



BULLETIN IN BRIEF

- Budget¹ with accumulated surplus 172 M, EUR/ 0,7% of forecasted GDP (January-June)
- Central government debt outstanding (nominal value) 8 221 M, EUR/ 33,1% of forecasted GDP (end of June)
- Municipalities' borrowings made from the Treasury 73,6 M, EUR/ 0,3% of forecasted GDP (January-June)

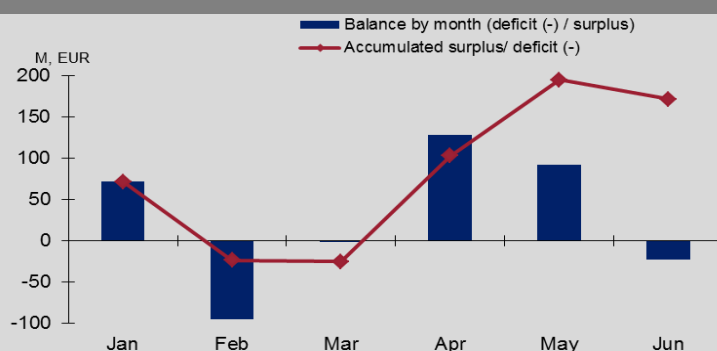
GDP forecast for 2015 on April 2015: EUR 24 847,1 M (Ministry of Finance)

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR					
	Jan	Feb	Mar	Apr	May	Jun
Balance by month (deficit (-) / surplus)	72	-95	-2	129	92	-23
Accumulated surplus/ deficit (-)	72	-24	-25	103	195	172

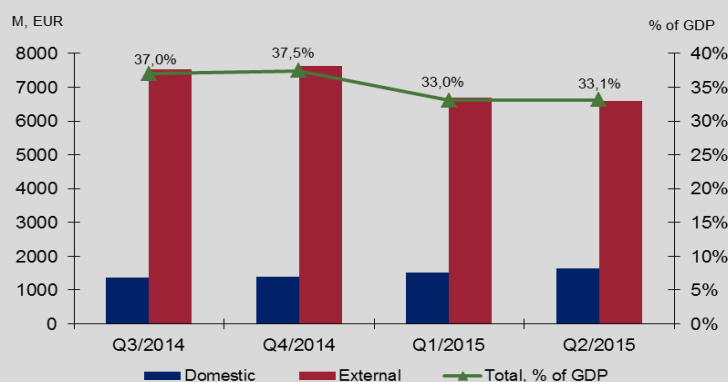
* excluding grants, donations and derived public entities



Central Government Debt Outstanding

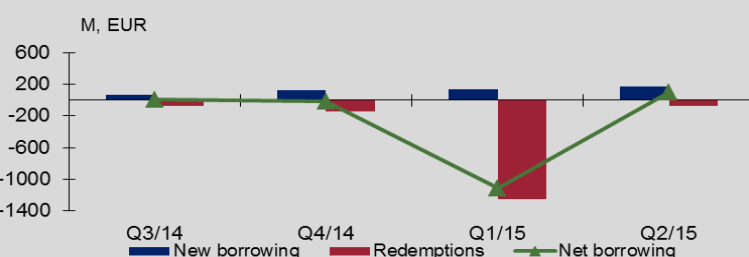
Debt (M, EUR)	Q3/2014		Q4/2014		Q1/2015		Q2/2015	
	M, EUR	%	M, EUR	%	M, EUR	%	M, EUR	%
Domestic debt	1 368	15%	1 384	15%	1 522	19%	1 631	20%
External debt	7 539	85%	7 628	85%	6 684	81%	6 590	80%
Total	8 906	100%	9 012	100%	8 206	100%	8 221	100%
Central government debt (% of GDP)	37,0		37,5		33,0		33,1	
Net debt (% of GDP)	27,9		31,0		31,3		30,3	

(nominal value)



