

MACROECONOMIC DEVELOPMENTS REPORT

June 2010

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Abbreviations

CDS	– credit default swap
CIF	– cost, insurance and freight at the importer's border
CIS	– Commonwealth of Independent States
CPI	– Consumer Price Index
CSB	– Central Statistical Bureau of Latvia
EC	– European Commission
ECB	– European Central Bank
ESA 95	– European System of Accounts 1995
EU	– European Union
EU12	– countries which joined the EU on 1 May 2004 and on 1 January 2007
EU27	– current EU countries (historical data are calculated consistently with the current EU membership)
EURIBOR	– Euro Interbank Offered Rate
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
LIBOR	– London Interbank Offered Rate
MFI	– monetary financial institution
NA	– no answer
n.a.	– not available
OECD	– Organisation for Economic Co-operation and Development
OFI	– other financial intermediary (other than an insurance corporation or pension fund)
PPI	– Producer Price Index
RIGIBID	– Riga Interbank Bid Rate
RIGIBOR	– Riga Interbank Offered Rate
SJSC	– state joint stock company
Treasury	– Treasury of the Republic of Latvia
UK	– United Kingdom
ULCM	– unit labour costs in manufacturing
US	– United States of America
VAT	– value added tax

Executive Summary

Recovery of the global economy, driven by the economic buoyancy of developing countries, has been stronger than anticipated thus far. The developed countries, by contrast, have either used up all the potential of economic stimulus policies or are constrained in their ability to pursue such policies due to the rising general government debt. The situation is particularly distressing in Greece, with a potential spillover of risks emerging for the whole euro area economy.

In the first quarter of 2010, Latvia's price and cost competitiveness indicators continued to improve, thus signalling a certain strengthening in competitiveness of the Latvian exporters. The latest data on Latvian exports also suggest notable improvements in most commodity groups to all major trade partner countries in the first quarter. In the second quarter, the dynamics of confidence indicators allows for an optimistic assessment of export trends for the nearest future as well.

In order to give some impetus to economic recovery, the Bank of Latvia lowered interest rates in March duly considering stabilisation of the economic situation and easing of inflationary pressures. Furthermore, liquidity was boosted by the Treasury converting euros into lats at the Bank of Latvia. With investors' risk perceptions about the economic outlook for Latvia easing somewhat in the nearest future, the interest rates on government securities and in the money market (for both deposits and credits) declined substantially.

Bank liquidity position additionally improved due to resident and non-resident deposit growth which increased the potential pool of funds available for lending. At the same time however, lending to financial institutions, non-financial corporations and households contracted as a result of weak domestic demand and bank precautionary policies towards private sector financing on the backdrop of the still worsening credit portfolio. Positive trends persisted only in industrial credit and, in part, also in consumer credit. Commercial credit continued on a steep downward trend, while contractions in mortgage lending were slow but persistent. This was well in line with the economy restructuring from domestic to external demand, with no cardinal changes looming on the horizon.

In the first quarter, the Latvian economic development trends finally reversed: GDP recorded a quarter-on-quarter pickup, according to preliminary information confirming that the pace of economic recovery was faster than anticipated before.

This was primarily on account of benign export dynamics and swiftly improving consumer and producer confidence, which mitigated the trends of precautionary saving. Furthermore, confidence was tangibly spurred by the government decision to discontinue, with February, the deductions from old age pensions and to reimburse the withheld funds in March and April. Nevertheless, the propensity to save persisted due to uncertainty surrounding public and private debt and ambiguity of tax policy; hence a buoyant revival of private consumption is not to be expected.

Large investment inflows during previous periods and accrued debt impeded inflows of new investment into the economy. Subdued lending activities and ample spare capacity in manufacturing contributed to a decline in gross fixed capital formation also in the first quarter.

The dynamics of the general government budget, larger-than-projected tax revenue in April in particular, confirms that after bottoming out the economic recovery started in the fourth quarter of 2009. In the upcoming months of 2010, higher budget expenditures are likely to provide a boost to domestic demand, albeit with downward risks for the economic growth in the next year.

Manufacturing expanded due to improving competitiveness of Latvia's producers and the revival of external demand. The growth primarily was on account of stronger exports, with most manufacturing branches boosting the shares of export output. According to entrepreneurs' assessment of the second quarter developments, activity is likely to strengthen in nearly all manufacturing industries on the grounds of anticipated upswing in export orders. In construction, however, no marked improvements are to be expected.

Unemployment indicators also signalled resilient economic activity: registered unemployment fell in April (for the first time in almost two years) mainly due to rising numbers of those having found permanent employment. In addition, the number of job vacancies registered with the State Employment Agency has also risen of late. The labour market recovery is to be associated with dropping labour costs: hourly wages and salaries fell notably (by 12.1%) at the end of 2009; compared with projections for December 2009, a steeper decline in hourly wages and salaries is likely to occur in 2010 as well.

In the first four months of 2010, along with the downward pressure on prices from subdued demand the more costly energy resources, a supply side factor, generated upward pressure on the consumer price dynamics. The weak demand also continued to drive consumer price dynamics, with non-administered service and all food product prices (except vegetables) dropping most. The contribution of administratively regulated energy prices to overall consumer price dynamics remained negative, albeit abating somewhat when the heating tariffs began a monthly climb in April. Meanwhile, an even steeper decline in inflation was curbed by rapidly rising fuel prices as a result of hiking global energy prices that also translated into higher transportation service prices.

The contribution of administered energy prices to price dynamics is expected to become positive in the near future, thus slowing down the overall drop in consumer prices. However, the domestic factors, falling hourly labour costs in particular, are likely to continue to exert downward pressures on prices.

According to preliminary data, the surplus in the current account in the first quarter was almost seven times higher than in the corresponding period of the previous year; the goods and services balance, in turn, was positive year-on-year. Moreover, it was the rise in commodity exports that accounted for most of the improvements in the current account. Currently, surpluses are projected for the current account of Latvia's balance of payments for 2010 and 2011. However, they are likely to be smaller than initially projected due to lesser-than-planned losses of the banking sector and a potential expansion in imports as a result of renewed economic growth.

Overall, the latest trends of economic growth lead to a conclusion that the Latvian economy reached its lowest point already at the end of 2009, and in 2010 a modest recovery is to set in. Nonetheless, the anticipated upswing in economic activity is unlikely to offset Latvia's dramatic economic collapse of 2009. The GDP growth outlook for 2010 (a drop of 2.5%) remains unchanged accordingly. At the same time, the predominance of downward risks to this outlook should be noted. These risks are related to further uncertainty-enshrouded development of some euro area countries, restricted access to resources for working capital amidst subdued lending, and amounting political instability.

For 2010, consumer prices are expected to fall by 3.4% on average. The medium-term risks related to the inflation rate perspective appear balanced overall. The strongest downward risk is likely to come from the high unemployment rate and contracting overall household income. Nevertheless, energy prices at substantially higher levels caused by the mounting global oil prices are likely to persist in the near future, the overall decline in consumer prices thus being notably slowed down.

Table 1
GDP FORECASTS
(%)

	2009	2010		2011	
		1	2	1	2
Lithuania	-15.0	n.a.	-1.6	n.a.	3.2
Estonia	-14.1	n.a.	0.8	n.a.	3.6
Poland	1.7	n.a.	2.7	n.a.	3.2
Russia	-7.9	3.6	4.0	3.4	3.3
Denmark	-5.1	n.a.	1.2	n.a.	1.6
Sweden	-4.4	n.a.	1.2	n.a.	2.5
Finland	-7.8	n.a.	1.2	n.a.	2.2
UK	-4.9	1.3	1.3	2.7	2.5
Germany	-5.0	1.5	1.2	1.9	1.7
Euro area	-4.1	1.0	1.0	1.6	1.5
US	-2.4	2.7	3.1	2.4	2.6
Total global economy	-0.6	3.9	4.2	4.3	4.3

Source: World Economic Outlook (IMF), October 2009 (1) and January 2010 (2).

1. External Sector and Exports

1.1 External economic environment

Recovery of the global economy has been stronger than anticipated thus far (in its April Report, the IMF revised upwards the global GDP growth forecast for 2010 to 4.2%; see Table 1); nevertheless, the future outlook for economic growth is severely undermined by the developments in Greece and risks emanating from them for the other countries in the region. The situation is aggravated by the fact that in a number of major world countries the possibilities to additionally foster the economy have either drained out or become more limited, thus rendering the already fragile recovery even more vulnerable to new shocks.

The economic activity is improving in the euro area. It is supported by recently higher producer and consumer confidence indicators. This process is characteristic for all countries in the region, except Greece where the downturn is gaining momentum. Analysts expect the recovery of global demand and a build-up in domestic investment to contribute positively to the economic growth in the euro area; meanwhile, private consumption is going to stagnate and to affect the countries exporting to the euro area less positively than projected. Moreover, circumstances in the EU countries where fiscal imbalances are particularly pronounced aggravated at the beginning of May and currently are rather serious.

Greece deserves a special focus in this context. Despite the Greek government's commitment to reduce country's budget deficit cardinally in the nearest future, financial markets were shaken by a new wave of panic when updated fiscal data testifying to a larger than initially expected budget deficit for 2009 were published. Investors were worried about the fate of not only Greece but also of other countries facing fiscal hardships; consequently, premiums on securities of these countries soared. In order to balance financial markets, the EC and the IMF agreed on a special rescue mechanism of 750 billion euro. It is an unprecedented step to which the market has responded positively. However, such external stabilisation notwithstanding, potential developments in Greece and elsewhere in the region constitute a significant risk for the future growth in the euro area economy.

In March and April, consumer prices in Estonia increased year-on-year by 1.7% and 2.9% respectively, whereas in Lithuania the pace of decline in consumer prices decelerated. In both countries, consumer price changes depended to a large extent on hikes in fuel prices. In Estonia, the recovery of export-oriented branches might positively affect the GDP performance in 2010, while a substantial revival of domestic demand is not projected. The Lithuanian economy is gradually recovering as well, albeit positive GDP growth is projected to commence only in 2011.

In Sweden, producer confidence was at a high level, which alongside the improved labour market confidence suggests a better outlook for production. That activity is gaining momentum is supported by actual data, e.g. the expansion of industrial production in March. The speed at which the Swedish economy will recover primarily depends on the external demand for exports from Sweden. Finland boasts of a similar situation: external demand for Finnish commodities is on the rise, yet the pace is relatively subdued. In view of income remaining largely unchanged in 2010, a steep rise in private demand is not to be expected either. Meanwhile in Denmark, analysts anticipate the economic growth to accelerate on the backdrop of stronger private demand: in 2009, disposable income in Denmark grew notably on account of wage increases, tax reductions for employed, particularly low inflation and accrued pension disbursement. As a result, the saving levels rose and analysts expect that with confidence improving the population might resort to spending their savings.

The economic activity in Russia, having recovered buoyantly in the second half of 2009, lost some momentum at the beginning of 2010. Nevertheless, March saw some signs of renewed recovery, with imports expanding and new car sales picking up (primarily as a result of the government motor vehicle sales promotion schemes). Albeit remaining fragile, the recovery was also reflected by better economic indicators.

1.2 Latvia's competitiveness and growth of exports

The indicators of price and cost competitiveness continued to improve in the first quarter: the consumer price index-deflated real effective exchange rate of the lats decreased by 3.2% quarter-on-quarter and 7.5% year-on-year respectively (see Chart 1.1). The

Chart 1.1
EFFECTIVE EXCHANGE RATE OF THE LATS
(monthly/quarterly data; index: January 2000/first quarter = 100)

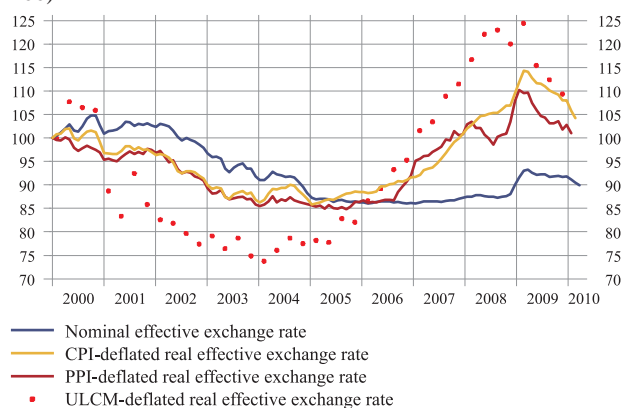


Chart 1.2
LATVIA'S EXPORTS TO THE EURO AREA COUNTRIES
AND UNDERLYING FACTORS
(annual percentage changes)

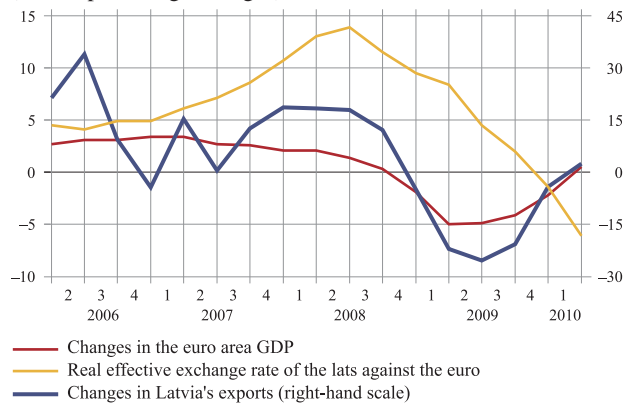


Chart 1.3
LATVIA'S EXPORTS TO ESTONIA AND LITHUANIA AND
UNDERLYING FACTORS
(annual percentage changes)

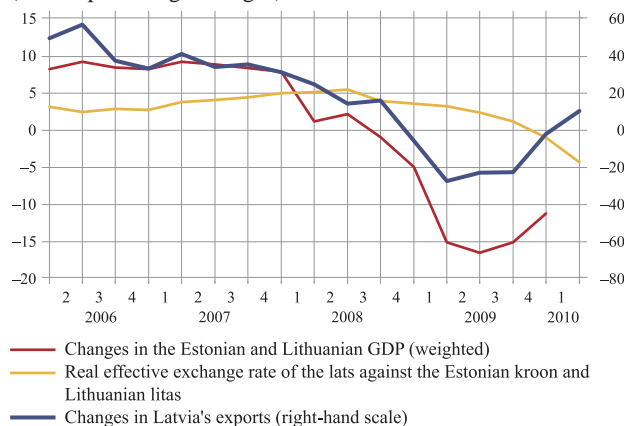
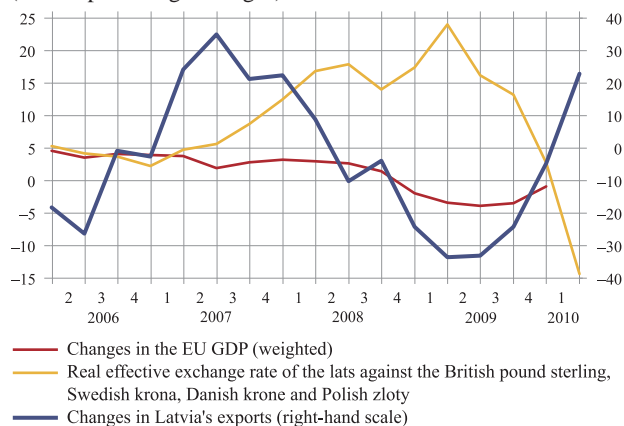


Chart 1.4
LATVIA'S EXPORTS TO THE EU COUNTRIES OUTSIDE
THE EURO AREA AND UNDERLYING FACTORS
(annual percentage changes)

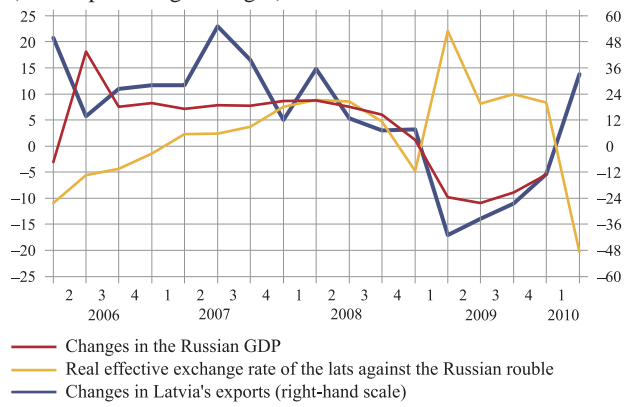


manufacturing producer price index-deflated real effective exchange rate of the lats in the first two months of 2010 (available data) was 2.5% below the level in the fourth quarter of 2009 and 8.8% below that in the first quarter of 2009. The unit labour-cost deflated real effective exchange rate estimates are available for the fourth quarter of 2009; they are supportive of improvements in cost competitiveness which, considering cost optimisation measures in the public and private sectors, are expected to continue also in 2010.

In the first quarter due to seasonal factors (as always in the initial months of the year), foreign trade activity subsided quarter-on-quarter, with the value of both imports and exports decreasing; year-on-year, however, exports grew substantially by 14.1%. Foreign trade data for March when exports expanded in most major commodity groups suggest that the improved confidence indicators for past months reflect not only business optimism about the expected economic recovery but also figure as quite an accurate indication of would-be development trends. Moreover, in line with the forecast, export changes have again turned positive in most major trade partners (see Charts 1.2–1.5). Consequently, the latest dynamics of the lats exchange rate and the trends in export growth both clearly testify to the revival of Latvia's competitiveness. This assumption is corroborated by the analysis of Latvia's market shares (see Appendix).

Against this background, the second quarter confidence indicator dynamics allows for an optimistic assessment of export growth trends in the upcoming period: none of the industrial indicators related to competitiveness is negative any more. Capacity utilisation is above 60% and continues to increase, and business competitiveness in the domestic and foreign markets is viewed as becoming better (see Section 4.1). Moreover, the gradual decline in unemployment rate in April, with both seasonal employment and economic recovery possibly behind it, also point to the economic recovery (see Section 4.3). The focal factor for intensified business activity in Latvia will be successful expansion into foreign markets in the months to come.

Chart 1.5
LATVIA'S EXPORTS TO RUSSIA AND UNDERLYING
FACTORS
(annual percentage changes)



2. Financial Market Developments

2.1 Foreign financial markets

At the beginning of 2010, the financial markets were shocked by the so-called European sovereign debt crisis when amidst world's leading rating agencies downgrading credit ratings of a number of euro area countries the high budget deficit and national debt levels came into the focus of financial market agents. At the end of April, *Standard & Poor's* lowered Greece's sovereign credit rating below the investment level. Credit ratings of Spain and Portugal also underwent downgrading.

The ECB, duly accounting for the fragile and uneven euro area economic growth, and also current risks and low inflationary pressures, in the first quarter left the base rate unchanged (over more than a year), at 1%. The ECB is widely expected not to raise it in the near term.

During the initial months of 2010, market participants focused more on the ECB decisions about monetary instruments, collateral framework and extraordinary liquidity measures aimed at stabilising the financial markets. With market participants critical as to euro area government support programmes and acknowledging that the potential spillover effects can be stronger than initially expected for other euro area countries, tensions in financial markets were rising. That made the ECB to decide on 3 May to suspend until further notice the application of the main credit rating threshold to all debt securities of or guaranteed by the Greek government. On 10 May, the ECB decided on extra measures: to conduct interventions in the euro area public and private debt securities markets, to adopt a fixed rate tender procedure with full allotment in the next two regular 3-month longer-term refinancing operations (LTROs), to conduct a 6-month LTRO with full allotment at a fixed rate, and to reactivate the temporary liquidity swap lines with the FRS and to resume US dollar liquidity-providing operations.

The FRS maintained the funds rate unchanged in the first quarter, at 0.25%, and reiterated that it would remain low for a prolonged period. Meanwhile at the beginning of the first quarter, the FRS launched preliminary activities to drain some extraordinary liquidity out of the market (e.g. submitted were

proposals on legislative changes to establish a new type of time deposits to enable banks to deposit funds with the FRS for a 1–6 month term at an auction-fixed rate). In February, market participants were informed in greater detail about the FRS intentions regarding the exit strategy. The FRS closed all specific liquidity programmes, except one. The Bank of Japan and the Bank of England did not change their base rates either, leaving them at 0.1% and 0.5% respectively. The Bank of Japan moved to almost double the 3-month bank lending programme to reach 20 trillion Japanese yen.

In the first quarter overall, liquidity in the money market resulting from the central bank monetary operations and securities purchases was sufficiently ample. This was supported by narrowing spreads between secured and unsecured interest rates. In May, however, money market tensions re-emerged as banks prudently considered the counterparty risk with respect to potential losses of arising from depreciating Greek securities and hazardous contagion effects from these losses on bank solvency.

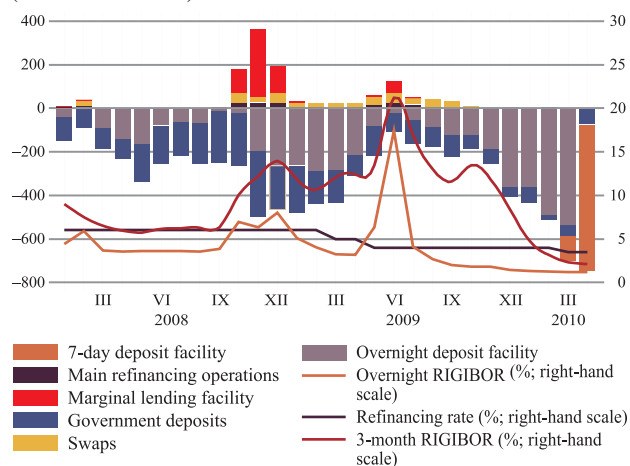
2.2 The Bank of Latvia's operations and bank liquidity

As of 24 March, the Bank of Latvia reduced the refinancing rate from 4.00% to 3.50% and the overnight deposit facility rate from 1.00% to 0.50%. A new instrument was introduced: a 7-day deposit facility with a 1.00% interest rate. The Bank of Latvia lowered the interest rates, while the economic situation had stabilised and inflation risks were limited.

In the first quarter, the Bank of Latvia bought euro in spot transactions and sold 241.9 million lats (349.5 million lats in the previous quarter). The Treasury conducted major interventions, consequently, surplus liquidity increased.

The demand in the Bank of Latvia's liquidity-providing operations moderated – there was hardly any demand for marginal lending facility and foreign exchange swaps, but in the tenders of main refinancing operations one bank concluded two transactions, thus in the first quarter the average balance of main refinancing operations was 0.1 million lats. The combined average balance of overnight deposit facility and 7-day deposit facility increased from 223.8 million lats in the fourth quarter of 2009 to 500.7 million lats in the first quarter of 2010 and reached its all-time high (see Chart 2.1). Banks continued to be cautious when lending to

Chart 2.1
THE BANK OF LATVIA MARKET OPERATIONS AND INTEREST RATES
(in millions of lats)



corporates and households and preferred to deposit lats in the Bank of Latvia accounts. Over the 12 coming months, liquidity surplus is likely to increase, because the Treasury will continue to convert euros into lats at the Bank of Latvia. The surplus liquidity will likely be propped up in autumn on account of the mounting risks associated with the elections of the Saeima of the Republic of Latvia and adoption of the Law "On State Budget 2011".

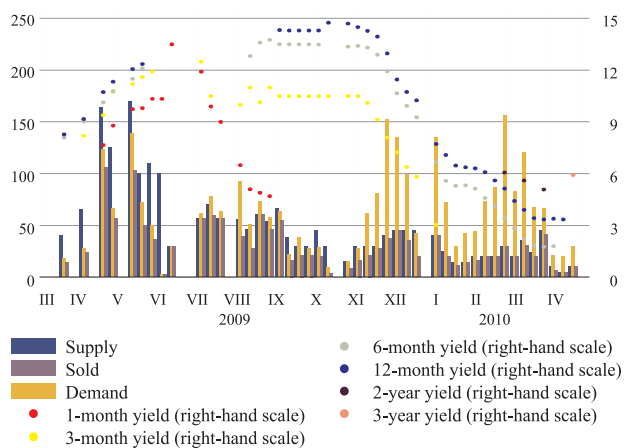
In the first quarter of 2010, bank liquidity remained broadly at the same high level when compared to the fourth quarter of 2009: in the first quarter, the average balance of bank reserve requirements grew by 0.4%, to stand at 685.0 million lats, while January witnessed the lowest level of bank reserve requirements. On average, vault cash balances in banks increased by 0.5% to stand at 772.7 million lats, with a trough recorded in November 2009. The average government lats deposit with the Bank of Latvia decreased by 13.4%, to 50.9 million lats. These movements are a seasonal feature – typically, the balance of the government deposits would increase in the fourth quarter and decrease in the first quarter. The impact of the said three factors was nearly in equilibrium, increasing the lats liquidity by 1.0 million lats in the first quarter (against an increase of 80.3 million lats in the fourth quarter).

2.3 Securities market

The Treasury somewhat reduced the supply of government securities, but the securities offered in auctions were of longer maturities. In the fourth quarter of 2009, 3-, 6- and 12- month Treasury bills were offered, but in the first quarter of 2010 – also 2-year Treasury bonds, whereas the Treasury has not been issuing 3-month Treasury bills since mid-January. An average yield on a 6-month bond in auctions was 9.27% at the end of the fourth quarter and 1.77% at the end of the first quarter. This was the effect of an upgraded Latvia's credit risk rating. Demand decreased slightly as a result of plummeting interest rates, thereby encouraging the demand in longer-term securities. In the last auction of February, an average yield on a 2-year bond was 6.07%, while in the last auction of March it was 5.09% (see Chart 2.2).

The stock of the Latvian government lats-denominated securities outstanding increased by 8.1%, to 890.0 million lats. Speaking of investor structure, the share of Latvia's credit institutions went up from 53.4% to 56.6% and that of non-residents

Chart 2.2
AUCTIONS OF LATS-DENOMINATED GOVERNMENT DEBT SECURITIES
(in millions of lats)



from 2.8% to 3.1%, whereas the share of other residents decreased from 43.8% to 40.3%.

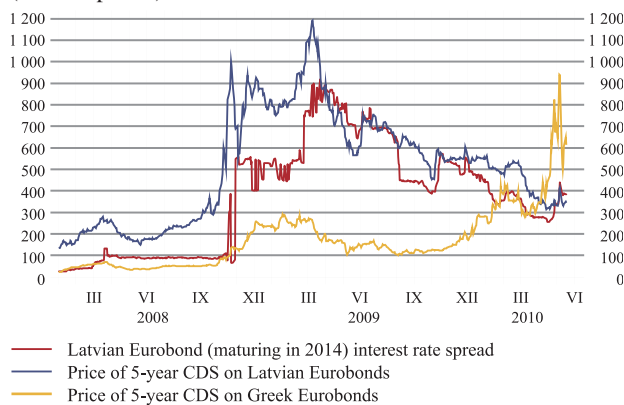
The stock of outstanding lats-denominated private debt securities registered with the Latvian Central Depository declined from 52.9 million lats to 40.5 million lats, while the stock of private debt securities denominated in a foreign currency declined from 104.4 million lats to 92.2 million lats. Five issues were redeemed and none were launched. For the time being, the market situation is not favourable for new issues of long-term securities denominated in lats, since the interest rates continue to be high and there is relatively small demand on behalf of the investors.

On the NASDAQ OMX Riga secondary market the bid yield on Treasury bonds maturing in 2019 was 13.00% at the end of March (down from 14.00% at the end of December), while that on SJSC *Latvijas Hipotēku un zemes banka* mortgage bonds maturing in 2013 decreased from 13.00% to 8.75% in the same period. Further decline in the yields on long-term securities can be anticipated in the future.

According to Bloomberg, the yield on Latvian Eurobonds (maturing in 2018) was 195 basis points down in the first quarter, to stand at 5.68%. The spread *vis-à-vis* the benchmark, German government bonds, narrowed by 160 basis points, to 285 basis points. However, the developments in Greece had an adverse effect also on Latvia's risk assessment (see Chart 2.3).

NASDAQ OMX Riga share price index OMXR appreciated by 15.0% in the first quarter (lost 14.9% of its value in the fourth quarter of 2009, but shot up by 35.2% in the third quarter of 2009). The share price increases of listed Latvian companies were driven by the forecasts that the national economies of Latvia and the other Baltic states would soon face an economic upturn, albeit devoid of dynamism (previously, a sharp downturn was registered). According to earlier projections, the crisis in the Baltics was expected to last longer.

Chart 2.3
LATVIA'S RISK PERCEPTION INDICATORS
(in basis points)



2.4 Interest rates

Money market in Latvia reported excess liquidity of lats, hence the low shorter-term interest rates on the lats money market. The weighted average interest rate on interbank overnight transactions, the most liquid segment of the lats money market, dropped to 0.99% in the first quarter of 2010 and to 0.82%–0.84% in April and May. Persistently low short-term

Chart 2.4
RIGIBOR
(%)

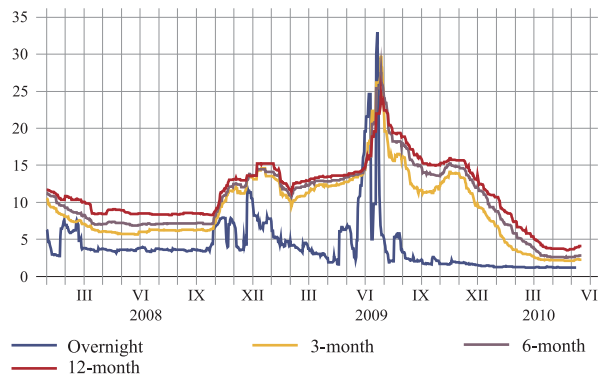


Chart 2.5
SHORT-TERM INTEREST RATES ON NEW LOANS IN LATS TO AND TIME DEPOSITS OF RESIDENTS
(%)

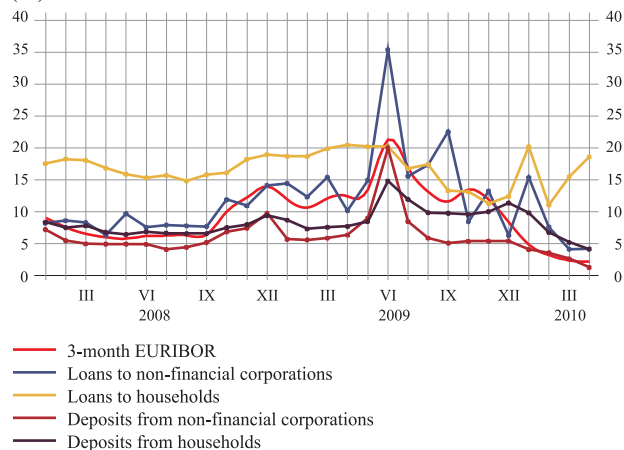
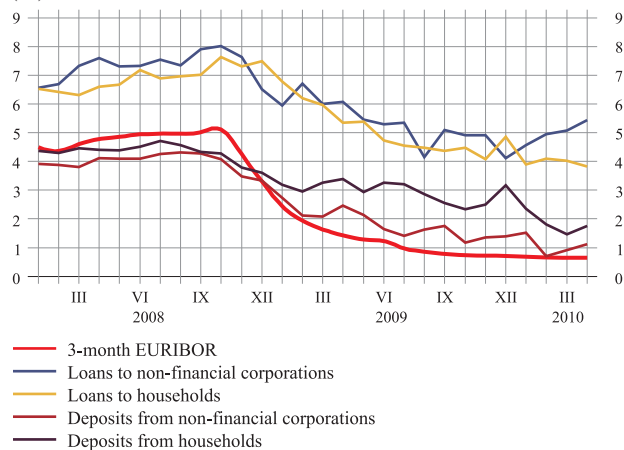


Chart 2.6
SHORT-TERM INTEREST RATES ON NEW LOANS IN EURO TO AND TIME DEPOSITS OF RESIDENTS
(%)



interest rates also pushed further down longer-term interest rates in the lats money market, with 3-month RIGIBOR posting approximately 8 percentage point quarter-on-quarter decline. However, following a rise in global risk perception, longer-term RIGIBOR went up again, including a 0.17 percentage point rise of 3-month RIGIBOR (see Chart 2.4).

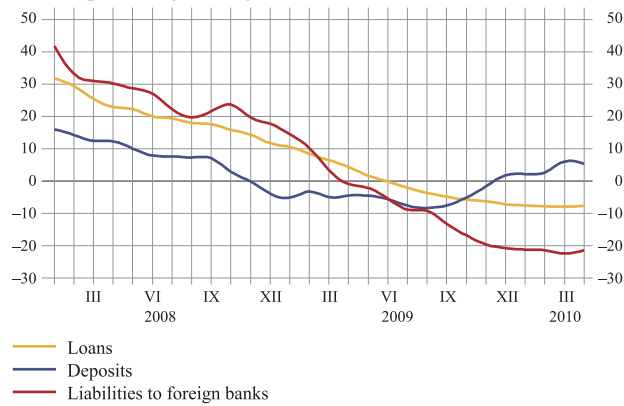
Triggered by a decrease in RIGIBOR, the weighted average floating interest rate on new consumer credit in lats to households and non-financial corporations with an initial rate fixation period of up to one year stood at 7.0% in March 2010, down from 7.9% in December 2009 (see Chart 2.5). The interest rates on loans in euro granted to households for house purchase were on a downward trend too, whereas the interest rate on loans in euro granted to non-financial corporations went up (see Chart 2.6) because of the growing share of small and medium-sized loans in total credits.

