6822	0.6936
SEK												
Buy	0.0761	0.0762	0.0764	0.0762	0.0745	0.0762	0.0777	0.0783	0.0773	0.0766	0.0755	0.0763
Sell	0.0779	0.0779	0.0780	0.0779	0.0771	0.0782	0.0797	0.0798	0.0790	0.0795	0.0787	0.0789
RUB												
Buy	0.0174	0.0169	0.0167	0.0163	0.0166	0.0168	0.0168	0.0178	0.0178	0.0179	0.0174	0.0167
Sell	0.0178	0.0173	0.0170	0.0167	0.0169	0.0171	0.0172	0.0181	0.0181	0.0181	0.0178	0.0170
CHF												
Buy	0.5919	0.6222	0.5856	0.5657	0.5627	0.5615	0.5713	0.5731	0.5709	0.5718	0.5722	0.5706
Sell	0.6055	0.6407	0.5976	0.5762	0.5741	0.5759	0.5828	0.5822	0.5817	0.5832	0.5830	0.5843

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; millions of lats)

	2011						2012					
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Stock of government securities outstanding	876.5	891.8	886.8	893.8	767.2	712.1	723.6	694.0	679.0	657.5	662.7	662.6
Residents	859.3	876.2	871.6	878.6	752.9	695.3	706.6	678.7	662.8	641.3	646.5	646.1
Non-financial corporations	56.3	60.4	60.4	60.4	62.0	61.7	63.6	61.4	49.0	39.0	33.9	31.9
Credit institutions	494.1	507.9	493.2	499.1	438.5	390.4	397.6	380.2	374.0	361.8	356.0	352.7
Money market funds	9.7	9.0	9.9	11.0	8.6	4.9	10.6	8.5	10.8	12.3	11.0	11.4
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	68.5	68.8	70.0	70.0	68.2	67.4	67.4	63.6	63.6	64.6	76.6	73.4
Financial auxiliaries	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Insurance corporations and pension funds	223.1	222.4	230.2	230.2	167.6	163.1	160.2	157.5	157.8	155.9	160.6	168.5
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	2.6	2.9	3.1	3.1	3.2	3.2	2.5	2.8	2.9	3.0	3.1	2.7
Non-profit institutions serving households	4.5	4.7	4.7	4.7	4.7	4.5	4.6	4.6	4.6	4.6	5.2	5.4
Non-residents	17.2	15.6	15.2	15.2	14.3	16.8	17.0	15.3	16.2	16.2	16.2	16.5
Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	11.4	9.4	9.4	9.4	11.0	13.1	13.1	11.3	12.1	12.1	12.1	12.2
Money market funds	0	0	0	0	0	0	0	0	0	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0	0	0	0	0	0	0
Financial auxiliaries	5.8	6.2	5.8	5.8	3.3	3.7	3.9	4.0	4.1	4.1	4.1	4.3
Insurance corporations and pension funds	0	0	0	0	0	0	0	0	0	0	0	0
Central government	0	0	0	0	0	0	0	0	0	0	0	0
Households	0	0	0	0	0	0	0	0	0	0	0	0
Non-profit institutions serving households	0	0	0	0	0	0	0	0	0	0	0	0

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q2 2012)

Date (dd.mm.)	Initial maturity (months)	Supply (thousands of lats)	Demand (thousands of lats)	Purchase (thousands of lats)	Weighted average discount rate (%)
Competitive multi-price auctions					
25.04.	120	8 000	33 400	6 110	5.303 ¹
09.05.	6	8 000	42 300	8 000	0.524
23.05.	120	8 000	24 460	8 000	5.307 ¹
06.06.	12	8 000	36 100	8 000	1.051
27.06.	120	5 000	18 075	4 900	4.752 ¹
Primary placement of government securities via outright sales of securities					
26.04.	120	2 000	17 000	2 000	5.303 ¹
10.05.	6	2 000	9 000	2 000	0.524
24.05.	120	2 000	13 297	2 000	5.307 ¹
07.06.	12	2 000	12 000	2 000	1.051
28.06.	120	5 000	20 550	5 000	4.752 ¹

¹ Weighted average yield.

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

(millions of lats)

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

31. DYNAMICS OF GDP

	2011 ¹				2012		
		Q1	Q2	Q3	Q4	Q1 ¹	Q2
At current prices; millions of lats	14 275.3	3 073.0	3 532.0	3 741.5	3 928.8	3 401.4	3 805.6
At constant prices ² ; millions of lats	7 092.3	1 517.1	1 750.7	1 888.9	1 935.6	1 622.5	1 837.5
Annual growth rate (%)	5.5	3.6	5.7	6.6	5.7	6.9	5.0
Gross value added	5.5	4.4	5.8	6.3	5.4	6.2	4.9
Goods-producing sector	8.0	5.2	7.9	9.4	8.8	12.2	9.3
Services sector	4.6	4.1	5.1	5.0	4.2	4.3	3.2

¹ Data have been revised.

