

BULLETIN IN BRIEF

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

307 M, EUR

(January-September)

8 906 M, EUR

(end of September)

140,0 M, EUR

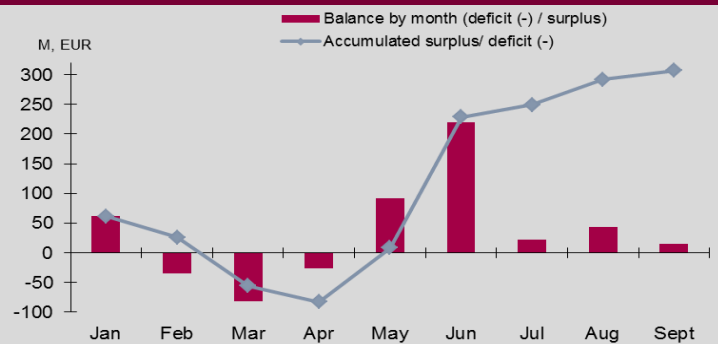
(January-September)

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Balance by month (deficit (-) / surplus)	61	-36	-82	-27	92	220	21	43	14
Accumulated surplus/ deficit (-)	61	26	-56	-83	8	229	250	293	307

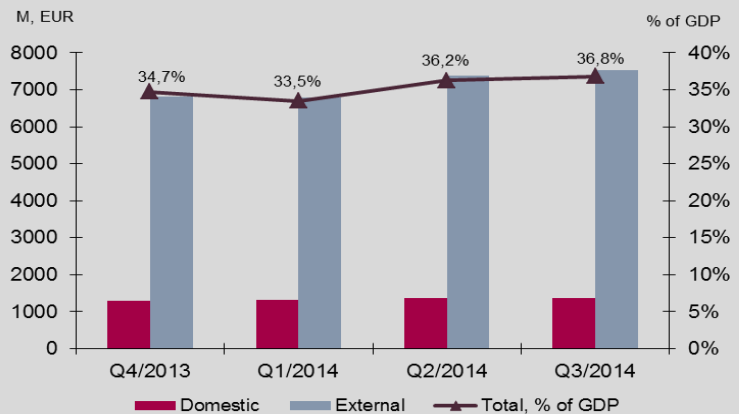
* excluding grants, donations and derived public entities



Central Government Debt Outstanding

Debt (M, EUR)	Q4/ 2013		Q1/ 2014		Q2/ 2014		Q3/ 2013	
		%		%		%		%
Domestic debt	1 288	16%	1 313	16%	1 380	16%	1 368	15%
External debt	6 806	84%	6 782	84%	7 390	84%	7 539	85%
Total	8 093	100%	8 096	100%	8 770	100%	8 906	100%
Central government debt (% of GDP)	34,7		33,5		36,2		36,8	
Net debt (% of GDP)	28,9		28,3		27,3		27,7	

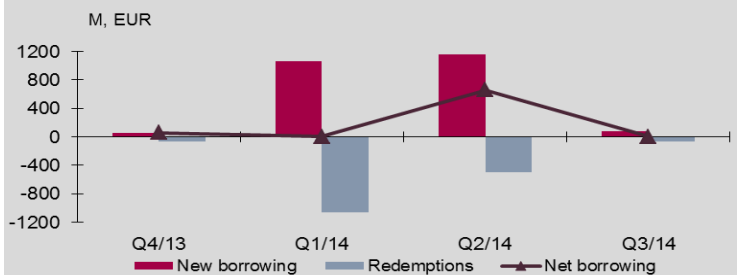
(nominal values)



GDP forecast for 2014: EUR 24 195,6 M (Ministry of Finance)

