

**MACROECONOMIC
DEVELOPMENTS
REPORT**

2009

1234

**MACROECONOMIC
DEVELOPMENTS
REPORT**

2009



MACROECONOMIC DEVELOPMENTS REPORT
3/2009, No 1

© Latvijas Banka (Bank of Latvia)

Latvijas Banka
K. Valdemāra ielā 2A, Rīga, LV-1050, Latvia
Tel.: +371 6702 2300 Fax: +371 6702 2420
<http://www.bank.lv>
info@bank.lv

The source is to be indicated when reproduced.

Contents

Abbreviations	3
Introduction	4
1. External Sector and Exports	6
1.1 External economic environment	6
1.2 Latvia's export competitiveness; developments in exports	8
2. Financial Market Developments	10
2.1 Global financial markets	10
2.2 The Bank of Latvia's operations and bank liquidity	10
2.3 Securities market	12
2.4 Interest rates	13
2.5 Money supply	14
3. Domestic Demand	18
3.1 Private consumption	19
3.2 Private investment	21
3.3 Government expenditure, budget	22
4. Aggregate Supply	25
4.1 Industry	25
4.2 Services	26
4.3 Labour market	27
5. Prices and Costs	30
6. Balance of Payments	33
7. Conclusions and Forecasts	35
7.1 Economic development	35
7.2 Inflation	36
Statistics	38
Additional Information	82

Abbreviations

CIF – cost, insurance and freight at the importer's border
CIS – Commonwealth of Independent States
CPI – Consumer Price Index
CSB – Central Statistical Bureau of Latvia
EC – European Commission
ECB – European Central Bank
EU – European Union
FOB – free on board at the exporter's border
FRS – Federal Reserve System
GDP – gross domestic product
IMF – International Monetary Fund
MFI – monetary financial institution
OECD – Organisation for Economic Co-operation and Development
OFI – other financial intermediary (other than an insurance corporation or pension fund)
US – United States of America
VAT – value added tax

Introduction

During recent months, a number of Latvia's export trade partners demonstrated a better-than-expected economic growth. Overall, the external economic environment is improving progressively despite the fact that individual countries have not yet shown any significant signs of improvement. The real effective exchange rate of the lats has been gradually depreciating since April, as the sharp downturn of the Latvian economy and the measures taken towards economic stabilisation have led to lower labour costs and overall price level. This enhanced the competitiveness of Latvian producers, and Latvia's exports started to improve step by step. In the third quarter, total nominal exports increased a little and foreign trade balance improved further.

Most of leading central banks, including the ECB and the FRS, continued to pursue expansionary monetary policies and kept the interest rates at their historical lows. The analysts forecast that the present euro base rate (1.0%) might be maintained until the second half of 2010.

In the third quarter, the Bank of Latvia did not change its interest rates either, and the refinancing rate has been standing at 4.0% since 24 May. With liquidity in the banking sector improving, the balances of the Bank of Latvia monetary operations and interest rates went down. Banks' liquidity amplified owing to smaller reserve requirements because of a narrowing reserve base, a fall in the average outstanding currency in circulation and a decline in the government lats deposits with the Bank of Latvia, as well as the Bank of Latvia exchanging the lats for the euro in spot transactions.

Liquidity improvements and a decline in overall risk aversion contributed to a further fall in money market interest rates. In the third quarter, with the lats money market indices declining, also interest rates on new loans to households and non-financial corporations were on a downward trend. This turned out to be a typical pattern also for interest rates on most loans granted in euro.

Though interest rates were declining, no visible boom in lending was observed, and the balances of outstanding bank loans declined further. In the third quarter, lending contracted slower than a quarter ago. Loan supply diminished as a result of shrinking liabilities on banks' balance sheets, cautious lending policies and a weak demand from households and non-financial corporations. However, in absolute terms, an increase in money supply and positive dynamics of money indicators are expected to take off only together with gradual alleviation of risks and restoration of external and internal confidence in Latvia's economic recovery.

In the third quarter, the economic activity in Latvia continued to decelerate mainly on account of a shrinking domestic demand, while foreign demand remained broadly unchanged. Already since the second quarter, private consumption has been largely responsible for the decline in the domestic demand.

Lower income has been the decisive factor why household spending contracted. It is possible that part of households have resorted to their savings, since the average wages and salaries are decreasing and the social benefits received in the previous periods have partly come to an end. This trend might become more intensive in the fourth quarter. The high stock of household debt accumulated in the recent years of vigorous growth and associated loan payments are likely to prevent any notable strengthening of domestic consumption in nearby future. Banks' efforts in loan restructuring provide some relief to consumption, however, this is only a short-term solution. In addition, any potential increases of the euro money market indices will have a significant impact on borrowers in Latvia and will put further strain on consumption.

In the third quarter, private investment continued to decline as well, mainly due to a deteriorating financial performance of businesses, a still subdued lending, a weak domestic demand and abundance of spare capacity.

The general government consolidated budget, though close to balance in July and August of 2009, ran a deficit in September and October. In the remaining months of 2009, the budget expenditure is expected to be higher than in the third quarter. Compared to the first half of 2009, it is likely to stimulate the economic activity somewhat at the end of the year and the beginning of 2010. Yet, the extra deficit-reducing measures introduced in the 2010 budget are mainly directed to cut the government spending further. Though the government sector will continue to pursue expansionary policy in 2010, its stimulating effect on the domestic demand nevertheless will be smaller than in 2009.

In the third quarter, industry has started to demonstrate some positive trends owing to a stronger demand in individual products of manufacturing. E.g. manufacturers of wood and chemical products, after having found export markets, increased their output to levels even above those of the corresponding period a year ago. However, overall the output in manufacturing continued to be notably smaller than in the corresponding period a year ago, and capacity utilisation rates in manufacturing companies continued on their downward path. Business surveys indicate that the situation in the industrial sector is expected to improve slightly by the end of the year and that the capacity utilisation in the manufacturing sector is likely to increase somewhat, however, no significant changes are expected to take place in the nearest future. A low demand and financial constraints continue to be the main factors hampering the growth of production. This is why we can expect the manufacturing sector to improve only following a strengthening in export demand.

Employment statistics confirm the weakness of domestic activity: starting with August, registered unemployment has been climbing again and reached 14.1% of the active population at the end of October. A fall in employment rates, real hourly wages and weekly working hours led to a 25% decrease in real wage and salary pool. In hourly terms, wages and salaries in the public sector reported the steepest fall, while the private sector adjusted its wage and salary pool mainly on account of shorter working hours.

With wages and salaries decreasing and global raw material prices diminishing, producer prices continued to exhibit deflationary tendencies. Combined with a plummeting domestic demand, they also had an impact on the dynamics of consumer prices, and a year-on-year deflation was recorded in Latvia in October. A drop in general economic activity along with falling producer prices is likely to contribute to a further decrease in consumer prices in the near future as well. In recent months, inflation expectations for the next 12 months have nevertheless turned positive again. This suggests that people do not expect the consumer price decrease to last long.

Table 1 displays key macroeconomic projections for the Latvian economy.

Table 1
KEY MACROECONOMIC PROJECTIONS

	2009	2010
GDP growth (%)	-17.5	-2.5
12-month annual average inflation rate (%)	3.6	-3.8
Current account of the balance of payments (% of GDP)	7.5	8.9
Unemployment rate (% of economically active population)	17.6	21.3

Source: the Bank of Latvia.

Table 2
ECONOMIC GROWTH FORECASTS FOR 2009 AND 2010

	2009		2010	
	1	2	1	2
Lithuania	-10.0	-18.5	-3.0	-4.0
Estonia	-10.0	-14.0	-1.0	-2.6
Poland	-0.7	1.0	1.3	2.2
Russia	-6.0	-7.5	0.5	1.5
Denmark	-4.0	-2.4	0.4	0.9
Sweden	-4.3	-4.8	0.2	1.2
Finland	-5.2	-6.4	-1.2	0.9
United Kingdom	-4.1	-4.4	-0.4	0.9
Germany	-5.6	-5.3	-1.0	0.3
Euro area	-4.2	-4.2	-0.4	0.3
USA	-2.8	-2.7	0	1.5
World economy, total	-1.3	-1.1	1.9	3.1

Source: World Economic Outlook (an IMF publication; 2009 April (1) and October (2) issues).

1. External Sector and Exports

1.1 External economic environment

The latest developments in global economy signal a bottoming out of the recession. Signs of economic recovery are registered in an increasing number of countries. Given the improving conditions in global financial markets, the IMF in its October issue of the World Economic Outlook has revised upwards the projections for 2009 and 2010 for most of advanced economies, including euro area countries (see Table 2). According to the IMF, the main risks to growth are stemming from labour market developments and a limited availability of loans that might be a further constraint to a quick recovery. The European Commission economic forecasts released in November also indicate that the EU economy is gradually emerging from recession. However, a relatively rapid short-term recovery is expected to be followed by a certain moderation of growth in the medium-term. Labour markets and public finances are the two factors that are most likely to hamper a more boisterous rebound. The OECD composite leading indicator published earlier in November points that recovery is anticipated for the major EU economies.

With regard to the euro area, a favourable economic outlook for nearby future is also supported by improving business and consumer confidence indicators. Available data point to an increasing economic activity in the second half of the year, mainly due to a rise in exports that is driven by a higher global demand and the positive effects of the earlier measures towards stimulating the economic growth. Though the impact of the expansive fiscal policies in the euro area economies is most likely to subside in the medium-term and, moreover, several countries will find it no longer possible to stimulate economic growth via fiscal policy due to a mounting public debt, the euro area economies nevertheless are likely to pursue accommodative fiscal policies at least throughout 2010.

The Swedish economy has been severely hit by the global crisis. However, already since spring the economic indicators suggest a gradual economic recovery for the second half of the year. Moderate improvements can be expected in 2010, and it is possible that in the second half of the year they could

accelerate in view of the promising outlook with regard to private demand and a growing global consumption.

In Denmark, private demand contracted faster than in other countries. The latest available consumer confidence data suggest gradual improvements; therefore, starting with late 2009, one can expect private demand to become the main driver of economic growth, whereas corporate investment is unlikely to recover that fast. The public budget for 2009 and 2010 provides a significant fiscal stimulus for public investment in large-scale infrastructure projects.

In the UK, following a rapid drop of GDP in the first half of the year, major improvements are anticipated in the second half of 2009. Yet, they will be brought about by one-off factors, e.g. an increase in government expenditure. A marked increase in private consumption cannot be expected until 2011. Nor is any notable investment increase foreseen in 2010. Alongside with high government expenditure and given the improving competitiveness of the UK producers, the growth of foreign trade will be another major factor fostering the growth of economy in 2010.

In mid-October, Lithuania released better-than-expected GDP data for the third quarter. Year-on-year, GDP posted a 14.3% decline – smaller than that in the second quarter (19.5%). Based on these data, analysts believe that overall GDP decline in 2009 is likely to be more moderate than expected. The recent statistical data show some signs of improvement in manufacturing and foreign trade.

According to forecasts as to the Estonian GDP, one can anticipate positive developments in 2010, though recovery is more likely to be feeble. It might gain some strength only provided that the expansion of global demand surpasses the present expectations. The most recent statistical data show that industrial output and retail trade in Estonia continue to contract both month-on-month and year-on-year. In September, though, exports and imports increased over August, but mainly on account of seasonal factors.

As to Russia, following the dramatic recession in 2009, a gradual economic recovery is expected in 2010. Lately some signs of improvement have emerged. In September, for the first time in the last 14 months, the Purchasing Managers' Index was

Chart 1.1
LATVIA'S EXPORTS TO THE EURO AREA COUNTRIES AND UNDERLYING FACTORS

(annual percentage changes)

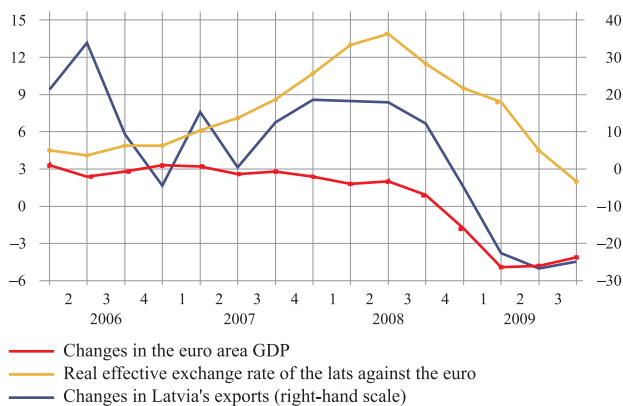


Chart 1.2
LATVIA'S EXPORTS TO ESTONIA AND LITHUANIA AND UNDERLYING FACTORS

(annual percentage changes)

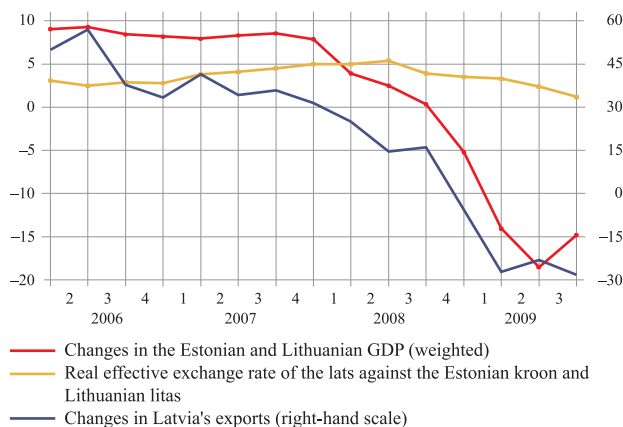
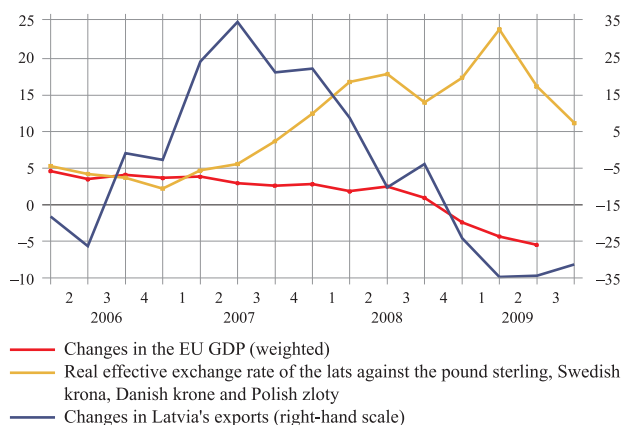


Chart 1.3
LATVIA'S EXPORTS TO THE EU COUNTRIES OUTSIDE THE EURO AREA AND UNDERLYING FACTORS

(annual percentage changes)



above 50, thus pointing to expansion in the future. In September, industrial output continued to decline year-on-year, albeit posting an increase over August. Producers continue to identify a limited availability of loans and high interest rates as the main constraints to a more pronounced growth. The decline in exports is starting to decelerate, while imports are still shrinking rapidly.

1.2 Latvia's export competitiveness; developments in exports

The real effective exchange rate of the lats has been gradually depreciating since April (see Charts 1.1–1.4), since the sharp downturn of the Latvian economy and the measures taken towards economic stabilisation resulted in lower labour costs and a fall in demand and prices. At the same time, several principal trade partners did not have that pronounced price decreases, since the economic downturn has been less severe and the contraction of demand was milder, and inflation sustained or even increasing (in the countries where currencies depreciated markedly in late 2008 and early 2009).

Latvia's export competitiveness in foreign markets improved step by step. Several Latvia's major trade partners experienced a faster-than-expected economic revival, thus the exporting sectors in Latvia had more favourable growth prospects than the sectors producing for domestic consumption. Recent statistical data show some evidence of this: turnover trends in the manufacturing industry suggest that, according to seasonally adjusted data, a 3.7% overall increase was registered in September owing to renewal of exports, with export turnover posting a 8.9% growth, while domestic turnover still contracted a little.

Thus, in the third quarter total nominal exports increased somewhat and foreign trade balance improved further. Though, for example, in September the notable export growth (over 21%) was prevalingly on account of grain exports typical for the season, several traditional exporting sectors (textiles, machinery and mechanical appliances, wood and paper) nevertheless showed certain signs of recovery overall for the quarter. Partly determined by price increase in global markets, the export value of metals went up as well.

Though, from the aspect of market share, Latvia's positions in the neighbouring markets have become

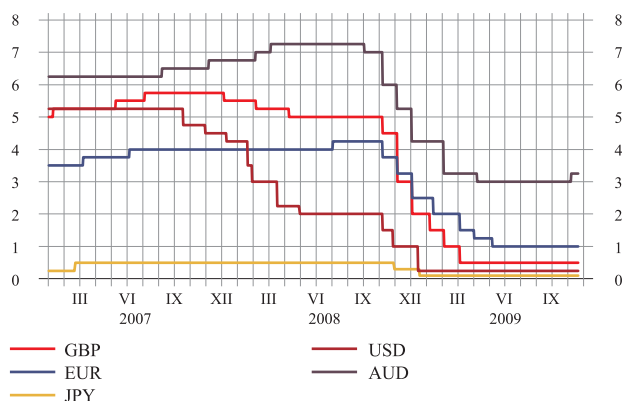
Chart 1.4
LATVIA'S EXPORTS TO RUSSIA AND UNDERLYING FACTORS

(annual percentage changes)



stronger because international trade in industrial goods (capital and intermediate goods) has narrowed and there is more free space in the remaining market, total growth of exports is a positive phenomenon: since the first quarter of 2009, a trend reversal from decline to growth has been recorded in total exports to Lithuania and Estonia. Available data (up to August 2009) on foreign trade in the entire EU indicate that Latvia has successfully reinstated its market share in the countries where national currencies depreciated strongly at the end of 2008, e.g. in Poland and Sweden. As to foreign trade with Russia, data point to extension of this trend into the first nine months of 2009 as well.

Chart 2.1
BASE RATES
(percentages)



2. Financial Market Developments

2.1 Global financial markets

Though in the second and third quarter global economy performed better than expected, most of central banks nevertheless continued to pursue expansionary monetary policies and kept interest rates at all-time low (see Chart 2.1). The ECB has repeatedly maintained that right now accommodative monetary policy is an appropriate approach. According to the projections, inflation risks in the euro area will remain at acceptable levels over medium-term, while a growing number of macroeconomic indicators attest to economic recovery in the euro area. However, analysts forecast that the present euro base rate (1.0%) might as well last up to the second half of 2010. The FRS and the Bank of Japan, both having brought down their base rates close to zero already in 2008, resolved to retain them low also in the third quarter of 2009 (at 0.25% and 0.1% respectively). The FRS has more than once alluded that the US dollar base rates might remain low over a more protracted period of time, since various factors, including high unemployment rates, are likely to hamper a faster economic recovery.

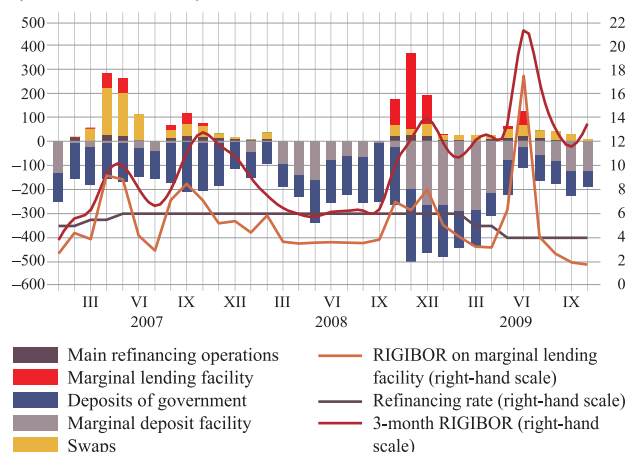
A number of other central banks surprised the financial market participants by raising their base rates. Since the beginning of global financial turmoil, the Bank of Israel was the first central bank to increase the base rate for the national currency (by 25 basis points, to 0.75%) in August, pointing out to the need to respond to imminent inflation in a timely fashion. The Reserve Bank of Australia followed suit by raising the base rate in October and November by 25 basis points on two separate occasions, to stand at 3.5%. Australia was largely influenced by the growth potential of its Asian trade partners. The Central Bank of Norway, too, raised the base rate for the Norwegian krona by 25 basis points, to 1.5%.

2.2 The Bank of Latvia's operations and bank liquidity

In the third quarter, the Bank of Latvia left its interest rates unchanged, and the refinancing rate has been 4.0% since 24 May. On the one hand, this rate has had a balancing effect on a slackening economic activity, decelerating lending and receding inflation;

Chart 2.2
THE BANK OF LATVIA MARKET OPERATIONS AND INTEREST RATES

(in millions of lats)

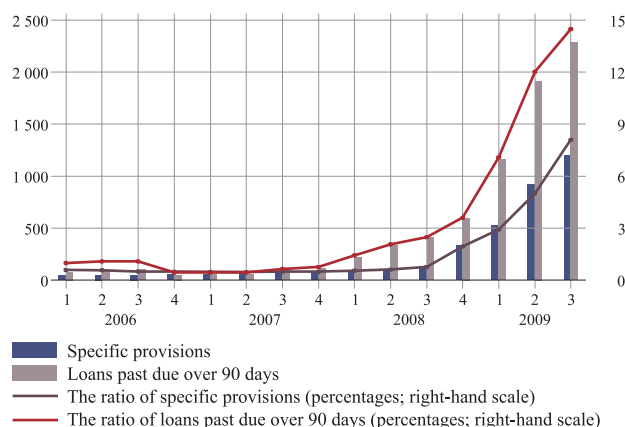


on the other hand, it locks in Latvia's sovereign risk premium with the aim to contain, as far as possible, excessive volatility in the foreign exchange market and secure the lats peg to the euro.

The balance of the Bank of Latvia monetary operations declined over the third quarter. In the third quarter, the balances of liquidity-providing operations (main refinancing operations, foreign exchange swaps and marginal lending facility) decreased to 39.7 million lats, down from 70.5 million lats in the second quarter. Average interest rate on main refinancing operations dropped by 529 points, to 4.38%, while that on foreign exchange swaps – by 1 380 points, to 4.45%. Since not all banks hold government securities that can be used as a pledge, banks preferred foreign exchange swaps over the tenders of main refinancing operations.

Chart 2.3
NON-PERFORMING LOANS AND SPECIFIC PROVISIONS

(in millions of lats)



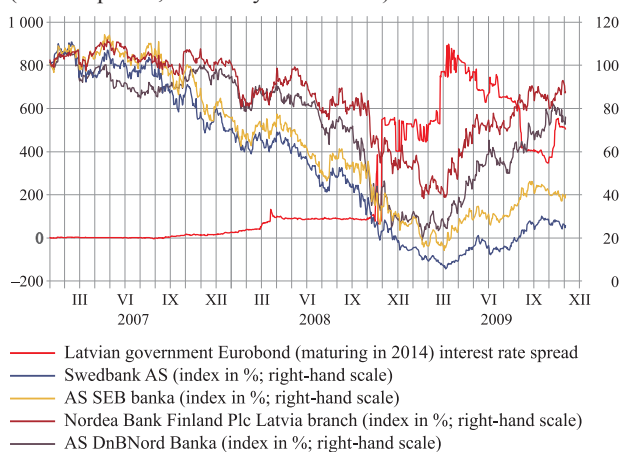
In the third quarter, the balance of the Bank of Latvia monetary operations declined owing to an improved banks' liquidity. On the one hand, the improvement resulted from lower reserve requirements due to a narrowing reserve base (by 6.1%), a fall in the average outstanding currency in circulation by 7.2% and a decline in the government lats deposits with the Bank of Latvia by 7.1%. Moreover, the Bank of Latvia bought euro in spot transactions in the net amount of 105.6 million lats. All the above mentioned operations enhanced banks' liquidity (see Chart 2.2).

On the other hand, banks' liquidity remained high, because they continued to tighten their lending policies and, with the share of non-performing loans growing, further increased the provisions (see Chart 2.3). The loan supply continued to be limited both because of a mounting uncertainty as to the outlook for economic recovery in Latvia and the potential scope of losses associated with it, as well as volatility in money market that is closely related to the government fiscal policy stance. Status quo is very likely to persist in the near future, with financial markets witnessing quiet periods alternating with turbulent ones. The fact that banks continue to keep large amounts of money in deposits at the Bank of Latvia at a 1.0% interest is evidence that they are still reluctant as regards lending to economy.

Over longer horizons, money market interest rates in Latvia are expected to be on a downward trend. These dynamics will be brought about by surplus liquidity in the market, an improving financial health of the major Latvian financial institutions' parent banks and

Chart 2.4
LATVIAN GOVERNMENT EUROBOND INTEREST RATE SPREAD AGAINST COMPARABLE EURO SWAP RATES; SHARE PRICE MOVEMENTS OF PARENT BANKS

(in basis points; 1 January 2007 = 100)



overall easing in risk assessment. For example, the bid yield on the Latvian government Eurobonds (maturing in 2018) slid down from 10.43% at the end of the second quarter to 7.16% at the end of the third quarter. The yield spread with comparable German government bonds narrowed from 714 basis points down to 404 basis points (see Chart 2.4).

2.3 Securities market

The Treasury of the Republic of Latvia reduced the supply of government securities on the primary market. In the second quarter, the government securities were supplied in the amount of 864.1 million lats and in the third quarter the supply totalled 587.3 million lats. The demand in primary placement auctions was 648.3 million lats, while the allotted amount stood at 470.9 million lats (a 15.2% increase over the second quarter).

The average yield on government 3-month bonds went down from 12.50% at the beginning of the third quarter to 10.50% at the end of the quarter. The yield on government 12-month bonds stayed at 14.30% over the third quarter (compared to 12.36% on the last auction in May). Overall, primary market for government bonds saw improvements, and this could serve as a prerequisite for further steps, e.g. a potential Eurobonds issue.

NASDAQ OMX Riga share price index OMXR appreciated by 35.2% over the third quarter and the Baltic share price index OMXBGI appreciated by 55.9%. In September, concerns emerged that the prices of Baltic company shares are shooting up too steeply, and therefore the growth became somewhat more moderate. Moreover, the performance of the Baltic economies continued to be weaker than those in Europe, including Central Europe and Eastern Europe, and investors started perceiving the Baltic states rather an exception to the global development scenario which was already turning more positive, and sort of trusted the Baltic countries in advance that they heal their economies.

