

BULLETIN IN BRIEF

- Budget¹ with accumulated deficit
- Central government debt outstanding (nominal value)
- Municipalities' borrowings made from the Treasury

-147 M, EUR

(Jan-Sept)

7 512 M, EUR

(end of September)

94,3 M, EUR

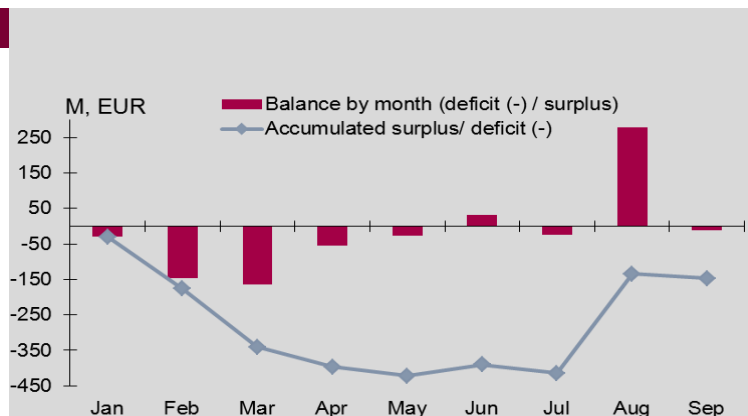
(Jan-Sept)

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Balance by month (deficit (-) / surplus)	-31	-145	-165	-55	-26	32	-25	280	-12	
Accumulated surplus/ deficit (-)	-31	-176	-341	-396	-422	-390	-415	-135	-147	

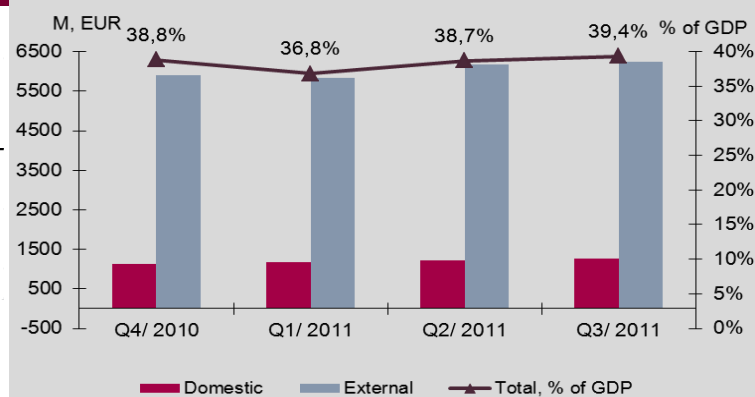
* excluding grants, donations and derived public entities



Central Government Debt Outstanding

Debt (M, EUR)	Q4/ 2010		Q1/ 2011		Q2/ 2011		Q3/ 2011	
	M, EUR	%	M, EUR	%	M, EUR	%	M, EUR	%
Domestic debt	1 133	16%	1 185	17%	1 212	16%	1 273	17%
External debt	5 900	84%	5 846	83%	6 174	84%	6 240	83%
Total	7 033	100%	7 031	100%	7 386	100%	7 512	100%

(nominal values)



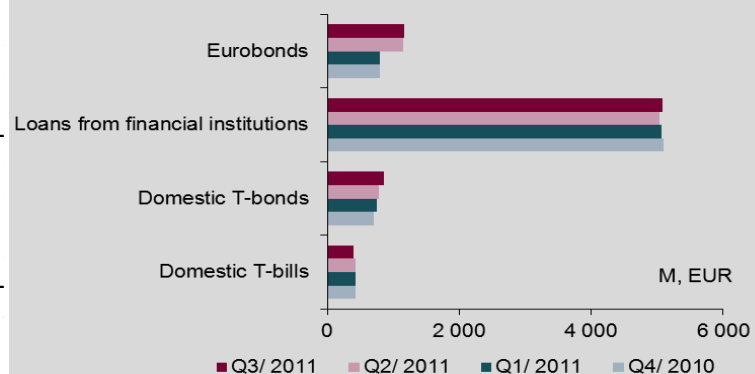
GDP forecast for 2011: EUR 19 089,1 M (Ministry of Finance)

