

Latvian government securities market review

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16.08.2013

COMPETITIVE MULTI - PRICE AUCTION RESULTS FOR DOMESTIC T-BILLS

| Date of Auction | Term of Security (Number of Days) | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to-cover ratio | Average Annual RateYield (%) | State Institution Fund Investments (Sold Amount, Ls) |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|--------------------|------------------------------|--|
| 12.06.2013 | 182- days | 33008 | 5 | 8 000 000 | 30 000 000 | 8 000 000 | 3,75 | 0,201 | |
| 17.07.2013 | 364- days | 41860 | 5 | 8 000 000 | 24 000 000 | 8 000 000 | 3,00 | 0,298 | |
| 14.08.2013 | 364- days | 41878 | 5 | 8 000 000 | 30 900 000 | 8 000 000 | 3,86 | 0,298 | |

FIXED RATE (UNCOMPETITIVE) AUCTION RESULTS FOR DOMESTIC T-BILLS

| Date of Auction | Term of Security (Number of Days) | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to-cover ratio | Average Annual RateYield (%) | State Institution Fund Investments (Sold Amount, Ls) |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|--------------------|------------------------------|--|
| 09.05.2013 | 364- days | 41852 | 5 | 2 000 000 | 6 300 000 | 2 000 000 | 3,15 | 0,300 | |
| 13.06.2013 | 182- days | 33008 | 5 | 2 000 000 | 4 975 000 | 2 000 000 | 2,49 | 0,201 | |
| 18.07.2013 | 364- days | 41860 | 4 | 2 000 000 | 3 750 000 | 2 000 000 | 1,88 | 0,298 | |
| 15.08.2013 | 364- days | 41878 | 5 | 2 000 000 | 5 600 000 | 2 000 000 | 2,80 | 0,298 | |

COMPETITIVE MULTI - PRICE AUCTION RESULTS FOR DOMESTIC BONDS

| Date of Auction | Term of Security | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to-cover ratio | Average Annual RateYield (%) | Coupon (%) | State Institution Fund Investments (Sold Amount, Ls) |
|-----------------|------------------|----------------------|------------------------|---------------------------|-----------------|------------------|--------------------|------------------------------|------------|--|
| 05.09.2012 | 10 - years | 80058 | 5 | 2 000 000 | 4 740 000 | 900 000 | 2,4 | 3,778 | 5,250 | |
| 26.09.2012 | 10 - years | 80058 | 4 | 2 000 000 | 5 400 000 | 500 000 | 2,7 | 3,304 | 5,250 | |
| 31.10.2012 | 10 - years | 80058 | 7 | 2 000 000 | 5 590 000 | 2 000 000 | 2,8 | 3,199 | 5,250 | |
| 09.01.2013 | 3 - years | 60050 | 5 | 8 000 000 | 37 100 000 | 8 000 000 | 4,2 | 1,421 | 1,375 | |
| 13.02.2013 | 3 - years | 60050 | 5 | 24 000 000 | 59 555 000 | 24 000 000 | 2,5 | 1,389 | 1,375 | |
| 26.03.2013 | 3 - years | 60050 | 5 | 8 000 000 | 30 000 000 | 8 000 000 | 3,8 | 1,226 | 1,375 | |
| 24.04.2013 | 3 - years | 60050 | 5 | 16 000 000 | 48 600 000 | 16 000 000 | 3,0 | 1,189 | 1,375 | 42 362 900 |
| 29.05.2013 | 3 - years | 60050 | 5 | 8 000 000 | 27 400 000 | 8 000 000 | 3,4 | 1,094 | 1,375 | |
| 19.06.2013 | 3 - years | 60050 | 4 | 8 000 000 | 12 500 000 | 8 000 000 | 1,6 | 1,109 | 1,375 | |
| 31.07.2013 | 3 - years | 60050 | 5 | 8 000 000 | 14 050 000 | 8 000 000 | 1,8 | 1,149 | 1,375 | |