Overall, the third quarter saw more positive than negative trends in the securities market; despite of that, a rather weak recovery can be expected within the next 12 months. A stronger growth is only possible when banks resume their lending to economy: then funds will also flow to the financial market, mutual faith between the participants will be restored and trading will pick up again.

Chart 2.5
SHORT-TERM INTEREST RATES ON NEW LOANS IN LATS GRANTED TO AND TERM DEPOSITS RECEIVED FROM RESIDENTS

(percentages)

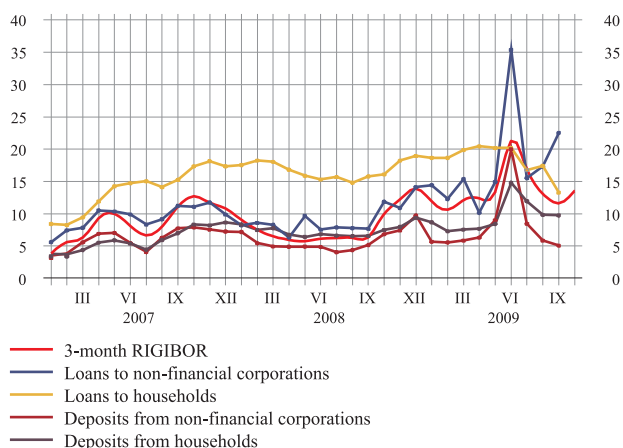
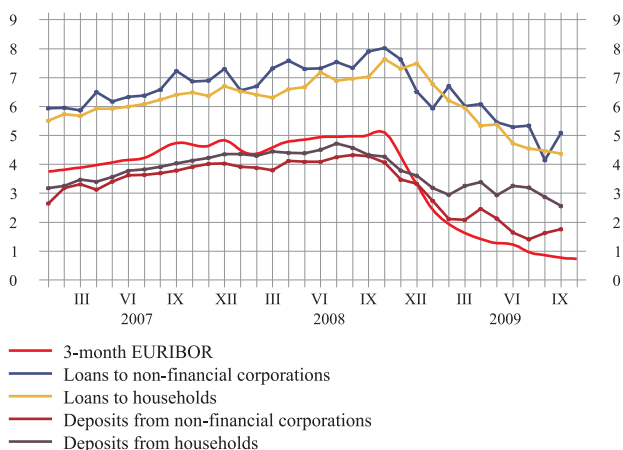


Chart 2.6
SHORT-TERM INTEREST RATES ON NEW LOANS IN EURO GRANTED TO AND TERM DEPOSITS RECEIVED FROM RESIDENTS

(percentages)



2.4 Interest rates

With the lats money market indices declining, interest rates on new loans to resident households and non-financial corporations tended to move down in the third quarter (see Chart 2.5). Similarly, with the euro money market indices falling, the interest rates on loans in euro granted to the said categories of borrowers and interest rates on deposits largely followed a downward trend as well (see Chart 2.6). However, as inflation subsided, real interest rates on loans and deposits in lats continued to move up, since the role of deposits as a source of financing is growing, and the spreads between interest rates on loans and deposits have been slowly narrowing.

In the third quarter, margins on top of 3-month EURIBOR moderated somewhat for short-term loans in euro, thus pointing to less tighter lending conditions: on loans to households for house purchase margins were 0.4 percentage point lower than in the previous quarter (3.2 percentage points), while on loans to non-financial corporations they were 0.3 percentage point lower (3.9 percentage points). Yet, one should remember that margins on loans in euro granted to households for house purchase and non-financial corporations shot up in the fourth quarter of 2008 and remained high over 2009, mainly due to the fact that MFIs became more cautious, the cost of funds went up, and risks in the Baltic markets, including credit risk, were growing.

MFIs granted new long-term loans in euro in small amounts, while, all in all, interest rates were higher than in the previous quarter. Partly this can be explained by stronger expectations for a rise in the euro money market indices in a more remote future as well as by MFIs growing uncertainties and caution with regard to Latvia's economic long-term outlook.

Though moderating together with the money market indices, interest rates on new loans in lats continued to be higher than on comparable new loans in euro. Weighted average floating interest rate on new loans in lats granted to households for house purchase as well as interest rate on loans with initial rate fixation period of up to 1 year declined by 4.7 percentage points, down to 11.6%; weighted average interest rate on loans to non-financial corporations declined by 11.4 percentage points, down to 16.4%, whereas weighted average interest rate on consumer loans to households declined only by some 0.1 percentage point, down to 21.5%. Interest rates on short-term loans in lats tended

to be much higher than on loans subject to interest rates with longer rate fixation periods. This can be explained with the market participants' expectations that, in a more distant future, the lats money market indices would go down and approach the euro money market indices, as well as with the structure of the loans granted and the peculiarities of risk.

Following the 3-month RIGIBID decrease by 1.6 percentage points, to 9.3%, the interest rate on household time deposits in lats maturing in less than 1 year went down from 14.8% in June to 9.7% in September. The decreasing euro money market indices in their turn affected the interest rate on time deposits in euro maturing in less than 1 year: it gradually diminished from 3.3% in June to 2.6% in September. Speaking of more lengthy time periods (starting with September 2008), interest rates on time deposits in euro have experienced much less pronounced falls than the respective euro money market indices, whereas interest rates on time deposits in lats have been on a steeper climb than the lats money market indices. The changes in the sensitivity of the interest rates on time deposits to respective money market rates point to the fact that MFIs, due to the scarcity of funding in international markets, are attaching an increasing importance to the Latvian deposit market as a source of funds. This might also be associated with a rise in risk premiums in order to compensate for higher risks faced by banks.

2.5 Money supply

In the third quarter, the dynamics of money supply reflected a plummeting domestic demand, a decrease of GDP growth and the uncertainties associated with medium-term developments in the national economy, while at the same time suggesting the persistence of deflationary pressures.

Banks' external financing – both liabilities to foreign banks (including parent banks) and the outstanding deposit balances by non-resident non-banks – continued to shrink as well. The decrease rate was nevertheless less vigorous than in the second quarter, with liabilities to foreign banks declining by 2.1% (versus 4.7% in the second quarter). Deposits by non-resident non-banks did not shrink as fast as a quarter ago either – by 2.2% (versus 6.5% in the previous quarter).

At the same time, deposits by resident financial

Chart 2.7
MONETARY AGGREGATES
(annual percentage changes)

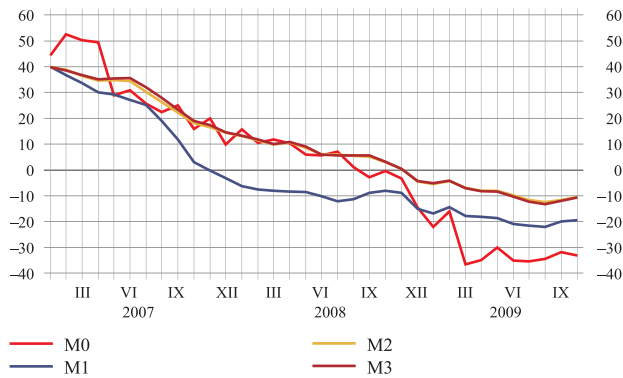


Chart 2.8
LOANS, DEPOSITS AND LIABILITIES TO FOREIGN BANKS
(annual percentage changes)

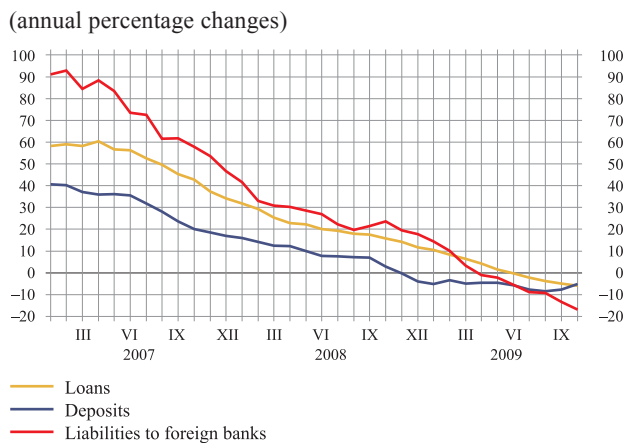
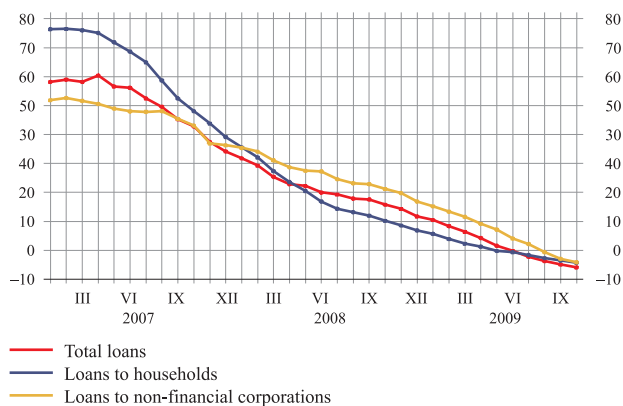


Chart 2.9
LOAN BALANCES
(annual percentage changes)



institutions, non-financial corporations and households declined by 4.0% (as opposed to a 1.3% increase in the second quarter) across the entire maturity spectrum. While in the second quarter the dynamics of deposits was governed by a reservation about saving in lats that was caused by the developments in financial markets and economy, and, apart from deposits in lats being transformed into euro deposits, the euros bought for lats in cash were channelled to deposits as well, in the third quarter deposits by non-financial corporations and households contracted both in lats and in euro. This pattern of deposit dynamics points to a gradual meltdown of savings against the backdrop of decreasing income and growing unemployment. This was confirmed by an even more pronounced decline in household deposits in October, while deposits of non-financial corporations were again on an upswing.

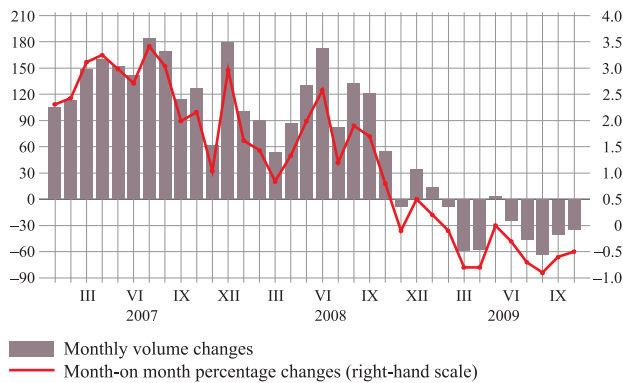
As deposits decreased, broad money aggregate M3 narrowed more than in the previous quarter (by 3.7%; by 0.7% in the second quarter). A decrease in saving, despite the favourable interest rate developments, had a more significant impact on longer-term components of broad money aggregates, thus the decrease of M3 was largely on account of a decline of M2 by 4.1% in the third quarter, when deposits with an agreed maturity of up to 2 years contracted by 4.5% and those redeemable at notice with a notice period of up to 3 months by 8.4% (see Chart 2.7).

Bank lending to private sector contracted together with banks' decreasing liabilities (see Chart 2.8). This was the result both of the cautious bank lending policies in light of the complex economic situation and the high uncertainty as well as a low loan demand from households and non-financial corporations. Positive developments can be possibly discerned in a slower decrease of loan balances (from 2.0% in the second quarter to 1.4% in the third quarter); moreover, September witnessed a month-on-month fall of 0.3% (the smallest since January; see Chart 2.9).

The weak performance of trade and manufacturing and the uncertainty entwining the economic outlook had an even further downward pressure on the non-financial corporations' financing demand, with lending to this customer group decreasing by 2.1% in the third quarter (compared to 1.1% in the second quarter; see Chart 2.10). Manufacturing and trade were the sectors where loans decreased most visibly (see Chart 2.11). Household borrowings continued to

Chart 2.10
LOANS GRANTED TO NON-FINANCIAL CORPORATIONS IN LATVIA

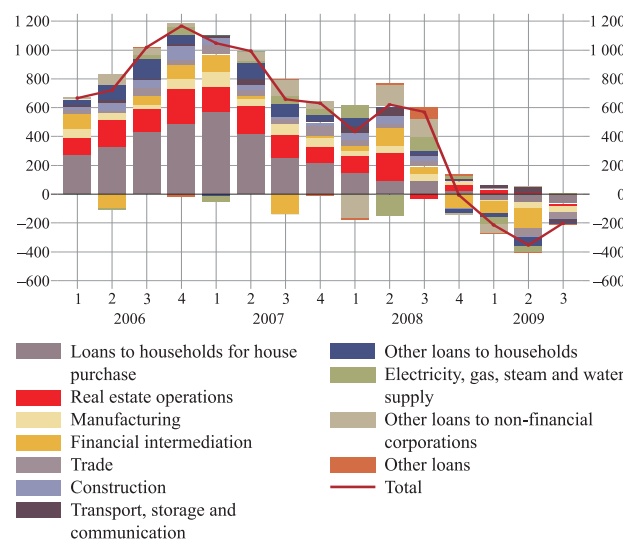
(in millions of lats)



contract at a more moderate pace and in a less erratic manner, by 1.2% in the second quarter and by 1.1% in the third quarter (see Chart 2.12).

Chart 2.11
CHANGES IN DOMESTIC LOAN PORTFOLIO IN BREAKDOWN BY SECTOR

(in millions of lats)



All in all, monetary aggregates, alongside with several indicators from real economy, attest to certain signs of stabilisation in the Latvian economy. The annual rate of change in main monetary aggregates currently has reached its breaking point due to a rapid retreat from the previous high base in the autumn of 2008. Therefore, starting with September, the annual growth of broad money M3, received deposits and cash in circulation decelerated at a slower pace compared to the same period a year ago, and this trend is likely to continue in the future as well. In the fourth quarter, the annual decrease in outstanding bank loans is most likely to slow down. However, in absolute terms, an increase in money supply and positive dynamics of money indicators are expected to take off only together with gradual alleviation of risks, restoration of foreign and domestic confidence in Latvia's economic recovery potential, and economic rebound in the second half of 2010 and 2011.

Chart 2.12
LOANS GRANTED TO HOUSEHOLDS IN LATVIA

(in millions of lats)

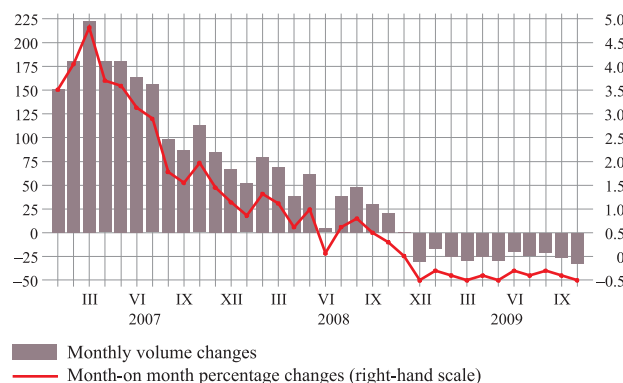


Table 3
MONETARY VARIABLES
(quarterly figures are averages)

	Outstanding amount as percentage of M3	Annual growth rates							
		2008			2009				
		2009 IX	Q3	Q4	Q1	Q2	VII	VIII	IX
M1	51.6	-10.8	-10.6	-16.3	-19.3	-21.5	-22.1	-19.9	-21.2
Currency in circulation	11.6	-5.0	0.9	-7.2	-19.3	-24.9	-26.8	-25.7	-25.8
Overnight deposits	40.0	-12.4	-14.0	-19.0	-19.3	-20.4	-20.6	-18.1	-19.7
M2 – M1 (= other short-term deposits)	47.0	42.1	17.7	10.6	6.5	2.4	1.0	-0.2	1.1
Deposits with an agreed maturity of up to 2 years	42.3	42.2	24.1	15.1	9.3	5.6	3.6	2.3	3.8
Deposits redeemable at notice of up to 3 months	4.7	49.4	-18.1	-17.3	-12.6	-18.7	-17.9	-18.6	-18.4
M2	98.6	5.5	-0.3	-5.5	-8.7	-11.6	-12.5	-11.6	-11.9
M3 – M2 (= marketable instruments)	1.4	14.6	7.1	-0.3	-27.1	-47.3	-48.8	-33.7	-43.3
M3	100.0	5.7	-0.2	-5.5	-9.0	-12.3	-13.2	-12.0	-12.5
Credit to residents		18.8	18.0	12.8	4.6	0.6	-1.1	-2.9	-1.1
Credit to general government		40.4	185.2	197.2	86.3	77.2	68.4	35.3	60.3
Credit to the private sector		18.2	14.0	8.5	2.4	-1.5	-3.0	-4.2	-2.9
Loans to the private sector		18.3	13.9	8.4	1.9	-2.2	-3.7	-4.9	-3.6
Longer-term financial liabilities (excluding capital and reserves)		-26.1	-26.1	-20.9	-18.5	-12.0	-12.7	-1.1	-8.6

Source: the Bank of Latvia.

Chart 3.1
GDP GROWTH

(percentage changes; at constant prices)

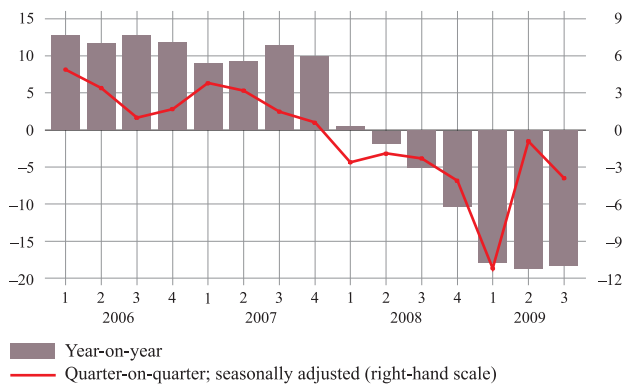


Chart 3.2
CONTRIBUTIONS TO GDP QUARTERLY GROWTH BY COMPONENT

(demand side; in percentage points)

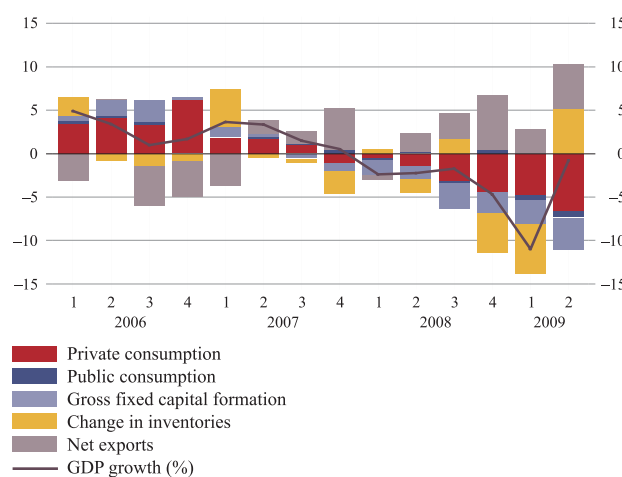
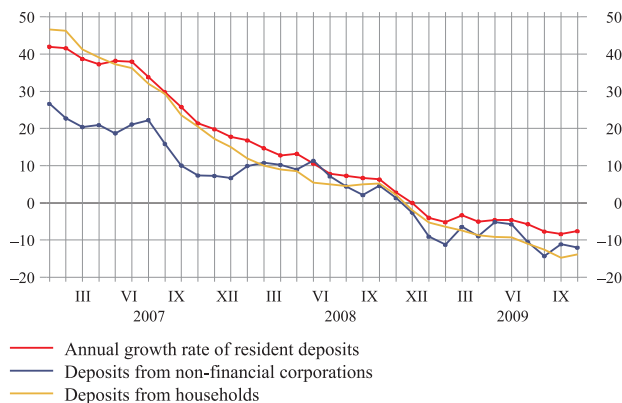


Chart 3.3
RESIDENT DOMESTIC DEPOSITS

(annual percentage changes)



3. Domestic Demand

In the third quarter, the economy in Latvia continued to shrink, with GDP real annual decrease rate remaining approximately the same as in the first half of the year (-18.4% according to flash estimate by the CSB). GDP contracted by 3.2% over the previous quarter (seasonally and working-day adjusted data), and the fall was somewhat steeper than in the previous quarter (see Chart 3.1). The drop in the GDP growth was largely driven by a decline in domestic demand, the latter affected by the government budget cuts implemented in June, and a deteriorating consumer confidence. External demand remained similar to that in the second quarter, with individual export-oriented sectors demonstrating more and more convincing signs of growth (see Section 1.2).

Investment and inventories plummeted already very early in the economic recession cycle, while private consumption shrank at a slower pace. Already since the second quarter private consumption has been largely responsible for the downside in domestic demand (see Chart 3.2). Private consumption is back to the level registered in the fourth quarter of 2005, 27% down from the peak in the third quarter of 2007. This fall is nevertheless not so harsh as that of investment, because people, as far as possible, tend to keep their current spending on the previous level. This is also attested by a decline in household deposits with banks (see Chart 3.3).

Along with falling domestic demand, imports of goods and services also plunged fast, and the contribution of net exports to real GDP annual growth remained positive already for the eighth quarter running. The decline of imports is faster than that of fixed investment and consumption: when demand is shrinking, manufacturing and trade companies see their inventories of intermediate and finished goods running high. Before this stock has been cleared, new imports of goods for intermediate and final consumption are substantially delayed. Structural shifts in demand imposed an additional downward pressure on imports, as capital goods and durables of foreign make were not so much in demand anymore in Latvia.

In the third quarter and further on, the dynamics of exports are expected to yield a more powerful positive impulse. Further developments in the export sector are largely going to be the decisive factor for

Chart 3.4
WAGES AND SALARIES AND PRIVATE CONSUMPTION
(annual percentage changes)

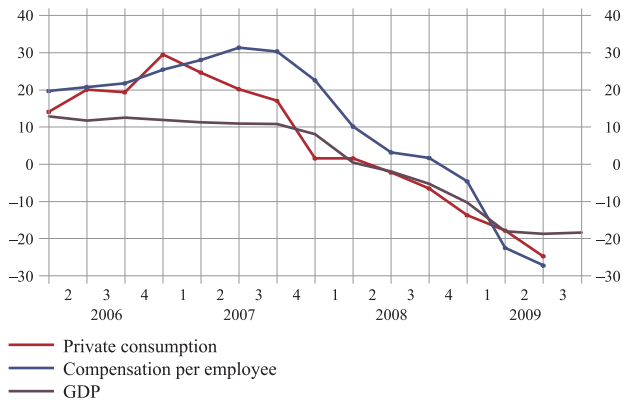
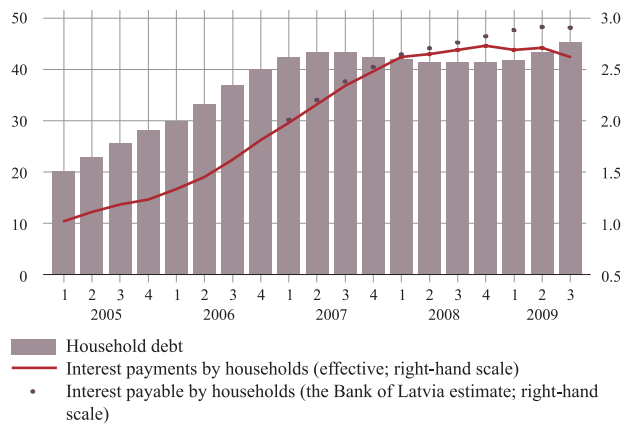


Chart 3.5
HOUSEHOLD DEBT AND INTEREST PAYMENTS
(percentages of GDP)



how fast the trust is won back, unemployment rates curtailed and domestic demand reverts to positive.

3.1 Private consumption

Retail trade and consumer confidence data are evidence that household expenditure continued to shrink in the third quarter. Late in 2008 this happened rather because of the growing uncertainty as to future income and related precautionary saving, whereas in the second and third quarters of 2009 the reason was a more pronounced actual decrease in disposable income.

The dynamics of disposable income continue to depend mainly on wages and salaries: after tax and social security contributions they account for almost half of total income. Starting with the beginning of the year, compensation for employees dropped rapidly as a result of fewer hours worked and lower average wages and salaries (see Chart 3.4). While unemployment rates escalated, received social benefits increased considerably, partly offsetting the loss in compensation for employees and income of self-employed, thus temporary mitigating the nosedive of private consumption. In the third quarter, disposable income contracted further, since unemployment benefits and local government social benefits expired for quite a few unemployed who had lost their jobs at the turn of the year. This is why some households might be resorting to their accumulated savings, and this trend is likely to become even stronger in the fourth quarter.

On the other hand, the support measures launched by the government are expected to temporary suspend these adverse trends. In order to bail out the unemployed who are not paid benefits, the State Employment Agency has initiated activities that are co-financed by the European Social Fund: between September 2009 and end of 2010, local governments will employ at least 38 thousand jobless persons in various unskilled municipal jobs (of this, 17.5 thousand already in 2009).

And last, the current decline in private consumption is also related to the high stock of household debt accumulated during the recent years of robust growth and loan payments thereof (see Chart 3.5). To be able to meet these commitments, right now many households are compelled to restrict their consumption. Yet, this adverse effect is alleviated by two factors. First, the all-time-low euro money

Chart 3.6
CONSUMER CONFIDENCE INDICATOR AND UNDERLYING FACTORS

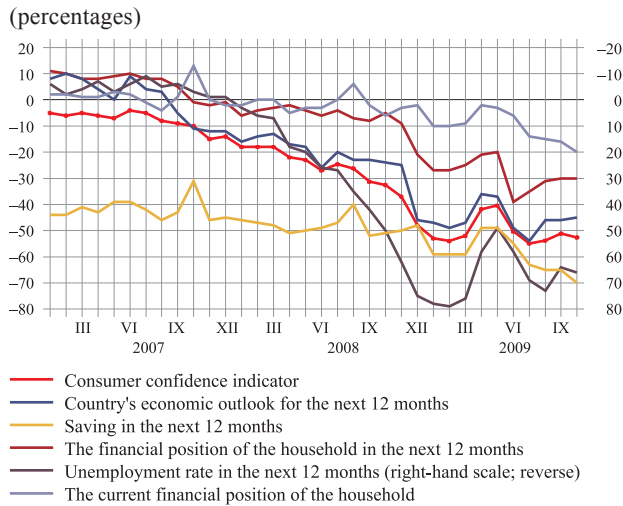
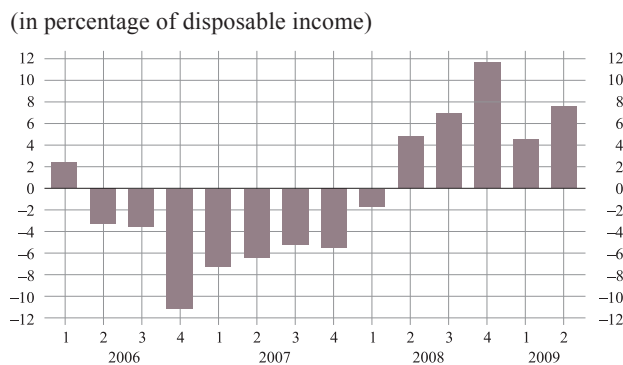


Chart 3.7
SAVING



market rates help to contain the interest payable on loans: given the fact that over 90% of household loans are euro-denominated, the lats money market rates have a relatively limited impact on loan interest payments (see Section 2.4). Second, banks are being proactive in restructuring loan payments for some households, thus easing the total interest rate burden. According to the Bank of Latvia, if not for restructuring, the aggregate interest rate payments by households would be about 0.3% of GDP higher and private consumption decrease rate even faster.