GDP for 2010: EUR 18 125,5 M

Debt Outstanding by Instruments

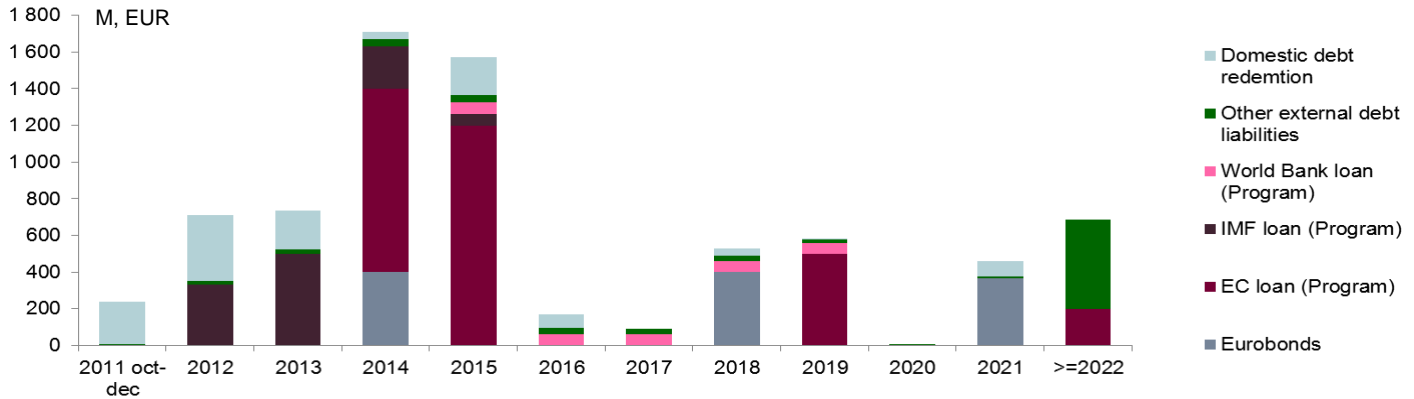
Instrument	M, EUR				
	M, LVL	Q4/ 2010	Q1/ 2011	Q2/ 2011	Q3/ 2011
Domestic T-bills		430	422	425	400
Domestic T-bonds		703	746	775	862
Loans from financial institutions		5 101	5 063	5 038	5 084
Eurobonds		800	800	1 148	1 167
Total		7 033	7 031	7 386	7 512

(nominal values)

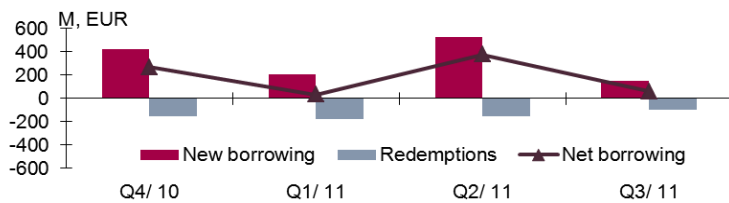


¹Central government consolidated budget (excluding grants, donations and derived public entities)

Redemption Profile

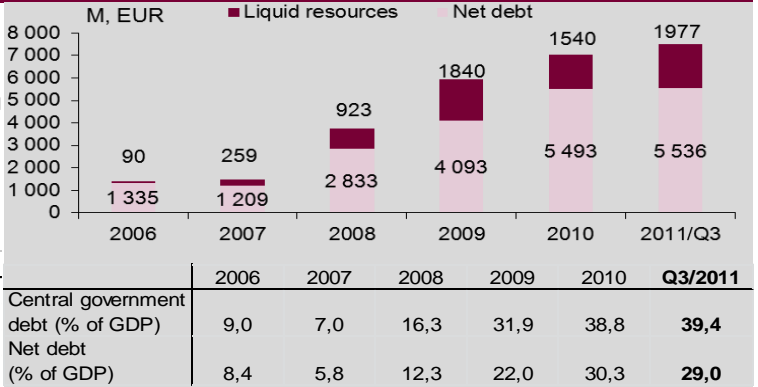


Net Borrowing



M, EUR	Q4/ 10	Q1/ 11	Q2/ 11	Q3/ 11
New borrowing	420	208	529	154
Redemptions	-152	-176	-152	-95
Net borrowing	267	32	377	59