² Chain-linked; average prices in 2000.

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

	2011									2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI
Average gross wages and salaries															
LVL per month	460	462	468	472	469	459	461	464	500	464	459	475 ¹	479	478	485
Year-on-year changes (%)	104.1	104.2	104.8	103.4	105.5	103.8	104.0	105.1	104.5	103.8	104.4 ¹	102.7 ¹	104.0	103.6	103.6
Real net wage index (year-on-year basis; %)															
	99.7	99.3	100.2	99.3	101.0	99.4	99.9	101.1	100.8	100.4 ¹	101.2 ¹	99.5	101.2	101.4	101.9
Number of registered unemployed persons															
At end of month	157 857	149 600	142 428	137 638	134 175	131 659	130 541	130 240	130 296	132 575	133 413	132 158	127 783	121 994	117 606
Year-on-year changes (%)	83.1	81.5	80.5	79.4	79.1	79.6	80.3	80.5	80.2	80.6	80.9	80.9	80.9	81.5	82.6

¹ Data have been revised.

33. LATVIAN FOREIGN TRADE BALANCE

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

	2011 ¹												2012					
	Q1			Q2			Q3			Q4			Q1 ¹		Q2			
Exports	5 998.5			1 328.5			1 490.0			1 570.3			1 609.7		1 519.3		1 590.7	
Imports	7 719.1			1 658.2			1 854.5			2 094.7			2 111.7		1 982.4		2 105.1	
Balance	-1 720.6			-329.7			-364.5			-524.4			-502.0		-463.1		-514.4	
	2011 ¹												2012					
	IV	V	VI	VII	VIII	IX	X	XI	XII	I ¹	II ¹	III ¹	IV	V	VI			
Exports	478.4	521.4	490.2	472.7	539.9	557.6	560.4	544.6	504.7	471.8	494.4	553.1	502.2	551.3	537.3			
Imports	585.1	654.9	614.5	690.9	692.7	711.2	742.6	707.2	662.0	626.5	643.4	712.6	696.6	702.0	706.6			
Balance	-106.7	-133.5	-124.3	-218.2	-152.7	-153.5	-182.2	-162.5	-157.3	-154.7	-149.0	-159.5	-194.4	-150.7	-169.3			

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2011 ¹		2012			
			Q1 ¹		Q2	
	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	5 998.5	100.0	1 519.3	100.0	1 590.7	100.0
Agricultural and food products	982.3	16.4	255.1	16.8	266.1	16.7
Mineral products	548.6	9.1	135.5	8.9	146.0	9.2
Products of the chemical and allied industries	443.6	7.4	96.4	6.3	108.1	6.8
Plastics and articles thereof; rubber and articles thereof	186.5	3.1	44.7	2.9	52.8	3.3
Wood and articles of wood	1 010.1	16.8	258.5	17.0	275.6	17.3
Pulp of wood; paper and paperboard	128.5	2.1	33.0	2.2	34.4	2.2
Textiles and textile articles	242.8	4.0	62.9	4.1	65.1	4.1
Articles of stone, plaster, cement, glassware and ceramic products	114.2	1.9	27.2	1.8	32.7	2.1
Base metals and articles of base metals	868.0	14.5	250.3	16.5	244.8	15.4
Machinery and mechanical appliances; electrical equipment	763.1	12.7	188.2	12.4	198.1	12.5
Transport vehicles	401.7	6.7	86.5	5.7	85.7	5.4
Miscellaneous manufactured articles	153.4	2.6	39.6	2.6	43.4	2.6
Other goods	155.7	2.7	41.5	2.8	37.9	2.4

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2011 ¹		2012			
			Q1 ¹		Q2	
	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	7 719.1	100.0	1 982.4	100.0	2 105.1	100.0
Agricultural and food products	1 165.7	15.1	302.7	15.3	325.2	15.4
Mineral products	1 337.9	17.3	383.6	19.3	369.9	17.6
Products of the chemical and allied industries	736.8	9.5	184.6	9.3	188.8	9.0
Plastics and articles thereof; rubber and articles thereof	416.2	5.4	99.9	5.0	112.0	5.3
Wood and articles of wood	115.3	1.5	31.4	1.6	34.9	1.7
Pulp of wood; paper and paperboard	189.4	2.5	41.5	2.1	46.4	2.2
Textiles and textile articles	328.1	4.3	81.1	4.1	84.2	4.0
Articles of stone, plaster, cement, glassware and ceramic products	126.8	1.7	26.3	1.3	35.7	1.7
Base metals and articles of base metals	843.7	10.9	224.0	11.3	255.0	12.1
Machinery and mechanical appliances; electrical equipment	1 337.1	17.3	340.1	17.2	350.7	16.7
Transport vehicles	688.8	8.9	147.5	7.4	186.5	8.8
Miscellaneous manufactured articles	154.9	2.0	39.2	2.0	46.1	2.2
Other goods	278.5	3.6	80.5	4.1	69.8	3.3