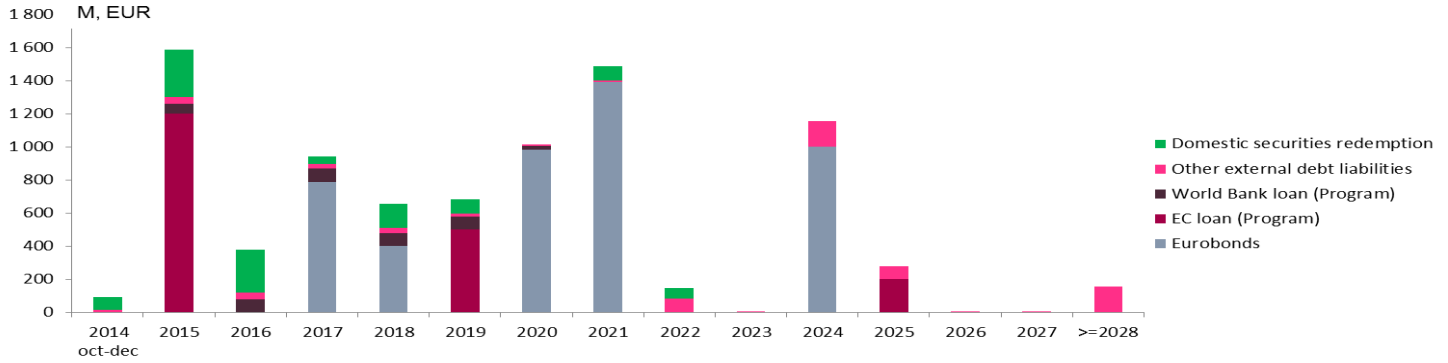
Central Government Net Borrowing

	M, EUR	Q4/13	Q1/14	Q2/14	Q3/14
New borrowing		60	1 066	1 160	73
<i>incl. Eurobonds</i>			1 000	1 000	
Redemptions		-69	-1 064	-503	-69
<i>incl. debt redemption to European Commission Eurobonds</i>			-1 000		
Net borrowing		55	3	658	4

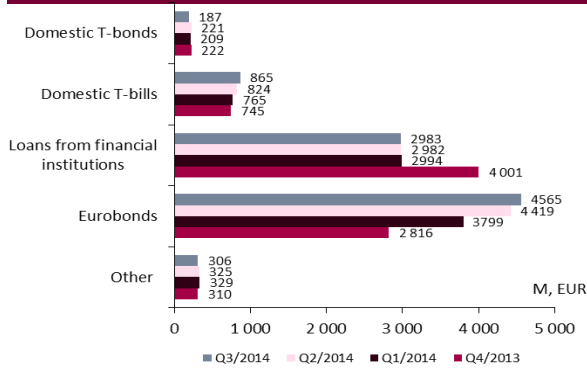


¹Central government consolidated budget (excluding grants, donations and derived public entities)

Central Government Borrowings Redemption Profile (at the end of September 2014)

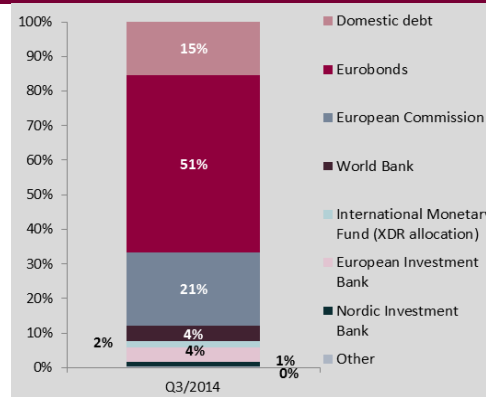


Debt outstanding by instruments/

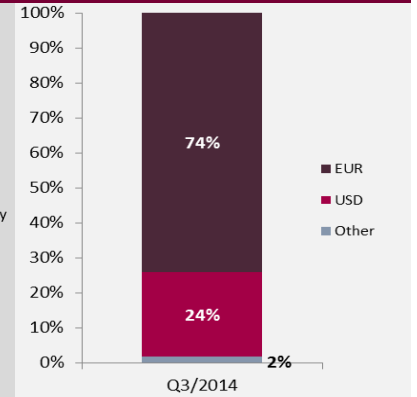


(nominal values)