Central Government Net Debt

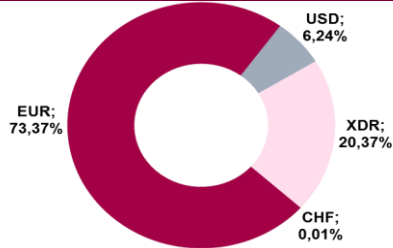


BORROWING MANAGEMENT – EXTERNAL

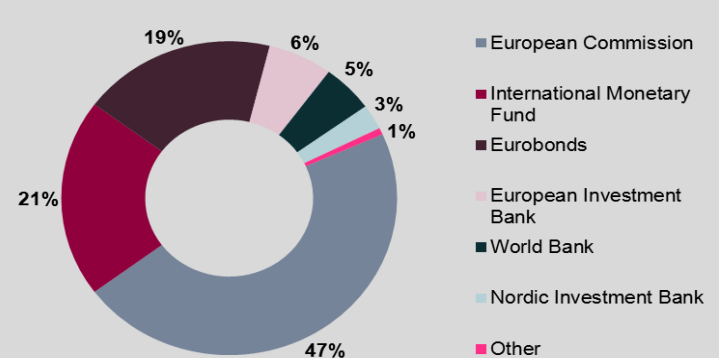
External Borrowing

(million EUR)	Q4/ 10	Q1/ 11	Q2/ 11	Q3/ 11
Borrowing made	201	0	347	0

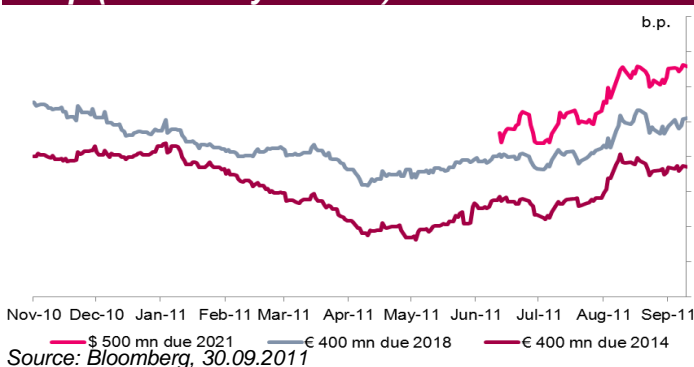
Foreign Currency External Debt



External Debt Outstanding by Instruments and Lender (at the end of September)



Latvia Eurobond Spread performance vs. mid-swap (secondary market)



5 year CDS performance



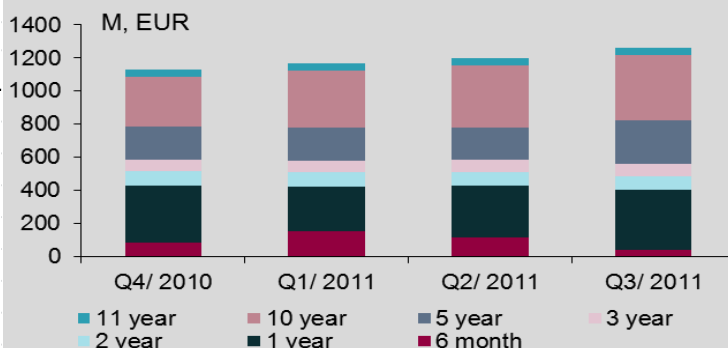
BORROWING MANAGEMENT – DOMESTIC

Planned Domestic Securities Auctions

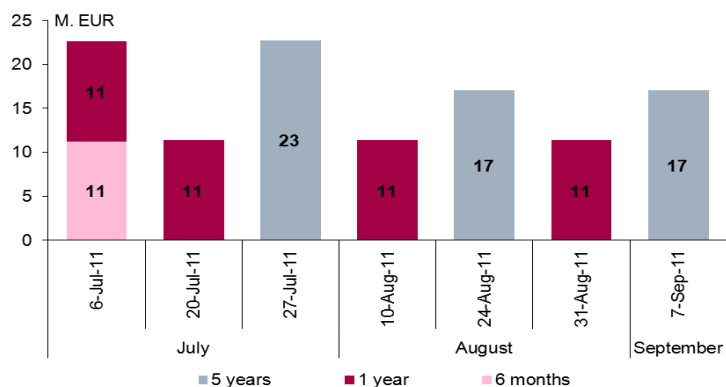
The announcements of the forthcoming auctions are published no later than one day prior to auction on the Treasury's website. Auctions are held depending on actual financing requirement and the financial market conditions. On Wednesdays competitive multi-price government securities auctions are organized and on Thursdays depending on the financial market conditions – non-competitive fixed rate auctions.

