

MACROECONOMIC DEVELOPMENTS REPORT

June 2014

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Abbreviations

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

Executive Summary

Global economy continued to follow the previously-observed trends: advanced economies recovered gradually, whereas some emerging economies encountered rising uncertainties and risks. Signs of economic weakness were evident in China, while the risks stemming from the impact of the geopolitical situation between Russia and Ukraine aggravated significantly. In April, the IMF revised downwards Russia's GDP growth forecast for 2014 as well as the GDP growth perspective for Lithuania and Estonia, at the same time upgrading the GDP growth forecast for a major part of the EU and euro area countries.

Despite the deteriorating political and economic situation in its east-neighbouring countries and discouraging manufacturing data in early 2014, Latvia's exports of goods rebounded slightly after the decline in the previous half-year period. Latvia's balance of foreign trade in goods also improved. Under the impact of developments in Ukrainian–Russian relations, confidence of Latvian businesses in export orders has been on a downward trend for the second quarter in the run. By contrast, the assessment of competitiveness in the domestic market as well as within and outside the EU has improved. Thus the gradual economic recovery in the EU, where Latvia sells over 70% of its total goods export volume, gives rise to hopes that the adverse effects of the Russian–Ukrainian conflict on exports will be, at least in part, offset.

From March to May 2014, the ECB and other leading central banks continued to implement accommodative monetary policies, and the refinancing rates were held close to zero. In March–May, the ECB did not change the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility also remained unchanged at 0.25%, 0.75% and 0.00% respectively. At its June 5 meeting, the Governing Council of the ECB resolved to reduce the key ECB interest rates and introduce additional economic stimulation measures, including the launching of new targeted longer-term refinancing operations in September. The Governing Council of the ECB also reiterated its commitment to continue the implementation of an expansionary monetary policy and to keep low interest rates as long as necessary, as well as it did not reject possible further loosening of monetary policy.

The ECB has also pointed out that even though the euro exchange rate is not a policy target, it plays an important role in the monetary policy decisions, and that a significant exchange rate appreciation could potentially strengthen the case for additional monetary policy easing.

With determining factors of lending supply and demand remaining basically unchanged, interest rates on loans also fluctuated within a small range in February–April. The uncertainty surrounding the future legislative initiatives of the Parliament of the Republic of Latvia in the area of regulation of credit institution operation still gives rise to concerns that they could hinder the narrowing of the spread over the money market indices or even facilitate its widening.

Money supply was stable in February–April and returned to balance after the sharp increase in deposits at the end of 2013 and the seasonal decrease in January 2014. In parallel, data continued to suggest that household savings, which were transferred to current accounts in December and were kept there in January, also contributed to the high level of household deposits in February–April. Deposits of non-financial corporations with credit institutions shrank more rapidly in January, but in February and March they remained at a stable level. Following the decline in April, these deposits still exceeded the level reached in November 2013. Lending continued to moderate. Loans to households declined almost at the same rate every month, while loans to non-financial corporations decreased at a lower pace in February and at a higher rate in March and April.

Although Latvia's GDP growth remained one of the strongest among the EU Member States in the first quarter of 2014, several sectors reported lower-than-expected economic growth figures. The performance of manufacturing as well as energy output was markedly weaker. The decline in manufacturing was on account of a number of factors – the downturn in output attributable to seasonal factors, problems encountered by two factories operating in the sector of the manufacture of basic metals, and statistical nuances. Atypically warm weather conditions were the primary contributor to a minor energy output. According to preliminary data, private consumption remained the main driver of growth for the factors on the expenditure side of the GDP also this quarter.

Although labour market conditions continued to improve in February–April with the rate of registered unemployment going down and employment and number of vacancies rising steadily, employment growth is expected to decelerate in 2014 as compared to 2013. As the cyclical unemployment has approached zero, the decline of unemployment will also slow down significantly: unemployment will remain close to its natural rate in the coming years and thus will create no pressure on inflation.

In the reference period, annual core inflation has stabilised in a positive territory, reflecting moderate economic growth as well as slightly also the impact of indirect taxes. The annual inflation rate has become positive and closer to the levels characterising economic growth. Nevertheless, the annual inflation rate remained low on account of the supply side factors of the reference period as well as heterogeneous effects of seasonal factors. Uncertainty of the impact of global commodity prices has risen, while inflation expectations have decreased considerably.

In view of the preliminary sectoral data for the first quarter as well as considering the aggravation of the geopolitical situation, the real GDP forecast for 2014 by Latvijas Banka is reduced to 3.3%. This forecast is based on the assumption of a significant fall in Russia's external demand and a depreciation of the Russian ruble. Negative confidence effects resulting in potentially weaker than forecast investment dynamics, as well as lower household spending due to a potential increase in precautionary savings has also been taken into account. Overall, risks to the national economic growth outlook can be considered balanced in the medium-term.

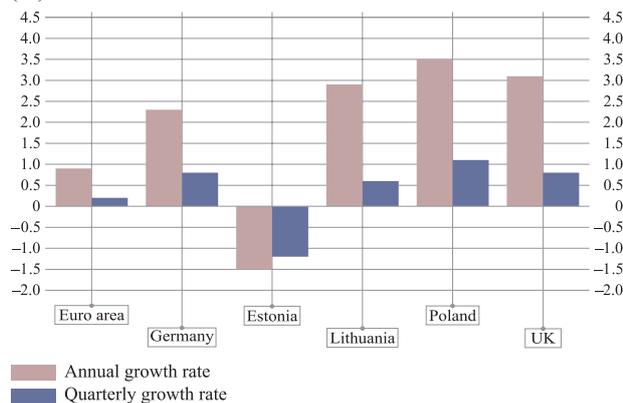
Inflation forecast is also revised downwards. It is expected that the average annual inflation will be 1.1% in 2014. The postponement of electricity market liberalisation until 2015 is the major factor having a downward effect on inflation. Slower economic growth and a more moderate rise in actual food prices could also limit the annual increase in core inflation. Risks to the inflation outlook are viewed as balanced.

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

	2014 ¹	2015 ¹	2014 ²	2015 ²
Total global economy	3.7	3.9	3.6	3.9
US	2.8	3.0	2.8	3.0
Euro area	1.0	1.4	1.2	1.5
Germany	1.6	1.4	1.7	1.6
UK	2.4	2.2	2.9	2.5
Russia	2.0	2.5	1.3	2.3
Denmark	1.2	1.5	1.5	1.7
Sweden	2.3	2.3	2.8	2.6
Finland	2.5	3.5	2.4	3.2
Estonia	3.4	3.5	3.3	3.5
Lithuania	2.4	2.7	3.1	3.3
Poland	2.2	2.4	n.i.	2.7

Sources: October 2013 (Denmark, Sweden, Estonia, Lithuania and Poland) and January 2014 (world, the US, euro area, Germany, the UK and Russia) (1) and April 2014 (2) *World Economic Outlook* (IMF).

Chart 1.1
ANNUAL AND QUARTERLY GDP GROWTH RATE
IN Q1 2014 IN LATVIA'S MAJOR TRADE PARTNER
COUNTRIES
(%)



1. External Sector and Exports

1.1 External economic environment

In April vis-à-vis January 2014, the IMF revised downward the GDP growth perspective for 2014 globally and for Russia, by 0.1 percentage point and 0.7 percentage point respectively. In addition, in comparison to October 2013, the GDP growth perspective for 2014 was downgraded also for Finland, Lithuania and Estonia, by 0.1 percentage point for both. The GDP forecast for 2014 has been upgraded for all the other countries listed in Table 1, excluding the US. For most of these countries, the GDP growth forecast has also been raised for 2015, while that for Russia and Finland was revised downwards.

Recent data suggest an on-going economic recovery in the euro area in 2014, with the first quarter GDP picking up 0.2% quarter-on-quarter (see Chart 1.1). *Markit* PIM increased by 0.9 percentage point in April (to 54.0), the highest indicator in last 35 months. However, the euro area economic growth is still constrained by unemployment (11.8% in March) and sovereign debt (92.7% in 2013), both at a high level.

Potential trade sanctions related to the conflict between Ukraine and Russia still pose a risk to the economic growth.

In Germany in the first quarter, GDP increased by 0.8% quarter-on-quarter. Deutsche Bundesbank notes that following the strong growth in the initial three months of 2014 the German economic growth is likely to lose much of its momentum in the second quarter. It is confirmed by a slower growth in new orders in manufacturing and a deteriorating economic sentiment indicator.

The Estonian GDP posted a quarter-on-quarter 1.2% drop in the first quarter. The Estonian economy continues to rely strongly on the economic growth in its major trade partners. A particularly negative effect on Estonia came from the weakening demand in Finland and Russia.

In Lithuania, the first-quarter GDP posted a quarter-on-quarter pick-up of 0.6%. For quite a time now, the economic growth in Lithuania has been resting primarily on the strengthening in domestic demand, with net exports increasingly

losing their impact. On 4 June, the ECB and the EC published the Convergence Report 2014 in which they acknowledged that Lithuania had fulfilled the Maastricht criteria and was ready to join the euro area as of 1 January 2015. The repercussions from the conflict between Ukraine and Russia, at the same time, pose as a serious risk for Lithuania, as almost 20% of total exports from Lithuania go to Russia. Most important Lithuanian export goods to Russia include dairy and meat products, and machinery. Nevertheless, the Lithuanian entrepreneurs have already demonstrated their ability to redirect exports to other markets in no time in the event of Russia rejecting imports from Lithuania. In addition, only a small share of total exports to Russia originates in Lithuania (14.6% in 2013), the rest being re-exports. In the near future, Lithuania's economic prospects might deteriorate due to the on-going aggravation in the situation of *Mažeikių nafta*, country's largest company.

In the first quarter, Poland recorded a 1.1% quarter-on-quarter pickup in GDP. Its growth prospects for 2014 are progressively improving, with the current year growth expected to rely primarily on the domestic demand. Furthermore, the outlook for exports from Poland, underpinned by a better economic situation in Germany where around ¼ of Poland's exports are sold, is also improving. A positive impetus for Polish economy is likely to come from the projected inflows from the EU funds in 2014–2020, expected to be among the highest vis-à-vis the other EU countries. Moreover, Poland is going to get more financing from the EU funds than in 2007–2013. The persisting high unemployment rate, however, figures as a serious problem in Poland.

GDP in the UK posted a quarter-on-quarter increase of 0.8% in the first quarter. According to the IMF, the economy of the UK is likely to develop more dynamically than of other major world countries in 2014. It will be supported by private consumption, low inflation and decelerating unemployment rate. The UK is gradually easing its lending terms and conditions, while net export growth is held back by both the weak external demand and rising imports.

In April, the Ministry of Finance of Sweden revised the GDP forecast for 2014 up by 0.2 percentage point (to 2.7%). As previously, the economic growth in Sweden is driven by private consumption; likewise, the investment outlook is expected to improve in the near term due to the base effect and a better

construction sector perspective. The EC predicts that in 2014 the advance in Sweden will primarily depend on the growth in consumption and investment.

Denmark's economic indicators suggest somewhat improving economic situation. The domestic demand basically supports the progress. The unemployment rate is declining moderately, and the budget records a persistently small deficit. Discouragingly, the economic sentiment indicator dropped notably in April.

The outlook for Russia's GDP dynamics continued to deteriorate, and in April most economic forecasters predicted a 0%–1% growth for Russia in 2014. Initially, the observed deceleration was on account of structural factors (strong dependence on oil exports, extremely high capacity utilisation, urgent investment needs); currently, however, it is notably intensifying also due to the Russian–Ukrainian conflict: capital is flowing out, the Russian ruble is depreciating, and the stock market value is deteriorating, with the weakening in overall investment activity as a consequence.

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

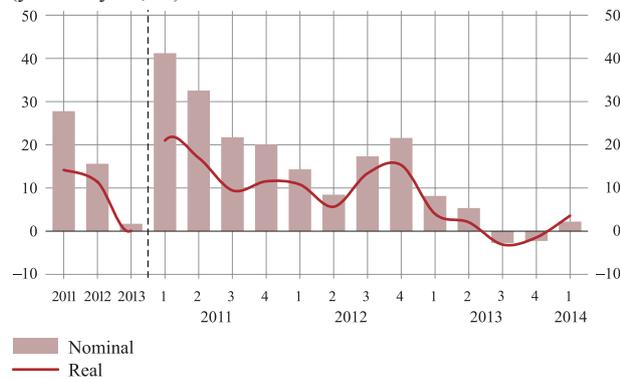
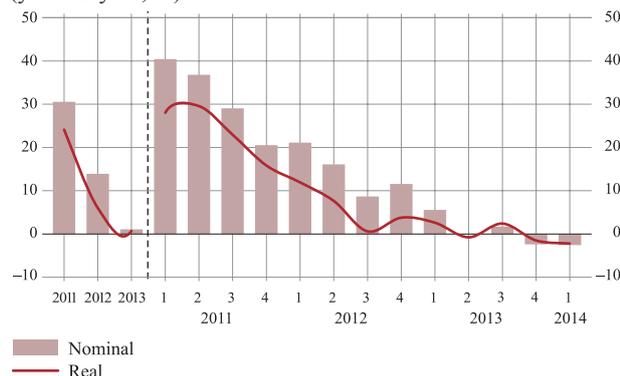


Chart 1.3
IMPORTS OF GOODS
(year-on-year; %)



1.2 Latvia's competitiveness and dynamics of goods exports

Despite the deteriorating political and economic situation in its east-neighbouring countries and discouraging manufacturing data in early 2014, Latvia's exports of goods rebounded after the decline in the previous half-year period and expanded somewhat at the beginning of the year. In the first quarter of 2014 year-on-year, exports of goods grew by 2.3%. As a result, Latvia's balance of foreign trade in goods improved at the beginning of the year (see Charts 1.2 and 1.3).

According to the CSB data for the first quarter 2014, the annual growth in exports of goods was primarily impacted by exports of food (10.2% increase) and agricultural products (10.9%) as well as exports of wood and articles of wood (17.5%). Exports of textiles and textile articles as well as building materials also expanded in the first three months of the year (by 15.6% and 17.2% respectively). As usual for January, the foreign trade activity moderated. Exports of goods were adversely affected mainly by substantially contracting exports of food products, basically on account of the shrinkage in exports of alcoholic and non-alcoholic beverages to Russia, which, in turn, was triggered by seasonal and one-off

factors; in addition, some negative impact came also from declining exports of pharmaceutical products on account of seasonal factors, and also the weakening in demand from trade partners, including Ukraine. By contrast, export growth remained positive for wood, veneer and plywood as well as building materials, and textiles and textile articles. Of the agricultural product group, exports of cereal products, owing to exports of wheat and meslin to Congo, Iran and Libya, increased particularly in February. Exports of base metals and articles of base metals also increased in February, as did exports of transport vehicles which had been on a downward trend for a number of previous months. In March against February, the steepest growth was recorded for exports of products of the chemical industry and allied industries (exports of medical products to Uzbekistan and Finland), mineral products, products of wood, electrical equipment, optical products, furniture, and transport vehicles. The growth in exports of transport vehicles was on account of procuring several vessels worth 7.2 million euro to Finnish, Norwegian and Swedish fishing sectors in Scandinavia.

According to preliminary data of the WTO, Latvia's export market shares in world imports kept on growing in the first quarter of 2014. Year-on-year, exports of goods grew to most major trade partners, including Russia, while for Estonia, Germany, Finland and Denmark a decrease was recorded.

In line with the CSB data, imports of goods posted a 2.6% year-on-year contraction in the first quarter of 2014. The overall month-on-month drop in imports in January was due to seasonal factors (imports of grain, fruit, building materials dropped), while imports of wearing apparel, footwear, textile articles, wood, mineral products, base metals and articles of base metals expanded at the same time. Imports of consumer goods were spurred by seasonal discounts and smaller spending on heating due to warm winter. Meanwhile in February, the month-on-month decrease in imports of goods was primarily on account of motor vehicles and their parts, base metals and mineral products. In March, imports of goods increased month-on-month, probably signalling some intensification of business activity, as the import shares of intermediate and capital goods began to grow faster. Imports of building materials, electrical equipment and mechanical appliances, motor vehicles, plastic products and wood expanded in March.

Under the impact of developments in Ukrainian–Russian relations, confidence of Latvian businesses in

export orders has been on a downward trend for the second quarter in the run. By contrast, the assessment of competitiveness in the domestic market as well as within and outside the EU has improved, suggesting that most Latvian exporters feel rather secure and continue their goods diversification and market share expansion efforts.

With the economic recovery going on in the euro area countries, the external risks, stemming from the eventual impact of the geopolitical situation in Russia and Ukraine on Latvia's exports of goods, if unstable conditions persist and any obstacles in the form of economic sanctions build up, are still in place. In the EU, on the other hand, where Latvia sells over 70% of its total goods export volume, the economic situation is gradually improving, thus giving rise to hopes that external demand will strengthen in these markets, and, consequently, the adverse effects of the Russian–Ukrainian conflict on export activities will be, at least in part, offset. A rising demand within the EU may figure as one of the factors to promote the revival of investment activity in manufacturing, which is so vital for boosting the export potential. More pronounced uncertainty, however, can make businesses, mostly exporting their goods or services to Russia and other CIS countries, temporarily refrain from investing.

2. Monetary Policy and Financial Markets

2.1 Global financial markets

In March and April 2014, the global financial market sentiment was driven by the decisions of major central banks to pursue expansionary monetary policy, the fragile development of leading world economies, and geopolitical situation in Ukraine.

From March to May 2014, the ECB and other leading central banks continued to implement accommodative monetary policies, and the refinancing rates were held close to zero (see Chart 2.1). It was on account of low inflation and its future expectations, the persisting high unemployment rate, and only gradually recovering economic activity. Following its decision of December 2013, the FRS proceeded with a gradual scaling back, by 10 billion US dollars, of monthly bond purchases aimed at stimulating the economy also in 2014. Market participants' expectations imply that the FRS is going to continue, on a monthly basis, tapering its asset purchases at the present pace until the autumn of 2014 when the programme is to close and likely to be followed by a base rate rise in 2015. Market participants were adapting to the anticipated discontinuation of this quantitative easing, which would also mark the end of low interest rates. Under such circumstances, yields on the US government long-term bonds tended to rise somewhat, whereas those on the respective short-term bonds decreased.

In the environment of central-bank-maintained low interest rates in the global financial markets, the investor yields on government bonds issued by advanced countries and so far deemed the safest for investing continued to be negligible (at the end of May, the yield on the German 10-year government bonds stood at 1.41% and that on the respective US government bonds was 2.55%). In quest for higher returns, investors were actively seeking access to the bonds of the euro area peripheral countries. They were positive about the reform processes and gradually improving economic indicators in the crisis-hardest-hit economies of Greece, Spain, Portugal, Ireland and Italy and saw risks for investing in these countries diminishing. The demand for government bonds of peripheral countries, which, on the one hand, are more risky than those of the advanced economies but, on the other, less risky than shares, notably grew in the reference period, with yields declining to a record low of the post-crisis period (see Chart 2.2).

Chart 2.1

BASE RATES
(%)

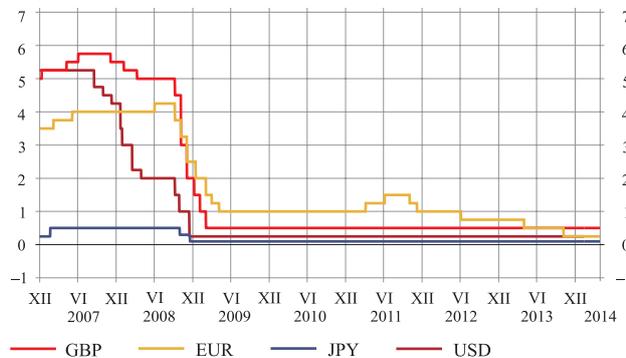
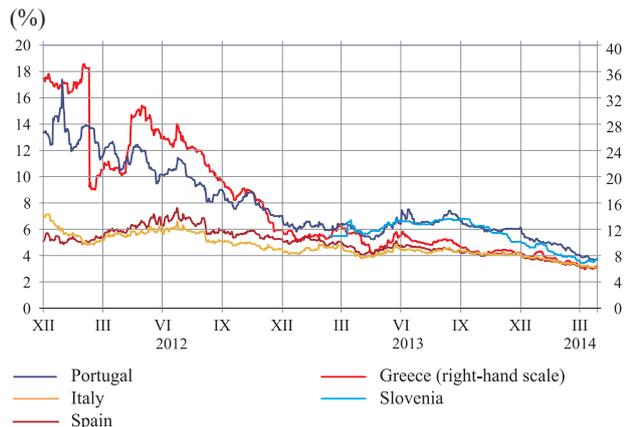


Chart 2.2

10-YEAR GOVERNMENT BOND YIELDS OF EURO AREA PERIPHERAL COUNTRIES
(%)



The government of Greece took advantage of these favourable market conditions and in April returned to the international financial market by issuing 5-year government bonds. This return evidenced for the recovery of the country from the deep financial crisis, while the high demand for the newly issued bonds testified to investors' confidence in Greece's growth perspective.

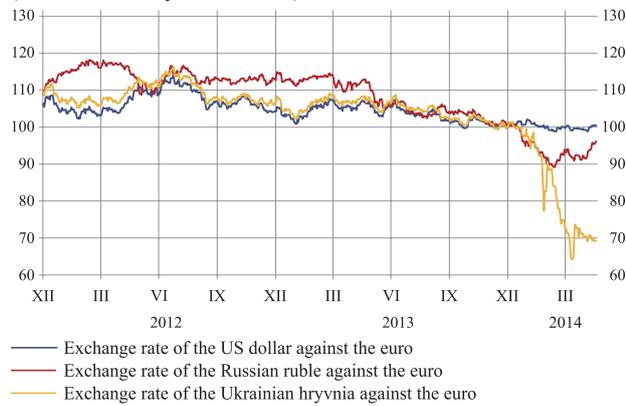
The ongoing escalation of the conflict between Russia and Ukraine and its eventual adverse impact on the global economic recovery were the main triggers of financial market fluctuations. Market participants were deeply concerned not only about the safety of their investments but also about how the sanctions imposed by the EU and the US leaders would affect global financial markets. Under the impact of the conflict, investors' uncertainty increased and the outflow of financing from the countries involved in the conflict accelerated. The concerns increased also with regard to eventual consequences of the sanctions, hence investors avoided investing in shares; as a result, the global stock indices were unstable, and preferences were given to investing in the less risky government bonds despite their contracting yields.

The Russian–Ukrainian conflict had a direct influence on the currencies of both parties, and, due to capital outflows, they quickly depreciated. In order to rescue its national currency, the Central Bank of the Russian Federation sold its foreign currency reserves in large amounts. In March and April, these sales were worth 31 billion US dollars. Moreover, the Central Bank of the Russian Federation raised the base rate on two occasions (from 5.5% to 7.0% on 2 March and to 7.5% on 25 April). In the reference period, the Russian ruble appreciated against the euro by 5.6%, whereas since the beginning of the year its exchange rate has depreciated by 3.0%.

The National Bank of Ukraine followed the suit and raised the base rate from 6.5% to 9.5% on 14 April in response to the steep depreciation of the national currency. This intervention of the central bank gave a short-lived repose to the Ukrainian hryvnia whose exchange rate rose by around 8% within a week after the announcement, whereas afterwards it went on depreciating. In the reporting period, the Ukrainian hryvnia depreciated against the euro by 16%, whereas since the beginning of the year its exchange rate has depreciated by 30%.

In contrast to impressive exchange rate fluctuations in emerging market economies, the exchange rate shifts

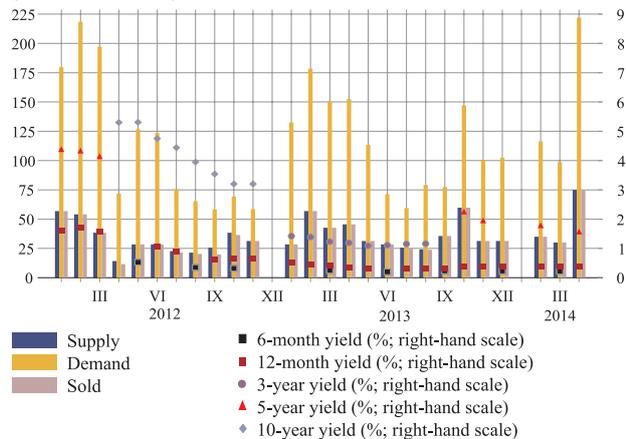
Chart 2.3
EXCHANGE RATE OF US DOLLAR, RUSSIAN RUBLE
AND UKRAINIAN HRYVNIA AGAINST EURO
(index: 1 January 2014 = 100)



in advanced economies were negligible. Despite the euro fluctuating moderately against the currencies of advanced countries, a gradual appreciation in its exchange rate can be observed in 2014. In the reporting period, the exchange rate of the US dollar against the euro fluctuated from 1.37 US dollars per euro to 1.39 US dollars per euro (see Chart 2.3). The exchange rate of the euro against the Swiss franc and the British pound sterling was stable.

2.2 Securities market

Chart 2.4
AUCTIONS OF GOVERNMENT SECURITIES
(millions of euro)



In March–May, primary auctions of the Latvian government securities – 6-month and 12-month Treasury bills, as well as 5-year Treasury bonds were held (see Chart 2.4). The total amount supplied was 140.0 million euro, the demand reached 448.8 million euro, and the entire amount supplied was sold. In comparison with the previous auction held in December, the average yield on 6-month Treasury bills shrank by 1 basis point (to 0.22%), while the average yield on 12-month Treasury bills in March–May (0.37%) remained unchanged compared to February. The average yield on 5-year Treasury bonds edged down from 1.79% in February to 1.58% in April, but in May it increased to 1.88%.

In the reporting period, the Latvian government carried out two large repayments of funds, i.e. the EC loan of 1 billion euro was repaid at the end of March and the 10-year euro bonds in the amount of 400 million euro issued in the external market in 2004 matured on 2 April. These repayments were primarily made by using the funds derived from the issue of bonds in the amount of 1 billion euro in January. However, to increase reserves of funds, the Treasury launched a new 10-year Eurobond issue in the external market at the end of April. The amount of the issue was 1 billion euro (the demand exceeded 3.6 billion euro), but the average selling rate was 2.96% (the margin of 120 basis points above the average swap rates).

The bid yield of Latvian government Eurobonds maturing in 2021 issued in the external market decreased from 2.28% at the end of February to 2.26% on 22 May in the secondary market. The spread between the above and the German government bonds of the respective maturity edged up from 127 basis points to 142 basis points reflecting the drop in inflation in the euro area and the decline in bond yields as a result of demand for safe assets. The bid yield on Latvian government bonds denominated

Chart 2.5
LATVIAN GOVERNMENT BOND BID YIELDS (%)

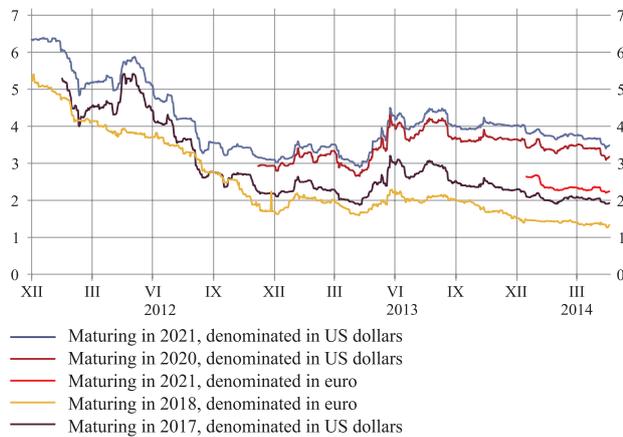
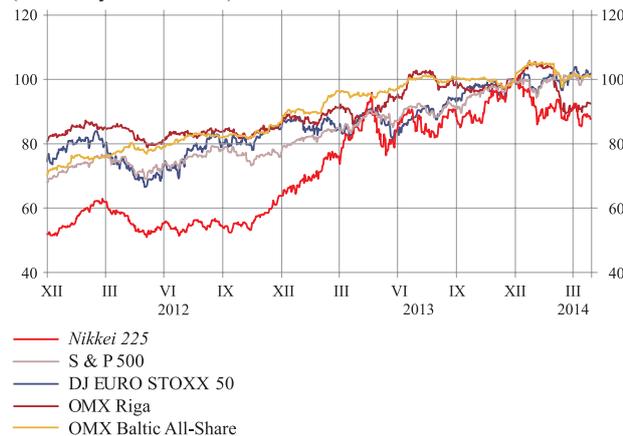


Chart 2.6
STOCK PRICE INDICES
(1 January 2014 = 100)



in US dollars and maturing in 2021 declined from 3.65% at the end of February to 3.52% on 22 May, and the spread between the above and that of the US government bonds of the same maturity shrank from 153 basis points to 145 basis points (for the Latvian government bond bid yields see Chart 2.5). Faster recovery of US economy led to a small increase in US government bond yields; however, they moderated later as the global demand for highly rated bonds grew.

