



BULLETIN IN BRIEF

- Budget¹ with accumulated surplus 41 M, EUR/ 0.1 % of forecasted GDP (January-March)
- Central government debt outstanding (nominal value) 10 842 M, EUR/ 34.6 % of forecasted GDP (end of March)
- Municipalities' borrowings made from the Treasury 30 M, EUR/ 0.1 % of forecasted GDP (January-March)

GDP forecast for 2019 on February 2019: EUR 31 293 M (Ministry of Finance)

February 4, Japanese credit rating agency *R&I* reaffirmed its 'A-' foreign currency issuer rating on the Republic of Latvia. The outlook remains stable.

February 12, Latvia priced 30-year Eurobond (maturing 19 February 2049) in a total amount of around EUR 700 million setting yield at 1.929% and coupon 1.875%.

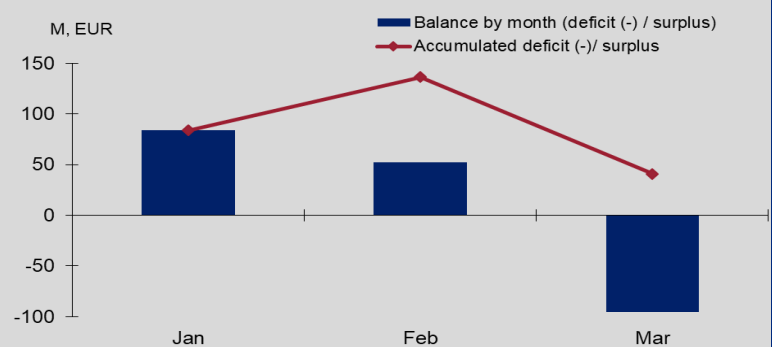
March 22, the credit rating agency *S&P Global Ratings* reaffirmed its 'A' long term foreign currency sovereign credit ratings on the Republic of Latvia. The outlook remains stable.

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR		
	Jan	Feb	Mar
Balance by month (deficit (-) / surplus)	84	53	-95
Accumulated deficit (-)/ surplus	84	136	41

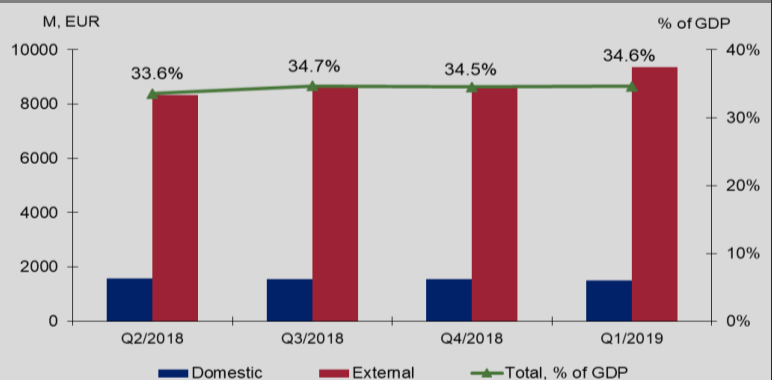
* excluding grants, donations and derived public entities



Central Government Debt Outstanding

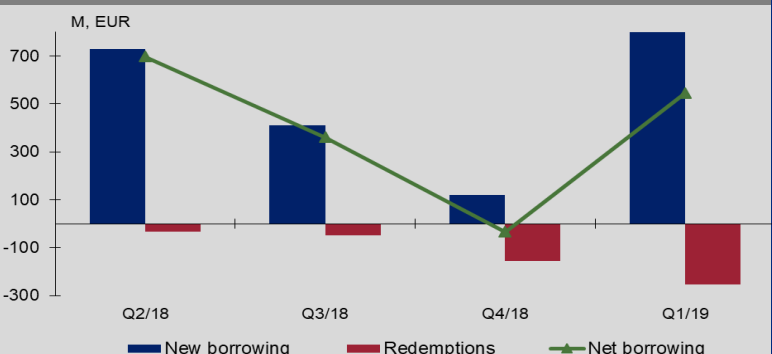
Debt (M, EUR)	Q2/2018	%	Q3/2018	%	Q4/2018	%	Q1/2019	%
Domestic debt	1 574	16%	1 562	15%	1 543	15%	1 490	14%
External debt	8 338	84%	8 672	85%	8 654	85%	9 352	86%
Total	9 912	100%	10 234	100%	10 197	100%	10 842	100%
Central government debt (% of GDP)	33.6		34.7		34.5		34.6	
Net debt* (% of GDP) (nominal value)	27.7		27.1		29.9		28.2	

