

## **20120119 Central Bank of Latvia: On the resolutions of the Bank of Latvia Council - January 2012**

**Source: Central Bank of Latvia**

Taking into account the fact that inflation is on a declining trend and it is possible to make the resources of the financial sector available to businesses more quickly, the Bank of Latvia Council today resolved to reduce the reserve ratio by one percentage point - for bank liabilities above two years from 3% to 2% and for other liabilities included in the reserve base from 5% to 4%. The interest rates set by the Bank of Latvia remain unchanged.

By reducing the reserve ratio, additional financial resources are released for lending and more beneficial conditions for the availability of lending resources necessary for economic growth are created. A simultaneous reduction of the reserve requirement for liabilities of different maturities will promote a balanced impact on the availability of financing in the banking sector and will continue to maintain banks' motivation in attracting long-term financing.

**NovaRes Team**