On 22 May, NASDAQ OMX Riga share price index OMXR dropped by 8.8% in comparison with the end of February. At the same time, the Baltic share price index OMXBBGI retreated by 6.7%. Latvian share price index fell due to developments in Ukraine. Devaluation of Ukrainian and Russian currencies causes a decline in purchasing power of the population of these countries, and this will result in a reduced demand for Latvian exports and have an impact on revenue of listed Latvian companies.

In March and April, sentiment in the leading foreign stock markets remained volatile. The published corporate profit indicators, positive economic growth expectations and the low inflation drove up share prices in Europe and the USA. The new legislation in the field of the Banking Union, which will strengthen the European financial sector, was given a positive assessment in Europe. The risk factors related to economic development of emerging market economies and events in Ukraine increased during the reporting period. On 22 May, in comparison with the end of February, the European stock market index DJ EURO STOXX 50 edged up by 1.2%, the US stock market index S & P 500 augmented by 1.8%, but the Japanese stock market price index *Nikkei 225* went down by 3.4% (see Chart 2.6).

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

In March, April and May the ECB did not change the interest rate on the main refinancing operations; the interest rates on the marginal lending facility and the deposit facility also remained unchanged (0.25%, 0.75% and 0.00% respectively). However, at its 5 June meeting, the Governing Council of the ECB made a decision to reduce the interest rate on the main refinancing operations by 10 basis points to 0.15%, the marginal lending facility rate by 35 basis points to 0.40% and the overnight deposit facility rate by 10

basis points to -0.10% , as well as to take additional economic stimulus measures, including commencing of new targeted longer-term refinancing operations in September. President of the ECB Mario Draghi based the decision on the results of an analysis carried out by the ECB suggesting that the period of low inflation will continue for a long time. ECB representatives also pointed out that the euro exchange rate plays an important role in decision-making, and that unwelcome euro appreciation could serve as an aggravating factor for making a decision on further loosening of monetary policy.

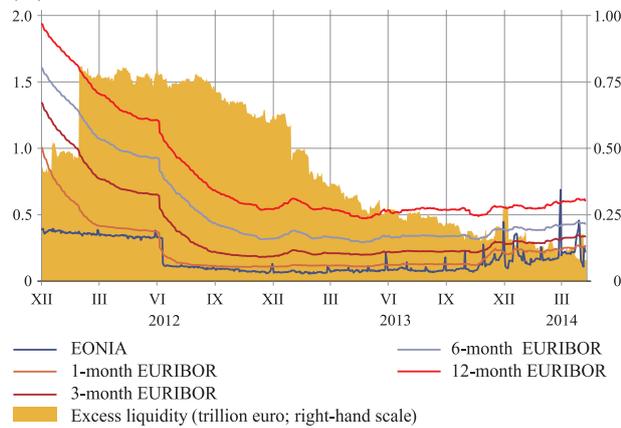
The ECB carried out the main refinancing operations as fixed rate tenders with full allotment and a maturity of 1 week. Interest of Eurosystem credit institutions in the main refinancing operations remained quite steady; the amount allotted in tenders fluctuated within the range of 87–173 billion euro and increased by 6 billion on average in comparison with the previous reporting period.

With regard to longer-term refinancing operations, the ECB lent funds to euro area credit institutions twice a month with full allotment and a maturity of 1 month and 3 months, with an interest rate equal to the average interest rate on the main refinancing operations during the life of the respective longer-term refinancing operation. During the reporting period, credit institutions accelerated repayment of the funds borrowed in December 2011 and March 2012 when the ECB carried out longer-term refinancing operations with a maturity of 3 years. At the end of May 2014, banks of the euro area countries had repaid the ECB 568 billion euro or 56% of funding allotted through these operations.

Once a week the ECB organised fixed-term deposit tenders with a maturity of 7 days to sterilise the increase in the money supply associated with the Securities Markets Programme. The weighted average interest rate on fixed-term deposits in the tenders organised during the reporting period was 0.21% – 0.24% . During the last six tenders for fixed-term deposits the ECB failed to collect the maximum amount of deposits which suggests that excess liquidity of Eurosystem credit institutions is reducing.

Excess liquidity (the reserve amount of credit institutions plus the deposit facility minus the marginal lending facility minus reserve requirements) in the euro area continued to decrease during the reporting period compared to the previous one. The average amount of excess liquidity fell from the

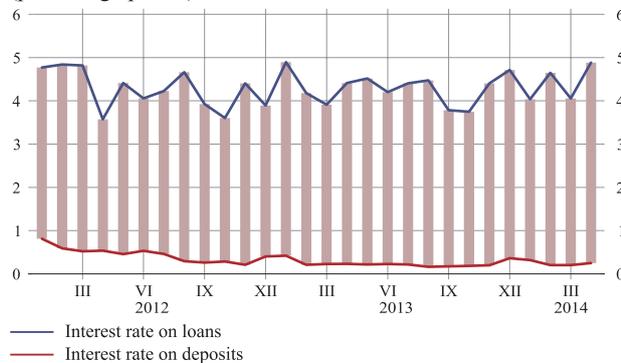
Chart 2.7
EURO MONEY MARKET INTEREST RATES AND
EXCESS LIQUIDITY IN THE EURO AREA
(%)



average amount of 162 billion euro in the prior period to 117 billion euro in the current reporting period. Moreover, in April and May it dropped several times below the level of 100 billion euro. Analysts estimate that this will facilitate the upward trend of money market interest rates. The decrease in excess liquidity was mainly caused by accelerated repayment of the funds borrowed by credit institutions from the ECB within the framework of longer-term refinancing operations with a maturity of 3 years.

The contraction in excess liquidity in the Eurosystem had an upward impact on the euro money market rates. During the reporting period, the average EONIA rose to 0.22% in comparison with 0.18% in the prior reporting period. An upward trend of 3-month EURIBOR was also recorded, i.e. it increased from its average value of 0.29% during the previous reporting period to 0.32% in the current one (see Chart 2.7).

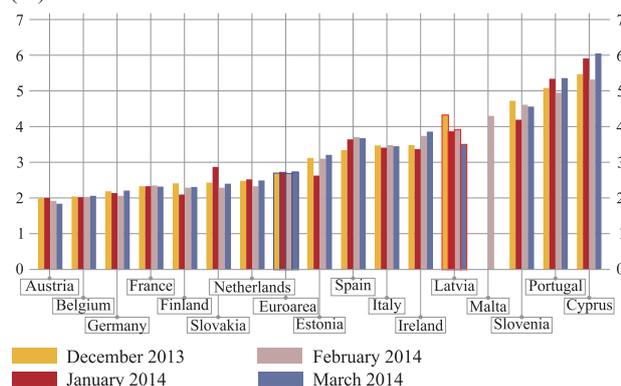
Chart 2.8
SPREAD BETWEEN INTEREST RATES ON NEW LOANS
AND NEW DEPOSITS
(percentage points)



2.4 Lending and deposit rates

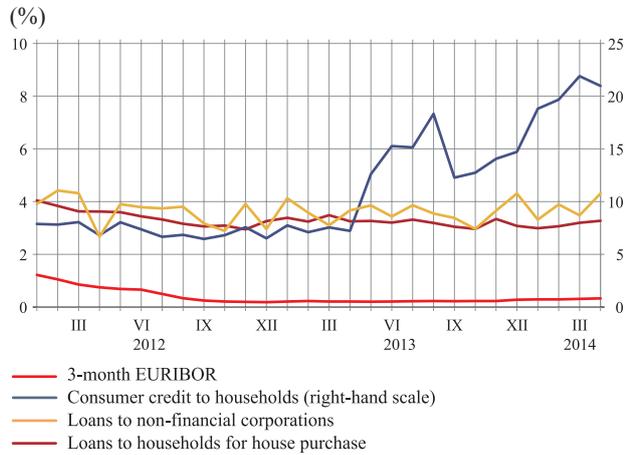
With determining factors of lending supply and demand remaining basically unchanged, interest rates on loans also fluctuated within a small range in February–April. However, there is still uncertainty surrounding various legislative initiatives in the area of regulation of credit institution operation and the political instability in relations between Russia and Ukraine. In the future, this could hinder the narrowing of the spread over the money market indices or even facilitate its widening. The spread between the lending and deposit rates (see Chart 2.8) remained comparatively large, ensuring positive profits to credit institutions from interest income and expenditure.

Chart 2.9
INTEREST RATES ON MFI NEW LOANS IN EURO TO
NON-FINANCIAL CORPORATIONS
(%)



The lending and deposit market in the euro area is not as integrated as it was before the EU sovereign debt crisis, and the difference between interest rates on loans and deposits in various euro area countries is quite significant. In comparison with other euro area countries, the level of interest rates on loans and deposits in Latvia remained moderate: interest rates on new euro loans were lower than in the euro area countries hardest hit by the European sovereign debt crisis; however, they were higher than in other euro area countries not so badly affected by the crisis (see Chart 2.9). Overall, integration of the financial market in the euro area has an upward trend due to monetary operations carried out by the ECB, legislative initiatives and structural reforms implemented in the countries facing difficulties. Hopes are high regarding the creation of the Banking Union which could further

Chart 2.10
INTEREST RATES ON MFI SHORT-TERM LOANS IN EURO*



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

facilitate approximation of the level of interest rates on loans and deposits in various euro area countries.

In February–April, interest rates on loans to residents in Latvia recorded an increase, and the weighted average interest rate on new loans to resident households and non-financial corporations reached 4.9% (4.0% in January). Overall, the weighted average interest rate on new euro loans to resident households and non-financial corporations rose from 4.4% to 4.9%; the share of euro loans in new loans increased even further.

February and March saw the decrease in interest rates on euro loans (see Chart 2.10) from 3.9% to 3.5% in the segment of new loans to non-financial corporations due to the contraction of the interest rate on loans exceeding 1 million euro and given growth of such loans. The interest rates on new high value euro loans to non-financial corporations edged down as none of such loans with an initial interest rate fixation period over one year, which usually has a higher interest rate than that on the respective loans with a floating interest rate or an initial rate fixation of up to one year, was granted in March. In April, the weighted average interest rate on new loans to non-financial corporations augmented and reached 4.4% since several credit institutions increased their interest rates on loans up to 1 million euro, and individual credit institutions granted more risky loans exceeding 1 million euro. Over the last year, the weighted average interest rate on new loans in euro to non-financial corporations remained broadly unchanged and it continues to fluctuate within a small range.

In the segment of new euro loans to households, the weighted average interest rate rose in April compared to January. The weighted average interest rate on loans to households for house purchase increased from 3.1% to 3.5%, and the weighted average interest rate on consumer credit to households and on other loans edged up from 15.4% to 15.8%. In January–March, the floating interest rate and interest rate with an initial interest rate fixation period of up to one year on loans to households for house purchase, on consumer credits and other loans to households, as well as the initial interest rate fixation period over one year on consumer credits and other loans to households rose. When assessing the dynamics of interest rates on loans in the longer term, the interest rate on new euro loans to households for house purchase had a tendency to fluctuate within a small range. In contrast, the interest rate on consumer credits in euro to households continued to rise as the share of revolving loans,

overdrafts, payment card two-tier credits and higher risk loans in the volume of granted loans increased.

Interest rates on new short-term time deposits made by households went down following the annual marketing campaigns organised at the end and beginning of the year when households were offered slightly higher rates on fixed-term deposits. In April, in comparison with January, the weighted average interest rate on euro fixed-term deposits collected from households diminished from 0.7% to 0.4%. The weighted average interest rate on fixed-term deposits attracted from non-financial corporations slightly edged up from 0.1% in February to 0.2% in March and April.

2.5 Dynamics of domestic loans and deposits

After the sharp increase in deposits at the end of 2013 and the seasonal decrease in January 2014, money supply in February–April stabilised. In parallel, data continued to suggest that household savings, which were transferred to current accounts in December and were kept there in January, also contributed to the high level of household deposits in February, March and April. Deposits of non-financial corporations with credit institutions shrank more rapidly in January, but in February and March they remained at a stable level. Following the decline in April, these deposits still exceeded the level reached in November 2013. In relation to lending, the long-lasting moderate downward trend of the loan portfolio returned in February, March and April after a sharper contraction in January triggered by structural changes.

As regards Latvia's contribution to changes of the monetary aggregate M3 of the euro area, overnight deposits and deposits with an agreed maturity of up to two years made by residents of the euro area with Latvian credit institutions in January–April shrank by 11.0% and 4.5% respectively, while deposits redeemable at notice augmented by 11.5% (see Chart 2.11).

Following a slight increase in February, deposits made by financial institutions, non-financial corporations and households recorded a moderate decline in March and April while remaining significantly above the average level of 2013 (the annual growth rate in April was 9.1%). Following a rise in household deposits in February, they slightly dropped in March and substantially increased in April (the annual growth rate was 12.8%), while deposits made by

Chart 2.11
LATVIA'S CONTRIBUTION TO THE EURO AREA MONEY SUPPLY
(billions of euro)

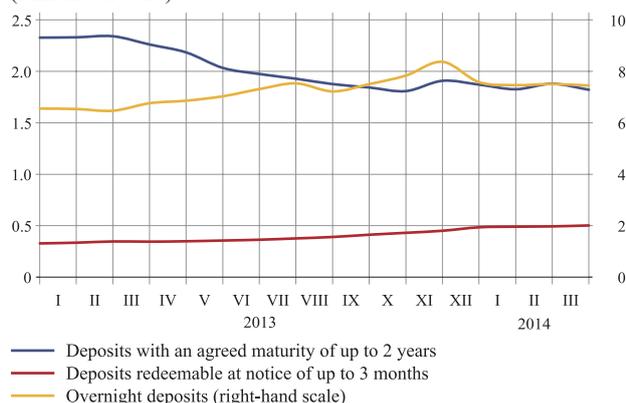
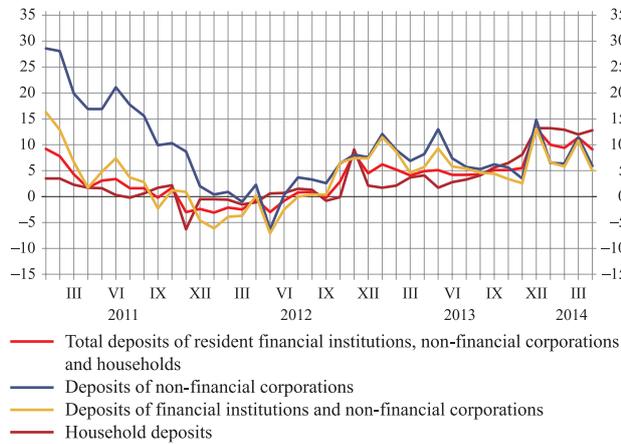


Chart 2.12
ANNUAL RATE OF CHANGE IN RESIDENT DEPOSITS (%)



non-financial corporations shrank in February and April but augmented in March. The increase in April reached 5.8% year-on-year (see Charts 2.12 and 2.13).

As a result of activities carried out by a Latvian branch of a foreign credit institution, the total value of both foreign assets (claims on foreign banks) and foreign liabilities (to foreign parent banks) of credit institutions fell substantially. In April, liabilities to foreign parent banks contracted a little more, while non-resident non-MFI deposits started to grow again (see Charts 2.14 and 2.15).

Chart 2.13
ANNUAL RESIDENT DEPOSIT DYNAMICS (billions of euro)

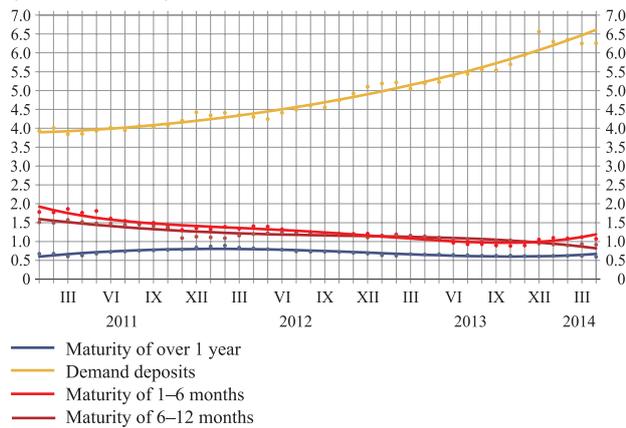


Chart 2.14
CREDIT INSTITUTION FOREIGN LIABILITIES (billions of euro)

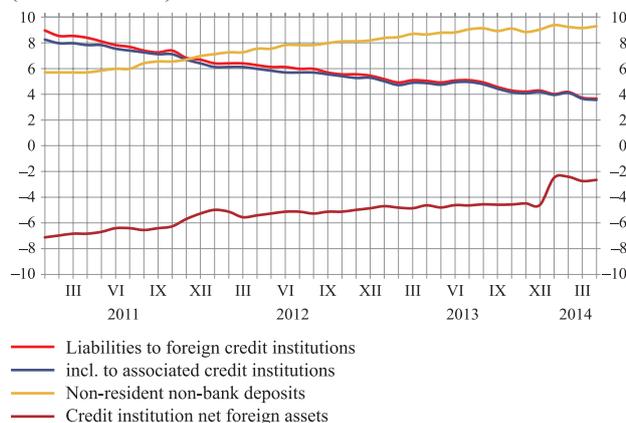


Chart 2.15
NON-MFI DEPOSIT DYNAMICS
(billions of euro)

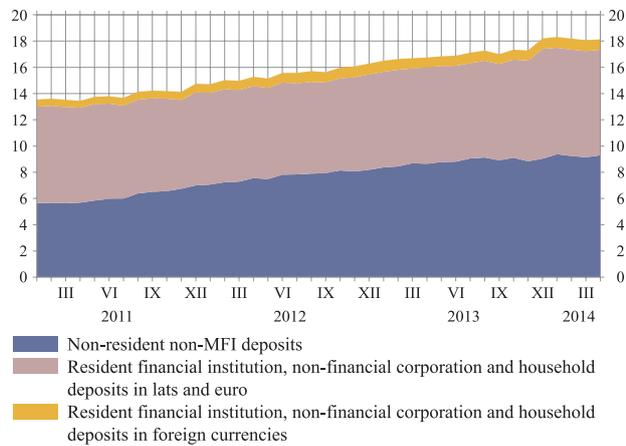


Chart 2.16
ANNUAL RATE OF CHANGE IN LOANS TO RESIDENTS
(%)

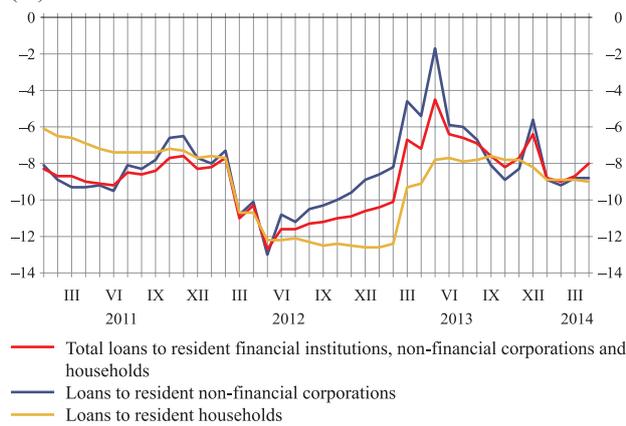
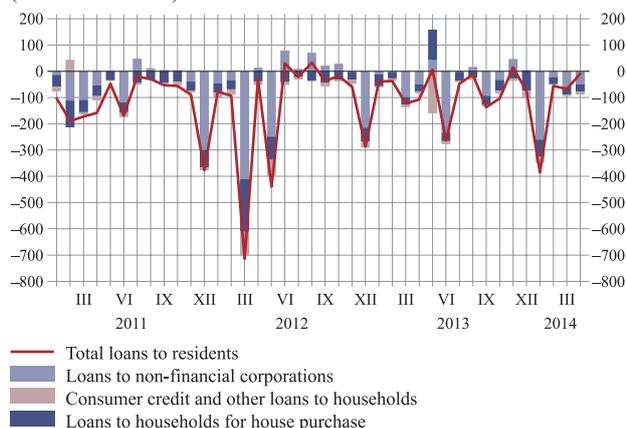


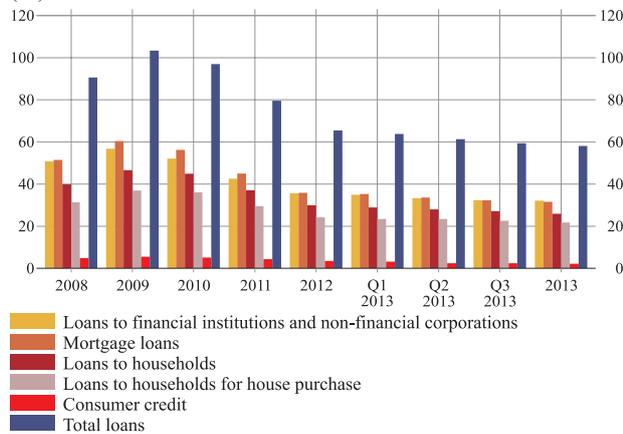
Chart 2.17
MONTHLY CHANGE IN LOANS TO RESIDENT
HOUSEHOLDS AND NON-FINANCIAL CORPORATIONS
(millions of euro)



In February and March, the domestic loan portfolio of credit institutions declined at a moderate pace which was in line with the average indicator over the past few years, i.e. it dropped by 0.4% in February, by 0.5% in March and by a mere 0.1% in April. Conversely, the annual rate of decrease of loans improved from -9.0% to -8.0% respectively (see Chart 2.16). Within three months, loans to households declined almost at the same rate, while loans to non-financial corporations decreased at a lower pace in February and at a higher rate – in March and April (see Chart 2.17), but loans granted to financial institutions remained almost unchanged in February, whereas they increased by 27.4% in March and April. The annual pace of contraction both with regard to loans to non-financial corporations and households almost levelled off in April, i.e. 8.8% and 9.0% respectively. The contraction of loans for house purchase continued to contribute to the decrease in the level of household debt, while consumer credit increased slightly in March. At the end of April, 95.1% of all domestic loans were granted in euro and 4.9% – in foreign currencies.

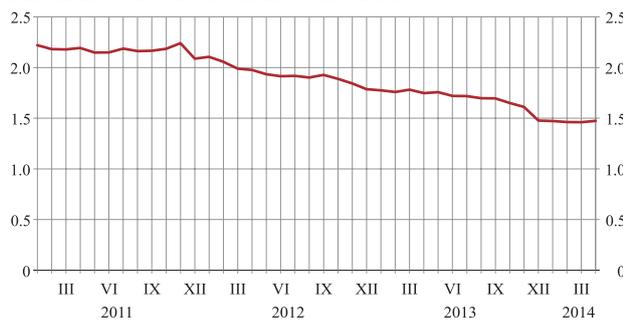
In February and March 2014, credit investment edged down in most economic sectors; however, lending expanded in individual subsectors of manufacturing (e.g. food products, beverages and wearing apparel), in mining and quarrying, land and pipeline transport, as well as financial services.

Chart 2.18
RESIDENT LOANS TO GDP
(%)



As a result of GDP growth, the ratio of loans to GDP continued on a downward trend (to 58.1% in the fourth quarter of 2013, down from 65.5% in 2012; see Chart 2.18). With the total resident deposits stabilising and the loan portfolio shrinking slowly, the ratio of resident loans and deposits remained almost unchanged at 1.47 both in April and January (see Chart 2.19).

Chart 2.19
RESIDENT LOAN TO DEPOSIT RATIO



Against the background of positive economic growth, deposits with credit institutions will also gradually rise within a year. With the population's income increasing, its willingness to create security deposit reserve will have a positive impact on this process. However, the upward trend of deposits will not be sharp if the external environmental risks remain. This could decrease income from exports and decelerate growth in deposits made by enterprises. In relation to these risks, higher activity in lending processes stimulating the economy is not expected in 2014 either. In the second half of the year, the amendments to the Consumer Rights Protection Law adopted just now and providing for more stringent requirements in the area of consumer lending could affect the situation.

Chart 3.1
CHANGES IN GDP
(constant prices; %)

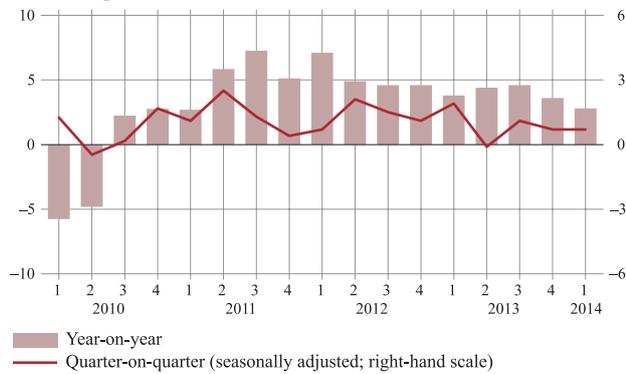


Chart 3.2
CONSUMER CONFIDENCE AND UNDERLYING FACTORS
(net responses; percentage points)

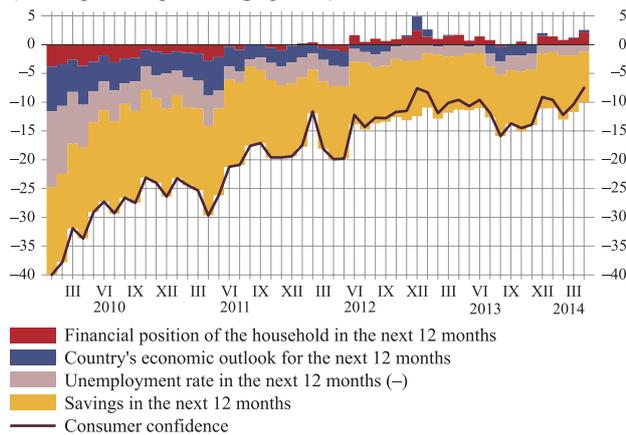
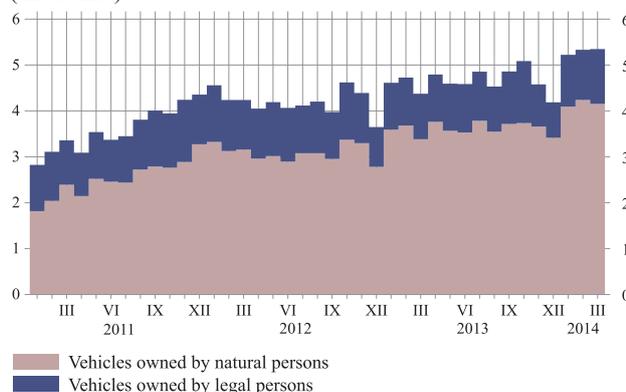


Chart 3.3
NUMBER OF VEHICLES NEWLY REGISTERED WITH
THE ROAD TRAFFIC SAFETY DEPARTMENT
(thousands)



3. Domestic Demand

Despite the gradual deceleration, Latvia's GDP growth remained one of the strongest among the EU Member States in the first quarter. According to the flash estimate by the CSB, the GDP increased by 0.7% quarter-on-quarter in seasonally non-adjusted terms and by 2.8% year-on-year (see Chart 3.1). Preliminary data (trade and confidence indicators) show that private consumption remained the main engine of growth. Investor activity is likely to have remained low in the first quarter. A slight year-on-year increase in nominal terms was reported for the exports of goods in January and February. At the same time, the respective imports contracted, thus the net contribution of exports could be positive in the first quarter.

3.1 Private consumption and investment

At the beginning of the year, private consumption remained the main driver of economic growth (see Charts 3.2 and 3.3). Contrary to Estonia where retail trade turnover contracted sharply in the first months following the euro changeover, the sales volumes and consumption remained quite stable in Latvia. The purchasing power of households continued to improve; nevertheless, the euro changeover process probably created some volatility in spending and saving behaviour. The main factor behind the trade and consumption stability could have been the favourable price developments. The euro changeover in Estonia coincided with a steeper rise in the global prices. As a result, higher inflation expectations could have encouraged more active spending ahead of the changeover in comparison with Latvia.