The drop of the money market index had a more pronounced effect on the interest rates on deposits. The weighted average interest rate on time deposits of households in lats with a maturity of up to one year decreased by 6.2 percentage points in March in comparison with December 2009, while that of non-financial corporations – by 2.8 percentage points. Conversely, the weighted average interest rate on time deposits of households and non-financial corporations in euro with a maturity of up to one year decreased by 1.7 percentage points and 0.5 percentage point respectively.

2.5 Money supply

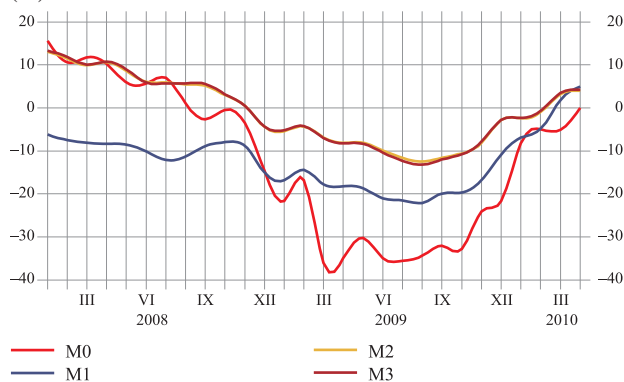
Since nearly a half year ago, the dynamics of supply in money market has been suggesting of more activity in the economy and growing confidence in the Latvian economy. A sustained growth of currency in circulation continued also in the first four months of 2010, with the exception of a small seasonal fall in January. Improving consumer and business confidence, signs of a stabilising turnover in retail trade, expanding exports as well as steadying domestic financial markets and inflows of foreign financing were the factors contributing to the increase in resident deposits and stabilisation of demand for cash. The continuously weak domestic demand that dampened also the demand for loans, banks' cautious approach to lending and the high loan delinquency rates resulted in a moderate fall in private sector borrowing.

Chart 2.7
LOANS, DEPOSITS AND LIABILITIES TO FOREIGN BANKS
(annual percentage changes)



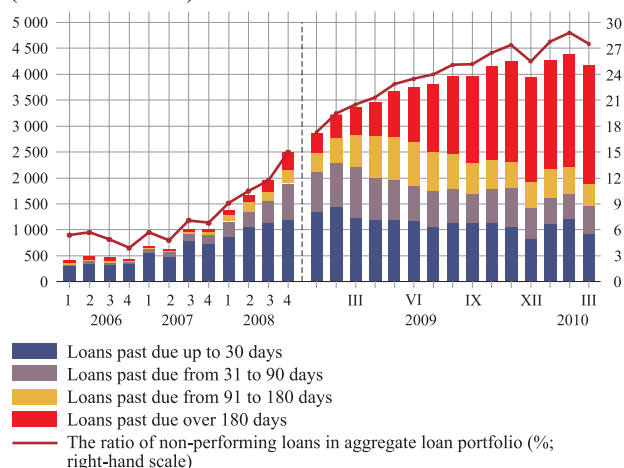
The upward trend of nearly all monetary aggregates that started at the end of 2009 continued also in the first quarter of 2010, except for loans to private sector and liabilities to foreign banks that contracted further (see Chart 2.7). Repayment of syndicated loans led to a decrease in liabilities to foreign banks, while a fall in funds needed for lending resulted in outflows of funding received from foreign parent banks. However, this decrease was offset by growing non-resident deposits: following a contraction in February, it bounced back to the level registered at the end of December 2009, but in April the deposits of non-residents went up 7.2%.

Chart 2.8
ANNUAL CHANGES IN MONETARY AGGREGATES
(%)



Following a major seasonal hike in December 2009, in January the demand for cash decreased somewhat, while in February and March it resumed on an upward path. In April, prevalently on account of reimbursement of the part of old-age pensions that was withheld in the previous year, cash in circulation increased by 6.7% month-on-month, thereby nearly preventing the annual decrease of cash in circulation.

Chart 2.9
NON-PERFORMING LOANS
(in millions of lats)

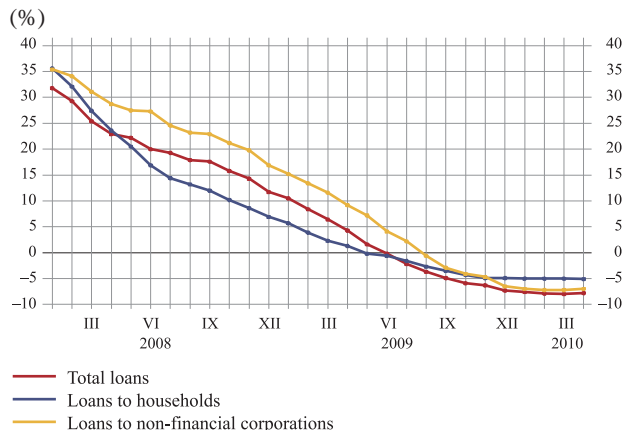


Annual change in M3 returned to positive territory (see Chart 2.8), and the increase was largely driven by expanding deposits of resident financial institutions, non-financial corporations and households. The annual growth rate of total deposits continued, to peak at 6.0% in March (a high since September 2008). With funds from international lenders flowing in and the government converting the borrowed funds into lats so that it can pay for the budget expenditures, lats deposits posted a more pronounced rise (8.4%), especially in the corporate sector. The relatively high interest rates in a deflationary environment also contributed to the growth of lats deposits.

The broadening deposit base furnished banks with more funds that were available for lending. At the same time, the weak domestic demand and banks' precautions *vis-à-vis* lending to private sector considering the still progressing loan delinquency (see Chart 2.9), resulted in a further decline in loans extended to financial institutions, non-financial corporations and households. In March, the annual rate of decrease of loans reached 8.0%, but in April decelerated to 7.8%, thus the year-on-year dynamics of loans outstanding improved for the first time in the last three years (see Chart 2.10).

Simultaneously, some banks with increasing frequency reported their anticipation of a growth in lending activities. Also the results of bank survey

Chart 2.10
ANNUAL CHANGES IN LOAN BALANCES (%)



suggest that tightening of credit standards is no longer expected to be that fierce as before (see Chart 2.11), and this may facilitate the resumption of lending. For the time being, however, positive tendencies can be observed only regarding industrial credit – in the first quarter, the industrial credit portfolio increased by 7.1% (partly owing to loan portfolio reclassification in some banks). The fact that consumer credit stopped to decline in March and in April increased by 1.7% (the highest month-on-month rate since the second half of 2008) signals a slight revival of lending. Commercial credit continued to shrink notably, while, already since long, mortgage lending has been contracting moderately (see Chart 2.12). This situation is exactly in line with the restructuring of the national economy from domestic demand to external demand, therefore one cannot expect any significant changes in a foreseeable future. Overall, in April certain signs of improvement in lending were observed compared to the beginning of 2010.

Chart 2.11
NET PERCENTAGE OF BANKS REPORTING TIGHTENING OF CREDIT STANDARDS (%)

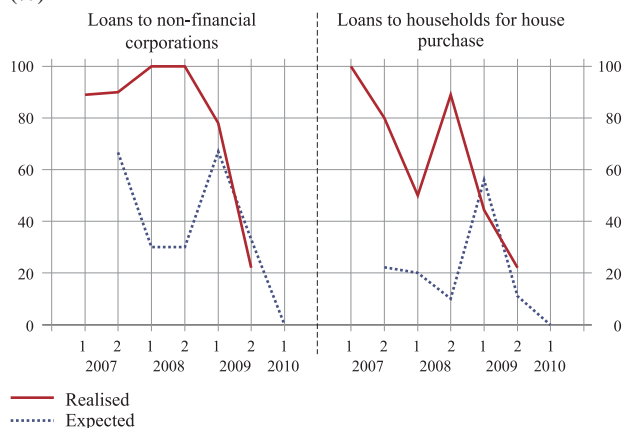


Chart 2.12
MONTHLY CHANGES OF RESIDENT LOANS OUTSTANDING (in millions of lats)

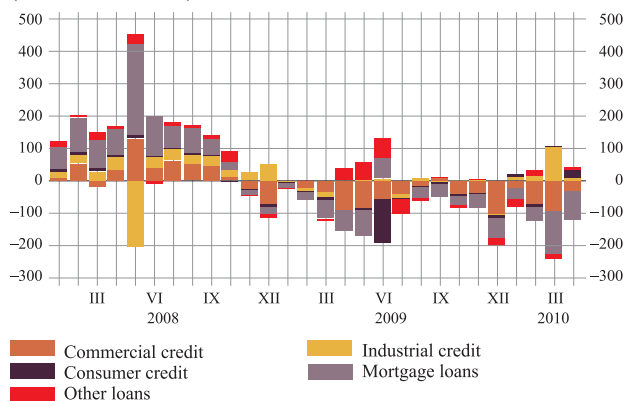
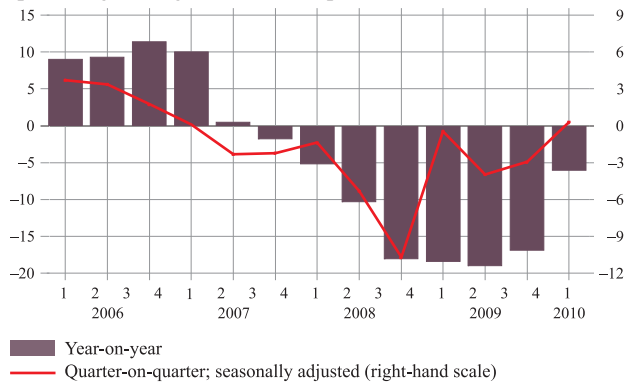


Table 2
MONETARY VARIABLES
(quarterly figures are averages)

	Outstanding amount as percentage of M3	Annual growth rate							
		2009				2010			
		2010 III	Q1	Q2	Q3	Q4	I	II	III
M1	51.0	-16.3	-19.3	-21.2	-15.8	-6.9	-4.9	1.8	-3.3
Currency in circulation	11.0	-7.2	-19.3	-25.8	-27.6	-21.5	-17.1	-7.9	-15.5
Overnight deposits	40.0	-19.0	-19.3	-19.7	-11.7	-1.6	-0.7	4.8	0.8
M2 – M1 (= other short-term deposits)	47.4	10.6	6.5	1.1	4.3	2.7	3.5	4.8	3.7
Deposits with an agreed maturity of up to 2 years	43.4	15.1	9.3	3.8	5.7	3.9	5.4	7.4	5.6
Deposits redeemable at notice of up to 3 months	4.0	-17.3	-12.6	-18.4	-7.3	-7.9	-12.5	-16.9	-12.4
M2	98.4	-5.5	-8.7	-11.9	-7.2	-2.4	-1.0	3.2	-0.1
M3 – M2 (= marketable instruments)	1.6	-0.3	-27.1	-43.3	-5.0	8.3	18.4	27.1	17.9
M3	100.0	-5.5	-9.0	-12.5	-7.2	-2.3	-0.7	3.5	0.2
Credit to residents		12.8	4.6	-1.1	-7.2	-9.8	-9.0	-6.7	-8.5
Credit to general government		197.2	86.3	60.3	-22.2	-44.7	-34.6	9.4	-23.3
Credit to the private sector		8.5	2.4	-2.9	-5.8	-7.0	-7.2	-7.4	-7.2
Loans to the private sector		8.4	1.9	-3.6	-6.5	-7.6	-7.9	-8.0	-7.8
Longer-term financial liabilities excluding capital and reserves)		-20.9	-18.5	-8.6	-3.8	-10.4	-6.9	-3.4	-6.9

Source: the Bank of Latvia.

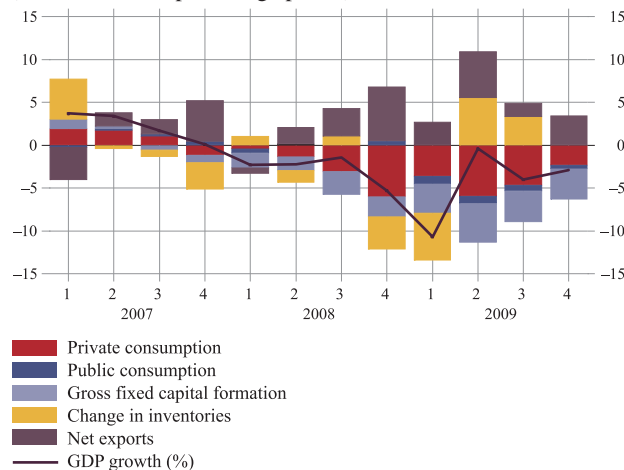
Chart 3.1
GDP GROWTH
(percentage changes; at constant prices)



3. Domestic Demand

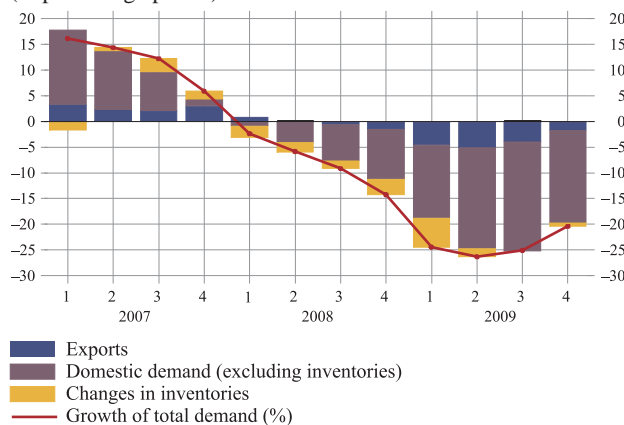
In the first quarter, the Latvian economy finally reached the long-since-awaited turning point, thus the trough in the economic development cycle was recorded in the fourth quarter of 2009 (see Chart 3.1). A quarter-on-quarter GDP growth is anticipated also in the second quarter. This leads to a conclusion that the economy has been recovering faster than expected. Yet, positive changes need to be of a more lasting character in order to return to the previous level. In the first quarter, the dynamics of GDP still reported negative year-on-year changes.

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



In 2009, with the domestic demand rapidly collapsing, companies focused on increasing their share in export markets (see Chart 3.2), and this is why real growth of goods and services exports could be observed already since a half year ago. The increase in external demand nevertheless failed to make up for the dramatic collapse of domestic demand. Nevertheless, in the first quarter of 2010, the decrease in domestic demand decelerated markedly as a result of export revenues as well as rapidly improving consumer and business confidence, thereby lessening precautionary savings.

Chart 3.3
CONTRIBUTIONS TO REAL ANNUAL GROWTH OF TOTAL DEMAND
(in percentage points)



With the domestic demand stabilising gradually (see Chart 3.3) and the demand for imported intermediate goods used for manufacture of exports growing, the decline of real goods and services imports slowed down further. Due to a feeble domestic demand one cannot expect imports to boost, yet some data suggest an increase of the ratio between imports and domestic demand. This trend is evidenced both by the trade structure (in the first quarter, the majority of positive contribution to trade growth was from sales of imported furniture, household appliances and building materials (see Section 4.2) and decrease of inventories in retail trade and manufacturing (see Chart 3.4).

Favourable economic developments in combination with a relatively successful fiscal consolidation have been rewarding also because international rating agencies raised Latvia's credit rating outlook. It is likely to boost investors' risk appetites and business and consumer confidence, and make financing less costly. Therefore, domestic demand is believed to recover further, starting with a rise in private consumption and change in inventories, to be followed by an increase in investment in fixed assets.

Chart 3.4
CHANGES IN INVENTORIES
(at current prices; % of GDP)

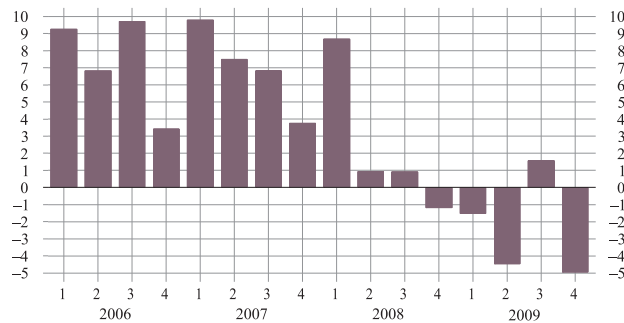


Chart 3.5
CONSUMER CONFIDENCE INDICATOR AND
UNDERLYING FACTORS
(% of net responses)

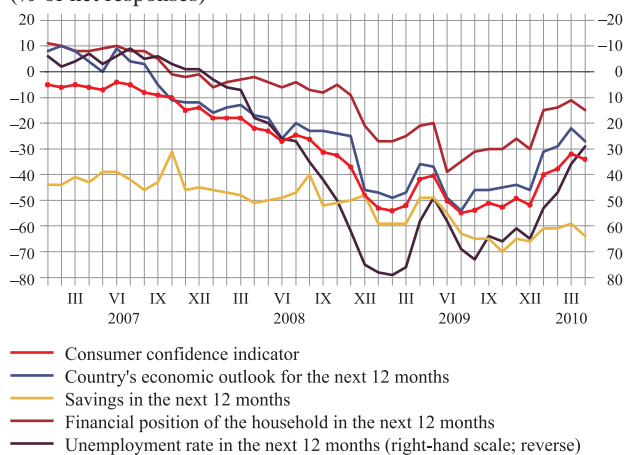
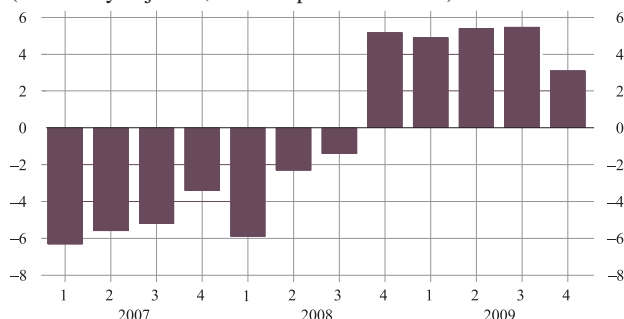


Chart 3.6
SAVINGS
(seasonally adjusted; % of disposable income)



3.1 Private consumption

Subsequent to the sluggishly improving consumer confidence at the end of 2009, in the first quarter of 2010 public optimism flourished and a 20 points quarter-on-quarter increase was recorded (see Chart 3.5). Though disposable income of households declined further, the rapid improvement in consumer confidence became an important factor in softening the fall of private consumption and changing precautionary savings behaviour. With the economic outlook becoming more favourable and the trust in the financial sector returning, households reduced their cash savings by both spending more and depositing money in banks.

Though in Latvia the factors driving the growth of savings ratio (savings as a percentage of disposable income) in 2008 and 2009 were broadly the same as in euro area economies¹, yet the factors were even more pronounced on account of, on average, a lower household savings ratio in the previous years, a steeper downturn, as well as the planned cuts on government expenditure and increase of the tax burden (see Chart 3.6). According to economic theories, households should be using their savings in an effort to smooth their consumption in an environment of shrinking disposable income; however, in general this is not happening neither in euro area countries nor in Latvia. Accordingly, also other factors seem to have had an effect on savings ratio.

First, a climbing unemployment rate and a decrease of average wages and salaries prompted precautionary saving. This factor was paramount in Latvia, because in the previous periods average household savings were lower than in euro area countries, while unemployment rose more rapidly, the uncertainties as to economic development were higher and the projected recovery period longer.

Second, an increase in sovereign debt may induce households to set something aside to cope with the costs of potential tax increases in the future (the so-called Ricardian behaviour). Since in Latvia the general government debt increased steeply over 2008 and 2009 (see Section 3.3), this could be an important factor. In Latvia, amendments in taxation were a topical issue already in 2009, however, in 2010 the increase of tax rates and expansion of tax base was more pronounced, e.g. the individual income tax rate

¹ For analysis of household saving in euro area, see ECB Monthly Bulletin, December 2009, pp. 71 and 72.

was raised, and the social security contribution tax base that is subject to individual income tax and real estate tax base were expanded. Uncertainties still persist as to the developments in taxation policy after the Saeima of the Republic of Latvia elections in autumn.

Third, financial and non-financial assets of households are important for generating purchasing power both today and in future. Since in stock markets and real estate markets the value of assets has deteriorated considerably, this calls for revising the projections about households' future income and thereby might encourage to build extra savings and reduce debt.

Fourth, the accumulated household debt that became a relatively more weighty burden on household budget due the shrinking income, resulted in growth of savings for paying off the loan principal. At the beginning of 2010 debt burden had not yet alleviated notably, but the rapid improvement in consumer confidence promoted a revival of domestic demand, therefore some lessening in debt burden can be expected already in the second half of 2010, provided that disposable income does not drop further.

Fifth, the financial crisis, apart from leading to revaluation of assets, also dampened consumption because of limited loan availability. Since lending standards were tightened and the value of pledged assets was depreciating, households were asked to contribute a proportionally larger share on their own; consequently, this required higher stock of initial savings.

And last, interest rates on deposits are an important factor for saving; however, the rising rates in the previous periods were contested by concerns as to the stability of the financial sector, and the overall effect is hard to assess.

Alongside with these factors, consumption and saving in Latvia are influenced by country-specific factors. Discontinuation of withholding a part of old-age pensions in February and repayment of the withheld part according to the ruling of the Constitutional Court of the Republic of Latvia played a significant role in improving confidence and boosting consumption. According to the methodology of the System of National Accounts, the part of old-age pensions that was withheld in 2009 had already been treated as household disposable income in 2009, despite the fact that the money was not available to households

for consumption and was disbursed only in 2010. Household savings grew together with income. In March and April, when most of the withheld pension amount was repaid, population could afford spending more and private consumption went up, thereby reducing the savings.

Since the importance of the said factors could change in the nearest future, precautionary savings are projected to decrease; however, the need to build savings will remain because of the public and private debt and the uncertainties concerning taxation policies, therefore private consumption cannot be expected to rebound rapidly. Provided that the financial sector continues to be stable and free of adverse impacts from the events in Greece and other euro area economies, cash savings are anticipated to decline further and deposits to grow.

3.2 Private investment

As to investment, the situation has remained largely unchanged. Sizeable investment made in the previous periods and accumulated debt were constraints for new investment inflows. Lending activity continued to be subdued. Though the last quarters witnessed some improvement, spare production capacities were still in abundance, therefore total gross capital formation declined further also in the first quarter. The drop continues to be pronounced in new housing construction, whereas the repairs and renovations segment recovered faster.

Investment might gradually restart in the quarters to come. Though we cannot expect that the rise will be as steep as during the uplift of the economic cycle, more prudent bank lending policies and improving cost competitiveness will stimulate to invest in more productive sectors. The EU funding and state aid schemes, as well as international rating and its positive future outlook are additional stimuli.

First, the positive signals about the economic growth and a relative success of the fiscal consolidation exercise has resulted also in an appreciation from international rating agency *Standard & Poor's*. On 12 February it raised Latvia's credit rating outlook from negative to stable. On 31 March, Moody's followed suit and raised Latvia's Baa3 credit rating outlook from negative to stable.

Second, the government is working intensely on easing the bureaucratic burden (e.g. a new

Construction Law is being drafted, stipulating considerably fewer administrative procedures and specifying shorter deadlines), thereby balancing off the negative effect of a rise in tax rates in the World Bank's Doing Business rating.

These upgraded international ratings, combined with comparatively low building and production costs, result in an environment conducive to growth of manufacturing. However, the uncertainty in taxation policy and the risk of political instability that makes it hard to implement the economic policy in a consistent manner because of the forthcoming Latvian Parliament elections – currently these remain the major constraints for investment inflows.

3.3 Government expenditure and budget

In 2009, the consolidated general government budget ran a deficit of 1 188.7 million lats (9.0% of GDP) in accordance with the ESA 95 methodology applied to the assessment of compliance with the Maastricht criteria. It means that Latvia has complied with the agreement reached with lenders about the maximum budget deficit.

According to the national methodology, the deficit reached 892.1 million lats (6.7% of GDP). The difference was attributable to a number of adjustments made in order to apply the ESA 95 methodology instead of the national methodology. The deficit increased mostly on account of the following major adjustments: construction costs of the Southern Bridge (72.9 million lats) were not recorded in the consolidated general government budget expenditure in accordance with the national methodology; revenue from trading of emission quotas (91.4 million lats) was not recognised as received in accordance with the ESA 95 methodology (and is excluded from revenue) as it was not used for the defined purpose in 2009; the share of the old-age pensions withheld in 2009 (63.4 million lats) was reimbursed in 2010 albeit attributed to the year 2009 and appropriated to the expenditure of 2009; the interest paid and accrued per annum (64.9 million lats) was adjusted etc.

According to the ESA 95 methodology, Latvia's general government debt amounted to 4 783.4 million lats (36.1% of GDP). The above debt increased by 1 602.0 million lats on account of the international loan disbursements received from the EC, IMF and the World Bank for economic stabilisation and restoration of growth (see Chart 3.7).

Chart 3.7
CENTRAL GOVERNMENT DEBT
(percentage of GDP)

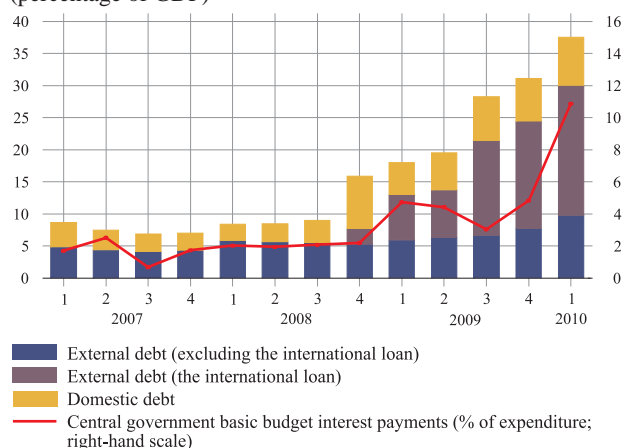


Chart 3.8
ACCUMULATED BALANCE OF THE CONSOLIDATED
GENERAL GOVERNMENT BUDGET BY SUB-BUGET
(in millions of lats)

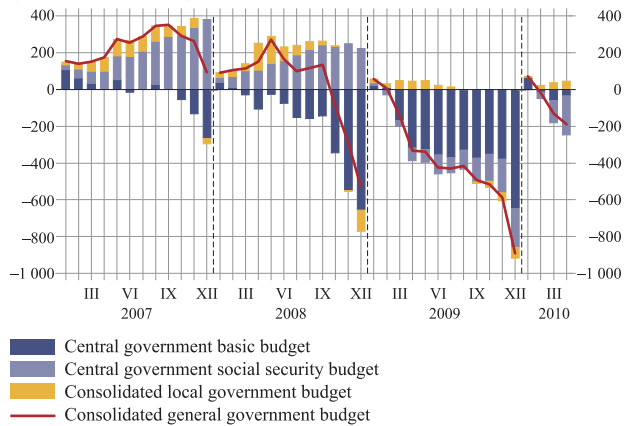


Chart 3.9
SELECTED TAX REVENUE
(Q1; in millions of lats)

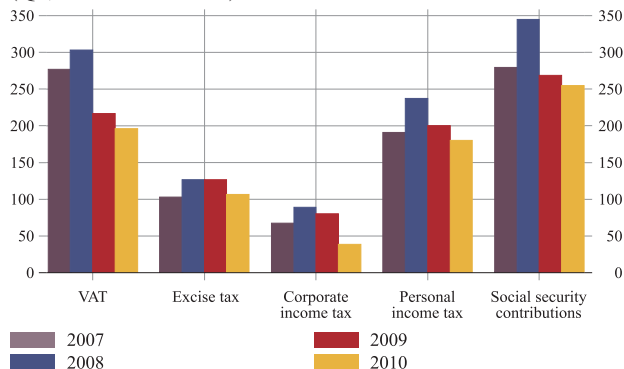
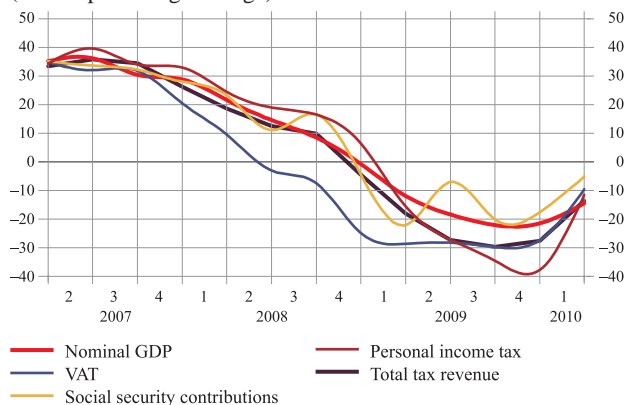


Chart 3.10
RATE OF CHANGE IN NOMINAL GDP AND SELECTED
TAXES
(annual percentage change)



The year 2010 began with a surplus in the consolidated general government budget; however, the budget deficit was reported over the next months and hence at the end of April, the deficit accrued in the consolidated general government budget amounted to 188.7 million lats or 1.5% of GDP projected for 2010 (see Chart 3.8). In the first quarter of 2010, the consolidated general government budget recorded a fall in tax revenue (see Charts 3.9 and 3.10), while in April a tax revenue expansion was observed for the first time since October 2008 year-on-year (5.3%). Four of the five largest taxes posted a revenue rise: personal income tax moved up by 7.5%, corporate income tax rose by 98.6%, VAT and excise tax by 11.6% and 9.8% respectively. An increase in personal income tax revenue reflects legislative amendments, while the recovery of private consumption and a decline in the refunded VAT amount contribute to the growth in VAT and excise tax revenues. Finally, a substantially higher corporate income tax revenue is attributable to the fact that following the submission of declarations the amount of the refunded corporate income tax was considerable in the previous year (in April 2010 – 7.0 million lats, while in April 2009 – 23.7 million lats). Non-tax revenue also recorded an increase driven by the Bank of Latvia's payments for the usage of state capital (48.4 million lats; see Chart 3.11).

Almost all expenditure items of the consolidated general government budget reported a decrease (see Chart 3.12). In April, expenditure declined by 163.4 million lats or 26.1% year-on-year. A deceleration in expenditure was related to the fact that Ministries anticipating the budgetary amendments were actively spending budgetary funds in April 2009; hence the consolidated general government budget expenditure reached an unusually high level. In March and April, the reimbursement of the withheld pension amounts continued and advance disbursements of pensions were made due to the expected public holidays at the beginning of May. Thus expenditure for social benefits and pensions represented a year-on-year increase of 35.7 million lats in April. Other expenditure increased on account of the payment of annual interest on eurobonds issued in 2008 (15.5 million lats) and effected in March, and current interest payable on the EC loan (24.2 million lats). Other expenditure items recorded a further narrowing.

In February and March, a number of decisions to increase budgetary appropriations as stipulated by the Law on the general government budget were

Chart 3.11
CONSOLIDATED GENERAL GOVERNMENT BUDGET REVENUE
(in millions of lats)

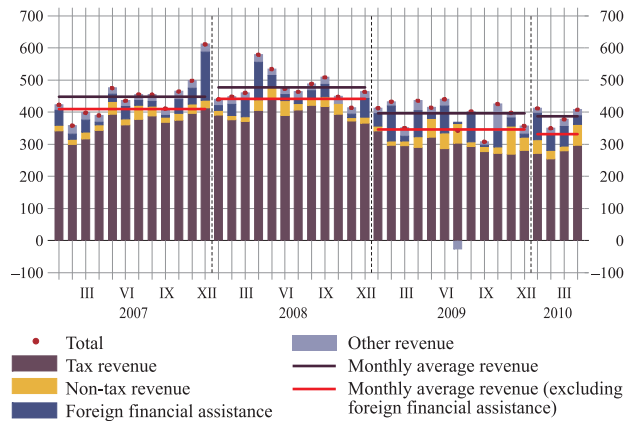
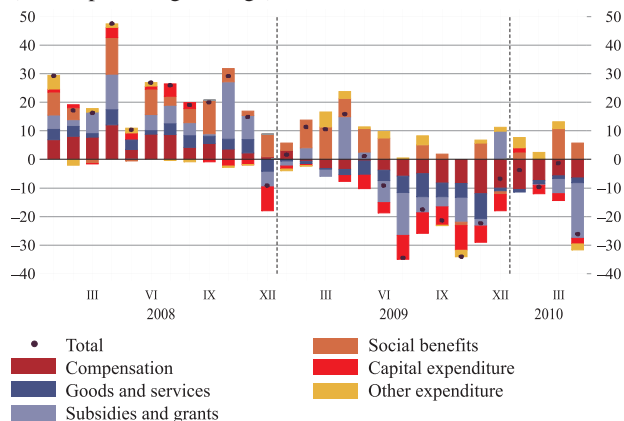


Chart 3.12
RATE OF CHANGE IN CONSOLIDATED GENERAL GOVERNMENT BUDGET EXPENDITURE
(annual percentage change)



taken. First, local governments were reimbursed for non-compliance with the personal income tax plan (12.3 million lats), second, expenditure was raised on account of own proceeds and outstanding funds of foreign financial assistance (19.9 million lats) not spent in 2009. Thus, along with additional funds allocated in accordance with the ruling of the Constitutional Court of the Republic of Latvia regarding the old-age pensions, the budget expenditure for 2010 has been raised by 216.8 million lats in comparison with the budget expenditure stipulated by the Law "On General Government Budget for 2010".