FIXED RATE (UNCOMPETITIVE) AUCTION RESULTS FOR DOMESTIC BONDS

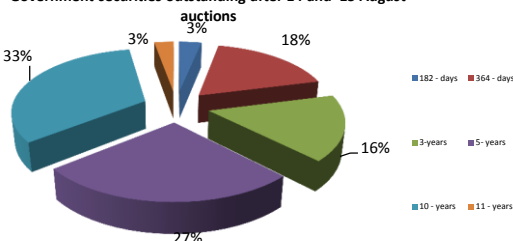
| Date of Auction | Term of Security | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to-cover ratio | Average Annual RateYield (%) | Coupon (%) | State Institution Fund Investments (Sold Amount, Ls) |
|-----------------|------------------|----------------------|------------------------|---------------------------|-----------------|------------------|--------------------|------------------------------|------------|--|
| 06.09.2012 | 10 - years | 80058 | 3 | 2 000 000 | 1 100 000 | 2 500 000 | 0,6 | 3,778 | 5,250 | |
| 27.09.2012 | 10 - years | 80058 | 2 | 2 000 000 | 1 500 000 | 1 500 000 | 0,8 | 3,304 | 5,250 | |
| 01.11.2012 | 10 - years | 80058 | 3 | 2 000 000 | 2 540 000 | 2 000 000 | 1,3 | 3,199 | 5,250 | |
| 10.01.2013 | 3 - years | 60050 | 8 | 2 000 000 | 14 000 000 | 2 000 000 | 8,5 | 1,421 | 1,375 | |
| 13.02.2013 | 3 - years | 60050 | 5 | 6 000 000 | 29 900 000 | 6 000 000 | 5,0 | 1,389 | 1,375 | |
| 26.03.2013 | 3 - years | 60050 | 4 | 2 000 000 | 6 400 000 | 2 000 000 | 3,2 | 1,226 | 1,375 | 1 162 000 |
| 25.04.2013 | 3 - years | 60050 | 5 | 4 000 000 | 16 500 000 | 4 000 000 | 4,1 | 1,189 | 1,375 | 656 800 |
| 30.05.2013 | 3 - years | 60050 | 5 | 2 000 000 | 6 550 000 | 2 000 000 | 3,3 | 1,094 | 1,375 | 126 000 |
| 20.06.2013 | 3 - years | 60050 | 5 | 2 000 000 | 2 650 000 | 2 000 000 | 1,3 | 1,109 | 1,375 | |
| 01.08.2013 | 3 - years | 60050 | 5 | 2 000 000 | 1 710 000 | 1 710 000 | 0,9 | 1,149 | 1,375 | 322 600 |

On Wednesday, 14 August, 12 month domestic government bills with maturity 15 August, 2014 were offered. Total demand for government 12 month T-Bills in competitive multi-price auction achieved 30,9 million lats. Government T-Bills with the total value of 8,0 million lats were sold during the government domestic securities competitive multi-price auction. In competitive multi-price auction in 14 August maximum yield rate was set 0,45%, weighted average yield rate was 0,298%. On Thursday, 15 August, non-competitive fixed rate auction took place. In this placement 12 month domestic government bills in a total nominal value of 2 million lats were offered and 2 million lats were sold.

Government securities outstanding after 14 and 15 August auctions

| Term of security | Outstanding Amount at Discount Values (Ls) | Outstanding Amount at Nominal Values (Ls) |
|--------------------|--|---|
| 182 - days T-bills | 19 977 372,01 | 20 000 000 |
| 364 - days T-bills | 108 945 618,46 | 109 494 900 |
| 3 - year T-bonds | 102 425 758,89 | 102 439 200 |
| 5 - year T-bonds | 164 221 609,12 | 164 344 700 |
| 10 - year T-bonds | 202 127 455,23 | 203 234 900 |
| 11-year T-bonds | 16 972 517,23 | 17 179 200 |
| Total | 614 670 330,94 | 616 692 900 |

Government securities outstanding after 14 and 15 August auctions



Government securities yield curve