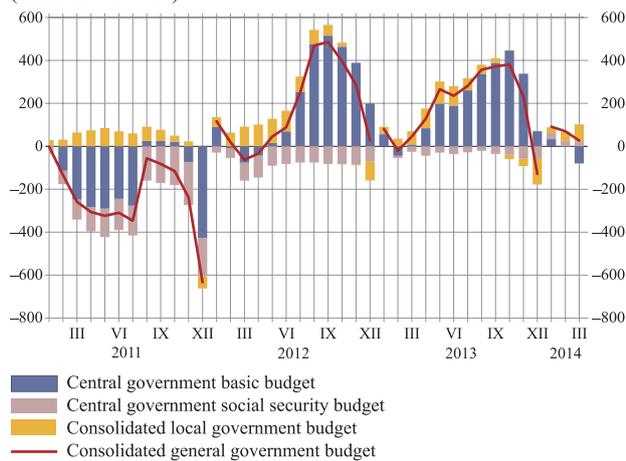
Although the euro changeover did affect the spending behaviour and the pattern of trade in Latvia as well, the drop in the sales volumes registered at the beginning of the year was relatively negligible. More stability in consumption developments as compared to Estonia is also suggested by the relatively optimistic household sentiment indicator reported at the turn of 2013. Following a slight deterioration at the beginning of 2014, it rebounded strongly again reaching the highest level since 2007 in April.

Investment developments are more volatile and less predictable. The expected positive effect of the euro changeover on the attractiveness of Latvia's business climate was probably offset by the adverse impact of the Ukraine–Russia conflict.

Investment growth was weak in 2013. External uncertainties have increased further in the first quarter in comparison with the previous year, thus no acceleration in investment growth is likely in the near-term. Nevertheless, investment will still be sustained by the EU funding inflows.

Investment survey published by the EC also points to more caution on behalf of investors: Latvian manufacturing companies plan to reduce real investment by 7.7% year-on-year in 2014. In October 2013 survey, the manufacturing companies reported their intention to increase investment by 1.4% in 2014.

Chart 3.4
ACCRUED BALANCE OF THE CONSOLIDATED GENERAL GOVERNMENT BUDGET BY LEVEL (millions of euro)



3.2 Government expenditure and budget

According to the official information by the Treasury, the surplus of the consolidated general government budget estimated on a cash flow basis amounted to 27.0 million euro or 0.1% of the forecast GDP in the first three months of 2014, representing a year-on-year decrease of 18.3 million euro (see Chart 3.4).

The consolidated general government budget revenue increased by 0.5% year-on-year in the first three months of 2014, with the rate of growth decelerating significantly. The overall revenue rise in the first quarter was fully based on the increase in tax revenue slightly hindered by the early payments of the taxes on labour in December 2013 in preparation for a smooth transition of payments from the lats to the euro as well as by larger refunds of the overpaid VAT in December, thereby increasing the net VAT revenue in January. Moreover, several changes in tax policies have taken effect as of 2014: employee's social insurance contributions rate was decreased from 11% to 10.5%, whereas the employer's rate was reduced from 24.09% to 23.59%; the untaxed minimum was increased from 64 euro to 75 euro and the personal income tax relief for dependents was raised from 114 euro to 165 euro. The rate of contributions to the state-funded pension plan remained at 4%, unchanged in comparison with 2013. Tax revenue increased by 3.9% in the first quarter, with the positive contribution coming primarily from the net VAT revenue rising by 12.9% (see Chart 3.5), while the gross VAT revenue remained 3.8% higher year-on-year. Although negative trends were observed in the revenue from major taxes in March, including a 1.1% and a 0.3% year-on-year fall in VAT revenue and personal income tax revenue respectively, this resulted from larger refunds of the overpaid VAT and more intensive refunds of the

Chart 3.5
SELECTED TAX REVENUE (January–March; millions of euro)

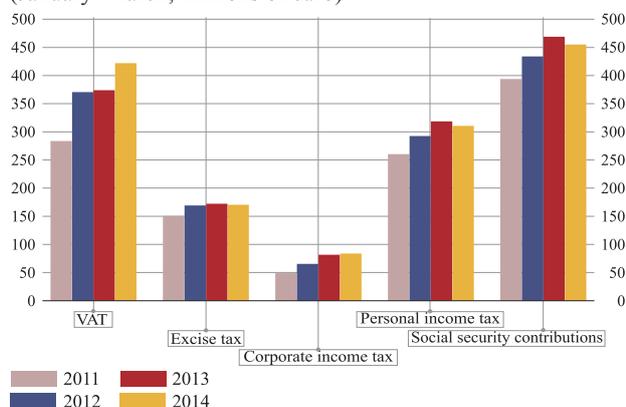
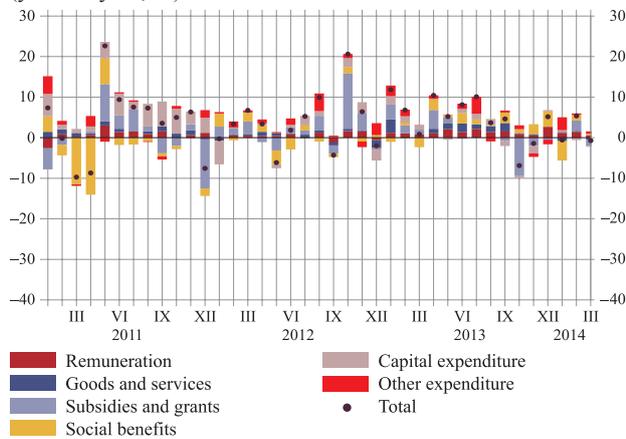


Chart 3.6
RATE OF CHANGE IN CONSOLIDATED GENERAL GOVERNMENT BUDGET EXPENDITURE (year-on-year; %)



personal income tax after filing the income tax returns. Based on the annual reports submitted by businesses so far, a rise in revenue from corporate income tax can be expected. The overall contribution of taxes on labour was negative as a result of the implemented reforms as well as the tax payments made in advance. Non-tax revenue decreased by 31.8% year-on-year in the first quarter, primarily on account of the shrinking revenue from the usage of state capital.

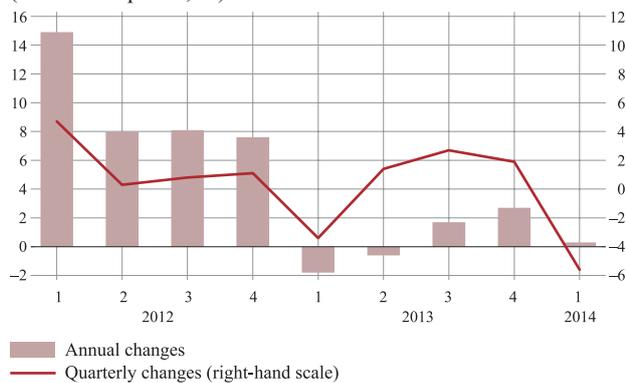
The consolidated general government budget expenditure grew by 1.5% year-on-year in the first quarter (see Chart 3.6). This rise was determined by a 5.6% increase in wages and salaries spending associated with the raising of the minimum wage and income convergence initiatives, as well as a 2.4% growth in spending on subsidies and grants. Conversely, social benefit disbursements, with some part of pension and other benefit disbursements actually made already in December 2013, declined by 2.8% in the first quarter and had a downward effect on spending growth.

The general government debt totalled 8 143.9 million euro on a cash flow basis at the end of March 2014 (33.1% of the forecast GDP; estimated as 35.8% of the forecast GDP for 2014 according to ESA 95 methodology). The debt decreased by 22.2 million euro in comparison with December 2013. In January 2014, Latvia issued 7-year Eurobonds maturing in January 2021 in the amount of 1 billion euro, whereas in March a repayment totalling 1 billion euro of a part of the EC loan principal was made. The outstanding debt changed further in April on account of maturing 10-year government bonds in the amount of 400 million euro and an issue of 10-year Eurobonds in the amount of 1 billion euro launched in the international markets at the end of the month.

4. Aggregate Supply

In the first quarter of 2014, Latvia's economic growth was slightly slower than projected in several sectors. The performance of manufacturing as well as energy output was markedly weaker. The decline in manufacturing was on account of a number of factors – both the downturn in output attributable to seasonal factors, problems encountered by two factories operating in the sector of the manufacture of basic metals, and statistical details. Atypically warm weather conditions were the primary contributor to a minor energy output. Although retail trade turnover posted a decline in the first quarter of 2014 in comparison with the fourth quarter of 2013, this development could be explained by lower trade activities at the beginning of the year on account of the euro changeover and it had been previously projected. At the same time the transport sector indicators were positive. In the first quarter, the volume of cargoes loaded and unloaded at ports and volume of rail freight rose substantially, mainly with the flow of coal and oil products expanding.

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

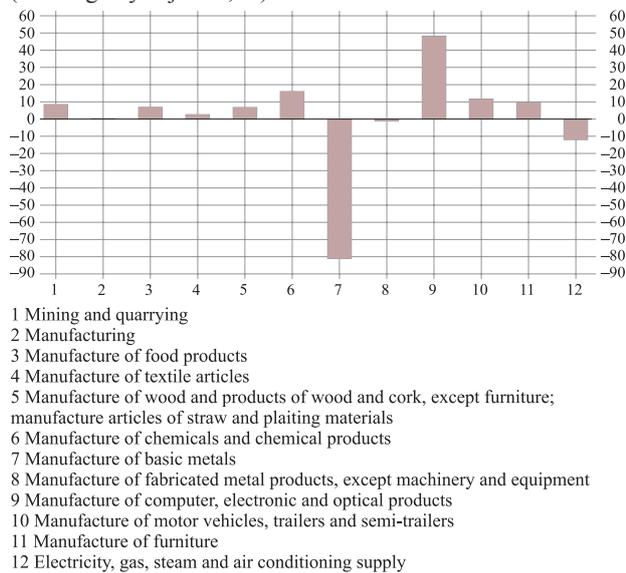


4.1 Industry and construction

In the first quarter, the volume of output in manufacturing at constant prices decreased by 5.6% quarter-on-quarter and grew by 0.3% year-on-year (see Chart 4.1). In the first quarter, shrinking output in the manufacture of basic metals (48.0%) accounted for the major negative contribution to the development of manufacturing quarter-on-quarter due to the problems encountered by several companies of the manufacture of basic metals. Output also decreased in the repair of machinery and equipment (by 14.7%), manufacture of beverages (by 7.1%) and wearing apparel (by 6.6%). The development trend of the largest subsectors of manufacturing was not uniform. Production output of the products of wood shrank (by 1.5%), while that of food products, fabricated metal products and non-metallic mineral products was on a rise (1.2%, 2.0% and 1.2% respectively; see Chart 4.2 for the year-on-year changes in the manufacturing output in the first quarter of 2014).

In the first quarter, the manufacture of basic metals exerted the most pronounced adverse effect on manufacturing year-on-year (a decline of 81.0%), which was still attributable to the wind-up of JSC *Liepājas Metalurģs*. The manufacture of wearing apparel (a drop of 16.4%) and repair and installation of machinery and equipment (13.6%) also had a

Chart 4.2
ANNUAL INDUSTRIAL OUTPUT CHANGES IN THE
FIRST QUARTER OF 2014
(working-day adjusted; %)

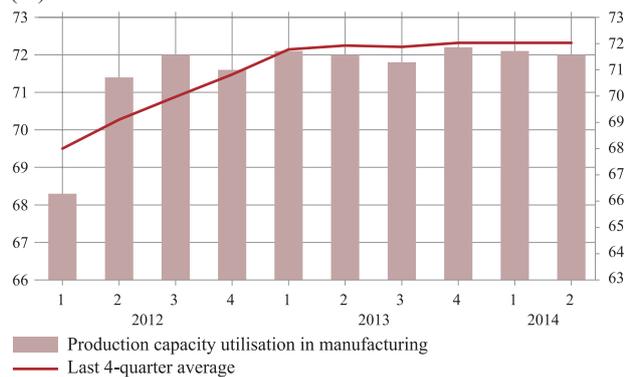


negative impact on manufacturing. The manufacture of food products (a rise of 6.8%), products of wood (6.7%) as well as computers, electronic equipment and optical products had the most pronounced positive effect in annual terms (48.1%).

The turnover in manufacturing at current prices recorded a minor year-on-year increase of 0.6% in the first quarter. The turnover in the external market continued on a downward trend for the fourth consecutive quarter (a fall of 3.2%). At the same time, the turnover rose in the domestic market by 7.8%, suggesting that the expanding domestic demand was the driver of higher output in manufacturing.

The industrial confidence indicator of manufacturing companies aggregated by the EC for the first quarter was 0.8 point higher quarter-on-quarter. It was primarily on account of a lower assessment of the inventories of finished goods and slightly higher order volume assessment. The assessment of output volume for the coming months recorded a decline and export order assessment also deteriorated somewhat. Hence the signals from Latvia's business surveys regarding the first quarter are not unequivocal.

Chart 4.3
PRODUCTION CAPACITY UTILISATION IN
MANUFACTURING
(%)



Production capacity utilisation projected for the second quarter of 2014 has remained almost unchanged (72.1% in the first quarter and 72.0% in the second quarter; see Chart 4.3). In the breakdown by sector, production capacity utilisation was high in the manufacture of wood and of products of wood and cork (79.9%), paper products (77.5%), printing and reproduction of recorded media (78.6%), wearing apparel (79.7%) and products of leather (86.3%). At the same time, low production capacity utilisation has been projected in the manufacture of basic metals (64.4%), beverages (60.0%), food products (63.1%) and non-metallic mineral products (65.0%). Production capacity utilisation recorded the most buoyant decrease in the manufacture of electrical equipment (by 10.0 percentage points; to 66.8%) and motor vehicles, trailers and semi-trailers (by 9.4 percentage points; to 67.0%), where the highest rise had been expected in the first quarter. A notable increase in the production capacity utilisation is projected in the manufacture of textile articles (of 8.8 percentage points; to 73.4%), wearing apparel (of 4.5 percentage points; to 79.7%) and rubber and plastic products (of 4.2 percentage points; to 72.2%).

In the EC survey, businesses reported the lack of demand as a growth-restrictive factor also in the second quarter of 2014 (39.0% of the total number of

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

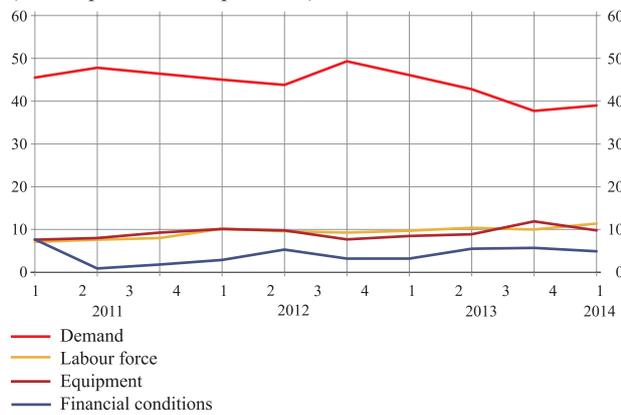
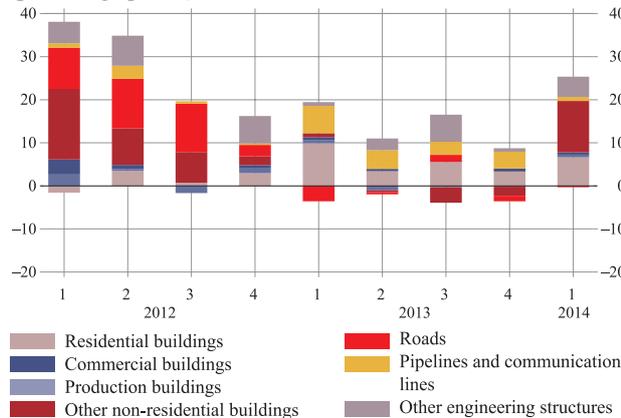


Chart 4.5
CONTRIBUTION OF SOME TYPES OF CONSTRUCTION
OBJECTS TO ANNUAL CONSTRUCTION GROWTH AT
CURRENT PRICES
(percentage points)



respondents; see Chart 4.4). Businesses in industry were less concerned about the lack of equipment quarter-on-quarter (9.8%), albeit a larger number of respondents than in the previous quarter (11.4%) singled out the labour shortage as impediment to growth. In the latest business survey, the share of respondents identifying no substantial constraint for the production was an all-time high (37.4%).

The Latvian industrial sentiment indicators improved in April on account of a higher assessment of order volume as well as a lower assessment of inventories of finished goods.

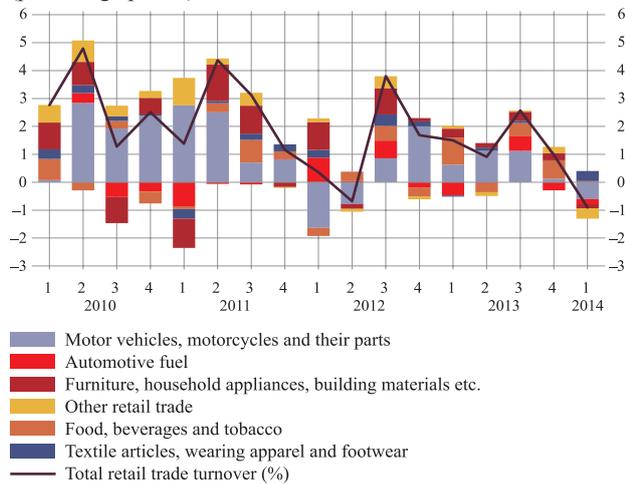
At the same time, construction output at current prices recorded a year-on-year increase of 25.0% in the first quarter (the most pronounced increase since the second quarter of 2012; see Chart 4.5). Having reported a negative growth rate in three previous quarters, construction of non-residential buildings accounted for the major positive contribution to the annual growth (13.1 percentage points). The construction of administrative buildings was a notable positive contributor to the sector (4.7 percentage points). The construction of dwelling houses (contribution – 4.4 percentage points) was the main driver of the expanding construction of residential buildings (contribution – 6.6 percentage points). The construction of engineering structures was also a positive contributor to the expansion of the construction sector (5.3 percentage points), with a notable growth observed in the construction of blocks of industrial buildings (1.4 percentage points), ports and dams (1.3 percentage points) and local pipelines and communication lines (1.2 percentage points).

The construction confidence indicator assessed by the EC increased by 4.6 percentage points in the first quarter. This development was mainly attributable to a pronouncedly improving assessment of employment expectations for the next three months as well as an improving assessment of total orders. Builders primarily pointed to a lack of demand (41.9%) and weather conditions (19.4%) as the constraint for business growth. 26.2% of builders did not identify any construction hampering factors. In April, the construction confidence indicator deteriorated on account of a declining assessment of employment for the next three months.

4.2 Services

In the first quarter, retail trade turnover posted a year-on-year increase of 2.2% (including the sales of motor

Chart 4.6
BREAKDOWN BY QUARTERLY CHANGES IN RETAIL
TRADE TURNOVER
(percentage points)



vehicles – by 3.6%) and a slight decline in comparison with the fourth quarter of 2013 (by 0.4%, including the sales of motor vehicles – by 0.9%; see Chart 4.6). Although a decline has been observed, it is moderate, given the euro introduction experience gained by Estonia. At the end of 2013, a growing sales volume was mainly attributable to an increasing sales volume of food products (including also non-food goods at supermarkets), furniture and household goods on account of the households spending their savings prior to the euro changeover. In the first quarter, the drop in the sales volumes of the above goods followed the spending spree.

As the negative trend observed since the end of 2012 came to an end, cargoes loaded and unloaded overall at Latvia's ports in the first quarter of 2014 posted a rise of 9.4% year-on-year. The situation had improved in all ports, excluding Ventspils port (a decline of 1.5%). An increasing overall cargo traffic has been recorded at Riga port on account of a substantially growing volume of cargoes loaded and unloaded (21.7%; mainly oil products). A rise was also observed at Liepāja port (4.8%).

The turnover of rail freight (indicator based on the distance covered and freight weight) grew by 11.0% in the first quarter. The expanding turnover was on account of the increasing international freight traffic (11.4%). At the same time, the turnover of domestic freight shrank steeply (by 13.5%). However, it has to be taken into account that the turnover of domestic rail freight is very moderate. The volume of rail freight (indicator based on the freight weight only) posted a lower rise year-on-year than the turnover (by 7.6%). This development was attributable to an expanding volume of imported freight (12.4%; freight transported by rail into Latvia; 85.4% of the total volume of rail freight). However, exports (freight transported by rail from Latvia; 7.8%) and freight transit (freight transported across the territory of Latvia by rail and not loaded into and unloaded from other types of transport; 4.7%) declined by 9.9% and 34.8% respectively.

Preliminary data for the second quarter of 2014 point to a minor further improvement in the transport sector. The turnover of rail freight continued to expand in April, albeit the volume of rail freight shrank slightly. The volume of cargo traffic continued on an upward trend in April at all ports, excluding Ventspils port. Improving performance of the transport sector might be associated with a higher activity of Russia in exports channelled through Latvia as well as the

Chart 4.7
REGISTERED UNEMPLOYMENT RATE IN LATVIA'S REGIONAL AREAS
(% of economically active population)

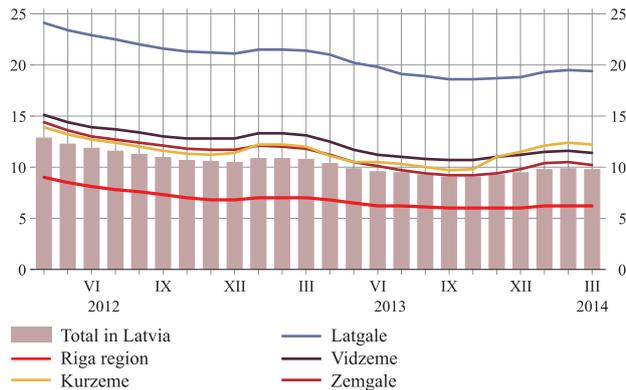


Chart 4.8
INDEX OF THE NUMBER OF OCCUPIED POSTS
(Q1 2010 =100)

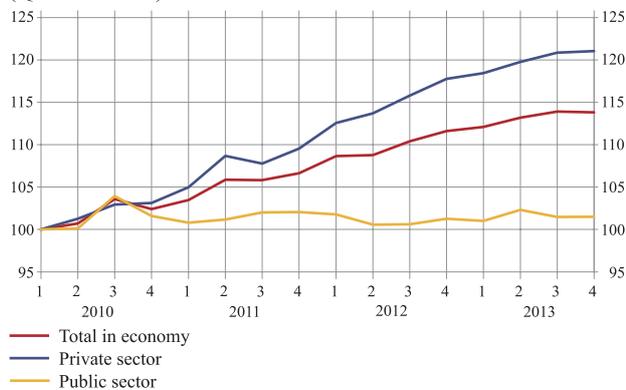
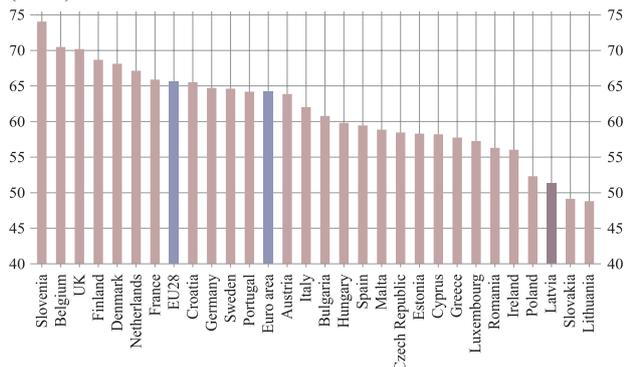


Chart 4.9
LABOUR INCOME SHARE IN VALUE ADDED IN EU COUNTRIES
(2012)



trend of a gradual economic recovery observed in the EU. However, concern about the sustainability of the situation persists.

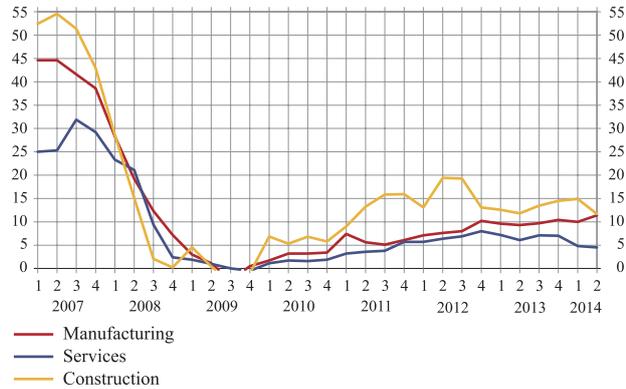
4.3 Labour market

Registered unemployment continued to fall, reaching 9.6% of the economically active population at the end of April. With unemployment in Latgale shrinking faster than in Riga, the regional disparities as regards unemployment are slowly decreasing (see Chart 4.7). The number of long-term unemployed as well as their proportion in the total number of unemployed is declining gradually. The monthly number of newly-registered unemployed persons, an indicator which would respond to any mass lay-offs quicker than the unemployment rate, has stabilised at a moderate level.

The CSB business survey data suggest that the job creation in the post-crisis period was primarily associated with the private sector developments (see Chart 4.8). Thus the rise in employment observed since the beginning of 2010 is sustainable rather than a short-term result of the anti-crisis measures. The number of vacancies is also increasing steadily: there were 5.8 thousand vacancies registered in the SEA databases as at the end of April 2014.

The labour income share in value added in Latvia is smaller both vis-à-vis the estimated labour input in production as well as in comparison with other EU Member States (see Chart 4.9). High taxes on labour income and relatively low taxes on corporate profits could be among the potential factors determining why the labour income share is small. Therefore, a gradual reduction of taxes on labour (the rate of mandatory state social insurance contributions was lowered from 35.09% to 34.09% as of January 2014) could result in a minor increase of the labour income share in value added. Consequently, a wage increase that slightly exceeds the productivity rise in combination with a minor increase in both nominal and real ULC (at least initially) does not necessarily point to growing economic imbalances risks. Increased productivity remained the main factor driving the wage growth, as suggested by the persistently moderate proportion of the businesses concerned about labour shortage. As a rule, labour shortage is already reported comparatively less often in the services sector than in the construction and manufacturing sectors (see Chart 4.10).

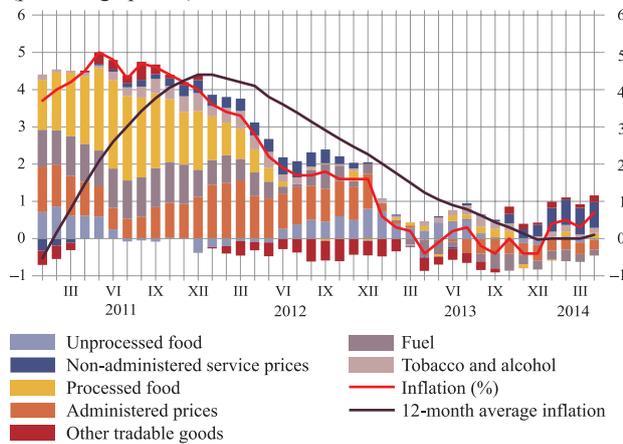
Chart 4.10
THE PERCENTAGE OF BUSINESSES WHO FIND
LABOUR SHORTAGE THE MAIN OBSTACLE TO
BUSINESS GROWTH
(%)



Employment growth is expected to decelerate year-on-year in 2014. Deceleration in employment growth was confirmed by all available statistical data sources already in the second half of 2013. Previously, the steady rise of employment was determined by the shrinking cyclical unemployment. At the current juncture, according to Latvijas Banka estimates the cyclical component of the real unemployment (the rate of jobseekers which was 11.9% in the first quarter of 2014) is close to zero; therefore, a further decline is unsustainable. The reduction in unemployment will slow down significantly and will happen on account of the structural unemployment which cannot decrease swiftly. Unemployment can be expected to remain close to its natural rate also in the coming years; therefore, lower unemployment will create no significant pressure on inflation. Employment growth will be still supported by a gradual increase in the rate of participation. Nevertheless, the economically active population will probably shrink, with both the number of population and the proportion of working age population decreasing. With net migration becoming insignificant, the excess of mortality over the birth rate becomes the main factor behind the shrinking of the population.