The increase in tax revenue in April confirms the hypothesis that Latvia's economy has resumed growth from the through recorded in the fourth quarter in 2009. In the coming months of 2010, the above budget expenditure growth will continue to boost the economy and domestic demand in particular. At the same time the risk that such an increase in expenditure may cause the budget deficit above the planned 8.5% of GDP persists, and hence more notable adjustments in the budget expenditure for the next year than currently planned will be required. Hence fiscal sector also poses downside risks to further economic growth.

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

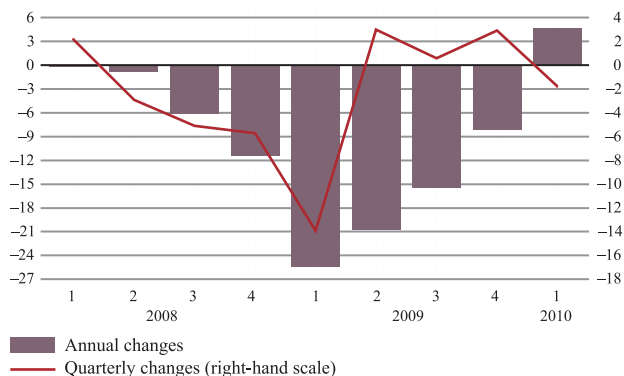


Chart 4.2
VOLUME INDEX OF INDUSTRIAL OUTPUT IN SOME
MANUFACTURING BRANCHES
(seasonally adjusted; 2005 = 100)

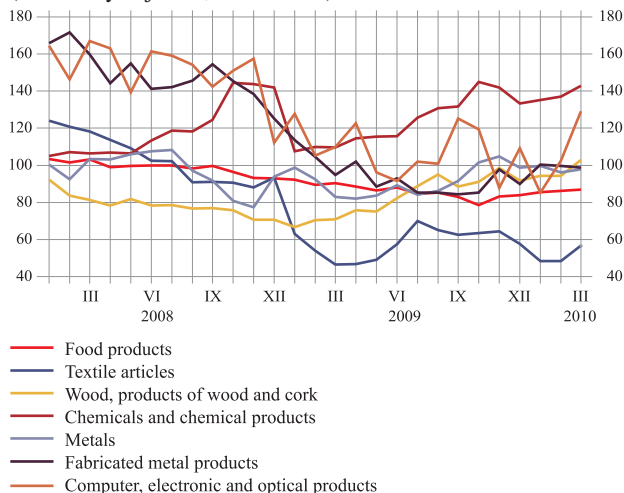
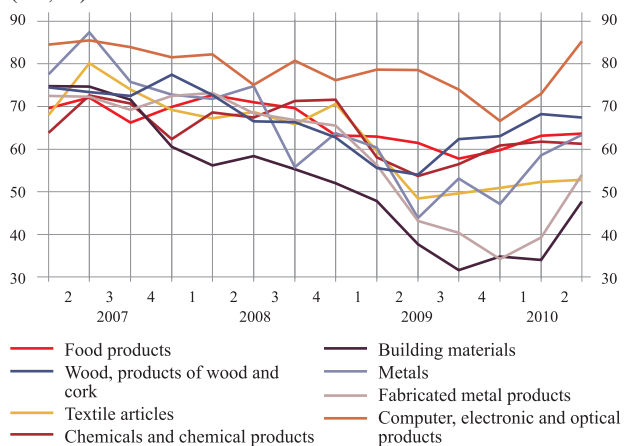


Chart 4.3
PRODUCTION CAPACITY UTILISATION IN
MANUFACTURING
(net; %)



4. Aggregate Supply

4.1 Industry

An improvement of competitiveness and recovery of external demand contributed to the development of manufacturing. In the first quarter, output remained below its level of the previous quarter according to the seasonally adjusted data (a fall of 1.8%); nevertheless, the annual growth was solid (4.7%; see Chart 4.1).

In the first quarter, some growth was observed in industries producing for the domestic market; however, the overall increase was mainly on account of expanding exports. Their share in sales continued to expand in most manufacturing sectors, recording a particularly notable rise in sectors which were mostly domestic market oriented previously (see Chart 4.2). Thus, for instance, the share of exports in sales of printing and reproduction of recorded media rose from 32.4% to 49.8% and production of building materials grew from 40.2% to 61.8%. In the first quarter, capacity utilisation in manufacturing increased against a background of output growth, while differences in capacity utilisation rates by sectors also widened further (see Chart 4.3). Manufacture of building materials and metal products posted the lowest capacity utilisation rate, whereas in manufacturing of office machinery and computers, articles of wood, clothing, paper products, food and chemicals and chemical products the above rate was considerably higher.

Assessing the situation in the second quarter, businesses have noted the growth in activity across nearly all manufacturing sectors on the basis of the expected increase in export orders (see Chart 4.4). A particularly buoyant pickup is anticipated in the manufacture of textiles, printing, building materials, manufacture of metals, metal products as well as in engineering and electronic products sector. This suggests that the overall development of the construction sector may also be viewed with some optimism in the second quarter. The relatively faster improvement in assessment of engineering and production of building materials may be partly attributable to a slower recovery in the previous periods. Assessment has improved less notably in sectors reporting growth for some time already, however, it also points to the expected further growth.

Construction continued on a very steep downward path in the first quarter as a result of a subdued

Chart 4.4
OUTPUT INDEX IN MANUFACTURING AND
CONFIDENCE INDICATORS

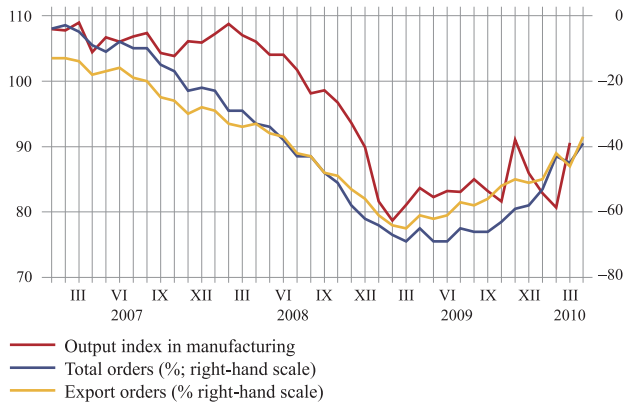


Chart 4.5
ECONOMIC SENTIMENT AND CONFIDENCE
INDICATORS
(net; %)

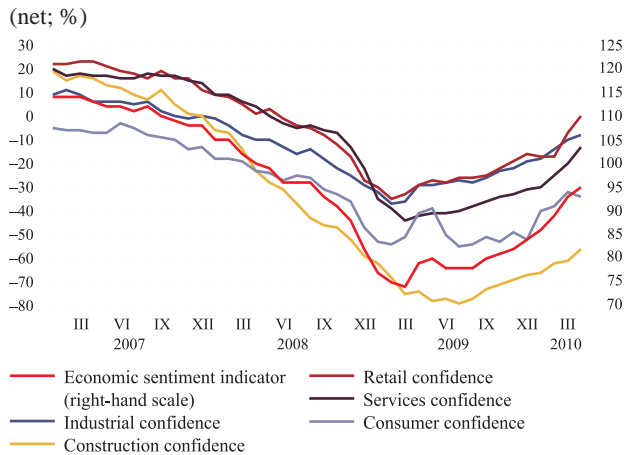
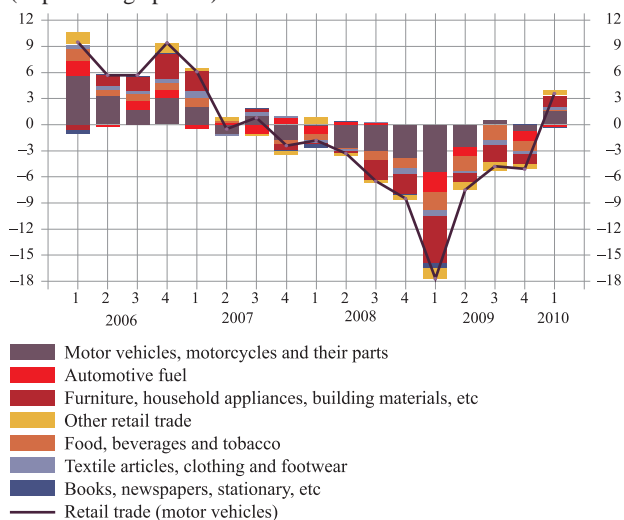


Chart 4.6
CONTRIBUTION TO REAL QUARTERLY RETAIL
GROWTH
(in percentage points)



domestic demand. Construction output, excluding the impact of working day adjusted data, shrank by 43.4% year-on-year. Almost all types of construction followed a downward trend, with the buildings for sports events and residential buildings and construction of main pipelines, communication and power lines recording the steepest decline. Growth in the real volume of construction was solely attributable to the construction of bridges and tunnels.

The near-term perspective also suggests no significant improvement in the construction sector. The gradual improvement in construction confidence continued during the first quarter and also in April; however, the above confidence remains very low (the lowest within the sectors of the economy; see Chart 4.5). Hence a slightly better confidence points to an ongoing stagnation rather than a step towards improvement. The descending dynamics of the number of building permits issued in the first quarter also supports the above trend. The construction of industrial production buildings and warehouses was the only sector which recorded a notable rise in the number of building permits.

4.2 Services

Following a relatively long-lasting downward trend, a rise was observed in retail trade (3.6%; including the sale of motor vehicles) in the first quarter, thus suggesting that the through of the retail trade was reached in the fourth quarter of 2009 (see Chart 4.6). Sales volume remained at a considerably lower level year-on-year; however, due to a positive base effect the above negative indicator was also plummeting. With respect to the second quarter, preliminary statistics points, overall, to a further enhancement of trade: in April and the first half of May, revenue from almost all types of taxes increased year-on-year and the number of cars newly registered with the Road Traffic Safety Department in April continued on an upward path both month-on-month and year-on-year (see Chart 4.7). Following a pronounced improvement in the previous months, consumer confidence deteriorated somewhat (by 1.8 points) in April, while trade confidence index improved considerably.

Some performance indicators of freight transportation suggest that transport sector growth remained negative in the first quarter, with the overall performance weaker year-on-year. Base effect has contributed to the considerable fall in freight transportation by rail through ports for the second consecutive month.

Chart 4.7
SOME INDICES OF PRIVATE CONSUMPTION AND
THE EXPECTED PURCHASES

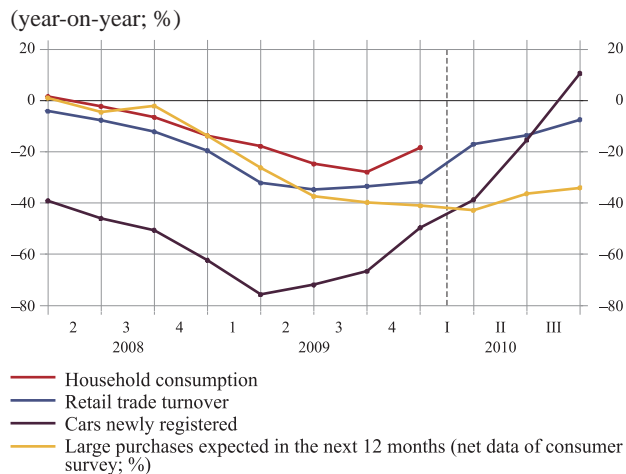


Chart 4.8
CHANGES IN MAIN TYPES OF SERVICES
(annual percentage changes)

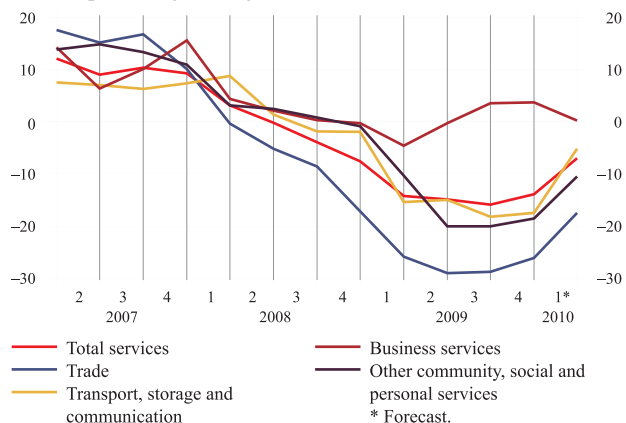
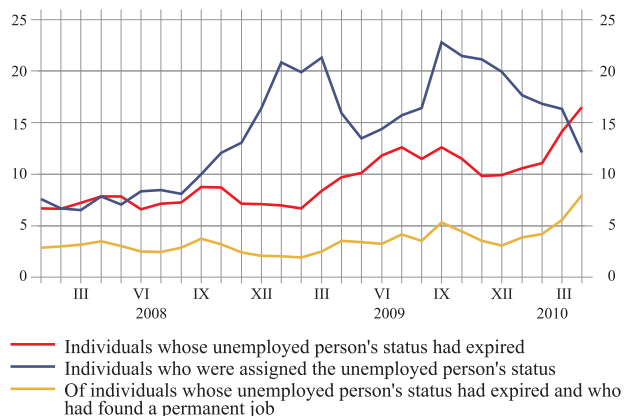


Chart 4.9
NUMBER OF INDIVIDUALS WHO WERE ASSIGNED
THE UNEMPLOYED PERSON'S STATUS AND THAT
OF INDIVIDUALS WHOSE UNEMPLOYED PERSON'S
STATUS HAD EXPIRED
(thousands)



Turnover at ports also lagged behind the level reached in the respective quarter of the previous year. The total freight turnover at ports posted a substantial fall on account of the turnover contraction at both major ports. The steeply decelerated volume of oil products contributed to the performance indicators of Ventspils port, while the volume of transshipment of bulk cargoes had an effect on the performance indicators of Riga port.

April confidence indicators suggest that freight transportation may evidence some improvement of the situation in the second quarter. An expanding demand for freight transportation and an increasing number of tied employees are expected in the next three months in accordance with the above indicators. Insufficiency of corporate current assets and problems related to bank lending are still considered detrimental to the growth of freight transportation by road. In many cases the current demand for services (for dynamics of monthly indices see Chart 4.8) may not be satisfied due to the above developments.

4.3 Labour market

In April, the registered unemployment rate unexpectedly declined by 0.6 percentage point (the first decrease within the last 23 months), standing at 16.7% of economically active population at the end of April (almost the same level as at the end of January). About half of the decline in the registered unemployment rate observed in April resulted from the methodological effect, as the unemployment rate registered in the previous 12 months was calculated by using the average number of economically active population in 2006–2008, but starting from April 2010, the average ratio for 2007–2009 was used. In 2009, the number of economically active population was higher than in 2006, thus having a decreasing effect (down 0.3 percentage point) on the unemployment rate.

The other half (0.3 percentage point) of the drop in the registered unemployment rate was underpinned by the decreasing number of the registered unemployed persons that resulted both from a decline in the number of individuals who were assigned the unemployed person's status and a rise in that of individuals whose unemployed person's status had expired (see Chart 4.9). Although the number of individuals who were assigned the unemployed person's status was projected to decline (such trends were supported by the available EC consumer survey

Chart 4.10
NUMBER OF INDIVIDUALS WHO WERE ASSIGNED THE UNEMPLOYED PERSON'S STATUS AND EC CONSUMER SURVEY DATA

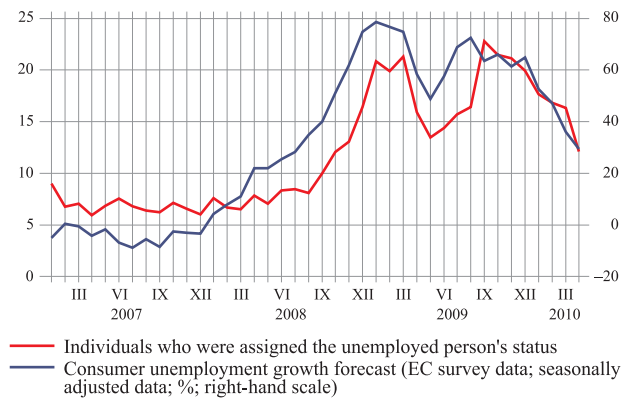


Chart 4.11
REGISTERED UNEMPLOYMENT, NUMBER OF VACANCIES AND UNEMPLOYED-PER-VACANCY RATIO (thousands)

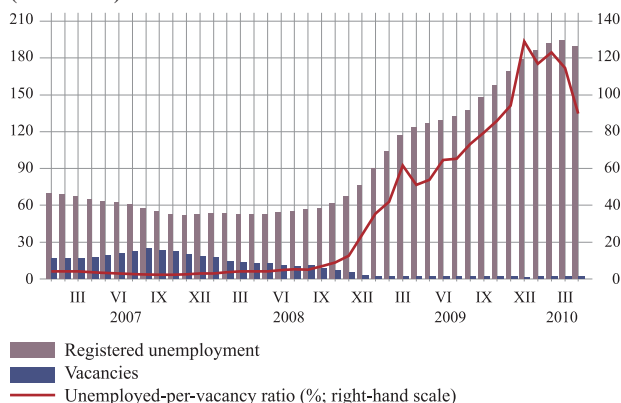
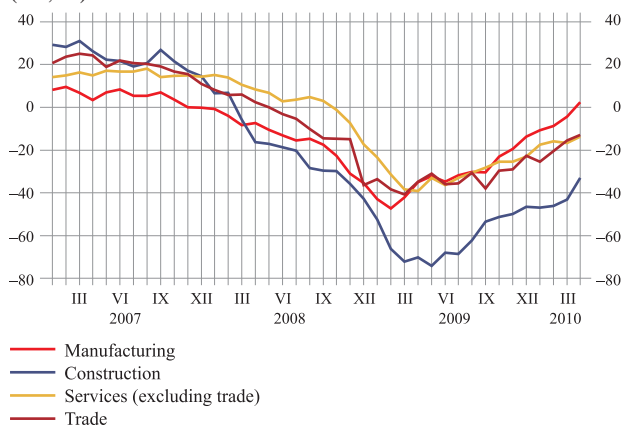


Chart 4.12
DATA FROM BUSINESS SURVEYS ON PROJECTED 3-MONTH EMPLOYMENT DYNAMICS (net; %)



data on the expected development of unemployment; see Chart 4.10), such a large number of individuals whose unemployed person's status had expired was unexpected. This was mainly attributable to the growing number of individuals who had found a job (a record high number (8.0 thousand) of the registered unemployed persons found a permanent job in April) rather than to lack of motivation to register with the State Employment Agency on a regular basis by those unemployed persons whose term of the unemployment benefit disbursement had expired.

In the last few months, the number of vacancies registered with the State Employment Agency increased to the maximum level observed within 11 months (2.1 thousands; see Chart 4.11). These trends reflect both the seasonal factors (demand for seasonal workers also increased in April of the previous year, albeit at a slower rate) and improvement of fundamentals (basic factors) suggested by the manufacturing and trade short-term statistics and confidence indicators. For instance, in April, according to the EC monthly survey data on employment expectations of Latvia's businesses in the next three months, the expectations continued to improve in all major sectors; businesses in manufacturing confirmed a positive trend for the first time within 30 months (they plan to increase the number of employees rather than to reduce it; see Chart 4.12).

According to the CSB labour survey data, the rate of jobseekers to economically active population reached a historic high (20.4%) in the first quarter of 2010. Although GDP posted an increase in the first quarter, it is insufficient for creating new jobs amid the growing share of part time employees, as businesses can extend the weekly working hours for current employees instead of recruiting new ones. Moreover, the unemployment growth rate was negatively affected by seasonal factors. However, the actual rate of jobseekers is almost 2 percentage points lower than projected due to the implementation of the so-called 100 lats programme (the programme enhances employment and reduces the number of jobseekers, thus increasing their motivation to register with the State Employment Agency and, consequently, the number of the registered unemployed persons).

Low skilled employees are still more likely to lose jobs. For instance, the share of jobseekers among individuals who had higher education was more than three times lower than among those who

Chart 4.13

JOBSEEKERS BY EDUCATIONAL LEVEL
(% of economically active population)

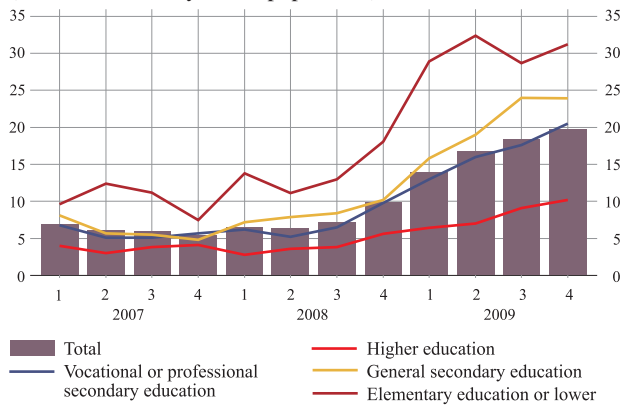
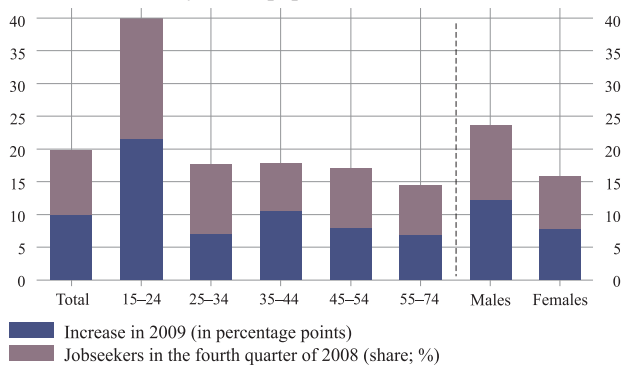


Chart 4.14

JOBSEEKERS BY GENDER AND AGE GROUPS
(% of economically active population)



had elementary or even lower education, and this tendency expanded considerably during the economic slowdown (see Chart 4.13). The highest number of jobseekers is recorded for the age group of 15–24 (40.1%), in particular young males (42.8%), and this age group posts the most rapid increase in the number of jobseekers (see Chart 4.14). Young males can be considered the most mobile age group, therefore the growing share of jobseekers among them is regarded as the factor contributing to higher emigration rates since the end of 2008.

In the fourth quarter of 2009, hourly wages and salaries were 12.1% lower year-on-year. In the private sector, the annual decrease in hourly wages and salaries was relatively modest (5.0%), as the total wage bill was still adjusted primarily through lay-offs of less productive employees. This resulted in a growing share of more productive employees (i.e. employees receiving a higher salary) and higher average hourly wages and salaries. At the same time, the public sector recorded a notable fall in wages and salaries (23.7%) that was higher than projected. In view of a more rapid decrease in wages and salaries in the public sector at the end of 2009 and forecasts of a more pronounced decline in wages and salaries in the private sector (for instance, newly hired employees could receive a notably lower salary than in their former job, as well as lower than that of current employees; thus the recovering labour demand would be first reflected in a lower average salary), a steeper fall in hourly wages and salaries is currently projected for 2010 in comparison with its forecasts in December of 2009.

Chart 5.1
CHANGES IN THE CPI BY COMPONENTS
(in percentage points)

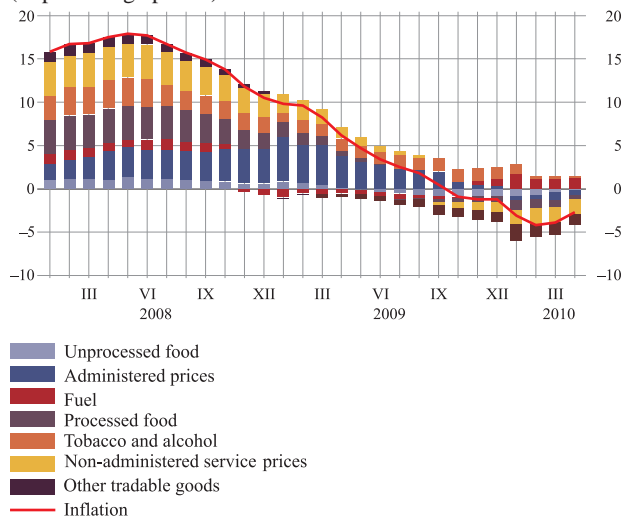


Chart 5.2
IMPACT OF ENERGY PRICE CHANGES ON INFLATION
(in percentage points)

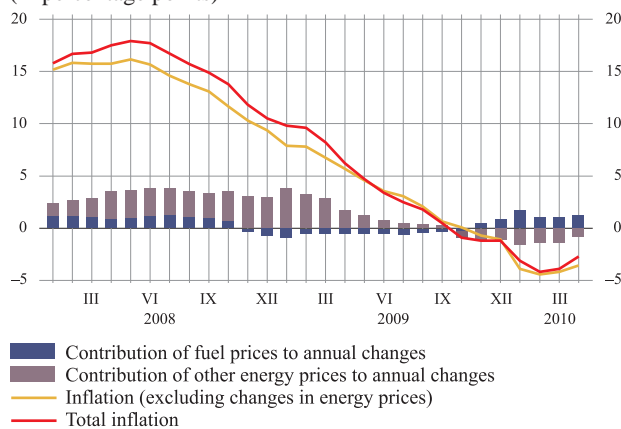
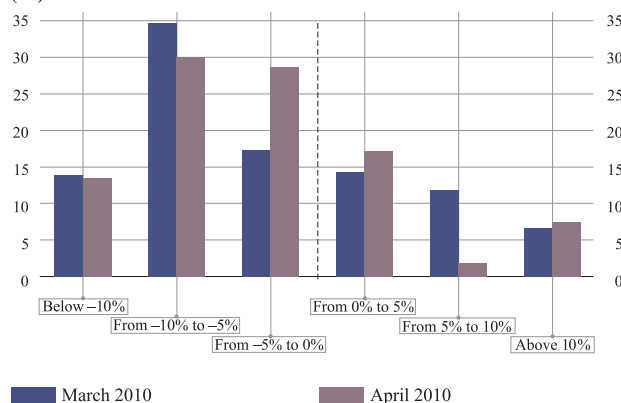


Chart 5.3
THE WEIGHTED BREAKDOWN OF ANNUAL GROWTH RATE BY CPI GROUPS
(%)



5. Prices and Costs

In the first four months of 2010, along with downward pressures from low domestic demand, a notable impact from the supply side resulted in higher consumer prices on account of energy price rises. The annual deflation of consumer prices reached a high in February (4.2%), but subsequently started to decline (in April – 2.7%; see Chart 5.1) on account of positive monthly changes in consumer prices and positive base effect. The two opposite factors are expected to contribute to further consumer price dynamics.

The declining negative contribution from core inflation was mostly due to a moderating impact of the falling processed food and other tradable goods' prices. Moreover, the contribution of alcoholic beverages and tobacco prices to the overall price dynamics diminished substantially (in April it was equal to 0.2 percentage point; 0.8 percentage point lower than in January).

The impact of administered prices (the administered energy prices in particular) on overall consumer price dynamics remained negative, moderating in April as a result of the monthly growth in heating tariffs (see Chart 5.2). In contrast to the dynamics of administered energy prices driven by global oil prices with a significant lag, fuel prices continued to exert a notable upward pressure on inflation (their contribution to the overall consumer price dynamics amounted to 1.2 percentage points in April).

With low demand still significantly influencing consumer price dynamics, in April, 71.2% of goods and service prices in the consumption basket were lower year-on-year (see Chart 5.3). The most pronounced decline has been recorded for non-administered service prices which will fall in the near future as well. All food product prices (excluding vegetables recording more than usual price rise due to the cold winter) were lower year-on-year. A steeper price decrease was dampened by the escalating fuel prices on account of the growing global energy prices, thus also enhancing an increase in transport service prices.

Global resource price expansion and, in particular, energy price rise reflected in buoyant fuel price surge in Latvia, also pushed up the costs for production of goods for domestic market and pressure on growing producer prices of the above goods (see Chart 5.4). The prices of goods produced for domestic market

Chart 5.4
THE ANNUAL RATE OF CHANGE IN PRODUCER PRICE INDEX AND CONTRIBUTION OF ITS COMPONENTS
(in percentage points)

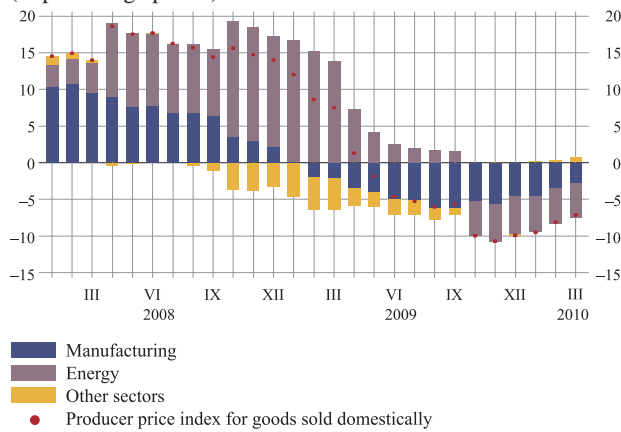


Chart 5.5
OIL PRICES ON GLOBAL MARKET
(USD/barrel)

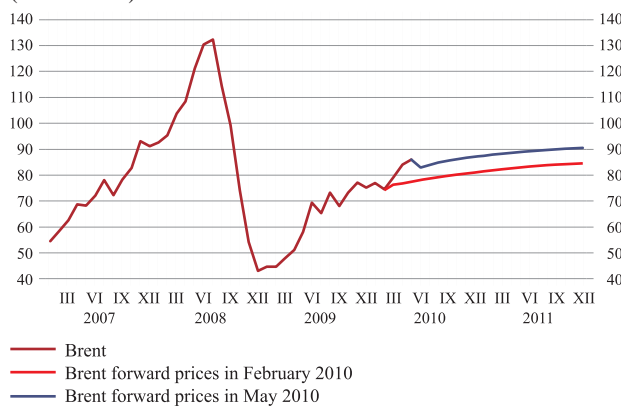
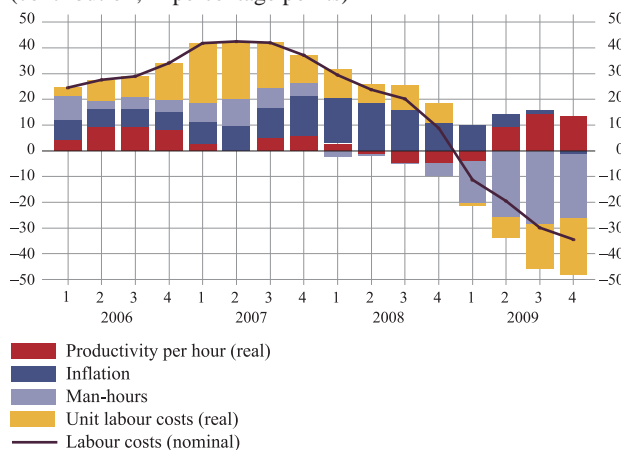


Chart 5.6
ANNUAL RATE OF INCREASE IN NOMINAL LABOUR COSTS BY ITS COMPONENTS
(contribution; in percentage points)



grew by 0.2%; however, on account of low domestic demand they remained 7.1% lower year-on-year. Supply-side factors are expected to promote further price acceleration, although low demand still dampens the above increase.

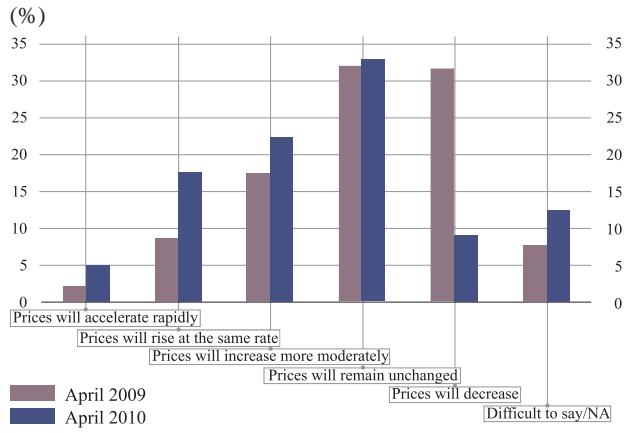
The impact of administered energy prices is expected to rebound in the near future, thus hindering an overall consumer price fall. This trend is associated with global oil price dynamics (see Chart 5.5). In May, the US Energy Information Agency revised the forecast upwards, and hence the recovery of global economic activity in 2010 and 2011 is expected to push up the global demand for oil. Since excess oil production capacity still persists, oil prices are likely to record a gradual pickup, with notable downside risks still related to an ongoing considerable uncertainty surrounding the pace of economic recovery in many regions.