However, as suggested also by the dynamics of consumer sentiment index, no significant improvements in consumption can be expected in nearby future. Though consumer sentiment index improved somewhat in August and September compared to June and July when the adverse impact of budgetary amendments was observed, in October consumer confidence deteriorated once again (see Chart 3.6). The main reason was being more pessimistic about setting money aside within the next 12 months. This might be linked with a tax increase foreseen in 2010 – according to information that has been circulated publicly (see Section 3.3).

Consequently, one cannot expect a very strong growth of private consumption in the near future, mainly due to rising unemployment rates and shrinking household disposable income, accompanied by a high uncertainty about the future, which will have an adverse effect on consumer confidence. The fiscal policy stance pursued by the government will bring about further wage cuts in the public sector, thus holding back consumption from increasing soon. In addition, household loan payments will remain high in a foreseeable future. Government programmes to advance employment and banks' efforts to restructure household loans will help to prevent a deeper fall of consumption; however, they will yield only temporary effects.

Households, earlier procyclic in their behaviour (spending more money than earning when economy was on the upswing because of an exaggerated optimism as to their future income), now, compelled by subsequent creditworthiness problems, are viewing saving as a must in order to have some kind of financial "safety cushion" (see Chart 3.7). In addition, part of households are likely to replenish their savings they are melting down right now.

Therefore, one can forecast an increase in saving both

Chart 3.8
PRIVATE INVESTMENT DYNAMICS
(% of GDP)

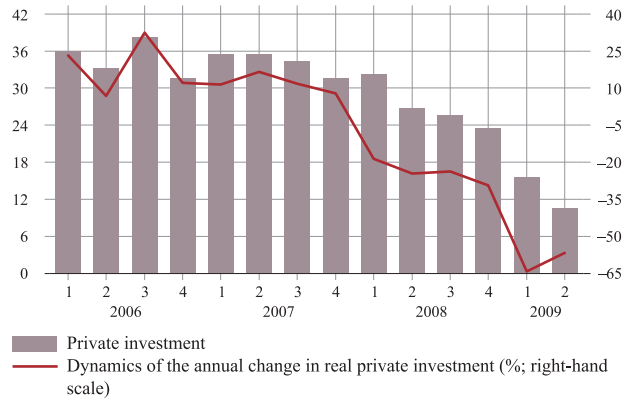
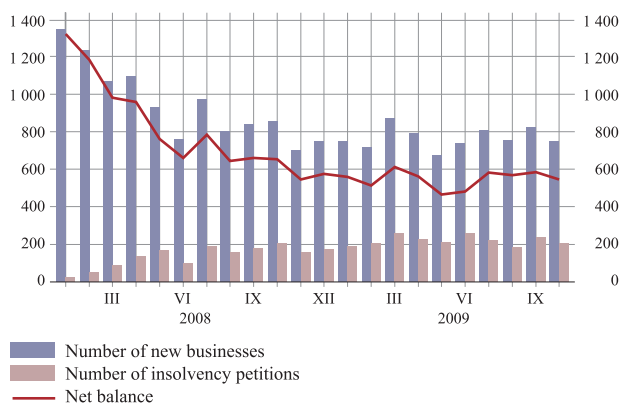


Chart 3.9
INCORPORATION OF NEW BUSINESSES AND
LIQUIDATION OF THE OLD ONES
(number)



due to cyclical as well as structural factors. For these reasons, the growth of private consumption may remain sluggish even when economy rebounds.

3.2 Private Investment

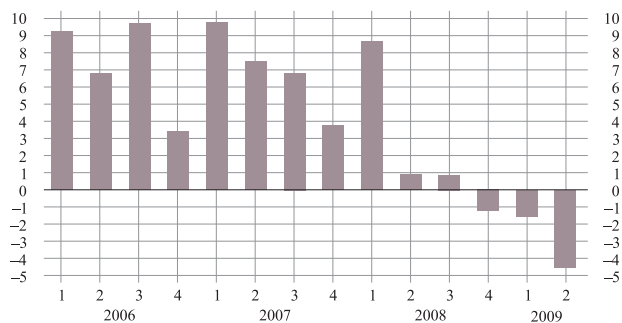
Of all domestic demand components, private investment demonstrated the most flexible response to the economic downside, accounting for the largest share in the overall demand decline. Over the year, the share of private investment in total investment decreased notably, with government investment playing the countercyclical role. The ratio of private investment to GDP also posted a historic low since 1999 when the recording of these data began (see Chart 3.8.). The fall was particularly pronounced as, according to methodological requirements, investment comprises amortisation as well which is a notable part of this indicator. Although the amount of investment has essentially contracted, investments nevertheless are made and thus amortisation might even increase.

The deteriorating corporate financial performance, persistently subdued lending (see Section 2.2) and continuously weak domestic demand as well as large reserves of spare capacity (see Section 4.1) accounted for the declining levels of investment also in the third quarter. In comparison with a high observed in the second quarter of 2007, gross capital formation has decreased by more than 40%, reaching the levels recorded in early 2004.

With the construction of new buildings posting a very rapid fall (the number of building permits granted has decreased more than twice in comparison with 2007), the repairs and renovations (including heat insulation) segment has become more active. For the purposes of improving energy efficiency and promoting economic activity, the government has granted funding for facilitating heat insulation of buildings. Activity in this segment has been further stimulated by the availability of labour force and the reduction in construction costs, largely on account of cuts in employee wages and salaries.

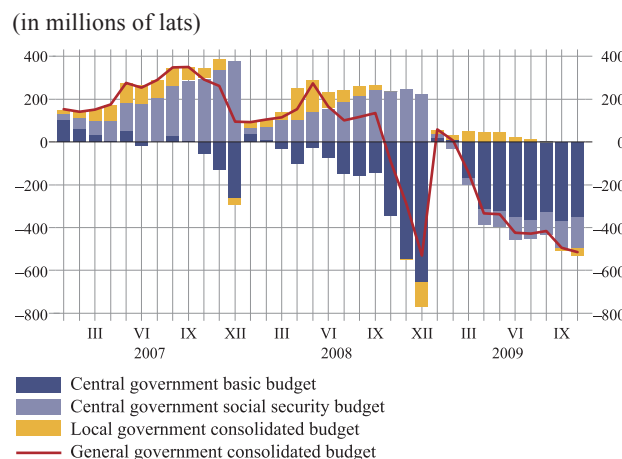
It is expected that in the second half of 2010, along with the recovery of the economy, the amount of private investment will grow and its ratio to GDP will increase somewhat. Nevertheless, the considerable reserves of spare capacity in manufacturing suggest that the increase in investment is not likely to be too pronounced. The situation might improve faster only

Chart 3.10
CHANGES IN INVENTORIES
(% of GDP)



subject to a considerable rise in the number of new businesses that would require additional investment for launching their operation; at this stage, however, evidence does not support this (see Chart 3.9). Inventories, being explicitly procyclical according to ECB research, in their turn might post more moderate decreases in the coming quarters and record increases already in the middle of 2010. However, the evaluation of inventories is encumbered by the fact that this position also comprises statistical deviation, thus quite often demonstrating economically inexplicable data as well (see Chart 3.10).

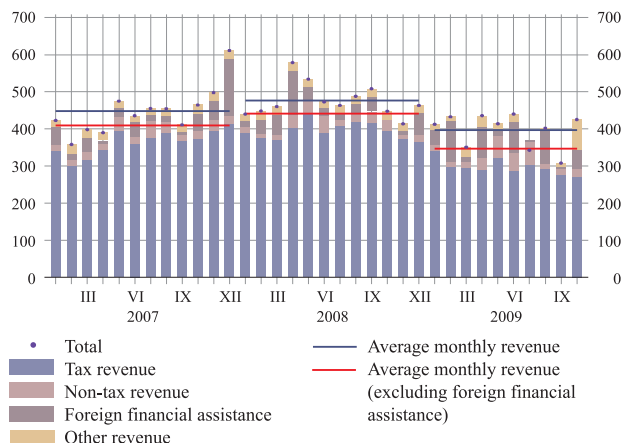
Chart 3.11
ACCUMULATED BALANCE OF THE GENERAL GOVERNMENT CONSOLIDATED BUDGET BY SUB-BUDGET



3.3 Government expenditure, budget

In July and August, the general government consolidated budget was close to balance (on account of short-term factors on the revenue side and non-compliance with the budget expenditure plan), but in September and October the general government consolidated budget expenditure exceeded revenue. Thus, at the end of October the general government consolidated budget deficit stood at 514.5 million lats or 3.9% of the GDP forecast for 2009 (see Chart 3.11).

Chart 3.12
GENERAL GOVERNMENT CONSOLIDATED BUDGET REVENUE



The general government consolidated budget revenue continued on its downward path as tax revenue fell considerably. A decrease was observed across all tax groups, particularly so for those taxes imposed on labour income (see Chart 3.12). This reduction partly reflects the consequences caused by the budgetary amendments as both the number of employees in the public sector and average wages and salaries decreased. The fall in tax revenue was faster than that in the nominal GDP, thus the ratio of tax revenue to GDP declined. Nevertheless, taking into account the difference between the growth rates of the macroeconomic bases and the impact of legislative amendments on tax revenue, the negative tax revenue changes still comprise a relatively large inexplicable component, indirectly pointing to an increasing share of the shadow economy (see Chart 3.13).

In contrast to the first half of the year when merely a decrease in revenue was observed, beginning with July, the amount of expenditure in the next months narrowed below the level of the corresponding period of the previous year as a result of budgetary amendments approved on 16 June (see Chart 3.14). Almost all items recorded a drop, except social expenditure and other expenditure (including the government debt servicing costs). The key factor for

Chart 3.13
CHANGE RATE OF THE NOMINAL GDP AND SEVERAL TAXES

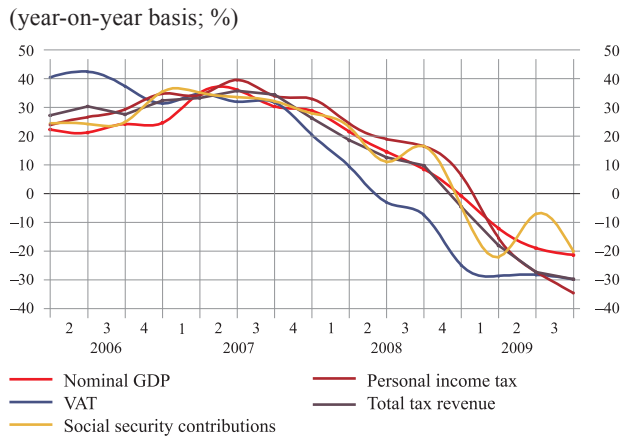
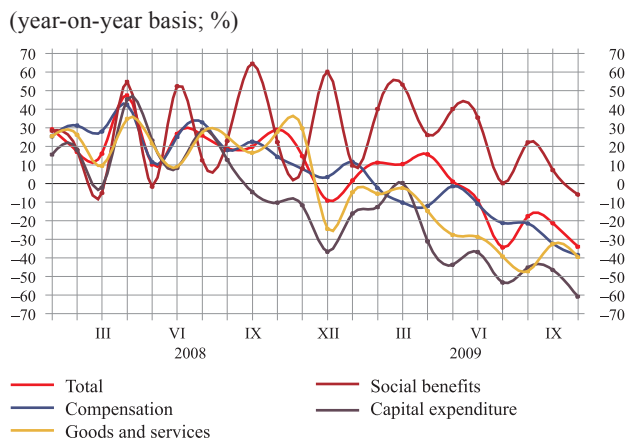


Chart 3.14
CHANGE RATE OF GENERAL GOVERNMENT CONSOLIDATED BUDGET EXPENDITURE



the growing social expenditure was the significant pension indexation performed in 2008, the rise in additional payments to old-age pensions, as well as the rapid increase in the number of the unemployed persons. At the same time, interest expenditure increased on account of the sharp rise in government debt.

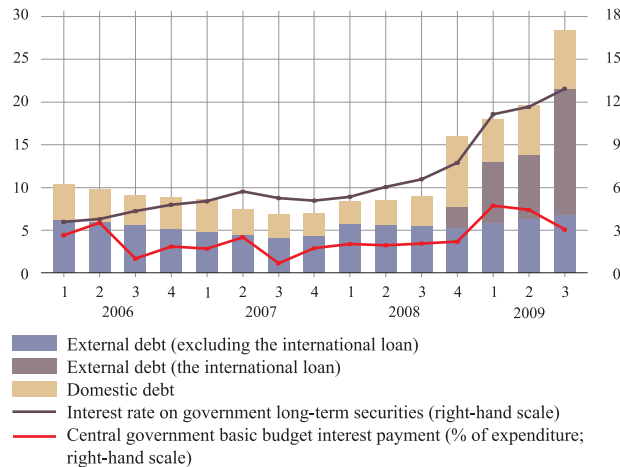
Budgetary amendments provided for a significant decrease in expenditure for compensation to employees and expenditure related to the purchase of goods and services (items forming government consumption); capital expenditure has also been cut significantly (financing for the remaining part mostly comes from the EU funds). The reduction in the expenditure for compensation to employees was further facilitated by the shrinking expenditure of local governments although it even tended to grow in the first half of the year. The moderating government consumption and capital expenditure had a negative effect on both the domestic economic activity and the amount of the imported goods and services.

In the remaining months of 2009, the budget expenditure is expected to be higher than in the third quarter. It will in a way promote the economic activity at the end of 2009 and the beginning of 2010. The rise in expenditure will be underpinned by the additional funding granted by the government to the projects funded by the EU (126.0 million lats), for health care (25.0 million lats) and implementation of the social security network strategy (14.0 million lats). Moreover, the actual amount of expenditure in the third quarter was smaller than planned, and the largest part of the unused funds is expected to be transferred to the next periods. Furthermore, the probability that the additional funding granted for EU-funds related projects in 2009 will not be used in full amount is quite high; hence their effect will be felt both in late 2009 and in early 2010.

Thus we can foresee that in the coming months, as the expenditure grows and the tax revenue still continues on its downward trend, the deficit of the general government consolidated budget will expand notably, reaching much higher levels at the end of the year than it is now.

In the third quarter, the central government debt grew to 30.3% of the GDP forecast as a result of the funding received from international lenders in July and August. The increase in the government debt above the Maastricht criterion (60% of GDP) is

Chart 3.15
CENTRAL GOVERNMENT DEBT
(% of GDP)



expected already in 2010. Some uncertainty with respect to the planning and approval of the budget for 2010 notwithstanding, the levels of long-term interest rates on government securities remain high, raising the debt servicing costs and preventing government funding from being channelled into measures for stimulating the economy (see Chart 3.15).

In order to prevent the budget deficit from exceeding 8.5% of GDP in 2010, implementation of deficit-reducing measures in the amount of 500 million lats are required. The draft law "On the State Budget for 2010" provides for budget balance correction measures both on the revenue and expenditure sides. Measures on the revenue side are mostly related to expanding the basis of labour income taxes and the real estate tax: it will negatively affect the level of household disposable income. Measures on the expenditure side are mostly focused on current expenditure, inter alia compensation cuts in local governments, reduction of expenditure related to the purchase of goods and services, as well as social expenditure, e.g. limiting the amount of social security benefits.

Thus a considerable drop in the government consumption is projected for 2010, with its fall in real terms exceeding that observed in 2009. Although an upward effect is expected in early 2010 due to the projected pickup in expenditure at the end of 2009, the expenditure increase will not be so pronounced as in previous years. Overall, the government sector will continue to pursue expansionary policy in 2010; nevertheless, it will have a less stimulating effect on the domestic demand than in 2009.

Chart 4.1
OUTPUT INDICES IN SOME MANUFACTURING BRANCHES

(seasonally adjusted; 2005 = 100)

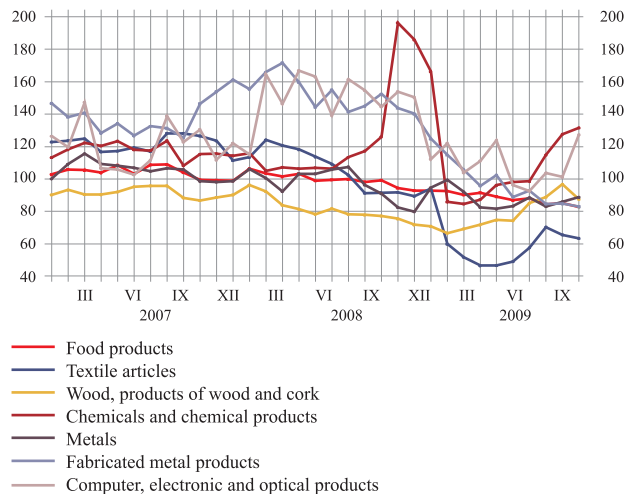


Chart 4.2
ANNUAL DYNAMICS OF MANUFACTURING OUTPUT
(constant prices; %)

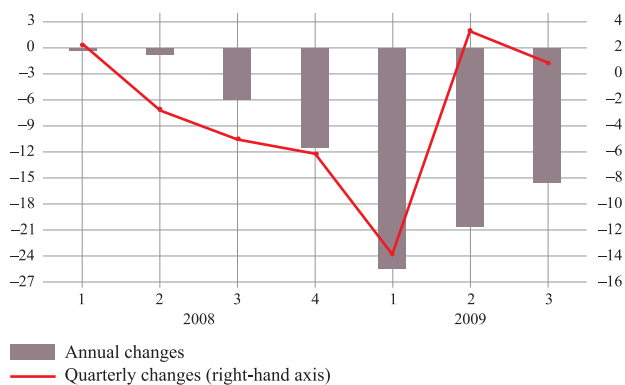
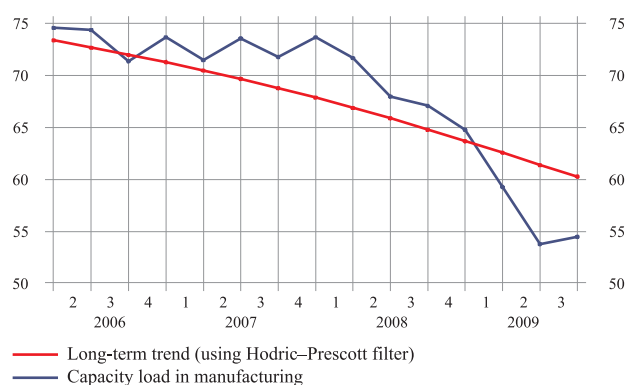


Chart 4.3
PRODUCTION CAPACITY LOAD IN MANUFACTURING (%)



4. Aggregate Supply

4.1 Industry

Overall industrial data suggest that substantial economic downturn persisted also in the third quarter. At the same time, some positive trends underpinned by the growing demand for some types of manufacturing output are surfacing. For instance, by finding new foreign market segments, some manufacturers of wood, products of wood and cork as well as chemicals and chemical products have achieved growth that by far exceeded the level a year ago (see Chart 4.1).

However, it is premature to speak about broadly-based stabilisation in manufacturing. The domestic demand continued to display weaknesses, while the external one strengthened only somewhat for particular commodities; hence manufacturing output on the whole notably lagged behind that of the corresponding period of the previous year (see Chart 4.2).

The steep drop in output since the beginning of the crisis substantially contributed to declining capacity utilisation rates in manufacturing. The business survey evidence suggests that capacity utilisation contracted most, to stand at less than 54%, in the first and second quarters (see Chart 4.3). In the third quarter, somewhat expanding output pushed capacity utilisation slightly up (by less than one percentage point), which, albeit, remained at a very low level overall. Construction related domestic market oriented branches (manufacture of non-metallic minerals and fabricated metal products) posted the largest output shrinkages and the smallest capacity utilisation. Capacity utilisation in sectors manufacturing electronic products and wood was at a relatively higher level (see Chart 4.4).

Surveys also suggest that the situation in industry is going to improve only slightly by the end of 2009, manufacturing is likely to record only insignificant increases in capacity utilisation and, thus, no substantial changes loom on the horizon as yet (see Chart 4.5). Low demand and financial hardships figure as the main obstacles to growth. Declining domestic demand continued to exert a negative effect on construction where confidence deteriorated most and, notwithstanding a halt in its decline in the third quarter and an upward trend in October, was at the lowest level and did not point to a tentative notable rise in the fourth quarter.

Chart 4.4
PRODUCTION CAPACITY LOAD IN MANUFACTURING (%)

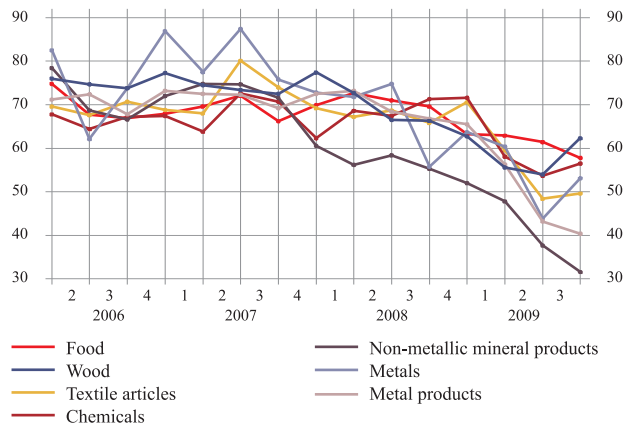


Chart 4.5
ECONOMIC SENTIMENT AND CONFIDENCE INDICATORS (balance; %)

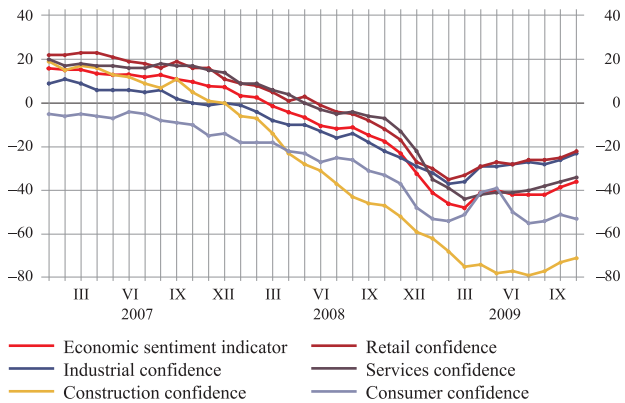
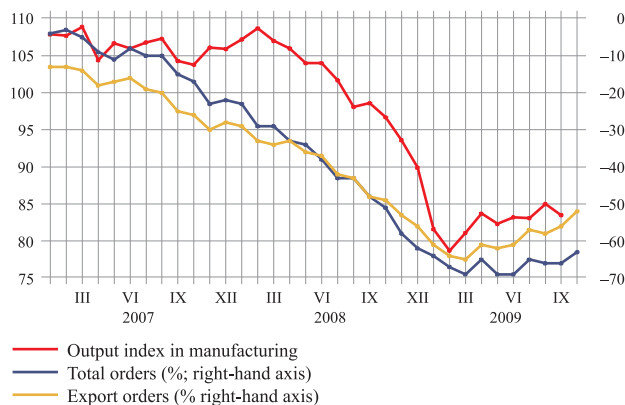


Chart 4.6
OUTPUT INDEX IN MANUFACTURING AND CONFIDENCE INDICATORS



A recovery in manufacturing in 2010 will likely depend mainly on developments in foreign demand, with the domestic demand expected to remain extremely modest. Due to cost optimisation, a number of manufacturing sectors have improved their competitiveness in both foreign and domestic markets, yet growth depends solely on the ability to respond promptly to changes in foreign demand via timely release of output to satisfy this demand (see Chart 4.6). In the first nine months of 2009, many sectors increased export shares in their total turnover.

A faster recovery may be expected in the manufacture of wood and products of wood and cork, chemicals and chemical products, basic pharmaceutical products and preparations, and, provided that new foreign markets are successfully penetrated, also in the manufacture of food products and in light industry. Notwithstanding successful current operation in export markets of some companies, an overall stabilisation in 2010 can be expected in engineering and metalworking as well as the electronic products sector. In regard to the manufacturing sector as a whole, growth can be expected in the second half of 2010 at the earliest.

4.2 Services

In the third quarter, retail trade (including sales of motor vehicles) turnover, as suggested by seasonally adjusted data, contracted by 5.2% quarter-on-quarter. Against the peak of the third quarter of 2007, overall contractions in retail trade turnover (including sales of motor vehicles) reached 43%, with the trade volume almost accurately consistent with the end-2004 indicators in terms of both level and commodity structure (see Chart 4.7). This dynamics and the number of cars registered for the first time support the assumption of a weak domestic demand (see Section 3.1).