Marginal propensity to save is elevated for the period 2014–2016. Due to the approaching euro changeover, currency in circulation tended to decrease progressively at the end of 2013 and beginning of 2014, with deposits in credit institutions growing accordingly. Nevertheless, there is no evidence so far that such structural changes will persist in the long-term. In the short-term, under the impact of the escalating Russia–Ukraine conflict households could increase their precautionary savings, yet the household savings as a percentage of the disposable income would still remain in a negative territory until 2015. With the labour market conditions gradually improving, the savings ratio is expected to grow progressively also in 2014–2016.

Chart 5.1
CHANGES IN CPI BY COMPONENT
(percentage points)



5. Costs and Prices

In March 2014, annual inflation decreased to 0.3%, while reaching 0.7% in April (see Chart 5.1). This annual inflation dynamics depended substantially on an impact of seasonal factors, the declining negative contribution of supply side factors (base effect) and a gradual impact of economic growth.

The food price developments in retail trade in Latvia in March and April were just opposite to the dynamics of global food prices and futures contracts (see Chart 5.2). This can be explained by both a different impact of seasonal factors and the global supply and demand balance. In the first three months of 2014, the seasonal volatility of food prices in Latvia was different from that observed usually in this period but did not imply a change in the trend. An increase in vegetable prices was observed in the winter months of 2013. This mainly occurred in January 2014, while both February and March experienced a price decline which led to lower annual overall inflation. Global food prices decreased somewhat in April as exports of milk in New Zealand grew on account of an unusually long productive season, while the demand had weakened slightly in the major export market countries. With weather conditions improving, concerns about the harvest in the USA eased as well.

Chart 5.2
GLOBAL FOOD PRICES
(average monthly indicator of 2002–2004 = 100)

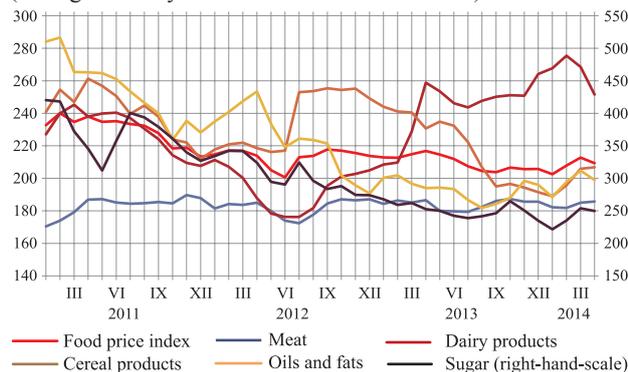
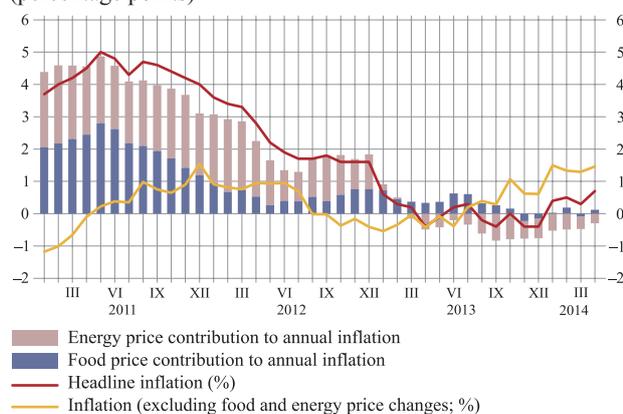


Chart 5.3
IMPACT OF ENERGY AND FOOD PRICE CHANGES ON ANNUAL CONSUMER PRICE INFLATION
(percentage points)



The contribution of energy prices to overall inflation is still negative (see Chart 5.3), while gradually declining as expected. In the first quarter of 2014, it decreased mainly on account of a smaller negative contribution of heating prices (due to the base effect). The base effect also plays a definite role in the dynamics of fuel prices. Although oil prices dropped somewhat on the global market in March compared to February, this was not reflected in the average fuel price. Moreover, even though the price of *Brent* crude oil fluctuated in a relatively narrow band in January–April and was on average 1.9% lower than in the previous year (see Chart 5.4), oil prices had reached the lowest level since summer of 2011 in the second quarter of 2013 due to temporary factors. Thus, the negative contribution of fuel prices to inflation could wane gradually as a result of the low base even with oil prices remaining unchanged in the second quarter of 2014.

Nord Pool Spot data suggest that the electricity price for consumers who pay for electricity according to the market price in January–April deviated from the so called system price, as well as the price of the

Chart 5.4
OIL PRICES ON GLOBAL MARKET

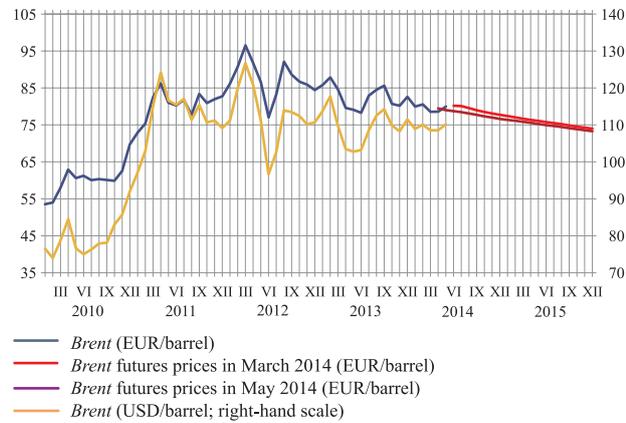
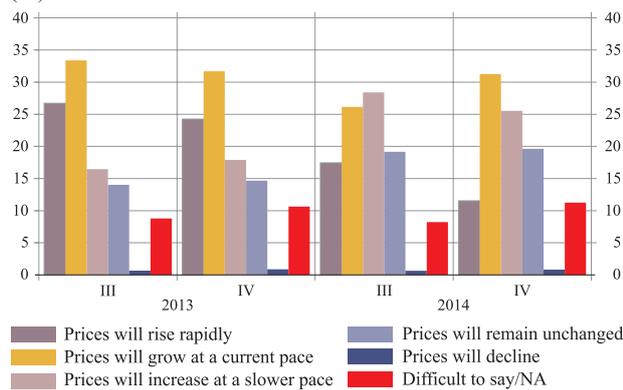


Chart 5.5
BREAKDOWN OF HOUSEHOLD EXPECTATIONS FOR CONSUMER PRICE CHANGES IN NEXT 12 MONTHS (%)



Estonian trade area, exceeding 60 euro per MWh at the end of April, but reaching even 85 euro per MWh temporarily in May. This factor adversely affected the cost developments for business customers, thus causing pressure on the producer price level. At the same time, inflation expectations decreased significantly in March and April in terms of consumer prices after the Parliament of the Republic of Latvia had announced the postponement of electricity market liberalisation for households. According to the EC data, the balance of respondents' answers concerning the expected consumer price developments in the coming 12 months declined in March and April to the level observed in summer of 2012 following a rise in February. This was determined by a significant decrease in the share of the respondents who considered that prices would surge rapidly and an increase in the share of the respondents who considered that prices would go up at the current or a much slower pace (see Chart 5.5).

Following a gradual rise during 2013, annual core inflation stabilised in the positive territory, exceeding 1%. It reflects moderate economic growth, albeit slightly also the impact of indirect taxes. Core inflation contains the prices of tobacco products which are affected by an increased excise tax in 2014. Changes in the prices of alcoholic beverages are quite volatile and related to different sales promotions. Price rises of other tradable goods remained limited (less than 1% year-on-year), while the annual increase in service prices that was close to 3% in January–April could be attributable to simultaneous changes in the price list unchanged for a longer time, reflecting prices in two currencies (service prices would increase more gradually in line with costs on other occasions).

In May, the PUC (Public Utilities Commission) approved the new tariff plan submitted by *Rīgas Ūdens Ltd.*, which provides for the average rise in tariffs on water and sewage services by almost 25%. The inter-operator tariff in the fixed electronic communications network was reduced by 89% at the beginning of June. The new tariffs are to become effective in July. At the same time, *Getliņi Eko Ltd.* has submitted a tariff plan (plans for increasing tariffs) pending approval. However, considering the effective date of the above tariffs and a trend of opposite effect, their overall contribution to inflation in 2014 could be minor.

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

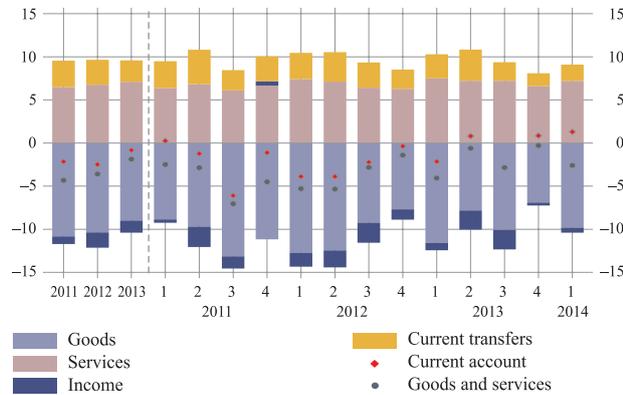
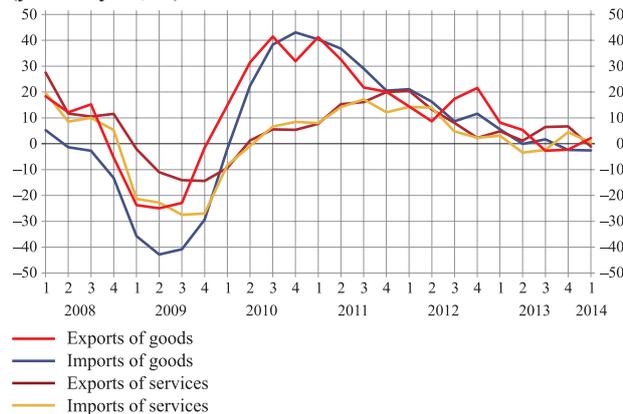


Chart 6.2
GROWTH RATE OF EXPORTS AND IMPORTS OF GOODS AND SERVICES
(year-on-year; %)



6. Balance of Payments

In the first three months of 2014, the current account of Latvia's balance of payments still recorded a small deficit (114.6 million euro). The current account deficit rose somewhat in comparison with the monthly average of the previous year (15.9 million euro; see Chart 6.1).

The foreign trade deficit in goods increased and reached 526.6 million euro, while the foreign trade surplus in services contracted in the first three months of 2014 in comparison with the last three months of 2013 (372.5 million euro; see Chart 6.2). Exports of services decreased in the first months of the year partly due to seasonal factors; however, a year-on-year decline was also observed. During the same period, both exports of transportation services contracted, which was mostly affected by a decline in transportation services by air and the value of services delivered to non-residents decreased more rapidly in different other smaller services sectors.

In the first three months of the year, the deficit of the income account rose to 53.0 million euro. The volatility in the income account displayed in some months was primarily affected by the income received by investors.

The surplus of the current transfers account continued on a slightly downward trend and amounted to 92.6 million euro in the first three months of 2014, whereas the surplus of the capital account increased to 126.3 million euro. These changes, as previously, were primarily caused by flows of EU funds.

Foreign direct investment in Latvia rose to 135.5 million euro in the first three months of 2014 as a result of transactions. In January, the Latvian government issued bonds in the amount of 1 billion euro on the international markets.

Latvia has already made payments for the bonds issued on the international markets previously and the loan received from the EC within the framework of the international financial assistance programme in 2014. In April, the Latvian government issued bonds in the amount of 1 billion euro on the international markets.

7. Conclusions and Forecasts

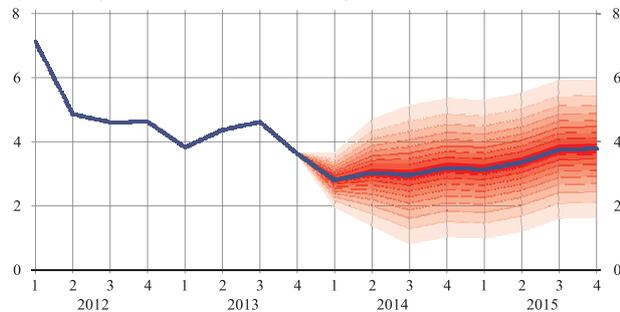
7.1 Economic developments

Manufacturing, energy and agriculture (due to the unfavourable weather conditions) most probably were those sectors that contributed negatively to the overall GDP growth at the beginning of the year; however, a considerable increase in output in the construction sector offset the above. Nevertheless, the domestic factors had become less significant in early 2014. Situation in the global economy and in Europe is approximately in line with the forecasts, i.e. gradual recovery of growth persists, but risks associated with the escalation of the regional geopolitical situation, having a very high degree of uncertainty, have strengthened. Hence, the degree of uncertainty of the economic outlook rose considerably at the end of the second quarter of 2014. As a result, development forecasts for several sectors (particularly for manufacturing, transportation and storage, travel, etc.) largely depend on the future geopolitical developments.

In view of the preliminary sectoral data for the first quarter (according to the flash estimate, real GDP posted 0.7% quarter-on-quarter growth in the first quarter) and the aggravation of the geopolitical situation, the real GDP forecast for 2014 by Latvijas Banka is reduced to 3.3%. This forecast is based on assumptions related to a decline in Russian external demand, the effect of the depreciation of the Russian ruble, negative confidence effects resulting in potentially weaker than forecast investment dynamics, as well as lower household spending due to a potential increase in precautionary savings. The basis forecast does not comprise further escalation of the geopolitical situation or introduction of any further sanctions.

Overall, risks to the national economic growth outlook can be considered balanced in the medium-term. Further escalation of the geopolitical situation may create additional negative effect on the Latvian economy by weakening the demand of the Russian and Ukrainian economies for imports, inter alia those exported from Latvia. The escalation of the situation would also create negative confidence effects by moderating investment activity as well as weakening private consumption on account of household precautionary savings growth. Moreover, any further

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



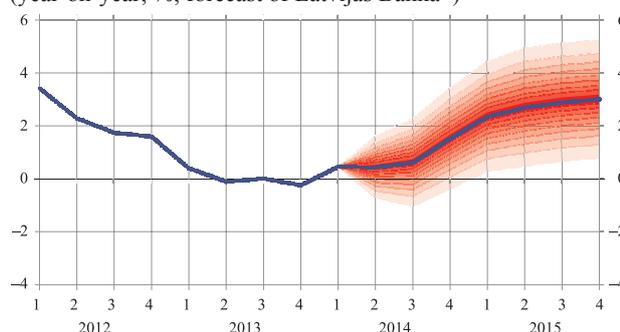
* The coloured area represents 90% of potential scenarios (the lighter the colour, the lower the scenario's probability).

introduction of specific sanctions (in any direction) is likely to have a negative effect on the Latvian economy. At the same time, the positive risks should not be underestimated. With the geopolitical situation improving or at least stabilising, the above negative factors could be merely a short-term phenomenon, thus having a less negative impact on the economy than assumed in the baseline scenario. Also, judging by the investment projects announced in mass media and by the impact of the allocation of EU structural funds (it applies more to public investment which is less exposed to negative confidence effects) investment may grow at a more accelerated pace than forecast. The manufacturing industry has also proved already before that it is capable of transforming relatively quickly, finding new markets, as well as expanding its market shares also under declining external demand (for the forecast of GDP changes, see Chart 7.1).

7.2 Inflation

The annual inflation rate has become positive and closer to the levels characterising economic growth. Nevertheless, the annual inflation rate remained low on account of the supply side factors of the reference period as well as heterogeneous effects of seasonal factors. Uncertainty of the impact of global commodity prices has risen, while inflation expectations have decreased considerably.

Chart 7.2
HICP CHANGES
(year-on-year; %; forecast of Latvijas Banka*)



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

The forecast of the average annual inflation for 2014 is revised downwards to 1.1%, and its risks are considered balanced. The above is also in line with the revised growth forecast (for the forecast of SPCI changes, see Chart 7.2). The postponement of electricity market liberalisation for households until 2015 is the major factor having a downward effect on inflation. Slower economic growth and a more moderate rise in actual food prices could limit the increase in annual core inflation.

Although the first estimates of the harvest of this season were quite pessimistic due to the draught in the US and black frost in Europe, it is still too early to assess the actual impact of the above factors. Risks related to the impact of political factors are on the upside (mostly as a result of energy and food trade); at the same time, however, they are also surrounded by a significant degree of uncertainty.

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1. MONETARY INDICATORS AND INTEREST RATES

	2013												2014					
	Q1			Q2			Q3			Q4			Q1					
Latvian contribution to the euro area M1 ¹ – overnight deposits ²	8.0			10.4			14.1			9.1			8.0			16.0		
Latvian contribution to the euro area M2 ^{1,2}	1.9			2.1			1.2			-0.4			1.9			7.9		
M3 ²	2.8			3.8			3.3			1.0			2.8			x		
M2X ²	2.0			3.3			2.7			1.0			2.0			x		
Loans to resident financial institutions, non-financial corporations and households ²	-6.4			-6.7			-6.4			-7.6			-6.4			-8.7		
Deposits of resident financial institutions, non-financial corporations and households ²	13.2			4.1			4.2			5.1			13.2			11.4		
Long-term interest rate for convergence assessment purposes ³	3.34			3.20			3.14			3.32			3.70			3.14		
EURIBOR (3-month loans) ^{4,5}	0.4			0.5			0.4			0.3			0.3			0.295		
Average yield on government bonds	2.2 ⁶			1.4 ⁷			1.1 ⁷			1.2 ⁷			2.2 ⁶			1.8 ⁶		
OMXR ⁴	432.5			405.8			416.5			457.7			448.2			460.3		
	2013												2014					
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III			
Latvian contribution to the euro area M1 ¹ – overnight deposits ²	13.3	12.3	10.4	13.1	15.4	14.1	11.9	11.4	9.1	7.9	7.7	8.0	15.7	14.2	16.0			
Latvian contribution to the euro area M2 ^{1,2}	4.7	3.7	2.1	2.3	2.4	1.2	0.4	-0.2	-0.4	-0.8	-0.6	1.9	7.9	6.3	7.9			
M3 ²	3.7	3.4	3.8	4.2	4.2	3.3	1.8	1.2	1.0	0.8	0.7	2.8	x	x	x			
M2X ²	5.4	4.2	3.3	3.4	3.9	2.7	2.0	1.4	1.0	0.1	-0.4	2.0	x	x	x			
Loans to resident financial institutions, non-financial corporations and households ²	-10.4	-10.1	-6.7	-7.2	-4.5	-6.4	-6.6	-6.9	-7.6	-8.2	-7.7	-6.4	-8.8	-9.0	-8.7			
Deposits of resident financial institutions, non-financial corporations and households ²	6.2	5.2	4.1	4.9	5.1	4.2	4.2	4.3	5.1	5.1	5.5	13.2	10.0	9.4	11.4			
Long-term interest rate for convergence assessment purposes ³	3.21	3.22	3.17	3.15	3.10	3.17	3.25	3.25	3.45	3.78	3.71	3.62	3.48	3.07	2.87			
EURIBOR (3-month loans) ^{4,5}	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.3	0.292	0.288	0.305			
Average yield on government bonds	1.4 ⁷	1.4 ⁷	1.2 ⁷	1.2 ⁷	1.1 ⁷	1.1 ⁷	1.1 ⁷	1.2 ⁷	-	2.3 ⁶	2.0 ⁶	-	-	1.8 ⁶	-			
OMXR ⁴	404.7	399.5	413.2	412.3	410.7	427.3	452.3	468.1	452.9	447.2	446.9	451.2	474.6	478.4	427.9			

¹ Up to Q4 2013 – the respective indicator for Latvia.

² Year-on-year changes (%).

³ Average secondary market yield of 10-year government bonds.

⁴ Average of the period.

⁵ Up to Q4 2013 – RIGIBOR (3-month loans).

⁶ Weighted average primary market yield of 5-year government bonds.

⁷ Weighted average primary market yield of 3-year government bonds.

2.a REAL SECTOR INDICATORS AND PRICES

	2012	2013				2014	
		Q1	Q2	Q3	Q4	Q1	
Industrial output¹							
Increase/decrease ² (at constant prices; working day adjusted data; %)	9.3	0.6	-1.8 ⁴	-0.6	1.7	2.7	0.3
Cargoes loaded and unloaded at ports							
Turnover (thousands of tons)	75 193	70 480	18 969	17 990	16 523	17 000 ⁴	20 749
Increase/decrease ² (%)	9.3	-6.3	-5.3	-11.4	-6.8	-0.8	9.4
Retail trade turnover^{1,3}							
Turnover (at current prices; millions of euro)	6 080.4	6 275.7 ⁴	1 400.5	1 542.5	1 674.9	1 657.7 ⁴	1 428.7
Increase/decrease ² (at constant prices; %)	7.3	3.8	4.8 ⁴	4.1 ⁴	2.5 ⁴	4.2 ⁴	2.2
Unemployment rate (%)	10.5	9.5	10.8	9.6	9.1	9.5	9.8
Producer prices ¹ (increase/decrease compared with the previous period; %)	3.7	1.5	0.3	0.4	0.3	-0.1	0.2
Consumer price inflation							
Year-on-year basis (%)	2.3	0	0.3	-0.1	-0.1	-0.3	0.4
Quarter-on-quarter basis (%)	x	x	-0.1	0.5	-0.6	0	0.6
Financial surplus/deficit in the consolidated general government budget							
Surplus/deficit (millions of euro)	27.2	-128.3	45.2	190.4	136.5	-500.4	27.0
Ratio to GDP (%)	0.1	0.6	0.9	3.3	2.2	7.9	x

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

² Year-on-year basis.

³ Sale of motor vehicles and motorcycles not included.

⁴ Data have been revised.

2.b REAL SECTOR INDICATORS AND PRICES

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Industrial output ¹															
Increase/decrease ² (at constant prices; working day adjusted data; %)	-0.2	1.1 ⁴	-5.6	-2.7	0	0.9	4.7	-1.3	1.9	2.3 ⁴	2.7 ⁴	3.2 ⁴	-3.1	-0.2	3.9
Cargoes loaded and unloaded at ports															
Turnover (thousands of tons)	6 553	5 614	6 802	6 268	6 034	5 688	5 491	5 724	5 308	5 307	5 336	6 356	6 653	6 873	7 223
Increase/decrease ² (%)	-6.4	-3.2	-6.0	-11.5	-12.7	-10.0	-7.1	-2.9	-10.3	-0.6	-8.4	6.5	1.5	22.4	6.2
Retail trade turnover ^{1,3}															
Turnover (at current prices; millions of euro)	469.7	441.8	489.0	481.4 ⁴	532.4	528.6	564.6	571.7	538.6	543.4	513.7	600.6 ⁴	478.1	443.5	507.1
Increase/decrease ² (at constant prices; %)	4.1 ⁴	4.1 ⁴	6.1 ⁴	3.2 ⁴	6.4 ⁴	2.8 ⁴	3.2 ⁴	2.0 ⁴	2.2	2.9 ⁴	5.1 ⁴	4.6 ⁴	1.6	1.1	3.8
Unemployment rate (%)	10.9	10.9	10.8	10.4	9.9	9.6	9.5	9.3	9.1	9.1	9.3	9.5	9.8	9.9	9.8
Producer prices ¹ (increase/decrease compared with the previous period; %)	0.3	-0.2	0.1	0.1	0.3	0.1	-0.1	0.2	0.3	0	-0.2	-0.7	0.7	0.1	-0.2
Consumer price inflation															
Year-on-year basis (%)	0.6	0.3	0.2	-0.4	-0.1	0.2	0.3	-0.2	-0.4	0	-0.4	-0.4	0.4	0.5	0.3
Month-on-month basis (%)	-0.2	-0.1	0.5	0	0.1	0.2	-0.3	-0.8	0.3	0.3	-0.5	0	0.6	0	0.3
Annual core inflation (%)	-0.5	-0.3	0	-0.2	-0.2	-0.1	0.2	0.4	0.5	1.2	0.4	0.6	1.3	1.4	1.3
Financial surplus/deficit in the consolidated general government budget (millions of euro)	80.8	-100.6	65.0	83.1	137.9	-30.6	45.5	75.4	15.5	9.7	-150.1	-360.0	91.3	-21.5	-42.8

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

² Year-on-year basis.

³ Sale of motor vehicles and motorcycles not included.

⁴ Data have been revised.