Central Government Net Borrowing

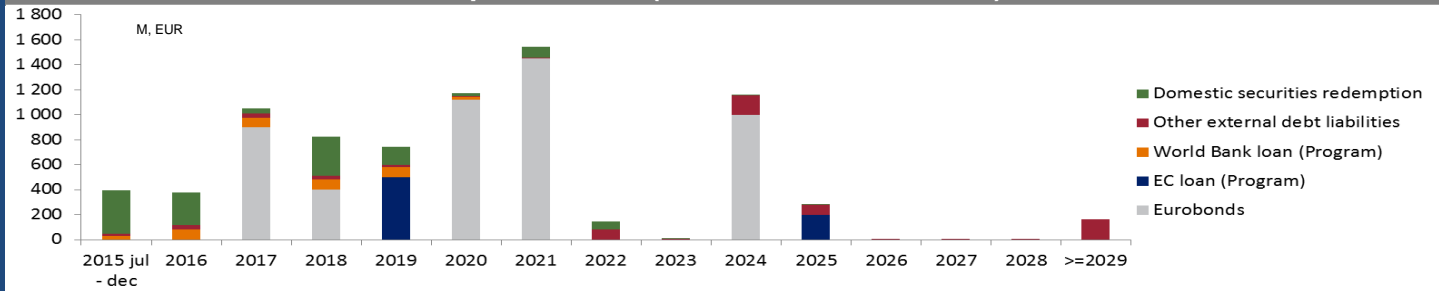
	M, EUR			
	Q3/14	Q4/14	Q1/15	Q2/15
New borrowing	73	126	141	170
Redemptions	-69	-144	-1 256	-71
incl. debt redemption to European Commission			-1 200	
World Bank			-20	-10
Net borrowing	4	-18	-1 115	99



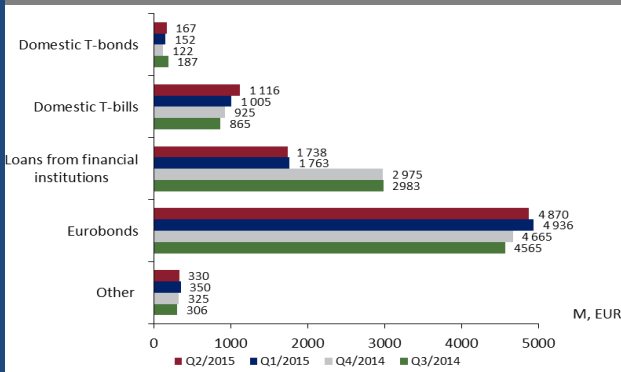
¹ Central government consolidated budget (excluding grants, donations and derived public entities)



Central Government Debt Redemption Profile (at the end of June 2015)

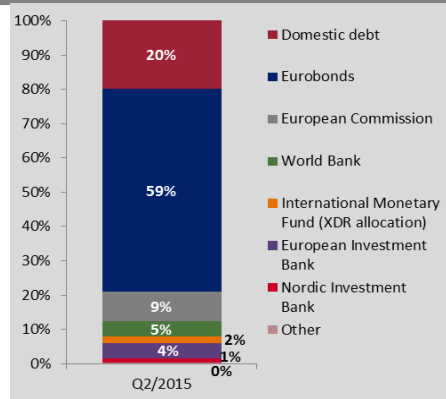


Debt Outstanding by instruments/

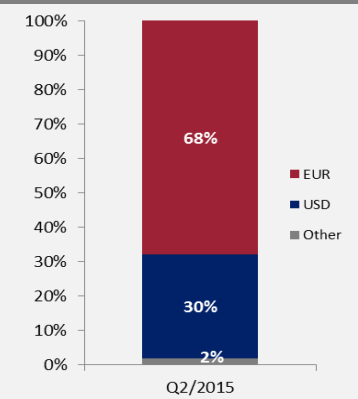


(nominal value)