Domestic factors will, however, continue to exert downward pressures on prices. In the fourth quarter of 2009, labour costs per hour worked shrank by 12.5% year-on-year (see Chart 5.6). The above fall slightly exceeds the annual drop in hourly wages and salaries as the employers' voluntary social security contributions, sick list payments and benefits for the staff have contracted more notably than wages and salaries. In the fourth quarter of 2009, unit labour costs dropped by 34.5% year-on-year. The hours worked declined by one-quarter, mirroring both the lay-offs and cuts in weekly working hours. Unit labour costs continued on a downward trend both in nominal and real terms (the annual deceleration reached 19.7% and 18.8% respectively). Declining labour costs and growing labour productivity per hour worked accounted for the above development.

The number of survey respondents selected for estimating inflation expectations who believe that the price level will decrease over the next 12 months has dropped considerably in comparison with April of the previous year (see Chart 5.7). Households expect consumer prices to follow a moderately expanding path in the near future.

Overall, deflationary pressures are expected to ease in the future. This development is on account of the close to zero consumer price changes and positive base effect attributable to a buoyant price drop in the previous year (see Chart 5.8). High unemployment rate and declining overall household income will further contribute to declining core inflation. The

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



significant energy price rise on account of surging global oil prices will, however, continue in the near future, thus substantially dampening an overall fall in headline inflation.

Chart 5.8
IMPACT OF BASE EFFECTS ON CHANGES IN ANNUAL INFLATION
(in percentage points)

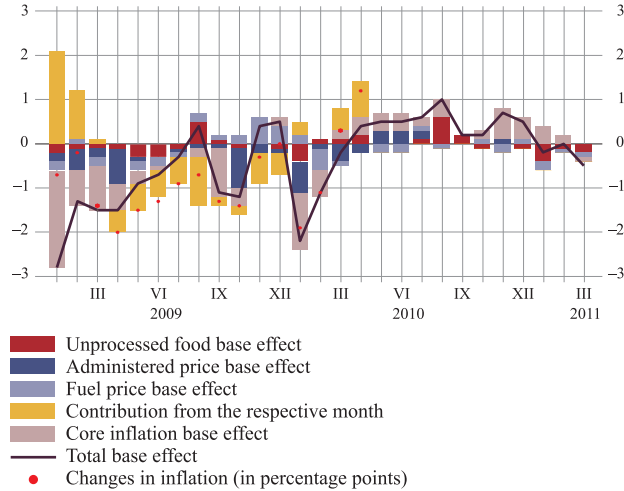
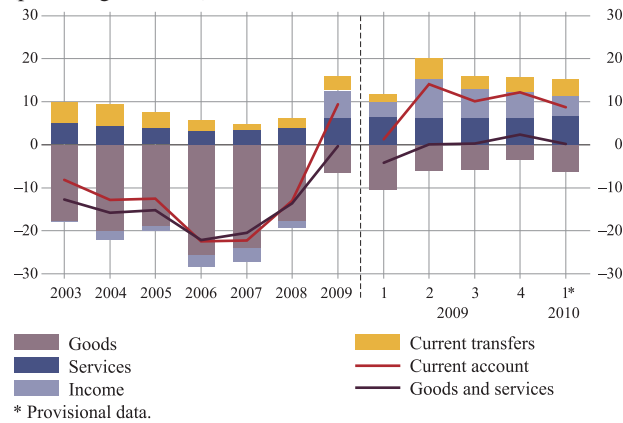


Chart 6.1
CURRENT ACCOUNT OF LATVIA'S BALANCE OF PAYMENTS AND ITS COMPONENTS
(percentage of GDP)



6. Balance of Payments

According to provisional data, the current account surplus of Latvia's balance of payments was 8.7% of GDP in the first quarter (almost seven times higher year-on-year; see Chart 6.1). The goods and services surplus was 0.2% of GDP (a deficit was recorded in the corresponding period of the previous year). It is important that the current account balance primarily improved on account of the increase in goods exports (see Chart 6.2).

The volume and structure of foreign direct investment in Latvia remained broadly unchanged in 2009, reflecting the foreign investors' confidence in the economic development potential (see Chart 6.3). At the same time, a number of decisions on investment in the services sector were taken by important investors in the first months of 2010, while significant investment in manufacturing was still hindered by the uncertainty surrounding the global economic development. In the first quarter, the largest financial flows resulted from bank operations: banks' long-term liabilities decreased substantially (by 803.4 million lats), while non-resident deposits with banks increased by 455.6 million lats.

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

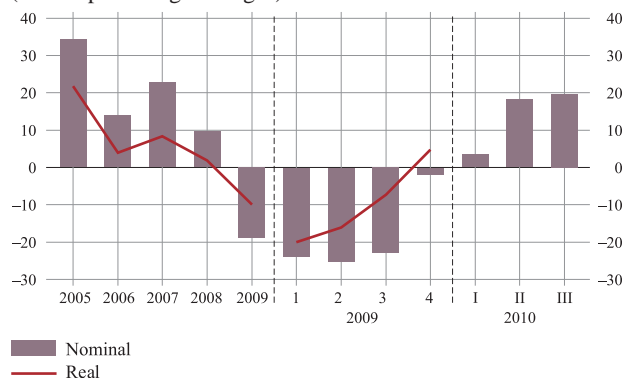
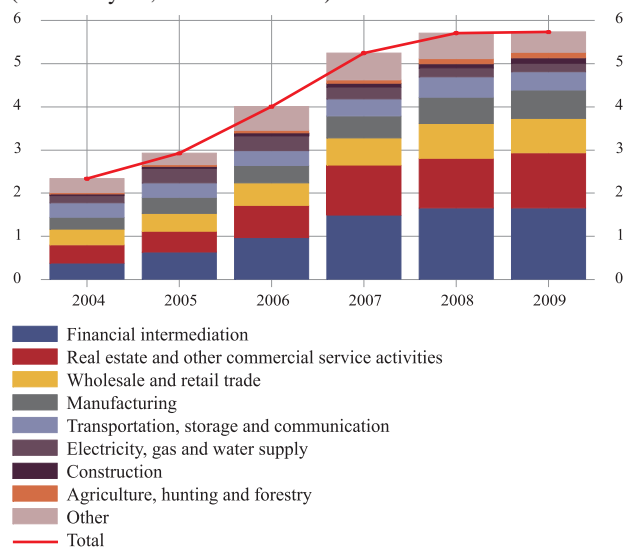


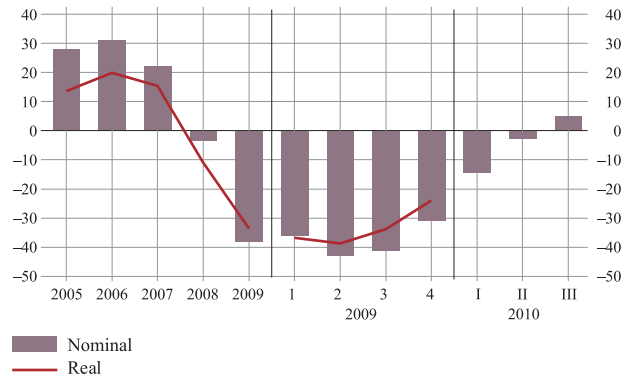
Chart 6.3
FOREIGN DIRECT INVESTMENT IN LATVIA AND ITS STRUCTURE
(at end of year; in billions of lats)



Although the Bank of Latvia continues to forecast a current account surplus for 2010 and 2011, overall it will obviously be lower than planned before due to three important reasons. First, lower loan loss provisions of banks are anticipated in the forthcoming periods. Second, the negative risks related to exports of transportation services materialise (smaller volume of freight transportation due to international competition), and this is also mirrored by the data at the beginning of the year. Higher competition is a sustainable factor, therefore the services export forecast is revised downwards also for the next years. Third, although the goods export forecast is revised upwards, it is fully offset by the expected rise in imports of intermediate goods related to the increase in exports, as well as the potential imports of consumer goods on account of the growing domestic demand (see Chart 6.4).

The main risks to the current account forecast are on the downside. Developments in Greece can have an adverse effect on investment and economic growth in Europe, as well as demand for Latvia's exports. At the same time, the positive effect of the depreciation of the euro on Latvia's economy overall will be temporary and limited. First, Latvia's foreign trade

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



with euro area countries or countries whose currency is pegged to the euro accounts for the largest share. Second, exporters to countries outside the EU (e.g. road carriers) are also negatively affected by the growing prices of raw materials (e.g. fuel) driven by the weakening of the exchange rate.

A temporary increase in imports on account of reimbursement of the withheld part of old-age pensions can be expected in the coming months. If consumer confidence continues to strengthen in 2010 faster than projected, the rise in imports of consumer goods can also be experienced earlier and at a more rapid pace. Imports can also be driven by larger short-term capital inflows that would contribute to sooner recovery of lending.

With the economy recovering more rapidly than projected, further balanced development needs to be underpinned by fiscal policy that is foreseeable and consistent with the economic situation. The financial crisis has also revealed the potential negative impact of the insufficiently regulated financial sector on the economy, therefore particular attention should be paid to this aspect in the medium term.

7. Conclusions and Forecasts

Although preliminary indicators had pointed to positive growth trends in the Latvian economy already in the second half of 2009, real GDP changes in the fourth quarter of 2009 fell behind the projections, with the activity decelerating by 2.9% during the quarter and recording a fall of 16.9% in annual terms. In the economy overall, positive trends surfaced only at the beginning of 2010. According to the flash estimate of the CSB, seasonally adjusted real GDP increased by 0.3% in the first quarter, with negative annual changes and real activity decreasing by 6.0%. Consequently, the weakening of Latvia's economic activity, uninterrupted over an eight-quarter period, had stopped. This gives rise to assumptions that the economy bottomed out at the close of 2009 and is likely to recover slowly in 2010.

The upswing in Latvia's economic activity according to the CSB flash estimate notwithstanding, high-level uncertainty surrounding the country's outlook for further economic growth should not be neglected. Several downward risks determined by external factors have notably heightened over last three months.

7.1 Economic developments

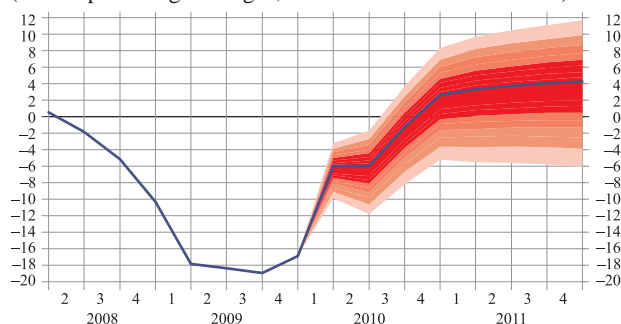
The global economy sustains the recovery path and the latest statistical and survey data support the assumption that in 2010 the recovery is likely to go on in the euro area as well. A more dynamic global growth, particularly in the developing economies, represents the main upside risk to the projections. Another upside risk is associated with the international rating agency *Moody's* upgrading its outlook for the Latvian government's credit rating from negative to stable, a move that is expected to drive the economic growth in Latvia by promoting confidence of investors, businesses and consumers.

On the other hand, the heightening of downward risks was on account of the negative growth trends of Greece's economy hit by the crisis. The implications of Greece's debt crisis for other euro area and EU countries have been ambiguous so far. Financial problems in Portugal, Spain, Ireland, and Italy, which are responsible for fiscal consolidation in these countries and generally undermine confidence in progressive economic development in the euro area and EU in 2010, are reinforcing these downward risks.

First, the said developments may have a direct impact on Latvia's economy by subduing the economic activity in some or all euro area countries and weakening the demand for Latvian goods and services in them. Second, unstable financial situation in euro area countries may trigger a surge in Latvia's risk premiums reflected in interest rate hikes and deteriorating lending activity. Downward risks are associated with indirect effects as well: uncertainty about further economic growth in some euro area countries may drive precautionary savings in Latvia to increase, thus acting as an even stronger impediment to the revival of domestic demand.

As to internal downward risks, focus should be on the limited availability of resources for working capital, which is of particular significance for export-producing businesses and road transport companies and a serious obstacle to the recovery of economic activity. Structural changes of retail turnover may also be considered an additional downward risk; they may trigger an increase in import-to-demand ratio reducing, at the same time, any positive contribution of net exports to the GDP dynamics. Substantially rising political imbalances figure as another negative factor that heightens downward risks to Latvia's growth; in the context of forthcoming parliamentary elections, they encumber the pursuance of consistent economic policy and may undermine the confidence of investors, businesses, and consumers.

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

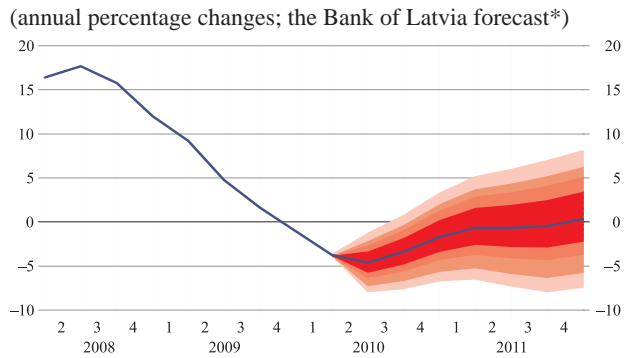


* The coloured area represents 90% of potential scenarios (the lighter the colour, the lower the scenario's probability).

To sum up, the outlook for real GDP growth in 2010 remains broadly unchanged. The anticipated modest improvement in the economic activity is not likely to offset, in the course of one year, the dramatic downturn Latvia's economy went through in 2009; in 2010, real GDP is expected to decrease by 2.5% (see Chart 7.1). Quarterly changes in seasonally adjusted real GDP are projected to increase gradually (from 0.3% in the first quarter to 0.9% in the fourth quarter). As a result of the economic recovery, real GDP is likely to record positive annual growth at the end of 2010.

It should be noted at the same time that the risk profile associated with the projections that Latvia's economic development in 2010 will be at a slower pace than projected has skewed down over the last three months. Moreover, there is a likelihood that the dynamics of historical GDP series may change substantially in the second half of the year depending on the CSB adjustments to GDP data of previous periods.

Chart 7.2
CPI CHANGES



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

7.2 Inflation

A drop in the overall price level on account of weak domestic demand and high unemployment rate is projected also for 2010. The steepest decline in prices is expected in the second quarter, thereafter followed by abating annual consumer price deflation. In 2010 on average, consumer prices are expected to contract by 3.4%. Medium term risks to the inflation outlook seem to be balanced overall (see Chart 7.2).

The downward risks are primarily related to higher labour productivity and real wage cuts, which are driving labour unit costs down and bringing downside pressure on prices about. The upward risks, at the same time, are mainly related to global energy resources likely to become more costly with the recovery of the global economic activity. Meanwhile at the beginning of 2010, fuel prices hiked up notably and this trend is currently persisting.

Appendix

Analysis of Latvia's export market shares

In the years of economic overheating, Latvia lost much of its competitiveness due to rising costs; hence at present, the so called internal deflation or devaluation (cutting wages and lowering prices) is going on. The real effective exchange rate and labour unit costs suggest that price competitiveness of Latvian producers has strengthened in external markets. These indicators do not disclose, however, if all possibilities backed by lower costs have been used, i.e. whether the Latvian exporters have managed to bolster their market shares. This can be estimated by the constant market share analysis².

What are market share changes indicative of?

The approach used herein demonstrates how Latvia's export share in total EU imports changes. An ever decreasing market share would imply that despite lower costs Latvia's exporters give way to counterparties from other countries. However, this approach does not consider the factors related to export structure: 1) the country effect – the EU market share may shrink in the case of exports from Latvia primarily going to countries where import volume contractions are particularly buoyant (e.g. Lithuania and Estonia); 2) the commodity effect – the EU market share may shrink in the case of exports from Latvia primarily comprising goods whose import volume contractions are particularly buoyant due to external factors (e.g. metals).

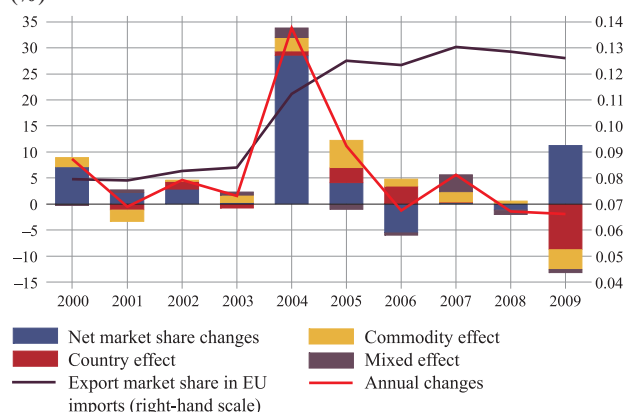
Market share dynamics of previous years

The Latvian export market share in EU imports expanded most following Latvia's accession to the EU and beyond, i.e. in 2004 and 2005 (see Chart A1). In 2006–2008, this market share increased somewhat primarily on account of the market effect and commodity effect³. The so called net changes in market shares, however, were close to zero or negative. In 2009, changes were positive overall. Although Latvia's export share in EU imports contracted somewhat (due to country and commodity effects), the so called net market share expanded markedly, almost offsetting the negative export structure effects.

Latvia's export developments in 2009

A breakdown of market changes (see Table A1

Chart A1
LATVIA'S EXPORT SHARE IN EU IMPORTS AND ITS CHANGES (%)



² Import data from the Eurostat EU27 data base for 1999–2009 in the breakdown of 98 commodity groups according to HS2 classification are used in compliance with E. Skriner's approach (*Skriner, E. Competitiveness and Specialization of the Austrian Export Sector – A Constant-Market-Shares Analysis. FIW Working Paper No. 32, April 2009*).

³ The mixed effect which depicts interactions of other effects and whose interpretation is not unequivocal has been positive as well.

clearly demonstrates that the particularly steep drop in demand in Lithuania and Estonia had an extremely destructive effect on Latvian exports (see Table A2, column "Country effect"). The commodity effect in the breakdown of market shares by commodity group shows that the declining exports of fossil fuels⁴ and metals on account of both weakening demand and falling prices in international markets negatively affected Latvian exports. The resilient demand (even amidst the crisis) for products of the chemical industry (including pharmaceutical products), and food and textile industries had a positive effect.

Despite an overall notable improvement in export competitiveness recorded in 2009, the changes differed in the breakdown by commodity group. For major groups such as mineral products, wood and articles of wood, mechanical appliances and electrical equipment, the competitiveness effect was positive. These results are consistent with the growth in electricity sales and exports of peat as well as with the information about the implemented efficiency boosting measures in wood industry and mechanical engineering. Nevertheless, export competitiveness in metalworking and textile industry has worsened. As to the former, the decline is more difficult to account for, while competitiveness in the textile industry had been on the downturn already in the previous years due to constantly expanding exports from China in the EU market.

Comparison with other countries

In 2009, Latvia's net export market share grew faster not only in comparison with all the countries exporting to the EU (showed by positive net changes of market shares) but also relative to the other EU12 countries⁵ on average (see Table A2). Estonia's export performance was similar, whereas Lithuania performed particularly bad probably due to the high base effect (in 2008, Lithuania's net market share driven by exports of mineral products increased by 11%).

Conclusions

Analysis of the constant market share suggests that by 2008 the dynamics of Latvia's competitiveness had been unfavourable. With competitiveness improving in 2009, Latvia's export shares were maintained close to the previous level even though the demand in Lithuania and Estonia dropped dramatically. This may lead to conclude that a balanced internal growth in combination with favourable dynamics of external factors, e.g. foreign demand and prices, in place, competitiveness gains may serve as a basis for robust further progress.

⁴ Data on fossil fuel transit have also been included. In order to check the transit effects, Latvia's export data provided by the CSB are used albeit without any specific contribution to the overall conclusions.

⁵ Excluding Cyprus and Malta.

TABLE A1. CHANGES IN LATVIA'S EXPORT SHARE IN EU IMPORTS IN 2009
(%)

Code	Name	Share in Latvian exports	Annual market share changes	Market share net changes	Country effect	Commodity effect	Mixed effect
	Total	100.0	-1.9	11.2	-8.7	-3.9	-0.6
5	Mineral products	21.1	0.8	18.3	-4.6	-20.3	7.4
9	Wood and articles of wood	17.1	-2.3	8.7	-4.2	-2.8	-3.9
16	Mechanical appliances and electrical equipment	11.8	22.8	45.7	-15.6	2.2	-9.5
15	Metals	7.7	-39.1	-9.4	-5.9	-25.1	1.3
6	Products of the chemical industry	7.2	5.4	-2.5	-15.8	14.5	9.3
4	Prepared foodstuffs	5.5	13.8	-2.1	-17.5	22.8	10.6
17	Transport vehicles	5.4	-22.9	14.7	-8.5	-5.1	-24.0
11	Textile articles	4.6	-9.3	-11.0	-9.3	14.0	-3.0
2	Vegetable products	4.3	21.7	35.2	-8.9	4.0	-8.5
1	Live animals, animal products	3.9	2.9	-4.7	-11.9	16.0	3.5
7	Plastics and rubber	2.7	6.5	15.3	-14.3	1.6	3.8
20	Other goods	2.7	-5.8	-2.1	-7.1	7.5	-4.0
13	Non-metallic mineral products	2.1	30.9	38.7	-7.8	2.1	-2.1
10	Pulp, paper, paperboard	1.3	-5.7	-10.1	-16.5	10.0	10.9
18	Optical instruments, watches, instruments	0.7	22.9	19.4	-13.0	18.8	-2.3
14	Precious stones, precious metals and articles thereof	0.6	158.0	168.2	-7.5	7.3	-10.1
3	Fats and oils	0.5	112.6	117.2	-21.0	-5.5	21.9
8	Raw hides, leather, furs and articles thereof	0.4	-1.3	-9.2	-8.0	-4.4	20.2
12	Footwear, hats, umbrellas, etc.	0.4	18.0	27.4	-18.7	18.9	-9.5
19	Weapons and ammunition	0	19.7	-35.0	-8.9	13.8	49.8
21	Art objects and antiquities	0	24.9	40.4	-0.6	-9.9	-5.0
LT	Lithuania	19.9	-4.5	16.6	-24.1	4.8	-1.9
EE	Estonia	17.8	-4.2	8.0	-16.0	0.3	3.6
DE	Germany	13.6	33.8	32.2	5.7	-7.4	3.3
SE	Sweden	10.3	14.1	29.3	-5.4	-7.6	-2.3
UK	Great Britain	7.6	-8.5	1.7	1.4	-10.0	-1.6
DK	Denmark	6.1	0.8	12.3	0.6	-4.5	-7.6
NL	Netherlands	4.0	2.3	8.5	2.4	-8.2	-0.4
PL	Poland	3.8	-2.0	15.1	-6.4	-14.6	3.9
FI	Finland	3.6	-17.9	14.3	-11.8	-3.8	-16.6
BE	Belgium	2.9	115.0	128.9	1.2	-16.5	1.4
FR	France	2.2	-27.4	-25.8	4.1	-5.0	-0.7
ES	Spain	2.0	-70.1	-54.6	-5.8	-12.0	2.3
SK	Slovakia	1.7	81.7	80.9	-0.4	-6.5	7.7
IT	Italy	1.4	-8.9	-4.8	-2.4	-4.5	2.8
CZ	Czech Republic	1.1	56.5	60.4	-1.7	-5.4	3.1
AT	Austria	0.7	40.2	35.3	4.6	-3.6	4.0
HU	Hungary	0.4	11.2	25.5	-4.5	-6.6	-3.1
RO	Romania	0.4	-52.7	-42.0	-10.7	4.0	-4.0
IE	Ireland	0.2	-63.4	-40.5	-0.7	-10.8	-11.4
BG	Bulgaria	0.2	15.2	37.5	-18.5	3.5	-7.3
PO	Portugal	0.1	95.7	92.9	5.3	-6.1	3.6
GR	Greece	0.1	8.0	42.1	-12.1	1.1	-23.1
SI	Slovenia	0.1	32.8	32.7	-5.6	1.2	4.5
LX	Luxembourg	0	188.1	164.1	5.8	-6.6	24.8
CY	Cyprus	0	16.5	9.1	-2.6	8.6	1.5
MT	Malta	0	-56.7	-44.2	0.5	-14.8	1.8

P2. TABLE A2. CHANGES IN EU12¹ EXPORT SHARES IN EU IMPORTS IN 2009
(%)

	Annual market share changes	Net market share changes	Country effect	Commodity effect	Mixed effect
Latvia	-1.9	11.2	-8.7	-3.9	-0.6
Estonia	0.8	12.0	-9.2	-0.5	-1.4
Lithuania	-7.8	-1.8	-6.0	-3.9	3.9
Czech Republic	8.2	8.2	0.8	-1.1	0.3
Bulgaria	9.5	14.9	-3.4	-0.4	-1.6
Hungary	3.3	1.8	-0.4	1.6	0.4
Poland	9.7	8.4	-0.1	0.7	0.8
Romania	17.2	15.6	-0.8	2.1	0.4
Slovenia	0.2	0.7	0.1	-0.8	0.1
Slovakia	10.8	13.0	-0.3	-3.3	1.4

¹ Excluding Cyprus and Malta.

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1. MONETARY INDICATORS AND INTEREST RATES

	2008		2009										2010		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3		
M1 ¹	-15.0	-10.9	-17.8	-21.0	-19.9	-10.9								1.8	
M2 ¹	-4.4	-2.8	-6.9	-9.9	-11.6	-2.8								3.2	
M3 ¹	-4.3	-2.8	-7.0	-10.4	-12.0	-2.8								3.5	
M2X ¹	-3.9	-1.9	-6.2	-8.3	-10.2	-1.9								4.2	
Loans to resident financial institutions, non-financial corporations and households ¹	11.7	-7.3	6.4	-0.2	-4.9	-7.3								-8.0	
Deposits of resident financial institutions, non-financial corporations and households ¹	-3.9	1.7	-5.0	-5.7	-7.6	1.7								6.0	
Long-term interest rate for convergence assessment purposes ²	6.43	12.36	11.15	11.66	12.94	13.67								12.64	
RIGIBOR (3-month loans) ³	8.0	13.2	11.6	16.0	13.9	11.2								3.5	
Average yield on government bonds	6.3 ⁴	-	-	-	-	-								5.4 ⁵	
OMX Riga ³	479.9	260.4	227.8	225.3	286.9	297.0								320.7	
	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
M1 ¹	-16.8	-14.4	-17.8	-18.2	-18.7	-21.0	-21.5	-22.1	-19.9	-19.7	-16.8	-10.9	-6.9	-4.9	1.8
M2 ¹	-5.4	-4.3	-6.9	-8.1	-8.1	-9.9	-11.6	-12.5	-11.6	-10.6	-8.1	-2.8	-2.4	-1.0	3.2
M3 ¹	-5.2	-4.2	-7.0	-8.2	-8.3	-10.4	-12.3	-13.2	-12.0	-10.8	-7.9	-2.8	-2.3	-0.7	3.5
M2X ¹	-4.7	-3.6	-6.2	-6.3	-6.3	-8.3	-10.1	-11.1	-10.2	-8.9	-6.1	-1.9	-1.3	-0.1	4.2
Loans to resident financial institutions, non-financial corporations and households ¹	10.5	8.4	6.4	4.3	1.6	-0.2	-2.2	-3.7	-4.9	-5.9	-6.3	-7.3	-7.6	-7.9	-8.0
Deposits of resident financial institutions, non-financial corporations and households ¹	-5.2	-3.3	-5.0	-4.6	-4.6	-5.7	-7.7	-8.4	-7.6	-5.2	-1.7	1.7	2.1	2.6	6.0
Long-term interest rate for convergence assessment purposes ²	10.64	11.50	11.32	11.15	11.09	12.75	12.75	12.81	13.27	13.51	13.75	13.75	13.76	13.62	10.54
RIGIBOR (3-month loans) ³	12.0	10.7	12.1	12.4	13.4	22.2	16.9	13.2	11.6	13.5	11.8	8.3	4.9	3.1	2.3
Average yield on government bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	6.1 ⁵	5.3 ⁵
OMX Riga ³	255.5	220.5	209.1	212.1	229.2	235.3	255.3	277.7	330.7	311.7	294.3	283.6	315.4	327.0	319.9

¹ Year-on-year changes (%).

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

³ Average of the period.

⁴ Weighted average primary market yields of 11-year government bonds.

⁵ Weighted average primary market yields of 2-year government bonds.

2.a REAL SECTOR INDICATORS AND PRICES

	2008	2009				2010	
		Q1	Q2	Q3	Q4	Q1	
Industrial output^{1,2}							
Increase/decrease ³ (at constant prices; working day adjusted data; %)	-3.7	-15.8	-22.2	-18.8	-15.0	-6.6	7.4
Cargoes loaded and unloaded at ports							
Turnover ² (in thousands of tons)	63 645	61 976	16 597	15 688	14 832	14 859	15 591
Increase/decrease ³ (%)	1.9	-2.6	-1.4	2.0	-3.3	-7.7	-6.1
Retail trade turnover (excluding retail trade at market-places)^{1,2}							
Turnover (at current prices; in millions of lats)	6 025.6	4 138.6	1 034.3	1 068.2	1 039.1	997.0	907.8
Increase/decrease ³ (at constant prices; %)	-11.1	-33.0	-32.2	-34.8	-33.4	-31.6	-12.2
Unemployment rate (%)	7.0	16.0	10.7	11.5	13.2	16.0	17.3
Producer prices ¹ (increase/decrease compared with the previous period; %)	11.8	-4.7	-3.0	-3.5	-1.6	-0.7	1.1
Consumer price inflation							
Year-on-year basis (%)	15.4	3.5	9.2	4.7	1.6	-1.1	-3.7
Quarter-on-quarter basis ² (%)	x	x	2.6	-0.4	-1.9	-1.3	-0.2
Financial surplus/deficit in the general government consolidated budget							
Surplus/deficit (in millions of lats)	-531.1	-892.1	-142.1	-283.1	-68.5	-398.4	-132.7
Ratio to GDP ² (%)	3.3	6.7	4.3	8.3	2.1	12.1	x

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

² Data have been revised.

³ Year-on-year basis.

2.b REAL SECTOR INDICATORS AND PRICES

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Industrial output ^{1,2}															
Increase/decrease ³ (at constant prices; working day adjusted data; %)	-21.2	-24.1	-21.4	-18.7	-19.2	-18.6	-17.3	-12.4	-15.2	-13.6	-2.4	-3.5	6.0	4.4	11.4
Cargoes loaded and unloaded at ports															
Turnover (in thousands of tons)	5 577	5 441	5 579	5 152	5 128	5 409	5 197	5 219	4 416	5 134	4 543	5 182	4 995	5 171	5 425
Increase/decrease ³ (%)	-0.9	-0.8	-2.4	0.7	-2.4	8.1	-5.5	10.0	-13.5	3.4	-15.5	-10.1	-10.4	-5.0	-2.8
Retail trade turnover (excluding retail trade at market-places) ^{1,2}															
Turnover (at current prices; in millions of lats)	350.3	332.6	351.5	354.5	359.1	354.6	361.7	347.4	330.0	332.7	307.3	356.9	293.4	284.9	329.5
Increase/decrease ³ (at constant prices; %)	-30.0	-34.4	-32.2	-36.7	-34.6	-33.0	-33.8	-32.9	-33.5	-32.0	-31.9	-30.8	-17.4	-13.8	-5.3
Unemployment rate (%)	8.3	9.5	10.7	11.0	11.3	11.5	11.8	12.3	13.2	14.1	15.1	16.0	16.6	17.1	17.3
Producer prices ¹ (increase/decrease compared with the previous period; %)	-0.6	-1.4	-1.7	-0.9	-0.9	-1.7	-0.3	0	0.3	0.1	-1.7	0.4	0.9	0.4	0.8
Consumer price inflation															
Year-on-year basis (%)	9.8	9.6	8.2	6.2	4.7	3.4	2.5	1.8	0.5	-0.9	-1.2	-1.2	-3.1	-4.2	-3.9
Month-on-month basis (%)	2.2	1.1	0.2	-0.4	-0.5	-0.5	-0.6	-1.0	-0.2	-0.2	-0.7	-0.5	0.2	0	0.5
Annual core inflation (%)	6.1	6.6	4.8	3.9	2.9	2.0	1.8	1.0	-0.4	-0.8	-1.6	-2.0	-5.0	-5.6	-5.0
Financial surplus/deficit in the general government consolidated budget (in millions of lats)	58.6	-51.8	-148.9	-190.8	-5.0	-87.3	-3.7	12.2	-77.0	-20.8	-73.6	-304.0	70.7	-87.8	-115.5

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

² Data have been revised.

³ Year-on-year basis.