3. ANALYTICAL ACCOUNTS OF THE CENTRAL BANK

(in millions of euro)

	2014		
	I	II	III
National contribution to the euro area monetary base	5 831.9	5 905.9	5 852.2
Currency in circulation	3 779.6	3 727.9	3 715.4
Current account holdings of credit institutions with the Bank of Latvia	1 417.3	1 218.9	1 191.8
Deposit facility and other liabilities related to monetary policy operations	635.0	959.1	945.0
Credit	1 683.9	1 595.5	1 615.8
To MFIs in the euro area	522.8	434.8	451.6
To the central government in the euro area	298.6	298.7	283.1
To other resident sectors in the euro area	862.5	862.0	881.1
External assets outside euro area	2 768.3	2 734.1	2 752.2
External liabilities outside euro area	46.5	20.5	3.3

4. MONETARY AGGREGATES AND COUNTERPARTS IN THE EURO AREA: LATVIAN CONTRIBUTION

(at end of period; millions of euro)

	2014		
	I	II	III
Monetary aggregates: Latvian contribution			
M3	10 009.1	9 863.2	9 962.3
Repurchase agreements	0	0	0
Money market fund shares/units	67.8	67.0	68.2
Debt securities issued with maturity of up to 2 years	6.0	13.6	13.9
Deposits with agreed maturity of up to 2 years	1 871.5	1 827.4	1 880.2
Deposits redeemable at notice of up to 3 months	484.7	491.3	494.4
Overnight deposits	7 579.0	7 464.0	7 505.6
Counterparts of monetary aggregates and longer-term financial liabilities: Latvian contribution			
Deposits of central government	2 312.5	2 283.0	1 337.0
Longer-term financial liabilities against residents	3 834.5	3 860.0	3 786.0
Deposits with agreed maturity of over 2 years	438.3	437.5	442.9
Deposits redeemable at notice of over 3 months	3.5	3.5	3.5
Debt securities issued with maturity of over 2 years	15.0	14.4	14.5
Capital and reserves	3 263.0	3 291.1	3 211.2
Credit to euro area residents	14 745.8	14 689.4	14 579.3
Credit to general government	1 127.0	1 128.9	1 109.7
Credit to other euro area residents	14 466.6	14 390.7	14 305.3
Loans	13 712.3	13 647.5	13 574.7
Net external assets	-661.8	-900.2	-842.3

5. KEY ECB INTEREST RATES

(percentages per annum)

With effect from (dd.mm.yyyy)	Deposit facility	Main refinancing operations			Marginal lending facility	
		Fixed rate tenders		Variable rate tenders		
		Fixed rate		Minimum bid rate		
01.01.1999		2.00		3.00	–	4.50
04.01.1999		2.75		3.00	–	3.25
22.01.1999		2.00		3.00	–	4.50
09.04.1999		1.50		2.50	–	3.50
05.11.1999		2.00		3.00	–	4.00
04.02.2000		2.25		3.25	–	4.25
17.03.2000		2.50		3.50	–	4.50
28.04.2000		2.75		3.75	–	4.75
09.06.2000		3.25		4.25	–	5.25
28.06.2000		3.25		–	4.25	5.25
01.09.2000		3.50		–	4.50	5.50
06.10.2000		3.75		–	4.75	5.75
11.05.2001		3.50		–	4.50	5.50
31.08.2001		3.25		–	4.25	5.25
18.09.2001		2.75		–	3.75	4.75
09.11.2001		2.25		–	3.25	4.25
06.12.2002		1.75		–	2.75	3.75
07.03.2003		1.50		–	2.50	3.50
06.06.2003		1.00		–	2.00	3.00
06.12.2005		1.25		–	2.25	3.25
08.03.2006		1.50		–	2.50	3.50
15.06.2006		1.75		–	2.75	3.75
09.08.2006		2.00		–	3.00	4.00
11.10.2006		2.25		–	3.25	4.25
13.12.2006		2.50		–	3.50	4.50
14.03.2007		2.75		–	3.75	4.75
13.06.2007		3.00		–	4.00	5.00
09.07.2008		3.25		–	4.25	5.25
08.10.2008		2.75		–	–	4.75
09.10.2008		3.25		–	–	4.25
15.10.2008		3.25		3.75	–	4.25
12.11.2008		2.75		3.25	–	3.75
10.12.2008		2.00		2.50	–	3.00
21.01.2009		1.00		2.00	–	3.00
11.03.2009		0.50		1.50	–	2.50
08.04.2009		0.25		1.25	–	2.25
13.05.2009		0.25		1.00	–	1.75
13.04.2011		0.50		1.25	–	2.00
13.07.2011		0.75		1.50	–	2.25
09.11.2011		0.50		1.25	–	2.00
14.12.2011		0.25		1.00	–	1.75
11.07.2012		0		0.75	–	1.50
08.05.2013		0		0.50	–	1.00
13.11.2013		0		0.25	–	0.75

6. ASSETS AND LIABILITIES OF LATVIJAS BANKA (IN ACCORDANCE WITH THE METHODOLOGY OF THE ECB)

(at end of period; millions of euro)

	2014		
	I	II	III
ASSETS			
Gold and gold receivables	196.8	205.1	200.3
Claims on non-euro area residents denominated in foreign currency	2 376.0	2 337.6	2 355.5
Claims on euro area residents denominated in foreign currency	465.2	467.0	478.2
Claims on non-euro area residents denominated in euro	195.5	191.3	196.5
Lending to euro area credit institutions related to monetary policy operations denominated in euro	1.0	5.0	4.0
Main refinancing operations	1.0	1.0	0
Longer-term refinancing operations	0	4.0	4.0
Fine-tuning reverse operations	0	0	0
Structural reverse operations	0	0	0
Marginal lending facility	0	0	0
Credits related to margin calls	0	0	0
Other claims on euro area credit institutions denominated in euro	96.8	1.8	0.4
Securities of euro area residents denominated in euro	1 120.9	1 121.7	1 133.3
Intra-Eurosystem claims	3 147.2	3 150.5	4 156.1
Other assets	102.0	130.6	104.9
Total assets	7 701.4	7 610.7	8 629.1
LIABILITIES			
Banknotes in circulation	3 669.7	3 626.4	3 615.8
Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	2 052.3	2 178.0	2 136.8
Current accounts (covering the minimum reserve system)	1 417.3	1 218.9	1 191.8
Deposit facility	0	0	0
Fixed-term deposits	635.0	959.1	945.0
Fine-tuning reverse operations	0	0	0
Deposits related to margin calls	0	0	0
Other liabilities to euro area credit institutions denominated in euro	0	0	0
Liabilities to other euro area residents denominated in euro	1 179.2	1 059.3	641.7
General government	1 153.9	1 033.4	606.7
Other liabilities	25.3	25.9	35.0
Liabilities to non-euro area residents denominated in euro	46.5	19.8	3.3
Liabilities to euro area residents denominated in foreign currency	138.4	136.2	136.3
Liabilities to non-euro area residents denominated in foreign currency	0	0.7	0
Intra-Eurosystem liabilities	0	0	475.0
Other liabilities	141.8	113.0	1 149.4
Capital and reserves	473.6	477.3	470.8
Total liabilities	7 701.4	7 610.7	8 629.1

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

(at end of period; millions of euro)

	2014		
	I	II	III
ASSETS			
Loans to euro area residents	18 862.1	18 964.8	18 177.0
General government	42.2	42.3	41.7
Other residents	13 712.3	13 647.5	13 574.7
MFIs	5 107.7	5 275.0	4 560.6
Holdings of securities other than shares issued by euro area residents	1 278.4	1 298.8	1 323.8
General government	786.2	787.9	784.9
Other residents	123.7	113.5	124.2
MFIs	368.5	397.4	414.7
Holdings of money market fund shares or units issued by euro area residents	4.3	4.2	4.2
Holdings of shares/other equity issued by euro area residents	650.9	650.0	626.6
External ¹ assets	7 028.6	7 063.0	6 774.3
Fixed assets	129.4	129.9	129.8
Remaining assets	882.3	837.6	903.1
Total	28 836.1	28 948.2	27 938.9
LIABILITIES			
Currency in circulation	x	x	x
Deposits of euro area residents	13 925.6	13 660.9	12 890.3
Central government	1 020.3	1 113.4	594.1
Other residents	10 351.8	10 197.9	10 291.6
MFIs	2 553.5	2 349.7	2 004.6
Money market fund shares or units held by euro area residents	68.3	67.5	68.7
Debt securities issued with a maturity of over 2 years held by euro area residents	15.0	14.4	14.5
Capital and reserves	2 789.4	2 813.8	2 740.3
External ¹ liabilities	10 412.2	10 676.8	10 365.5
Remaining liabilities	1 625.6	1 714.8	1 859.6
Total	28 836.1	28 948.2	27 938.9

¹ Non-euro area countries.

8. CONSOLIDATED BALANCE SHEET OF MFIs

(at end of period; millions of euro)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
ASSETS															
Loans to residents	14 532.9	14 494.8	14 371.1	14 265.1	14 276.7	14 015.7	13 970.3	13 958.7	13 821.6	13 717.6	13 733.1	13 661.1	13 194.3	13 138.4	13 070.4
Gener government	107.7	107.0	106.1	108.1	113.5	115.7	118.1	119.0	119.0	118.8	120.2	123.4	42.2	42.3	41.7
Other residents	14 425.2	14 387.9	14 265.0	14 157.0	14 163.1	13 899.9	13 852.2	13 839.7	13 702.7	13 598.7	13 612.9	13 537.8	13 152.1	13 096.1	13 028.7
Holdings of securities other than shares issued by other residents	688.7	584.9	600.6	564.9	606.4	626.8	634.7	648.4	654.8	650.4	670.0	683.5	690.2	690.0	686.6
General government	674.2	571.3	583.4	549.8	586.1	606.4	615.1	629.1	635.0	631.0	641.7	654.9	661.6	661.8	658.5
Other residents	14.5	13.7	17.2	15.1	20.3	20.3	19.6	19.4	19.8	19.4	28.3	28.6	28.6	28.2	28.1
Holdings of shares and other equity issued by other residents	464.1	471.4	478.2	483.2	482.2	511.8	537.7	559.5	593.8	544.4	559.0	579.3	562.7	562.3	539.2
External assets	14 698.6	14 550.1	14 943.3	15 131.7	15 182.8	15 340.3	15 509.2	15 472.6	15 009.4	15 072.8	14 758.6	14 892.6	18 644.0	18 793.9	18 892.2
Fixed assets	166.2	172.5	172.5	172.5	173.0	172.6	173.2	173.7	174.3	171.2	173.4	176.3	172.4	172.7	172.4
Remaining assets	502.4	481.4	498.9	510.0	497.6	514.9	497.3	500.6	493.6	467.1	476.4	471.0	456.7	443.8	502.8
Total	31 053.0	30 755.1	31 064.6	31 127.3	31 218.7	31 182.0	31 322.4	31 313.4	30 747.5	30 623.5	30 370.6	30 463.8	33 720.3	33 801.0	33 863.7
LIABILITIES															
Currency outside MFIs	1 473.1	1 442.4	1 439.7	1 397.7	1 378.9	1 388.7	1 339.9	1 292.3	1 214.4	1 108.1	1 028.2	667.8	3 515.6	3 479.2	3 474.8
Deposits of central government	1 839.1	1 638.0	1 711.3	1 731.2	1 843.6	1 730.5	1 706.5	1 827.0	1 862.7	1 866.0	1 625.9	1 276.0	2 312.5	2 282.6	1 336.0
Deposits of other general government and other residents	8 399.2	8 470.2	8 289.5	8 411.9	8 393.1	8 395.2	8 369.0	8 443.6	8 370.3	8 511.1	8 729.5	9 377.2	9 150.2	9 176.0	9 165.8
Money market fund shares and units	92.1	91.6	90.5	88.8	88.2	87.1	81.2	79.5	78.0	75.4	72.7	66.3	67.8	67.0	68.2
Debt securities issued	197.8	226.8	267.2	279.0	278.2	330.4	326.8	332.1	327.4	358.4	395.7	333.8	331.4	366.3	371.9
Capital and reserves	3 252.1	3 286.8	3 203.5	3 237.0	3 243.0	3 219.0	3 246.0	3 271.2	3 315.4	3 342.0	3 361.4	3 377.5	3 263.0	3 291.1	3 211.2
External liabilities	13 877.1	13 681.1	14 029.7	14 013.0	14 085.0	14 173.4	14 423.4	14 280.7	13 806.6	13 696.6	13 456.4	13 691.6	13 648.2	13 671.9	13 546.6
Remaining liabilities	1 923.0	1 918.7	2 033.1	1 968.3	1 909.4	1 856.6	1 829.5	1 785.7	1 765.1	1 671.6	1 706.9	1 677.3	1 439.0	1 474.5	2 697.4
Excess of inter-MFI liabilities	-0.6	-0.4	0	0.1	-0.6	1.3	0	1.1	7.8	-5.5	-6.0	-3.6	-7.3	-7.5	-8.1
Total	31 053.0	30 755.1	31 064.6	31 127.3	31 218.7	31 182.0	31 322.4	31 313.4	30 747.5	30 623.5	30 370.6	30 463.8	33 720.3	33 801.0	33 863.7

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

(at end of period; millions of euro)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
MFI reserves	2 667.6	2 976.2	2 947.8	3 016.5	3 113.8	3 091.3	3 093.5	3 133.7	3 241.9	3 477.9	3 576.4	4 357.5	2 316.2	2 426.2	2 377.3
Vault cash in national currency	159.4	160.4	175.0	162.8	158.2	157.7	160.2	162.6	167.2	163.2	169.6	229.7	264.0	248.7	240.5
Deposits with Latvijas Banka	2 508.2	2 815.9	2 772.8	2 853.7	2 955.7	2 933.7	2 933.3	2 971.1	3 074.7	3 314.7	3 406.8	4 127.9	2 052.3	2 177.5	2 136.8
Foreign assets	9 112.8	8 792.2	9 133.6	9 328.5	9 255.1	9 495.3	9 738.4	9 700.7	9 177.2	9 098.8	8 914.4	9 061.1	11 081.9	11 233.4	10 311.6
Claims on the central government	678.7	576.0	587.6	554.1	590.6	611.8	621.9	635.3	640.6	635.7	646.6	661.6	668.9	669.1	665.3
Loans	4.8	4.8	4.6	4.6	4.8	5.7	7.1	6.5	5.8	5.1	5.1	7.0	7.6	7.5	7.1
Holdings of securities other than shares	673.9	571.0	583.1	549.5	585.8	606.1	614.8	628.8	634.7	630.8	641.4	654.7	661.3	661.5	658.2
Claims on the local government	103.2	102.3	101.9	104.0	109.0	110.3	111.1	112.7	113.4	114.1	115.4	116.8	34.9	35.0	34.9
Loans	102.9	102.0	101.6	103.7	108.7	110.0	111.0	112.4	113.1	113.8	115.1	116.5	34.6	34.7	34.6
Holdings of securities other than shares	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Claims on the financial institutions	773.6	779.6	799.9	772.6	779.6	828.5	849.6	873.8	912.1	842.3	865.0	899.1	845.5	839.6	856.5
Loans	420.3	419.0	433.1	409.2	417.3	431.6	424.9	427.7	424.3	405.4	408.9	430.8	393.6	390.0	417.5
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	9.4	9.7	9.8	9.3	9
Holdings of shares and other equity	353.3	360.6	366.8	363.4	362.3	397.0	424.7	446.1	487.8	437.0	446.6	458.6	442.1	440.3	429.8
Claims on public non-financial corporations	717.3	706.0	710.3	707.2	700.3	686.5	687.2	684.3	686.7	699.5	697.1	696.4	777.3	768.5	763.3
Loans	714.6	704.2	705.5	704.5	695.6	682.0	683.1	680.4	682.6	695.9	693.9	693.1	774.3	765.4	760.1
Holdings of securities other than shares	2.7	1.8	4.8	2.7	4.7	4.7	4.0	3.7	4.0	3.7	3.1	3.3	3.0	3.1	3.2
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	6 870.1	6 877.6	6 778.7	6 737.4	6 792.1	6 566.6	6 561.6	6 581.4	6 478.5	6 433.8	6 487.4	6 500.7	6 159.8	6 147.6	6 080.4
Loans	6 747.5	6 755.1	6 654.9	6 605.4	6 656.5	6 436.2	6 432.9	6 452.2	6 356.7	6 310.6	6 359.4	6 364.4	6 023.4	6 009.9	5 955.1
Holdings of securities other than shares	11.8	11.8	12.4	12.4	15.7	15.7	15.7	15.7	15.8	15.8	15.8	15.8	15.7	15.8	15.8
Holdings of shares and other equity	110.7	110.8	111.6	119.7	120.1	114.7	113.0	113.4	106.0	107.4	112.4	120.5	120.6	121.9	109.4
Claims on households	6 542.9	6 509.6	6 471.5	6 437.9	6 393.8	6 350.3	6 311.1	6 279.3	6 239.0	6 186.9	6 150.6	6 049.5	5 960.8	5 930.8	5 896.0
Loans	6 542.9	6 509.6	6 471.5	6 437.9	6 393.8	6 350.3	6 311.1	6 279.3	6 239.0	6 186.9	6 150.6	6 049.5	5 960.8	5 930.8	5 896.0
Holdings of securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed assets	121.1	127.5	127.8	127.9	128.6	128.6	129.2	130.1	130.9	128.1	130.6	133.3	129.4	129.9	129.8
Other assets	501.4	479.7	497.3	508.5	496.2	513.4	496.0	499.3	492.3	466.0	475.1	470.0	455.7	441.2	500.8
Claims on resident MFIs	363.5	277.9	281.3	354.7	373.8	340.4	367.1	313.0	339.2	381.0	368.0	311.2	405.1	326.3	322.6
Holdings of MFI securities other than shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Money market fund shares and units	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5
Holdings of MFI shares and other equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	28 452.7	28 205.3	28 438.2	28 650.0	28 733.5	28 723.5	28 967.5	28 943.9	28 452.5	28 464.8	28 427.3	29 257.5	28 836.1	28 948.2	27 938.9

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

(at end of period; millions of euro)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Overnight deposits in euro ¹	2 795.4	2 823.1	2 754.0	2 818.6	2 823.7	2 908.5	2 942.9	2 979.1	3 004.7	3 080.1	3 225.5	3 664.2	5 729.9	5 752.3	5 663.9
Financial institutions	90.6	85.1	74.1	87.1	83.2	97.5	103.7	115.0	128.2	140.6	147.0	136.0	323.8	343.5	275.9
Public non-financial corporations	179.7	204.0	205.3	205.7	203.2	219.4	210.0	191.7	209.0	179.0	203.5	192.9	289.6	302.1	330.4
Private non-financial corporations	1 206.2	1 192.9	1 116.5	1 145.6	1 154.2	1 145.3	1 178.0	1 211.7	1 187.4	1 242.5	1 272.5	1 481.6	2 299.1	2 287.1	2 254.5
Households	1 318.9	1 341.1	1 358.0	1 380.3	1 383.0	1 446.2	1 451.2	1 460.9	1 480.1	1 517.9	1 602.4	1 853.6	2 817.4	2 819.6	2 803.1
Time deposits in euro ¹	837.8	828.7	830.0	813.9	767.8	726.7	658.5	648.3	651.0	654.5	628.9	595.5	1 941.5	1 910.2	1 973.2
Financial institutions	151.4	156.1	159.9	154.0	151.5	141.4	137.4	143.7	137.2	129.1	119.5	159.4	350.1	348.7	381.7
Public non-financial corporations	101.9	99.3	109.8	110.0	91.2	77.3	64.6	43.3	41.7	50.4	50.2	31.0	245.9	218.5	235.1
Private non-financial corporations	119.4	112.5	109.7	109.8	93.9	95.5	55.3	66.7	79.1	81.8	71.9	36.7	293.9	285.0	310.9
Households	465.3	460.7	450.5	440.2	431.1	412.5	401.1	394.6	393.0	393.1	387.3	368.4	1 051.6	1 058.0	1 045.5
Deposits redeemable at notice in euro ¹	137.4	140.9	147.8	150.5	149.3	152.0	157.8	163.6	172.0	180.7	195.6	212.7	444.5	450.5	453.7
Financial institutions	10.5	10.4	10.2	10.4	10.2	10.2	10.1	10.2	10.2	10.4	10.4	10.4	16.3	19.9	9.8
Public non-financial corporations	0.9	1.0	1.0	1.0	0.7	0.7	0.7	0.7	0.7	1.3	1.3	1.3	16.1	12.5	12.8
Private non-financial corporations	7.3	7.7	12.2	12.2	9.2	7.8	8.1	8.5	9.4	8.4	13.9	14.7	33.0	29.0	34.7
Households	118.8	121.8	124.4	127.2	129.1	133.2	138.9	144.1	151.7	160.6	170.0	186.4	379.1	389.1	396.4
Repos in euro ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency deposits of residents	4 354.7	4 389.1	4 273.2	4 315.4	4 315.1	4 292.8	4 304.5	4 360.5	4 257.4	4 321.3	4 395.4	4 694.9	820.8	840.9	826.2
Financial institutions	426.9	471.7	415.3	390.0	361.6	392.1	387.3	384.9	363.3	347.2	361.4	384.9	36.1	34.5	39.9
Public non-financial corporations	223.2	219.0	190.8	267.6	294.5	266.9	255.5	235.2	200.5	227.4	261.5	345.2	3.8	3.9	4.0
Private non-financial corporations	1 408.4	1 390.4	1 349.7	1 322.4	1 316.9	1 290.0	1 315.7	1 378.9	1 332.4	1 385.2	1 397.8	1 553.2	275.9	293.6	268.9
Households	2 296.2	2 308.0	2 317.4	2 335.4	2 342.2	2 343.8	2 346.0	2 361.5	2 361.3	2 361.4	2 374.6	2 411.6	504.9	508.8	513.4
Deposits of central government	949.2	885.6	848.5	876.3	907.6	889.4	878.6	949.1	985.3	977.7	924.6	935.7	1 019.3	1 112.2	593.1
Overnight deposits in euro ¹	18.2	18.1	16.9	19.9	19.1	15.2	24.3	20.1	19.8	17.2	13.4	14.1	44.4	42.2	32.4
Time deposits in euro ¹	79.8	65.0	67.7	69.3	67.6	32.4	14.7	26.7	19.6	16.8	7.8	7.1	969.2	1 062.7	553.3
Deposits redeemable at notice and repos in euro ¹	0	0	0	0	0	0	0	0	0	0.7	1.1	1.1	0.6	0.6	0.6
Foreign currency deposits	851.2	802.4	763.7	787.1	820.9	841.8	839.6	902.1	945.8	943.1	902.2	913.3	5.1	6.7	6.8
Deposits of local government	257.4	257.5	270.2	297.4	309.8	288.6	275.6	277.5	267.1	252.3	248.1	195.8	188.9	197.9	215.3
Overnight deposits in euro ¹	171.7	177.4	186.0	217.7	219.0	204.6	196.5	199.9	198.8	178.4	174.9	128.9	185.1	193.9	210.9
Time deposits in euro ¹	2.8	2.8	3.0	3.7	2.7	2.4	1.0	1.0	1.0	0.9	0.7	0.7	0.8	0.8	1.1
Deposits redeemable at notice and repos in euro ¹	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.1	2.3	2.6	2.7
Foreign currency deposits	80.4	74.8	78.7	73.8	85.8	79.3	75.8	74.3	65.0	70.7	70.4	64.0	0.7	0.6	0.6
Transit funds	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

¹ In lats up to December 2013.

9.b

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

(at end of period; millions of euro)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Foreign liabilities	13 803.7	13 597.8	13 985.0	13 956.1	14 049.2	14 105.4	14 372.0	14 246.8	13 757.5	13 659.4	13 393.4	13 656.6	13 572.1	13 641.0	13 050.7
Liabilities to Latvijas Banka	0	0	0	0	0	0	0	0	0	0	0	14.2	95.4	5.0	4.0
Money market fund shares and units	92.5	92.2	91.1	89.4	88.8	87.6	81.8	80.1	78.5	75.8	73.3	66.9	68.3	67.5	68.7
Debt securities issued	197.8	226.8	267.2	279.0	278.2	330.4	326.8	332.1	327.4	358.4	395.7	333.8	331.4	366.3	371.9
Capital and reserves	2 744.6	2 771.5	2 691.5	2 750.0	2 765.2	2 748.3	2 775.9	2 809.6	2 843.3	2 861.5	2 881.0	2 907.5	2 789.4	2 813.8	2 740.3
Residents	727.8	753.0	670.6	734.2	756.8	740.2	767.8	801.5	827.1	845.3	864.1	825.8	796.3	824.2	796.4
Retained earnings of the reporting year	32.3	56.5	65.2	106.4	126.9	109.7	131.6	167.5	189.5	241.2	261.7	245.6	42.1	70.1	43.8
Non-residents	2 016.8	2 018.5	2 020.8	2 015.6	2 008.4	2 008.1	2 008.1	2 008.1	2 016.2	2 016.2	2 016.9	2 081.7	1 993.1	1 989.6	1 943.9
Provisions	1 470.4	1 462.1	1 444.6	1 421.2	1 432.4	1 376.6	1 361.1	1 323.0	1 247.6	1 204.5	1 191.2	1 126.1	1 042.8	1 038.3	1 065.5
Other liabilities (incl. subordinated liabilities)	448.8	452.5	553.9	526.9	473.5	476.0	464.7	459.9	513.7	463.1	512.5	546.4	394.0	434.0	597.9
Liabilities to resident MFIs	363.0	277.5	281.3	354.9	373.1	341.5	367.1	314.2	347.0	375.6	362.0	307.6	397.8	318.2	314.5
TOTAL LIABILITIES	28 452.7	28 205.3	28 438.2	28 650.0	28 733.5	28 723.5	28 967.5	28 943.9	28 452.5	28 464.8	28 427.3	29 257.5	28 836.1	28 948.2	27 938.9
Memo items															
Trust assets	921.0	1 002.1	1 019.1	950.5	1 141.3	990.9	1 186.7	1 113.1	1 194.9	1 282.9	949.6	1 274.0	1 339.3	1 599.2	27 938.9
Foreign	760.5	847.0	866.5	798.4	986.3	831.8	1 039.4	970.4	1 053.8	1 151.1	824.0	1 146.4	1 206.1	1 470.2	1 268.0
Domestic	160.5	155.0	152.5	152.1	155.1	159.1	147.3	142.7	141.1	131.8	125.8	127.6	133.2	129.0	141.4
Trust liabilities	921.0	1 002.1	1 019.1	950.5	1 141.3	990.9	1 186.7	1 113.1	1 194.9	1 282.9	949.6	1 274.0	1 339.3	1 599.2	1 409.4
Foreign	850.2	929.3	946.1	876.9	1 068.3	918.5	1 114.1	1 041.7	1 122.9	1 212.7	872.1	1 196.2	1 254.9	1 511.3	1 320.7
Domestic	70.9	72.9	73.0	73.6	73.0	72.4	72.6	71.4	72.0	70.0	77.7	77.8	84.4	87.9	88.7

10. MONETARY SURVEY OF MFIs (EXCLUDING LATVIJAS BANKA)

(at end of period; millions of euro)

	Overnight deposits (resident)				Deposits with agreed maturity and redeemable at notice (resident)				Total
	Households	Financial institutions and private non-financial corporations	Public non-financial corporations		Households	Financial institutions and private non-financial corporations	Public non-financial corporations		
2014									
I	6 295.9	3 099.2	2 903.9	292.9	2 640.7	1 653.7	724.4	262.6	8 936.6
II	6 350.9	3 116.0	2 929.4	305.4	2 603.1	1 659.5	712.1	231.5	8 954.0
III	6 250.6	3 103.9	2 812.9	333.8	2 666.4	1 654.5	763.4	248.4	8 917.0
	Net foreign assets	Net domestic assets							Total
		Credit to residents					Other items (net)		
		General government (net)	Households	Financial institutions and private non-financial corporations	Public non-financial corporations				
2014									
I	-2 490.2	13 239.0	-504.4	5 960.8	7 005.3	777.3	-1 812.1	11 426.8	8 936.6
II	-2 407.6	13 080.5	-606.1	5 930.8	6 987.3	768.5	-1 718.9	11 361.6	8 954.0
III	-2 739.1	13 487.8	-108.3	5 896.0	6 936.8	763.3	-1 831.7	11 656.1	8 917.0

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

(at end of period; millions of euro)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Claims on MFIs	5 817.7	5 313.3	5 537.0	5 629.9	5 451.0	5 886.4	6 174.0	6 016.0	5 472.9	5 587.9	5 370.5	5 356.8	7 471.6	7 445.4	6 589.3
Loans															
Overnight	3 495.9	3 116.9	3 219.1	3 103.1	3 274.6	3 585.5	3 730.3	3 280.4	2 988.5	3 124.5	2 906.5	3 088.5	4 746.2	4 957.8	4 324.0
Short-term	1 453.5	1 285.7	1 432.1	1 642.4	1 300.6	1 433.5	1 633.5	1 927.7	1 629.6	1 586.9	1 571.3	1 333.2	1 791.9	1 539.6	1 300.3
Long-term	21.3	31.4	32.0	30.7	24.3	29.0	25.8	28.2	27.6	26.5	21.8	44.1	53.8	54.5	42.3
Redeemable at notice	24.8	15.8	15.4	15.4	22.6	18.2	18.9	21.5	20.3	13.7	17.8	20.3	20.2	28.7	20.7
Holdings of securities other than shares	742.9	784.0	759.0	758.8	749.1	740.2	686.4	679.4	727.4	753.6	769.9	787.4	776.6	782.1	819.3
Holdings of shares and other equity	1.7	1.7	1.7	1.8	2.0	2.3	1.6	1.4	1.8	5.1	5.4	5.4	5.1	5.0	5.0
Other claims	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7	77.7
Claims on non-MFIs	2 956.4	3 091.5	3 186.8	3 268.9	3 434.7	3 274.2	3 282.8	3 418.3	3 419.6	3 230.8	3 298.2	3 375.6	3 388.0	3 592.7	3 508.4
Loans															
Short-term	631.5	661.5	691.5	667.5	740.9	680.8	710.3	722.4	703.0	701.3	720.1	693.2	675.7	674.6	597.6
Long-term	996.2	1 020.6	1 055.9	1 160.9	1 263.5	1 244.2	1 261.4	1 254.8	1 212.6	1 208.7	1 217.7	1 232.3	1 197.9	1 185.2	1 168.2
Holdings of securities other than shares															
Government	767.4	815.9	842.5	822.0	820.3	759.8	742.9	839.8	903.4	706.3	725.1	819.4	881.2	1 098.9	1 076.7
Private sector	462.3	495.0	499.9	520.8	512.2	489.0	470.1	495.4	495.4	510.2	525.2	524.6	530.1	529.2	563.0
Holdings of shares and other equity	54.8	54.8	53.4	54.2	54.2	54.1	51.9	59.8	58.9	58.1	59.5	56.8	54.0	55.8	53.8
Other claims	44.3	43.5	43.5	43.5	43.5	46.2	46.1	46.1	46.1	46.1	50.7	49.1	49.1	49.0	49.0
Vault cash in foreign currencies	103.4	100.5	90.4	102.6	95.6	95.2	95.6	86.8	91.2	87.8	92.9	101.2	59.6	47.7	52.1
Other assets															
Other assets	235.2	287.0	319.6	327.1	273.8	239.5	186.0	179.6	193.7	192.5	152.8	227.7	162.7	147.6	161.8
Total foreign assets	9 112.8	8 792.2	9 133.6	9 328.5	9 255.1	9 495.3	9 738.4	9 700.7	9 177.2	9 098.8	8 914.4	9 061.1	11 081.9	11 233.4	10 311.6
Memo items															
Trust assets	760.5	847.0	866.5	798.4	986.3	831.8	1 039.4	970.4	1 053.8	1 151.1	824.0	1 146.4	1 206.1	1 470.2	1 268.0

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

(at end of period; millions of euro)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Liabilities to MFIs															
Overnight	536.4	488.3	714.4	692.9	591.1	628.9	658.9	734.2	775.6	761.5	757.1	744.6	859.4	889.5	615.9
Short-term	530.3	492.2	530.9	554.1	582.8	715.8	904.9	751.7	714.9	516.5	520.2	777.2	392.7	523.3	450.2
Long-term	4 107.5	3 931.7	3 845.7	3 792.5	3 743.3	3 723.7	3 527.9	3 435.0	3 074.3	3 008.8	2 924.4	2 763.8	2 761.5	2 761.4	2 655.7
Redeemable at notice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
From which liabilities to associated and affiliated MFIs	5 005.7	4 712.3	4 894.0	4 864.9	4 742.1	4 932.2	4 953.6	4 775.7	4 432.2	4 158.1	4 072.8	4 176.7	3 950.1	4 111.3	3 650.6
Non-MFI deposits															
Overnight	7 250.4	7 300.3	7 527.6	7 526.4	7 705.0	7 732.2	7 965.2	8 108.8	7 899.5	8 129.0	7 983.9	8 085.2	8 460.3	8 343.6	8 243.7
Short-term	418.8	440.9	410.9	397.7	353.4	362.3	383.0	329.0	336.5	307.8	284.0	367.7	329.8	315.8	331.7
Long-term	600.3	599.6	648.3	625.1	633.9	629.5	626.8	601.2	584.8	580.0	477.9	494.6	501.5	497.5	488.7
Redeemable at notice	105.9	103.7	104.4	94.2	89.5	81.0	75.6	86.5	95.6	88.8	93.8	86.8	84.1	80.8	82.4
Other liabilities															
Other liabilities ¹	254.3	241.0	202.8	273.3	350.2	231.9	229.8	200.5	276.3	267.2	351.9	336.8	182.8	229.0	182.4
Total foreign liabilities	13 803.7	13 597.8	13 985.0	13 956.1	14 049.2	14 105.4	14 372.0	14 246.8	13 757.5	13 659.4	13 393.4	13 656.6	13 572.1	13 641.0	13 050.7
Memo items															
Trust liabilities	850.2	929.3	946.1	876.9	1 068.3	918.5	1 114.1	1 041.7	1 122.9	1 212.7	872.1	1 196.2	1 254.9	1 511.3	1 320.7

¹ Including subordinated liabilities.