lenders/

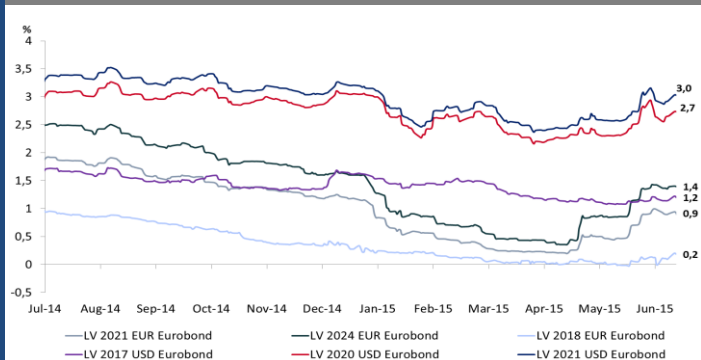


currencies



FOREIGN SECURITIES

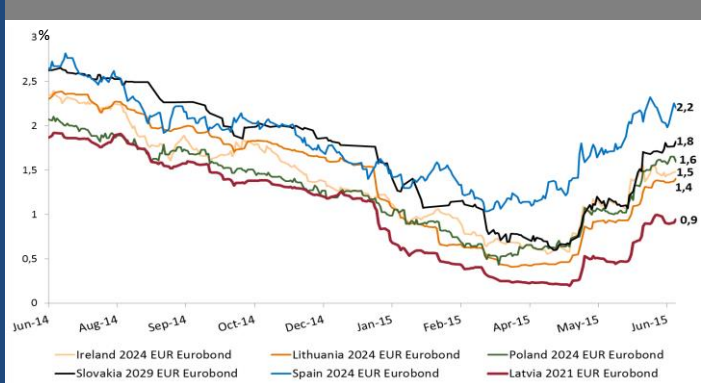
EUR and USD Eurobond yields



Source: Bloomberg, 30.06.2015

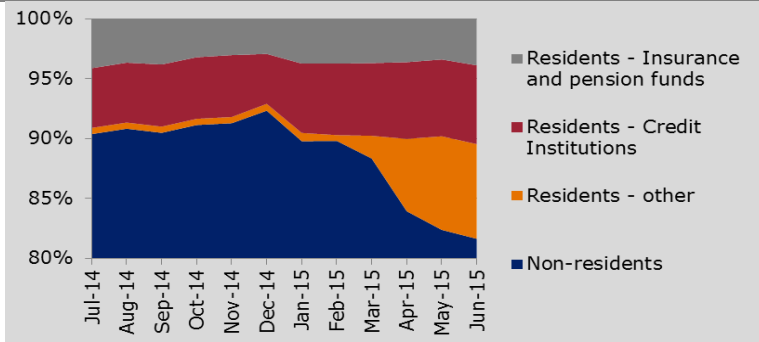
	Maturity Date	Issuer Name	Cpn	S&P Rating	Mid YTM	BID Z-Spread
USD	22.02.2017	LATVIA	5,25	A-	1,21	61
	12.01.2020	LATVIA	2,75	A-	2,74	116
	16.06.2021	LATVIA	5,25	A-	3,03	117
EUR	05.03.2018	LATVIA	5,5	A-	0,19	7
	21.01.2021	LATVIA	2,6	A-	0,92	43
	30.04.2024	LATVIA	2,9	A-	1,44	45

EUR bond yields by European countries



Source Bloomberg, 30.06.2015

External Securities Outstanding by Type of Investor in Secondary Market



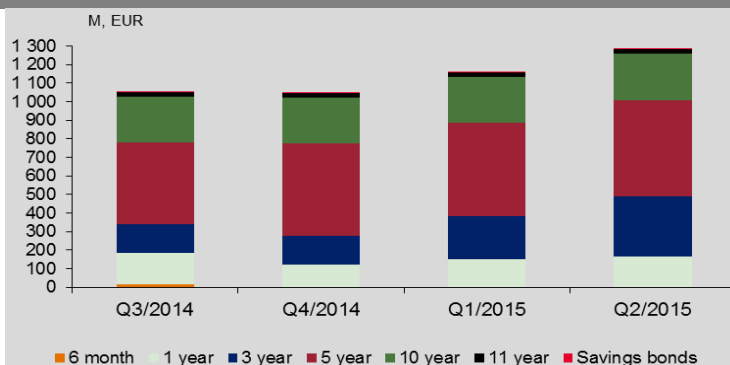
Source: Bank of Latvia



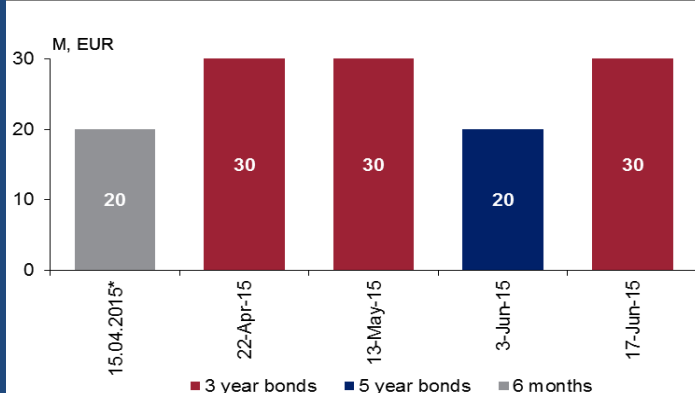
DOMESTIC SECURITIES

Domestic Securities Outstanding by original maturities

Outstanding	Q3/2014	Q4/2014	Q1/2015	Q2/2015
	M, EUR			
6 month	15	0	0	0
1 year	172	122	152	167
3 year	153	153	233	324
5 year	439	500	500	520
10 year	248	248	248	248
11 year	24	24	24	24
Savings bonds	4,9	5	5	5
Total	1 057	1 052	1 162	1 287