* without the derivative financial instruments effect result



Central Government Net Borrowing

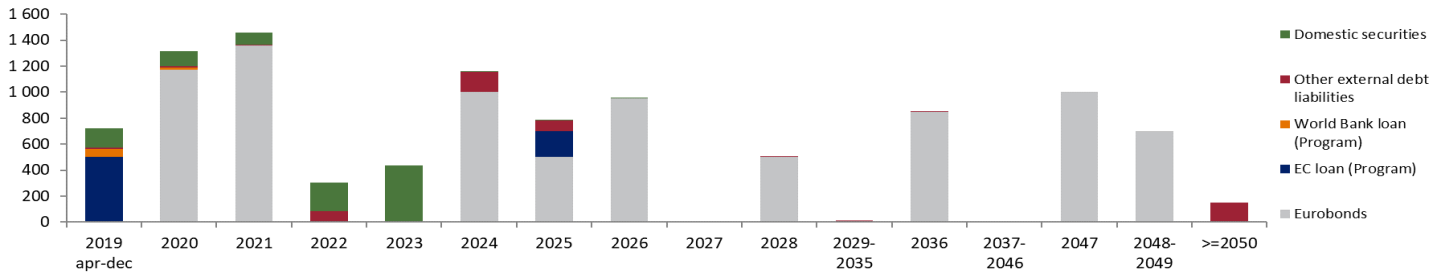
	M, EUR	Q2/18	Q3/18	Q4/18	Q1/19
New borrowing		730	410	120	800
<i>incl. Eurobonds</i>		650	350		700
Redemptions		-32	-49	-154	-255
<i>incl. debt redemption to</i>					
<i>World Bank</i>		-20	-20	-20	-20
<i>Eurobonds</i>					
<i>domestic securities</i>			-27	-124	-230
Net borrowing		698	361	-34	545



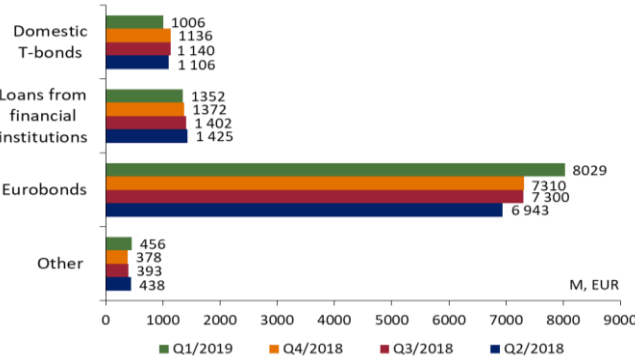
¹Central government consolidated budget (excluding grants, donations and derived public entities)



Central Government Debt Redemption Profile (at the end of March 2019)

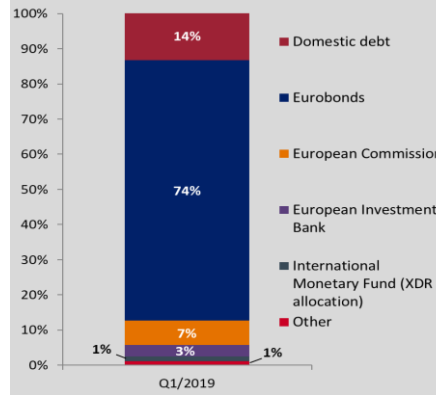


Debt Outstanding by instruments/

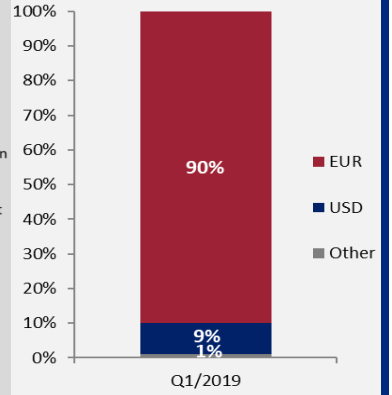


(nominal value, EUR)