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

(at end of period; millions of euro)

	Claims on MFIs			Loans to non-MFIs			Liabilities to MFIs			Deposits by non-MFIs		
	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions	EU	incl. euro area countries	Other countries and international institutions
2014												
I	4 785.6	2 650.3	1 826.6	901.4	560.2	972.2	3 174.4	2 060.4	839.1	3 030.3	1 227.2	6 345.5
II	4 799.6	2 771.2	1 781.1	902.4	551.4	957.4	3 333.7	2 026.4	840.5	2 830.3	1 047.2	6 407.5
III	3 949.1	2 101.3	1 738.3	824.6	546.0	941.3	2 898.0	1 686.1	823.8	2 893.8	1 160.2	6 252.8

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

(at end of period; millions of euro)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Overnight deposits															
Amount	5 189.4	5 217.7	5 052.0	5 194.1	5 227.5	5 390.1	5 440.8	5 558.0	5 539.4	5 695.0	5 939.6	6 561.4	6 295.9	6 350.9	6 250.6
% ¹	63.9	63.8	63.1	64.1	64.9	66.7	67.5	68.2	68.5	69.1	70.3	71.6	70.5	70.9	70.1
Time deposits															
Maturity of 1–6 months															
Amount	846.0	868.5	823.7	801.2	724.2	621.5	572.0	564.6	513.9	478.4	475.0	606.0	617.1	598.3	629.5
% ¹	10.4	10.6	10.3	9.9	9.0	7.7	7.1	6.9	6.4	5.8	5.6	6.6	6.9	6.7	7.1
Maturity of 6–12 months															
Amount	1 143.4	1 153.8	1 134.2	1 111.8	1 104.3	1 076.1	1 057.3	1 038.3	1 024.2	1 031.9	994.4	948.9	923.3	899.2	929.2
% ¹	14.1	14.1	14.2	13.7	13.7	13.3	13.1	12.7	12.7	12.5	11.8	10.4	10.3	10.1	10.4
Long-term															
Amount	635.9	623.9	664.3	653.8	657.1	642.3	635.2	619.8	621.8	622.8	609.8	602.3	618.2	617.0	616.2
% ¹	7.8	7.6	8.3	8.1	8.2	7.9	7.9	7.6	7.7	7.6	7.2	6.6	6.9	6.9	6.9
Maturity of 1–2 years															
Amount	271.9	255.5	284.0	280.9	290.6	278.5	273.8	267.2	277.0	276.0	279.7	284.1	299.3	299.9	293.7
% ¹	3.3	3.1	3.5	3.5	3.6	3.4	3.4	3.3	3.4	3.4	3.3	3.1	3.3	3.4	3.3
Maturity of over 2 years															
Amount	364.0	368.4	380.2	372.9	366.5	363.8	361.4	352.6	344.8	346.9	330.1	318.2	318.9	317.2	322.4
% ¹	4.5	4.5	4.7	4.6	4.6	4.5	4.5	4.3	4.3	4.2	3.9	3.5	3.6	3.5	3.6
Deposits redeemable at notice															
Up to 3 months															
Amount	310.6	317.7	330.8	334.2	339.2	346.2	355.1	367.5	382.2	404.9	423.2	445.1	478.6	485.0	487.9
% ¹	3.8	3.9	4.1	4.1	4.2	4.3	4.4	4.5	4.7	4.9	5.0	4.9	5.4	5.4	5.5
Over 3 months															
Amount	0	0	0	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.6	3.6	3.5	3.5	3.5
% 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	8 125.3	8 181.8	8 004.9	8 098.6	8 055.9	8 079.8	8 063.8	8 151.6	8 085.0	8 236.4	8 445.5	9 167.1	8 936.7	8 953.9	8 917.0

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

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

(at end of period; millions of euro)

Insurance corporations and pension funds									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In euro ¹
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2013									
I	161.2	150.1	61.3	75.4	0.6	0	0	448.6	185.0
II	184.5	166.0	59.3	80.1	0.6	0	0	490.6	193.1
III	158.8	125.8	74.6	82.0	0.6	0	0	441.7	192.9
IV	151.8	105.2	71.9	77.3	0.4	0	0	406.7	188.4
V	138.7	96.9	80.1	69.4	0.4	0	0	385.7	190.9
VI	152.1	87.4	74.8	68.0	0.4	0	0	382.8	192.1
VII	135.9	89.2	76.8	65.6	0.4	0	0	368.0	204.5
VIII	131.9	83.0	79.3	60.8	0.4	0	0	355.4	205.7
IX	154.8	72.3	77.5	58.9	0.4	0	0	363.8	206.0
X	170.0	71.6	75.3	63.7	0.4	0	0	381.0	206.7
XI	179.4	62.2	78.1	50.5	0.4	0	0	370.7	194.5
XII	120.2	137.6	82.1	50.5	0.4	0	0	391.0	191.5
2014									
I	215.8	84.8	83.1	50.3	0.4	0	0	434.4	411.1
II	233.2	71.6	85.0	50.4	0.4	0	0	440.6	417.1
III	177.4	117.5	89.5	50.8	0.6	0	0	435.9	408.7
OFIs and financial auxiliaries									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In euro ¹
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2012									
I	93.2	36.9	7.0	83.4	10.5	0	0	230.8	67.4
II	94.9	36.6	7.3	83.7	10.4	0	0	232.8	58.5
III	81.4	26.6	7.3	92.5	10.2	0	0	218.0	51.5
IV	97.9	27.9	6.1	92.6	10.4	0	0	234.8	62.9
V	83.7	27.9	6.3	92.8	10.2	0	0	220.8	54.2
VI	104.3	44.1	6.3	93.6	10.2	0	0	258.5	57.2
VII	80.0	86.1	1.4	93.1	10.1	0	0	270.5	46.8
VIII	111.6	87.1	1.4	87.9	10.2	0	0	298.4	63.2
IX	85.4	88.6	5.8	84.8	10.2	0	0	274.9	69.4
X	103.0	39.3	8.8	84.8	10.2	0	0	246.3	73.3
XI	121.5	40.3	9.1	86.5	10.4	0	0	267.6	82.2
XII	169.6	30.3	9.8	79.7	10.2	0	0	299.8	114.3
2014									
I	138.4	52.0	7.0	78.5	16.1	0	0	291.9	279.1
II	139.2	63.0	7.2	77.0	19.7	0	0	306.1	295.0
III	132.6	45.6	6.8	76.9	9.5	0	0	271.4	258.7

¹ In lats up to December 2013.

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

(at end of period; millions of euro)

Public non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In euro ¹
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2013									
I	290.4	200.6	13.1	0.1	1.3	0	0	505.7	282.4
II	292.5	216.0	13.1	0.1	1.6	0	0	523.2	304.2
III	272.8	217.8	14.5	0.1	1.7	0	0	507.0	316.2
IV	272.9	294.8	14.5	0.1	1.8	0	0	584.4	316.6
V	300.2	278.7	8.7	0.1	1.8	0	0	589.6	295.1
VI	332.7	221.8	7.7	0.1	2.0	0	0	564.3	297.4
VII	318.2	197.4	12.5	0.9	2.1	0	0	531.0	275.5
VIII	286.6	173.4	7.7	0.9	2.4	0	0	471.0	235.6
IX	305.3	136.5	6.5	0.9	2.7	0	0	451.9	251.4
X	273.9	165.9	3.3	0.9	14.2	0	0	458.2	230.8
XI	333.0	165.2	3.3	0.9	14.5	0	0	516.6	255.1
XII	328.3	225.8	3.3	0.9	12.2	0	0	570.3	225.2
2014									
I	292.9	241.9	3.7	0.8	16.1	0	0	555.4	551.6
II	305.4	215.9	2.3	0.8	12.5	0	0	537.0	533.1
III	333.8	234.7	0.1	0.8	12.8	0	0	582.2	578.2
Private non-financial corporations									
	Overnight	With agreed maturity			Redeemable at notice		Repos		In euro ¹
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months			
2013									
I	2 270.2	390.6	22.5	36.9	20.9	0	0	2 741.2	1 332.8
II	2 246.9	377.1	21.2	37.0	21.5	0	0	2 703.6	1 313.2
III	2 107.0	384.6	29.3	37.7	29.5	0	0	2 588.1	1 238.5
IV	2 187.1	305.6	30.0	38.0	29.3	0	0	2 589.9	1 267.5
V	2 197.6	274.9	36.9	38.7	26.3	0	0	2 574.3	1 257.2
VI	2 194.8	247.6	33.0	37.6	25.6	0	0	2 538.5	1 248.6
VII	2 274.3	189.1	32.0	36.6	25.3	0	0	2 557.2	1 241.5
VIII	2 365.2	209.2	29.6	36.0	25.8	0	0	2 665.9	1 287.0
IX	2 302.2	204.3	39.0	35.4	27.3	0	0	2 608.3	1 275.9
X	2 403.9	215.4	40.4	31.3	26.9	0	0	2 718.0	1 332.7
XI	2 444.2	213.9	40.3	26.9	30.9	0	0	2 756.1	1 358.3
XII	2 756.7	238.0	36.6	21.6	33.2	0	0	3 086.1	1 532.9
2014									
I	2 549.7	259.8	37.1	21.0	34.3	0	0	2 901.9	2 626.0
II	2 557.0	253.2	33.8	20.4	30.4	0	0	2 894.7	2 601.1
III	2 502.9	280.9	28.7	20.4	36.1	0	0	2 869.1	2 600.1

¹ In lats up to December 2013.

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

(at end of period; millions of euro)

	Households									In euro ¹
	Overnight	With agreed maturity			Redeemable at notice		Repos			
		Up to 1 year	1–2 years	Over 2 years	Up to 3 months	Over 3 months				
2013										
I	2 374.3	1 211.4	168.0	167.9	277.3	0	0	4 199.0	1 902.9	
II	2 399.0	1 226.5	154.8	167.5	283.7	0	0	4 231.6	1 923.6	
III	2 432.3	1 203.0	158.4	167.8	288.7	0	0	4 250.3	1 933.0	
IV	2 484.3	1 179.4	158.5	164.9	292.3	3.4	0	4 283.0	1 947.6	
V	2 507.2	1 150.2	158.7	165.3	300.4	3.4	0	4 285.3	1 943.1	
VI	2 606.3	1 096.9	156.8	164.3	307.8	3.4	0	4 335.6	1 991.9	
VII	2 632.5	1 067.6	151.1	165.5	317.0	3.4	0	4 337.2	1 991.2	
VIII	2 662.5	1 050.2	149.3	167.0	328.5	3.4	0	4 361.1	1 999.6	
IX	2 691.5	1 036.3	148.3	164.8	341.6	3.4	0	4 386.0	2 024.7	
X	2 744.0	1 018.3	148.3	166.2	353.0	3.4	0	4 433.1	2 071.7	
XI	2 861.5	987.9	149.1	165.3	367.0	3.6	0	4 534.4	2 159.8	
XII	3 186.7	923.2	152.4	165.5	389.0	3.6	0	4 820.1	2 408.5	
2014										
I	3 099.2	901.8	168.5	168.2	411.7	3.5	0	4 753.0	4 248.1	
II	3 116.1	893.8	171.6	168.6	421.9	3.5	0	4 775.5	4 266.7	
III	3 103.9	880.0	168.5	173.5	429.0	3.5	0	4 758.5	4 245.0	

¹ In lats up to December 2013.

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

(at end of period; millions of euro)

	General government				Non-residents				In euro ¹	
	Central government	Local government	In euro ¹	MFIs	Non-MFIs		In euro ¹			
					General government	Other				
2013										
I	949.2	257.4	1 206.6	275.2	5 174.3	8 375.3	11.2	8 364.1	13 549.6	266.5
II	885.6	257.5	1 143.1	265.9	4 912.2	8 444.7	5.7	8 438.9	13 356.8	244.3
III	848.5	270.2	1 118.5	276.2	5 091.0	8 691.2	6.0	8 685.4	13 782.2	243.6
IV	876.3	297.4	1 173.9	312.7	5 039.5	8 643.2	6.4	8 636.8	13 682.8	194.6
V	907.6	309.8	1 217.4	310.8	4 917.2	8 781.8	5.7	8 776.1	13 699.0	193.2
VI	889.4	288.6	1 178.0	257.0	5 068.6	8 804.9	5.0	8 800.0	13 873.4	163.1
VII	878.6	275.6	1 154.2	238.8	5 091.7	9 050.5	5.0	9 045.6	14 142.3	187.5
VIII	949.1	277.5	1 226.7	250.3	4 920.9	9 125.3	5.1	9 120.2	14 046.3	190.8
IX	985.3	267.1	1 252.4	241.5	4 564.7	8 916.3	5.1	8 911.3	13 481.1	256.7
X	977.7	252.3	1 229.9	216.1	4 286.8	9 105.5	4.6	9 100.8	13 392.2	234.9
XI	924.6	248.1	1 172.9	200.2	4 201.7	8 839.7	4.7	8 834.9	13 041.5	231.5
XII	935.7	195.8	1 131.5	154.1	4 285.5	9 034.2	4.3	9 030.0	13 319.8	137.4
2014										
I	1 019.3	188.9	1 208.2	1 202.4	4 013.5	9 375.8	4.9	9 370.9	13 389.3	6 245.7
II	1 112.2	197.9	1 310.2	1 302.8	4 174.2	9 237.8	11.4	9 226.3	13 411.9	6 315.7
III	593.1	215.3	808.4	801.0	3 721.8	9 146.6	4.9	9 141.6	12 868.3	5 871.9

¹ In lats up to December 2013.

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

(at end of period; millions of euro)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Short-term															
Amount	2 398.1	2 452.7	2 358.7	2 312.9	2 442.2	2 345.5	2 296.2	2 330.4	2 267.3	2 235.0	2 214.1	2 229.2	2 098.0	2 126.2	2 076.8
% ¹	16.6	17.0	16.5	16.3	17.2	16.9	16.6	16.8	16.5	16.4	16.3	16.5	16.0	16.2	15.9
Maturity of 1–5 years															
Amount	2 407.9	2 385.2	2 407.8	2 409.9	2 377.9	2 429.7	2 510.8	2 530.3	2 541.1	2 531.6	2 596.5	2 589.3	2 512.0	2 488.8	2 523.5
% ¹	16.7	16.6	16.9	17.0	16.8	17.5	18.1	18.3	18.5	18.6	19.1	19.1	19.1	19.0	19.4
Maturity of over 5 years															
Amount	9 619.0	9 550.0	9 498.5	9 434.2	9 343.1	9 124.7	9 045.2	8 979.0	8 894.2	8 832.0	8 802.3	8 719.2	8 542.1	8 481.0	8 428.4
% ¹	66.7	66.4	66.6	66.6	66.0	65.6	65.3	64.9	64.9	64.9	64.6	64.4	64.9	64.8	64.7
Total loans	14 425.2	14 387.9	14 265.0	14 157.0	14 163.1	13 899.9	13 852.2	13 839.7	13 702.7	13 598.7	13 612.9	13 537.8	13 152.1	13 096.1	13 028.7

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

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

(at end of period; millions of euro)

	Insurance corporations and pension funds			OFIs and financial auxiliaries			Public non-financial corporations				Private non-financial corporations					
	Up to 1 year		In euro ¹	Up to 1 year		In euro ¹	Up to 1 year	1–5 years	Over 5 years	In euro ¹	Up to 1 year	1–5 years	Over 5 years	In euro ¹		
2013																
I	0	0.1	0	200.2	420.2	98.2	15.8	45.0	653.7	714.6	61.5	1 587.5	1 749.0	3 411.1	6 747.5	1 108.7
II	0	0	0	203.2	419.0	95.2	15.4	44.3	644.6	704.2	60.3	1 644.6	1 730.6	3 379.7	6 755.1	1 130.0
III	0	0	0	206.2	433.1	100.9	14.7	43.3	647.5	705.5	59.2	1 557.3	1 752.1	3 345.3	6 654.9	1 118.1
IV	0	0	0	177.4	409.1	86.7	15.9	42.3	646.4	704.5	60.9	1 546.2	1 747.6	3 311.4	6 605.4	1 116.4
V	0	0	0	190.8	417.3	89.1	5.5	41.5	648.5	695.6	50.8	1 682.0	1 755.8	3 218.7	6 656.5	1 156.9
VI	0	0	0	211.0	431.4	90.5	5.8	41.0	635.2	682.0	50.5	1 581.8	1 816.9	3 037.5	6 436.2	1 004.8
VII	0	0	0	200.5	424.9	90.2	5.3	39.8	638.2	683.1	50.5	1 550.9	1 896.0	2 986.2	6 432.9	1 003.3
VIII	0	0	0	202.0	427.7	90.2	5.4	49.1	625.9	680.4	50.8	1 581.7	1 917.5	2 953.0	6 452.2	1 005.3
IX	0	0	0	190.7	424.3	90.4	5.8	48.5	628.2	682.6	50.7	1 535.1	1 928.0	2 893.6	6 356.7	993.4
X	0	0	0	169.0	405.4	85.1	4.1	50.1	641.6	695.9	51.9	1 538.0	1 915.0	2 857.6	6 310.6	986.8
XI	0	0	0	171.7	408.9	80.7	5.3	54.4	634.2	693.9	53.2	1 529.0	1 997.3	2 833.1	6 359.4	992.9
XII	0	0	0	193.9	430.7	57.1	6.1	61.6	625.4	693.1	53.4	1 555.3	1 998.1	2 811.0	6 364.4	991.5
2014																
I	0.1	0.1	0.1	160.1	393.5	369.7	5.9	77.0	691.3	774.3	539.4	1 469.5	1 932.6	2 621.3	6 023.4	5 813.6
II	0	0	0	159.2	390.0	367.0	5.5	75.6	684.3	765.4	531.2	1 498.7	1 918.9	2 592.4	6 009.9	5 790.0
III	0	0	0	162.6	417.5	392.1	4.9	76.5	678.6	760.1	528.3	1 450.0	1 937.9	2 567.3	5 955.1	5 738.7

¹ In lats up to December 2013.

16.b LOANS TO HOUSEHOLDS

(at end of period; millions of euro)

	Households													In euro ¹
	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			
2013														
I	776.3	263.1	128.6	384.7	5 289.5	242.5	215.3	4 831.8	476.9	88.9	89.4	298.7	6 542.9	710.6
II	715.1	258.1	127.6	329.3	5 265.2	242.7	216.3	4 806.2	529.3	88.8	89.1	351.4	6 509.6	711.4
III	712.1	255.5	127.3	329.3	5 236.6	239.3	210.4	4 786.8	522.9	85.8	88.8	348.2	6 471.5	711.7
IV	709.9	254.8	128.8	326.3	5 210.7	232.8	211.4	4 766.5	517.4	85.4	88.2	343.8	6 437.9	713.0
V	556.8	241.3	125.8	189.7	5 326.8	235.9	181.8	4 909.1	510.1	86.5	84.2	339.4	6 393.8	710.3
VI	549.4	234.2	125.5	189.5	5 294.8	231.1	179.0	4 884.7	506.1	81.5	84.1	340.5	6 350.3	707.2
VII	549.4	233.8	126.5	189.1	5 261.2	225.1	176.6	4 859.4	500.6	80.7	83.4	336.7	6 311.1	709.3
VIII	545.4	229.5	126.8	189.1	5 236.7	222.8	171.5	4 842.5	497.2	88.9	75.0	333.2	6 279.3	710.0
IX	547.2	228.5	129.3	189.5	5 204.0	219.4	168.0	4 816.7	487.8	87.8	68.3	331.7	6 239.0	711.3
X	546.0	225.2	129.1	191.5	5 162.3	212.0	165.9	4 784.4	478.7	86.5	68.4	323.6	6 186.9	707.5
XI	536.8	222.7	122.5	191.8	5 135.3	207.9	163.5	4 763.8	478.5	77.5	71.7	329.3	6 150.6	701.8
XII	518.1	208.3	120.8	189.0	5 061.9	193.8	159.4	4 708.9	469.5	71.7	70.6	327.3	6 049.5	679.3
2014														
I	513.8	207.5	119.7	186.5	4 996.9	187.9	153.3	4 655.6	450.2	66.9	66.9	316.4	5 960.8	5 785.3
II	510.1	205.3	119.5	185.3	4 969.9	187.8	148.7	4 633.4	450.7	69.7	66.2	314.8	5 930.8	5 757.9
III	511.2	205.7	119.6	185.8	4 940.9	184.9	143.4	4 612.5	444.0	68.5	64.5	310.9	5 896.0	5 725.5

¹ In lats up to December 2013.

16.c LOANS TO GOVERNMENT AND NON-RESIDENTS

(at end of period; millions of euro)

	General government				Non-residents					In euro ¹
	Central government	Local government	In euro ¹	MFIs	Non-MFIs			In euro ¹		
					General government	Other				
2013										
I	4.8	102.9	107.7	16.5	4 995.6	1 627.6	0	1 627.6	6 623.2	392.0
II	4.8	102.0	107.0	16.1	4 449.9	1 682.1	0	1 682.1	6 132.0	384.5
III	4.6	101.6	106.1	15.1	4 698.6	1 747.6	0	1 747.6	6 446.2	422.5
IV	4.6	103.7	108.1	15.4	4 791.5	1 828.4	0	1 828.4	6 619.9	420.6
V	4.8	108.7	113.5	15.1	4 622.2	2 004.4	16.2	1 988.2	6 626.6	456.2
VI	5.7	110.0	115.7	15.7	5 066.3	1 925.0	16.2	1 908.9	6 991.3	530.3
VII	7.1	111.0	118.1	17.2	5 408.5	1 971.8	16.1	1 955.7	7 380.2	542.3
VIII	6.5	112.4	119.0	17.2	5 257.7	1 977.1	15.8	1 961.4	7 234.7	509.5
IX	5.8	113.1	119.0	17.4	4 666.0	1 915.6	15.7	1 900.0	6 581.6	491.7
X	5.1	113.8	118.8	14.5	4 751.4	1 909.9	15.7	1 894.4	6 661.5	470.0
XI	5.1	115.1	120.2	15.9	4 517.5	1 937.8	9.7	1 928.1	6 455.3	464.4
XII	7.0	116.5	123.4	18.4	4 486.3	1 925.7	9.7	1 916.0	6 412.0	515.9
2014										
I	7.6	34.6	42.2	42.2	6 612.2	1 873.5	0	1 873.5	8 485.7	3 543.1
II	7.5	34.7	42.3	42.3	6 580.6	1 859.8	0	1 859.8	8 440.4	3 286.0
III	7.1	34.6	41.7	41.7	5 687.4	1 765.8	0	1 765.8	7 453.2	2 501.0

¹ In lats up to December 2013.