3. MONETARY BASE

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Currency in circulation	949.7	922.2	833.4	846.6	825.1	758.5	767.1	756.7	748.7	745.6	739.5	788.2	752.4	767.7	774.2
Currency as percent of the monetary base	50.1	45.5	53.9	52.5	49.7	47.9	49.0	48.1	46.7	46.8	42.8	47.9	43.1	39.9	52.9
Deposits with the Bank of Latvia in lats	930.3	1 091.8	703.1	752.9	826.4	808.5	792.0	809.0	841.4	838.9	942.3	837.7	984.1	1 144.9	673.9
Deposits with the Bank of Latvia in foreign currencies	15.8	11.4	8.9	12.7	9.4	17.7	7.7	7.6	14.2	9.3	47.4	19.9	9.8	10.9	16.7
Deposits as percent of the monetary base	49.9	54.5	46.1	47.5	50.3	52.1	51.0	51.9	53.3	53.2	57.2	52.1	56.9	60.1	47.1
M0	1 895.9	2 025.4	1 545.3	1 612.2	1 660.9	1 584.8	1 566.8	1 573.3	1 604.3	1 593.8	1 729.2	1 645.8	1 746.3	1 923.5	1 464.9
Net foreign assets	2 246.8	2 845.8	2 355.0	2 136.3	2 090.8	1 967.3	2 873.9	3 158.4	3 209.3	3 169.8	3 338.0	3 313.1	3 412.9	3 524.3	3 899.7
Loans to MFIs	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4	131.7	117.6	117.6
Credit to central government (net)	-713.9	-1 169.0	-535.6	-496.2	-540.3	-397.0	-1 308.3	-1 558.5	-1 563.8	-1 539.2	-1 496.0	-1 291.9	-1 448.3	-1 334.4	-1 578.0
Other items (net)	-232.4	-244.2	-528.4	-302.9	-251.9	-244.3	-253.7	-261.7	-266.3	-262.9	-258.0	-515.9	-350.0	-384.0	-974.5
Total	1 895.9	2 025.4	1 545.3	1 612.2	1 660.9	1 584.8	1 566.8	1 573.3	1 604.3	1 593.8	1 729.2	1 645.8	1 746.3	1 923.5	1 464.9

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Monetary aggregates															
M3	5 942.1	5 985.0	5 872.7	5 940.1	5 895.9	5 829.2	5 717.7	5 654.7	5 614.4	5 598.4	5 654.3	5 873.1	5 806.3	5 944.5	6 081.0
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3
Debt securities issued with maturity of up to 2 years	3.1	3.1	3.2	1.3	1.7	1.7	1.7	1.7	0.9	0.9	0.9	0.9	0.9	0.9	0
M2	5 856.8	5 898.3	5 795.3	5 858.9	5 811.8	5 768.6	5 655.3	5 587.4	5 534.7	5 518.4	5 567.9	5 796.2	5 714.1	5 841.7	5 982.7
Deposits with agreed maturity of up to 2 years	2 447.7	2 464.3	2 459.2	2 530.8	2 472.5	2 490.0	2 424.8	2 422.1	2 377.2	2 399.3	2 411.8	2 565.2	2 542.8	2 596.1	2 641.2
Deposits redeemable at notice of up to 3 months	271.1	283.6	290.0	286.7	306.3	285.1	277.5	270.2	261.0	257.0	253.4	251.6	249.9	248.2	241.0
M1	3 138.0	3 150.4	3 046.2	3 041.3	3 033.0	2 993.5	2 953.0	2 895.2	2 896.5	2 862.1	2 902.6	2 979.3	2 921.4	2 997.5	3 100.4
Currency outside MFIs	832.2	803.9	726.6	725.6	718.7	661.0	664.9	658.3	651.5	641.8	639.6	667.3	653.0	666.5	669.2
Overnight deposits	2 305.9	2 346.5	2 319.6	2 315.7	2 314.3	2 332.4	2 288.1	2 236.9	2 244.9	2 220.3	2 263.1	2 312.0	2 268.4	2 331.0	2 431.2
Counterparts of monetary aggregates and longer-term financial liabilities															
Deposits of central government	1 398.9	1 884.9	1 418.2	1 362.9	1 202.3	1 059.1	1 973.2	2 221.2	2 244.3	2 181.4	2 140.2	1 932.2	2 089.1	2 046.4	2 293.3
Longer-term financial liabilities	2 361.7	2 350.6	2 289.8	2 248.3	2 337.5	2 174.1	2 274.0	2 224.7	2 165.8	2 141.9	2 106.7	2 224.4	2 242.0	2 301.6	2 223.6
Deposits with agreed maturity of over 2 years	166.4	165.0	163.9	169.2	168.3	159.8	162.1	162.2	163.2	162.6	159.5	159.3	158.2	158.9	160.3
Deposits redeemable at notice of over 3 months	0.1	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Debt securities issued with maturity of over 2 years	176.7	175.0	165.6	162.2	158.7	158.8	159.0	156.1	156.1	153.6	152.3	152.6	149.3	157.7	157.8
Capital and reserves	2 018.5	2 010.6	1 960.3	1 916.9	2 010.4	1 855.4	1 952.9	1 906.3	1 846.3	1 825.5	1 794.8	1 912.4	1 934.5	1 984.9	1 905.3
Credit to residents	15 785.9	15 555.4	15 065.2	15 057.1	14 986.9	14 865.1	14 849.7	14 771.1	14 712.2	14 627.3	14 467.6	14 269.7	14 244.5	14 160.7	14 054.0
Credit to general government	1 160.3	985.3	607.0	715.6	691.5	626.8	710.7	685.8	663.9	665.0	580.8	590.8	641.9	644.0	664.3
Credit to other residents	14 625.7	14 570.2	14 458.1	14 341.4	14 295.4	14 238.4	14 139.0	14 085.3	14 048.3	13 962.3	13 886.9	13 678.9	13 602.5	13 516.7	13 389.8
Loans	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3
Net external assets	-5 871.3	-5 071.2	-5 139.9	-5 062.6	-4 976.7	-4 946.9	-3 976.0	-3 683.8	-3 571.1	-3 525.3	-3 333.2	-3 021.6	-2 827.8	-2 551.9	-1 939.7
Other items (net)	212.0	263.8	344.6	443.2	574.5	855.7	908.8	986.7	1 116.6	1 180.2	1 233.3	1 218.5	1 279.2	1 316.5	1 516.5

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
M1	3 201.6	3 205.1	3 090.1	3 064.8	3 035.8	2 954.8	2 884.9	2 866.2	2 889.7	2 883.4	2 921.7	2 933.1	2 973.3	3 049.7	3 157.1
M2	5 912.8	5 936.5	5 802.8	5 819.6	5 798.8	5 682.4	5 590.1	5 564.1	5 575.8	5 579.3	5 648.3	5 748.3	5 772.6	5 878.7	5 986.3
M3	6 001.5	6 025.5	5 878.2	5 901.1	5 880.0	5 744.9	5 651.6	5 630.9	5 653.9	5 657.4	5 738.7	5 823.0	5 865.0	5 984.5	6 082.1

6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
ASSETS															
Loans to residents	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4	131.7	117.6	117.6
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	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4	131.7	117.6	117.6
Holdings of securities other than shares issued by residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity issued by residents	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
External assets	2 566.0	3 132.0	2 379.2	2 149.0	2 115.4	1 984.4	2 886.0	3 169.7	3 227.8	3 186.3	3 382.1	3 384.6	3 454.5	3 564.3	3 921.7
Fixed assets	34.3	34.2	34.0	33.7	33.5	33.3	33.1	33.3	33.3	33.2	33.1	33.2	33.0	32.8	32.6
Remaining assets	5.1	4.0	4.0	3.9	6.1	3.3	4.7	6.3	2.8	4.3	4.1	2.0	2.7	3.6	2.0
Total	3 200.8	3 763.0	2 671.4	2 461.6	2 517.2	2 279.9	3 178.8	3 444.3	3 488.9	3 449.9	3 564.5	3 560.3	3 621.9	3 718.3	4 073.9
LIABILITIES															
Currency in circulation	949.7	922.2	833.4	846.6	825.1	758.5	767.1	756.7	748.7	745.6	739.5	788.2	752.4	767.7	774.2
Deposits of residents	1 665.9	2 274.7	1 519.1	1 317.3	1 377.5	1 223.6	2 109.5	2 376.5	2 420.8	2 387.8	2 486.0	2 409.6	2 526.7	2 599.9	2 940.0
Central government	713.9	1 169.0	535.6	496.2	540.3	397.0	1 308.3	1 558.5	1 563.8	1 539.2	1 496.0	1 291.9	1 448.3	1 334.4	1 578.0
Other residents	5.7	1.3	2.8	1.8	1.5	1.1	5.7	1.8	1.5	2.1	2.1	1.9	2.5	2.4	2.1
MFIs	946.3	1 104.4	980.6	819.3	835.8	825.5	795.5	816.2	855.5	846.5	987.9	1 115.7	1 075.9	1 263.1	1 360.0
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	257.8	264.2	273.4	261.7	266.2	275.4	283.7	290.5	296.6	296.4	288.4	287.7	298.0	307.5	310.2
External liabilities	319.2	286.1	24.1	12.7	24.6	17.1	12.1	11.2	18.5	16.6	44.1	71.5	41.7	40.0	22.0
Remaining liabilities	8.2	15.8	21.4	23.2	23.8	5.2	6.4	9.5	4.3	3.6	6.5	3.4	3.1	3.1	27.5
Total	3 200.8	3 763.0	2 671.4	2 461.6	2 517.2	2 279.9	3 178.8	3 444.3	3 488.9	3 449.9	3 564.5	3 560.3	3 621.9	3 718.3	4 073.9

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

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
ASSETS															
Loans to residents	16 081.9	16 230.1	16 055.8	15 698.0	15 631.9	15 458.1	15 287.2	15 227.7	15 198.0	15 109.9	15 225.8	15 068.9	14 925.6	15 031.2	14 978.2
General government	163.1	164.7	164.8	158.9	158.8	158.6	160.7	159.1	156.8	157.7	157.5	156.5	155.0	154.4	152.1
Other residents	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3
MFIs	1 366.6	1 573.6	1 522.7	1 286.8	1 332.9	1 223.4	1 150.0	1 147.0	1 160.5	1 155.5	1 349.5	1 397.5	1 326.0	1 524.0	1 608.8
Holdings of securities other than shares issued by residents	1 040.6	866.1	487.8	597.2	568.9	506.6	584.2	559.9	540.8	539.3	454.8	467.2	518.2	516.2	541.2
General government	997.2	820.6	442.3	556.7	532.7	468.1	550.0	526.7	507.1	507.3	423.2	434.3	486.9	489.7	512.2
Other residents	0.6	0.6	0.7	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
MFIs	42.8	44.9	44.8	40.1	35.8	38.4	34.1	33.1	33.6	31.9	31.5	32.9	31.2	26.4	28.9
Holdings of shares and other equity issued by residents	72.9	77.7	89.1	88.7	154.8	162.2	162.4	163.7	167.5	165.5	168.0	164.0	157.9	163.7	172.4
External assets	4 766.1	4 580.7	4 549.9	4 734.1	4 729.3	4 602.2	4 444.3	4 622.7	4 587.0	4 677.4	4 458.3	4 854.9	4 770.4	4 500.4	4 660.1
Fixed assets	195.4	194.1	166.3	164.9	162.4	166.9	164.8	160.0	158.4	156.4	154.6	148.5	146.7	144.9	135.2
Remaining assets	445.1	465.1	485.4	511.5	513.8	482.6	496.9	515.3	539.2	551.9	580.1	597.6	575.9	577.5	594.3
Total	22 602.0	22 413.9	21 834.2	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1	21 094.7	20 934.0	21 081.4
LIABILITIES															
Deposits of residents	6 291.4	6 443.4	6 655.3	6 635.1	6 419.6	6 326.9	6 170.7	6 088.0	6 034.9	5 991.9	6 094.7	6 211.4	6 111.7	6 310.4	6 436.1
Central government	685.0	715.8	882.6	866.7	662.0	662.1	664.9	662.8	680.5	642.3	644.1	640.2	640.8	711.9	715.4
Other residents	5 185.5	5 258.1	5 229.9	5 300.7	5 260.0	5 266.3	5 146.8	5 089.6	5 045.0	5 037.3	5 085.8	5 286.3	5 216.8	5 331.9	5 471.8
MFIs	420.9	469.5	542.8	467.7	497.6	398.5	359.0	335.6	309.4	312.4	364.8	284.9	254.1	266.5	248.9
Money market fund shares and units	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3
Debt securities issued	179.8	178.1	168.7	163.5	160.4	160.5	160.7	157.7	157.0	154.5	153.2	153.5	150.2	158.6	157.8
Capital and reserves	1 760.7	1 746.5	1 686.9	1 655.2	1 744.2	1 580.0	1 669.2	1 615.8	1 549.7	1 529.1	1 506.4	1 624.7	1 636.5	1 677.4	1 595.2
External liabilities	12 884.2	12 497.7	12 044.8	11 933.0	11 796.8	11 516.4	11 294.2	11 465.0	11 367.5	11 372.5	11 129.5	11 189.7	11 011.1	10 576.5	10 499.6
Remaining liabilities	1 403.8	1 464.5	1 204.3	1 327.7	1 557.7	1 735.8	1 784.4	1 857.1	2 002.8	2 073.3	2 072.2	2 045.7	2 093.8	2 109.3	2 294.4
Total	22 602.0	22 413.9	21 834.2	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1	21 094.7	20 934.0	21 081.4

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
ASSETS															
Loans to residents	14 715.2	14 656.5	14 533.1	14 411.2	14 299.0	14 234.7	14 137.2	14 080.6	14 037.5	13 954.4	13 876.3	13 671.4	13 599.6	13 507.2	13 369.4
General government	163.1	164.7	164.8	158.9	158.8	158.6	160.7	159.1	156.8	157.7	157.5	156.5	155.0	154.4	152.1
Other residents	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3
Holdings of securities other than shares issued by other residents	997.8	821.3	443.0	557.1	533.0	468.2	550.1	526.8	507.2	507.4	423.3	434.4	487.0	489.7	512.3
General government	997.2	820.6	442.3	556.7	532.7	468.1	550.0	526.7	507.1	507.3	423.2	434.3	486.9	489.7	512.2
Other residents	0.6	0.6	0.7	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of shares and other equity issued by other residents	72.9	77.7	89.1	88.7	154.8	162.2	162.4	163.7	167.5	165.5	168.0	164.0	157.9	163.7	172.4
External assets	7 332.2	7 712.6	6 929.0	6 883.1	6 844.7	6 586.6	7 330.3	7 792.4	7 814.8	7 863.7	7 840.4	8 239.5	8 224.9	8 064.7	8 581.8
Fixed assets	229.7	228.3	200.2	198.6	195.9	200.2	197.9	193.3	191.7	189.6	187.6	181.7	179.7	177.7	167.7
Remaining assets	332.7	350.9	382.5	394.3	413.6	388.5	399.4	423.2	444.8	452.5	484.3	478.9	479.2	479.9	491.4
Total	23 680.4	23 847.3	22 576.9	22 533.0	22 441.0	22 040.4	22 777.3	23 180.1	23 163.5	23 133.1	22 980.0	23 169.8	23 128.3	22 883.0	23 294.9
LIABILITIES															
Currency outside MFIs	832.2	803.9	726.6	725.6	718.7	661.0	664.9	658.3	651.5	641.8	639.6	667.3	653.0	666.5	669.2
Deposits of central government	1 398.9	1 884.9	1 418.2	1 362.9	1 202.3	1 059.1	1 973.2	2 221.2	2 244.3	2 181.4	2 140.2	1 932.2	2 089.1	2 046.4	2 293.3
Deposits of other general government and other residents	5 191.2	5 259.4	5 232.8	5 302.5	5 261.5	5 267.4	5 152.6	5 091.4	5 046.5	5 039.3	5 087.9	5 288.2	5 219.3	5 334.3	5 473.9
Money market fund shares and units	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3
Debt securities issued	137.0	133.3	123.9	123.4	124.6	122.1	126.5	124.6	123.4	122.6	121.7	120.6	119.1	132.2	128.9
Capital and reserves	2 018.5	2 010.6	1 960.3	1 916.9	2 010.4	1 855.4	1 952.9	1 906.3	1 846.3	1 825.5	1 794.8	1 912.4	1 934.5	1 984.9	1 905.3
External liabilities	13 203.4	12 783.8	12 068.9	11 945.7	11 821.4	11 533.5	11 306.3	11 476.2	11 386.0	11 389.0	11 173.6	11 261.2	11 052.7	10 616.5	10 521.5
Remaining liabilities	816.6	887.5	971.4	1 076.0	1 219.3	1 482.1	1 535.8	1 631.6	1 782.2	1 851.0	1 933.4	1 908.8	1 965.2	1 994.4	2 204.3
Excess of inter-MFI liabilities	0.6	0.3	0.7	0.2	0.5	0.6	4.4	4.8	4.5	3.4	3.2	3.1	4.1	6.1	0.1
Total	23 680.4	23 847.3	22 576.9	22 533.0	22 441.0	22 040.4	22 777.3	23 180.1	23 163.5	23 133.1	22 980.0	23 169.8	23 128.3	22 883.0	23 294.9

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

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
MFI reserves	1 063.9	1 222.6	1 087.5	940.3	942.2	923.0	894.1	911.1	949.1	946.8	1 084.3	1 233.0	1 171.9	1 359.8	1 461.5
Vault cash in national currency	117.6	118.3	106.8	121.1	106.4	97.5	102.2	98.4	97.1	103.8	99.9	120.8	99.4	101.3	105.0
Deposits with the Bank of Latvia	946.3	1 104.4	980.6	819.3	835.8	825.5	791.9	812.7	852.0	843.0	984.4	1 112.2	1 072.4	1 258.5	1 356.5
Foreign assets	4 766.1	4 580.7	4 549.9	4 734.1	4 729.3	4 602.2	4 444.3	4 622.7	4 587.0	4 677.4	4 458.3	4 854.9	4 770.4	4 500.4	4 660.1
Claims on the central government	1 081.5	905.0	526.7	641.2	617.1	552.5	634.4	611.1	591.5	591.7	508.0	519.1	572.0	574.4	600.5
Loans	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.8	84.8	85.0	84.7	88.3
Holdings of securities other than shares	997.2	820.6	442.3	556.7	532.7	468.1	550.0	526.7	507.1	507.3	423.2	434.3	486.9	489.7	512.2
Claims on the local government	78.7	80.2	80.3	74.5	74.4	74.2	76.3	74.7	72.3	73.3	72.8	71.8	70.0	69.6	63.8
Loans	78.7	80.2	80.3	74.5	74.4	74.2	76.3	74.7	72.3	73.3	72.8	71.8	70.0	69.6	63.8
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on the financial institutions	931.4	908.4	879.1	846.4	826.5	806.3	777.1	806.2	832.0	814.2	821.2	729.6	694.3	646.9	608.1
Loans	875.7	849.6	813.1	780.9	695.5	676.0	647.2	677.2	702.3	686.6	690.9	624.9	595.8	548.4	501.4
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	55.7	58.8	66.0	65.5	131.0	130.2	129.9	129.0	129.7	127.6	130.3	104.7	98.5	98.5	106.7
Claims on public non-financial corporations	377.4	389.3	383.0	376.7	383.8	382.9	382.9	382.5	392.5	390.5	396.6	395.7	405.5	405.8	403.8
Loans	377.4	389.3	383.0	376.7	383.8	382.9	382.9	382.5	392.5	390.5	396.6	395.7	405.5	405.8	403.8
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims on private non-financial corporations	6 931.6	6 912.3	6 864.7	6 812.3	6 808.3	6 792.2	6 746.2	6 684.9	6 638.0	6 604.4	6 548.1	6 465.4	6 437.2	6 418.7	6 364.7
Loans	6 913.8	6 892.8	6 841.0	6 788.7	6 784.1	6 760.1	6 713.5	6 650.1	6 600.1	6 566.5	6 510.3	6 406.0	6 377.8	6 353.4	6 299.0
Holdings of securities other than shares	0.6	0.6	0.7	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of shares and other equity	17.2	18.9	23.1	23.3	23.9	32.0	32.6	34.7	37.8	37.8	37.7	59.3	59.4	65.2	65.6
Claims on households	6 385.2	6 360.2	6 331.2	6 306.1	6 276.7	6 257.0	6 232.9	6 211.8	6 185.9	6 153.2	6 121.0	6 088.2	6 065.5	6 045.3	6 013.1
Loans	6 385.2	6 360.2	6 331.2	6 306.1	6 276.7	6 257.0	6 232.9	6 211.8	6 185.9	6 153.2	6 121.0	6 088.2	6 065.5	6 045.3	6 013.1
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	195.4	194.1	166.3	164.9	162.4	166.9	164.8	160.0	158.4	156.4	154.6	148.5	146.7	144.9	135.2
Other assets	327.6	346.9	378.5	390.4	407.6	385.1	394.7	416.9	442.0	448.1	480.2	476.8	476.5	476.3	489.3
Claims on resident MFIs	420.3	469.2	542.1	467.5	497.1	397.9	358.1	334.3	308.5	312.5	365.1	285.3	253.6	265.4	252.3
Holdings of MFI securities other than shares	42.8	44.9	44.8	40.1	35.8	38.4	34.1	33.1	33.6	31.9	31.5	32.9	31.2	26.4	28.9
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	22 602.0	22 413.9	21 834.2	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1	21 094.7	20 934.0	21 081.4

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

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Overnight deposits in lats	1 259.0	1 231.0	1 152.9	1 162.0	1 108.9	1 041.9	1 042.5	1 015.3	1 033.7	1 008.0	1 056.4	1 114.9	1 095.0	1 147.5	1 210.9
Financial institutions	43.7	45.4	49.5	53.0	54.6	49.5	51.5	36.5	36.0	43.5	46.3	38.8	57.6	92.0	71.6
Public non-financial corporations	84.8	91.8	82.6	85.6	72.9	65.3	66.7	60.9	74.6	67.2	75.9	70.4	76.6	73.1	93.8
Private non-financial corporations	502.3	477.4	463.3	441.0	431.7	390.3	403.7	418.0	421.0	410.8	431.3	448.2	444.2	440.7	448.0
Households	628.2	616.5	557.6	582.4	549.7	536.9	520.6	499.8	502.1	486.6	502.8	557.5	516.6	541.7	597.5
Time deposits in lats	1 180.1	1 166.4	1 115.3	1 141.3	1 057.7	1 048.3	1 000.3	1 007.6	984.2	994.3	1 016.4	1 119.6	1 119.1	1 188.7	1 210.2
Financial institutions	253.9	253.5	247.9	242.7	233.9	254.2	260.2	246.4	243.9	249.1	254.5	296.6	256.3	265.7	271.9
Public non-financial corporations	154.0	173.2	172.3	177.5	185.3	176.5	163.4	175.0	179.8	192.8	208.8	200.9	231.2	244.7	261.6
Private non-financial corporations	196.3	178.3	170.0	216.7	150.1	145.2	107.2	122.4	95.9	91.1	88.9	117.9	120.6	163.2	181.0
Households	575.9	561.4	525.1	504.4	488.4	472.4	469.5	463.8	464.5	461.3	464.2	504.2	511.0	515.1	495.7
Deposits redeemable at notice in lats	77.4	75.1	71.9	67.4	65.5	53.6	52.4	52.9	50.6	49.2	51.5	51.7	53.2	55.9	57.8
Financial institutions	1.0	0.9	0.9	0.7	0.7	0.8	0.8	1.9	0.8	0.8	1.5	3.9	5.2	5.1	5.7
Public non-financial corporations	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.5	0.7	0.7	0.8	0.9	0.7
Private non-financial corporations	8.6	9.1	12.9	10.6	9.9	7.5	7.6	7.2	7.4	7.1	7.8	8.0	8.6	11.6	11.5
Households	67.7	65.0	58.0	55.9	54.7	45.1	43.9	43.6	42.0	40.9	41.5	39.1	38.7	38.3	39.9
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	2 461.3	2 578.6	2 671.9	2 727.3	2 819.8	2 933.2	2 871.5	2 838.3	2 803.4	2 823.6	2 803.2	2 866.8	2 814.5	2 792.7	2 833.0
Financial institutions	123.9	152.3	181.1	193.7	234.9	274.2	275.3	281.2	302.5	329.7	340.3	380.6	368.7	380.5	391.6
Public non-financial corporations	41.7	33.7	33.2	35.9	58.3	51.6	45.2	43.8	29.1	62.2	52.8	50.6	34.6	34.2	82.7
Private non-financial corporations	661.2	734.3	730.9	746.0	753.2	777.5	737.2	727.1	703.0	677.5	668.6	663.6	660.6	641.8	635.0
Households	1 634.5	1 658.3	1 726.7	1 751.7	1 773.5	1 829.9	1 813.8	1 786.1	1 768.7	1 754.3	1 741.5	1 771.9	1 750.5	1 736.1	1 723.7
Deposits of central government	685.0	715.8	882.6	866.7	662.0	662.1	664.9	662.8	680.5	642.3	644.1	640.2	640.8	711.9	715.4
Overnight deposits in lats	1.1	1.3	1.4	6.1	1.3	3.7	3.5	4.8	7.2	5.6	8.9	7.2	5.6	3.9	6.4
Time deposits in lats	158.1	189.3	192.8	172.3	19.3	17.5	17.8	15.8	24.0	19.0	17.9	16.5	18.7	11.8	12.3
Deposits redeemable at notice and repos in lats	0	0	0	0	0	0	0	1.0	0	0.4	0.1	0	0.2	0.1	0.3
Foreign currency deposits	525.8	525.2	688.4	688.4	641.4	640.9	643.6	641.1	649.2	617.3	617.2	616.5	616.4	696.2	696.4
Deposits of local government	207.7	207.0	217.9	202.8	208.1	189.4	180.1	175.6	173.2	162.1	158.3	133.3	135.0	147.1	159.8
Overnight deposits in lats	148.0	144.5	156.2	140.5	150.5	121.2	121.2	119.6	116.7	103.6	102.3	73.3	73.4	87.8	97.9
Time deposits in lats	25.7	24.8	22.3	20.2	16.6	26.9	17.6	15.4	8.9	10.1	7.4	13.2	14.3	10.6	10.8
Deposits redeemable at notice and repos in lats	3.3	1.9	1.5	1.7	3.1	1.1	1.1	1.2	1.1	0.7	0.7	1.2	1.6	1.6	1.9
Foreign currency deposits	30.8	35.8	38.0	40.4	38.0	40.1	40.3	39.3	46.5	47.6	48.0	45.6	45.7	47.2	49.2
Transit funds	3.5	3.5	3.5	3.4	3.2	3.2	3.2	3.2	3.2	3.2	3.0	3.0	3.0	3.0	3.0
Foreign liabilities	12 884.2	12 497.7	12 044.8	11 933.0	11 796.8	11 516.4	11 294.2	11 465.0	11 367.5	11 372.5	11 129.5	11 189.7	11 011.1	10 576.5	10 499.6

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

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Liabilities to the Bank of Latvia	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0	226.1	145.2	140.4	131.7	118.1	117.6
Money market fund shares and units	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8	79.1	85.6	76.1	91.4	101.8	98.3
Debt securities issued	179.8	178.1	168.7	163.5	160.4	160.5	160.7	157.7	157.0	154.5	153.2	153.5	150.2	158.6	157.8
Capital and reserves	1 760.7	1 746.5	1 686.9	1 655.2	1 744.2	1 580.0	1 669.2	1 615.8	1 549.7	1 529.1	1 506.4	1 624.7	1 636.5	1 677.4	1 595.2
Residents	1 024.6	1 008.0	949.0	917.3	1 006.3	807.0	758.9	704.1	535.3	507.9	478.8	392.8	391.6	432.5	350.1
Retained earnings of the reporting year	9.0	-5.7	-48.2	-84.2	-142.9	-343.2	-396.6	-450.6	-573.5	-636.7	-713.0	-762.0	-34.8	-58.3	-131.3
Non-residents	736.1	738.5	737.9	737.9	737.9	773.1	910.3	911.7	1 014.4	1 021.2	1 027.6	1 231.8	1 244.8	1 244.8	1 245.1
Provisions	430.5	474.7	589.1	651.3	741.5	1 020.1	1 105.1	1 178.8	1 334.9	1 417.2	1 507.1	1 526.7	1 559.2	1 604.9	1 707.1
Other liabilities (incl. subordinated liabilities)	374.5	393.6	357.4	398.0	450.8	453.7	421.1	440.1	439.7	426.8	416.9	375.7	399.9	383.4	466.7
Liabilities to resident MFIs	420.9	469.5	542.8	467.7	497.6	398.5	359.0	335.6	309.4	312.4	364.8	284.9	254.1	266.5	248.9
TOTAL LIABILITIES	22 602.0	22 413.9	21 834.2	21 794.4	21 761.2	21 378.7	21 139.8	21 249.3	21 190.8	21 200.4	21 041.6	21 301.1	21 094.7	20 934.0	21 081.4
Memo items															
Trust assets	382.6	365.8	342.9	331.9	344.9	353.7	349.5	327.5	316.1	316.5	357.7	391.5	405.1	430.2	422.1
Foreign	253.1	236.2	215.2	201.3	215.6	228.4	225.5	204.0	207.8	208.1	251.2	282.7	294.1	319.7	313.5
Domestic	129.4	129.5	127.7	130.6	129.3	125.3	124.0	123.5	108.3	108.4	106.6	108.8	111.0	110.5	108.6
Trust liabilities	382.6	365.8	342.9	331.9	344.9	353.7	349.5	327.5	316.1	316.5	357.7	391.5	405.1	430.2	422.1
Foreign	321.5	308.2	285.7	273.2	286.3	295.9	293.2	270.6	257.9	257.6	300.6	335.4	348.8	359.0	350.1
Domestic	61.1	57.6	57.2	58.6	58.6	57.8	56.3	56.9	58.2	59.0	57.1	56.0	56.2	71.2	72.0

10. MONETARY SURVEY

(at end of period; in millions of lats)

	Currency outside MFIs	Overnight deposits (resident)			Time deposits (resident)			Total (M2X)		
		Households	Financial institutions and private non-financial corporations	Public non-financial corporations	Households	Financial institutions and private non-financial corporations	Public non-financial corporations			
2009										
I	832.2	2 136.6	1 030.1	1 004.7	101.8	2 841.2	1 876.1	786.2	178.9	5 809.9
II	803.9	2 183.8	1 045.0	1 029.3	109.5	2 867.3	1 856.2	821.8	189.3	5 855.0
III	726.5	2 140.9	1 008.2	1 036.0	96.7	2 871.2	1 859.2	820.5	191.5	5 738.6
IV	725.6	2 151.5	1 023.0	1 024.5	104.0	2 946.3	1 871.4	879.9	195.0	5 823.5
V	718.7	2 142.8	1 012.1	1 030.5	100.2	2 909.1	1 854.2	838.4	216.5	5 770.6
VI	661.0	2 187.7	1 053.5	1 044.4	89.8	2 889.2	1 830.9	854.6	203.7	5 737.9
VII	664.9	2 125.8	1 018.7	1 020.6	86.4	2 840.9	1 829.2	822.8	189.0	5 631.6
VIII	658.3	2 092.6	983.7	1 026.1	82.8	2 821.4	1 809.6	814.8	197.0	5 572.3
IX	651.5	2 096.1	999.7	1 011.3	85.1	2 775.7	1 777.7	799.1	198.9	5 523.4
X	641.8	2 082.5	985.1	1 019.1	78.3	2 792.7	1 757.9	790.4	244.4	5 517.0
XI	639.6	2 126.3	1 003.8	1 029.3	93.2	2 801.2	1 746.3	809.9	245.0	5 567.0
XII	667.3	2 206.2	1 094.9	1 026.6	84.7	2 946.8	1 777.8	931.0	238.0	5 820.3
2010										
I	653.0	2 161.9	1 043.9	1 028.9	89.1	2 919.9	1 772.8	893.0	254.1	5 734.8
II	666.5	2 208.9	1 057.4	1 067.3	84.2	2 975.9	1 773.8	933.4	268.7	5 851.3
III	669.2	2 297.3	1 130.0	1 061.1	106.2	3 014.7	1 726.7	955.3	332.7	5 981.2
	Net foreign assets	Net domestic assets						Total (M2X)		
		Credit to residents				Other items (net)				
		General government (net)	Households	Financial institutions and private non-financial corporations	Public non-financial corporations					
2009										
I	-5 871.3	14 179.2	-446.4	6 385.2	7 863.0	377.4	-2 498.0	11 681.2	5 809.9	
II	-5 071.2	13 463.6	-1 106.6	6 360.2	7 820.7	389.3	-2 537.5	10 926.1	5 855.0	
III	-5 139.9	13 429.0	-1 029.1	6 331.2	7 743.9	383.0	-2 550.5	10 878.5	5 738.6	
IV	-5 062.6	13 491.4	-850.1	6 306.1	7 658.7	376.7	-2 605.3	10 886.1	5 823.5	
V	-4 976.7	13 576.4	-718.9	6 276.7	7 634.8	383.8	-2 829.1	10 747.3	5 770.6	
VI	-4 946.9	13 616.6	-621.7	6 257.0	7 598.4	382.9	-2 931.7	10 684.9	5 737.9	
VII	-3 976.0	12 696.4	-1 442.6	6 232.9	7 523.2	382.9	-3 088.8	9 607.6	5 631.6	
VIII	-3 683.8	12 374.4	-1 711.0	6 211.8	7 491.1	382.5	-3 118.3	9 256.1	5 572.3	
IX	-3 571.1	12 294.7	-1 753.6	6 185.9	7 469.9	392.5	-3 200.2	9 094.5	5 523.4	
X	-3 525.3	12 283.8	-1 678.5	6 153.2	7 418.6	390.5	-3 241.5	9 042.3	5 517.0	
XI	-3 333.2	12 169.2	-1 717.7	6 121.0	7 369.3	396.6	-3 269.0	8 900.2	5 567.0	
XII	-3 021.6	12 204.3	-1 474.6	6 088.2	7 195.0	395.7	-3 362.4	8 841.9	5 820.3	
2010										
I	-2 827.8	12 020.3	-1 582.2	6 065.5	7 131.5	405.5	-3 457.7	8 562.6	5 734.8	
II	-2 551.9	11 967.3	-1 549.4	6 045.3	7 065.6	405.8	-3 564.1	8 403.2	5 851.3	
III	-1 939.7	11 600.9	-1 788.8	6 013.1	6 972.8	403.8	-3 680.0	7 920.9	5 981.2	