Since January, the average number of cars owned by natural persons and registered for the first time with the Road Traffic Safety Directorate has been only around a thousand (fewer than in 1995 when registration started). It should be taken into account, however, that in recent years the record high imports of vehicles have supported the building in Latvia of a vehicle fleet on a par with the average EU level. The fleet has been financed by borrowings on the basis of excessively optimistic future income assessment, for the income level in Latvia corresponds to only a half of the average EU income level. This leads to an

Chart 4.7
VALUE ADDED DYNAMICS IN SERVICES
(constant prices; %)

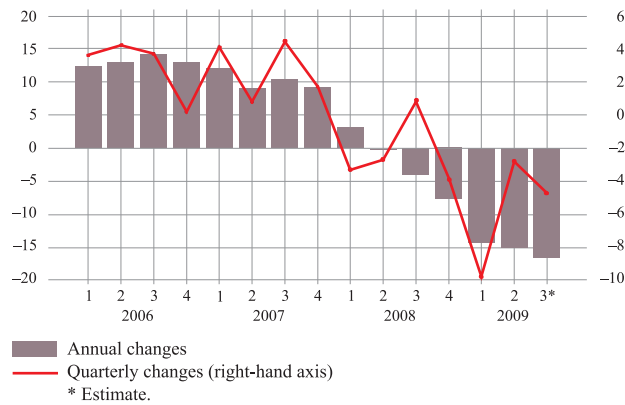


Chart 4.8
CONTRIBUTION TO REAL QUARTERLY RETAIL GROWTH
(percentage points)

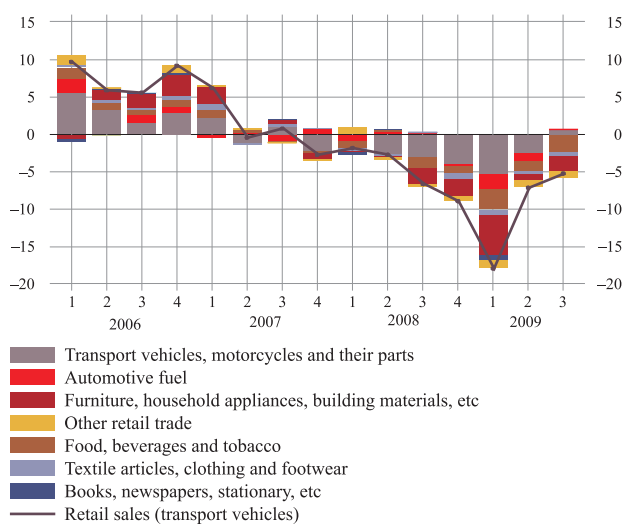
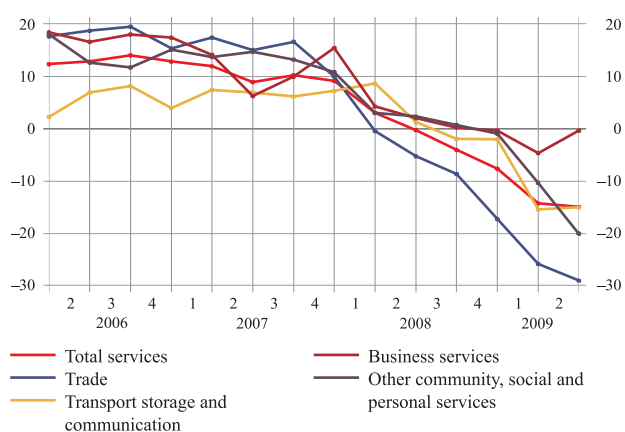


Chart 4.9
CHANGES IN MAIN TYPES OF SERVICES
(year-on-year; %)



assumption that used car markets and re-exporting may bustle with activity for some time to come. This trend has a positive aspect as well: the drying-up of vehicle imports is a factor leading to an improved foreign trade balance of Latvia (see Chapter 6).

The abating demand for cars was the initial response to the economic downturn. Afterwards, the population began to refrain from purchasing other durables as well, to be followed by demand for every-day consumer goods plummeting due to further persisting contractions in disposable income. Chart 4.8 demonstrates that in the third quarter, the fall in retail trade has already been dominated by food products. This could be an indication that for a number of households the savings made up earlier and opportunities to timely level out consumption have already dried up.

Particular freight traffic indicators suggest that transport growth was unsteady in the third quarter, with overall performance considerably weaker year-on-year. Sluggish economic activity resulted in substantial year-on-year drops in domestic freight traffic by rail. Freight transit by road likewise posted a marked contraction in the third quarter. Meanwhile, freight transit through Latvian ports did not expand quickly enough to offset the above decreases. Overall freight turnover at Latvian ports fell year-on-year as well.

The evidence from particular transport sector surveys for October shows that notable activity improvements are not to be expected in the fourth quarter either.

The pace of global economic recovery will be decisive for the development of transit. It is likely to be important for the transport sector dynamics which is expected to rebound in the second half of the year at the earliest. Meanwhile, the recovery of construction and domestic demand-oriented services is expected to be more moderate, with positive dynamics possibly reviving at a later term (see Chart 4.9).

4.3 Labour market

The growth in registered unemployment has been accelerating since August, with the level rising to 158 thousand or 14.1% of economically active population in late October (see Chart 4.10). The trend was a result of seasonal factors, resolute job cuts in public administration, and higher motivation to register with

Chart 4.10
UNEMPLOYMENT RATE AND JOBSEEKERS RATIO
(economically active population; %)

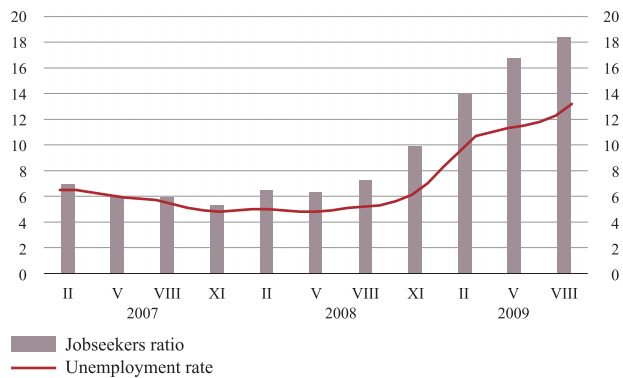


Chart 4.11
REGISTERED UNEMPLOYMENT, NUMBER OF VACANCIES AND UNEMPLOYED-PER-VACANCY RATIO
(thousands)

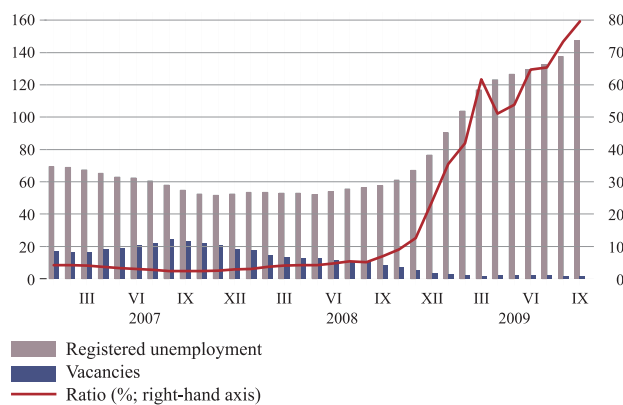
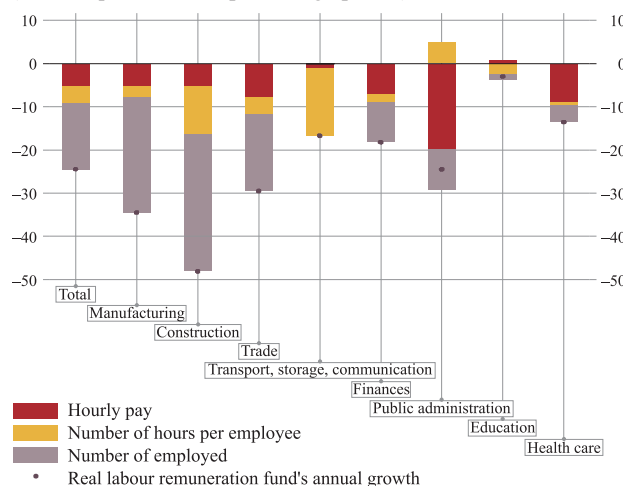


Chart 4.12
DECOMPOSITION OF REAL LABOUR REMUNERATION FUND'S ANNUAL GROWTH BY ECONOMIC SECTOR
(second quarter 2009; percentage points)



the State Employment Agency and to participate in field practices organised by local governments.

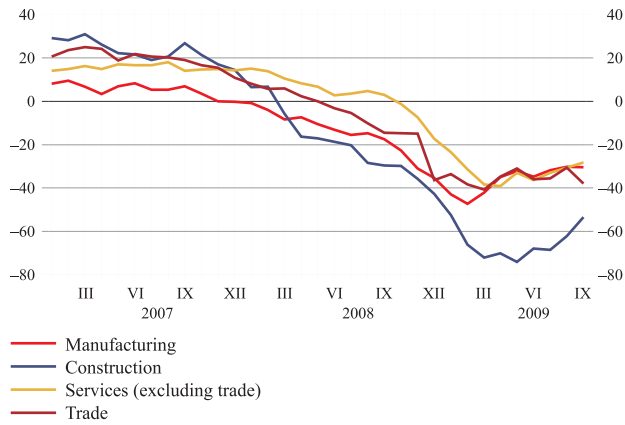
The CSB survey evidence suggests that in the second quarter the proportion of job vacancies to the total number of posts shrank to 0.3% (see Chart 4.11). Public administration reports the largest, albeit steeply decreasing number of job vacancies (0.8%); currently, only institutions of specific sectors (public order, safety, and law enforcement) offer job vacancies. The number of job vacancies registered with the State Employment Agency is very small for the fifth consecutive month (1.8–2.0 thousand).

The 25% reduction in the gross real wage and salary fund within a year is a result of the cuts in real hourly salary rate and weakly working hours, and lay-offs. The steepest drop in hourly salary rate was recorded for public administration whereas the private sector adjusted the gross wage and salary fund primarily by shortening the working day (see Chart 4.12). Dropping hourly salary rates were partly on account of the impact from changes in employment structure, as lay-offs mostly affected low-skilled labour; hence the proportion of high-skilled labour increased and pushed up the share of employees receiving higher wages.

The EC regular survey data suggest that a more moderate growth in registered unemployment should be expected. In October against September, employment expectations broadly across all sectors of the economy, manufacturing and trade in particular, were more positive. At the current junction, they have improved notably also compared with the early 2009 when unemployment soared (see Chart 4.13).

Meanwhile, no leaps in job vacancies and drops in unemployment rate are to be expected at the initial stage of recovery. First, labour intensity along the production chain diminishes continuously as a result of rising corporate operational efficiency; therefore production volumes can be further expanded without similarly increasing employment (see Chart 4.14). Second, due to substantial recent working hour cuts, businesses can increase the number of man-hours without recruiting new staff. Thus, it can be anticipated that a gradual easing in unemployment is likely to start only in the situation of notably stable economic growth, i.e. in the second half of 2010 at the earliest. Moreover, it can be projected that on the backdrop of renewed economic activity the labour remuneration fund is likely to contract further and the

Chart 4.13
DATA FROM BUSINESS SURVEYS ON PROJECTED 3-MONTH EMPLOYMENT DYNAMICS
(balance; %)



average hourly wage and salary growth will set in at a later time than that of other production cost components.

Chart 4.14
GDP AND EMPLOYMENT MOVEMENTS
(year-on-year; %)

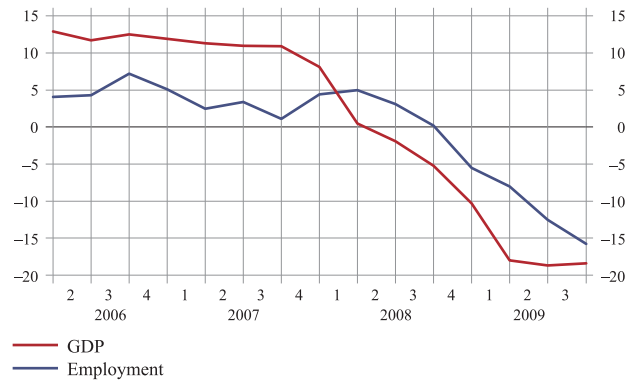


Chart 5.1
CHANGES IN THE CPI BY COMPONENTS
(percentage points)

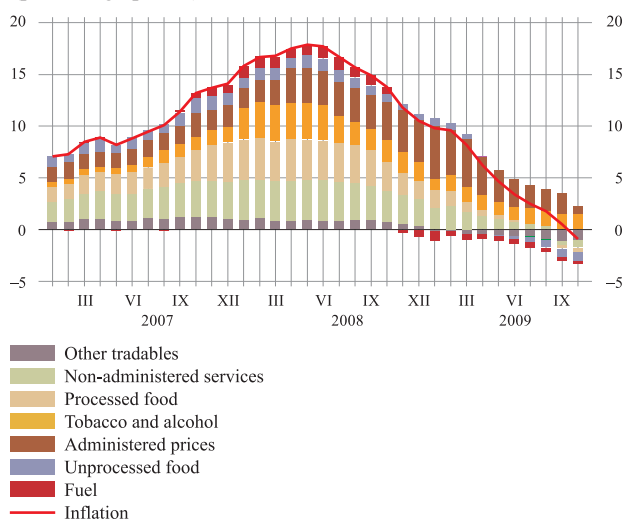
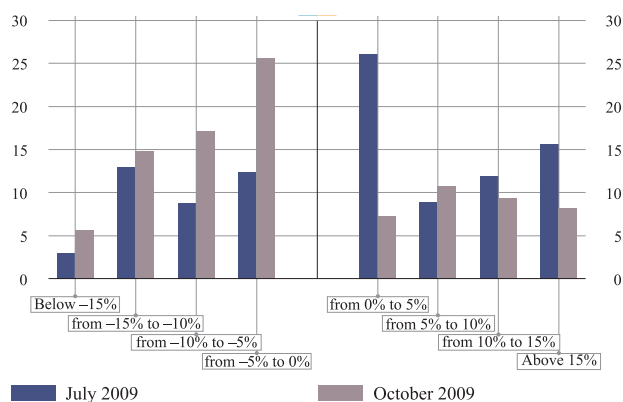


Chart 5.2
THE WEIGHTED BREAKDOWN OF ANNUAL GROWTH RATE BY CPI GROUPS
(%)



5. Prices and Costs

In the third quarter, the growth in consumer prices continued to shrink rapidly on account of a low demand, optimisation of corporate costs and decreasing import prices. With the continuing economic slowdown, consumer prices are expected to decline further in the near future.

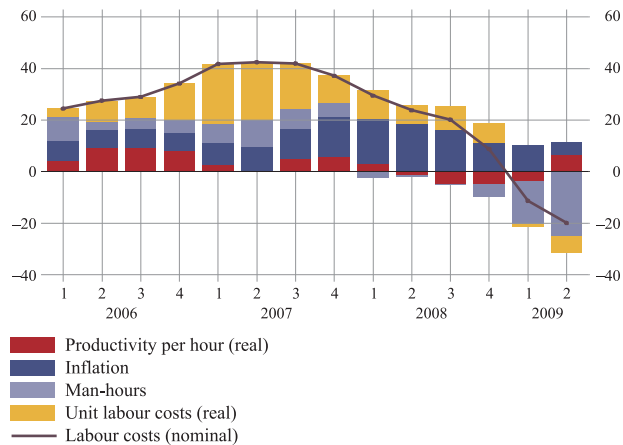
In September, annual consumer price inflation dropped to 0.5%. In October, the average consumer price level was 0.9% lower year-on-year (see Chart 5.1). Annual inflation dropped by 4.3 percentage points in comparison with June when it stood at 3.4%. Changes in demand affect falling and rising prices with a lag; moreover, with the demand abating rather than increasing, prices normally react more sluggishly. In recent months, adjustment in prices has begun: in October prices dropped 3.5% (in September – 3.3%) compared with March when consumer prices peaked. At the beginning of 2009, changes in tax rates also dampened price adjustment.

Inflation diminished mainly on account of demand-side factors in almost all groups of consumer goods. In October, prices of 63.2% (57.3% in September; 37.2% in July) of goods in the consumer goods basket were lower year-on-year (see Chart 5.2). Prices of food products, energy and some other tradable goods (such as the prices of clothing and footwear) were the primary contributors to the decline. A steeper fall in prices was dampened by supply-side factors, including a positive impact from an increase in administered prices and indirect tax on the consumer price dynamics.

A decline in global raw material prices contributed to the falling production costs. The US Energy Information Agency forecasts that in 2009 oil prices will be 40% lower year-on-year. Following a sharp rise, global food prices have recorded a substantial drop. According to the Food and Agriculture Organisation data, global food price index has shrunk by about 30% from its peak in mid-2008. Prices of milk and dairy products have fallen most notably. Hence currently the impact of energy and food prices on inflation adds to the negative effect of declining demand.

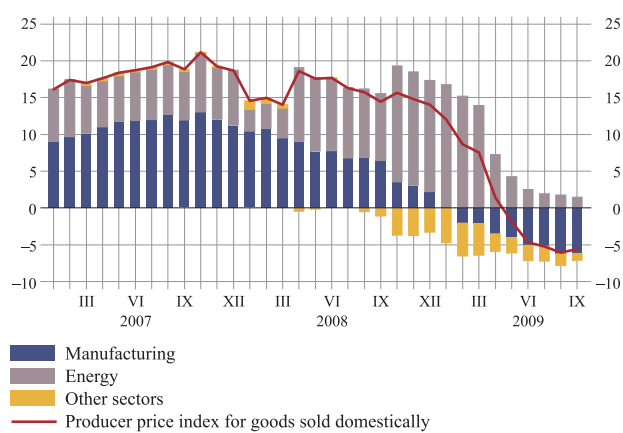
Real unit labour costs continued to decrease for the second consecutive quarter, thereby gradually enhancing competitiveness of Latvia's economy (see Chart 5.3). In the second quarter, annual changes in

Chart 5.3
THE ANNUAL RATE OF CHANGE IN NOMINAL LABOUR COSTS AND ITS COMPONENTS
(contribution; percentage points)



nominal unit labour costs turned negative. Unit labour costs are expected to continue on a downward trend in the coming years on account of an increase in labour productivity and a fall in wage and salary.

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



Producer prices for goods sold on the domestic market narrowed further, reflecting the decrease in costs and confirming the consumer price deflation forecast (see Chart 5.4). In September, these prices shrank by 0.2% month-on-month and declining energy tariffs and continued weak domestic demand contributed to the above drop. Thus in September, producer price index for goods sold on the domestic market was on average 5.6% lower year-on-year. Annual fall in producer prices for goods sold on the domestic market was mainly attributable to the producer price drop in manufacturing, in particular, the production of food products and metals. With the decline in wages and salaries and domestic demand persisting, producer prices are also expected to continue on a downward path in the near future.

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

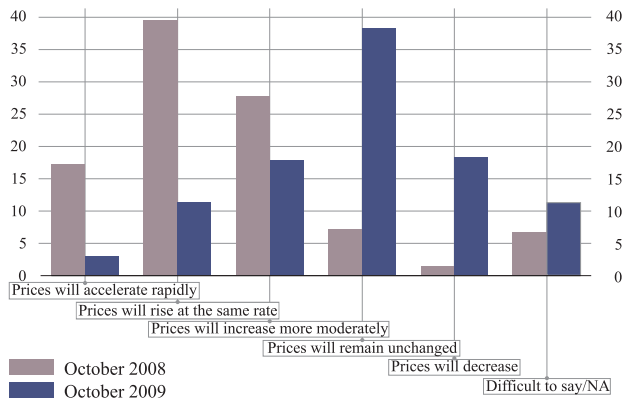


A drop in general economic activity and producer prices allows forecasting a further decrease in consumer prices in the near future as well. Moreover, in the presence of weak economic activity deflation will also be observed in the first half of 2010, with price rise only turning positive towards the end of 2011.

Declining income and rising unemployment, followed by consumer price drop with a lag, will continue to contribute to price downside. It is, however, expected that the stabilisation of global food prices, in particular those of cereals, at low levels will not result in an upward pressure on unprocessed food prices. Energy price dynamics will also contain deflation in the near future. The US Energy Information Agency forecasts that the signs of growth recovery in China and other Asian economies will foster global oil demand. Since excess oil production capacity still persists, an increase in oil prices is more likely to be gradual (see Chart 5.5).

The impact of administered prices on overall inflation which was positive in the third quarter continued on a steep downward trend. It is expected to contain the overall price deflation in the future. The administered energy prices, in particular those of natural gas and heating tariffs, the dynamics of which has been affected by global energy prices of the previous nine months, shrank year-on-year. Global oil prices are on an upward trend since early 2009, hence a steady

Chart 5.6
BREAKDOWN OF EXPECTATIONS FOR CONSUMER PRICE CHANGES IN THE NEXT 12 MONTHS (%)



price rise is expected to follow a fall in energy tariffs. The administered service prices (in particular those related to health and social care) which were expanding further in the third quarter would also be expected to dampen the overall consumer price drop. In view of the decline in public funding allocated for the above sectors, a notable further fall of prices in these branches is not to be anticipated.

In the third quarter, the 12-month inflation expectations across the population were relatively stable following a substantial decline that started in mid-2008 (see Chart 5.6). Recent significant drop in the inflation expectations was attributable to the perceived inflation which narrowed against the backdrop of decelerating consumer price rise at the end of 2008 and a notable downturn in the economic activity. Over the year, the number of the survey respondents who believe that price level will remain unchanged or decrease over the next 12 months and are selected for calculating inflation expectations has considerably expanded. In October 2008, a stable or falling price level was expected by 8.7% of the respondents, and in October 2009 – by 56.6% of the respondents. The above number is below that observed in May when inflation expectations were negative and stable or falling prices were expected by 69.0% of the respondents. In recent months, inflation expectations which have been negative for two months, have turned positive again and suggest that consumer price decline is currently expected to be relatively short-lived and prices will not narrow substantially over the next 12 months.

Overall, risks related to the medium-term inflation expectations are balanced. Downside risks are primarily associated with the decrease in personal income and relatively high unemployment rate, resulting in further adverse effects on domestic demand. Potential expansion of grey economy poses upside risks (see Section 3.3), thus the actual fall in personal income may be lower than that indicated by official statistical data. Upside risks are related to global energy and food price dynamics. Finally, upside risks to consumer price dynamics are associated with uncertainty regarding an increase in various indirect tax rates (such as excise tax).

Chart 6.1
GOODS AND SERVICES BALANCE OF LATVIA'S FOREIGN TRADE AND CURRENT ACCOUNT
 (% of GDP)

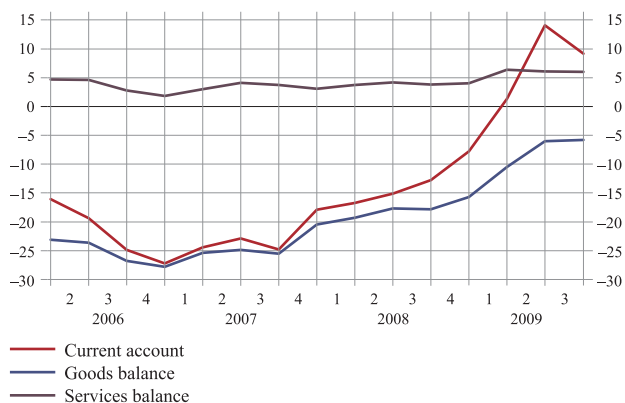


Chart 6.2
CURRENT ACCOUNT OF LATVIA'S BALANCE OF PAYMENTS AND ITS COMPONENTS
 (in millions of lats)

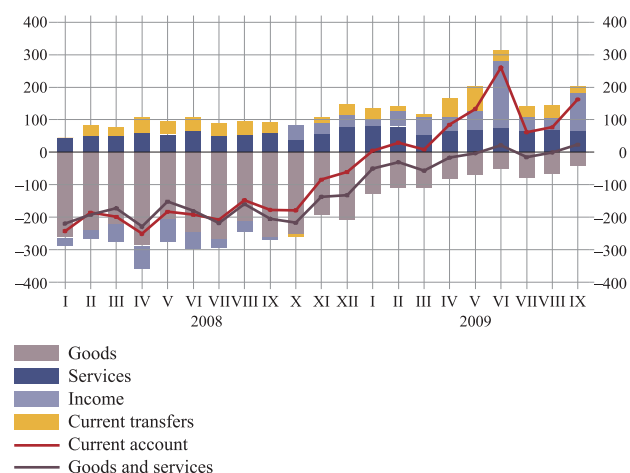
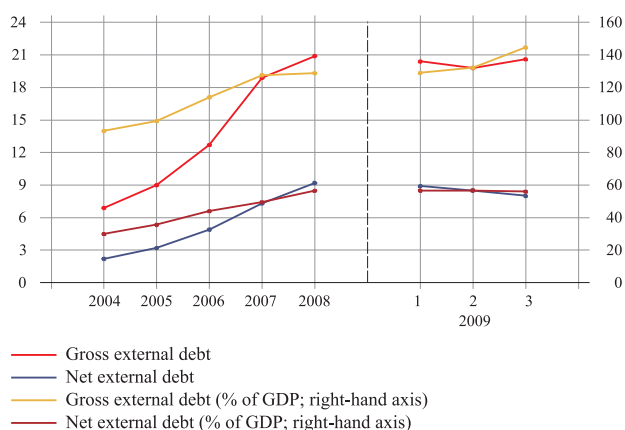


Chart 6.3
LATVIA'S EXTERNAL DEBT
 (in billions of lats)



6. Balance of Payments

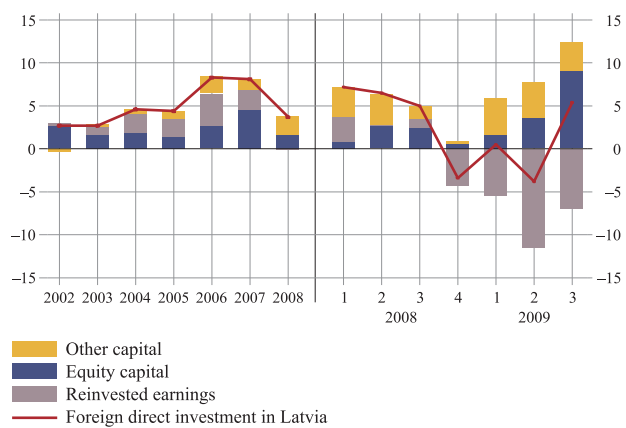
The ability of Latvia's economy to generate, at least temporary, funds from exports and the accelerating foreign trade to finance imports in the third quarter may suggest that, following a rather flat and broad-based decline in previous periods, a positive export-based rebound has set in. When in the second quarter of 2009 exports stabilised, imports became balanced in the third quarter as well (see Chart 6.1), with the total trade turnover to GDP rising from 78.2% to 84.0% in the third quarter after a decline over three consecutive quarters.