lender/

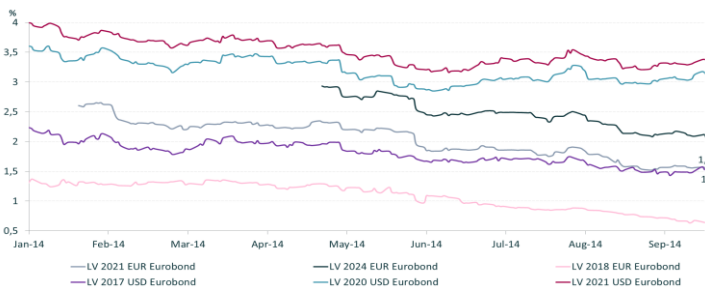


currencies



EXTERNAL SECURITIES

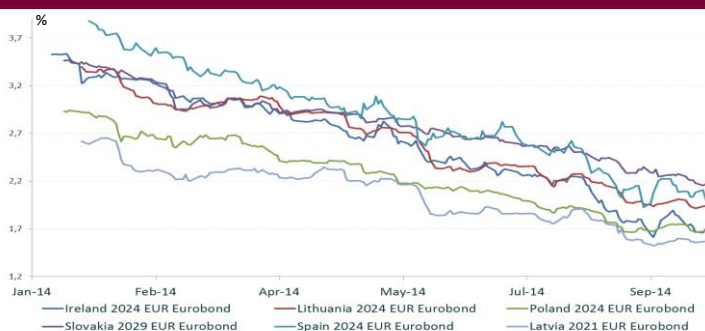
EUR and USD bond rates



Source: Bloomberg, 30.09.2014

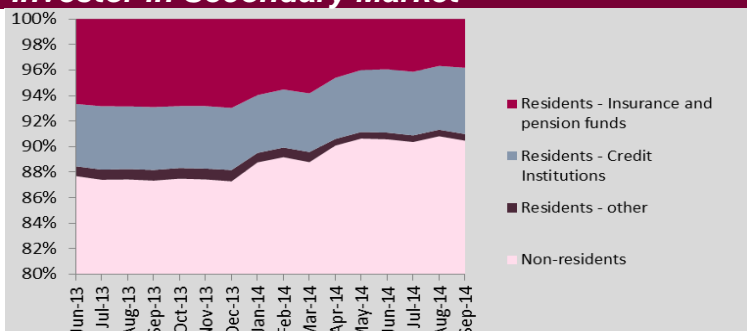
	Maturity Date	Issuer Name	Cpn	S&P Rating	Mid YTM	BID Z-Spread
USD	22.02.2017	LATVIA	5,25	A-	1,53	62
	12.01.2020	LATVIA	2,75	A-	3,14	121
	16.06.2021	LATVIA	5,25	A-	3,38	121
EUR	05.03.2018	LATVIA	5,5	A-	0,66	41
	21.01.2021	LATVIA	2,6	A-	1,57	98
	30.04.2024	LATVIA	2,9	A-	2,11	107