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

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Claims on MFIs	2 610.5	2 467.5	2 481.6	2 690.6	2 743.2	2 657.2	2 479.3	2 719.3	2 685.0	2 812.1	2 643.6	2 983.3	2 892.5	2 601.0	2 739.7
Loans															
Overnight	1 456.6	1 382.2	1 381.7	1 467.2	1 543.4	1 626.8	1 331.7	1 492.2	1 491.3	1 721.5	1 525.6	1 539.9	1 496.0	1 412.3	1 655.8
Short-term	525.2	432.1	442.5	573.6	579.6	422.2	549.8	625.7	601.6	501.2	550.9	886.1	863.5	650.9	551.9
Long-term	40.3	57.2	69.6	69.5	66.2	65.4	58.7	56.4	53.3	52.4	52.1	55.5	54.6	58.8	56.0
Redeemable at notice	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1
Holdings of securities other than shares	517.5	522.9	510.3	502.9	476.4	474.5	470.9	467.5	461.2	459.6	424.4	424.4	400.9	401.5	398.5
Holdings of shares and other equity	0.2	0.2	0.3	0.3	0.4	0.4	0.3	0.3	0.4	0.1	0.1	0.2	0.2	0.2	0.3
Other claims	70.6	72.7	77.1	77.1	77.1	67.8	67.8	77.1	77.1	77.1	90.1	77.2	77.2	77.2	77.2
Claims on non-MFIs	1 937.3	1 933.9	1 907.8	1 878.6	1 823.5	1 775.0	1 786.2	1 732.6	1 726.3	1 712.9	1 650.2	1 712.5	1 702.1	1 724.3	1 768.4
Loans															
Short-term	341.0	325.4	348.2	324.2	297.1	284.6	289.5	304.3	295.6	284.2	245.2	246.3	235.9	260.4	318.4
Long-term	1 200.3	1 225.5	1 157.3	1 150.8	1 124.0	1 102.3	1 088.1	1 049.4	1 048.1	1 056.8	1 044.5	1 095.3	1 097.4	1 102.5	1 074.3
Holdings of securities other than shares															
Government	149.2	144.3	176.0	185.6	193.0	180.0	202.6	180.7	180.6	172.7	164.4	160.3	147.3	138.1	168.0
Private sector	202.9	193.9	180.5	171.7	162.1	155.6	158.7	156.8	158.5	158.0	155.4	158.5	167.7	169.0	152.4
Holdings of shares and other equity	31.3	32.3	33.4	33.9	34.8	35.3	30.0	28.8	31.0	28.7	28.2	25.9	26.8	27.0	27.4
Other claims	12.5	12.5	12.5	12.5	12.5	17.2	17.2	12.5	12.5	12.5	12.5	26.3	26.9	27.5	27.9
Vault cash in foreign currencies	69.0	60.7	58.9	62.2	57.2	64.6	72.0	68.1	67.6	61.6	64.8	63.4	68.1	67.4	67.9
Other assets															
Other assets	149.3	118.6	101.4	102.6	105.4	105.4	106.8	102.8	108.1	90.8	99.7	95.6	107.7	107.6	84.1
Total foreign assets	4 766.1	4 580.7	4 549.9	4 734.1	4 729.3	4 602.2	4 444.3	4 622.7	4 587.0	4 677.4	4 458.3	4 854.8	4 770.4	4 500.4	4 660.1
Memo items															
Trust assets	253.1	236.2	215.2	201.3	215.6	228.4	225.5	204.0	207.8	208.1	251.2	282.7	294.1	319.7	313.5

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

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Liabilities to MFIs															
Overnight	465.9	387.2	306.8	240.9	351.6	183.9	269.6	357.1	251.3	225.4	170.5	170.5	285.3	341.1	385.5
Short-term	1 375.1	1 243.6	971.5	969.1	882.4	717.8	586.2	622.4	544.2	532.7	470.0	491.2	410.1	464.8	458.6
Long-term	7 308.9	7 212.1	7 186.1	7 148.1	7 034.1	7 164.6	7 006.4	7 003.6	7 100.8	7 030.7	6 878.6	6 712.6	6 507.0	6 134.0	5 719.8
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	7 094.3	6 786.1	6 634.5	6 532.8	6 450.8	6 390.3	6 244.1	6 290.6	6 199.4	6 180.0	5 858.3	5 892.0	5 694.4	5 584.3	5 410.6
Non-MFI deposits															
Overnight	2 270.5	2 155.1	2 126.4	2 088.6	2 020.3	1 945.7	1 863.0	1 810.6	1 746.8	1 828.8	1 884.0	1 927.9	2 064.9	2 023.8	2 069.7
Short-term	843.4	846.7	829.6	857.4	764.9	758.0	810.5	909.8	889.8	914.4	884.7	998.1	884.8	769.1	764.6
Long-term	102.0	95.0	64.8	65.0	116.4	111.4	112.5	112.8	115.4	118.0	119.4	154.1	146.4	147.6	278.2
Redeemable at notice	119.9	147.7	163.3	181.8	139.6	162.2	165.1	168.9	158.6	144.3	142.7	181.7	171.0	173.1	149.7
Other liabilities															
Other liabilities ¹	398.5	410.2	396.3	382.1	487.5	472.7	480.9	479.8	560.5	578.2	579.6	554.0	541.6	523.0	673.5
Total foreign liabilities	12 884.2	12 497.7	12 044.8	11 933.0	11 796.8	11 516.4	11 294.2	11 465.0	11 367.5	11 372.5	11 129.5	11 189.9	11 011.1	10 576.5	10 499.6
Memo items															
Trust liabilities	321.5	308.2	285.7	273.2	286.3	295.9	293.2	270.6	257.9	257.6	300.6	335.4	348.8	359.0	350.1

¹ Including subordinated liabilities.

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

(at end of period; in millions of lats)

	2008				2009				2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Foreign assets¹	4 498.6	4 950.4	4 855.0	4 848.5	4 490.9	4 537.6	4 519.4	4 791.6	4 592.2
EU	2 664.9	2 735.6	2 744.8	2 644.9	2 505.7	2 608.0	2 738.1	2 990.6	2 742.7
incl. EMU	1 323.3	1 413.4	1 507.3	1 198.6	1 094.6	1 033.8	1 161.1	1 453.0	1 433.5
Other countries and international institutions	1 833.7	2 214.8	2 110.2	2 203.6	1 985.3	1 929.7	1 781.3	1 800.9	1 849.5
Foreign liabilities²	12 233.8	13 114.9	13 595.4	13 172.8	12 044.8	11 516.4	11 367.5	11 189.7	10 499.6
EU	8 625.3	9 264.0	9 885.0	9 672.8	8 829.7	8 424.6	8 395.4	8 029.9	7 340.7
incl. EMU	3 320.4	3 821.5	4 272.0	3 810.6	3 454.2	3 189.1	3 305.9	3 118.6	3 187.8
Other countries and international institutions	3 608.5	3 850.9	3 710.4	3 500.0	3 215.1	3 091.8	2 972.1	3 159.8	3 158.8

¹ Excluding vault cash in foreign currencies.

² Excluding capital and reserves.

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

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Overnight deposits															
Amount	2 136.6	2 183.8	2 140.9	2 151.6	2 142.8	2 187.7	2 125.8	2 092.6	2 096.1	2 082.5	2 126.2	2 206.2	2 161.9	2 209.0	2 297.3
% ¹	42.8	43.2	42.7	42.2	42.4	43.1	42.9	42.6	43.0	42.7	43.2	42.7	42.5	42.6	43.2
Time deposits															
Maturity of 1–6 months															
Amount	1 228.7	1 256.1	1 244.1	1 314.9	1 252.0	1 285.0	1 268.1	1 271.8	1 265.5	1 301.8	1 316.0	1 436.2	1 391.9	1 421.8	1 421.7
% ¹	24.7	24.9	24.8	25.8	24.8	25.3	25.5	25.9	26.0	26.7	26.7	27.9	27.4	27.4	26.8
Maturity of 6–12 months															
Amount	918.9	915.0	928.7	931.2	938.6	928.1	901.1	891.4	862.5	846.3	849.7	875.1	904.2	921.6	968.7
% ¹	18.5	18.1	18.5	18.3	18.6	18.3	18.1	18.1	17.7	17.4	17.2	17.0	17.8	17.8	18.2
Long-term															
Amount	425.7	418.4	413.8	419.2	419.2	395.3	398.4	390.3	388.5	388.5	383.1	385.0	375.5	385.8	385.1
% ¹	8.6	8.3	8.3	8.2	8.3	7.8	8.0	7.9	8.0	8.0	7.8	7.5	7.4	7.4	7.3
Maturity of 1–2 years															
Amount	259.3	253.5	250.0	250.0	250.9	235.6	236.4	228.2	225.4	226.0	223.6	225.7	217.4	227.0	224.9
% ¹	5.3	5.0	5.0	4.9	5.0	4.6	4.7	4.6	4.6	4.6	4.5	4.4	4.3	4.4	4.2
Maturity of over 2 years															
Amount	166.4	164.9	163.9	169.1	168.3	159.8	162.0	162.2	163.2	162.6	159.5	159.3	158.1	158.9	160.2
% ¹	3.3	3.3	3.3	3.3	3.3	3.1	3.3	3.3	3.3	3.3	3.2	3.1	3.1	3.1	3.0
Deposits redeemable at notice															
Up to 3 months															
Amount	267.8	277.7	284.6	281.1	299.3	280.8	273.3	267.9	259.2	255.9	252.4	250.4	248.2	246.6	239.1
% ¹	5.4	5.5	5.7	5.5	5.9	5.5	5.5	5.5	5.3	5.2	5.1	4.9	4.9	4.8	4.5
Over 3 months															
Amount	0.1	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repos															
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	4 977.8	5 051.1	5 012.0	5 097.9	5 051.9	5 076.9	4 966.7	4 914.1	4 871.8	4 875.2	4 927.5	5 153.0	5 081.8	5 184.8	5 312.0

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

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

(at end of period; in millions of lats)

Insurance corporations and pension funds									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2009									
I	46.9	145.6	54.7	31.0	0.2	0	0	278.3	224.9
II	59.5	144.0	58.1	29.6	0.1	0	0	291.3	219.5
III	71.4	152.4	57.1	29.8	0.1	0	0	310.7	229.7
IV	68.0	155.1	57.8	29.5	0.1	0	0	310.5	228.9
V	75.9	163.4	56.8	28.9	0.1	0	0	325.2	222.0
VI	79.1	187.2	54.3	27.0	0.1	0	0	347.7	246.3
VII	76.3	192.1	49.6	28.0	0.1	0	0	346.1	249.5
VIII	63.3	175.5	47.5	28.4	0.1	0	0	314.8	222.7
IX	65.3	172.0	47.6	28.2	0.2	0	0	313.3	220.0
X	67.7	187.8	45.9	27.5	0.1	0	0	329.0	224.0
XI	67.5	188.5	47.2	27.3	0	0	0	330.6	227.5
XII	57.5	200.1	46.4	26.5	0.3	0	0	330.8	231.9
2010									
I	63.7	197.4	34.4	26.9	0.2	0	0	322.6	229.8
II	103.6	221.8	35.3	27.3	0.6	0	0	388.6	293.6
III	85.6	219.5	34.6	29.6	0.4	0	0	369.7	276.4
OFIs and financial auxiliaries									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2009									
I	56.0	71.2	6.1	9.9	1.0	0	0	144.2	73.7
II	59.9	84.5	5.7	9.9	0.8	0	0	160.8	80.3
III	68.6	79.8	5.4	14.0	0.8	0	0	168.6	68.6
IV	74.0	79.2	4.6	21.2	0.7	0	0	179.6	67.5
V	77.9	93.4	3.3	23.3	1.1	0	0	198.9	67.2
VI	76.3	125.1	3.1	25.4	0.9	0	0	230.9	58.1
VII	78.6	132.8	2.9	26.6	0.9	0	0	241.8	63.0
VIII	80.4	138.4	2.5	27.8	2.2	0	0	251.3	62.2
IX	89.7	145.9	2.3	29.0	2.9	0	0	269.9	60.6
X	98.0	160.1	2.9	30.0	2.9	0	0	294.0	69.3
XI	97.4	177.7	3.6	30.3	3.0	0	0	312.0	74.8
XII	113.8	236.1	3.3	30.5	5.4	0	0	389.0	107.3
2010									
I	125.5	197.5	4.3	30.4	7.6	0	0	365.3	89.4
II	125.7	186.4	5.6	30.3	6.7	0	0	354.7	69.2
III	129.8	197.6	5.5	29.7	8.5	0	0	371.1	72.9

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

(at end of period; in millions of lats)

Public non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2009									
I	101.8	175.0	1.1	1.7	1.0	0	0	280.6	238.9
II	109.5	185.7	1.0	1.7	0.9	0	0	298.8	265.1
III	96.7	185.9	1.1	1.6	2.9	0	0	288.2	255.0
IV	104.0	189.5	1.1	1.6	2.8	0	0	299.1	263.2
V	100.2	211.0	1.1	1.6	2.8	0	0	316.6	258.3
VI	89.8	198.3	1.1	1.6	2.8	0	0	293.5	241.9
VII	86.4	183.5	1.1	1.6	2.7	0	0	275.4	230.2
VIII	82.8	191.6	1.1	1.6	2.7	0	0	279.8	236.0
IX	85.1	193.1	1.2	1.6	3.0	0	0	284.0	254.9
X	78.3	238.6	1.2	1.6	3.0	0	0	322.7	260.5
XI	93.2	239.1	1.2	1.6	3.2	0	0	338.2	285.4
XII	84.7	232.9	0.3	1.6	3.1	0	0	322.7	272.0
2010									
I	89.1	249.0	0.3	1.5	3.2	0	0	343.2	308.6
II	84.2	263.5	0.5	1.5	3.3	0	0	352.9	318.7
III	106.2	327.6	1.8	1.5	1.8	0	0	438.9	356.1
Private non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2009									
I	901.8	419.8	14.3	13.1	19.3	0	0	1 368.3	707.2
II	909.9	441.2	15.2	12.9	19.8	0	0	1 399.0	664.7
III	895.9	427.9	15.6	12.4	25.3	0	0	1 377.1	646.2
IV	882.6	481.4	14.1	12.2	24.0	0	0	1 414.3	668.3
V	876.7	413.4	16.9	12.2	25.5	0	0	1 344.8	591.6
VI	889.0	373.9	19.8	12.5	25.2	0	0	1 320.4	543.0
VII	865.7	331.1	22.4	12.9	23.4	0	0	1 255.6	518.4
VIII	882.3	331.8	23.3	13.0	24.3	0	0	1 274.7	547.6
IX	856.4	313.3	23.0	12.1	22.5	0	0	1 227.3	524.3
X	853.4	275.3	24.3	12.1	21.3	0	0	1 186.5	509.0
XI	864.3	272.6	23.8	12.4	23.4	0	0	1 196.6	528.0
XII	855.3	310.9	26.8	12.2	32.5	0	0	1 237.8	574.2
2010									
I	839.6	319.8	29.4	11.5	33.7	0	0	1 234.1	573.4
II	838.1	340.4	30.3	11.8	36.7	0	0	1 257.3	615.5
III	845.7	353.5	30.5	13.6	32.2	0	0	1 275.6	640.5

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

(at end of period; in millions of lats)

Households										
	Overnight	With agreed maturity			Redeemable at notice		Repos			In lats
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2009										
I	1 030.1	1 335.9	183.2	110.7	246.4	0	0	2 906.3	1 271.8	
II	1 045.0	1 315.8	173.5	110.8	256.2	0	0	2 901.2	1 242.9	
III	1 008.2	1 326.7	170.7	106.2	255.6	0	0	2 867.3	1 140.6	
IV	1 023.0	1 340.8	172.4	104.7	253.5	0	0	2 894.4	1 142.7	
V	1 012.2	1 309.3	172.7	102.3	269.8	0	0	2 866.3	1 092.8	
VI	1 053.5	1 328.5	157.2	93.4	251.7	0	0	2 884.4	1 054.4	
VII	1 018.7	1 329.6	160.4	93.0	246.2	0	0	2 847.9	1 034.1	
VIII	983.7	1 325.8	153.8	91.4	238.6	0	0	2 793.4	1 007.3	
IX	999.6	1 303.6	151.3	92.2	230.6	0.1	0	2 777.3	1 008.6	
X	985.1	1 286.3	151.5	91.4	228.6	0.1	0	2 743.0	988.7	
XI	1 003.8	1 287.8	147.7	87.9	222.8	0.1	0	2 750.1	1 008.6	
XII	1 094.9	1 331.2	148.9	88.5	209.1	0.1	0	2 872.7	1 100.8	
2010										
I	1 043.9	1 332.3	149.0	87.9	203.5	0.1	0	2 816.7	1 066.2	
II	1 057.4	1 331.3	155.3	87.9	199.3	0.1	0	2 831.3	1 095.1	
III	1 130.0	1 292.3	152.4	85.8	196.2	0.1	0	2 856.8	1 133.0	

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

(at end of period; in millions of lats)

	General government				Non-residents				In lats	
	Central government	Local government	In lats		MFIs	Non-MFIs				
							General government	Other		
2009										
I	685.0	207.7	892.8	336.1	9 149.9	3 335.9	1.4	3 334.5	12 485.7	127.1
II	715.8	207.0	922.9	361.8	8 843.0	3 244.5	2.1	3 242.4	12 087.4	154.2
III	882.6	217.9	1 100.5	374.1	8 464.3	3 184.2	1.9	3 182.3	11 648.5	135.0
IV	866.7	202.8	1 069.5	340.7	8 358.1	3 192.8	2.0	3 190.8	11 550.9	153.2
V	662.0	208.1	870.1	190.8	8 268.1	3 041.2	2.2	3 039.0	11 309.3	161.9
VI	662.1	189.4	851.4	170.4	8 066.4	2 977.3	2.0	2 975.4	11 043.7	121.4
VII	664.9	180.1	845.0	161.1	7 862.2	2 951.2	2.4	2 948.7	10 813.3	120.0
VIII	662.8	175.6	838.3	157.9	7 983.0	3 002.1	2.5	2 999.7	10 985.2	138.1
IX	680.5	173.2	853.6	157.9	7 896.3	2 910.7	2.2	2 908.4	10 806.9	131.1
X	642.3	162.1	804.3	139.4	7 788.8	3 005.5	2.1	3 003.4	10 794.3	122.5
XI	644.1	158.3	802.4	137.3	7 519.2	3 030.7	2.3	3 028.4	10 549.9	85.1
XII	640.2	133.3	773.5	111.4	7 374.2	3 261.7	1.4	3 260.3	10 635.9	96.7
2010										
I	640.8	135.0	775.9	113.8	7 202.4	3 267.1	1.9	3 265.2	10 469.5	142.5
II	711.9	147.1	859.0	115.7	6 939.9	3 113.6	1.8	3 111.9	10 053.5	107.0
III	715.4	159.8	875.2	129.6	6 563.9	3 262.2	2.0	3 260.2	9 826.1	105.2

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

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Short-term															
Amount	1 789.2	1 801.6	1 743.6	1 730.4	1 728.5	1 748.0	1 720.9	1 752.3	1 818.3	1 818.5	1 801.9	1 804.7	1 772.6	1 773.8	1 802.3
% ¹	12.3	12.4	12.1	12.1	12.2	12.4	12.3	12.6	13.1	13.2	13.1	13.4	13.2	13.3	13.6
Maturity of 1–5 years															
Amount	3 927.2	3 946.4	3 919.7	3 856.6	3 794.7	3 683.0	3 647.6	3 582.0	3 502.5	3 445.4	3 341.4	3 245.0	3 220.8	3 167.9	3 079.2
% ¹	27.0	27.2	27.3	27.1	26.8	26.2	26.1	25.7	25.2	25.0	24.4	24.0	24.0	23.7	23.3
Maturity of over 5 years															
Amount	8 835.7	8 743.9	8 705.0	8 665.4	8 617.0	8 645.1	8 607.9	8 587.2	8 559.9	8 532.8	8 575.5	8 465.2	8 451.1	8 411.1	8 335.8
% ¹	60.7	60.4	60.6	60.8	61.0	61.4	61.6	61.7	61.7	61.8	62.5	62.6	62.8	63.0	63.1
Total loans	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3

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

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

(at end of period; in millions of lats)

	Insurance corporations and pension funds			OFIs and financial auxiliaries			Public non-financial corporations				Private non-financial corporations				
	Up to 1 year	In lats	In lats	Up to 1 year	In lats	In lats	Up to 1 year	1–5 years	Over 5 years	In lats	Up to 1 year	1–5 years	Over 5 years	In lats	
2009															
I	0.1	1.3	0.1	170.8	874.4	173.9	22.3	27.0	328.0	377.4	18.1	1 183.9	2 702.3	3 027.6	6 913.8
II	0.1	1.4	0.1	161.0	848.3	167.1	32.2	26.5	330.6	389.3	17.7	1 193.1	2 685.1	3 014.7	6 892.8
III	0	1.3	0.1	149.5	811.8	162.8	21.5	29.3	332.3	383.0	17.4	1 147.3	2 689.5	3 004.2	6 841.0
IV	0.1	1.4	0.1	136.3	779.5	154.7	19.8	24.5	332.4	376.7	15.8	1 146.4	2 654.0	2 988.4	6 788.7
V	0.1	1.3	0.1	61.6	694.1	98.1	14.2	35.3	334.3	383.8	16.0	1 213.6	2 593.9	2 976.7	6 784.1
VI	0.1	1.3	0.1	45.0	674.7	96.4	14.0	34.8	334.1	382.9	16.7	1 248.4	2 544.5	2 967.2	6 760.1
VII	0.1	1.3	0.1	44.5	645.9	79.4	6.7	34.4	341.7	382.9	15.8	1 227.2	2 516.2	2 970.1	6 713.5
VIII	0.1	1.3	0.1	72.6	675.8	92.9	6.0	34.0	342.4	382.5	15.3	1 225.6	2 470.2	2 954.4	6 650.1
IX	0.1	1.3	0.1	86.3	701.0	96.3	10.3	36.8	345.4	392.5	13.6	1 244.7	2 426.5	2 929.0	6 600.1
X	0	1.3	0	86.8	685.3	93.6	7.6	36.2	346.7	390.5	14.1	1 247.3	2 394.8	2 924.3	6 566.5
XI	0.5	1.8	0.1	95.7	689.1	89.9	8.6	36.7	351.3	396.6	12.1	1 220.0	2 359.1	2 931.2	6 510.3
XII	0	1.3	0	87.5	623.6	88.8	9.4	35.7	350.7	395.7	11.6	1 237.7	2 269.9	2 898.5	6 406.0
2010															
I	0.1	1.3	0	72.0	594.5	86.1	10.4	49.0	346.1	405.5	13.1	1 238.7	2 238.7	2 900.3	6 377.8
II	0	1.3	0	32.4	547.1	83.7	9.4	50.7	345.8	405.8	11.1	1 275.5	2 194.8	2 883.1	6 353.4
III	0	1.3	0	74.9	500.1	73.8	6.6	48.9	348.3	403.8	11.5	1 267.6	2 194.8	2 836.6	6 299.0

16.b LOANS TO HOUSEHOLDS

(at end of period; in millions of lats)

	Households													In lats
	Consumer credit			Lending for house purchase			Other lending			In lats				
	Up to 1 year	1-5 years	Over 5 years	Up to 1 year	1-5 years	Over 5 years	Up to 1 year	1-5 years	Over 5 years					
2009														
I	787.9	266.7	231.7	289.5	5 047.4	94.7	389.8	4 562.9	549.9	50.7	170.0	329.3	6 385.2	791.8
II	782.2	264.7	225.3	292.2	5 036.2	104.4	391.3	4 540.5	541.8	46.1	168.2	327.6	6 360.2	772.1
III	782.8	267.2	217.7	298.0	5 008.3	107.4	389.8	4 511.1	540.0	50.7	162.5	326.8	6 331.2	758.5
IV	781.1	265.3	212.0	303.8	4 980.1	109.5	380.0	4 490.6	544.9	53.0	168.7	323.1	6 306.1	741.5
V	775.9	264.2	206.8	304.8	4 955.0	118.3	374.3	4 462.4	545.9	56.5	166.4	323.0	6 276.7	735.7
VI	764.4	261.1	201.5	301.7	4 953.6	122.4	382.5	4 448.7	539.1	57.0	165.5	316.5	6 257.0	719.5
VII	758.4	258.7	196.7	303.0	4 937.3	129.0	387.5	4 420.8	537.1	54.8	163.9	318.5	6 232.9	695.3
VIII	756.6	260.1	191.0	305.5	4 921.4	132.7	389.0	4 399.6	533.8	55.2	163.0	315.6	6 211.8	677.9
IX	750.3	259.0	187.3	304.0	4 890.8	156.9	371.4	4 362.5	544.7	61.1	153.8	329.8	6 185.9	661.9
X	740.8	254.8	180.1	305.9	4 872.3	157.3	369.4	4 345.6	540.0	64.6	148.4	327.0	6 153.2	646.5
XI	731.7	249.4	174.7	307.5	4 851.9	160.9	373.5	4 317.5	537.3	66.8	147.2	323.4	6 121.0	632.8
XII	716.8	241.5	166.5	308.8	4 828.6	155.0	376.8	4 296.9	542.7	73.6	146.9	322.2	6 088.2	614.6
2010														
I	712.2	239.0	162.5	310.7	4 815.7	142.0	384.0	4 289.7	537.7	70.5	143.9	323.3	6 065.5	606.8
II	703.1	234.7	155.7	312.7	4 802.9	145.2	382.4	4 275.2	539.4	76.6	144.0	318.8	6 045.3	596.7
III	703.7	233.5	150.8	319.5	4 792.7	144.7	377.5	4 270.5	516.7	75.2	140.7	300.8	6 013.1	590.6

16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; in millions of lats)

	General government				Non-residents				In lats	
	Central government	Local government	In lats	In lats	MFIs	Non-MFIs		In lats		
						General government	Other			
2009										
I	84.4	78.7	163.1	5.9	2 022.2	1 541.3	0.6	1 540.7	3 563.5	108.4
II	84.4	80.2	164.7	6.1	1 871.6	1 550.9	0.6	1 550.3	3 422.5	104.5
III	84.4	80.3	164.8	5.7	1 894.0	1 505.4	0.6	1 504.9	3 399.4	134.1
IV	84.4	74.5	158.9	5.7	2 110.4	1 475.0	0.6	1 474.5	3 585.4	123.9
V	84.4	74.4	158.8	5.4	2 189.3	1 421.1	0.6	1 420.5	3 610.4	91.7
VI	84.4	74.2	158.6	5.0	2 114.5	1 386.9	0.6	1 386.4	3 501.4	70.2
VII	84.4	76.3	160.7	5.0	1 940.3	1 377.6	0.6	1 377.1	3 317.9	54.9
VIII	84.4	74.7	159.1	3.7	2 174.4	1 353.7	0.6	1 353.2	3 528.1	81.2
IX	84.4	72.3	156.8	3.5	2 146.3	1 343.7	0.6	1 343.1	3 490.0	166.7
X	84.4	73.3	157.7	3.0	2 275.2	1 341.0	0.6	1 340.5	3 616.3	163.7
XI	84.8	72.8	157.5	3.0	2 129.0	1 289.7	0.6	1 289.1	3 418.7	179.9
XII	84.8	71.8	156.5	2.8	2 481.6	1 341.5	0.3	1 341.2	3 823.1	235.5
2010										
I	85.0	70.0	155.0	2.9	2 414.2	1 333.3	0.3	1 333.0	3 747.5	249.0
II	84.7	69.6	154.4	2.9	2 122.1	1 362.8	0.3	1 362.5	3 484.9	265.4
III	88.3	63.8	152.1	2.7	2 263.8	1 392.7	0.3	1 392.4	3 656.5	251.3

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

(at end of Q1 2010, in millions of lats; structure, %)

	With residual maturity of up to 1 year				With residual maturity of over 1 and up to 5 years				With residual maturity of over 5 years				Total loans			
	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%	Amount	%	Of which in lats	%
Total	2 661.0	100.0	263.8	100.0	2 087.2	100.0	129.0	100.0	2 457.6	100.0	47.3	100.0	7 205.8	100.0	440.1	100.0
A Agriculture, forestry and fishing	104.3	3.9	15.5	5.9	115.2	5.5	11.2	8.7	104.1	4.2	16.1	34.0	323.6	4.5	42.8	9.7
B Mining and quarrying	9.0	0.3	0.4	0.2	6.0	0.3	0.3	0.2	4.9	0.2	0.4	0.8	19.9	0.3	1.1	0.2
C Manufacturing	392.8	14.8	70.0	26.5	273.6	13.1	4.2	3.3	317.1	12.9	5.8	12.3	983.5	13.6	80.0	18.2
D Electricity, gas, steam and air conditioning supply	8.8	0.3	2.6	1.0	30.4	1.4	0.4	0.3	181.7	7.4	2.4	5.1	220.9	3.1	5.4	1.2
E Water supply; sewerage, waste management and remediation activities	4.1	0.2	1.8	0.7	9.7	0.5	1.4	1.1	16.9	0.7	0.4	0.8	30.7	0.4	3.6	0.8
F Construction	299.7	11.3	23.2	8.8	165.9	7.9	2.6	2.0	305.6	12.4	2.2	4.7	771.2	10.7	28.0	6.4
G Wholesale and retail trade; repair of motor vehicles and motorcycles	411.1	15.4	55.6	21.1	180.8	8.7	33.5	26.0	220.2	8.9	8.4	17.8	812.1	11.3	97.5	22.2
H Transportation and storage	88.7	3.3	9.8	3.7	152.3	7.3	0.9	0.7	180.3	7.3	0.4	0.8	421.3	5.8	11.1	2.5
I Accommodation and food service activities	16.5	0.6	1.7	0.6	17.9	0.9	4.2	3.3	21.9	0.9	0	0	56.3	0.8	5.9	1.3
J Information and communication	43.5	1.6	3.6	1.4	47.0	2.3	1.7	1.3	96.7	3.9	1.9	4.0	187.2	2.6	7.2	1.6
K Financial and insurance activities	207.1	7.8	35.9	13.6	313.2	15.0	43.3	33.6	49.2	2.0	0.1	0.2	569.5	7.9	79.3	18.0
L Real estate activities	966.1	36.3	30.3	11.5	661.6	31.7	20.2	15.6	756.1	30.8	6.5	13.8	2 383.8	33.1	57.0	13.0
M Professional, scientific and technical activities	23.8	0.9	2.5	0.9	11.7	0.6	0.8	0.6	11.6	0.5	0.2	0.4	47.1	0.6	3.5	0.8
N Administrative and support service activities	14.8	0.6	5.5	2.1	39.4	1.9	1.6	1.2	22.3	0.9	0.8	1.7	76.5	1.1	7.9	1.8
O Public administration and defence; compulsory social security	0.8	0	0.2	0.1	0.1	0	0	0	44.3	1.8	0.2	0.4	45.2	0.6	0.4	0.1
P Education	1.6	0.1	0.1	0	1.7	0.1	0.1	0.1	1.9	0.1	0	0	5.2	0.1	0.2	0
Q Human health and social work activities	5.8	0.2	0.2	0.1	9.3	0.4	0.6	0.5	9.0	0.4	0.8	1.7	24.1	0.3	1.6	0.4
R Arts, entertainment and recreation	13.1	0.5	1.1	0.4	13.3	0.6	0.7	0.5	21.2	0.9	0.2	0.4	47.6	0.7	2.0	0.5
S Other service activities	49.4	1.9	3.8	1.4	38.1	1.8	1.3	1.0	92.6	3.8	0.5	1.1	180.1	2.5	5.6	1.3

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

(at end of period; in millions of lats)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III ¹
Commercial credit	2 710.5	2 688.9	2 654.8	2 564.7	2 480.6	2 425.0	2 384.6	2 366.1	2 374.3	2 333.4	2 296.1	2 193.6	2 170.8	2 100.8	2 007.2
Industrial credit	1 860.8	1 851.8	1 836.4	1 836.7	1 840.3	1 846.7	1 834.9	1 842.8	1 838.7	1 840.4	1 843.5	1 840.8	1 851.2	1 866.3	1 971.9
Reverse repo	10.3	10.0	9.4	9.9	8.7	7.8	7.5	6.6	6.1	6.0	6.3	5.1	4.2	3.9	2.5
Financial leasing	17.9	17.6	17.2	16.6	16.2	15.8	15.4	14.9	14.0	13.4	15.5	15.3	12.4	12.2	11.8
Consumer credit	664.2	660.9	650.2	650.8	644.6	507.6	504.6	504.1	498.2	494.0	490.2	482.2	491.1	478.5	480.2
Mortgage loans	8 273.3	8 247.3	8 191.2	8 128.2	8 049.4	8 111.5	8 112.5	8 077.8	8 037.6	8 007.7	7 963.5	7 900.1	7 867.4	7 825.9	7 694.2
Factoring	6.0	5.7	5.5	5.1	4.9	4.8	4.7	4.5	4.4	4.2	4.1	3.9	0.5	0.5	0.5
Transit credit	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Other credit	1 008.6	1 009.1	1 003.2	1 039.9	1 095.0	1 156.5	1 111.9	1 104.3	1 107.2	1 097.2	1 099.3	1 073.5	1 046.7	1 064.5	1 048.6
Total loans	14 552.2	14 491.9	14 368.3	14 252.4	14 140.2	14 076.1	13 976.4	13 921.5	13 880.8	13 796.7	13 718.8	13 514.9	13 444.6	13 352.9	13 217.3

¹ In March 2010, the reporting agents made reclassifications to a number of balance sheet positions in order to harmonise the data reported for the purposes of MFI statistics and the Bank of Latvia's Credit Register. Reclassifications were made to the following balance sheet positions: "Commercial credit" (-14 million lats), "Industrial credit" (+114 million lats), "Mortgage loans" (-84 million lats) and "Other credit" (-16 million lats).