In the year to come, exports, supported by strengthening external demand and competitiveness, are expected to expand gradually, while imports may retain their downward trend due to low domestic demand. With the economic recovery likely to revive in the second half of 2010, imports of transport vehicles and durable goods are expected to go up, while maintaining and pushing up of the production capacity would, at the same time, require larger amount of imported capital goods whose volume dropped year-on-year by almost 60% in the first eight months of 2009. Consequently, the prospects of a moderate export growth imply the possibility of a return to current account deficit after 2010 (see Chart 6.2).

As a result of the substantial public debt, which is most likely to exceed 150% of GDP by the end of 2009 and to keep growing in 2010 due to the government borrowing, the costs of debt-generating capital inflows and related risks have increased for the economy overall (see Chart 6.3). Foreign direct investment, with predictable tax policy among its preconditions, is a welcome substitute for productive investment opportunities.

Since the fourth quarter of 2008, the current account deficit has deviated markedly from the trade balance as losses incurred by direct investment companies, including loan loss provisions of banks, have a pronounced increasing effect on the current account surplus (see Chart 6.4). As the impact of losses, provisions including, is controversial, other indicators, e.g. goods and services trade data, should be preferred for analytical purposes.

Chart 6.4
 NET INFLOW OF FOREIGN DIRECT INVESTMENT IN
 LATVIA
 (% of GDP)



7. Conclusions and Forecasts

7.1 Economic development

The situation in foreign markets has been gradually improving; nevertheless, Latvia's economic growth in 2009 is strongly determined by the steep drop in domestic demand. As a result, a 17.5% GDP contraction is projected for 2009. In recent months, however, the Latvian economy is sending some positive signals.

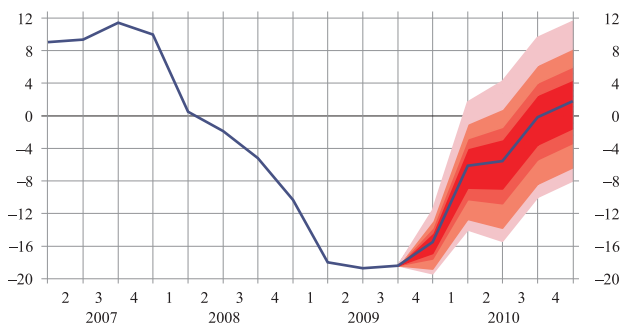
Manufacture of wood, chemicals and paper products has grown year-on-year. Latvia's export market shares have expanded in a number of foreign trade partners suggesting improving competitiveness amid global financial crisis. The export order dynamics posted positive trends, whereas several business confidence indicators point to tentative bottoming out in the economic activity. Latvia's economic downturn is likely to go on, with GDP dropping to a historical low in the second quarter of 2010; in the second half of 2010, however, economic recovery is expected to start in Latvia. In the upcoming year, Latvia's economic growth is likely to be negative, and a fall of 2.5% on average is projected.

Overall, it is anticipated that as a result of the economic crisis real GDP is going to contract by around 37% according to the seasonally non-adjusted data against the high attained in the fourth quarter of 2007 (dropping to around the 2004 level). According to the seasonally adjusted data, the drop in real GDP will exceed 24%.

The future development of Latvia's economy is subject to both downward and upward risks due to a number of external factors; nevertheless, risks to the overall national economic growth are viewed to be broadly balanced (see Chart 7.1).

The main upward risks are related to the conjuncture improvements anticipated in a number of Latvia's major foreign trade partners and potentially steeper-than-projected rise in exports. The overall economic recovery may additionally be supported by improving confidence indicators as well as certain stabilisation and even a pick-up in individual industrial sectors. Finally, declining prices are going to boost population's purchasing power in real terms.

Chart 7.1
GDP CHANGES
(year-on-year; %; Bank of Latvia forecast*)



* The coloured area presents 90% of potential scenarios (the lighter the colour, the lesser the possibility for a scenario to materialise).

Substantially shrinking income and rising unemployment will drive the contractions in private consumption, thus intensifying downward risks to the economic development. The households' need to pay off net debt accumulated over the years of buoyant growth will also figure as a factor dampening private consumption in the near future. In absolute terms, interest rates on loans repayable remained at a rather low level due to expansionary monetary policy pursued by major central banks; in Latvia, however, interest rates and along them also loan payments in real terms went up owing to decreasing prices. The restructuring of a part of bank credit portfolios was only a short-term solution safeguarding private consumption from an even steeper fall. Additional risks to the private consumption growth are linked to the ECB eventually raising its key rates which will push up loan payments also for the Latvian households. Likewise, downward risks to private investment also exist, with production capacities at historic lows and banks continuing extremely prudential lending policies. Finally, the measures aimed at budget consolidation will most likely heighten downward risks, particularly so if under their impact uncertainty is boosted and financial market strains increase.

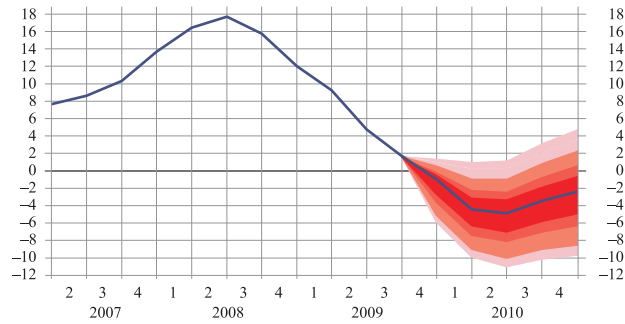
The uncertainty regarding GDP forecasts has remained strong since the outset of the global financial crisis. It is even more amplified by the specific nature of the Latvian economy, which, being small and open, is subject to relatively strong fluctuations and responds sensitively to both positive and negative external shocks.

7.2 Inflation

Persistently low demand, optimisation of corporate costs and the associated changes in labour costs as well as dynamics of import prices and changes in administered prices will contribute to consumer price dynamics in the near future.

According to the estimates, the average inflation rate will be 3.6% in 2009. In 2010, with private consumption recording a further decline, an average annual fall in consumer prices is expected to be 3.8%. Overall, it has been forecast that on account of the economic slowdown prices will narrow by 7% up to the second quarter of 2011 compared to the peak reached in the first quarter of 2009. Such a drop in prices along with the growth in productivity is likely to contribute to the recovery of competitiveness of Latvian exporters in the near future.

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



* The coloured area represents 90% of potential scenarios (the lighter the colour, the smaller the possibility for a scenario to materialise).

Over the medium-term, risks to the outlook for inflation are broadly balanced (see Chart 7.2). Downside risks are primarily related to the decrease in personal income and relatively high unemployment rate having a continuous adverse effect on domestic demand. Potential expansion of grey economy poses upside risks; hence the actual fall in personal income may be lower than that indicated by the official statistical data. Thus the pressure on price decline may be lower than expected. Upside risks are associated with the dynamics of global energy and food prices. Global energy and food prices may record a faster increase than expected under the impact of economic recovery in the rest of the world, Asian economies in particular, with pressure on price rise aggravating in Latvia. Additional upside risks to consumer price dynamics are associated with uncertainty regarding the increase in various indirect tax rates (VAT and excise tax).

Statistics: list of tables

1.	Monetary Indicators and Interest Rates	40
2.ab	Real Sector Indicators and Prices	41
3.	Monetary Base	42
4.	Monetary Aggregates and Counterparts	43
5.	Seasonally Adjusted Monetary Aggregates	43
6.	The Bank of Latvia's Assets and Liabilities	44
7.	Aggregated Balance Sheet of MFIs (excluding the Bank of Latvia)	45
8.	Consolidated Balance Sheet of MFIs	46
9.ab	Aggregated Balance Sheet of MFIs (excluding the Bank of Latvia)	47
10.	Monetary Survey	50
11.ab	Foreign Assets and Liabilities of MFIs (excluding the Bank of Latvia)	51
12.	Country Breakdown of MFI (excluding the Bank of Latvia) Selected Foreign Assets and Foreign Liabilities	52
13.	Maturity Profile of Resident Financial Institutions, Non-Financial Corporations and Households (in lats and foreign currencies)	53
14.a	Deposits by Financial Institutions (in lats and foreign currencies)	54
14.b	Deposits by Non-Financial Corporations (in lats and foreign currencies)	55
14.c	Deposits by Households (in lats and foreign currencies)	56
14.d	Deposits by Government and Non-Residents (in lats and foreign currencies)	56
15.	Maturity Profile of Loans to Resident Financial Institutions, Non-Financial Corporations and Households (in lats and foreign currencies)	57
16.a	Loans to Financial Institutions and Non-Financial Corporations	57
16.b	Loans to Households	58
16.c	Loans to Government and Non-Residents	58
17.	Loans to Financial Institutions and Non-Financial Corporations in the National Economy	59
18.	Lending to Resident Financial Institutions, Non-Financial Corporations and Households	59
19.a	Holdings of Securities Other than Shares	60
19.b	Holdings of Shares and Other Equity	60
20.a	Currency Breakdown of Resident Deposits	61
20.b	Currency Breakdown of Non-Resident Deposits	61
20.c	Currency Breakdown of Loans to Residents	62
20.d	Currency Breakdown of Loans to Non-Residents	62
20.e	Currency Breakdown of Holdings of Resident Securities Other than Shares	63
20.f	Currency Breakdown of Holdings of Non-Resident Securities Other than Shares	63
20.g	Currency Breakdown of Debt Securities Issued by MFIs	64
21.a	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident "Non-Financial Corporations and Households in Lats	64
21.b	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident Non-Financial Corporations and Households in Euros	67

21.c	Weighted Average Interest Rates Charged by MFIs in Transactions with Resident Non-Financial Corporations and Households in US Dollars	70
22.	Lending in the Interbank Markets	74
23.a	Interest Rates in the Domestic Interbank Market	75
23.b	Interest Rates Set by the Bank of Latvia	75
23.c	Interest Rates in Bank of Latvia Tenders of Repurchase Agreements and Short-Term Currency Swap Contracts	76
24.	Principal Foreign Exchange Transactions (by type and counterparty)	76
25.	Foreign Exchange Transactions	76
26.	Monthly Averages of the Exchange Rates Set by the Bank of Latvia	77
27.	Weighted Average Exchange Rates (excluding non-cash items)	77
28.	Structure of Government Securities	77
29.	Auctions of Government Securities in the Primary Market	78
30.	The Bank of Latvia's Transactions in the Secondary Market for Government Securities	79
31.	Dynamics of Gross Domestic Product	79
32.	Changes in the Average Monthly Gross Wages and Salaries and Unemployment	79
33.	Latvian Foreign Trade Balance	80
34.	Main Export Goods of Latvia	80
35.	Main Import Goods of Latvia	81
36.	Latvian Foreign Trade Partners	81

1. MONETARY INDICATORS AND INTEREST RATES

	2008					2009					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
M1 ¹	-15.0	-8.1	-10.1	-8.9	-15.0	-17.8	-21.0	-19.9			
M2 ¹	-4.4	9.9	6.1	5.2	-4.4	-6.9	-9.9	-11.6			
M3 ¹	-4.3	10.1	5.9	5.6	-4.3	-7.0	-10.4	-12.0			
M2X ¹	-3.9	8.7	5.3	5.3	-3.9	-6.2	-8.3	-10.2			
Loans to resident financial institutions, non-financial corporations and households ¹	11.7	25.4	20.0	17.6	11.7	6.4	-0.2	-4.9			
Deposits of resident financial institutions, non-financial corporations and households ¹	-3.9	12.4	7.8	7.0	-3.9	-5.0	-5.7	-7.6			
Long-term interest rate for convergence assessment purposes ²	6.43	5.36	6.04	6.59	7.74	11.15	11.66	12.94			
RIGIBOR (3-month loans) ³	8.0	7.7	5.9	6.3	12.0	11.6	16.0	13.9			
Average yield on government bonds ⁴	6.3	5.9	6.5	6.9	-	-	-	-			
OMX Riga ³	479.9	561.0	528.3	495.9	330.1	227.8	225.3	286.9			

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1 ¹	-12.1	-11.3	-8.9	-8.0	-8.8	-15.0	-16.8	-14.4	-17.8	-18.2	-18.7	-21.0	-21.5	-22.1	-19.9
M2 ¹	5.9	5.5	5.2	3.0	0.5	-4.4	-5.4	-4.3	-6.9	-8.1	-8.1	-9.9	-11.6	-12.5	-11.6
M3 ¹	5.7	5.7	5.6	3.2	0.5	-4.3	-5.2	-4.2	-7.0	-8.2	-8.3	-10.4	-12.3	-13.2	-12.0
M2X ¹	5.3	5.4	5.3	2.8	0.4	-3.9	-4.7	-3.6	-6.2	-6.3	-6.3	-8.3	-10.1	-11.1	-10.2
Loans to resident financial institutions, non-financial corporations and households ¹	19.3	17.9	17.6	15.8	14.3	11.7	10.5	8.4	6.4	4.3	1.6	-0.2	-2.2	-3.7	-4.9
Deposits of resident financial institutions, non-financial corporations and households ¹	7.6	7.2	7.0	2.9	-0.2	-3.9	-5.2	-3.3	-5.0	-4.6	-4.6	-5.7	-7.7	-8.4	-7.6
Long-term interest rate for convergence assessment purposes ²	6.57	6.60	6.60	6.60	7.60	9.03	10.64	11.50	11.32	11.15	11.09	12.75	12.75	12.81	13.27
RIGIBOR (3-month loans) ³	6.2	6.3	6.3	10.0	12.1	13.9	12.0	10.7	12.1	12.4	13.4	22.2	16.9	13.2	11.6
Average yield on government bonds ⁴	6.9	6.9	6.9	-	-	-	-	-	-	-	-	-	-	-	-
OMX Riga ³	514.3	504.4	468.5	363.7	345.4	274.8	255.5	220.5	209.1	212.1	229.2	235.3	255.3	277.7	330.7

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.

2.a REAL SECTOR INDICATORS AND PRICES

	2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Industrial output^{1,2}								
Increase/decrease ² (at constant prices; working day adjusted data; %)	-3.7	0.5	-0.4	-5.0	-9.9	-22.2	-18.8	-15.0
Cargoes loaded and unloaded at ports								
Turnover (in thousands of tons)	63 649	16 825	15 374	15 344	16 102	16 597	15 689	14 832
Increase/decrease ³ (%)	1.9	12.7	-6.6	-2.8	5.4	-1.4	2.0	-3.3
Retail trade turnover¹ (excluding retail trade at market-places)								
Turnover (at current prices; in millions of lats)	6 031.0	1 463.4	1 592.4	1 545.3	1 429.9	1 034.3	1 064.3	1 031.1
Increase/decrease ³ (at constant prices; %)	-11.0	-4.2	-7.6	-12.1	-19.2	-32.2	-35.0	-33.8
Unemployment rate (%)	7.0	4.9	4.9	5.3	7.0	10.7	11.5	13.2
Producer prices ¹ (increase/decrease compared with the previous period; %)	11.8	2.7	5.9	2.2	-0.7	-3.0	-3.5	-1.6
Consumer price inflation								
Year-on-year basis (%)	15.4	16.4	17.7	15.8	12.0	9.2	4.7	1.6
Quarter-on-quarter basis (%)	x	5.2	3.9	1.1	1.4	2.6	-0.4	-1.9
Financial surplus/deficit in the general government consolidated budget								
Surplus/deficit (in millions of lats)	-531.1	114.3	51.5	-29.9	-667.0	-142.1	-283.1	-68.5
Ratio to GDP (%)	3.3	3.1	1.2	0.7	15.9	4.3	8.4	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

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Industrial output ^{1,2}															
Increase/decrease ³ (at constant prices; working day adjusted data; %)	-3.9	-7.5	-3.4	-5.5	-10.9	-13.3	-21.2	-24.2	-21.4	-18.7	-19.2	-18.4	-17.3	-12.4	-15.3
Cargoes loaded and unloaded at ports															
Turnover (in thousands of tons)	5 498	4 744	5 102	4 963	5 373	5 765	5 577	5 441	5 579	5 152	5 128	5 409	5 197	5 219	4 416
Increase/decrease ³ (%)	-1.4	-12.1	6.1	3.2	11.4	2.3	-0.9	-0.8	-2.4	0.7	-2.4	8.1	-5.5	10.0	-13.5
Retail trade turnover ¹ (excluding retail trade at market-places)															
Turnover (at current prices; in millions of lats)	539.9	510.6	494.8	483.5	446.1	500.4	350.3	332.6	331.4	354.4	357.7	352.2	359.1	344.7	327.3
Increase/decrease ³ (at constant prices; %)	-9.9	-14.9	-11.6	-19.6	-21.1	-17.6	-29.9	-34.4	-32.2	-36.7	-34.8	-33.4	-34.4	-33.5	-33.8
Unemployment rate (%)	5.1	5.2	5.3	5.6	6.1	7.0	8.3	9.5	10.7	11.0	11.3	11.5	11.8	12.3	13.2
Producer prices ¹ (increase/decrease compared with the previous period; %)	0.4	1.1	-1.2	1.0	-1.6	-0.6	-0.6	-1.4	-1.7	-0.9	-0.9	-1.7	-0.3	0.0	0.3
Consumer price inflation															
Year-on-year basis (%)	16.7	15.7	14.9	13.8	11.8	10.5	9.8	9.6	8.2	6.2	4.7	3.4	2.5	1.8	0.5
Month-on-month basis (%)	0.3	-0.4	1.1	1.2	-0.4	-0.5	2.2	1.1	0.2	-0.4	-0.5	-0.5	-0.6	-1.0	-0.2
Annual core inflation (%)	14.3	13.4	12.6	11.2	9.8	8.7	6.1	6.6	4.8	3.9	2.9	2.0	1.8	1.0	-0.4
Financial surplus/deficit in the general government consolidated budget (in millions of lats)	-64.7	15.4	19.4	-228.5	-192.8	-245.7	58.6	-51.8	-148.9	-190.8	-5.0	-87.3	-3.7	12.2	-77.0

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

² Data have been revised.

³ Year-on-year basis.

3. MONETARY BASE

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Currency in circulation	1 003.2	1 018.1	998.9	1 037.0	1 044.5	1 018.1	949.7	922.2	833.4	846.6	825.1	758.5	767.1	756.7	748.7
Currency as percent of the monetary base	41.3	42.4	42.4	43.5	46.1	48.2	50.1	45.5	53.9	52.5	49.7	47.9	49.0	48.1	46.7
Deposits with the Bank of Latvia in lats	1 417.3	1 375.2	1 348.1	1 336.5	1 213.1	1 068.8	930.3	1 091.8	703.1	752.9	826.4	808.5	792.0	809.0	841.4
Deposits with the Bank of Latvia in foreign currencies	9.1	7.9	7.5	9.9	10.0	24.6	15.8	11.4	8.9	12.7	9.4	17.7	7.7	7.6	14.2
Deposits as percent of the monetary base	58.7	57.6	57.6	56.5	53.9	51.8	49.9	54.5	46.1	47.5	50.3	52.1	51.0	51.9	53.3
M0	2 429.7	2 401.2	2 354.5	2 383.4	2 267.6	2 111.5	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
Net foreign assets	2 891.0	2 887.7	2 990.2	2 888.3	2 367.1	2 332.3	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
Loans to MFIs	0	0	10.0	187.9	554.6	639.3	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0
Credit to central government (net)	-336.3	-344.7	-481.8	-501.5	-448.0	-638.1	-713.9	-1 169.0	-535.6	-496.2	-540.3	-397.0	-1 308.3	-1 558.5	-1 563.8
Other items (net)	-125.0	-141.9	-163.9	-191.3	-206.1	-222.0	-232.4	-244.2	-528.4	-302.9	-251.9	-244.3	-253.7	-261.7	-266.3
Total	2 429.7	2 401.2	2 354.5	2 383.4	2 267.6	2 111.5	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

4. MONETARY AGGREGATES AND COUNTERPARTS

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Monetary aggregates															
M3	6 517.4	6 514.3	6 380.7	6 277.7	6 141.0	6 039.5	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
Repos	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	110.7	123.8	113.0	97.3	79.2	70.2	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8
Debt securities issued with maturity of up to 2 years	7.6	7.8	7.1	4.5	4.5	4.4	3.1	3.1	3.2	1.3	1.7	1.7	1.7	1.7	0.9
M2	6 399.0	6 382.8	6 260.5	6 175.9	6 057.3	5 964.9	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
Deposits with agreed maturity of up to 2 years	2 296.2	2 337.1	2 322.7	2 324.5	2 299.5	2 356.1	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
Deposits redeemable at notice of up to 3 months	341.5	329.3	320.5	289.2	270.3	263.7	271.1	283.6	290.0	286.7	306.3	285.1	277.5	270.2	261.0
M1	3 761.2	3 716.4	3 617.3	3 562.2	3 487.5	3 345.1	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
Currency outside MFIs	885.6	899.6	876.9	912.4	913.2	866.1	832.2	803.9	726.6	725.6	718.7	661.0	664.9	658.3	651.5
Overnight deposits	2 875.6	2 816.8	2 740.4	2 649.8	2 574.3	2 479.0	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
Counterparts of monetary aggregates and longer-term financial liabilities															
Deposits of central government	457.3	478.6	617.2	555.6	812.1	1 354.2	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
Longer-term financial liabilities	2 390.0	2 429.8	2 391.7	2 428.9	2 432.5	2 306.1	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
Deposits with agreed maturity of over 2 years	145.6	147.0	147.0	147.4	145.6	165.9	166.4	165.0	163.9	169.2	168.3	159.8	162.1	162.2	163.2
Deposits redeemable at notice of over 3 months	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0.1	0.1	0.1	0.1	0.1
Debt securities issued with maturity of over 2 years	219.3	217.5	176.0	171.0	173.9	174.5	176.7	175.0	165.6	162.2	158.7	158.8	159.0	156.1	156.1
Capital and reserves	2 025.1	2 065.2	2 068.6	2 110.3	2 113.0	1 965.6	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
Credit to residents	14 753.8	14 928.4	15 147.6	15 276.5	15 656.0	15 831.7	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
Credit to general government	401.0	407.3	490.5	543.8	949.6	1 182.0	1 160.3	985.3	607.0	715.6	691.5	626.8	710.7	685.8	663.9
Credit to other residents	14 352.8	14 521.1	14 657.1	14 732.7	14 706.4	14 649.7	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
Loans	14 290.9	14 460.6	14 594.0	14 668.9	14 643.0	14 577.7	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
Net external assets	-5 397.1	-5 496.6	-5 692.1	-5 951.5	-6 184.8	-5 914.6	-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
Other items (net)	-8.0	9.0	66.0	62.8	85.5	217.3	212.0	263.8	344.6	443.2	574.5	855.7	908.8	986.7	1 116.6

5. SEASONALLY ADJUSTED MONETARY AGGREGATES

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
M1	3 675.1	3 671.0	3 609.6	3 563.2	3 496.2	3 297.4	3 193.6	3 213.2	3 102.0	3 077.7	3 046.7	2 934.2	2 887.0	2 860.8	2 889.5
M2	6 337.7	6 345.4	6 288.7	6 209.3	6 124.2	5 925.5	5 910.2	5 947.4	5 824.2	5 826.4	5 806.9	5 695.7	5 604.9	5 557.0	5 557.1
M3	6 458.1	6 478.7	6 408.2	6 308.6	6 209.9	6 002.5	5 998.9	6 036.6	5 899.9	5 908.0	5 888.2	5 758.4	5 666.6	5 623.7	5 634.9

6. THE BANK OF LATVIA'S ASSETS AND LIABILITIES

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	0	0	10.0	187.9	554.6	639.3	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0
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	10.0	187.9	554.6	639.3	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0
Holdings of securities other than shares issued by residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other residents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Holdings of shares and other equity issued by residents	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
External assets	2 998.1	3 045.0	3 155.2	3 116.5	2 542.6	2 734.4	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
Fixed assets	34.6	34.5	34.3	34.2	34.1	34.6	34.3	34.2	34.0	33.7	33.5	33.3	33.1	33.3	33.3
Remaining assets	2.4	2.3	2.3	2.3	2.8	5.4	5.1	4.0	4.0	3.9	6.1	3.3	4.7	6.3	2.8
Total	3 035.1	3 081.8	3 201.8	3 341.0	3 134.2	3 413.6	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
LIABILITIES															
Currency in circulation	1 003.2	1 018.1	998.9	1 037.0	1 044.5	1 018.1	949.7	922.2	833.4	846.6	825.1	758.5	767.1	756.7	748.7
Deposits of residents	1 762.7	1 728.4	1 837.5	1 852.1	1 675.0	1 734.1	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
Central government	336.3	344.7	481.8	501.5	448.0	638.1	713.9	1 169.0	535.6	496.2	540.3	397.0	1 308.3	1 558.5	1 563.8
Other residents	7.4	3.2	2.5	6.7	2.1	1.7	5.7	1.3	2.8	1.8	1.5	1.1	5.7	1.8	1.5
MFIs	1 419.1	1 380.5	1 353.2	1 343.9	1 224.9	1 094.3	946.3	1 104.4	980.6	819.3	835.8	825.5	795.5	816.2	855.5
Debt securities issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	156.2	172.8	195.1	218.8	233.7	242.3	257.8	264.2	273.4	261.7	266.2	275.4	283.7	290.5	296.6
External liabilities	107.1	157.3	165.0	228.2	175.5	402.1	319.2	286.1	24.1	12.7	24.6	17.1	12.1	11.2	18.5
Remaining liabilities	5.8	5.2	5.4	4.9	5.5	17.0	8.2	15.8	21.4	23.2	23.8	5.2	6.4	9.5	4.3
Total	3 035.1	3 081.8	3 201.8	3 341.0	3 134.2	3 413.6	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