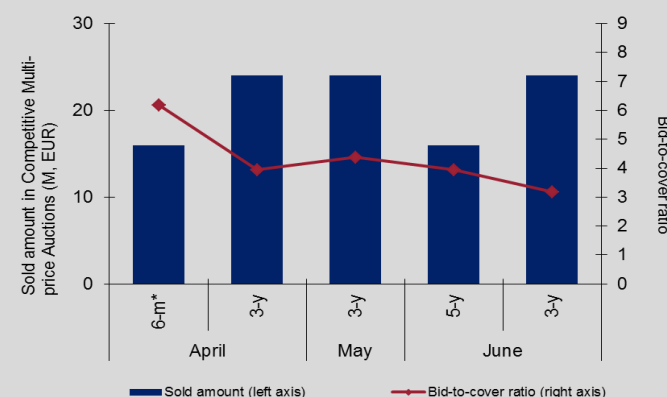


Sold Amount at Auctions in 2nd quarter



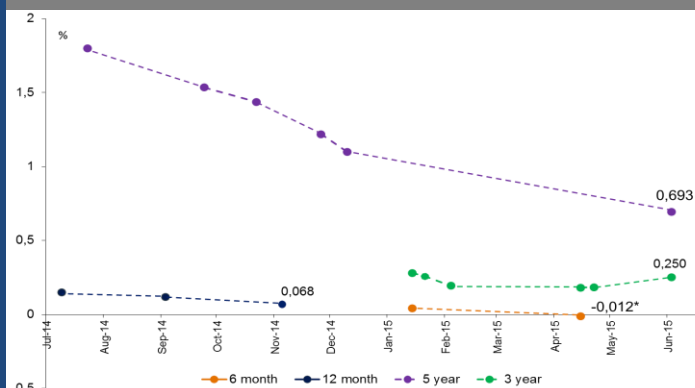
*TAP of original 12-m T-bill

Bid-to-cover Ratio at Competitive Multi-price Auctions in 2nd quarter



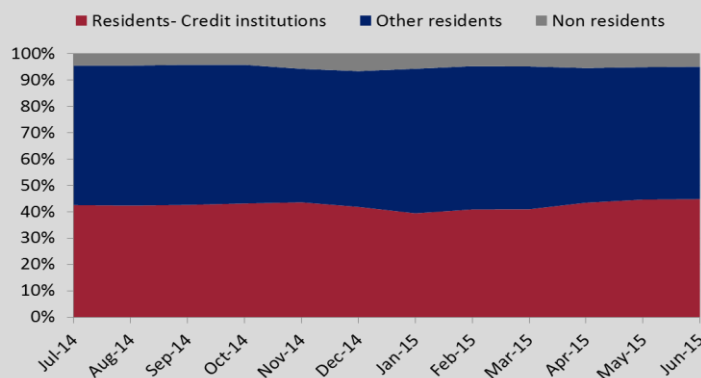
*TAP of original 12-m T-bill

Competitive Multi-price Auction rates



*TAP of original 12-m T-bill

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 issued 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 held, 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

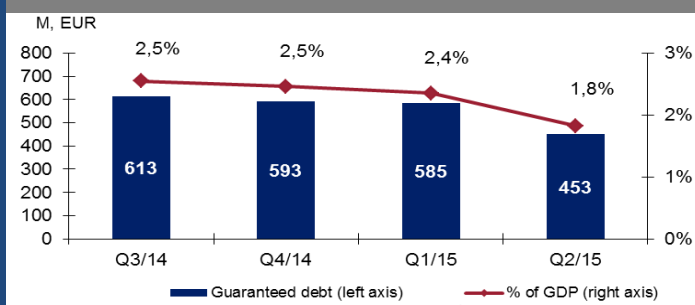
Parameters	30.03.2015.		30.06.2015		STRATEGY	
	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years
Maturity profile (%) of central government debt	11,4%	33,20%	11,5%	34,0%	≤ 25%	≤ 50%
Share of fixed rate [^]	91,90%		92,0%		≥ 60%	
Macaulay Duration (years)	4,55		4,35		3,65 - 5,15	
Net debt ^{^^} currency composition	EUR		EUR		EUR	
	100,02%		100,02%		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.