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2011 ¹					2012									
						Q1					Q2				
	Millions of lats			% of the total		Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	5 998.5	7 719.1	-1 720.6	100.0	100.0	1 519.3	1 982.4	-463.1	100.0	100.0	1 590.7	2 105.1	-514.4	100.0	100.0
EU15 countries	1 953.4	2 954.4	-1 001.0	32.6	38.3	495.5	732.8	-237.3	32.6	37.0	511.6	770.9	-259.3	32.2	36.6
EU27 countries	4 347.7	5 927.0	-1 579.4	72.5	76.8	1 081.9	1 461.9	-380.0	71.2	73.7	1 134.8	1 612.0	-477.2	71.3	76.6
incl. Germany	496.4	935.5	-439.1	8.3	12.1	115.0	243.1	-128.1	7.6	12.3	114.5	238.9	-124.3	7.2	11.3
Sweden	380.5	295.6	84.8	6.3	3.8	90.0	62.0	28.0	5.9	3.1	89.6	69.5	20.1	5.6	3.3
UK	183.1	135.6	47.5	3.1	1.8	50.9	30.9	20.1	3.4	1.6	64.0	32.0	32.0	4.0	1.5
Finland	184.3	355.6	-171.3	3.1	4.6	44.3	88.5	-44.3	2.9	4.5	45.0	90.4	-45.4	2.8	4.3
Denmark	201.4	172.4	29.0	3.4	2.2	65.7	44.3	21.4	4.3	2.2	62.5	50.1	12.3	3.9	2.4
Netherlands	136.9	277.7	-140.8	2.3	3.6	36.0	67.2	-31.2	2.4	3.4	39.5	69.3	-29.8	2.5	3.3
Lithuania	1 086.7	1 449.6	-362.8	18.1	18.8	236.5	360.2	-123.7	15.6	18.2	264.3	406.8	-142.5	16.6	19.3
Estonia	818.3	574.9	243.4	13.6	7.4	200.8	138.5	62.4	13.2	7.0	207.2	158.7	48.5	13.0	7.5
Poland	351.9	624.9	-273.1	5.9	8.1	105.3	157.2	-51.9	6.9	7.9	103.1	185.2	-82.1	6.5	8.8
CIS	875.7	1 128.0	-252.3	14.6	14.6	212.5	366.1	-153.6	14.0	18.5	237.1	337.5	-100.4	14.9	16.0
incl. Russia	633.6	659.1	-25.6	10.6	8.5	157.4	262.0	-104.5	10.4	13.2	173.6	181.7	-8.1	10.9	8.6
Other countries	775.1	664.1	111.0	12.9	8.6	224.9	154.5	70.4	14.8	7.8	218.8	155.6	63.1	13.8	7.4
incl. USA	71.5	54.3	17.2	1.2	0.7	16.5	16.9	-0.4	1.1	0.9	17.9	13.3	4.6	1.1	0.6
Norway	142.9	65.9	77.0	2.4	0.9	40.3	13.7	26.6	2.7	0.7	39.7	11.4	28.3	2.5	0.5
China	27.9	206.9	-179.0	0.5	2.7	7.4	51.0	-43.5	0.5	2.6	8.3	54.4	-46.2	0.5	2.6