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

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	16 356.1	16 575.9	16 608.3	16 625.3	16 515.3	16 184.5	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
General government	73.2	73.4	157.6	160.8	170.6	168.1	163.1	164.7	164.8	158.9	158.8	158.6	160.7	159.1	156.8
Other residents	14 290.9	14 460.6	14 594.0	14 668.9	14 643.0	14 577.7	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
MFIs	1 992.1	2 041.8	1 856.7	1 795.6	1 701.8	1 438.7	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
Holdings of securities other than shares issued by residents	400.2	415.1	375.6	428.2	823.6	1 057.6	1 040.6	866.1	487.8	597.2	568.9	506.6	584.2	559.9	540.8
General government	327.8	333.9	332.9	383.0	779.0	1 013.9	997.2	820.6	442.3	556.7	532.7	468.1	550.0	526.7	507.1
Other residents	0.8	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.7	0.4	0.3	0.1	0.1	0.1	0.1
MFIs	71.6	80.6	42.2	44.6	44.0	43.1	42.8	44.9	44.8	40.1	35.8	38.4	34.1	33.1	33.6
Holdings of shares and other equity issued by residents	61.2	59.9	62.5	63.3	62.8	71.4	72.9	77.7	89.1	88.7	154.8	162.2	162.4	163.7	167.5
External assets	4 844.8	5 005.3	4 913.2	4 918.0	5 065.9	4 925.9	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
Fixed assets	194.5	195.2	194.6	190.8	195.8	196.7	195.4	194.1	166.3	164.9	162.4	166.9	164.8	160.0	158.4
Remaining assets	336.0	360.5	363.2	400.1	438.9	478.0	445.1	465.1	485.4	511.5	513.8	482.6	496.9	515.3	539.2
Total	22 192.8	22 611.8	22 517.4	22 625.7	23 102.3	22 914.1	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
LIABILITIES															
Deposits of residents	6 345.8	6 427.8	6 167.4	5 909.9	6 129.1	6 322.9	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
Central government	121.1	134.0	135.4	54.1	364.1	716.1	685.0	715.8	882.6	866.7	662.0	662.1	664.9	662.8	680.5
Other residents	5 651.6	5 627.0	5 528.3	5 404.4	5 287.7	5 263.0	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
MFIs	573.1	666.9	503.6	451.4	477.3	343.7	420.9	469.5	542.8	467.7	497.6	398.5	359.0	335.6	309.4
Money market fund shares and units	110.7	123.8	113.0	97.3	79.2	70.2	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8
Debt securities issued	226.9	225.3	183.2	175.5	178.4	178.9	179.8	178.1	168.7	163.5	160.4	160.5	160.7	157.7	157.0
Capital and reserves	1 868.9	1 892.4	1 873.5	1 891.6	1 879.3	1 723.3	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
External liabilities	13 132.8	13 389.6	13 595.4	13 757.8	13 617.8	13 172.8	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
Remaining liabilities	507.7	552.9	585.0	793.6	1 218.5	1 446.1	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
Total	22 192.8	22 611.8	22 517.4	22 625.7	23 102.3	22 914.1	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

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
ASSETS															
Loans to residents	14 364.0	14 534.0	14 751.6	14 829.7	14 813.6	14 745.8	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
General government	73.2	73.4	157.6	160.8	170.6	168.1	163.1	164.7	164.8	158.9	158.8	158.6	160.7	159.1	156.8
Other residents	14 290.9	14 460.6	14 594.0	14 668.9	14 643.0	14 577.7	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
Holdings of securities other than shares issued by other residents	328.6	334.5	333.5	383.6	779.6	1 014.5	997.8	821.3	443.0	557.1	533.0	468.2	550.1	526.8	507.2
General government	327.8	333.9	332.9	383.0	779.0	1 013.9	997.2	820.6	442.3	556.7	532.7	468.1	550.0	526.7	507.1
Other residents	0.8	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.7	0.4	0.3	0.1	0.1	0.1	0.1
Holdings of shares and other equity issued by other residents	61.2	59.9	62.5	63.3	62.8	71.4	72.9	77.7	89.1	88.7	154.8	162.2	162.4	163.7	167.5
External assets	7 842.9	8 050.3	8 068.4	8 034.5	7 608.5	7 660.3	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
Fixed assets	229.1	229.7	229.0	225.0	230.0	231.3	229.7	228.3	200.2	198.6	195.9	200.2	197.9	193.3	191.7
Remaining assets	220.8	244.4	243.4	277.8	310.4	331.4	332.7	350.9	382.5	394.3	413.6	388.5	399.4	423.2	444.8
Total	23 046.6	23 452.7	23 688.4	23 813.9	23 804.8	24 054.8	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
LIABILITIES															
Currency outside MFIs	885.6	899.6	876.9	912.4	913.2	866.1	832.2	803.9	726.6	725.6	718.7	661.0	664.9	658.3	651.5
Deposits of central government	457.3	478.6	617.2	555.6	812.1	1 354.2	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
Deposits of other general government and other residents	5 659.0	5 630.2	5 530.8	5 411.1	5 289.8	5 264.8	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
Money market fund shares and units	110.7	123.8	113.0	97.3	79.2	70.2	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8
Debt securities issued	155.3	144.7	141.0	130.9	134.5	135.8	137.0	133.3	123.9	123.4	124.6	122.1	126.5	124.6	123.4
Capital and reserves	2 025.1	2 065.2	2 068.6	2 110.3	2 113.0	1 965.6	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
External liabilities	13 240.0	13 546.9	13 760.4	13 986.0	13 793.3	13 574.9	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
Remaining liabilities	513.4	558.1	580.3	610.6	669.4	823.9	816.6	887.5	971.4	1 076.0	1 219.3	1 482.1	1 535.8	1 631.6	1 782.2
Excess of inter-MFI liabilities	0	5.6	0.2	-0.3	0.4	-0.7	0.6	0.3	0.7	0.2	0.5	0.6	4.4	4.8	4.5
Total	23 046.6	23 452.7	23 688.4	23 813.9	23 804.8	24 054.8	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

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

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
MFI reserves	1 536.7	1 493.9	1 475.2	1 468.5	1 356.3	1 246.2	1 063.9	1 222.6	1 087.5	940.3	942.2	923.0	894.1	911.1	949.1
Vault cash in national currency	117.6	118.4	122.0	124.6	131.3	151.9	117.6	118.3	106.8	121.1	106.4	97.5	102.2	98.4	97.1
Deposits with the Bank of Latvia	1 419.1	1 375.5	1 353.2	1 343.9	1 224.9	1 094.3	946.3	1 104.4	980.6	819.3	835.8	825.5	791.9	812.7	852.0
Foreign assets	4 844.8	5 005.3	4 913.2	4 918.0	5 065.9	4 925.9	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
Claims on the central government	328.0	334.0	417.5	467.8	870.8	1 105.4	1 081.5	905.0	526.7	641.2	617.1	552.5	634.4	611.1	591.5
Loans	0.2	0.1	84.6	84.8	91.8	91.5	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.4
Holdings of securities other than shares	327.8	333.9	332.9	383.0	779.0	1 013.9	997.2	820.6	442.3	556.7	532.7	468.1	550.0	526.7	507.1
Claims on the local government	73.0	73.3	73.0	76.0	78.8	76.6	78.7	80.2	80.3	74.5	74.4	74.2	76.3	74.7	72.3
Loans	73.0	73.3	73.0	76.0	78.8	76.6	78.7	80.2	80.3	74.5	74.4	74.2	76.3	74.7	72.3
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	1 059.8	1 048.1	1 031.4	1 032.0	1 013.9	954.3	931.4	908.4	879.1	846.4	826.5	806.3	777.1	806.2	832.0
Loans	1 013.1	1 002.7	983.9	983.6	965.8	897.3	875.7	849.6	813.1	780.9	695.5	676.0	647.2	677.2	702.3
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	46.7	45.4	47.5	48.4	48.1	57.1	55.7	58.8	66.0	65.5	131.0	130.2	129.9	129.0	129.7
Claims on public non-financial corporations	294.5	307.1	337.4	345.2	342.1	381.2	377.4	389.3	383.0	376.7	383.8	382.9	382.9	382.5	392.5
Loans	294.5	307.1	337.4	345.2	342.1	381.2	377.4	389.3	383.0	376.7	383.8	382.9	382.9	382.5	392.5
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	6 665.5	6 784.8	6 877.0	6 923.4	6 917.4	6 911.8	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
Loans	6 650.3	6 769.8	6 861.4	6 907.9	6 902.1	6 896.8	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
Holdings of securities other than shares	0.8	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.7	0.4	0.3	0.1	0.1	0.1	0.1
Holdings of shares and other equity	14.4	14.4	15.0	14.9	14.6	14.3	17.2	18.9	23.1	23.3	23.9	32.0	32.6	34.7	37.8
Claims on households	6 333.1	6 381.2	6 411.3	6 432.2	6 433.0	6 402.4	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
Loans	6 333.1	6 381.2	6 411.3	6 432.2	6 433.0	6 402.4	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
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	194.5	195.2	194.6	190.8	195.8	196.7	195.4	194.1	166.3	164.9	162.4	166.9	164.8	160.0	158.4
Other assets	218.4	242.1	241.2	275.5	307.5	326.1	327.6	346.9	378.5	390.4	407.6	385.1	394.7	416.9	442.0
Claims on resident MFIs	573.0	666.3	503.4	451.7	476.8	344.4	420.3	469.2	542.1	467.5	497.1	397.9	358.1	334.3	308.5
Holdings of MFI securities other than shares	71.6	80.6	42.2	44.6	44.0	43.1	42.8	44.9	44.8	40.1	35.8	38.4	34.1	33.1	33.6
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	22 192.8	22 611.8	22 517.4	22 625.7	23 102.3	22 914.1	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

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

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Overnight deposits in lats	1 614.0	1 590.9	1 539.8	1 510.2	1 402.4	1 385.2	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
Financial institutions	39.7	38.6	34.1	34.6	37.3	51.3	43.7	45.4	49.5	53.0	54.6	49.5	51.5	36.5	36.0
Public non-financial corporations	67.9	76.0	84.0	74.0	93.4	111.9	84.8	91.8	82.6	85.6	72.9	65.3	66.7	60.9	74.6
Private non-financial corporations	660.0	652.8	619.7	619.7	575.0	556.4	502.3	477.4	463.3	441.0	431.7	390.3	403.7	418.0	421.0
Households	846.4	823.5	802.1	781.9	696.8	665.6	628.2	616.5	557.6	582.4	549.7	536.9	520.6	499.8	502.1
Time deposits in lats	1 144.2	1 133.6	1 124.8	1 133.8	1 103.6	1 141.8	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
Financial institutions	223.8	228.4	225.6	233.0	228.1	230.1	253.9	253.5	247.9	242.7	233.9	254.2	260.2	246.4	243.9
Public non-financial corporations	220.4	210.8	192.1	179.4	168.0	167.1	154.0	173.2	172.3	177.5	185.3	176.5	163.4	175.0	179.8
Private non-financial corporations	137.5	126.1	144.1	162.3	155.8	171.2	196.3	178.3	170.0	216.7	150.1	145.2	107.2	122.4	95.9
Households	562.4	568.2	563.0	559.2	551.6	573.4	575.9	561.4	525.1	504.4	488.4	472.4	469.5	463.8	464.5
Deposits redeemable at notice in lats	101.6	101.6	101.0	94.6	86.1	74.8	77.4	75.1	71.9	67.4	65.5	53.6	52.4	52.9	50.6
Financial institutions	0.9	1.0	1.6	1.1	1.1	1.1	1.0	0.9	0.9	0.7	0.7	0.8	0.8	1.9	0.8
Public non-financial corporations	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4
Private non-financial corporations	7.5	9.0	10.2	10.5	9.6	5.9	8.6	9.1	12.9	10.6	9.9	7.5	7.6	7.2	7.4
Households	93.0	91.5	89.0	82.9	75.2	67.7	67.7	65.0	58.0	55.9	54.7	45.1	43.9	43.6	42.0
Repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	2 521.4	2 539.4	2 506.3	2 401.6	2 421.7	2 463.4	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
Financial institutions	71.8	76.5	95.4	87.8	93.7	111.0	123.9	152.3	181.1	193.7	234.9	274.2	275.3	281.2	302.5
Public non-financial corporations	32.0	24.1	19.6	19.7	31.9	32.0	41.7	33.7	33.2	35.9	58.3	51.6	45.2	43.8	29.1
Private non-financial corporations	660.3	646.4	621.1	611.1	628.6	683.2	661.2	734.3	730.9	746.0	753.2	777.5	737.2	727.1	703.0
Households	1 757.3	1 792.4	1 770.2	1 683.0	1 667.6	1 637.2	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
Deposits of central government	121.1	134.0	135.4	54.1	364.1	716.1	685.0	715.8	882.6	866.7	662.0	662.1	664.9	662.8	680.5
Overnight deposits in lats	2.3	2.2	1.9	1.7	1.6	9.9	1.1	1.3	1.4	6.1	1.3	3.7	3.5	4.8	7.2
Time deposits in lats	5.0	4.8	4.9	4.6	104.4	173.1	158.1	189.3	192.8	172.3	19.3	17.5	17.8	15.8	24.0
Deposits redeemable at notice and repos in lats	0	0	0	0	0	0	0	0	0	0	0	0	0	1.0	0
Foreign currency deposits	113.8	126.9	128.6	47.8	258.1	533.1	525.8	525.2	688.4	688.4	641.4	640.9	643.6	641.1	649.2
Deposits of local government	270.5	261.5	256.4	264.1	273.9	197.8	207.7	207.0	217.9	202.8	208.1	189.4	180.1	175.6	173.2
Overnight deposits in lats	190.2	191.5	194.5	191.1	210.4	136.9	148.0	144.5	156.2	140.5	150.5	121.2	121.2	119.6	116.7
Time deposits in lats	41.2	34.1	28.3	36.5	30.7	24.4	25.7	24.8	22.3	20.2	16.6	26.9	17.6	15.4	8.9
Deposits redeemable at notice and repos in lats	7.9	5.1	4.6	6.8	3.4	2.4	3.3	1.9	1.5	1.7	3.1	1.1	1.1	1.2	1.1
Foreign currency deposits	31.2	30.8	29.0	29.8	29.3	34.0	30.8	35.8	38.0	40.4	38.0	40.1	40.3	39.3	46.5
Transit funds	3.7	3.7	3.7	3.7	3.5	3.5	3.5	3.5	3.5	3.4	3.2	3.2	3.2	3.2	3.2
Foreign liabilities	13 132.8	13 389.6	13 595.4	13 757.8	13 617.8	13 172.8	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
Liabilities to the Bank of Latvia	0	0	10.0	187.9	554.6	639.3	595.3	592.8	254.3	275.0	362.2	258.9	255.0	235.0	225.0
Money market fund shares and units	110.7	123.8	113.0	97.3	79.2	70.2	82.1	83.6	74.2	79.9	82.4	59.0	60.7	65.6	78.8
Debt securities issued	226.9	225.3	183.2	175.5	178.4	178.9	179.8	178.1	168.7	163.5	160.4	160.5	160.7	157.7	157.0

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

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Capital and reserves	1 868.9	1 892.4	1 873.5	1 891.6	1 879.3	1 723.3	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
Residents	1 130.8	1 154.2	1 135.4	1 155.6	1 143.4	987.2	1 024.6	1 008.0	949.0	917.3	1 006.3	807.0	758.9	704.1	535.3
Retained earnings of the reporting year	185.1	213.5	213.2	220.5	217.0	71.9	9.0	-5.7	-48.2	-84.2	-142.9	-343.2	-396.6	-450.6	-573.5
Non-residents	738.1	738.1	738.1	735.9	735.9	736.1	736.1	738.5	737.9	737.9	737.9	773.1	910.3	911.7	1 014.4
Provisions	145.1	152.4	171.2	188.0	224.7	394.9	430.5	474.7	589.1	651.3	741.5	1 020.1	1 105.1	1 178.8	1 334.9
Other liabilities (incl. subordinated liabilities)	358.9	396.8	400.0	414.1	435.7	408.5	374.5	393.6	357.4	398.0	450.8	453.7	421.1	440.1	439.7
Liabilities to resident MFIs	573.1	666.9	503.6	451.4	477.3	343.7	420.9	469.5	542.8	467.7	497.6	398.5	359.0	335.6	309.4
TOTAL LIABILITIES	22 192.8	22 611.8	22 517.4	22 625.7	23 102.3	22 914.1	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
Memo items															
Trust assets	331.1	338.7	364.2	361.8	345.4	354.8	382.6	365.8	342.9	331.9	344.9	353.7	349.5	327.5	316.1
Foreign	195.6	200.9	225.7	224.1	211.1	228.3	253.1	236.2	215.2	201.3	215.6	228.4	225.5	204.0	207.8
Domestic	135.5	137.8	138.5	137.8	134.3	126.4	129.4	129.5	127.7	130.6	129.3	125.3	124.0	123.5	108.3
Trust liabilities	331.1	338.7	364.2	361.8	345.4	354.8	382.6	365.8	342.9	331.9	344.9	353.7	349.5	327.5	316.1
Foreign	247.9	255.6	288.8	295.2	282.2	295.7	321.5	308.2	285.7	273.2	286.3	295.9	293.2	270.6	257.9
Domestic	83.2	83.0	75.4	66.7	63.2	59.0	61.1	57.6	57.2	58.6	58.6	57.8	56.3	56.9	58.2

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		
2008										
VII	885.6	2 664.0	1 366.6	1 204.4	93.0	2 717.1	1 892.5	597.1	227.5	6 266.8
VIII	899.6	2 608.5	1 324.7	1 186.7	97.1	2 756.9	1 951.0	592.0	213.9	6 265.1
IX	876.9	2 531.5	1 300.6	1 130.1	100.8	2 740.4	1 923.7	621.7	195.0	6 148.8
X	912.4	2 430.6	1 244.4	1 095.1	91.1	2 709.6	1 862.5	665.0	182.1	6 052.6
XI	913.2	2 333.5	1 149.8	1 073.9	109.8	2 680.4	1 841.3	655.4	183.7	5 927.0
XII	866.1	2 308.0	1 072.0	1 104.8	131.2	2 757.3	1 871.9	705.4	180.0	5 931.4
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
	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					
2008										
VII	-5 397.1	14 026.1	-326.8	6 333.1	7 725.3	294.5	-2 362.2	11 663.9	6 266.8	
VIII	-5 496.6	14 188.3	-332.9	6 381.2	7 832.9	307.1	-2 426.6	11 761.7	6 265.1	
IX	-5 692.1	14 274.0	-383.1	6 411.3	7 908.4	337.4	-2 433.2	11 840.8	6 148.8	
X	-5 951.5	14 456.8	-275.9	6 432.2	7 955.3	345.2	-2 452.7	12 004.1	6 052.6	
XI	-6 184.8	14 570.1	-136.4	6 433.0	7 931.4	342.1	-2 458.3	12 111.8	5 927.0	
XII	-5 914.6	14 279.7	-370.0	6 402.4	7 866.1	381.2	-2 433.6	11 846.1	5 931.4	
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	

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

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Claims on MFIs	2 724.9	2 797.6	2 654.3	2 587.8	2 787.6	2 801.8	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
Loans															
Overnight	1 476.4	1 402.9	1 622.7	1 487.9	1 765.5	1 497.7	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
Short-term	589.2	726.3	376.8	443.0	381.9	686.1	525.2	432.1	442.5	573.6	579.6	422.2	549.8	625.7	601.6
Long-term	43.6	43.6	43.0	46.9	43.9	40.8	40.3	57.2	69.6	69.5	66.2	65.4	58.7	56.4	53.3
Redeemable at notice	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Holdings of securities other than shares	548.0	556.5	543.5	540.5	526.7	508.9	517.5	522.9	510.3	502.9	476.4	474.5	470.9	467.5	461.2
Holdings of shares and other equity	0.8	0.8	0.6	0.5	0.3	0.3	0.2	0.2	0.3	0.3	0.4	0.4	0.3	0.3	0.4
Other claims	66.8	67.4	67.7	68.9	69.1	67.9	70.6	72.7	77.1	77.1	77.1	67.8	67.8	77.1	77.1
Claims on non-MFIs	1 977.5	2 044.8	2 081.1	2 078.8	2 038.5	1 938.4	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
Loans															
Short-term	407.6	413.4	386.1	351.2	347.0	331.5	341.0	325.4	348.2	324.2	297.1	284.6	289.5	304.3	295.6
Long-term	1 105.9	1 149.9	1 203.1	1 275.2	1 276.0	1 176.6	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
Holdings of securities other than shares															
Government	165.0	173.2	201.5	157.4	126.5	192.0	149.2	144.3	176.0	185.6	193.0	180.0	202.6	180.7	180.6
Private sector	245.6	254.3	237.8	246.5	241.0	195.3	202.9	193.9	180.5	171.7	162.1	155.6	158.7	156.8	158.5
Holdings of shares and other equity	42.5	41.6	40.1	35.9	35.4	30.4	31.3	32.3	33.4	33.9	34.8	35.3	30.0	28.8	31.0
Other claims	10.9	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	17.2	17.2	12.5	12.5
Vault cash in foreign currencies	65.5	64.9	58.2	67.3	67.0	77.4	69.0	60.7	58.9	62.2	57.2	64.6	72.0	68.1	67.6
Other assets															
Other assets	76.9	98.0	119.5	184.2	172.8	108.3	149.3	118.6	101.4	102.6	105.4	105.4	106.8	102.8	108.1
Total foreign assets	4 844.8	5 005.3	4 913.2	4 918.0	5 065.9	4 925.9	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
Memo items															
Trust assets	195.6	200.9	225.7	224.1	211.1	228.3	253.1	236.2	215.2	201.3	215.6	228.4	225.5	204.0	207.8

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

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Liabilities to MFIs															
Overnight	416.0	457.2	487.0	437.0	384.6	417.7	465.9	387.2	306.8	240.9	351.6	183.9	269.6	357.1	251.3
Short-term	1 195.1	1 268.9	1 342.4	1 558.1	1 526.0	1 463.8	1 375.1	1 243.6	971.5	969.1	882.4	717.8	586.2	622.4	544.2
Long-term	7 016.2	7 071.3	7 282.4	7 379.4	7 449.9	7 425.0	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
Redeemable at notice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From which liabilities to associated and affiliated MFIs	6 652.3	6 690.8	6 760.7	7 128.5	7 198.9	7 219.0	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
Non-MFI deposits															
Overnight	3 022.9	3 055.9	2 828.5	2 669.4	2 788.2	2 312.9	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
Short-term	866.8	907.6	953.8	902.8	707.1	930.4	843.4	846.7	829.6	857.4	764.9	758.0	810.5	909.8	889.8
Long-term	111.4	117.5	117.4	117.1	111.1	107.2	102.0	95.0	64.8	65.0	116.4	111.4	112.5	112.8	115.4
Redeemable at notice	177.1	184.4	195.5	176.9	148.5	112.8	119.9	147.7	163.3	181.8	139.6	162.2	165.1	168.9	158.6
Other liabilities															
Other liabilities ¹	327.3	326.9	388.4	517.1	502.3	403.0	398.5	410.2	396.3	382.1	487.5	472.7	480.9	479.8	560.5
Total foreign liabilities	13 132.8	13 389.6	13 595.4	13 757.8	13 617.8	13 172.8	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
Memo items															
Trust liabilities	247.9	255.6	288.8	295.2	282.2	295.7	321.5	308.2	285.7	273.2	286.3	295.9	293.2	270.6	257.9

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		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Foreign assets¹	4 498.6	4 950.4	4 855.0	4 848.5	4 490.9	4 537.6	4 519.4
EU	2 664.9	2 735.6	2 744.8	2 644.9	2 505.7	2 608.0	2 738.1
incl. EMU	1 323.3	1 413.4	1 507.3	1 198.6	1 094.6	1 033.8	1 161.1
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
Foreign liabilities²	12 233.8	13 114.9	13 595.4	13 172.8	12 044.8	11 516.4	11 367.5
EU	8 625.3	9 264.0	9 885.0	9 672.8	8 829.7	8 424.6	8 395.4
incl. EMU	3 320.4	3 821.5	4 272.0	3 810.6	3 454.2	3 189.1	3 305.9
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

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)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Overnight deposits															
Amount	2 664.1	2 608.5	2 531.5	2 430.6	2 333.5	2 307.9	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
% ¹	49.5	48.6	48.0	47.3	46.5	45.5	42.8	43.2	42.7	42.2	42.4	43.1	42.9	42.6	43.0
Time deposits															
Maturity of 1–6 months															
Amount	1 098.6	1 088.6	1 061.9	1 071.0	1 064.9	1 165.0	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	20.4	20.3	20.1	20.8	21.2	23.0	24.7	24.9	24.8	25.8	24.8	25.3	25.5	25.9	26.0
Maturity of 6–12 months															
Amount	858.7	904.7	920.6	924.8	916.8	891.7	918.9	915.0	928.7	931.2	938.6	928.1	901.1	891.4	862.5
% ¹	16.0	16.9	17.5	18.0	18.3	17.6	18.5	18.1	18.5	18.3	18.6	18.3	18.1	18.1	17.7
Long-term															
Amount	426.0	439.4	441.9	431.3	431.8	439.4	425.7	418.4	413.8	419.2	419.2	395.3	398.4	390.3	388.5
% ¹	7.9	8.2	8.4	8.4	8.6	8.7	8.6	8.3	8.3	8.2	8.3	7.8	8.0	7.9	8.0
Maturity of 1–2 years															
Amount	280.5	292.5	295.0	284.0	286.3	273.6	259.3	253.5	250.0	250.0	250.9	235.6	236.4	228.2	225.4
% ¹	5.2	5.5	5.6	5.5	5.7	5.4	5.3	5.0	5.0	4.9	5.0	4.6	4.7	4.6	4.6
Maturity of over 2 years															
Amount	145.5	146.9	146.9	147.3	145.5	165.9	166.4	164.9	163.9	169.1	168.3	159.8	162.0	162.2	163.2
% ¹	2.7	2.7	2.8	2.9	2.9	3.3	3.3	3.3	3.3	3.3	3.3	3.1	3.3	3.3	3.3
Deposits redeemable at notice															
Up to 3 months															
Amount	333.6	324.2	316.0	282.4	266.8	261.2	267.8	277.7	284.6	281.1	299.3	280.8	273.3	267.9	259.2
% ¹	6.2	6.0	6.0	5.5	5.3	5.2	5.4	5.5	5.7	5.5	5.9	5.5	5.5	5.5	5.3
Over 3 months															
Amount	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0.1	0.1	0.1	0.1	0.1
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repos															
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	5 381.2	5 365.4	5 271.9	5 140.3	5 013.8	5 065.3	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