EUR bond rates by European countries



Source: Bloomberg, 30.09.2014

External Securities Outstanding by Type of Investor in Secondary Market



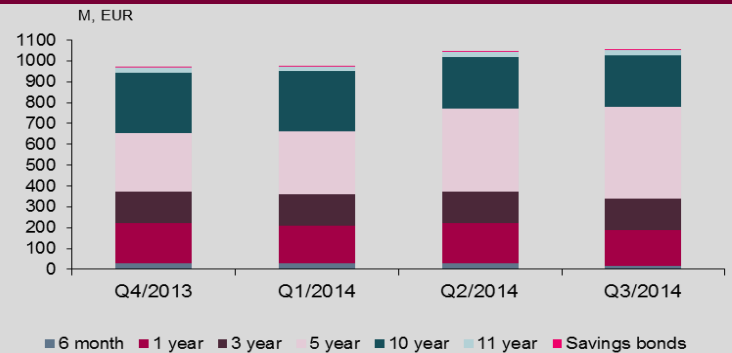
Source: Bank of Latvia

Latvijas Republika Fitch:A- Moody's: Baa1 S&P: A- R&I: BBB Bloomberg: TREL <GO>

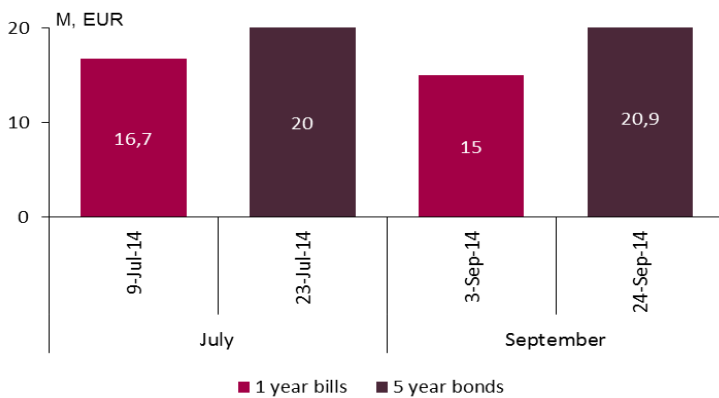
DOMESTIC SECURITIES

Domestic Securities Outstanding

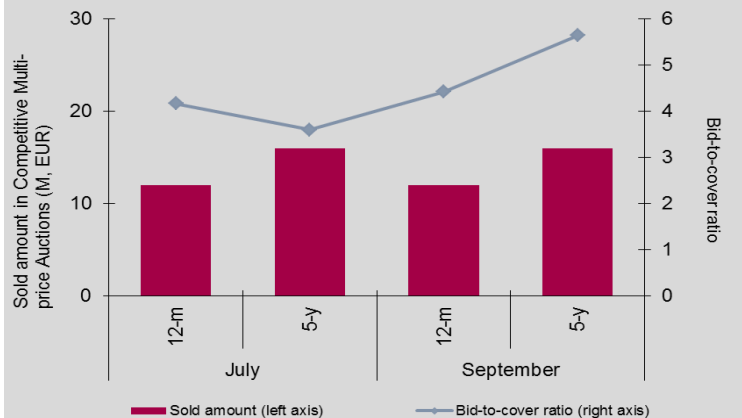
Outstanding	Q4/2013	Q1/2014	Q2/2014	Q3/2014
	M, EUR			
6 month	28	29	30	15
1 year	193	180	191	172
3 year	153	153	153	153
5 year	278	298	398	439
10 year	289	289	248	248
11 year	24	24	24	24
Savings bonds	2	4	4,5	4,9
Total	968	978	1 049	1 057



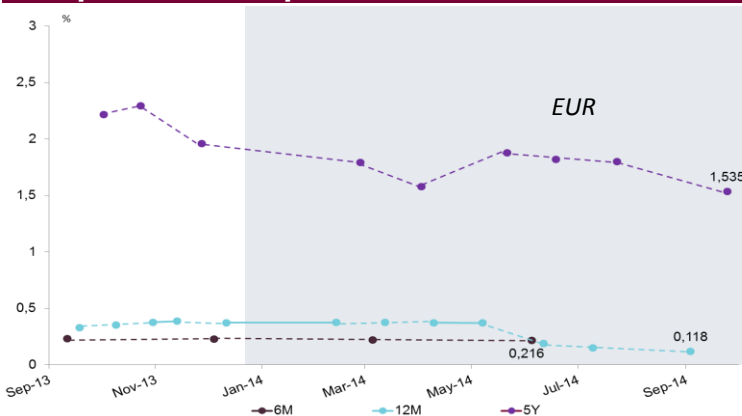
Sold amounts at auctions in Q3/2014



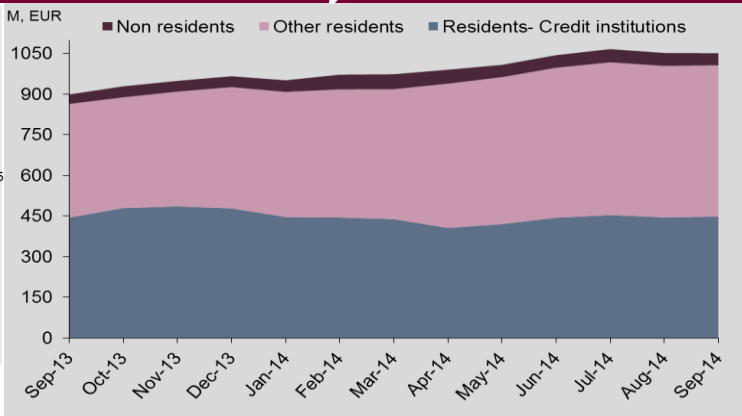
Bid-to-Cover Ratio at Competitive Multi-price Auctions in Q3/2014



Competitive Multi-price Auction rates



Domestic Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

Management of Planned Domestic Securities

Government securities can be issued in Latvia's and international financial markets. Domestic securities are issued by using auction method under the Latvian legislation. Latvian government bonds in international markets are issues by using syndicate method under other countries legislation.

Calendar for the planned auctions is being published each month on the Treasury's website. Government securities auctions are organized on Wednesdays. The Treasury holds the right to amend the calendar, days on which respective auctions are hold, as well as borrowing amounts and instruments at any time. Since February 2013 the primary dealer system is operating in Latvia.

DEBT PORTFOLIO MANAGEMENT

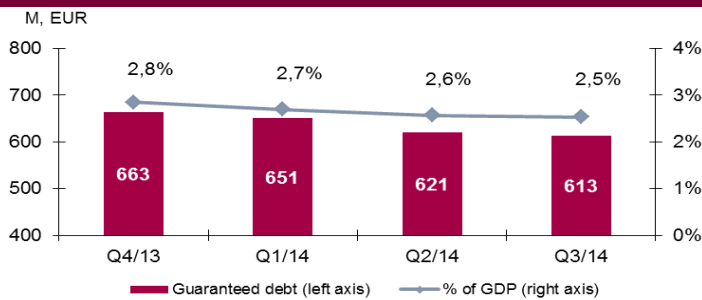
Parameters of Debt Management Strategy

Parameters	31.06.2014.		30.09.2014.		STRATEGY	
	≤1 year	≤ 3 years	≤1 year	≤ 3 years	≤1 year	≤ 3 years
Maturity profile (%) of central government debt	20,7%	37,1%	21,0%	36,8%	≤25%	≤ 50%
Share of fixed rate [^]	82,4%		82,0%		≥ 60%	
Macaulay Duration (years)	4,56		4,36		3,4 - 5,0	
Net debt ^{^^} currency composition	EUR		EUR		EUR	
	100,07%		100,03%		100% (+/- 5%)	

[^] Fixed rate central government debt with a maturity over one year.
^{^^} Central government debt at the end of the period less the liquid assets that are not classified as risky (including Treasury's cash accounts, investments in deposits and fixed income securities, loans and currency assets purchased for derivative financial instruments), and increased by guarantees classified as risky, and derivative financial instrument liabilities not classified as risky.