lenders/

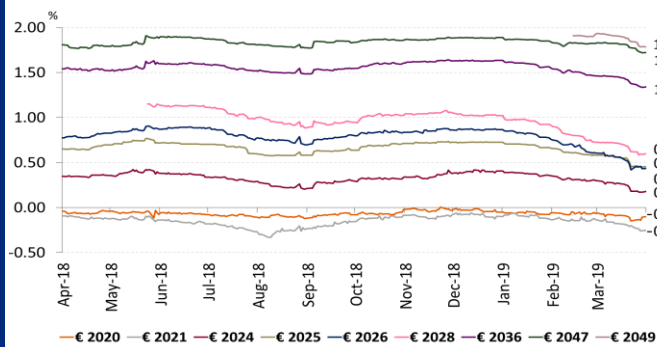


currencies



FOREIGN SECURITIES

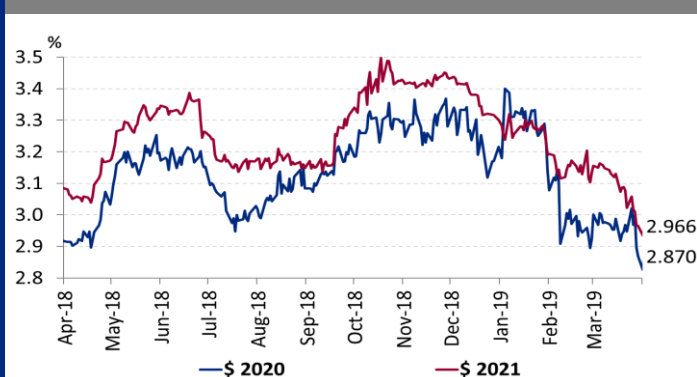
EUR Eurobond yields



Source: Bloomberg, 31.03.2019

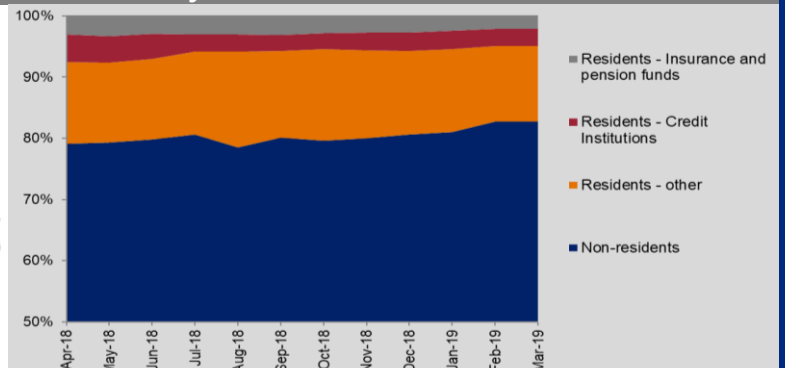
	Maturity Date	Issuer Name	Cpn	S&P Rating	Mid YTM	BID Z-Spread
USD	12.01.2020	LATVIA	2.750	A	2.870	54
	16.06.2021	LATVIA	5.250	A	2.966	71
EUR	15.12.2020	LATVIA	0.500	A	-0.105	19
	21.01.2021	LATVIA	2.625	A	-0.256	6
	30.04.2024	LATVIA	2.875	A	0.173	21
	23.09.2025	LATVIA	1.375	A	0.452	38
	07.10.2026	LATVIA	0.375	A	0.431	24
	30.05.2028	LATVIA	1.125	A	0.591	25
	16.05.2036	LATVIA	1.375	A	1.335	49
	15.02.2047	LATVIA	2.250	A	1.721	72
	19.02.2049	LATVIA	1.875	A	1.789	77