19.a HOLDINGS OF SECURITIES OTHER THAN SHARES

(at end of period; in millions of lats)

	Securities other than shares								In lats	
	MFIs		General government		Other residents		Non-residents			
		incl. long-term		incl. long-term		incl. long-term		incl. long-term		
2009										
I	42.8	42.3	997.2	255.0	0.6	0.6	869.6	851.4	1 910.2	787.3
II	44.9	44.4	820.6	248.1	0.6	0.6	861.2	847.2	1 727.3	605.7
III	44.8	44.3	442.3	247.8	0.7	0.7	866.9	849.3	1 354.7	455.3
IV	40.1	40.1	556.7	249.4	0.4	0.4	860.1	840.4	1 457.3	565.4
V	35.8	35.8	532.7	254.1	0.3	0.3	831.4	807.9	1 400.3	541.3
VI	38.4	38.4	468.1	254.5	0.1	0.1	810.1	786.2	1 316.7	445.8
VII	34.1	34.1	550.0	250.4	0.1	0.1	832.3	809.5	1 416.5	493.6
VIII	33.1	33.1	526.7	254.3	0.1	0.1	805.0	782.9	1 365.0	469.6
IX	33.6	33.6	507.1	255.8	0.1	0.1	800.3	778.3	1 341.1	484.9
X	31.9	31.2	507.3	257.6	0.1	0.1	790.3	758.8	1 329.5	491.1
XI	31.5	31.3	423.2	261.7	0.1	0.1	744.3	711.7	1 199.0	435.5
XII	32.9	32.8	434.3	261.8	0.1	0.1	743.2	674.6	1 210.4	451.3
2010										
I	31.2	31.2	486.9	264.9	0.1	0.1	715.9	633.6	1 234.1	494.7
II	26.4	26.4	489.7	254.8	0.1	0.1	708.6	613.6	1 224.7	492.7
III	28.9	28.9	512.2	278.2	0.1	0.1	718.9	623.1	1 260.1	512.7

19.b HOLDINGS OF SHARES AND OTHER EQUITY

(at end of period; in millions of lats)

	Shares and other equity				In lats	
	MFIs	Other residents	Non-residents			
2009						
I	0	72.9	114.7	187.6	124.0	
II	0	77.7	117.6	195.3	129.0	
III	0	89.1	123.2	212.3	140.4	
IV	0	88.7	123.8	212.5	140.6	
V	0	154.8	124.8	279.7	207.9	
VI	0	162.2	120.8	283.0	214.9	
VII	0	162.4	115.4	277.8	220.2	
VIII	0	163.7	118.7	282.4	222.3	
IX	0	167.5	121.0	288.5	225.6	
X	0	165.5	118.4	283.9	224.7	
XI	0	168.0	130.8	298.9	240.2	
XII	0	164.0	129.5	293.5	192.5	
2010						
I	0	157.9	131.1	288.9	186.6	
II	0	163.7	131.9	295.6	192.4	
III	0	172.4	132.8	305.2	201.8	

20.a CURRENCY BREAKDOWN OF RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2009										
I	1 016.2	63.3	36.7	31.2	5.2	5 870.5	48.6	51.4	45.6	5.2
II	1 062.3	59.2	40.8	34.4	6.2	5 973.9	47.5	52.5	47.0	5.0
III	797.1	66.2	33.8	25.5	8.0	6 112.5	44.4	55.6	50.2	4.8
IV	742.7	68.1	31.9	25.4	6.4	6 167.4	44.0	56.0	50.7	4.8
V	859.8	69.0	31.0	24.7	6.3	5 922.0	40.9	59.1	53.3	5.2
VI	657.4	57.2	42.8	30.3	12.4	5 928.3	39.0	61.0	55.7	4.7
VII	613.9	62.0	38.0	29.2	8.8	5 811.7	38.8	61.2	55.6	5.0
VIII	570.5	62.6	37.4	28.9	8.4	5 752.4	38.8	61.2	55.5	5.0
IX	534.4	64.4	35.6	26.2	9.4	5 725.5	38.9	61.1	55.3	5.2
X	538.5	65.1	34.9	26.2	8.7	5 679.5	38.6	61.4	56.0	4.7
XI	510.0	61.5	38.5	28.4	10.0	5 729.9	39.5	60.5	55.4	4.5
XII	425.3	64.7	35.3	25.7	9.2	5 926.5	40.5	59.5	54.4	4.4
2010										
I	385.8	71.2	28.8	21.3	7.3	5 857.6	40.7	59.3	54.1	4.6
II	384.6	66.4	33.6	24.6	8.8	6 043.9	41.5	58.5	53.4	4.5
III	366.6	69.6	30.4	25.2	5.0	6 187.2	42.2	57.8	52.6	4.6

20.b CURRENCY BREAKDOWN OF NON-RESIDENT DEPOSITS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2009										
I	9 149.9	0.8	99.2	95.0	2.1	3 335.9	1.5	98.5	33.1	62.5
II	8 843.0	1.2	98.8	95.3	1.9	3 244.5	1.5	98.5	32.8	62.9
III	8 464.3	1.1	98.9	96.4	1.3	3 184.2	1.4	98.6	32.2	63.5
IV	8 358.1	1.3	98.7	96.3	1.1	3 192.8	1.4	98.6	32.5	63.3
V	8 268.1	1.3	98.7	96.9	0.8	3 041.2	1.9	98.1	33.7	61.2
VI	8 066.4	0.9	99.1	97.4	0.6	2 977.3	1.7	98.3	34.0	61.2
VII	7 862.2	0.8	99.2	97.6	0.5	2 951.2	1.9	98.1	33.7	61.5
VIII	7 983.0	0.9	99.1	97.3	0.7	3 002.1	2.2	97.8	35.9	59.5
IX	7 896.3	1.2	98.8	97.2	0.6	2 910.7	1.3	98.7	36.1	59.7
X	7 788.8	1.0	99.0	97.2	0.6	3 005.5	1.4	98.6	36.5	59.2
XI	7 519.2	0.6	99.4	97.3	0.9	3 030.7	1.4	98.6	36.1	58.5
XII	7 374.2	0.7	99.3	97.2	0.8	3 261.7	1.4	98.6	39.5	55.8
2010										
I	7 202.4	1.3	98.7	96.6	0.7	3 267.1	1.6	98.4	37.9	57.2
II	6 939.9	0.8	99.2	96.6	0.9	3 113.6	1.7	98.3	37.6	57.2
III	6 563.9	0.8	99.2	96.4	1.1	3 262.2	1.7	98.3	35.5	59.5

20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs						
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				
		In lats	In foreign currencies			incl. USD
			incl. EUR			
2009						
I	14 715.2	11.2	88.8	85.6		2.5
II	14 656.5	10.9	89.1	85.8		2.6
III	14 533.1	10.7	89.3	86.2		2.4
IV	14 411.2	10.5	89.5	86.4		2.4
V	14 299.0	10.2	89.8	86.8		2.3
VI	14 234.7	10.0	90.0	87.1		2.3
VII	14 137.2	9.5	90.5	87.6		2.2
VIII	14 080.6	9.1	90.9	88.1		2.1
IX	14 037.5	8.7	91.3	88.5		2.1
X	13 954.4	8.5	91.5	88.7		2.1
XI	13 876.3	8.2	91.8	89.1		2.1
XII	13 671.4	7.9	92.1	89.2		2.1
2010						
I	13 599.6	7.9	92.1	89.2		2.2
II	13 507.2	7.8	92.2	89.1		2.4
III	13 369.4	7.7	92.3	89.2		2.4

20.d CURRENCY BREAKDOWN OF LOANS TO NON-RESIDENTS

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD			incl. EUR	incl. USD		
2009										
I	2 022.2	3.6	96.4	43.1	48.4	1 541.3	2.3	97.7	42.8	54.3
II	1 871.6	3.6	96.4	44.7	47.0	1 550.9	2.4	97.6	42.4	54.8
III	1 894.0	5.1	94.9	41.5	48.2	1 505.4	2.5	97.5	43.3	53.8
IV	2 110.4	4.1	95.9	43.8	48.2	1 475.0	2.6	97.4	43.6	53.3
V	2 189.3	2.0	98.0	54.2	39.1	1 421.1	3.4	96.6	44.6	51.5
VI	2 114.5	1.9	98.1	51.1	42.4	1 386.9	2.2	97.8	45.7	51.7
VII	1 940.3	1.3	98.7	51.2	42.3	1 377.6	2.1	97.9	46.3	51.1
VIII	2 174.4	2.4	97.6	49.8	43.1	1 353.7	2.2	97.8	46.5	50.7
IX	2 146.3	6.4	93.6	49.4	39.6	1 343.7	2.2	97.8	46.9	50.4
X	2 275.2	5.6	94.4	50.3	39.0	1 341.0	2.6	97.4	47.9	49.0
XI	2 129.0	6.8	93.2	44.5	43.7	1 289.7	2.7	97.3	48.0	48.8
XII	2 481.6	8.1	91.9	46.0	40.3	1 341.5	2.6	97.4	48.1	48.9
2010										
I	2 414.2	8.9	91.1	39.8	46.4	1 333.3	2.6	97.4	47.4	49.7
II	2 122.1	10.8	89.2	39.1	44.0	1 362.8	2.6	97.4	45.5	51.6
III	2 263.8	9.5	90.5	34.9	49.4	1 392.7	2.6	97.4	44.0	53.0

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

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2009										
I	42.8	25.0	75.0	68.7	6.3	997.8	75.8	24.2	24.2	0
II	44.9	23.5	76.5	70.3	6.2	821.3	70.5	29.5	29.5	0
III	44.8	23.9	76.1	70.1	6.0	443.0	98.1	1.9	1.9	0
IV	40.1	26.2	73.8	67.2	6.6	557.1	98.6	1.4	1.4	0
V	35.8	21.4	78.6	71.5	7.1	533.0	98.5	1.5	1.5	0
VI	38.4	20.2	79.8	73.4	6.4	468.2	91.8	8.2	8.2	0
VII	34.1	23.0	77.0	71.0	6.0	550.1	86.8	13.2	13.2	0
VIII	33.1	20.6	79.4	73.3	6.1	526.8	86.2	13.8	13.8	0
IX	33.6	20.1	79.9	74.0	5.9	507.2	92.6	7.4	7.4	0
X	31.9	23.5	76.5	70.3	6.2	507.4	92.6	7.4	7.4	0
XI	31.5	22.7	77.3	71.1	6.2	423.3	98.2	1.8	1.8	0
XII	32.9	21.8	78.2	76.2	2.0	434.4	98.2	1.8	1.8	0
2010										
I	31.2	22.6	77.4	75.2	2.2	487.0	98.3	1.7	1.7	0
II	26.4	26.3	73.7	70.9	2.7	489.7	97.4	2.6	2.6	0
III	28.9	24.7	75.3	72.8	2.5	512.3	97.0	3.0	3.0	0

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

(at end of period)

	MFIs					Non-MFIs				
	Outstanding amount (all currencies; in millions of lats)	Structure (%)				Outstanding amount (all currencies; in millions of lats)	Structure (%)			
		In lats	In foreign currencies				In lats	In foreign currencies		
			incl. EUR	incl. USD				incl. EUR	incl. USD	
2009										
I	517.5	1.1	98.9	58.5	39.3	352.1	4.3	95.7	19.9	67.7
II	522.9	1.1	98.9	57.6	40.2	338.2	3.2	96.8	21.4	67.2
III	510.3	1.1	98.9	58.8	38.8	356.6	1.2	98.8	19.0	71.9
IV	502.9	1.2	98.8	59.6	38.0	357.2	0	100.0	18.0	74.2
V	476.4	1.8	98.2	59.5	37.7	355.1	0	100.0	18.0	74.2
VI	474.5	1.8	98.2	60.0	37.3	335.6	0	100.0	19.0	73.1
VII	470.9	1.8	98.2	62.5	34.8	361.4	0	100.0	17.0	76.0
VIII	467.5	1.8	98.2	63.0	34.3	337.5	0	100.0	18.8	74.7
IX	461.2	1.9	98.1	63.1	33.9	339.1	0	100.0	19.6	74.5
X	459.6	3.1	96.9	63.2	32.6	330.7	0	100.0	19.5	74.3
XI	424.4	3.0	97.0	66.6	29.2	319.8	0	100.0	22.6	71.5
XII	424.4	4.1	95.9	65.0	29.6	318.8	0	100.0	22.2	71.7
2010										
I	400.9	2.2	97.8	65.7	31.1	315.0	0	100.0	24.5	70.1
II	401.5	2.2	97.8	66.6	30.6	307.0	0	100.0	22.6	71.6
III	398.5	2.1	97.9	62.1	34.8	320.4	0	100.0	24.5	69.9

20.g CURRENCY BREAKDOWN OF DEBT SECURITIES ISSUED BY MFIs

(at end of period)

	Outstanding amount (all currencies; in millions of lats)	Structure (%)	
		In lats	In foreign currencies
2009			
I	179.8	8.9	91.1
II	178.1	9.0	91.0
III	168.7	9.5	90.5
IV	163.5	9.8	90.2
V	160.4	10.0	90.0
VI	160.5	10.0	90.0
VII	160.7	10.0	90.0
VIII	157.7	8.3	91.7
IX	157.0	8.3	91.7
X	154.5	8.4	91.6
XI	153.2	8.5	91.5
XII	153.5	8.5	91.5
2010			
I	150.2	8.7	91.3
II	158.6	8.2	91.8
III	157.8	8.2	91.8

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

(%)

1. Interest rates on deposits (new business)											
	Deposits from households						Deposits from non-financial corporations				Repos
	Overnight ¹	With agreed maturity			Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years	
2009											
I	0.97	8.67	10.70	11.22	4.65	–	1.12	5.66	10.56	x	–
II	0.95	7.29	10.12	9.50	4.67	–	1.15	5.57	8.74	x	–
III	0.91	7.55	9.65	9.05	4.75	–	0.79	5.85	9.37	x	–
IV	0.91	7.68	10.48	12.00	4.53	–	1.86	6.32	8.67	7.76	–
V	1.00	8.44	10.51	10.99	4.72	x	3.48	8.99	x	9.82	–
VI	0.97	14.80	11.71	9.40	5.48	x	2.64	19.98	11.07	x	–
VII	0.85	11.94	12.39	9.01	5.46	x	1.11	8.46	9.30	x	–
VIII	0.87	9.84	13.16	7.69	5.33	x	0.62	5.85	12.26	–	–
IX	0.96	9.75	12.09	12.12	4.51	x	0.57	5.08	10.67	x	–
X	0.97	9.55	12.27	9.27	4.54	x	0.61	5.34	11.03	6.37	–
XI	0.95	10.00	14.45	10.24	4.65	x	0.56	5.38	6.32	9.91	–
XII	1.12	11.35	13.32	10.21	4.43	x	0.47	5.39	12.50	6.48	–
2010											
I	1.10	9.81	12.66	10.83	3.08	x	0.61	4.05	7.93	x	–
II	0.95	6.74	7.75	6.70	2.73	x	0.46	3.54	6.96	x	–
III	0.69	5.18	9.03	9.10	2.20	x	0.44	2.61	7.40	x	–

¹ End-of-period.

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

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

(%)

2. Interest rates on loans to households (new business)												
	Bank overdraft ¹	Lending for house purchase					Consumer credit			Other lending by initial rate fixation		
		By initial rate fixation				Annual percentage rate of charge ²	By initial rate fixation		Annual percentage rate of charge ²	Floating rate and up to 1 year	Over 1 year	
		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 year				
2009												
I	24.49	11.48	15.14	x	11.86	11.40	20.08	24.55	22.35	12.21	15.54	
II	24.50	13.65	13.56	x	x	12.63	19.76	23.60	21.70	17.60	8.33	
III	22.74	14.23	8.56	x	x	12.24	20.55	24.18	22.45	21.63	10.01	
IV	22.73	16.46	7.64	x	x	12.35	21.44	23.13	22.56	19.40	11.42	
V	22.79	15.72	x	x	x	10.57	21.70	20.90	21.67	17.40	7.76	
VI	22.79	16.48	10.49	7.82	x	10.51	21.58	24.20	22.65	16.96	4.97	
VII	24.71	15.54	10.74	x	x	8.51	21.33	24.94	23.46	0.27	11.00	
VIII	23.05	10.70	8.03	7.83	x	8.51	21.94	25.29	23.74	5.33	14.65	
IX	24.41	10.25	9.47	x	x	8.74	21.27	24.49	23.30	0.14	7.88	
X	24.56	13.79	15.75	x	x	10.66	21.75	23.26	23.24	0.79	8.25	
XI	24.62	14.14	10.75	x	x	10.04	19.56	19.38	19.90	0.05	1.81	
XII	24.86	13.19	7.18	x	x	9.25	21.13	13.09	16.96	6.16	1.63	
2010												
I	24.95	12.16	x	x	x	8.37	19.47	24.13	21.69	21.69	0.56	
II	24.82	12.22	x	x	x	9.44	19.73	21.52	20.78	4.26	1.01	
III	24.04	9.12	9.28	x	x	8.46	20.75	22.42	22.22	0.65	1.52	

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to non-financial corporations (new business)								
	Bank overdraft ¹	Other loans up to 0.2 million euros by initial rate fixation		Other loans over 0.2 million euros and up to 1 million euros by initial rate fixation		Other loans over 1 million euros by initial rate fixation		
		Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	
2009								
I	8.65	13.19	9.12	15.43	–	–	–	x
II	8.65	14.41	11.14	x	–	x	–	–
III	8.16	15.59	9.78	15.87	x	x	–	–
IV	11.00	13.50	9.13	8.93	x	x	–	–
V	14.76	17.42	9.02	x	–	x	–	–
VI	21.21	18.97	8.92	x	x	x	–	–
VII	12.34	18.56	8.95	x	x	14.89	–	–
VIII	8.81	17.31	x	–	x	–	–	–
IX	9.85	21.13	13.90	x	x	–	–	–
X	9.07	14.28	9.99	x	–	8.27	–	x
XI	12.17	13.01	10.90	x	x	x	–	–
XII	12.53	10.74	8.95	x	x	6.03	–	x
2010								
I	12.82	13.43	9.69	x	x	–	–	–
II	13.96	14.75	9.79	7.40	x	x	–	–
III	7.15	12.98	9.79	x	–	3.78	–	x

¹ End-of-period.

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

(%)

4. Interest rates on deposits (outstanding amounts)										
	Households					Non-financial corporations				Repos
	Overnight ¹	With agreed maturity		Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years		
2009										
I	0.97	8.77	8.51	4.65	–	1.12	9.87	6.29	–	–
II	0.95	8.85	8.30	4.67	–	1.15	9.79	6.26	–	–
III	0.91	8.89	8.36	4.75	–	0.79	8.94	6.59	–	–
IV	0.91	8.95	8.42	4.53	–	1.86	8.94	6.71	–	–
V	1.00	9.14	8.47	4.72	x	3.48	10.00	6.81	–	–
VI	0.97	10.31	8.55	5.48	x	2.64	17.67	7.06	–	–
VII	0.85	10.50	8.73	5.46	x	1.11	14.33	7.24	–	–
VIII	0.87	10.98	8.80	5.33	x	0.62	13.29	7.25	–	–
IX	0.96	10.97	8.88	4.51	x	0.57	11.27	6.12	–	–
X	0.97	10.96	8.79	4.54	x	0.61	10.85	6.08	–	–
XI	0.95	11.04	9.11	4.65	x	0.56	11.24	6.07	–	–
XII	1.12	11.40	9.26	4.43	x	0.47	10.60	5.94	–	–
2010										
I	1.10	10.61	9.15	3.08	x	0.61	9.46	6.16	–	–
II	0.95	10.85	9.28	2.73	x	0.46	8.18	6.15	–	–
III	0.69	10.36	9.30	2.20	x	0.44	6.61	6.13	–	–

¹ End-of-period.

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

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

(%)

5. Interest rates on loans (outstanding amounts)										
	Loans to households						Loans to non-financial corporations			
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity			With maturity			
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years	
2009										
I	24.71	11.55	10.67	23.26	17.84	12.68	11.76	13.57	10.07	
II	22.69	11.13	10.44	23.33	18.13	12.88	10.87	13.25	9.56	
III	26.53	10.97	10.15	22.12	18.47	13.06	10.19	12.83	9.62	
IV	32.63	11.08	10.19	22.73	19.15	13.82	11.86	12.79	9.44	
V	15.57	11.57	10.58	22.75	19.23	13.82	14.62	13.73	10.01	
VI	23.34	12.31	11.71	22.84	19.63	14.08	21.10	17.96	12.00	
VII	23.02	12.97	11.82	23.91	19.71	16.46	13.47	17.47	11.99	
VIII	22.41	13.45	11.60	22.74	20.06	16.68	10.73	16.65	11.92	
IX	37.29	12.48	10.62	23.65	19.91	16.54	11.19	13.53	9.73	
X	35.92	11.98	10.17	23.67	20.05	16.45	10.33	12.52	9.18	
XI	41.22	11.43	9.99	23.52	20.20	16.32	12.53	12.21	8.84	
XII	35.80	11.34	9.59	23.48	20.12	15.97	12.79	10.02	8.55	
2010										
I	5.89	10.00	8.62	23.19	20.12	12.78	11.99	8.00	7.62	
II	5.83	9.07	7.55	22.97	19.92	12.24	12.75	7.03	6.98	
III	5.62	8.20	6.89	22.33	19.77	11.97	7.47	5.60	5.93	

¹ Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)											
	Deposits from households						Deposits from non-financial corporations				Repos
	Overnight ¹	With agreed maturity			Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years	
2009											
I	1.09	3.19	5.93	5.90	3.41	–	0.52	2.74	4.63	4.40	–
II	1.04	2.95	5.53	7.48	2.87	–	0.52	2.11	2.33	5.83	–
III	1.00	3.26	5.39	4.64	2.50	–	0.55	2.08	3.62	3.75	–
IV	1.00	3.39	6.33	5.53	2.39	–	0.39	2.46	3.45	4.94	–
V	1.02	2.94	5.29	6.14	2.16	x	0.49	2.13	3.01	x	–
VI	0.96	3.26	5.84	5.94	2.07	x	0.35	1.65	4.78	3.16	–
VII	0.90	3.20	6.55	7.37	2.01	x	0.32	1.41	2.31	x	–
VIII	0.96	2.87	6.20	6.22	1.95	x	0.28	1.63	3.05	2.76	–
IX	0.93	2.56	5.82	4.62	1.58	x	0.29	1.76	5.70	3.66	–
X	0.91	2.33	5.48	5.18	1.60	x	0.33	1.17	1.90	2.50	–
XI	0.91	2.49	6.17	6.15	1.62	x	0.37	1.36	3.23	4.30	–
XII	0.81	3.17	6.75	5.51	1.72	x	0.24	1.39	2.87	3.76	–
2010											
I	0.68	2.35	6.03	6.07	1.56	x	0.21	1.51	2.65	3.82	–
II	0.60	1.81	5.39	4.30	1.30	x	0.20	0.71	3.49	4.67	–
III	0.57	1.46	4.68	5.71	1.09	x	0.22	0.91	2.54	x	–

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 EUROS (CONT.)

(%)

2. Interest rates on loans to households (new business)												
	Bank overdraft ¹	Lending for house purchase					Consumer credit			Other lending by initial rate fixation		
		By initial rate fixation				Annual percentage rate of charge ²	By initial rate fixation		Annual percentage rate of charge ²	Floating rate and up to 1 year	Over 1 year	
		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 year				
2009												
I	10.38	6.24	6.51	5.91	7.07	6.38	10.00	14.06	14.33	9.53	8.26	
II	9.89	5.91	6.64	6.21	7.22	6.10	9.79	12.67	14.18	7.39	19.83	
III	9.77	5.49	6.14	7.04	6.07	5.64	9.31	17.88	22.87	7.89	8.24	
IV	8.87	5.16	6.01	6.78	6.54	5.33	9.35	16.61	22.54	5.80	9.52	
V	8.52	5.04	5.74	7.23	6.20	5.23	11.02	16.46	17.66	7.03	6.62	
VI	8.06	4.42	5.11	5.82	6.10	4.61	12.83	19.32	24.79	5.37	9.01	
VII	7.88	4.16	5.87	7.03	6.61	4.45	17.77	19.70	24.23	5.86	7.43	
VIII	7.66	4.05	5.91	6.50	6.50	4.36	13.42	19.89	24.34	6.59	7.84	
IX	5.95	3.99	6.59	6.73	6.68	4.36	12.59	20.40	22.94	5.96	8.16	
X	6.12	4.01	5.47	6.88	6.70	4.33	12.49	20.68	23.23	6.82	7.17	
XI	7.26	3.77	6.02	7.40	6.33	4.10	10.57	20.27	23.32	5.71	10.82	
XII	5.64	4.21	6.09	7.57	6.48	4.50	7.31	20.86	13.25	6.10	5.38	
2010												
I	5.06	3.53	6.43	7.54	7.04	4.03	10.94	20.89	23.47	5.08	9.23	
II	4.45	3.72	5.41	7.06	6.31	3.96	12.37	21.17	19.14	7.23	7.63	
III	4.71	3.67	6.24	7.00	x	4.33	11.25	21.90	23.43	5.36	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 EUROS (CONT.)

(%)

3. Interest rates on loans to non-financial corporations (new business)								
	Bank overdraft ¹	Other loans up to 0.2 million euros by initial rate fixation		Other loans over 0.2 million euros and up to 1 million euros by initial rate fixation		Other loans over 1 million euros by initial rate fixation		
		Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	
2009								
I	7.31	8.30	8.70	7.59	7.32	5.39	x	
II	6.78	7.32	8.55	6.78	8.77	6.63	x	
III	6.07	7.03	8.56	6.35	7.78	5.65	x	
IV	6.75	6.86	8.85	5.85	x	6.02	4.63	
V	6.62	7.37	8.96	6.34	x	5.15	x	
VI	6.21	6.75	9.17	6.50	7.82	4.97	5.48	
VII	5.50	6.56	8.29	6.03	7.32	4.99	x	
VIII	5.69	6.71	8.46	5.80	7.87	3.73	4.85	
IX	5.44	7.23	8.87	6.09	5.91	4.72	6.93	
X	4.95	6.11	9.50	5.21	7.14	4.72	4.57	
XI	4.82	7.01	9.04	7.08	x	4.47	x	
XII	4.30	6.95	8.46	8.04	6.24	3.45	7.30	
2010								
I	4.42	6.43	9.73	4.73	x	4.39	x	
II	4.45	6.26	8.50	6.09	8.78	4.43	6.77	
III	3.95	6.61	8.45	5.84	7.21	4.82	x	

¹ End-of-period.

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

(%)

4. Interest rates on deposits (outstanding amounts)										
	Households					Non-financial corporations				Repos
	Overnight ¹	With agreed maturity		Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years		
2009										
I	1.09	5.20	4.73	3.41	–	0.52	4.24	5.34	–	–
II	1.04	5.11	4.36	2.87	–	0.52	3.67	5.48	–	–
III	1.00	4.94	4.37	2.50	–	0.55	3.43	5.48	–	–
IV	1.00	4.80	4.48	2.39	–	0.39	3.67	5.48	–	–
V	1.02	4.71	4.40	2.16	x	0.49	3.52	5.48	–	–
VI	0.96	4.65	4.29	2.07	x	0.35	3.32	5.44	–	–
VII	0.90	4.65	4.33	2.01	x	0.32	3.30	4.77	–	–
VIII	0.96	4.61	4.48	1.95	x	0.28	3.49	4.66	–	–
IX	0.93	4.57	4.43	1.58	x	0.29	3.42	4.60	–	–
X	0.91	4.51	4.44	1.60	x	0.33	2.86	4.57	–	–
XI	0.91	4.38	4.49	1.62	x	0.37	3.02	4.56	–	–
XII	0.81	4.26	4.40	1.72	x	0.24	3.04	4.56	–	–
2010										
I	0.68	4.16	4.37	1.56	x	0.21	3.04	4.60	–	–
II	0.60	4.10	4.39	1.30	x	0.20	2.94	4.43	–	–
III	0.57	4.02	4.37	1.09	x	0.22	2.45	4.09	–	–

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 EUROS (CONT.)

(%)

5. Interest rates on loans (outstanding amounts)										
	Loans to households						Loans to non-financial corporations			
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity			With maturity			
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years	
2009										
I	6.76	6.50	5.39	8.34	6.61	6.10	6.44	5.92	5.43	
II	12.64	6.19	5.03	7.67	6.18	5.92	5.71	5.38	5.08	
III	30.24	5.91	4.73	7.64	5.88	5.62	5.53	5.00	4.50	
IV	14.16	5.68	4.45	7.35	5.67	5.38	5.35	4.68	4.27	
V	11.00	5.58	4.22	6.98	5.51	5.21	5.13	4.57	3.99	
VI	13.71	5.47	4.06	6.85	5.46	5.10	5.04	4.44	3.79	
VII	11.61	5.45	3.94	7.00	5.48	5.01	5.34	4.40	3.84	
VIII	9.14	5.37	3.84	6.98	5.54	4.95	4.82	4.33	3.57	
IX	11.82	5.43	3.74	5.85	5.58	4.86	4.73	4.24	3.46	
X	14.25	5.22	3.67	6.30	5.74	4.78	4.56	4.20	3.38	
XI	24.08	5.21	3.62	6.92	5.82	4.75	4.62	4.20	3.36	
XII	12.33	5.20	3.58	5.79	5.84	4.64	4.27	4.17	3.35	
2010										
I	10.14	5.40	3.76	5.40	6.15	4.81	4.27	4.22	3.33	
II	13.74	5.33	3.75	4.79	6.19	4.83	4.45	4.27	3.32	
III	8.05	5.30	3.72	5.00	6.44	5.30	3.98	4.23	3.34	

¹ Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)												
	Deposits from households						Deposits from non-financial corporations				Repos	
	Overnight ¹	With agreed maturity			Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity				
		Up to 1 year	Over 1 and up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 1 year	Over 1 and up to 2 years	Over 2 years		
2009												
I	0.31	2.02	5.75	5.67	2.26	x	0.23	0.64	-	-	-	-
II	0.29	1.31	4.52	4.93	1.63	x	0.26	0.44	-	-	-	-
III	0.28	1.30	4.79	4.97	1.52	x	0.28	0.48	x	-	-	-
IV	0.32	1.54	5.34	5.71	1.53	x	0.13	0.44	x	-	-	-
V	0.31	1.37	4.75	4.27	1.14	x	0.13	0.42	x	x	-	-
VI	0.30	1.90	5.68	5.62	1.47	x	0.12	0.39	x	x	-	-
VII	0.27	1.34	5.96	6.25	1.49	x	0.12	0.28	-	-	-	-
VIII	0.30	1.28	5.58	3.71	1.47	x	0.10	0.29	-	-	-	-
IX	0.24	1.95	5.85	5.17	1.32	x	0.11	0.22	-	-	-	-
X	0.26	1.46	6.13	5.11	1.34	x	0.11	0.25	x	-	-	-
XI	0.22	1.25	6.60	4.99	1.49	x	0.11	0.31	x	x	-	-
XII	0.25	1.68	6.71	5.80	1.47	x	0.11	0.32	x	x	-	-
2010												
I	0.25	1.62	5.34	5.12	1.45	x	0.11	0.82	x	-	-	-
II	0.25	1.18	3.03	6.16	1.51	x	0.08	0.59	x	-	-	-
III	0.23	1.24	4.83	3.69	1.45	x	0.08	0.37	x	-	-	-

¹ End-of-period.