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

(at end of Q1 2014, millions of euro; structure, %)

	With residual maturity of up to 1 year				With residual maturity of over 1 and up to 5 years				With residual maturity of over 5 years				Total loans			
	Amount	%	Of which in euro	%	Amount	%	Of which in euro	%	Amount	%	Of which in euro	%	Amount	%	Of which in euro	%
Total	2 366.1	100.0	2 201.5	100.0	3 611.4	100.0	3 455.9	100.0	1 155.0	100.0	1 001.3	100.0	7 132.5	100.0	6 658.7	100.0
A Agriculture, forestry and fishing	145.9	6.2	130.1	5.9	235.5	6.5	235.1	6.8	44.6	3.9	44.6	4.5	426.0	6.0	409.8	6.2
B Mining and quarrying	5.6	0.2	5.5	0.3	17.7	0.5	17.7	0.5	3.2	0.3	3.2	0.3	26.5	0.4	26.4	0.4
C Manufacturing	353.4	14.9	346.2	15.7	503.3	13.9	496.4	14.4	57.9	5.0	57.9	5.8	914.5	12.8	900.5	13.5
D Electricity, gas, steam and air conditioning supply	97.6	4.1	96.9	4.4	299.2	8.3	208.2	6.0	109.9	9.5	61.6	6.1	506.7	7.1	366.7	5.5
E Water supply; sewerage, waste management and remediation activities	8.9	0.4	8.9	0.4	41.6	1.2	41.6	1.2	29.9	2.6	29.9	3.0	80.4	1.1	80.4	1.2
F Construction	90.7	3.8	90.7	4.1	138.3	3.8	138.3	4.0	228.1	19.7	174.0	17.4	457.1	6.4	403.0	6.0
G Wholesale and retail trade; repair of motor vehicles and motorcycles	469.7	19.9	425.1	19.3	225.3	6.2	214.9	6.2	37.2	3.2	36.9	3.7	732.2	10.3	676.9	10.2
H Transportation and storage	101.9	4.3	92.0	4.2	278.2	7.7	275.2	8.0	218.1	18.9	212.4	21.2	598.3	8.4	579.6	8.7
I Accommodation and food service activities	29.1	1.2	29.0	1.3	81.5	2.3	81.4	2.4	23.9	2.1	23.9	2.4	134.5	1.9	134.3	2.0
J Information and communication	7.3	0.3	7.3	0.3	21.8	0.6	21.8	0.6	9.0	0.8	9.0	0.9	38.1	0.5	38.1	0.6
K Financial and insurance activities	226.7	9.6	199.1	9.0	285.0	7.9	274.6	7.9	18.2	1.6	17.7	1.8	529.9	7.4	491.4	7.4
L Real estate activities	652.2	27.6	634.3	28.8	1 362.9	37.7	1 329.6	38.5	248.3	21.5	203.7	20.3	2 263.5	31.7	2 167.6	32.5
M Professional, scientific and technical activities	7.0	0.3	6.9	0.3	15.6	0.4	15.6	0.4	3.3	0.3	3.3	0.3	25.9	0.4	25.8	0.4
N Administrative and support service activities	102.2	4.3	62.8	2.9	14.7	0.4	14.7	0.4	14.3	1.2	14.2	1.4	131.2	1.9	91.7	1.4
O Public administration and defence; compulsory social security	0.4	0	0.4	0	1.8	0.1	1.8	0.1	25.8	2.2	25.8	2.6	28.0	0.4	28.0	0.4
P Education	1.9	0.1	1.9	0.1	4.9	0.1	4.9	0.1	0.8	0.1	0.8	0.1	7.7	0.1	7.6	0.1
Q Human health and social work activities	8.1	0.3	8.0	0.4	12.6	0.4	12.6	0.4	2.9	0.2	2.9	0.3	23.6	0.3	23.5	0.4
R Arts, entertainment and recreation	5.7	0.3	5.5	0.3	6.3	0.2	6.3	0.2	11.3	1.0	11.3	1.1	23.3	0.3	23.1	0.3
S Other service activities	51.7	2.2	50.9	2.3	65.2	1.8	65.2	1.9	68.2	5.9	68.2	6.8	185.0	2.6	184.3	2.8

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

(at end of period; millions of euro)

	2012				2013				2014
	III	VI	IX	XII	III	VI	IX	XII	III
Commercial credit	2 259.8	2 317.9	2 404.9	2 356.7	2 359.1	2 309.5	2 305.1	2 412.8	2 230.7
Industrial credit	2 764.8	2 569.1	2 627.9	2 504.1	2 500.3	2 441.1	2 402.4	2 295.2	2 175.3
Reverse repo	0.7	0.9	0.9	0.7	0.9	0.9	0.9	1.1	0.6
Financial leasing	33.2	37.8	40.7	44.0	42.4	39.0	43.4	44.5	49.7
Consumer credit	585.1	565.7	558.5	489.0	333.1	330.0	332.1	326.8	325.5
Mortgage loans	8 556.4	8 302.6	8 125.9	7 916.6	7 884.7	7 609.5	7 451.7	7 359.4	7 052.3
Factoring	3.3	2.6	2.6	2.6	2.7	3.7	3.1	2.8	3.3
Other credit	1 063.9	1 056.8	1 065.3	1 107.3	1 065.0	1 069.3	1 100.6	1 072.0	1 152.2
Total loans	15 267.4	14 853.6	14 826.6	14 420.9	14 188.3	13 802.9	13 639.2	13 514.7	12 989.6

19.a HOLDINGS OF SECURITIES OTHER THAN SHARES

(at end of period; millions of euro)

	Securities other than shares								In euro ¹	
	MFIs		General government		Other residents		Non-residents			
		incl. long-term		incl. long-term		incl. long-term		incl. long-term		
2013										
I	0	0	674.2	501.8	14.5	14.5	1 972.5	1 895.4	2 661.2	541.8
II	0	0	571.3	428.6	13.7	13.7	2 095.0	2 014.5	2 680.0	422.0
III	0	0	583.4	434.1	17.2	17.2	2 101.3	2 015.9	2 701.9	431.1
IV	0	0	549.8	399.4	15.1	15.1	2 101.6	2 011.9	2 666.5	404.1
V	0	0	586.1	420.5	20.3	20.3	2 081.8	1 986.3	2 688.1	432.1
VI	0	0	606.4	442.4	20.3	20.3	1 989.2	1 903.8	2 615.8	441.8
VII	0	0	615.1	445.8	19.6	19.6	1 899.4	1 833.1	2 534.1	446.1
VIII	0	0	629.1	444.1	19.4	19.4	2 014.6	1 837.9	2 663.0	464.3
IX	0	0	635.0	442.4	19.8	19.8	2 126.2	1 844.3	2 781.0	469.3
X	0	0	631.0	443.1	19.4	19.4	1 970.3	1 830.4	2 620.6	470.3
XI	0	0	641.7	450.5	28.3	28.3	2 020.2	1 877.5	2 690.2	478.9
XII	0	0	654.9	448.5	28.6	28.6	2 131.5	2 052.8	2 815.0	491.0
2014										
I	0	0	661.6	454.0	28.6	28.6	2 188.0	2 093.0	2 878.1	1 086.7
II	0	0	661.8	475.9	28.2	28.2	2 410.2	2 196.8	3 100.2	1 127.5
III	0	0	658.5	475.7	28.1	28.1	2 459.1	2 372.9	3 145.7	1 170.4

¹ In euro up to December 2013.

19.b HOLDINGS OF SHARES AND OTHER EQUITY

(at end of period; millions of euro)

	Shares and other equity				In euro ¹	
	MFIs		Other residents	Non-residents		
2013						
I		0.6	464.1	178.4	643.1	331.5
II		0.6	471.4	177.7	649.5	337.9
III		0.6	478.2	176.3	655.1	346.9
IV		0.6	483.2	177.3	661.1	355.0
V		0.6	482.2	177.4	660.2	355.3
VI		0.6	511.8	180.1	692.5	352.9
VII		0.6	537.7	177.1	715.4	351.2
VIII		0.6	559.5	184.8	744.9	351.0
IX		0.6	593.8	184.5	778.9	343.2
X		0.6	544.4	187.0	731.9	331.1
XI		0.6	559.0	193.2	752.7	337.4
XII		0.6	579.3	189.0	768.8	295.1
2014						
I		0.5	562.7	185.9	749.2	621.8
II		0.5	562.3	187.5	750.3	621.3
III		0.5	539.2	185.4	725.2	598.2

¹ In euro up to December 2013.

20.a CURRENCY BREAKDOWN OF RESIDENT DEPOSITS

(at end of period)

	MFIs							Non-MFIs						
	Outstanding amount (all currencies; millions of euro)	Structure (%)						Outstanding amount (all currencies; millions of euro)	Structure (%)					
		In euro	In foreign currencies						In euro	In foreign currencies				
			incl. USD	incl. JPY	incl. CHF	incl. GBP			incl. USD	incl. JPY	incl. CHF	incl. GBP		
2014														
I	493.1	74.0	26.0	25.5	0	0	0.2	10 144.9	91.8	8.2	6.3	0	0.2	0.5
II	323.2	71.5	28.5	27.9	0	0.1	0.3	10 264.1	91.7	8.3	6.4	0	0.2	0.5
III	318.5	50.0	50.0	49.4	0	0	0.3	9 725.4	91.4	8.6	6.7	0	0.2	0.5

20.b CURRENCY BREAKDOWN OF NON-RESIDENT DEPOSITS

(at end of period)

	MFIs							Non-MFIs						
	Outstanding amount (all currencies; millions of euro)	Structure (%)						Outstanding amount (all currencies; millions of euro)	Structure (%)					
		In euro	In foreign currencies						In euro	In foreign currencies				
			incl. USD	incl. JPY	incl. CHF	incl. GBP			incl. USD	incl. JPY	incl. CHF	incl. GBP		
2014														
I	4 013.5	89.8	10.2	2.1	0	1.6	1.3	9 375.8	28.2	71.8	66.8	0.1	0.4	1.1
II	4 174.2	89.6	10.4	2.4	0	1.5	1.3	9 237.8	27.9	72.1	66.8	0.1	0.4	1.3
III	3 721.8	88.4	11.6	2.6	0	1.7	1.4	9 146.6	28.2	71.8	67.3	0.1	0.4	1.4

20.c CURRENCY BREAKDOWN OF LOANS TO RESIDENTS

(at end of period)

Non-MFIs											
	Outstanding amount (all currencies; millions of euro)	Structure (%)									
		In euro		In foreign currencies							
			incl. USD	incl. JPY	incl. CHF	incl. GBP					
2014											
I	13 194.3		95.1		4.9		2.2		0	0.7	0.5
II	13 138.4		95.1		4.9		2.3		0	0.7	0.5
III	13 070.4		95.1		4.9		2.3		0	0.7	0.5

20.d CURRENCY BREAKDOWN OF LOANS TO NON-RESIDENTS

(at end of period)

	MFIs							Non-MFIs						
	Outstanding amount (all currencies; millions of euro)	Structure (%)						Outstanding amount (all currencies; millions of euro)	Structure (%)					
		In euro	In foreign currencies						In euro	In foreign currencies				
			incl. USD	incl. JPY	incl. CHF	incl. GBP			incl. USD	incl. JPY	incl. CHF	incl. GBP		
2014														
I	6 612.2	44.2	55.8	50.1	0.2	0.4	1.1	1 873.5	33.0	67.0	64.0	0	0.1	0.8
II	6 580.6	40.4	59.6	53.9	0.2	0.4	1.2	1 859.8	33.8	66.2	64.1	0	0.1	0.8
III	5 687.4	32.9	67.1	59.7	0.5	0.5	1.8	1 765.8	35.6	64.4	62.0	0	0.1	1.1

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

(at end of period)

	MFIs							Non-MFIs						
	Outstanding amount (all currencies; millions of euro)	Structure (%)						Outstanding amount (all currencies; millions of euro)	Structure (%)					
		In euro	In foreign currencies				incl. USD		incl. JPY	incl. CHF	incl. GBP	In euro	In foreign currencies	
2014														
I	0	0	0	0	0	0	0	690.2	88.3	11.7	11.6	0	0	0
II	0	0	0	0	0	0	0	690.0	88.7	11.3	11.3	0	0	0
III	0	0	0	0	0	0	0	686.6	88.6	11.4	11.3	0	0	0

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

(at end of period)

	MFIs							Non-MFIs						
	Outstanding amount (all currencies; millions of euro)	Structure (%)						Outstanding amount (all currencies; millions of euro)	Structure (%)					
		In euro	In foreign currencies				incl. USD		incl. JPY	incl. CHF	incl. GBP	In euro	In foreign currencies	
2014														
I	776.6	29.5	70.5	67.4	0	0.8	0.2	1 411.4	17.6	82.4	79.8	0	0	0.5
II	782.1	32.0	68.0	64.9	0	0.8	0.2	1 628.1	16.3	83.7	81.5	0	0	0.3
III	819.3	31.3	68.7	65.3	0	0.7	0.2	1 639.8	18.6	81.4	79.0	0	0	0.3

20.g CURRENCY BREAKDOWN OF DEBT SECURITIES ISSUED BY MFIs

(at end of period)

	Outstanding amount (all currencies; millions of euro)	Structure (%)	
		In euro	In foreign currencies
2012			
I		331.4	26.5
II		366.3	27.4
III		371.9	27.3

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

(%)

1. Interest rates on deposits (new business)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Deposits from households															
Overnight ¹	0.12	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.12	0.11	0.12	0.10	0.10	0.11
With agreed maturity															
Up to 1 year	0.72	0.31	0.41	0.45	0.35	0.36	0.41	0.26	0.31	0.40	0.36	0.54	0.57	0.42	0.29
Over 1 and up to 2 years	2.33	1.54	1.19	1.20	1.28	0.85	0.93	0.96	0.89	1.36	1.73	1.32	1.62	1.24	0.96
Over 2 years	3.55	1.29	2.23	2.56	2.33	2.44	2.28	5.52	1.41	1.21	1.59	1.62	1.41	1.46	2.02
Redeemable at notice ²															
Up to 3 months	0.20	0.20	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.16	0.14	0.14	0.14
Over 3 months	–	x	–	x	x	x	x	x	x	x	x	x	x	x	x
Deposits from non-financial corporations															
Overnight ¹	0.06	0.05	0.05	0.05	0.06	0.06	0.05	0.05	0.07	0.08	0.07	0.08	0.07	0.07	0.11
With agreed maturity															
Up to 1 year	0.17	0.16	0.16	0.17	0.14	0.14	0.12	0.08	0.14	0.16	0.19	0.26	0.14	0.11	0.17
Over 1 and up to 2 years	x	0.99	1.09	0.98	0.72	x	0.77	0.83	0.62	1.31	0.66	1.36	0.72	1.27	0.59
Over 2 years	4.70	2.17	x	0.72	x	x	0.35	2.69	0.06	x	1.09	0.98	0.48	0.96	0.58
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Households															
Overnight ¹	0.12	0.12	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.12	0.11	0.12	0.10	0.10	0.11
With agreed maturity															
Up to 2 years	1.39	1.32	1.27	1.20	1.16	1.10	1.02	0.99	0.97	0.96	0.94	0.91	0.87	0.86	0.85
Over 2 years	4.15	4.14	4.12	4.05	4.01	4.00	3.94	3.90	3.90	3.88	3.84	3.81	3.85	3.83	3.87
Redeemable at notice ²															
Up to 3 months	0.20	0.20	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.16	0.14	0.14	0.14
Over 3 months	–	x	–	x	x	x	x	x	x	x	x	x	x	x	x
Non-financial corporations															
Overnight ¹	0.06	0.05	0.05	0.05	0.06	0.06	0.05	0.05	0.07	0.08	0.07	0.08	0.07	0.07	0.11
With agreed maturity															
Up to 2 years	0.64	0.59	0.56	0.51	0.50	0.52	0.49	0.48	0.54	0.53	0.51	0.46	0.45	0.45	0.45
Over 2 years	2.47	2.43	2.41	2.41	2.64	2.62	2.54	2.55	2.54	2.36	2.39	2.14	1.81	1.78	1.51
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to households (new business)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	4.79	4.91	4.97	5.00	5.00	4.98	4.99	4.97	5.88	4.72	4.75	4.89	18.45	17.65	17.54
Extended credit card credit ¹	23.56	23.96	23.65	24.33	23.56	23.67	23.37	23.15	23.14	23.55	22.89	22.83	23.16	23.23	23.16
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	3.39	3.24	3.49	3.25	3.27	3.21	3.31	3.19	3.05	2.97	3.34	3.08	2.99	3.06	3.20
of wich with collateral or guarantees	3.36	3.25	3.25	3.19	3.16	3.14	3.35	3.05	2.99	2.90	3.33	3.07	2.93	3.06	3.16
Over 1 and up to 5 years	3.64	4.30	4.63	4.28	5.09	4.12	4.94	5.71	5.54	6.76	5.83	4.77	12.13	10.98	13.42
of wich with collateral or guarantees	3.62	4.16	4.59	4.23	4.98	3.93	4.76	5.50	5.40	6.74	5.76	4.77	5.96	6.36	7.61
Over 5 and up to 10 years	x	x	7.38	6.03	6.55	7.32	x	6.48	x	x	x	x	x	x	6.30
of wich with collateral or guarantees	x	x	7.58	5.80	6.55	7.32	x	x	x	x	x	x	x	x	6.19
Over 10 years	x	x	x	x	6.00	5.37	x	x	5.86	5.96	5.36	5.91	x	5.53	x
of wich with collateral or guarantees	x	x	x	x	5.94	x	x	x	6.10	6.27	5.20	5.97	x	x	x
Annual percentage rate of charge ²	3.63	3.96	3.92	3.43	3.51	3.39	3.48	3.40	3.38	3.34	3.54	3.35	3.25	3.34	3.53
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	7.73	7.09	7.55	7.22	12.60	15.26	15.14	18.32	12.27	12.74	14.05	14.71	18.82	19.67	21.90
of wich with collateral or guarantees	x	x	x	x	5.05	x	x	x	3.67	4.24	5.45	4.30	5.27	4.39	6.12
Over 1 year	23.55	22.80	22.81	23.20	23.90	24.76	26.27	24.52	24.27	21.61	23.18	25.36	22.94	23.05	22.76
of wich with collateral or guarantees	11.79	9.95	9.81	13.56	11.50	12.57	16.19	10.53	13.71	12.77	11.50	13.74	10.79	13.10	14.30
Annual percentage rate of charge ²	21.82	19.34	20.74	21.49	29.02	28.05	30.14	31.29	26.16	25.45	27.13	31.11	30.36	30.99	31.68
Other lending by initial rate fixation															
Floating rate and up to 1 year	3.74	5.07	5.04	5.73	4.73	5.16	4.55	4.78	3.52	4.03	4.95	5.99	4.56	5.09	5.61
Over 1 year	x	x	x	x	x	x	x	x	x	x	x	x	7.83	9.15	10.20

¹ End-of-period.

² The annual percentage rate of charge (APRC) 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 EURO (CONT.)

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	3.37	3.52	3.52	3.51	3.48	3.43	3.27	3.24	3.72	3.25	3.33	3.24	2.82	2.92	3.01
Extended credit card credit ¹	23.47	23.77	23.66	24.14	23.43	17.15	23.14	24.47	24.08	24.28	24.41	24.01	28.90	29.14	19.62
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	3.83	4.32	4.27	3.75	3.85	4.31	5.45	4.17	4.39	5.34	4.07	4.23	4.38	4.75	4.55
of wich with collateral or guarantees	3.81	4.22	4.23	3.71	3.81	4.30	5.44	4.31	4.25	3.86	4.02	4.23	4.26	4.60	4.52
Over 1 year	3.61	4.18	7.91	4.66	4.82	x	3.72	4.15	3.83	5.21	5.39	4.32	x	4.36	5.88
of wich with collateral or guarantees	3.61	x	x	4.55	4.82	x	4.98	3.68	4.97	5.04	6.17	5.30	x	x	5.70
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	4.28	4.27	4.17	4.43	3.66	4.00	4.76	4.04	4.29	4.06	3.98	4.60	4.18	4.59	3.96
of wich with collateral or guarantees	4.25	3.94	4.14	4.45	3.66	3.98	4.16	4.14	4.27	4.09	3.96	4.61	4.22	4.68	3.95
Over 1 year	x	x	x	x	x	x	3.87	4.23	6.79	x	2.94	5.70	x	x	5.90
of wich with collateral or guarantees	x	x	x	x	x	x	x	x	7.49	x	4.15	6.08	–	x	x
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	4.14	3.41	2.92	3.57	3.87	3.31	3.53	3.47	3.26	2.57	3.57	4.29	3.14	3.66	3.37
of wich with collateral or guarantees	4.31	3.59	2.90	3.78	3.88	3.30	3.83	3.48	3.13	2.40	3.57	3.19	3.30	3.69	3.40
Over 1 year	x	x	x	x	x	x	4.90	x	x	x	x	4.32	x	x	–
of wich with collateral or guarantees	x	x	x	x	x	x	4.90	x	x	x	x	4.32	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 EURO (CONT.)

(%)

5. Interest rates on loans (outstanding amounts)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	3.79	3.05	19.81	13.10	2.75	2.72	2.80	2.79	3.00	2.50	2.33	2.43	3.85	2.66	2.86
Over 1 and up to 5 years	4.07	4.08	4.05	4.07	3.99	3.95	3.98	3.97	3.95	3.97	3.97	3.97	4.13	4.17	4.20
Over 5 years	2.61	2.59	2.57	2.55	2.59	2.57	2.56	2.55	2.54	2.54	2.54	2.54	2.55	2.56	2.56
Consumer credit and other loans, with maturity¹															
Up to 1 year ²	9.81	10.09	10.25	10.47	11.11	10.98	11.19	10.73	11.48	11.01	11.39	12.71	22.86	19.19	19.34
Over 1 and up to 5 years	10.10	10.23	10.24	10.64	10.74	10.83	10.93	11.70	11.83	11.87	11.95	12.18	15.52	15.57	15.68
Over 5 years	4.23	4.22	4.21	4.22	4.19	4.18	4.20	4.22	4.22	4.25	4.23	4.40	6.36	5.44	5.41
Loans to non-financial corporations															
With maturity¹															
Up to 1 year ²	3.51	3.87	3.69	3.76	3.59	3.73	3.40	3.39	3.41	3.78	3.33	3.19	3.05	3.23	3.39
Over 1 and up to 5 years	3.47	3.50	3.37	3.39	3.35	3.32	3.38	3.32	3.36	3.36	3.33	3.34	3.34	3.39	3.41
Over 5 years	2.89	2.88	2.87	2.85	2.77	2.76	2.80	2.86	2.84	2.84	2.82	2.83	2.74	2.77	2.75

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

² Including bank overdraft.

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

(%)

1. Interest rates on deposits (new business)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Deposits from households															
Overnight¹															
With agreed maturity	0.14	0.13	0.13	0.15	0.16	0.15	0.14	0.15	0.22	0.21	0.20	0.20	0.20	0.19	0.24
Up to 1 year	0.37	0.24	0.28	0.19	0.17	0.14	0.18	0.12	0.15	0.23	0.24	0.37	0.24	0.12	0.13
Over 1 and up to 2 years	1.83	1.72	3.82	0.88	0.93	1.42	0.89	0.90	0.95	1.25	0.98	2.68	1.10	1.39	0.65
Over 2 years	4.00	2.82	1.92	2.62	3.46	1.50	2.53	1.75	0.81	0.72	1.27	1.69	1.11	1.64	2.14
Redeemable at notice²															
Up to 3 months	0.21	0.21	0.19	0.19	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.16	0.16	0.16
Over 3 months	–	x	–	–	–	–	–	–	–	–	–	–	–	–	–
Deposits from non-financial corporations															
Overnight¹															
With agreed maturity	0.07	0.09	0.10	0.07	0.05	0.05	0.05	0.06	0.06	0.06	0.05	0.07	0.07	0.09	0.06
Up to 1 year	0.13	0.13	0.14	0.11	0.11	0.06	0.08	0.07	0.13	0.19	0.08	0.06	0.07	0.04	0.04
Over 1 and up to 2 years	–	–	–	x	x	–	–	x	–	–	–	x	x	x	–
Over 2 years	–	–	–	x	–	–	–	–	x	–	x	–	–	x	x
Repos	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

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

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

(%)

2. Interest rates on deposits (outstanding amounts)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Deposits from households															
Overnight ¹	0.14	0.13	0.13	0.15	0.16	0.15	0.14	0.15	0.22	0.21	0.20	0.20	0.20	0.19	0.24
With agreed maturity															
Up to 2 years	1.05	1.07	1.07	1.05	1.05	1.03	1.00	0.99	0.95	0.94	0.93	0.90	0.84	0.77	0.76
Over 2 years	3.10	3.17	3.19	3.18	3.17	3.16	3.13	3.10	3.05	3.02	2.91	2.88	2.79	2.81	2.84
Redeemable at notice ²															
Up to 3 months	0.21	0.21	0.19	0.19	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.16	0.16	0.16
Over 3 months	-	x	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits from non-financial corporations															
Overnight ¹	0.07	0.09	0.10	0.07	0.05	0.05	0.05	0.06	0.06	0.06	0.05	0.07	0.07	0.09	0.06
With agreed maturity															
Up to 2 years	0.47	0.45	0.49	0.39	0.37	0.37	0.32	0.25	0.39	0.47	0.66	0.58	0.88	0.85	0.84
Over 2 years	3.53	3.53	3.53	3.53	3.53	1.40	0.87	0.87	0.87	0.86	0.89	0.89	0.20	0.32	0.34
Repos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ End-of-period.

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

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

(%)

3. Interest rates on loans to households (new business)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	7.79	8.14	6.17	6.12	6.76	7.39	7.38	7.53	6.24	6.38	6.41	6.41	7.30	6.67	7.79
Extended credit card credit ¹	25.86	24.76	24.96	25.78	24.97	25.33	24.66	24.85	24.79	25.10	24.95	24.68	24.80	25.42	24.97
Lending for house purchase															
By initial rate fixation															
Floating rate and up to 1 year	5.27	3.44	2.38	3.71	2.19	3.01	2.31	3.23	2.90	2.82	2.45	5.26	3.55	2.79	3.22
of wich with collateral or guarantees	5.87	3.27	2.44	3.83	1.92	3.01	2.25	3.21	2.90	2.81	2.28	5.43	3.99	2.74	3.22
Over 1 and up to 5 years	–	–	x	x	x	x	x	x	x	x	x	–	x	–	–
of wich with collateral or guarantees	–	–	–	–	–	–	–	–	–	–	–	–	x	–	–
Over 5 and up to 10 years	x	x	–	–	–	x	–	–	–	–	–	–	–	–	x
of wich with collateral or guarantees	–	–	–	–	–	x	–	–	–	–	–	–	–	–	–
Over 10 years	–	–	–	–	x	–	–	x	x	x	x	–	–	x	–
of wich with collateral or guarantees	–	–	–	–	x	–	–	–	–	–	–	–	–	x	–
Annual percentage rate of charge ²	5.75	3.75	2.57	4.14	2.52	3.54	2.42	3.51	3.42	3.20	2.80	5.42	4.01	3.01	3.41
Consumer credit															
By initial rate fixation															
Floating rate and up to 1 year	x	16.12	15.75	13.70	16.68	16.94	x	16.53	x	x	16.72	17.00	x	x	x
of wich with collateral or guarantees	x	x	x	x	x	–	–	x	–	–	x	x	–	x	x
Over 1 year	–	x	–	x	x	x	x	x	x	x	x	x	x	x	x
of wich with collateral or guarantees	–	–	–	–	–	–	–	–	–	–	–	–	–	–	x
Annual percentage rate of charge ²	24.55	13.82	18.21	13.15	13.75	14.83	13.85	21.38	14.59	14.05	14.31	18.09	17.77	17.68	16.50
Other lending by initial rate fixation															
Floating rate and up to 1 year	–	x	6.21	x	x	5.17	x	x	x	3.83	4.41	3.77	x	3.78	3.59
Over 1 year	x	–	x	–	–	–	x	–	x	–	–	–	–	–	–

¹ End-of-period.

² The annual percentage rate of charge (APRC) 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 US DOLLARS (CONT.)

(%)

4. Interest rates on loans to non-financial corporations (new business)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Bank overdraft ¹	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Revolving loans and overdraft ¹	3.74	3.63	3.67	3.59	3.59	3.71	3.53	3.48	3.52	3.56	3.56	3.51	3.82	3.55	3.32
Extended credit card credit ¹	17.10	16.38	15.02	13.03	14.47	21.53	16.34	15.28	16.77	12.33	13.34	15.99	17.68	12.76	10.85
Other loans up to 0.25 million euro by initial rate fixation															
Floating rate and up to 1 year	x	6.33	7.00	7.13	7.72	7.04	3.58	x	x	x	x	x	x	x	x
of wich with collateral or guarantees	x	x	x	x	7.60	7.13	x	x	x	x	x	–	–	x	x
Over 1 year	–	–	–	–	–	–	x	–	–	–	x	–	x	–	–
of wich with collateral or guarantees	–	–	–	–	–	–	x	–	–	–	x	–	x	–	–
Other loans over 0.25 million euro and up to 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	9.14	x	x	x	8.47	x	–	x	–	x	x	x	x	–
of wich with collateral or guarantees	x	x	x	–	x	8.47	x	–	x	–	x	x	x	x	–
Over 1 year	–	–	–	–	x	–	–	x	–	–	–	–	–	–	–
of wich with collateral or guarantees	–	–	–	–	x	–	–	x	–	–	–	–	–	–	–
Other loans over 1 million euro by initial rate fixation															
Floating rate and up to 1 year	x	x	x	x	x	x	x	7.80	–	x	x	x	x	x	–
of wich with collateral or guarantees	x	x	x	x	x	x	x	7.80	–	x	x	x	x	x	–
Over 1 year	–	–	–	x	–	–	–	–	–	–	–	–	–	–	–
of wich with collateral or guarantees	–	–	–	x	–	–	–	–	–	–	–	–	–	–	–

¹ End-of-period.

21.b 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)															
	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Loans to households															
Lending for house purchase, with maturity															
Up to 1 year	1.98	2.84	2.71	1.35	2.19	3.26	1.52	3.90	2.07	2.09	4.16	3.42	1.68	1.80	1.91
Over 1 and up to 5 years	5.85	5.39	5.36	5.38	5.60	5.61	5.62	6.07	6.07	6.12	6.13	6.19	6.13	5.35	5.33
Over 5 years	2.87	2.83	2.82	2.80	2.84	2.82	2.80	2.79	2.77	2.77	2.77	2.75	2.72	2.76	2.75
Consumer credit and other loans, with maturity¹															
Up to 1 year ²	9.57	9.57	10.08	10.25	9.64	9.81	10.27	10.06	10.09	9.52	9.86	11.34	10.64	10.80	10.91
Over 1 and up to 5 years	7.33	7.14	6.71	6.68	6.76	7.10	7.18	7.26	7.30	7.21	7.26	7.47	7.39	7.42	7.23
Over 5 years	3.90	3.92	3.81	3.78	3.73	3.72	3.75	3.75	3.73	3.72	3.79	3.84	3.82	3.85	3.84
Loans to non-financial corporations															
With maturity¹															
Up to 1 year ²	4.77	4.59	4.72	4.67	4.60	4.57	4.77	4.19	4.25	3.99	4.23	4.21	4.38	4.07	4.07
Over 1 and up to 5 years	5.35	5.45	5.54	5.56	5.68	5.75	5.78	5.82	5.58	5.44	5.50	5.56	5.62	5.59	5.86
Over 5 years	5.83	5.54	5.48	5.54	5.48	5.47	5.59	5.41	5.41	5.52	5.48	5.72	5.76	5.71	5.74

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

² Including bank overdraft.