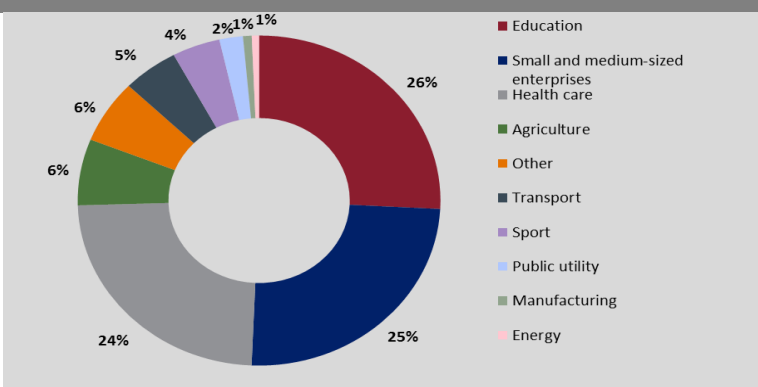
ISSUANCE OF STATE GUARANTEES

State Guaranteed Debt Outstanding in Q2/15



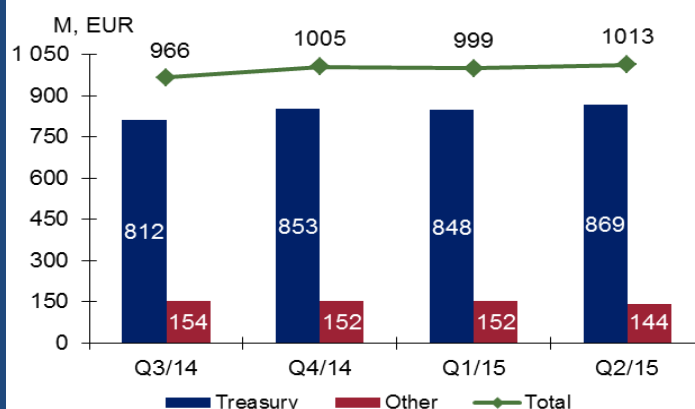
	Planned in 2015, M, EUR	Issued in 2nd quarter
Loans to studies and students	36	1,025
Total	36	1,025

State guaranteed loans by industry (end of June)

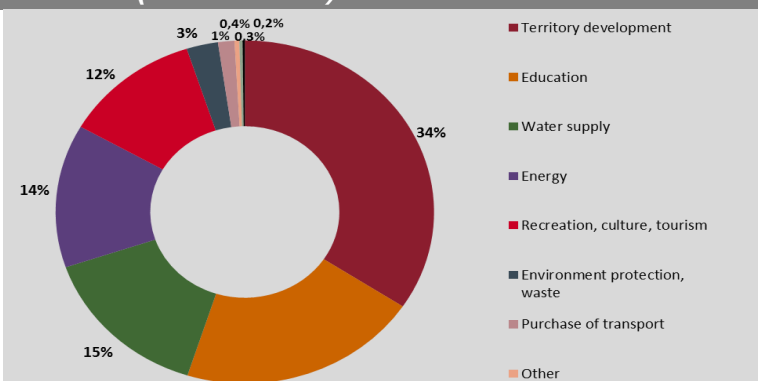


MUNICIPALITIES' BORROWINGS

Municipalities' Debt Outstanding



Municipalities' Borrowings from the Treasury By Sectors (end of June)



	M, EUR
Total increase of municipalities borrowing stated in Budget Law 2015	177,8
Planned limit of loan disbursements to municipalities 2015	185,4
Total disbursements made (January-June)	73,6
from the Treasury	73,6
from other institutions	0,0

CONTACTS: The Treasury of the Republic of Latvia, Smilšu street 1, Riga, LV 1919, Latvia,

e-mail: kase@kase.gov.lv, home page: www.kase.gov.lv, Investor information- www.kase.gov.lv/l/investor-information/6801

NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on October 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.