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			
2008									
VII	40.1	125.2	46.8	24.7	0.3	0	0	237.0	201.7
VIII	41.2	130.0	49.2	24.7	0.4	0	0	245.5	213.0
IX	40.2	125.9	51.0	26.1	0.6	0	0	243.8	201.1
X	37.3	124.3	50.1	27.8	0.1	0	0	239.6	197.8
XI	41.0	125.1	50.1	27.3	0.1	0	0	243.5	195.3
XII	52.4	130.8	49.2	27.5	0.1	0	0	260.1	211.8
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
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			
2008									
VII	35.1	49.8	4.9	8.8	0.6	0	0	99.1	62.7
VIII	35.9	49.2	4.3	9.0	0.5	0	0	98.9	55.0
IX	43.4	54.6	4.7	9.2	1.0	0	0	113.0	60.2
X	36.9	63.9	4.9	10.1	1.1	0	0	117.0	70.9
XI	49.6	51.0	5.2	9.8	1.1	0	0	116.7	71.2
XII	60.5	56.9	5.1	9.9	1.1	0	0	133.5	70.8
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

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			
2008									
VII	93.0	222.2	3.1	1.9	0.3	0	0	320.5	288.5
VIII	97.1	208.8	2.9	1.9	0.3	0	0	311.0	286.9
IX	100.8	190.1	2.9	1.8	0.3	0	0	295.8	276.2
X	91.1	180.0	0.2	1.7	0.3	0	0	273.2	253.5
XI	109.8	181.5	0.2	1.7	0.3	0	0	293.5	261.6
XII	131.2	176.2	1.0	1.7	1.1	0	0	311.2	279.1
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
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			
2008									
VII	1 129.2	290.1	13.2	12.1	20.7	0	0	1 465.4	805.1
VIII	1 109.6	277.2	18.4	12.4	16.7	0	0	1 434.3	787.9
IX	1 046.4	299.3	18.5	11.9	18.9	0	0	1 395.1	774.0
X	1 020.9	331.2	18.3	11.9	21.2	0	0	1 403.6	792.4
XI	983.3	329.5	20.7	12.9	22.5	0	0	1 369.0	740.4
XII	991.9	381.1	13.7	13.0	16.9	0	0	1 416.7	733.5
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

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			
2008									
VII	1 366.6	1 270.2	212.6	98.0	311.7	0	0	3 259.1	1 501.8
VIII	1 324.7	1 328.2	217.7	98.9	306.2	0	0	3 275.6	1 483.2
IX	1 300.6	1 312.8	217.8	97.9	295.1	0	0	3 224.3	1 454.1
X	1 244.4	1 296.3	210.5	95.8	259.8	0	0	3 106.9	1 423.9
XI	1 149.8	1 294.6	210.1	93.7	242.8	0	0	2 991.1	1 323.6
XII	1 072.0	1 311.6	204.5	113.7	242.0	0	0	2 943.9	1 306.6
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

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	In lats	MFIs	Non-MFIs				
							General government	Other		
2008										
VII	121.1	270.5	391.6	246.6	8 627.4	4 178.1	2.3	4 175.8	12 805.5	166.9
VIII	134.0	261.5	395.5	237.8	8 797.3	4 265.4	2.5	4 262.9	13 062.7	162.7
IX	135.4	256.4	391.8	234.2	9 111.8	4 095.2	2.9	4 092.3	13 207.0	163.1
X	54.1	264.1	318.2	240.6	9 374.5	3 866.2	2.5	3 863.7	13 240.7	192.7
XI	364.1	273.9	638.0	350.6	9 360.5	3 755.0	2.4	3 752.6	13 115.5	152.4
XII	716.1	197.8	913.9	346.7	9 306.5	3 463.3	1.7	3 461.6	12 769.8	138.8
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

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)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Short-term															
Amount	1 663.0	1 741.9	1 817.2	1 790.2	1 772.0	1 787.1	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	11.6	12.0	12.5	12.2	12.1	12.2	12.3	12.4	12.1	12.1	12.2	12.4	12.3	12.6	13.1
Maturity of 1–5 years															
Amount	4 041.1	4 009.2	4 005.9	4 038.5	3 961.5	3 901.4	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
% ¹	28.3	27.8	27.4	27.5	27.1	26.8	27.0	27.2	27.3	27.1	26.8	26.2	26.1	25.7	25.2
Maturity of over 5 years															
Amount	8 586.8	8 709.5	8 770.9	8 840.2	8 909.5	8 889.2	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
% ¹	60.1	60.2	60.1	60.3	60.8	61.0	60.7	60.4	60.6	60.8	61.0	61.4	61.6	61.7	61.7
Total loans	14 290.9	14 460.6	14 594.0	14 668.9	14 643.0	14 577.7	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

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	Up to 1 year		In lats	Up to 1 year	1–5 years	Over 5 years		In lats	Up to 1 year	1–5 years	Over 5 years	In lats	
2008																
VII	3.0	4.3	0.1	162.4	1 008.8	188.0	30.7	27.7	236.0	294.5	14.9	1 091.0	2 646.9	2 912.4	6 650.3	717.5
VIII	0.4	3.6	0.1	181.3	999.1	184.4	36.0	27.6	243.5	307.1	20.7	1 135.8	2 656.9	2 977.1	6 769.8	714.1
IX	0	3.3	0.1	197.0	980.7	178.1	35.8	32.6	269.0	337.4	21.0	1 186.9	2 687.7	2 986.8	6 861.4	715.9
X	0.1	1.4	0.1	183.7	982.2	193.8	31.2	36.5	277.5	345.2	19.6	1 181.1	2 715.3	3 011.5	6 907.9	686.2
XI	0.1	1.4	0.1	199.3	964.5	193.3	22.3	31.4	288.4	342.1	19.6	1 156.0	2 690.2	3 055.9	6 902.1	694.1
XII	0	1.3	0.1	179.6	895.9	187.3	22.8	29.0	329.4	381.2	17.8	1 180.8	2 660.3	3 055.7	6 896.8	696.8
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	662.0
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	639.4
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	607.2
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	588.6
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	599.0
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	581.5
VII	0.1	1.3	0.1	44.5	645.9	79.4	6.7	34.4	341.7	382.9	15.8	1 227.2	2 516.2	2 970.1	6 713.5	544.4
VIII	0.1	1.3	0.1	72.6	675.8	92.9	6.0	34.0	342.4	382.5	15.3	1 225.6	2 470.2	2 954.4	6 650.1	493.2
IX	0.1	1.3	0.1	86.3	701.0	96.3	10.3	36.8	345.4	392.5	13.6	1 244.7	2 426.5	2 929.0	6 600.1	444.3

16.b LOANS TO HOUSEHOLDS

(at end of period; in millions of lats)

	Households													In lats
	Consumer credit			Lending for house purchase			Other lending							
	Up to 1 year	1-5 years	Over 5 years	Up to 1 year	1-5 years	Over 5 years	Up to 1 year	1-5 years	Over 5 years					
2008														
VII	777.1	250.3	268.5	258.3	4 981.2	62.7	406.2	4 512.3	574.8	63.0	223.4	288.4	6 333.1	823.4
VIII	789.3	258.0	263.3	268.0	5 018.8	68.1	398.1	4 552.6	573.1	62.3	220.0	290.7	6 381.2	828.4
IX	798.0	264.2	257.6	276.3	5 036.7	72.1	386.6	4 578.0	576.5	61.1	218.0	297.5	6 411.3	829.5
X	799.8	266.0	251.3	282.5	5 066.0	74.3	384.3	4 607.4	566.4	53.8	215.9	296.7	6 432.2	826.2
XI	795.0	263.8	246.7	284.4	5 071.9	77.3	384.6	4 610.0	566.1	53.3	187.9	324.9	6 433.0	818.3
XII	793.1	265.8	238.8	288.4	5 054.5	87.4	383.8	4 583.3	554.8	50.6	177.1	327.1	6 402.4	808.2
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

16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; in millions of lats)

	General government				Non-residents				In lats	
	Central government	Local government	In lats		MFIs	Non-MFIs		In lats		
						General government	Other			
2008										
VII	0.2	73.0	73.2	6.7	2 109.3	1 513.5	0.8	1 512.7	3 622.7	159.8
VIII	0.1	73.3	73.4	6.8	2 172.9	1 563.3	0.8	1 562.5	3 736.2	123.6
IX	84.6	73.0	157.6	7.1	2 042.6	1 589.3	0.8	1 588.5	3 631.8	129.2
X	84.8	76.0	160.8	6.7	1 978.0	1 626.4	0.8	1 625.6	3 604.4	98.4
XI	91.8	78.8	170.6	6.7	2 191.4	1 623.0	0.8	1 622.3	3 814.5	151.8
XII	91.5	76.6	168.1	6.2	2 224.7	1 508.1	0.6	1 507.5	3 732.8	144.6
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

17. LOANS TO FINANCIAL INSTITUTIONS AND NON-FINANCIAL CORPORATIONS IN THE NATIONAL ECONOMY¹

(at end of Q3 2009, 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	%	Incl. lats	%	Amount	%	Incl. lats	%	Amount	%	Incl. lats	%	Amount	%	Incl. lats	%
Total	2 888.3	100.0	362.7	100.0	2 052.1	100.0	120.6	100.0	2 737.3	100.0	68.3	100.0	7 677.8	100.0	551.6	100.0
A Agriculture, forestry and fishing	93.9	3.3	16.3	4.5	121.4	5.9	16.0	13.3	111.8	4.1	18.7	27.4	327.1	4.3	51.0	9.2
B Mining and quarrying	4.5	0.2	0.4	0.1	4.7	0.2	0.4	0.3	6.0	0.2	0.4	0.6	15.2	0.2	1.2	0.2
C Manufacturing	436.0	15.1	87.2	24.0	250.1	12.2	5.7	4.7	376.2	13.7	6.9	10.1	1 062.3	13.8	99.8	18.1
D Electricity, gas, steam and air conditioning supply	15.5	0.5	1.9	0.5	30.4	1.5	1.3	1.1	174.1	6.4	2.6	3.8	220.0	2.9	5.8	1.0
E Water supply; sewerage, waste management and remediation activities	5.7	0.2	4.0	1.1	7.6	0.4	1.3	1.1	11.4	0.4	0.6	0.9	24.7	0.3	5.9	1.1
F Construction	266.2	9.2	26.8	7.4	193.5	9.4	4.1	3.4	320.2	11.7	3.7	5.4	779.9	10.2	34.6	6.3
G Wholesale and retail trade; repair of motor vehicles and motorcycles	434.0	15.0	86.5	23.9	203.8	9.9	27.9	23.1	249.5	9.1	5.4	7.9	887.3	11.5	119.8	21.7
H Transportation and storage	80.0	2.8	11.1	3.1	124.6	6.1	1.3	1.1	207.9	7.6	0.5	0.7	412.5	5.4	12.9	2.3
I Accommodation and food service activities	31.3	1.1	2.8	0.8	54.8	2.7	2.3	1.9	109.2	4.0	1.8	2.6	195.3	2.5	6.9	1.2
J Information and communication	29.3	1.0	12.6	3.5	8.4	0.4	2.2	1.8	29.4	1.1	0	0	67.1	0.9	14.8	2.7
K Financial and insurance activities	375.5	13.0	66.9	18.4	353.7	17.2	47.4	39.3	55.9	2.0	0.1	0.2	785.1	10.2	114.4	20.7
L Real estate activities	1 013.3	35.1	22.9	6.3	609.7	29.7	4.9	4.0	863.3	31.5	25.2	36.9	2 486.3	32.4	53.0	9.6
M Professional, scientific and technical activities	13.4	0.5	2.5	0.7	9.8	0.5	0.9	0.8	13.9	0.5	0.2	0.3	37.1	0.5	3.6	0.7
N Administrative and support service activities	27.1	0.9	13.2	3.6	18.6	0.9	1.7	1.4	44.2	1.6	0.9	1.3	89.9	1.2	15.8	2.9
O Public administration and defence; compulsory social security	0.8	0	0.3	0.1	0.1	0	0	0	45.7	1.7	0.2	0.3	46.6	0.6	0.5	0.1
P Education	0.7	0	0.2	0.1	2.9	0.2	0.2	0.2	2.1	0.1	0	0	5.7	0.1	0.4	0.1
Q Human health and social work activities	5.4	0.2	0.4	0.1	10.1	0.5	0.5	0.4	8.2	0.3	0.1	0.2	23.7	0.3	1.0	0.2
R Arts, entertainment and recreation	14.3	0.5	1.5	0.4	15.0	0.7	0.9	0.8	20.6	0.8	0.2	0.3	49.9	0.6	2.6	0.5
S Other service activities	41.4	1.4	5.2	1.4	32.9	1.6	1.6	1.3	87.7	3.2	0.8	1.1	162.1	2.1	7.6	1.4

¹ As of the first quarter of 2008, the sectoral breakdown is given according to the revised statistical Classification of Economic Activities in the European Community (NACE Rev. 2).

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

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Commercial credit	2 705.7	2 756.0	2 800.9	2 810.7	2 785.6	2 712.1	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
Industrial credit	1 703.6	1 731.5	1 762.9	1 785.9	1 811.2	1 863.1	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
Reverse repo	38.8	37.5	32.1	16.1	11.9	9.9	10.3	10.0	9.4	9.9	8.7	7.8	7.5	6.6	6.1
Financial leasing	19.8	19.1	18.7	18.4	17.9	18.3	17.9	17.6	17.2	16.6	16.2	15.8	15.4	14.9	14.0
Consumer credit	672.9	678.8	681.3	680.2	676.0	668.7	664.2	660.9	650.2	650.8	644.6	507.6	504.6	504.1	498.2
Mortgage loans	8 172.6	8 251.4	8 300.6	8 325.6	8 309.7	8 287.2	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
Factoring	7.1	7.0	6.9	6.5	6.2	6.1	6.0	5.7	5.5	5.1	4.9	4.8	4.7	4.5	4.4
Transit credit	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4
Other credit	969.8	978.7	990.1	1 025.1	1 023.9	1 011.9	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
Total loans	14 290.9	14 460.6	14 594.0	14 668.9	14 643.0	14 577.7	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

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		
2008										
VII	71.6	71.1	327.8	258.1	0.8	0.8	958.7	937.0	1 358.9	338.6
VIII	80.6	80.2	333.9	261.5	0.6	0.6	983.9	961.6	1 399.0	342.5
IX	42.2	41.7	332.9	263.3	0.6	0.6	982.8	957.8	1 358.4	347.6
X	44.6	44.2	383.0	262.2	0.6	0.6	944.4	923.2	1 372.6	403.3
XI	44.0	43.5	779.0	259.6	0.7	0.7	894.2	874.8	1 717.8	801.1
XII	43.1	42.6	1 013.9	262.4	0.6	0.6	896.2	877.8	1 953.8	803.6
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

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			
2008						
VII	0	61.2	121.0	182.2	115.5	
VIII	0	59.9	122.3	182.2	117.1	
IX	0	62.5	120.9	183.4	120.4	
X	0	63.3	117.8	181.1	121.4	
XI	0	62.8	117.4	180.1	121.2	
XII	0	71.4	111.2	182.6	119.6	
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	

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	
2008										
VII	573.1	44.8	55.2	34.7	20.2	5 772.7	53.8	46.2	39.2	6.2
VIII	666.9	50.4	49.6	33.7	12.8	5 760.9	53.2	46.8	39.7	6.4
IX	513.6	45.5	54.5	39.8	14.4	5 663.7	53.0	47.0	40.0	6.3
X	639.3	60.8	39.2	26.1	12.0	5 458.5	54.6	45.4	37.9	6.7
XI	1 031.9	76.4	23.6	17.2	6.4	5 651.8	52.1	47.9	41.1	6.2
XII	982.9	60.4	39.6	33.1	6.5	5 979.2	49.3	50.7	45.1	5.0
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

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	
2008										
VII	8 627.4	0.9	99.1	95.9	1.1	4 178.1	2.2	97.8	31.7	58.5
VIII	8 797.3	1.0	99.0	95.5	1.0	4 265.4	1.8	98.2	35.8	56.9
IX	9 111.8	1.0	99.0	95.2	1.2	4 095.2	1.8	98.2	30.9	61.8
X	9 374.5	1.3	98.7	94.1	1.7	3 866.2	1.9	98.1	29.9	64.1
XI	9 360.5	1.0	99.0	94.3	2.1	3 755.0	1.7	98.3	27.4	66.8
XII	9 306.5	1.0	99.0	95.1	1.9	3 463.3	1.4	98.6	29.2	66.2
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

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			
2008						
VII	14 364.0	12.2	87.8	85.0		2.2
VIII	14 534.0	12.1	87.9	84.9		2.4
IX	14 751.6	11.9	88.1	85.1		2.4
X	14 829.7	11.7	88.3	85.0		2.6
XI	14 813.6	11.7	88.3	85.0		2.6
XII	14 745.8	11.6	88.4	85.2		2.4
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

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. USD
			incl. EUR					incl. EUR			
2008											
VII	2 109.3	5.6	94.4	26.6	53.0	1 513.5	2.7	97.3	45.6	50.7	
VIII	2 172.9	3.8	96.2	40.3	44.9	1 563.3	2.7	97.3	44.2	52.1	
IX	2 042.6	4.5	95.5	31.7	53.9	1 589.3	2.4	97.6	43.9	52.8	
X	1 978.0	3.0	97.0	30.3	59.5	1 626.4	2.4	97.6	42.7	54.2	
XI	2 191.4	5.2	94.8	27.9	60.6	1 623.0	2.3	97.7	41.7	55.3	
XII	2 224.7	4.8	95.2	40.7	50.0	1 508.1	2.5	97.5	44.6	52.3	
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	

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		
2008											
VII	71.6	11.5	88.5	85.6	2.9	328.6	93.6	6.4	6.4	0	
VIII	80.6	8.7	91.3	88.2	3.0	334.5	93.5	6.5	6.5	0	
IX	42.2	17.0	83.0	77.1	5.9	333.5	95.2	4.8	4.8	0	
X	44.6	24.9	75.1	69.0	6.1	383.6	96.9	3.1	3.1	0	
XI	44.0	23.9	76.1	69.9	6.2	779.6	98.7	1.3	1.3	0	
XII	43.1	24.5	75.5	69.6	5.9	1 014.5	76.1	23.9	23.9	0	
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	

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		
2008											
VII	548.0	1.5	98.5	54.3	41.6	410.6	3.5	96.5	34.1	53.5	
VIII	556.5	1.5	98.5	54.3	41.9	427.4	3.3	96.7	33.5	53.9	
IX	543.5	1.6	98.4	55.9	39.9	439.3	3.3	96.7	30.0	57.2	
X	540.5	1.1	98.9	53.9	42.7	403.9	3.7	96.3	27.1	59.1	
XI	526.7	1.1	98.9	54.8	42.0	367.5	4.1	95.9	27.3	57.7	
XII	508.9	1.1	98.9	58.6	38.3	387.3	3.9	96.1	21.5	66.7	
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	

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
2008			
VII	226.9	8.8	91.2
VIII	225.3	7.1	92.9
IX	183.2	8.7	91.3
X	175.5	9.1	90.9
XI	178.4	9.0	91.0
XII	178.9	9.0	91.0
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

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	
2008											
VII	1.09	6.62	9.28	7.46	4.41	–	1.26	4.06	8.37	x	–
VIII	1.15	6.55	8.96	8.17	4.14	–	1.22	4.39	8.35	x	–
IX	1.26	6.56	9.08	7.44	4.46	–	2.18	5.16	8.45	x	–
X	1.25	7.49	8.75	7.61	4.71	–	2.61	6.82	8.86	x	–
XI	1.11	7.97	9.53	9.16	5.03	–	2.43	7.41	9.04	x	–
XII	0.93	9.37	10.76	10.16	5.43	–	1.59	9.74	11.12	x	–
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	–

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				
2008												
VII	22.48	9.08	11.19	x	11.34	9.22	19.79	19.28	19.93	10.90	12.86	
VIII	22.41	9.60	10.43	6.94	7.33	9.38	16.92	19.43	18.43	8.09	10.73	
IX	22.41	9.52	9.51	7.98	10.12	9.54	18.69	19.01	19.38	7.75	10.31	
X	22.46	11.11	10.29	8.08	11.51	10.99	18.92	19.40	19.75	11.81	15.40	
XI	22.50	12.77	6.88	8.06	x	12.06	19.40	18.66	19.42	13.64	14.77	
XII	24.25	16.69	–	x	x	16.32	20.12	15.60	18.06	17.70	14.62	
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	

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	
2008								
VII	6.90	10.54	9.48	8.68	–	x	–	–
VIII	6.99	10.36	10.62	9.23	x	6.14	–	–
IX	9.07	11.57	9.62	9.10	–	7.03	–	–
X	10.49	14.00	9.02	9.97	–	11.65	–	–
XI	14.00	13.49	9.99	13.61	x	x	x	x
XII	11.39	14.30	11.98	14.31	x	x	x	x
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	–	–	–

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		
2008										
VII	1.09	8.01	5.50	4.41	–	1.26	6.97	5.54	–	–
VIII	1.15	7.74	5.22	4.14	–	1.22	7.00	5.54	–	–
IX	1.26	7.97	5.57	4.46	–	2.18	7.21	5.58	–	–
X	1.25	8.04	5.62	4.71	–	2.61	7.56	5.58	–	–
XI	1.11	8.22	5.71	5.03	–	2.43	8.30	5.70	–	–
XII	0.93	8.68	8.14	5.43	–	1.59	10.32	6.24	–	–
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	–	–

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
2008									
VII	14.85	8.24	7.75	21.44	17.00	8.98	7.56	8.26	7.46
VIII	20.44	8.27	7.79	21.37	16.95	9.47	7.65	8.32	7.49
IX	20.22	8.12	7.82	21.33	16.81	9.98	8.96	8.39	7.47
X	21.39	8.86	8.43	21.42	17.46	10.38	10.68	9.63	8.03
XI	22.52	9.49	9.25	21.48	17.49	10.87	13.25	11.32	8.79
XII	24.05	10.99	10.42	23.00	17.70	11.13	12.86	13.03	10.09
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

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	
2008											
VII	1.76	4.72	5.63	5.20	4.22	–	2.01	4.25	4.67	x	–
VIII	1.84	4.57	6.00	5.50	4.18	–	2.10	4.32	x	x	–
IX	1.94	4.33	6.19	5.82	4.44	–	1.91	4.28	6.03	x	–
X	1.84	4.27	7.18	5.46	4.51	–	1.87	4.07	x	x	–
XI	1.65	3.79	6.23	6.05	4.56	–	1.39	3.47	5.48	6.62	–
XII	1.33	3.61	7.27	4.75	4.34	–	1.04	3.33	5.49	x	–
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	–

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				
2008												
VII	10.91	6.78	6.89	6.61	7.69	6.94	8.18	8.70	8.67	7.08	9.88	
VIII	9.56	6.77	6.77	7.04	8.00	6.96	8.89	8.42	8.69	7.42	9.02	
IX	9.64	6.83	7.02	6.88	7.67	8.29	10.14	8.81	9.55	7.43	8.86	
X	11.77	7.26	6.78	6.94	8.01	9.60	10.23	8.82	9.66	11.12	9.79	
XI	11.35	7.12	6.72	5.60	8.10	7.11	10.71	9.45	10.48	7.47	9.10	
XII	11.14	6.47	7.01	7.13	7.41	6.66	10.24	13.15	12.84	9.84	7.85	
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	

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	
2008								
VII	8.15	9.03	8.86	7.44	8.48	7.32		x
VIII	6.93	8.72	9.24	8.02	8.14	7.13		7.66
IX	6.91	9.22	9.31	8.91	7.81	7.69		8.31
X	8.11	8.97	9.05	8.40	9.11	7.74		x
XI	7.64	9.11	8.27	8.55	10.03	7.46		x
XII	7.40	9.37	9.14	7.47	8.99	6.17		7.52
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

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		
2008										
VII	1.76	4.99	4.81	4.22	–	2.01	4.69	4.99	–	
VIII	1.84	4.99	4.77	4.18	–	2.10	4.58	5.00	–	
IX	1.94	5.14	4.88	4.44	–	1.91	4.82	4.89	–	
X	1.84	5.29	4.94	4.51	–	1.87	4.85	4.89	–	
XI	1.65	5.29	4.97	4.56	–	1.39	4.53	5.30	–	
XII	1.33	5.30	4.77	4.34	–	1.04	4.49	5.34	–	
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	–	

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
2008									
VII	9.97	6.93	6.10	9.23	7.15	6.74	7.47	6.95	6.59
VIII	11.39	6.99	6.13	8.49	7.20	6.75	9.19	7.02	6.64
IX	6.62	6.96	6.16	8.54	7.31	6.96	7.18	7.09	6.71
X	6.92	7.12	6.21	9.40	7.27	6.80	7.49	7.17	6.75
XI	8.19	7.01	6.09	9.20	7.23	6.70	7.20	7.19	6.57
XII	8.10	6.76	5.82	8.96	6.89	6.47	6.87	6.73	6.02
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

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	
2008											
VII	1.25	2.72	6.51	4.90	2.76	x	1.04	2.41	–	–	–
VIII	1.22	2.39	5.01	4.80	2.75	x	0.88	2.46	x	–	–
IX	1.03	2.53	5.02	4.48	2.96	x	1.16	2.71	x	–	–
X	0.48	2.10	7.11	4.55	3.12	x	0.61	1.47	x	–	–
XI	0.35	1.76	5.06	4.11	3.32	x	0.44	1.38	x	–	–
XII	0.45	2.32	5.84	5.15	2.64	x	0.35	0.71	x	–	–
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	–	–	–

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				
2008												
VII	15.09	4.27	5.33	x	5.92	4.49	14.83	x	12.64	5.46	8.31	
VIII	15.09	4.79	5.50	–	x	4.96	10.33	x	10.31	5.18	9.02	
IX	15.51	4.45	5.15	6.06	x	4.77	14.85	6.50	12.83	6.19	x	
X	16.67	4.88	6.38	x	6.31	5.51	15.25	x	14.19	8.15	–	
XI	15.49	5.37	x	x	x	5.73	17.89	x	17.95	4.91	x	
XII	16.41	5.14	x	x	x	5.02	16.62	–	17.01	7.99	–	
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	

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	
2008								
VII	7.28	4.90	x	4.99	x	x		-
VIII	6.89	5.72	x	5.14	-	6.49		-
IX	7.05	8.07	x	6.63	x	6.23		-
X	7.18	8.85	x	x	-	9.15		-
XI	7.20	9.16	9.94	7.44	-	14.70		-
XII	6.94	8.97	x	x	-	-		-
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		-