Domestic Securities Outstanding

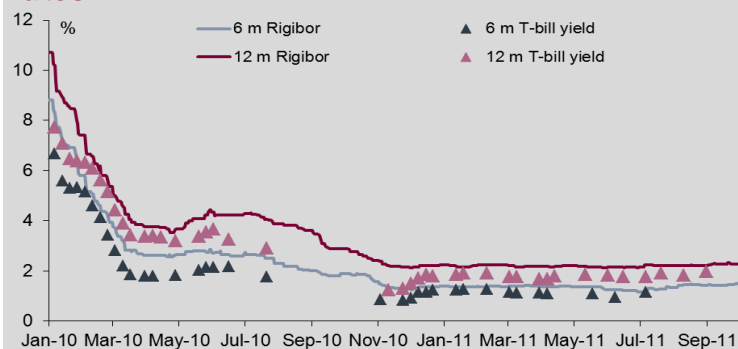
Outstanding	Q4/ 2010	Q1/ 2011	Q2/ 2011	Q3/ 2011
	M, EUR			
1 month	0	0	0	0
3 month	0	0	0	0
6 month	84	148	111	38
1 year	344	274	314	362
2 year	83	83	83	83
3 year	72	72	72	72
5 year	197	197	197	269
10 year	304	347	376	391
11 year	46	46	46	46
Total	796	1168	1200	1262



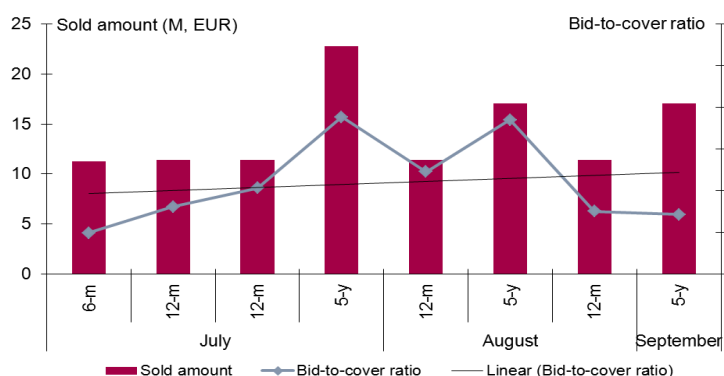
Sold amounts at auctions in Q3/2011



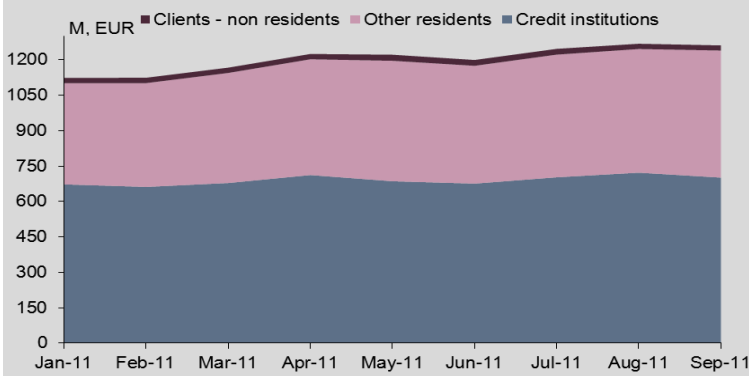
Yields on 6-month and 12-month T-bills at auctions and 6-month and 12-month RIGIBOR rates



Bid-to-Cover Ratio at Competitive Multi-price Auctions in Q3/2011



Domestic Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

DEBT PORTFOLIO MANAGEMENT

Parameters of Debt Management Strategy

PARAMETERS	30.09.2010	30.09.2011	STRATEGY
The share of the lats debt in the portfolio	15,7%	16,8%*	>= 35%**
Maturity profile	<1 year < 3 years 6,2% 23%	<1 year < 3 years 11,2% 44,6%	< 1 year < 3 years <= 25% <= 50%
Optimum share of fixed rate in the portfolio	73%	76,4%	>= 60%***
Duration (years)	3,32****	3,48	3,4 - 4,0
Foreign currency net debt currency composition	EUR 100,1%	EUR 99,75%	EUR 100% +/- 5%

* Borrowings of the ministries, other central government institutions and derived public person outside the Treasury (10,93 million. EUR) are not included
** Minimum share of the LVL debt in medium term shall be ensured at least at 35% level, if this scenario agrees with Latvian macroeconomic development tendencies, capital market and overall financial system condition and if the weighted average yield of medium term and long term government domestic securities offered at auctions held by the Treasury is less than 100 basis points above borrowing opportunity level in EUR.