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

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

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
In euro															
Loans up to an amount of 0.25 million euro															
	3.83	4.01	4.05	3.95	3.97	4.43	4.24	4.18	4.35	4.19	4.28	3.87	4.37	4.65	4.53
of wich with collateral or guarantees	3.80	3.94	3.99	3.87	3.79	4.42	4.22	4.21	4.24	4.07	4.17	3.83	4.22	4.48	4.50
Loans over an amount of 0.25 million euro and up to 1 million euro															
	4.09	3.95	4.19	4.28	3.58	4.18	4.34	4.16	4.42	4.18	3.84	4.06	4.19	4.45	3.62
of wich with collateral or guarantees	4.06	3.95	4.15	4.29	3.58	4.16	4.35	4.13	4.40	4.22	3.85	4.06	4.24	4.47	3.54
Loans over 1 million euro															
	4.01	3.33	3.00	3.47	3.73	3.42	3.18	3.17	3.31	2.37	3.63	5.35	2.98	3.66	3.47
of wich with collateral or guarantees	4.30	3.47	2.99	3.68	3.75	3.33	3.40	3.16	3.35	2.25	3.62	3.68	3.11	3.70	3.50
In US dollars															
Loans up to an amount of 0.25 million euro															
	6.75	6.71	x	6.69	6.61	6.07	x	5.49	x	x	x	x	x	x	x
of wich with collateral or guarantees	x	6.59	x	6.51	6.45	5.95	x	5.37	x	x	x	-	-	x	x
Loans over an amount of 0.25 million euro and up to 1 million euro															
	-	x	x	x	-	x	x	-	-	-	x	x	x	-	-
of wich with collateral or guarantees	-	x	x	-	-	x	x	-	-	-	x	x	x	-	-
Loans over 1 million euro															
	-	x	x	-	-	x	-	x	-	-	-	x	x	-	-
of wich with collateral or guarantees	-	x	x	-	-	x	-	x	-	-	-	x	x	-	-

22. LENDING IN THE INTERBANK MARKETS

(transactions; millions of euro)

	Loans to resident MFIs										
	In euro					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		
2014											
I	906.8	348.5	0.5	–	1 255.8	1 500.6	367.3	–	–	1 867.9	3 123.7
II	956.0	240.7	0.2	–	1 196.9	1 165.2	220.2	–	–	1 385.4	2 582.3
III	911.9	110.3	0.2	–	1 022.4	1 532.5	113.5	–	–	1 646.0	2 668.4
	Loans to non-resident MFIs										Total loans
	Overnight	Up to 1 month	1-3 months	Over 3 months							
2014											
I		44 792.6		5 596.6		24.2		164.0		50 577.4	53 701.1
II		36 019.2		4 687.7		70.7		19.4		40 797.0	43 379.3
III		39 538.2		3 354.8		27.8		20.7		42 941.5	45 609.9

23. INTEREST RATES IN THE DOMESTIC INTERBANK MARKET

(% per annum)

	2014		
	I	II	III
Weighted average interest rates on loans in euro			
Overnight	0.1	0.1	0.1
Up to 1 month	0.1	0.1	0.1
1-3 months	0.2	0.1	0.1
Over 3 months	–	–	–
Weighted average interest rates on loans in foreign currencies			
Overnight	0.1	0.1	0.1
Up to 1 month	0.1	0.1	0.04
1-3 months	–	–	–
Over 3 months	–	–	–

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

(millions of euro)

	2014		
	I	II	III
Type of transaction			
Spot exchange transactions	18 767.8	24 116.8	33 654.7
Forward exchange contracts	377.5	306.7	523.5
Currency swap arrangements	55 675.7	51 876.7	59 457.8
Counterparties			
Resident MFIs	5 122.8	5 527.8	8 245.0
Resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	92.9	43.5	130.6
Resident government, non-financial corporations and non-profit institutions serving households	488.1	379.1	487.4
Non-resident MFIs	43 858.7	43 916.8	52 182.9
Non-resident other financial intermediaries, financial auxiliaries, insurance corporations and pension funds	5 274.4	4 236.8	4 328.1
Non-resident government, non-financial corporations and non-profit institutions serving households	17 925.5	20 331.7	25 379.4
Households	2 058.5	1 864.4	2 882.6
Currencies			
Total in all currencies	74 821.0	76 300.2	93 635.9
incl. USD for EUR	40 544.4	42 207.6	54 039.7
incl. GBP for EUR	1 497.9	1 399.9	2 726.9
incl. other currencies for EUR	3 158.2	3 689.8	3 701.9

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

25. NON-CASH FOREIGN EXCHANGE TRANSACTIONS¹

(millions of euro)

	2014		
	I	II	III
USD for EUR			
Amount	40 524.8	42 189.8	54 021.4
% ²	54.2	55.3	57.7
GBP for EUR			
Amount	1 493.7	1 396.4	2 723.0
% ²	2.0	1.8	2.9
Other currencies (except USD and GBP) for EUR			
Amount	3 484.2	3 685.4	3 696.9
% ²	4.7	4.8	4.0
RUB for USD			
Amount	6 440.1	8 578.4	9 386.5
% ²	8.6	11.2	10.0
GBP for USD			
Amount	12 480.9	11 271.9	12 931.5
% ²	16.7	14.8	13.8
SEK for USD			
Amount	76.4	209.6	247.8
% ²	0.1	0.3	0.3
Other currencies (except EUR, RUB, GBP and SEK) for USD			
Amount	7 278.2	6 603.3	8 149.6
% ²	9.7	8.7	8.7
Other currencies (except EUR and USD) for other currencies			
Amount	3 008.9	2 347.8	2 446.3
% ²	4.0	3.1	2.6

¹ Including non-cash transactions performed by credit institutions, reported by major currency.

² As per cent of the total.

26. EURO FOREIGN EXCHANGE REFERENCE RATES PUBLISHED BY THE EUROPEAN CENTRAL BANK

(end-of-period; foreign currency vs 1 EUR)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
LVL	0.6995	0.7007	0.7017	0.7000	0.7018	0.7024	0.7028	0.7028	0.7027	0.7030	0.7030	0.7028	x	x	x
USD	1.3550	1.3129	1.2805	1.3072	1.3006	1.3080	1.3275	1.3235	1.3505	1.3641	1.3611	1.3791	1.3516	1.3813	1.3788
GBP	0.8570	0.8630	0.8456	0.8443	0.8537	0.8572	0.8735	0.8540	0.8361	0.8502	0.8328	0.8337	0.8214	0.8263	0.8282
JPY	123.3200	121.0700	120.8700	127.3500	130.4700	129.3900	130.0000	130.0100	131.7800	133.9900	139.2100	144.7200	138.1300	140.6300	142.4200
CHF	1.2342	1.2209	1.2195	1.2238	1.2406	1.2338	1.2317	1.2310	1.2225	1.2333	1.2298	1.2276	1.2220	1.2153	1.2194

27. WEIGHTED AVERAGE EXCHANGE RATES (CASH TRANSACTIONS)¹

(foreign currency vs EUR)

	2014		
	I	II	III
USD			
Buy	1.3694	1.3723	1.3897
Sell	1.3590	1.3622	1.3757
GBP			
Buy	0.8382	0.8343	0.8438
Sell	0.8279	0.8219	0.8289
JPY			
Buy	146.0264	143.2043	144.1188
Sell	140.7426	141.6543	139.1933
SEK			
Buy	8.9392	9.0262	9.3177
Sell	8.7432	8.7663	8.7881
RUB			
Buy	47.1407	48.7524	50.5964
Sell	45.7601	47.4479	49.7964
CHF			
Buy	1.2457	1.2350	1.2306
Sell	1.2256	1.2177	1.2125

¹ Including the weighted average exchange rates of cash transactions performed by credit institutions and currency exchange bureaus.

28. STRUCTURE OF GOVERNMENT SECURITIES

(at end of period; millions of euro)

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Stock of government securities outstanding	946.4	826.7	845.5	817.4	849.0	863.3	863.3	898.8	905.9	929.3	949.5	966.6	951.6	972.4	973.9
Residents	915.2	795.4	813.2	784.9	811.3	823.1	822.3	855.6	864.3	888.6	909.8	926.4	908.7	918.1	918.7
Non-financial corporations	29.6	30.4	120.5	29.2	28.5	28.5	28.5	28.5	28.5	28.5	28.5	29.0	29.3	29.3	29.3
Credit institutions	494.0	387.3	394.7	376.9	402.5	413.3	420.2	438.0	444.6	448.6	454.9	478.8	446.7	444.9	438.8
Money market funds	32.3	24.9	25.5	18.2	19.8	18.1	15.8	16.6	15.5	12.1	13.7	4.3	10.4	12.1	12.6
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	103.2	98.6	7.0	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5
Financial auxiliaries	0.1	0	0	0	0	0	0	0	0	0	0	0	8.6	8.6	8.6
Insurance corporations and pension funds	243.0	247.6	259.5	266.2	265.4	268.1	262.7	277.3	280.3	304.4	316.9	318.3	317.5	326.7	332.9
Central government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Households	5.1	4.1	3.6	3.6	4.3	4.3	4.4	4.4	4.4	4.4	4.4	4.4	4.6	4.6	4.6
Non-profit institutions serving households	7.8	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	3.0	3.1	3.1	3.4	3.4
Non-residents	31.2	31.3	32.3	32.6	37.7	40.0	41.0	43.3	41.7	40.7	39.8	40.1	42.9	54.2	55.2
Non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	19.8	21.6	22.3	21.6	26.6	29.9	31.7	33.9	32.4	31.3	30.9	30.9	30.9	35.9	34.5
Money market funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MFIs excluding central banks, credit institutions and money market funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other financial intermediaries excluding investment funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial auxiliaries	11.4	9.7	10.0	11.1	11.1	10.2	9.2	9.4	9.2	9.4	9.0	9.2	11.9	18.2	20.5
Insurance corporations and pension funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Households	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0.1
Non-profit institutions serving households	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

29. AUCTIONS OF GOVERNMENT SECURITIES IN THE PRIMARY MARKET

(Q1 2014)

Date (dd.mm.)	Initial maturity (months)	Supply (thousands of euro)	Demand (thousands of euro)	Purchase (thousands of euro)	Weighted average discount rate (%)
Competitive multi-price auctions					
12.02.	12	12 000	37 400	12 000	0.374
26.02.	60	16 000	59 000	16 000	1.790
05.03.	6	12 000	41 000	12 000	0.219
12.03.	12	12 000	43 550	12 000	0.374
Primary placement of government securities via outright sales of securities					
13.02.	12	3 000	6 000	3 000	0.374
27.02.	60	4 000	14 000	4 000	1.790
06.03.	6	3 000	6 060	3 000	0.219
13.03.	12	3 000	8 000	3 000	0.374

30. DYNAMICS OF GDP

	2012	2013				2014	
		Q1	Q2	Q3	Q4		
At current prices; millions of euro	22 082.7	23 315.5	5 124.0	5 737.4	6 123.3	6 330.6	x
At constant prices ¹ ; millions of euro	20 154.7	20 983.1	4 621.1	5 236.7	5 470.8	5 654.5	x
Annual growth rate (%)	5.2	4.1	3.8	4.4	4.6	3.6	2.8 ²
Gross value added	4.7	3.7	3.5	3.8	4.4	3.2	x
Goods-producing sector	6.7	0.9	-1.7	0.3	3.3	1.1	x
Services sector	4.0	5.0	5.6	5.4	5.0	4.3	x

¹ Chain-linked; average prices in 2010.

² Flash estimate of CSB.

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

	2013												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Average gross wages and salaries															
EUR per month	690	676	701 ¹	715 ¹	716	715 ¹	751	713	702 ¹	722 ¹	709 ¹	775	746	724	756
Year-on-year changes (%)	104.5	103.4	103.6	105.0	105.2	103.5	106.8	103.4 ¹	105.1	104.5	104.5	106.1	108.1	107.2	106.9
Real net wage index (year-on-year basis; %)	104.9	104.1	104.3	106.1	106.0	103.8	107.7	104.7	106.7	105.6	106.0	107.7	109.4	108.5	109.4
Number of registered unemployed persons															
At end of month	107 488	107 687	107 063	102 760	97 769	94 754	92 975	91 202	89 435	89 616	91 619	93 321	96 762	97 736	96 696
Year-on-year changes (%)	81.1	80.7	81.0	80.4	80.1	80.6	81.1	81.8	82.6	84.8	87.7	89.7	90.0	90.8	90.3

¹ Data have been revised.

32. LATVIAN FOREIGN TRADE BALANCE

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

	2012 ¹		2013 ¹										2014		
			Q1		Q2		Q3		Q4				Q1		
Exports	9 867.8	10 032.1	2 337.6		2 422.1		2 550.6		2 721.8				2 390.9		
Imports	12 511.9	12 644.1	3 016.7		3 060.9		3 293.7		3 272.8				2 939.7		
Balance	-2 644.1	-2 612.0	-679.1		-638.7		-743.1		-551.0				-548.8		

	2013 ¹												2014		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Exports	756.5	774.6	806.5	834.0	804.3	783.8	789.9	844.3	916.4	982.4	924.0	815.3	738.4	797.1	855.4
Imports	973.9	957.5	1 085.3	1 091.3	1 003.4	966.1	1 093.1	1 090.0	1 110.7	1 200.0	1 077.6	995.1	917.5	942.9	1 079.4
Balance	-217.4	-182.9	-278.8	-257.3	-199.1	-182.3	-303.1	-245.7	-194.3	-217.6	-153.6	-179.8	-179.1	-145.8	-224.0

¹ Data have been revised.

33. MAIN EXPORT GOODS OF LATVIA

(in FOB prices)

	2013 ¹												2014	
			Q1		Q2		Q3		Q4		Q1			
	Millions of euro	%	Millions of euro	%	Millions of euro	%	Millions of euro	%	Millions of euro	%	Millions of euro	%	Millions of euro	%
Total	10 032.1	100.0	2 337.6	100.0	2 422.1	100.0	2 550.6	100.0	2 721.8	100.0	2 390.9	100.0		
Agricultural and food products	2 048.4	20.4	437.7	18.7	436.1	18.0	507.2	19.9	667.3	24.5	479.3	20.0		
Mineral products	873.4	8.7	180.0	7.7	209.2	8.7	267.9	10.5	216.3	7.9	188.0	7.9		
Products of the chemical and allied industries	674.4	6.7	163.6	7.0	145.1	6.0	160.6	6.3	205.0	7.5	161.8	6.8		
Plastics and articles thereof; rubber and articles thereof	303.2	3.0	68.5	2.9	79.3	3.3	80.4	3.2	74.9	2.8	66.8	2.8		
Wood and articles of wood	1 598.4	15.9	371.8	15.9	414.6	17.1	406.6	16.0	405.4	14.9	436.7	18.3		
Pulp of wood; paper and paperboard	219.1	2.2	54.9	2.3	50.3	2.1	55.7	2.2	58.2	2.1	53.4	2.2		
Textiles and textile articles	426.5	4.3	97.4	4.2	106.5	4.4	115.0	4.5	107.6	4.0	112.6	4.7		
Articles of stone, plaster, cement, glassware and ceramic products	216.3	2.2	46.3	2.0	58.2	2.4	61.8	2.4	50.0	1.8	54.3	2.3		
Base metals and articles of base metals	1 052.8	10.5	310.6	13.3	260.4	10.7	250.8	9.8	231.1	8.5	225.9	9.4		
Machinery and mechanical appliances; electrical equipment	1 562.6	15.6	361.7	15.5	392.7	16.2	386.7	15.2	421.6	15.5	365.4	15.3		
Transport vehicles	454.2	4.5	117.5	5.0	127.7	5.3	103.2	4.0	105.8	3.9	101.3	4.2		
Miscellaneous manufactured articles	297.0	3.0	67.5	2.9	73.8	3.0	77.4	3.0	78.3	2.9	75.6	3.2		
Other goods	305.9	3.0	60.0	2.6	68.3	2.8	77.2	3.0	100.4	3.7	69.8	2.9		

¹ Data have been revised.

34. MAIN IMPORT GOODS OF LATVIA

(in CIF prices)

	2013 ¹										2014	
	Q1		Q2 ¹		Q3 ¹		Q4		Q1			
	Millions of euro	%	Millions of euro	%	Millions of euro	%	Millions of euro	%	Millions of euro	%		
Total	12 644.1	100.0	3 016.7	100.0	3 060.9	100.0	3 293.7	100.0	3 272.8	100.0	2 939.7	100.0
Agricultural and food products	2 003.7	15.8	450.5	14.9	491.4	16.1	516.2	15.7	545.5	16.7	496.0	16.9
Mineral products	2 172.2	17.2	582.1	19.3	496.6	16.2	563.3	17.1	530.2	16.2	462.7	15.7
Products of the chemical and allied industries	1 190.1	9.4	296.5	9.8	289.7	9.5	289.1	8.8	314.9	9.6	299.5	10.2
Plastics and articles thereof; rubber and articles thereof	698.6	5.5	156.3	5.2	177.2	5.8	201.1	6.1	164.0	5.0	152.6	5.2
Wood and articles of wood	248.0	2.0	60.0	2.0	63.9	2.1	60.7	1.8	63.3	1.9	74.3	2.5
Pulp of wood; paper and paperboard	300.1	2.4	70.8	2.4	72.4	2.4	76.9	2.3	80.0	2.5	80.2	2.7
Textiles and textile articles	598.6	4.7	148.1	4.9	140.3	4.6	171.6	5.2	138.6	4.2	152.6	5.2
Articles of stone, plaster, cement, glassware and ceramic products	213.8	1.7	42.3	1.4	55.6	1.8	62.9	1.9	53.0	1.6	49.3	1.7
Base metals and articles of base metals	1 095.0	8.7	285.7	9.5	258.0	8.4	275.6	8.4	275.6	8.4	258.0	8.8
Machinery and mechanical appliances; electrical equipment	2 329.0	18.4	523.5	17.4	576.9	18.8	612.2	18.6	616.4	18.8	546.5	18.6
Transport vehicles	969.8	7.7	218.6	7.2	256.5	8.4	236.9	7.2	257.8	7.9	161.2	5.5
Miscellaneous manufactured articles	291.1	2.3	61.0	2.0	68.0	2.2	73.3	2.2	88.8	2.7	66.0	2.2
Other goods	534.2	4.2	121.2	4.0	114.4	3.7	154.0	4.7	144.6	4.5	140.9	4.8

¹ Data have been revised.

35. LATVIAN FOREIGN TRADE PARTNERS

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

	2013 ¹					2014				
	Millions of euro		% of the total		Millions of euro		% of the total			
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Balance	Exports	Imports
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1
Total	10 032.1	12 644.1	-2 612.0	100.0	100.0	2 390.9	2 939.7	-548.8	100.0	100.0
EU15 countries	3 123.8	4 702.5	-1 578.7	31.1	37.2	798.0	1 101.2	-303.3	33.4	37.5
EU28 countries	7 121.9	10 080.3	-2 958.4	71.0	79.7	1 729.3	2 279.8	-550.6	72.3	77.6
incl. Germany	742.4	1 466.3	-723.9	7.4	11.6	172.5	322.0	-149.5	7.2	11.0
Sweden	502.1	437.9	64.2	5.0	3.5	144.0	101.7	42.3	6.0	3.5
UK	368.8	201.4	167.5	3.7	1.6	107.8	47.6	60.2	4.5	1.6
Finland	265.0	586.7	-321.7	2.6	4.6	57.5	155.0	-97.5	2.4	5.3
Denmark	410.5	278.0	132.5	4.1	2.2	98.8	64.1	34.7	4.1	2.2
Netherlands	221.8	463.8	-241.9	2.2	3.7	54.1	112.3	-58.2	2.3	3.8
Lithuania	1 728.6	2 574.2	-845.5	17.2	20.4	392.8	508.6	-115.9	16.4	17.3
Estonia	1 275.8	1 030.1	245.7	12.7	8.1	287.6	236.8	50.7	12.0	8.1
Poland	668.6	1 247.6	-579.0	6.7	9.9	181.2	317.5	-136.4	7.6	10.8
CIS	1 608.3	1 553.9	54.4	16.0	12.3	329.9	414.9	-84.9	13.8	14.1
incl. Russia	1 167.4	1 058.0	109.4	11.6	8.4	230.4	298.8	-68.4	9.6	10.2
Other countries	1 301.9	1 009.9	292.1	13.0	8.0	331.7	245.1	86.6	13.9	8.3
incl. USA	118.2	83.1	35.1	1.2	0.7	25.3	16.6	8.7	1.1	0.6
Norway	266.7	59.3	207.4	2.7	0.5	67.8	13.9	54.0	2.8	0.5
China	83.6	335.6	-252.0	0.8	2.7	23.6	79.2	-55.6	1.0	2.7

¹ Data have been revised.

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

(at end of period; millions of euro)

	Non-financial corporations			Households		
	Revolving loans and overdraft	Convenience credit	Extended credit	Revolving loans and overdraft	Convenience credit	Extended credit
2014						
I	917.9	1.7	1.2	65.6	13.0	125.7
II	927.2	1.6	1.2	68.0	12.7	124.0
III	930.2	1.8	1.3	68.1	13.0	123.9

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

(at end of period; millions of euro)

	In euro					
	With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤ 1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤ 2 years
2014						
III	4 930.8	898.1	3 572.2	4 681.5	1 297.2	3 239.4

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

(at end of period; millions of euro)

	In euro					
	With original maturity of over 1 year			With original maturity of over 2 years		
		with a residual maturity of up to 1 year	with a residual maturity of over 1 year and interest rate reset period ≤ 1 year		with a residual maturity of up to 2 years	with a residual maturity of over 2 years and interest rate reset period ≤ 2 years
2014						
III	5 277.2	237.9	4 288.1	5 211.1	423.3	4 303.3

Additional Information

General notes

The cut-off date for the information used in this report is 30 May 2014.

The Macroeconomic Developments Report published by Latvijas Banka is based on data provided by the CSB, ECB, the Treasury, NASDAQ OMX Riga, Euribor-EBF and Latvijas Banka.

Data sources for charts are EC (Charts 1.1, 3.2, 4.3, 4.4, 4.9, 4.10 and 5.5), CSB (Charts 1.2, 1.3, 2.18, 3.1, 4.1, 4.2, 4.5, 4.6, 4.8, 5.1 and 5.3), Bloomberg (Charts 2.1–2.3 and 2.5–2.7), the Treasury (Charts 2.4 and 3.4–3.6), Latvijas Banka (Charts 2.8–2.19, 5.1, 5.3, 6.1, 6.2, 7.1 and 7.2), ECB (Chart 2.9), Road Traffic Safety Directorate (Chart 3.3), SEA (Chart 4.7), WTO (Chart 5.2) and Reuters (Chart 5.4).

Data sources for Statistics tables are Latvijas Banka (Tables 1, 3, 4, 6–25, 27, 28, 36 and 37), NASDAQ OMX Riga (Table 1), the Treasury (Tables 1, 2ab and 29), Euribor-EBF (Table 1), CSB (Tables 2ab and 30–35) and ECB (Tables 5 and 26).

Details may not add because of rounding-off.

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

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

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

Money and banking sector

Calculation of monetary aggregates includes the balance sheet data of Latvijas Banka and information from the financial position reports of other MFIs, prepared using methodology of Latvijas Banka (see Latvijas Banka Regulation No. 99 "Regulation for Compiling the 'Monthly Financial Position Report' of Monetary Financial Institutions" of 16 May 2013).

In the publication, the following terms have been used:

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

Non-MFIs – entities other than MFIs.

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

OFIs – financial corporations that are primarily engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and close substitutes for deposits from their customers other than MFIs, or insurance technical reserves. OFIs are corporations engaged in lending (e.g. financial leasing companies, factoring companies, export/import

financing companies), investment funds, investment brokerage companies, financial vehicle corporations, financial holding corporations, and venture capital corporations. OFIs data include also financial auxiliaries' data.

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

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

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

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

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

1) Assets and liabilities of Latvijas Banka (Table 6), expanding the range of reported financial instruments;

2) Aggregated balance sheet of MFIs (excluding Latvijas Banka), i.e. the sum of the harmonised balance sheets of Latvia's MFIs, excluding Latvijas Banka (Table 7);

3) monetary aggregates and their components (Table 4) reflect Latvia's contributions to the euro area monetary aggregates and their counterparts. These are obtained from the consolidated balance sheet of MFIs. Latvia's contributions to the following monetary aggregates are calculated and published:

- overnight deposits in all currencies held with MFIs;
- 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.
- repurchase agreements, debt securities with a maturity of up to and including 2 years issued by MFIs, and money market fund shares and units.

The monetary aggregates of Latvijas Banka (Table 3) are also published comprising the national contribution to the euro area monetary base and the counterparts, as well as a monetary survey of Latvia's MFIs (excluding Latvijas Banka; Table 10).

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

1) consolidated balance sheet of MFIs obtained by netting out inter-MFI positions in the aggregated balance sheet of Latvia's MFIs (Table 8). Due to slight accounting methodology

differences, the sum of the inter-MFI positions is not always zero; therefore, the balance is reported under the item Excess of inter-MFI liabilities.

2) Aggregated balance sheet of Latvia's MFIs (excluding Latvijas Banka) which is the sum of the harmonised balance sheets (Tables 9ab);

3) Information characterising foreign assets and foreign liabilities of MFIs (excluding Latvijas Banka; Tables 11ab), including selected items in the monthly financial position report of MFIs (excluding Latvijas Banka) by group of countries (Table 12);

4) Information characterising the maturity profile and types of deposits (including repo agreements) of Latvia's financial institutions, non-financial corporations and households with MFIs (excluding Latvijas Banka; Tables 13 and 14abc) as well as government and non-resident deposits (Table 14d). Deposits redeemable at notice have been grouped by period of notice. Long-term deposits include deposits with the original maturity of over 1 year. The breakdown of MFI (excluding Latvijas Banka) deposits by currency is provided in Tables 20ab;

5) Information characterising the maturity profile and types of MFI (excluding Latvijas Banka) loans to Latvia's financial institutions, non-financial corporations and households (Tables 15, 16ab, 17, 18, 36 and 37) as well as government and non-resident loans (Table 16c). The breakdown of MFI (excluding Latvijas Banka) loans by currency is provided in Tables 20cd;

6) Information characterising MFI (excluding Latvijas Banka) securities holdings (Tables 19ab and 20ef);

7) Information characterising debt securities issued by MFIs (excluding Latvijas Banka; Table 20g).

Interest rates

The interest rates calculation includes information from MFI reports prepared in compliance with Latvijas Banka Regulation No. 100 "Regulation for Compiling Interest Rate Reports of Monetary Financial Institutions" of 16 May 2013. Based on the methodology laid out in the above Regulation, credit institutions, branches of foreign credit institutions and particular credit unions registered in the Republic of Latvia have to provide information on interest rates on deposits and loans applied in transactions with resident non-financial corporations and households.

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

The interest rates on new business with overnight deposits and deposits redeemable at notice and on 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 23) are reported as weighted average interest rates on new business, aggregating the information submitted by credit institutions, prepared based on the methodology of Latvijas Banka (see Latvijas Banka Regulation No. 102 "Regulation for Compiling the 'Report on Monetary Market Transactions'" of 16 May 2013).

Foreign exchange and exchange rates

Information characterising the foreign currency selling and buying transactions is reported based on the methodology of Latvijas Banka (see Latvijas Banka Regulation No. 36 "Regulation for Purchasing and Selling Cash Foreign Currency" of 13 May 2009, Latvijas Banka Regulation No. 118 "Amendments to Latvijas Banka Regulation No. 36 "Regulation for Purchasing and Selling Cash Foreign Currency" of 13 May 2009" of 11 July 2013 and Latvijas Banka Regulation No. 101 "Regulation for Compiling Reports on Foreign Currency Purchases and Sales" of 16 May 2013). The principal foreign exchange transactions (Table 24) comprise the cash and non-cash transactions conducted by credit institutions and branches of foreign credit institutions, reported by transaction type and counterparty, and currency. Non-cash foreign exchange transactions (Table 25) comprise non-cash transactions performed by credit institutions and branches of foreign credit institutions, reported by major currency.

The euro reference rates published by the ECB (Table 26) are reported as monthly mathematical averages. Weighted average exchange rates (cash transactions; Table 27) are reported based on the information provided by credit institutions and branches of foreign credit institutions as well as currency exchange bureaus.