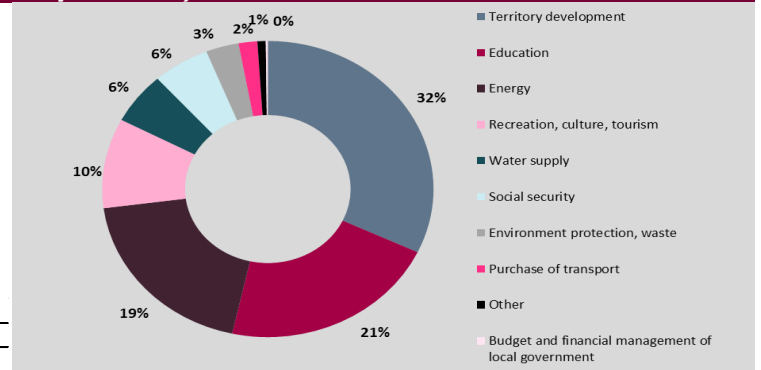
ISSUANCE OF STATE GUARANTEES

State Guaranteed Debt Outstanding in 2014



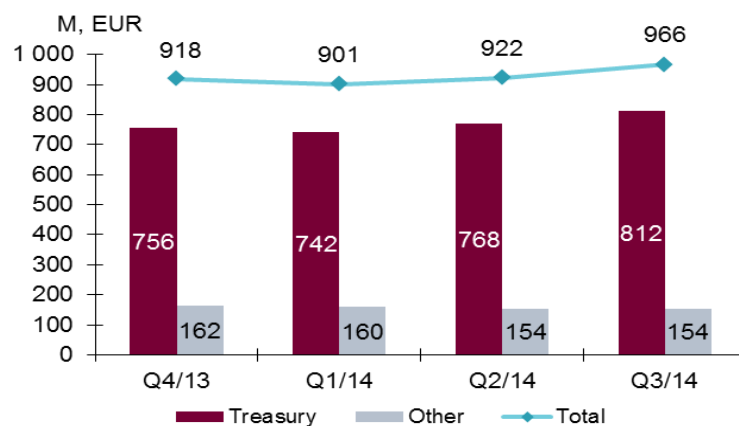
	Planned in 2014, M. EUR	Issued in 3 quarters
Loans to studies and students	40,9	3,3
Total	40,9	3,3

State guaranteed loans by industry (end of September)

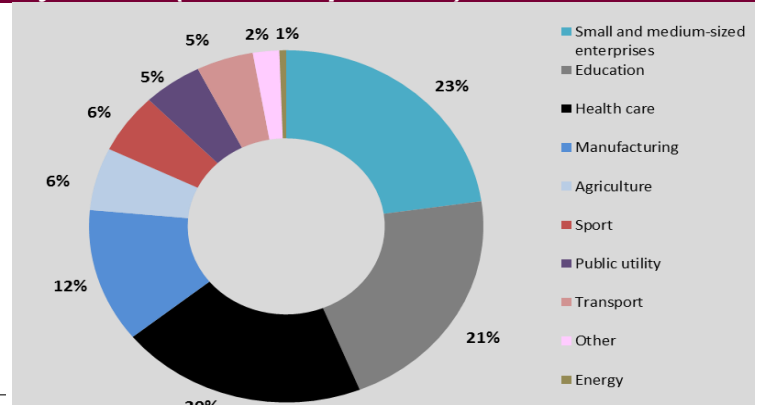


MUNICIPALITIES' BORROWING

Municipalities' Debt Outstanding



Municipalities' Borrowings from the Treasury by Sector (end of September)



	M. EUR
Total increase of municipalities borrowing stated in Budget Law 2014	118,1
Planned limit of loan disbursements to municipalities 2014	177,9
Total disbursements made (January-September)	140,0
from the Treasury	140,0
from other institutions	0,0

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NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on January 23, 2015.

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. Reference to the Treasury data compulsory when reproduced.