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		
2008										
VII	1.25	4.10	5.22	2.76	x	1.04	3.05	4.97		-
VIII	1.22	3.80	5.06	2.75	x	0.88	3.64	4.97		-
IX	1.03	4.01	5.26	2.96	x	1.16	3.84	3.61		-
X	0.48	3.99	5.30	3.12	x	0.61	3.38	4.97		-
XI	0.35	4.06	5.30	3.32	x	0.44	3.51	4.97		-
XII	0.45	3.98	5.32	2.64	x	0.35	2.11	4.99		-
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		-

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
2008									
VII	12.56	6.08	5.47	7.96	7.65	5.08	5.63	6.68	6.47
VIII	10.02	6.04	5.41	7.95	7.66	5.13	5.73	6.67	6.50
IX	10.62	6.15	5.40	8.27	7.66	5.20	5.47	6.95	6.61
X	10.61	6.70	5.64	9.93	7.68	5.35	6.96	7.21	6.89
XI	11.43	6.63	5.57	9.33	7.35	4.98	6.99	7.07	6.88
XII	8.93	7.01	5.22	9.45	7.36	4.90	6.62	6.93	6.75
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

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			
2008												
VII	827.8	267.5	14.9	1.4	1 111.6	1 393.5	336.0	0.8	7.8	1 738.1	2 849.7	
VIII	647.0	225.5	6.0	10.9	889.4	1 568.2	486.2	0.1	–	2 054.5	2 943.9	
IX	707.4	211.0	21.7	6.5	946.6	1 539.9	335.3	0.1	0.2	1 875.5	2 822.1	
X	733.9	306.3	2.3	1.6	1 044.1	1 697.2	565.5	–	–	2 262.7	3 306.8	
XI	652.7	400.0	1.8	4.1	1 058.6	1 135.4	630.0	–	–	1 765.4	2 824.0	
XII	844.1	207.3	–	–	1 051.4	1 398.9	515.1	–	–	1 914.0	2 965.4	
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	
	Loans to non-resident MFIs										Total loans	
	Overnight	Up to 1 month	1–3 months	Over 3 months		Overnight	Up to 1 month	1–3 months	Over 3 months			
2008												
VII	26 016.9		1 231.5		18.3		26.0		27 292.7	18.3	30 142.4	
VIII	17 062.3		886.3		82.2		24.0		18 054.8		20 998.7	
IX	19 511.0		696.7		15.9		27.6		20 251.2		23 073.3	
X	18 818.1		762.7		34.4		26.7		19 641.9		22 948.7	
XI	13 851.3		1 439.8		10.2		3.5		15 304.8		18 128.8	
XII	15 914.2		651.7		20.2		28.6		16 614.7		19 580.1	
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	

23.a INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2008						2009									
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	
Weighted average interest rates on loans in lats																
Overnight	3.3	3.3	3.6	6.4	5.0	5.4	3.5	3.2	2.3	3.0	4.7	21.6	2.6	1.9	1.2	
Up to 1 month	3.4	3.4	3.8	6.7	4.8	6.6	3.7	3.5	2.5	2.6	5.9	24.4	3.1	2.3	1.7	
1–3 months	5.3	3.9	6.0	8.0	7.7	–	10.2	–	7.0	8.5	–	32.9	13.2	10.7	8.1	
Over 3 months	5.9	7.7	7.9	8.8	8.2	–	9.0	–	–	8.0	–	–	10.0	–	–	
Weighted average interest rates on loans in foreign currencies																
Overnight	3.1	3.2	3.5	3.0	2.5	2.2	1.4	0.8	0.8	0.6	0.6	0.6	0.3	0.3	0.3	
Up to 1 month	3.5	4.0	4.0	3.6	2.6	1.9	1.5	1.0	0.8	0.7	0.7	0.6	0.4	0.4	0.8	
1–3 months	5.0	2.5	3.4	–	–	–	–	–	1.2	3.0	1.2	1.6	1.0	–	0.6	
Over 3 months	6.0	–	5.1	–	–	–	–	–	–	4.8	–	–	4.2	–	–	

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			Marginal deposit facility rate with the Bank of Latvia	
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	–	–	–		–

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

(% per annum)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Main refinancing operation with maturity 7 days average interest rate	–	–	6.2	7.1	6.9	8.6	6.2	6.0	5.6	5.5	6.7	12.9	4.5	4.1	–
Weighted average interest rate on short-term currency swaps	–	–	–	6.7	8.2	9.5	6.1	6.0	5.7	5.7	7.8	31.6	5.3	4.0	4.0

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

(in millions of lats)

	2008			2009								
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Type of transaction												
Spot exchange contracts	109 020.2	65 266.9	79 489.4	66 443.9	64 598.2	65 075.0	48 606.9	43 921.2	57 022.4	58 442.1	52 025.5	57 773.1
Forward exchange contracts	387.3	822.0	569.7	2 286.6	598.1	703.4	581.3	481.7	514.6	740.0	482.0	368.8
Currency swap arrangements	108 952.8	70 209.7	90 583.5	93 175.9	93 977.6	98 936.9	92 446.2	83 440.7	96 762.5	96 747.9	83 352.5	83 364.7
Counterparties												
Resident MFIs	18 264.1	11 151.4	10 904.1	10 517.5	10 679.5	11 909.8	10 199.4	9 673.9	13 713.4	20 601.2	17 240.0	13 127.7
Resident non-MFIs (except households)	2 163.0	2 514.2	4 588.8	3 364.8	2 684.4	5 627.5	1 954.3	2 144.1	1 945.6	1 805.5	1 644.0	1 634.7
Non-resident MFIs	126 186.2	76 209.6	79 446.3	70 264.5	72 486.3	73 987.2	61 828.7	53 263.9	67 073.0	58 987.0	52 216.9	60 926.7
Non-resident non-MFIs (except households)	71 747.2	46 423.5	75 703.5	77 759.7	73 323.8	73 190.9	67 652.1	62 761.5	71 567.4	74 536.2	64 759.0	65 817.6
Households	1 720.9	1 163.0	1 383.1	1 508.5	1 219.1	2 179.8	1 442.5	814.5	1 274.0	1 618.8	875.7	683.3

¹ Amounts are translated in lats by applying Bank of Latvia exchange rates as set on the last day of the month.

25. FOREIGN EXCHANGE TRANSACTIONS¹

(in millions of lats)

	2008			2009								
	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
USD												
Amount	98 812.9	60 028.5	80 542.2	73 558.5	71 788.5	74 898.3	61 680.0	55 129.6	66 596.2	67 609.3	59 737.8	62 343.8
% ²	44.8	43.0	43.9	44.8	44.6	44.1	42.7	42.4	42.6	42.9	43.3	43.5
EUR												
Amount	69 538.5	51 575.5	66 645.1	59 777.2	62 130.1	65 995.4	59 340.1	53 662.9	61 489.4	58 535.3	51 350.6	51 145.0
% ²	31.5	36.9	36.3	36.4	38.6	38.9	41.1	41.3	39.4	37.2	37.3	35.6
RUB												
Amount	28 759.1	11 514.7	17 475.8	20 259.6	14 922.5	15 624.3	13 636.8	10 203.8	14 691.1	14 902.1	13 096.1	15 553.3
% ²	13.0	8.3	9.5	12.3	9.3	9.2	9.4	7.9	9.4	9.5	9.5	10.8
Other currencies												
Amount	23 528.6	16 499.8	18 721.5	10 731.0	12 105.0	13 241.4	9 758.6	10 892.7	13 370.8	16 429.3	13 646.4	14 430.1
% ²	10.7	11.8	10.3	6.5	7.5	7.8	6.8	8.4	8.6	10.4	9.9	10.1
Total	220 639.1	139 618.5	183 384.6	164 326.3	160 946.1	169 759.4	144 415.5	129 889.0	156 147.5	157 476.0	137 830.9	143 472.2

¹ Amounts are translated in lats by applying the weighted average rate calculated from the respective buying and selling rates.

² As percent of the total.

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

(LVL vs foreign currency)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
EUR	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028	0.7028
USD	0.4453	0.4671	0.4881	0.5247	0.5523	0.5224	0.5241	0.5488	0.5394	0.5331	0.5182	0.5012	0.4991	0.4934	0.4831
GBP	0.8863	0.8869	0.8790	0.8937	0.8522	0.7833	0.7597	0.7893	0.7659	0.7823	0.7939	0.8187	0.8169	0.8166	0.7902
100 JPY	0.4179	0.4280	0.4574	0.5221	0.5706	0.5721	0.5803	0.5979	0.5530	0.5395	0.5373	0.5191	0.5283	0.5199	0.5276

27. WEIGHTED AVERAGE EXCHANGE RATES (EXCLUDING NON-CASH ITEMS)

(LVL vs foreign currency)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
EUR															
Buy	0.699	0.699	0.701	0.705	0.706	0.705	0.701	0.701	0.706	0.705	0.700	0.698	0.695	0.695	0.698
Sell	0.705	0.706	0.708	0.712	0.714	0.713	0.708	0.710	0.712	0.713	0.710	0.708	0.703	0.703	0.706
USD															
Buy	0.443	0.466	0.488	0.529	0.554	0.520	0.529	0.547	0.545	0.534	0.515	0.501	0.493	0.488	0.480
Sell	0.447	0.471	0.493	0.534	0.560	0.527	0.532	0.553	0.546	0.539	0.521	0.504	0.498	0.493	0.486
GBP															
Buy	0.874	0.877	0.871	0.891	0.846	0.761	0.757	0.784	0.759	0.780	0.792	0.806	0.803	0.801	0.780
Sell	0.888	0.890	0.887	0.904	0.860	0.783	0.770	0.798	0.778	0.795	0.806	0.822	0.816	0.816	0.794
100 JPY															
Buy	0.377	0.419	0.373	0.494	0.523	0.562	0.540	0.577	0.540	0.533	0.516	0.503	0.497	0.486	0.509
Sell	0.424	0.436	0.455	0.529	0.624	0.573	0.608	0.599	0.567	0.542	0.544	0.543	0.539	0.519	0.531

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Stock of government securities outstanding	477.6	493.4	491.0	558.1	1 009.3	1 045.8	1 030.2	867.2	719.5	863.2	879.6	766.5	815.2	839.3	874.9
Residents	384.6	400.4	398.3	540.1	991.3	1 027.8	1 012.2	849.8	702.7	847.2	863.7	751.4	800.1	823.5	858.7
Bank of Latvia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other MFIs	240.4	244.8	248.3	376.2	799.8	807.9	783.2	610.7	455.2	565.8	539.8	439.3	490.9	468.7	481.4
Public non-financial corporations	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Private non-financial corporations	43.6	49.4	47.1	57.5	68.0	86.7	85.4	85.7	83.9	94.3	124.3	115.3	109.3	117.4	133.5
Other	100.2	106.1	102.8	106.3	123.4	133.1	143.5	153.3	163.5	187.0	199.5	196.7	199.8	237.3	243.7
Non-residents	93.0	93.0	92.7	18.0	18.0	18.0	18.0	17.4	16.8	16.0	15.9	15.1	15.1	15.8	16.2
MFIs in the OECD countries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs in the other countries	89.9	89.9	89.9	14.9	14.9	14.9	14.9	14.3	14.3	13.5	13.5	12.7	12.7	13.4	13.8
Non-financial corporations	3.0	3.0	2.7	3.0	3.0	3.0	3.0	3.0	2.5	2.5	2.4	2.4	2.4	2.4	2.4
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q3 2009)

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					
01.07.	1	22 000	23 000	22 000	11.800
01.07.	3	8 000	12 400	8 000	12.117
08.07.	1	30 000	38 000	20 000	9.824
15.07.	1	20 000	22 500	20 000	8.937
15.07.	3	5 000	8 800	5 000	10.228
05.08.	1	10 000	19 000	10 000	6.467
05.08.	3	15 000	14 000	3 000	9.744
05.08.	6	5 000	–	–	–
12.08.	1	10 000	20 000	10 000	5.075
12.08.	3	15 000	9 500	500	9.744
12.08.	6	5 000	5 600	1 600	11.032
19.08.	1	10 000	13 000	10 000	4.881
19.08.	3	15 000	23 112	15 000	9.888
19.08.	6	5 000	6 500	5 000	12.712
26.08.	1	10 000	12 500	10 000	4.695
26.08.	3	10 000	9 900	6 000	10.702
26.08.	6	10 000	11 524	6 634	12.863
02.09.	3	10 000	11 500	8 000	10.162
02.09.	6	10 000	4 100	2 000	12.436
02.09.	12	5 000	6 500	2 500	12.517
09.09.	3	10 000	11 097	7 097	10.228
09.09.	6	10 000	1 000	1 000	12.637
09.09.	12	10 000	1 500	500	12.493
16.09.	3	5 000	8 700	1 975	10.222
16.09.	6	5 000	6 500	5 000	12.635
16.09.	12	5 000	4 000	2 000	12.493
23.09.	3	5 000	7 000	1 037	10.218
23.09.	6	5 000	5 445	5 000	12.637
23.09.	12	5 000	5 000	5 000	12.493
30.09.	3	12 000	15 053	9 053	10.228
30.09.	6	12 000	4 400	4 400	12.631
30.09.	12	12 000	5 000	2 000	12.493
Primary placement of government securities via outright sales of securities					
02.07.	1	21 155	21 155	21 155	11.800
02.07.	3	4 906	4 906	4 906	12.117
09.07.	1	40 000	40 000	40 000	9.824
16.07.	1	27 175	27 175	27 175	8.937
16.07.	3	4 750	4 750	4 750	10.228
06.08.	1	9 950	43 450	9 950	6.467
06.08.	3	15 966	15 966	15 966	9.744
13.08.	3	5 665	5 665	5 665	10.702
13.08.	6	10 125	10 125	10 125	12.198
20.08.	3	8 681	8 681	8 681	10.702
20.08.	6	21 800	21 800	21 800	12.987
27.08.	3	10 677	10 677	10 677	10.702
27.08.	6	12 741	12 741	12 741	12.944
03.09.	3	28 600	28 600	28 600	10.228
03.09.	6	2 830	2 830	2 830	12.637
03.09.	12	10 159	10 159	10 159	12.684
10.09.	3	2 908	2 908	2 908	10.228
10.09.	6	1 800	1 800	1 800	12.637
10.09.	12	3 438	3 438	3 438	12.493
17.09.	3	5 000	6 030	5 000	10.222
17.09.	6	5 000	2 400	2 400	12.635
17.09.	12	5 000	10 800	5 000	12.493
24.09.	3	5 000	3 500	3 500	10.218
24.09.	6	5 000	5 292	5 000	12.637
24.09.	12	5 000	1 750	1 750	12.493

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

(in millions of lats)

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Securities purchased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

31. DYNAMICS OF GROSS DOMESTIC PRODUCT

	2008				2009				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	
At current prices; in millions of lats	16 243.2	3 742.0	4 147.0	4 154.2	4 199.9	3 286.8	3 364.8	x	
At constant prices ¹ ; in millions of lats	8 293.4	1 888.3	2 081.2	2 153.8	2 170.1	1 548.9	1 692.0	x	
Annual growth rate (%)	-4.6	0.5	-1.9	-5.2	-10.3	-18.0	-18.7	-18.4 ²	
Gross value added	-2.9	2.7	-0.3	-4.3	-8.2	-16.2	-16.9	x	
Goods-producing sector	-4.0	1.3	-0.7	-5.2	-9.9	-22.4	-22.3	x	
Services sector	-2.5	3.1	-0.2	-4.0	-7.6	-14.2	-14.9	x	

¹ Chain-linked; average prices in 2000.

² Flash estimate of CSB.

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

	2008						2009								
	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX
Average wages and salaries															
LVL per month	504	474	482	489	486	526	470	464 ¹	475	469	469	481	483	450	433
Year-on-year changes (%)	122.3	118.7	120.4	115.8	111.5	109.5	105.4 ¹	103.3 ¹	102.1 ¹	99.9 ¹	99.3	98.0 ¹	95.8	94.9	89.9
Real wage index (year-on-year basis; %)	106.5	104.2	106.5	103.6	101.6	101.0	98.5	96.6 ¹	97.0 ¹	96.7	97.4 ¹	97.6 ¹	94.0	93.8	90.0
Number of registered unemployed persons															
At end of month	55 436	56 333	57 644	61 049	67 065	76 435	90 436	103 731	116 768	123 127	126 595	129 269	132 519	137 586	147 754
Year-on-year changes (%)	91.4	97.2	105.4	116.5	129.8	146.1	169.6	194.1	221.1	232.8	242.5	239.3	239.0	244.2	256.3

¹ Data have been revised.

33. LATVIAN FOREIGN TRADE BALANCE¹

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

	2008					2009									
	Q1		Q2		Q3		Q4		Q1 ¹		Q2 ¹		Q3		
Exports	4 428.9	1 074.5	1 138.6	1 183.2	1 032.6	815.3	846.8	864.0							
Imports	7 527.7	1 876.5	1 934.5	1 983.0	1 733.7	1 201.8	1 092.2	1 098.5							
Balance	-3 098.7	-802.0	-795.9	-799.7	-701.1	-386.5	-245.4	-234.5							

	2008						2009								
	VII	VIII	IX	X	XI	XII	I ¹	II ¹	III ¹	IV	V ¹	VI ¹	VII	VIII	IX
Exports	383.9	374.0	425.3	406.7	323.4	302.5	257.3	263.7	294.4	278.0	275.5	293.3	259.7	273.0	331.3
Imports	657.0	612.0	713.9	673.7	532.2	527.8	398.5	386.0	417.3	374.2	353.4	364.5	356.0	354.1	388.4
Balance	-273.1	-238.0	-288.6	-267.0	-208.8	-225.3	-141.2	-122.3	-122.9	-96.2	-77.9	-71.3	-96.3	-81.1	-57.1

¹ Data have been revised.

34. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2008		2009					
			Q1 ¹		Q2 ¹		Q3	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	4 428.9	100.0	815.3	100.0	846.8	100.0	864.0	100.0
Agricultural and food products	749.5	16.9	143.1	17.6	155.0	18.3	160.5	18.6
Mineral products	184.0	4.1	33.5	4.1	55.4	6.5	47.1	5.5
Products of the chemical and allied industries	371.4	8.4	74.6	9.2	81.1	9.6	68.0	7.9
Plastics and articles thereof; rubber and articles thereof	126.3	2.8	22.0	2.7	25.2	3.0	27.9	3.2
Wood and articles of wood	735.0	16.6	126.1	15.5	132.8	15.7	143.3	16.6
Pulp of wood; paper and paperboard	69.9	1.6	14.2	1.7	14.4	1.7	17.0	2.0
Textiles and textile articles	242.8	5.5	47.1	5.8	42.7	5.0	45.0	5.2
Articles of stone, plaster, cement, glassware and ceramic products	88.1	2.0	16.6	2.0	18.3	2.2	19.6	2.3
Base metals and articles of base metals	738.9	16.7	116.7	14.3	108.0	12.7	108.6	12.6
Machinery and mechanical appliances; electrical equipment	553.7	12.5	116.8	14.3	113.3	13.4	121.9	14.1
Transport vehicles	326.5	7.4	58.4	7.2	61.6	7.3	63.9	7.4
Miscellaneous manufactured articles	154.4	3.5	26.6	3.3	25.0	3.0	26.1	3.0
Other goods	88.4	2.0	19.6	2.3	14.0	1.6	15.1	1.6

¹ Data have been revised.

35. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2008		2009					
			Q1 ¹		Q2 ¹		Q3	
	Millions of lats	%	Millions of lats	%	Millions of lats	%	Millions of lats	%
Total	7 527.7	100.0	1 201.8	100.0	1 092.2	100.0	1 098.8	100.0
Agricultural and food products	1 032.7	13.7	199.6	16.6	208.6	19.1	207.5	18.9
Mineral products	1 171.2	15.6	238.4	19.8	167.7	15.4	182.4	16.6
Products of the chemical and allied industries	732.8	9.7	150.0	12.5	132.2	12.1	125.3	11.4
Plastics and articles thereof; rubber and articles thereof	356.3	4.7	48.4	4.0	57.3	5.2	64.4	5.9
Wood and articles of wood	139.9	1.9	15.5	1.3	15.3	1.4	17.3	1.6
Pulp of wood; paper and paperboard	180.1	2.4	30.8	2.6	32.2	2.9	32.8	3.0
Textiles and textile articles	303.4	4.0	60.1	5.0	46.1	4.2	58.5	5.3
Articles of stone, plaster, cement, glassware and ceramic products	157.8	2.1	21.8	1.8	23.6	2.2	26.5	2.4
Base metals and articles of base metals	775.2	10.3	96.0	8.0	93.4	8.6	87.4	8.0
Machinery and mechanical appliances; electrical equipment	1 374.0	18.3	181.5	15.1	165.4	15.1	171.3	15.6
Transport vehicles	807.8	10.7	85.5	7.1	82.6	7.6	63.7	5.8
Miscellaneous manufactured articles	227.3	3.0	30.5	2.5	27.3	2.5	23.5	2.1
Other goods	269.3	3.6	43.7	3.7	40.5	3.7	38.2	3.4

¹ Data have been revised.

36. LATVIAN FOREIGN TRADE PARTNERS

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

	2009														
	Q1 ¹					Q2 ¹					Q3				
	Millions of lats			% of the total		Millions of lats			% of the total		Millions of lats			% of the total	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
Total	815.3	1 201.8	-386.5	100.0	100.0	846.8	1 092.2	-245.4	100.0	100.0	864.0	1 098.5	-234.5	100.0	100.0
EU15 countries	303.7	439.9	-136.2	37.3	36.6	294.9	399.6	-104.7	34.8	36.6	299.5	408.9	-109.4	34.7	37.2
EU27 countries	591.3	842.1	-250.8	72.5	70.1	605.2	827.3	-222.1	71.5	75.7	614.2	845.3	-231.1	71.1	76.9
incl. Germany	77.2	127.7	-50.5	9.5	10.6	72.4	127.4	-55.0	8.5	11.7	79.5	130.9	-51.4	9.2	11.9
Sweden	55.0	46.5	8.5	6.7	3.9	50.1	37.9	12.2	5.9	3.5	51.0	40.7	10.3	5.9	3.7
UK	26.3	13.0	13.3	3.2	1.1	27.5	14.0	13.5	3.2	1.3	28.4	14.2	14.2	3.3	1.3
Finland	27.0	45.9	-18.9	3.3	3.8	23.1	39.8	-16.7	2.7	3.6	24.7	44.0	-19.3	2.9	4.0
Denmark	40.3	30.8	9.5	4.9	2.6	35.0	28.4	6.6	4.1	2.6	33.9	27.9	6.0	3.9	2.5
Netherlands	17.2	50.8	-33.6	2.1	4.2	21.5	45.9	-24.4	2.5	4.2	25.6	37.1	-11.5	3.0	3.4
Lithuania	131.3	179.1	-47.8	16.1	14.9	144.7	187.1	-42.4	17.1	17.1	139.5	204.7	-65.2	16.1	18.6
Estonia	108.9	84.4	24.5	13.4	7.0	121.1	88.3	32.8	14.3	8.1	120.5	81.3	39.2	13.9	7.4
Poland	27.0	90.1	-63.1	3.3	7.5	24.8	98.2	-73.4	2.9	9.0	36.1	97.1	-61.0	4.2	8.8
CIS ²	113.3	248.7	-135.4	13.9	20.7	122.0	152.8	-30.8	14.4	14.0	128.8	148.0	-19.2	14.9	13.5
incl. Russia	62.3	194.3	-132.0	7.6	16.2	76.1	97.9	-21.8	9.0	9.0	87.0	82.3	4.7	10.1	7.5
Other countries	110.7	111.0	-0.3	13.6	9.2	119.6	112.1	7.5	14.1	10.3	121.0	105.2	15.8	14.0	9.6
incl. USA	13.9	13.3	0.6	1.7	1.1	13.6	9.4	4.2	1.6	0.9	16.2	8.1	8.1	1.9	0.7
Norway	21.7	13.7	8.0	2.7	1.1	22.7	21.1	1.6	2.7	1.9	20.5	20.3	0.2	2.4	1.8
China	2.6	29.1	-26.5	0.3	2.4	3.0	21.5	-18.5	0.4	2.0	2.4	24.3	-21.9	0.3	2.2

¹ Data have been revised.

² Q3 2009 – CIS and Georgia.

Additional Information

General Notes

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

Data sources for charts are Eurostat and central banks and national statistical authorities (Charts 1.1–1.4), Reuters (Charts 2.1, 2.4 and 5.5), the Bank of Latvia (Charts 2.2, 2.5–2.12, 3.3, 3.5, 5.1, 5.6, 6.1–6.4, 7.1 and 7.2), Financial and Capital Market Commission (Chart 2.3), ECB (Chart 2.6), CSB (Charts 3.1, 3.2, 3.4–3.8, 3.10, 3.13, 4.1–4.14, 5.1–5.4, 6.1, 6.2, 7.1 and 7.2), Register of Enterprises of the Republic of Latvia (Charts 3.9), Ministry of Finance of the Republic of Latvia (Charts 3.11–3.15 and 6.3), and the State Employment Agency (Chart 4.10).

Data sources for tables are the Bank of Latvia (Tables 1, 3–28 and 30), NASDAQ OMX Riga (Table 1), Ministry of Finance (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 Website for the "Regulation for Purchasing and Selling Cash Foreign Currency" approved by the Bank of Latvia Council's Resolution No. 125/6 of 14 March 2006 (as of June 2009 replaced by the Bank of Latvia's Regulation No. 36 "Regulation for Purchasing and Selling Cash Foreign Currency" of 13 May 2009) and the "Report on Foreign Currency Purchases and Sales" approved by the Bank of Latvia Board's Resolution No. 259/8 of 24 April 1997. The major

transactions in buying and selling foreign currency (Table 24) comprise the cash and non-cash transactions conducted by MFIs (excluding the Bank of Latvia), reported by transaction type and partner, presenting transactions with households separately. Transactions in buying and selling foreign currency (Table 25) comprise the cash and non-cash transactions conducted by MFIs and currency exchange bureaus, reported by major currency.

Exchange rates set by the Bank of Latvia (Table 26) are reported as monthly mathematical averages. Weighted average exchange rates (excluding non-cash payments; Table 27) are reported based on the information provided by MFIs (excluding the Bank of Latvia) and currency exchange bureaus.