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

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

(%)

2. Interest rates on loans to households (new business)												
	Bank overdraft ¹	Lending for house purchase					Consumer credit				Other lending by initial rate fixation	
		By initial rate fixation				Annual percentage rate of charge ²	By initial rate fixation		Annual percentage rate of charge ²	Floating rate and up to 1 year	Over 1 year	
		Floating rate and up to 1 year	Over 1 and up to 5 years	Over 5 and up to 10 years	Over 10 years		Floating rate and up to 1 year	Over 1 year				
2009												
I	17.01	6.41	x	x	x	6.22	20.68	–	21.18	7.81	–	
II	17.13	7.72	x	x	x	6.35	18.65	–	19.43	7.61	x	
III	16.61	5.13	7.90	x	x	5.52	15.51	–	16.26	5.84	x	
IV	13.66	5.33	x	5.88	x	5.24	21.16	x	22.06	5.21	11.86	
V	13.10	6.18	x	x	x	4.48	21.03	–	22.02	5.33	x	
VI	12.41	4.76	x	x	–	5.00	19.23	x	19.27	5.25	x	
VII	15.21	4.83	x	–	x	4.38	14.67	–	15.31	5.19	x	
VIII	15.92	5.33	7.29	x	x	4.79	16.32	x	16.49	4.66	x	
IX	16.16	4.67	x	x	x	5.64	19.24	x	13.43	4.74	x	
X	13.27	3.76	7.54	x	3.87	3.99	22.08	x	22.63	5.25	x	
XI	13.59	8.45	x	–	x	4.08	20.40	x	20.88	4.74	x	
XII	11.96	6.41	x	x	–	6.90	21.28	x	19.40	4.28	11.96	
2010												
I	12.57	3.27	x	–	x	3.32	21.09	–	22.01	3.66	–	
II	12.21	5.05	x	–	x	4.91	21.21	x	22.61	4.68	x	
III	12.49	4.24	x	–	x	4.95	19.13	x	20.02	4.67	8.72	

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to non-financial corporations (new business)								
	Bank overdraft ¹	Other loans up to 0.2 million euros by initial rate fixation		Other loans over 0.2 million euros and up to 1 million euros by initial rate fixation		Other loans over 1 million euros by initial rate fixation		
		Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	Floating rate and up to 1 year	Over 1 year	
2009								
I	7.08	17.52	x	8.18	–	–	–	–
II	7.09	6.34	–	7.20	–	–	–	–
III	7.47	13.86	x	9.06	x	–	–	x
IV	6.86	x	–	7.37	x	7.61	–	x
V	6.59	11.35	x	x	–	–	–	–
VI	6.61	10.28	–	8.90	–	x	–	–
VII	6.99	11.21	–	8.35	x	–	–	x
VIII	7.20	8.75	–	x	x	x	–	–
IX	7.45	9.18	x	8.26	x	2.88	–	–
X	7.03	7.99	–	x	–	x	–	–
XI	10.26	6.63	x	7.75	x	x	–	–
XII	6.91	3.84	x	9.55	–	x	–	x
2010								
I	6.77	3.73	x	x	x	–	–	–
II	6.04	5.35	5.81	10.39	x	x	x	x
III	7.12	6.56	x	5.89	x	x	–	–

¹ End-of-period.

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

(%)

4. Interest rates on deposits (outstanding amounts)										
	Households					Non-financial corporations				Repos
	Overnight ¹	With agreed maturity		Redeemable at notice ^{1,2}		Overnight ¹	With agreed maturity			
		Up to 2 years	Over 2 years	Up to 3 months	Over 3 months		Up to 2 years	Over 2 years		
2009										
I	0.31	3.82	4.83	2.26	x	0.23	2.03	5.01	–	–
II	0.29	3.70	4.93	1.63	x	0.26	1.82	5.30	–	–
III	0.28	3.72	4.93	1.52	x	0.28	1.75	5.30	–	–
IV	0.32	3.68	4.93	1.53	x	0.13	1.92	5.30	–	–
V	0.31	3.73	4.91	1.14	x	0.13	1.75	5.31	–	–
VI	0.30	3.80	4.91	1.47	x	0.12	1.80	4.07	–	–
VII	0.27	3.84	4.91	1.49	x	0.12	1.70	4.08	–	–
VIII	0.30	3.82	4.88	1.47	x	0.10	1.79	4.08	–	–
IX	0.24	3.87	4.88	1.32	x	0.11	1.12	4.10	–	–
X	0.26	3.68	4.86	1.34	x	0.11	1.37	4.10	–	–
XI	0.22	3.54	4.85	1.49	x	0.11	1.71	4.32	–	–
XII	0.25	3.60	4.84	1.47	x	0.11	1.59	4.38	–	–
2010										
I	0.25	3.50	4.73	1.45	x	0.11	1.82	4.37	–	–
II	0.25	3.53	4.86	1.51	x	0.08	2.19	4.37	–	–
III	0.23	3.46	4.84	1.45	x	0.08	2.15	4.40	–	–

¹ End-of-period.

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

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

(%)

5. Interest rates on loans (outstanding amounts)									
	Loans to households						Loans to non-financial corporations		
	Lending for house purchase, with maturity			Consumer credit and other loans, with maturity			With maturity		
	Up to 1 year	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years	Up to 1 year ¹	Over 1 and up to 5 years	Over 5 years
2009									
I	11.35	6.21	4.66	9.26	6.98	4.68	5.21	5.58	5.45
II	8.89	5.91	4.46	9.61	7.16	4.53	5.24	5.45	5.51
III	8.22	5.84	4.29	9.87	6.71	4.48	5.20	5.39	5.42
IV	9.92	5.92	4.22	9.86	6.72	4.52	5.14	5.51	5.37
V	7.03	5.77	4.07	10.01	6.62	4.50	5.57	5.30	5.37
VI	6.96	5.64	3.93	9.90	6.40	4.46	5.35	5.41	5.19
VII	7.97	6.01	3.79	9.86	6.15	4.64	5.05	5.39	5.14
VIII	5.37	6.01	3.69	9.48	6.76	4.37	5.38	6.07	4.99
IX	5.37	6.01	3.58	9.64	8.09	4.38	5.44	5.80	5.03
X	5.98	5.96	3.47	8.90	7.84	4.34	5.85	5.82	5.05
XI	5.52	5.96	3.40	8.87	6.46	4.30	6.13	5.87	5.07
XII	5.56	6.08	3.33	8.10	8.21	4.19	6.49	5.01	4.70
2010									
I	5.57	5.95	3.49	8.59	8.35	4.23	6.51	4.91	4.87
II	5.59	6.10	3.51	8.44	8.47	4.22	5.94	5.16	5.18
III	8.55	6.15	3.47	8.74	8.60	4.23	5.93	4.98	4.99

¹ Including bank overdraft.

22. LENDING IN THE INTERBANK MARKETS

(in millions of lats)

	Loans to resident MFIs											
	In lats					In foreign currencies						
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2009												
I	1 242.9	215.2	14.8	5.0	1 477.9	1 284.8	368.1	–	–	–	1 652.9	3 130.8
II	1 025.1	383.0	–	–	1 408.1	1 518.6	244.1	–	–	–	1 762.7	3 170.8
III	1 110.0	339.3	12.7	–	1 462.0	2 075.9	402.6	10.9	–	–	2 489.4	3 951.4
IV	1 203.3	319.0	22.0	0.2	1 544.5	1 441.6	434.8	0.3	0	–	1 876.7	3 421.2
V	1 341.2	243.5	–	–	1 584.7	1 570.8	447.6	14.0	–	–	2 032.4	3 617.1
VI	553.5	187.4	2.4	–	743.3	1 504.1	468.3	4.1	–	–	1 976.5	2 719.8
VII	601.5	122.2	5.2	0.3	729.2	1 348.7	207.4	6.5	7.0	–	1 569.6	2 298.8
VIII	393.4	183.2	12.5	–	589.1	1 132.2	215.0	–	–	–	1 347.2	1 936.3
IX	294.8	53.0	17.0	–	364.8	1 149.6	204.5	5.4	–	–	1 359.5	1 724.3
X	210.3	72.7	0.3	–	283.3	1 009.0	208.2	0.4	0.8	–	1 218.4	1 501.7
XI	378.1	159.8	10.0	0.8	548.7	917.6	228.7	–	1.4	–	1 147.7	1 696.4
XII	220.3	68.8	17.0	3.5	309.6	1 403.4	196.6	–	0.5	–	1 600.5	1 910.1
2010												
I	268.3	35.4	0.2	3.3	307.2	1 180.7	98.7	0.4	–	–	1 279.8	1 587.0
II	171.1	40.9	–	–	212.0	990.0	79.2	–	–	–	1 069.2	1 281.2
III	336.8	45.1	15.0	–	396.9	1 457.6	49.9	–	–	–	1 507.5	1 904.4
	Loans to non-resident MFIs										Total loans	
	Overnight	Up to 1 month	1–3 months	Over 3 months								
2009												
I	14 763.2	1 578.9	2.0	4.2	16 348.3	19 479.1						
II	18 260.4	690.5	4.7	152.4	19 108.0	22 278.8						
III	19 484.2	785.9	22.7	3.5	20 296.3	24 247.7						
IV	20 611.1	1 068.0	47.5	3.0	21 729.6	25 150.8						
V	18 878.9	899.4	24.7	2.8	19 805.8	23 422.9						
VI	18 505.6	2 215.2	47.9	2.2	20 770.9	23 490.7						
VII	21 695.8	729.7	77.0	151.4	22 653.9	24 952.7						
VIII	19 592.6	781.7	50.3	1.5	20 426.1	22 362.4						
IX	21 286.1	716.3	60.5	2.5	22 065.4	23 789.7						
X	22 812.8	528.8	184.6	12.0	23 538.2	25 039.9						
XI	17 747.4	571.6	121.0	290.3	18 730.3	20 426.7						
XII	18 369.8	1 149.0	27.8	132.4	19 679.0	21 589.1						
2010												
I	22 930.3	1 045.3	27.5	1.2	24 004.3	25 591.3						
II	21 969.8	968.2	116.9	11.8	23 066.7	24 347.9						
III	23 667.8	902.4	110.3	18.1	24 698.6	26 603.0						

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Weighted average interest rates on loans in lats															
Overnight	3.5	3.2	2.3	3.0	4.7	21.6	2.6	1.9	1.2	1.1	1.1	1.0	1.0	1.0	1.0
Up to 1 month	3.7	3.5	2.5	2.6	5.9	24.4	3.1	2.3	1.7	1.8	1.5	1.2	1.1	1.0	0.9
1–3 months	10.2	–	7.0	8.5	–	32.9	13.2	10.7	8.1	10.7	9.5	7.4	3.8	–	1.8
Over 3 months	9.0	–	–	8.0	–	–	10.0	–	–	–	8.9	4.8	6.2	–	–
Weighted average interest rates on loans in foreign currencies															
Overnight	1.4	0.8	0.8	0.6	0.6	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Up to 1 month	1.5	1.0	0.8	0.7	0.7	0.6	0.4	0.4	0.8	0.5	0.3	0.3	0.2	0.2	0.2
1–3 months	–	–	1.2	3.0	1.2	1.6	1.0	–	0.6	4.0	–	–	3.5	–	–
Over 3 months	–	–	–	4.8	–	–	4.2	–	–	3.0	8.0	0.9	–	–	–

23.b INTEREST RATES SET BY THE BANK OF LATVIA

(% per annum)

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

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

(% per annum)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Main refinancing operation with maturity 7 days average interest rate	6.2	6.0	5.6	5.5	6.7	12.9	4.5	4.1	-	4.0	4.0	-	-	4.0	-
Weighted average interest rate on short-term currency swaps	6.1	6.0	5.7	5.7	7.8	31.6	5.3	4.0	4.0	4.0	-	-	-	-	-

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

(in millions of lats)

	2010		
	I	II	III
Type of transaction			
Spot exchange transactions	30 257.3	31 347.8	40 675.1
Forward exchange contracts	619.3	713.4	506.2
Currency swap arrangements	36 212.8	37 652.8	40 665.5
Counterparties			
Resident MFIs	3 307.1	3 018.6	5 030.1
Non-resident MFIs	27 381.8	29 180.7	34 376.6
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	251.6	223.9	299.6
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	8 795.3	9 472.4	25 391.0
Resident government, non-financial corporations, households and non-profit institutions serving households	1 270.1	1 039.6	1 051.8
Non-resident government, non-financial corporations, households and non-profit institutions serving households	22 246.3	22 987.0	11 771.4
Households	3 837.2	3 791.8	3 926.2
Currencies			
Total in all currencies	67 089.4	69 714.0	81 846.7
incl. lats for euro	8 582.4	9 464.0	11 440.9
incl. lats for US dollars	1 136.2	889.7	970.3
incl. lats for other currencies	40.3	44.6	53.4

25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS

(in millions of lats)

	2010		
	I	II	III
EUR for LVL			
Amount	8 609.9	9 491.3	11 474.8
% ¹	12.8	13.6	14.0
USD for LVL			
Amount	1 111.2	871.9	956.3
% ¹	1.7	1.3	1.2
Other currencies for LVL			
Amount	33.4	38.1	44.8
% ¹	0	0.1	0.1
USD for EUR			
Amount	32 274.9	30 418.8	35 749.1
% ¹	48.1	43.6	43.7
GBP for EUR			
Amount	716.3	579.4	771.3
% ¹	1.1	0.8	0.9
Other currencies (except LVL) for EUR			
Amount	1 855.6	2 373.9	2 102.1
% ¹	2.8	3.4	2.6
RUB for USD			
Amount	9 951.8	11 157.1	19 844.9
% ¹	14.8	16.0	24.3
GBP for USD			
Amount	3 966.2	4 182.4	4 936.7
% ¹	5.9	6.0	6.0
SEK for USD			
Amount	1 129.9	1 243.8	1 502.4
% ¹	1.7	1.8	1.8
Other currencies (except LVL and EUR) for USD			
Amount	4 468.8	6 512.3	3 375.8
% ¹	6.7	9.3	4.1
Other currencies (except LVL, EUR and USD) for other currencies			
Amount	2 967.2	2 841.8	1 099.7
% ¹	4.4	4.1	1.3

¹ As per cent of the total.

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

(LVL vs foreign currency)

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
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	0.5241	0.5488	0.5394	0.5331	0.5182	0.5012	0.4991	0.4934	0.4831	0.4745	0.4709	0.4808	0.4916	0.5131	0.5175
GBP	0.7597	0.7893	0.7659	0.7823	0.7939	0.8187	0.8169	0.8166	0.7902	0.7670	0.7820	0.7822	0.7938	0.8039	0.7791
100 JPY	0.5803	0.5979	0.5530	0.5395	0.5373	0.5191	0.5283	0.5199	0.5276	0.5268	0.5273	0.5374	0.5379	0.5685	0.5729

27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)

(LVL vs foreign currency)

	2010		
	I	II	III
EUR			
Buy	0.7031	0.7039	0.7033
Sell	0.7100	0.7096	0.7088
USD			
Buy	0.4929	0.5141	0.5180
Sell	0.4962	0.5182	0.5220
GBP			
Buy	0.7892	0.7984	0.7745
Sell	0.8026	0.8130	0.7876
100 JPY			
Buy	0.5375	0.5211	0.5178
Sell	0.5409	0.5811	0.5760
SEK			
Buy	0.0679	0.0702	0.0715
Sell	0.0698	0.0708	0.0729
RUB			
Buy	0.0163	0.0171	0.0175
Sell	0.0166	0.0173	0.0178
CHF			
Buy	0.4717	0.4760	0.4837
Sell	0.4806	0.4849	0.4905

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; in millions of lats)

	2010		
	I	II	III
Stock of government securities outstanding	905.6	857.8	890.0
Residents	879.6	833.9	862.7
Non-financial corporations	16.3	3.5	2.9
Credit institutions	489.5	488.2	503.7
Money market funds	7.4	6.8	8.0
MFIs excluding central banks, credit institutions and money market funds	2.0	0	0
Other financial intermediaries excluding investment funds	36.8	49.9	49.9
Financial auxiliaries	0	0.4	0.4
Insurance corporations and pension funds	322.0	278.9	291.3
Central government	0	0	0.4
Households	1.3	1.9	1.8
Non-profit institutions serving households	4.3	4.3	4.3
Non-residents	25.9	23.9	27.3
Non-financial corporations	1.8	1.8	1.8
Credit institutions	5.5	5.5	5.7
Money market funds	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0
Other financial intermediaries excluding investment funds	0	0	0
Financial auxiliaries	0	0	0
Insurance corporations and pension funds	18.5	16.5	19.7
Central government	0.1	0.1	0.1
Households	0	0	0
Non-profit institutions serving households	0	0	0

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET¹

(Q1 2010)

Date (dd.mm.)	Initial maturity (months)	Supply (in thousands of lats)	Demand (in thousands of lats)	Purchase (in thousands of lats)	Weighted average discount rate (%)
Competitive multi-price auctions					
06.01.	3	8 000	20 215	8 000	3.015
06.01.	6	12 000	42 870	12 000	6.456
06.01.	12	12 000	26 265	12 000	7.161
13.01.	3	4 000	–	–	–
13.01.	6	8 000	35 785	8 000	5.434
13.01.	12	8 000	20 000	8 000	6.617
20.01.	6	5 000	8 050	2 500	5.159
20.01.	12	5 000	7 400	4 900	6.068
27.01.	6	5 000	13 225	5 000	5.192
27.01.	12	5 000	13 300	5 000	5.987
03.02.	6	8 000	24 200	8 000	5.007
03.02.	12	8 000	9 070	4 070	5.928
10.02.	6	8 000	30 100	8 000	4.489
10.02.	12	8 000	20 200	8 000	5.735
17.02.	6	8 000	36 650	8 000	4.041
17.02.	12	8 000	24 500	8 000	5.312
24.02.	6	8 000	35 700	8 000	3.357
24.02.	12	8 000	29 769	8 000	4.882
24.02.	24	8 000	36 200	8 000	6.071 ¹
03.03.	6	8 000	33 700	8 000	2.777
03.03.	12	8 000	29 100	8 000	4.232
10.03.	6	8 000	28 000	8 000	2.186
10.03.	12	8 000	31 400	8 000	3.758
10.03.	24	12 000	24 850	12 000	5.602 ¹
17.03.	6	8 000	20 000	8 000	1.817
17.03.	12	8 000	31 800	8 000	3.312
24.03.	24	20 000	25 100	20 000	5.093 ¹
30.03.	6	8 000	10 500	4 500	1.758
30.03.	12	8 000	17 900	8 000	3.243
Primary placement of government securities via outright sales of securities					
07.01.	3	2 000	6 000	2 000	3.015
07.01.	6	3 000	24 000	3 000	6.456
07.01.	12	3 000	15 200	3 000	7.161
14.01.	6	2 000	8 000	2 000	5.434
14.01.	12	2 000	8 400	2 000	6.617
21.01.	6	2 000	9 525	2 000	5.159
21.01.	12	2 000	4 600	2 000	6.068
28.01.	6	2 000	9 600	2 000	5.192
28.01.	12	2 000	5 810	2 000	5.987
04.02.	6	2 000	8 080	2 000	5.007
04.02.	12	2 000	3 002	2 000	5.928
11.02.	6	2 000	13 000	2 000	4.489
11.02.	12	2 000	10 000	2 000	5.735
18.02.	6	2 000	14 000	2 000	4.041
18.02.	12	2 000	11 500	2 000	5.312
25.02.	6	2 000	19 000	2 000	3.357
25.02.	12	2 000	16 000	2 000	4.882
25.02.	24	2 000	19 000	2 000	6.071 ¹
04.03.	6	2 000	9 700	2 000	2.777
04.03.	12	2 000	10 400	2 000	4.232
11.03.	6	2 000	8 000	2 000	2.186
11.03.	12	2 000	10 750	2 000	3.758
11.03.	24	3 000	17 300	3 000	5.602 ¹
18.03.	6	2 000	4 000	2 000	1.817
18.03.	12	2 000	11 500	2 000	3.312
25.03.	24	5 000	7 200	5 000	5.093 ¹
31.03.	6	2 000	2 000	2 000	1.758
31.03.	12	2 000	4 000	2 000	3.243

¹ Weighted average yield.

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

(in millions of lats)

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

31. DYNAMICS OF GDP

	2009 ¹					2010	
	Q1	Q2	Q3	Q4	Q1	Q2	
At current prices; in millions of lats	13 244.3	3 311.1	3 398.0	3 247.9	3 287.4	x	
At constant prices ² ; in millions of lats	6 801.5	1 551.7	1 699.2	1 746.1	1 804.5	x	
Annual growth rate (%)	-18.0	-17.8	-18.4	-19.0	-16.9	-6.0 ³	
Gross value added	-16.1	-16.1	-16.5	-17.0	-15.0	x	
Goods-producing sector	-19.5	-21.7	-20.8	-20.1	-15.5	x	
Services sector	-15.0	-14.2	-14.9	-15.9	-14.8	x	

¹ Data have been revised.

² Chain-linked; average prices in 2000.

³ Flash estimate of CSB.

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

	2009												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Average wages and salaries															
LVL per month	471	464	475	470	470	482	483	450	433	429	426	464	426	425	441
Year-on-year changes (%)	105.5	103.4	102.3	100.2	99.4	98.3	95.8	95.0	89.9	87.8	87.5	88.3	90.5	91.7	92.7
Real wage index (year-on-year basis; %)	98.5	96.7	97.0	97.0	97.6	97.9	94.0	93.9	90.0	88.9	89.0	89.8	89.2	91.3	92.0
Number of registered unemployed persons															
At end of month	90 436	103 731	116 768	123 127	126 595	129 269	132 519	137 586	147 754	157 897	169 236	179 235	186 295	192 032	194 253
Year-on-year changes (%)	169.6	194.1	221.1	232.8	242.5	239.3	239.0	244.2	256.3	258.6	252.3	234.5	206.0	185.1	166.4

33. LATVIAN FOREIGN TRADE BALANCE

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

	2009 ¹												2010					
	Q1			Q2			Q3			Q4			Q1					
Exports	3 595.5			819.3			854.4			911.9			1 009.8			935.2		
Imports	4 688.8			1 205.5			1 105.5			1 168.9			1 208.8			1 158.8		
Balance	-1 093.3			-386.2			-251.1			-257.0			-199.0			-223.6		

	2009 ¹												2010		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Exports	258.0	264.9	296.5	280.6	278.6	295.3	273.4	287.4	351.1	362.7	333.0	314.2	267.3	313.0	354.9
Imports	398.7	387.3	419.5	379.3	359.7	366.6	373.2	376.8	418.8	414.0	399.3	395.7	341.9	377.2	439.8
Balance	-140.7	-122.4	-123.0	-98.7	-81.1	-71.3	-99.8	-89.4	-67.8	-51.3	-66.3	-81.5	-74.6	-64.2	-84.9

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2009 ¹												2010	
			Q1		Q2		Q3		Q4		Q1			
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%		
Total	3 595.5	100.0	819.3	100.0	854.4	100.0	911.9	100.0	1 009.8	100.0	935.2	100.0		
Agricultural and food products	668.7	18.6	143.4	17.5	155.6	18.2	164.9	18.1	204.8	20.3	170.5	18.2		
Mineral products	200.0	5.6	33.2	4.1	54.5	6.4	47.5	5.2	64.8	6.4	59.4	6.4		
Products of the chemical and allied industries	307.0	8.5	74.4	9.1	80.3	9.4	67.0	7.3	85.3	8.4	72.7	7.8		
Plastics and articles thereof; rubber and articles thereof	102.8	2.9	21.9	2.7	25.1	2.9	28.0	3.1	27.8	2.8	29.1	3.1		
Wood and articles of wood	594.0	16.5	128.6	15.7	137.7	16.1	155.3	17.0	172.5	17.1	184.1	19.7		
Pulp of wood; paper and paperboard	63.8	1.8	14.2	1.7	14.4	1.7	17.1	1.9	18.0	1.8	20.8	2.2		
Textiles and textile articles	178.7	5.0	47.4	5.8	42.9	5.0	46.6	5.1	41.8	4.1	47.2	5.0		
Articles of stone, plaster, cement, glassware and ceramic products	70.4	2.0	16.6	2.0	18.1	2.1	19.0	2.1	16.8	1.7	18.2	2.0		
Base metals and articles of base metals	447.3	12.4	116.3	14.2	107.2	12.5	107.6	11.8	116.2	11.5	118.2	12.6		
Machinery and mechanical appliances; electrical equipment	508.7	14.1	116.4	14.2	114.1	13.4	136.6	15.0	141.6	14.0	112.6	12.0		
Transport vehicles	254.1	7.1	60.1	7.3	64.3	7.5	69.2	7.6	60.5	6.0	58.6	6.3		
Miscellaneous manufactured articles	119.8	3.3	27.1	3.3	25.3	3.0	29.2	3.2	38.3	3.8	26.8	2.9		
Other goods	80.2	2.2	19.8	2.4	15.0	1.8	23.9	2.6	21.4	2.1	17.1	1.8		

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2009 ¹										2010	
			Q1		Q2		Q3		Q4		Q1	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	4 688.8	100.0	1 205.5	100.0	1 105.5	100.0	1 168.9	100.0	1 208.8	100.0	1 158.8	100.0
Agricultural and food products	854.2	18.2	200.7	16.7	210.2	19.0	214.9	18.4	228.4	18.9	201.0	17.3
Mineral products	809.9	17.3	237.9	19.7	166.2	15.0	191.6	16.4	214.2	17.7	219.6	19.0
Products of the chemical and allied industries	552.0	11.8	149.8	12.4	137.0	12.4	131.5	11.3	133.7	11.0	155.2	13.4
Plastics and articles thereof; rubber and articles thereof	237.0	5.0	48.7	4.0	58.5	5.3	66.0	5.6	63.8	5.3	61.0	5.3
Wood and articles of wood	65.5	1.4	15.6	1.3	15.5	1.4	17.4	1.5	17.0	1.4	19.3	1.7
Pulp of wood; paper and paperboard	134.9	2.9	30.9	2.6	32.6	3.0	34.4	2.9	37.0	3.1	35.2	3.0
Textiles and textile articles	229.3	4.9	60.6	5.0	46.9	4.3	67.5	5.8	54.3	4.5	55.4	4.8
Articles of stone, plaster, cement, glassware and ceramic products	97.7	2.1	22.0	1.8	22.9	2.1	27.4	2.3	25.4	2.1	18.7	1.6
Base metals and articles of base metals	378.6	8.1	96.8	8.0	94.3	8.5	91.0	7.8	96.5	8.0	107.5	9.3
Machinery and mechanical appliances; electrical equipment	739.0	15.7	182.0	15.1	168.0	15.2	188.8	16.2	200.1	16.6	168.2	14.5
Transport vehicles	304.2	6.5	85.6	7.1	83.0	7.5	69.1	5.9	66.5	5.5	51.4	4.4
Miscellaneous manufactured articles	114.1	2.4	30.8	2.6	27.8	2.5	25.1	2.1	30.4	2.5	28.2	2.4
Other goods	172.4	3.7	44.2	3.7	42.5	3.8	44.2	3.8	41.5	3.4	38.1	3.3

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2009 ¹					2010				
				Q1					Q1	
	Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	3 595.5	4 688.8	-1 093.3	100.0	100.0	935.2	1 158.8	-223.6	100.0	100.0
EU15 countries	1 258.9	1 744.2	-485.3	35.0	37.2	331.9	434.0	-102.1	35.5	37.5
EU27 countries	2 580.1	3 520.3	-940.2	71.8	75.1	660.0	839.7	-179.7	70.6	72.5
incl. Germany	313.2	538.2	-225.0	8.7	11.5	78.0	123.2	-45.2	8.3	10.6
Sweden	219.4	167.7	51.7	6.1	3.6	69.5	39.8	29.7	7.4	3.4
UK	115.7	63.6	52.1	3.2	1.4	32.7	15.3	17.4	3.5	1.3
Finland	102.5	168.2	-65.7	2.9	3.6	26.0	55.8	-29.8	2.8	4.8
Denmark	148.9	125.7	23.2	4.1	2.7	39.7	28.9	10.8	4.2	2.5
Netherlands	92.7	188.0	-95.3	2.6	4.0	19.7	48.1	-28.4	2.1	4.2
Lithuania	588.4	798.6	-210.2	16.4	17.0	137.9	183.9	-46.0	14.7	15.9
Estonia	516.3	373.8	142.5	14.4	8.0	127.6	140.5	-12.9	13.6	12.1
Poland	136.9	394.8	-257.9	3.8	8.4	43.9	90.0	-46.1	4.7	7.8
CIS	498.3	746.4	-248.1	13.8	15.9	120.3	224.1	-103.8	12.9	19.3
incl. Russia	316.6	505.7	-189.1	8.8	10.8	82.9	161.5	-78.6	8.9	13.9
Other countries	517.1	422.2	94.9	14.4	9.0	154.9	95.1	59.8	16.5	8.2
incl. USA	58.6	41.0	17.6	1.6	0.9	15.0	7.0	8.0	1.6	0.6
Norway	94.7	66.8	27.9	2.6	1.4	36.4	8.0	28.4	3.9	0.7
China	11.1	99.5	-88.4	0.3	2.1	4.0	29.2	-25.2	0.4	2.5

¹ Data have been revised.

Additional Information

General Notes

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

Data sources for charts are the Bank of Latvia (Charts 1.1, 2.1, 2.4, 2.5, 2.7, 2.8, 2.10–2.12, 5.1, 5.7, 5.8, 6.1–6.4, 7.1, 7.2 and A1), Eurostat and central banks and national statistical authorities of EU countries (Charts 1.2–1.5), the Treasury (Charts 2.2. and 3.11), Bloomberg (Chart 2.3), ECB (Chart 2.6), Financial and Capital Market Commission (Chart 2.9), CSB (Charts 3.1–3.6, 3.8, 4.1–4.8, 4.11, 4.12, 5.2–5.6, 5.8, 6.1, 7.1 and 7.2), Ministry of Finance of the Republic of Latvia (Charts 3.7, 3.9, 3.10 and 3.12), Road Traffic Safety Department (Chart 4.7), State Employment Agency (Charts 4.9, 4.10, 4.13 and 4.14), EC (Chart 4.10) and Eurostat (Chart A1).

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

Details may not add because of rounding-off.

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

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

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

Money and banking sector

Calculation of monetary aggregates includes the Bank of Latvia's balance sheet data and information from the financial position reports of other MFIs, prepared using the Bank of Latvia's methodology (see the Bank of Latvia Website for the "Regulation for Compiling Monthly Financial Position Report of Monetary Financial Institutions and Its Appendices" approved by the Bank of Latvia Council's Resolution No. 88/7 of 12 July 2001), based on the ECB Regulation concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13).

In the publication, the following terms have been used:

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

Non-MFIs – entities other than MFIs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Interest Rates

In January 2004, the Bank of Latvia introduced new methodology for interest rate statistics (see the Bank of Latvia Website for the "Regulation for Compiling Interest Rate Reports" approved by the Bank of Latvia Council's Resolution No. 102/3 of 15 May 2003). Using this methodology, banks, branches of foreign banks and 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. The previously applied interest rate statistics methodology was effective since May 1997. Introduction of the new methodology enabled harmonisation of the interest rate statistics with the ECB requirements laid down in Regulation 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. The interest rate statistics provide considerably wider information on macroeconomic development and structural changes; nevertheless, the statistical information does not directly compare with the one published previously, as the methodology for preparing it has changed considerably.

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

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

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

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

Interbank market lending interest rates (Table 23a) are reported as weighted average interest rates on new business, aggregating the information submitted by banks, prepared based on the Bank of Latvia's methodology (see the Bank of Latvia Website for the "Regulation for Compiling the 'Report on Money Market Transactions' " approved by the Bank of Latvia Council's Resolution No. 104/3 of 17 July 2003).

Foreign exchange and exchange rates

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

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