

# Changes in the balance sheet structure of Latvijas Banka upon joining the Eurosystem

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Upon joining the Eurosystem, the structure of Latvijas Banka's balance sheet has been changed in line with the breakdown used by other central banks of the Eurosystem and in drafting the consolidated financial statements of the Eurosystem. Unlike the balance sheet structure used by Latvijas Banka by the end of 2013, the new structure is more detailed, i.e. apart from the breakdown by residence (euro area residents and non-euro area residents), it is also broken down by currency (euro and foreign currencies) and major type of operation (e.g. monetary operations). Please find below a comparison of the previous and the new balance sheet structure of Latvijas Banka as at 31 December 2013. For the purpose of structure comparison, assets and liabilities in lats are classified as assets and liabilities in euro, and residents of Latvia are classified as euro area residents.

Assets	Foreign assets							Domestic assets			TOTAL ASSETS	
	Gold	Special Drawing Rights	Convertible foreign currencies	Participating interest in European Central Bank	Participating interest in the Bank for Intern. Settlements	Other foreign assets	Loans to credit institutions	Fixed assets	Other domestic assets			
<b>Gold and gold receivables</b>	217,923	217,923									<b>217,923</b>	
<b>Claims on non-euro area residents denominated in foreign currency</b>	2,370,157		136,157	2,234,000							<b>2,370,157</b>	
<i>Receivables from the International Monetary Fund</i>	136,157		136,157								<i>136,157</i>	
<i>Balances with banks and security investments, external loans and other external assets</i>	2,234,000			2,234,000							<i>2,234,000</i>	
<b>Claims on euro area residents denominated in foreign currency</b>	472,800			472,800							<b>472,800</b>	
<b>Claims on non-euro area residents denominated in euro</b>	441,866			441,866							<b>441,866</b>	
<b>Lending to euro area credit institutions related to monetary policy operations denominated in euro</b>							14,229	14,229			<b>14,229</b>	
<b>Other claims on euro area credit institutions denominated in euro</b>	1,295			1,295							<b>1,295</b>	
<b>Securities of euro area residents denominated in euro</b>	1,094,153			1,094,153							<b>1,094,153</b>	
<b>Intra-Eurosystem claims</b>	1,167,262			1,166,224	1,038						<b>1,167,262</b>	
<i>Participating interest in the European Central Bank</i>	1,038				1,038						<i>1,038</i>	
<i>Claims related to TARGET2 and national central bank correspondent accounts (net)</i>	1,166,224			1,166,224							<i>1,166,224</i>	
<b>Other assets</b>	66,103			18,685		28,447	18,971	44,016	42,971	1,045	<b>110,119</b>	
<b>TOTAL ASSETS</b>	<b>5,831,559</b>	<b>217,923</b>	<b>136,157</b>	<b>5,429,023</b>	<b>1,038</b>	<b>28,447</b>	<b>18,971</b>	<b>58,245</b>	<b>14,229</b>	<b>42,971</b>	<b>1,045</b>	<b>5,889,804</b>

As to the assets of Latvijas Banka, major changes relate to the item "Convertible foreign currencies": in the new balance sheet structure it is broken down by residence and currency.

Liabilities	Foreign liabilities						Lats in circulation	Domestic liabilities				Capital and reserves	TOTAL LIABILITIES
	Convertible foreign currencies	International Monetary Fund	Other international institution deposits in lats	Foreign bank deposits in lats	Other foreign liabilities	Balances due to credit institutions		Balances due to Government	Balances due to other financial institutions	Other domestic liabilities			
<b>Banknotes in circulation</b>							801,869						<b>801,869</b>
<b>Liabilities to euro area credit institutions related to monetary policy operations denominated in euro</b>								4,127,804	4,127,804				<b>4,127,804</b>
<b>Liabilities to other euro area residents denominated in euro</b>	9,900	4,131			5,769			216,472		202,263	14,209		<b>226,372</b>
<i>General government</i>								202,263		202,263			<b>202,263</b>
<i>Other liabilities</i>	9,900	4,131			5,769			14,209			14,209		<b>24,109</b>
<b>Liabilities to non-euro area residents denominated in euro</b>	12,685	7,601	420	4,664									<b>12,685</b>
<b>Liabilities to euro area residents denominated foreign currency</b>								138,070		138,070			<b>138,070</b>
<b>Liabilities to non-euro area residents denominated in foreign currency</b>	983	983											<b>983</b>
<b>Intra-Eurosystem liabilities</b>													
<b>Other liabilities</b>	11,553					11,553	95,615	4,860				4,860	<b>112,028</b>
<b>Capital and reserves</b>												469,993	<b>469,993</b>
<b>TOTAL LIABILITIES</b>	<b>35,121</b>	<b>12,715</b>	<b>420</b>	<b>4,664</b>	<b>5,769</b>	<b>11,553</b>	<b>897,484</b>	<b>4,487,206</b>	<b>4,127,804</b>	<b>340,333</b>	<b>14,209</b>	<b>4,860</b>	<b>5,889,804</b>

The major change in the classification is the division of currency in circulation into banknotes and coins, henceforth reporting coins under the item "Other liabilities".