*** Fixed rate debt with a maturity over one year.

**** Strategy 3,35 (+/- 0,35)

ISSUANCE OF STATE GUARANTEES

State Guarantees in 2011

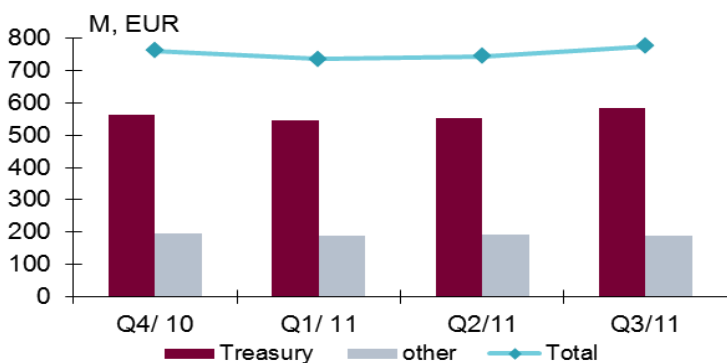
	Planned in 2011	M, EUR	Current status
Study and student crediting	2,85		issued 2,84
Mortgage and Land Bank	101,0		not issued
SIA JP Termināls	34,7		not issued
VAS Valsts nekustamie īpašumi	42,7		not issued
Latvian olympic committee	4,6		issued 4,6
SIA Latvijas Piens	7,1		issued 7,1
Total	192,9		issued 14,5

State Guaranteed Debt Outstanding



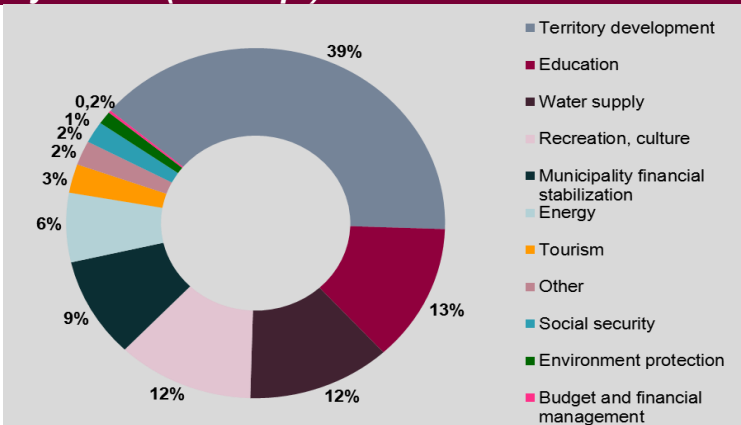
MUNICIPALITIES' BORROWING

Municipalities' Debt Outstanding



Lender	Treasury	Other lender	Debt outstanding
end of September 2011	585	190	775

Municipalities' Borrowings from the Treasury by Sector (Jan-Sept)



	M, EUR
Total increase of municipalities borrowing stated in Budget Law for 2011	137
Limit of loan disbursements to municipalities for 2011	206
Total disbursements made (Jan-Sept)	94,4
from the Treasury	94,3
from other institutions	0,09

SUBSCRIBE: to receive Quarterly Bulletin go to the Treasury's website: <http://www.kase.gov.lv>

CONTACTS: The Treasury of the Republic of Latvia, Smilšu street 1, Riga, LV 1919, Latvia, e-mail: kase@kase.gov.lv

International Cooperation Department Ms. Ieva Zilīte Phone: +371-67094343

Financial Resources Department Mr. Ģirts Helmanis Phone: +371-67094317

NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on January 27, 2012.

DISCLAIMER: Figures may not sum due to rounding. "0" - the indicator is below 0.5 but over 0, or the result of the computation of the indicator, is 0. The information included in this Bulletin corresponds to the best value obtained for each period at the date of publication, and has been carefully compiled. The possibility of any mistake can not, however, be excluded. The data included in this publication may be clarified in subsequent publications. The Treasury bears no responsibility for losses incurred as a result of using this publication. This document may not be copied, distributed for any commercial purposes or published in any other way without the consent of the Treasury. For informative purposes currency in this bulletin is recalculated to euro from official Treasury reports where data are calculated in lats (exchange rate 0.703)