USD Eurobond yields



Source: Bloomberg, 31.03.2019

External Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

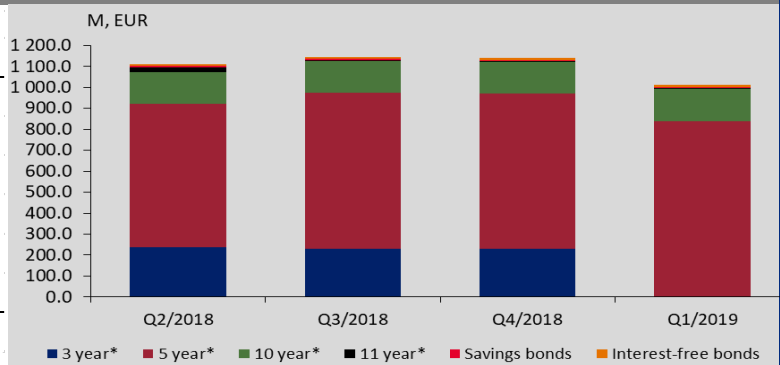


DOMESTIC SECURITIES

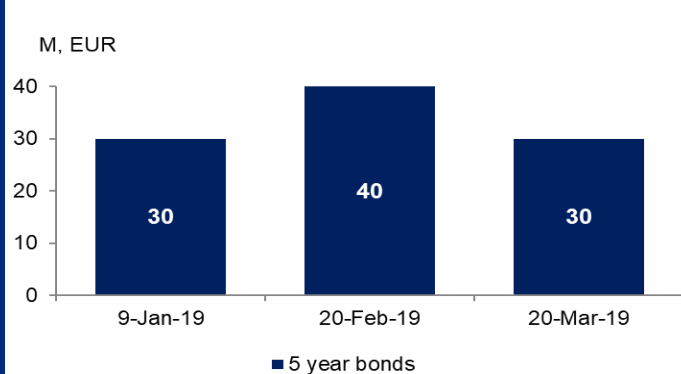
Domestic Securities Outstanding

Outstanding	Q2/2018	Q3/2018	Q4/2018	Q1/2019
3 year*	236.8	229.8	229.8	0.0
5 year*	684.3	744.3	739.9	839.9
10 year*	151.6	151.6	151.6	151.6
11 year*	24.4	4.8	4.8	4.8
Savings bonds	5.3	5.2	5.1	5.1
Interest-free bonds	9.0	9.3	9.5	9.5
Total	1 111.4	1 145.0	1 140.7	1 010.9

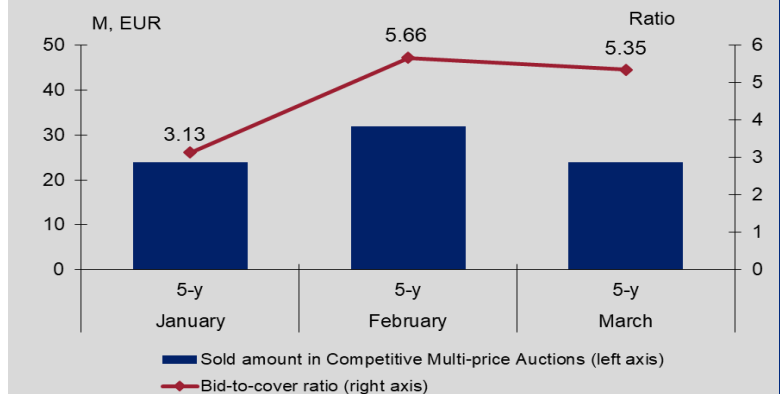
*original maturity



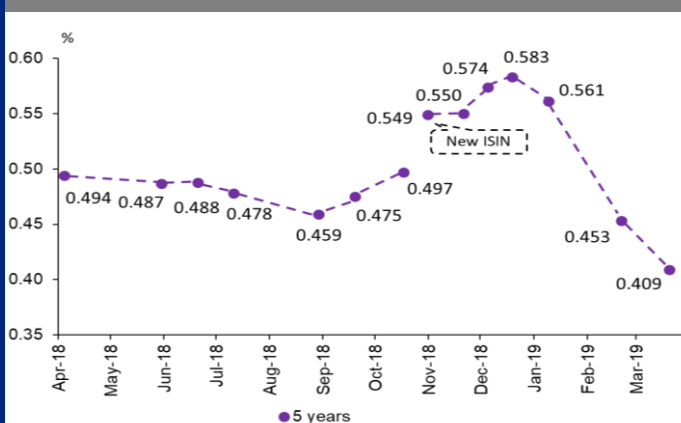
Sold Amount at Auctions in 1st quarter



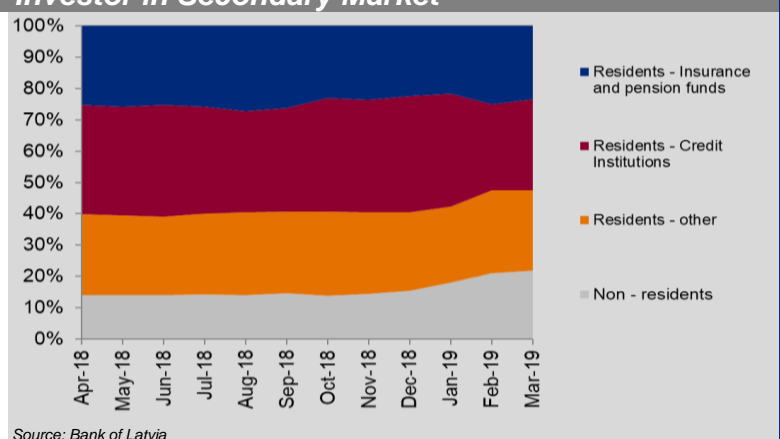
Bid-to-cover Ratio at Competitive Multi-price Auctions in 1st quarter