¹Data 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
2011												
IV	135.7	1.0	1.6	419.5	0.2	0.1	36.3	25.2	113.2	14.8	2.2	3.1
V	171.6	1.1	1.6	415.8	0.2	0.1	36.5	25.7	112.4	14.2	2.2	3.0
VI	182.2	1.0	1.5	510.2	0.2	0.1	60.6	25.3	110.8	21.8	2.2	3.1
VII	183.3	1.0	1.5	509.5	0.2	0.1	60.1	25.1	109.6	21.5	2.1	2.9
VIII	186.3	1.0	1.5	505.9	0.2	0.1	60.6	25.5	108.9	21.6	2.3	2.9
IX	181.9	1.1	1.4	515.7	0.2	0.1	59.6	25.3	108.0	20.4	2.3	2.9
X	197.0	1.0	1.5	529.1	0.2	0.1	59.5	24.8	107.4	19.5	2.2	2.9
XI	207.8	1.3	1.2	517.0	0.2	0.1	59.2	25.3	105.8	21.5	2.2	2.8
XII	188.0	1.1	1.3	489.9	0.2	0.1	56.5	19.9	103.5	18.6	2.0	2.7
2012												
I	193.6	1.0	1.3	485.9	0.2	0.1	56.9	20.3	103.7	18.7	2.1	2.6
II	201.1	1.0	1.2	475.6	0.2	0.1	54.6	19.8	103.5	18.1	1.9	2.7
III	201.7	1.0	1.1	488.6	0.2	0.1	54.1	16.5	103.3	18.4	1.3	2.7
IV	204.8	1.0	1.2	496.4	0.2	0.1	53.2	16.3	102.2	18.2	1.4	2.6
V	237.5	1.0	1.0	472.6	0.2	0.1	52.5	16.5	101.5	18.2	1.4	2.5
VI	235.4	0.9	1.0	464.8	0.3	0.1	51.0	16.2	99.7	18.1	1.3	2.5

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

(at end of period; millions of lats)

	In lats						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years
2011												
VI	259.5	30.7	178.9	248.3	55.4	99.9	4 140.5	773.6	2 570.3	3 886.2	1 096.1	2 394.1
IX	330.9	36.8	219.7	312.9	80.3	124.4	4 090.5	798.3	2 526.0	3 834.2	1 108.2	2 347.4
XII	387.7	38.7	267.9	363.9	83.5	156.6	3 903.5	742.0	2 401.3	3 662.4	1 076.1	2 188.8
2012												
III	406.5	43.4	302.8	381.8	74.3	191.0	3 650.1	745.8	2 321.2	3 432.2	977.1	2 131.6
VI	460.4	49.0	306.3	431.9	108.5	193.8	3 469.8	726.7	2 281.5	3 213.9	894.9	2 044.9

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

(at end of period; millions of lats)

	In lats						In euro					
	With original maturity of over 1 year			With original maturity of over 2 years			With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤2 years
2011												
VI	332.9	39.8	100.3	317.0	75.9	99.6	4 529.0	278.4	3 360.7	4 457.9	398.2	3 628.6
IX	345.5	36.6	106.6	327.5	70.7	107.8	4 435.7	277.9	3 340.1	4 370.2	396.6	3 574.7
XII	351.3	34.3	117.3	333.1	65.1	128.0	4 304.0	261.9	3 331.1	4 246.2	396.7	3 485.2
2012												
III	332.2	33.9	119.1	314.2	49.0	132.0	4 078.9	245.9	3 266.2	4 025.0	313.1	3 393.2
VI	319.5	36.1	120.1	302.4	47.0	134.1	3 943.8	235.6	3 176.8	3 890.0	307.1	3 259.9

Additional Information

General notes

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

Data sources for charts are Consensus Economics (Chart 1.1), CSB (Charts 1.2, 1.3, 3.1–3.3, 3.6, 3.7, 4.1, 4.2, 4.5–4.8, 4.13–4.16, 5.1, 5.4, 5.6, 5.7 and 5.9–5.11), WTO (Chart 1.4), *Федеральная служба государственной статистики России* (Charts 1.1 and 5.10), Bloomberg (Charts 2.1–2.3), Reuters (Charts 2.3, 2.6 and 5.2), the Bank of Latvia (Charts 2.4–2.6, 2.8–2.18, 4.13, 4.16–4.18, 5.1, 5.4, 5.8–5.11, 6.1–6.4, 7.1 and 7.2), Treasury (Charts 2.7 and 3.8–3.10), Road Traffic Safety Directorate (Chart 3.4), EC (Charts 1.1, 3.5, 4.3, 4.4, 4.10, 4.12, 4.17, 4.18, 5.5, 5.9 and 5.11), SEA (Charts 4.9 and 4.11) and Food and Agriculture Organization of the United Nations (Chart 5.3).

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

Details may not add because of rounding-off.

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

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

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

Money and banking sector

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

In the publication, the following terms have been used:

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

Non-MFIs – entities other than MFIs.

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

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

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

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

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

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

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

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

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

M2 – intermediate monetary aggregate comprising M1 and deposits redeemable at a period of notice of up to and including 3 months (i.e. short-term savings deposits) made in all

currencies and deposits with an agreed maturity of up to and including 2 years (i.e. short-term time deposits) in all currencies held with MFIs.

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

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

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

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

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

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

Interest rates

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

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

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

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

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

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

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

Foreign exchange and exchange rates

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

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