Competitive Multi-price Auction rates



Domestic Securities Outstanding by Type of Investor in Secondary Market



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 the Central Government Debt Portfolio Structure

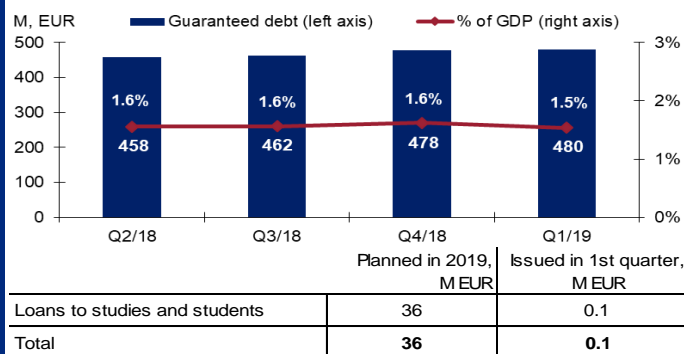
Parameters	31.12.2018		31.03.2019		STRATEGY	
	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years
Maturity profile (%) of central government debt	13.4%	40.5%	16.7%	38.1%	≤ 25%	≤ 50%
Share of fixed rate [^]	90.1%		86.6%		≥ 60%	
Macaulay Duration (years)	6.49		7.44		5.00 - 9.00	
Net debt currency composition ^{^^}	EUR		EUR		EUR	
	100.07%		100.04%		100% (+/- 5%)	

[^]Fixed rate central government debt with a maturity over one year.

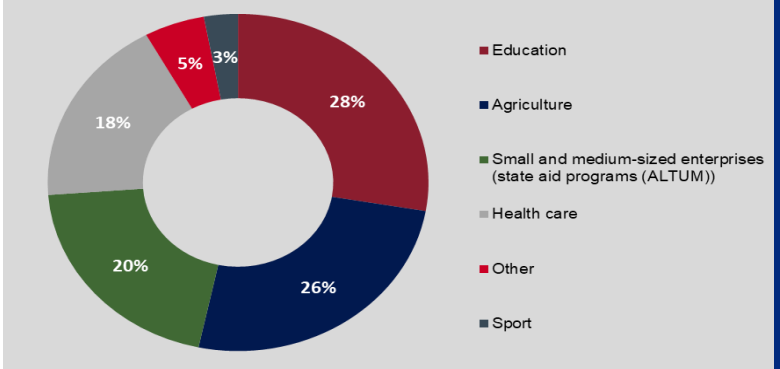
^{^^} Central government debt at the end of the period less the amount of loans and receivables, where impairment loss of guarantees are not taken in account (including Treasury's cash accounts, investments in deposits and fixed income securities, loans, receivables (including receivables of derivative financial instruments which are not classified as risky from credit risk perspective)), and increased by provisions of guarantees as well as liabilities of derivative financial instruments which are not classified as risky from credit risk perspective.

ISSUANCE OF STATE GUARANTEES

State Guaranteed Debt Outstanding

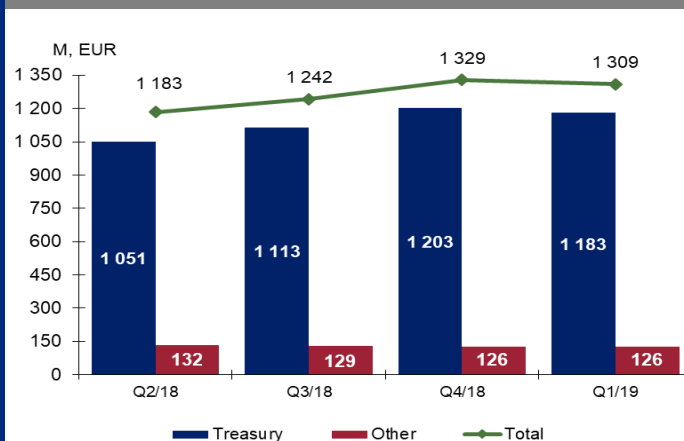


State guaranteed loans by industry (at the end of March)

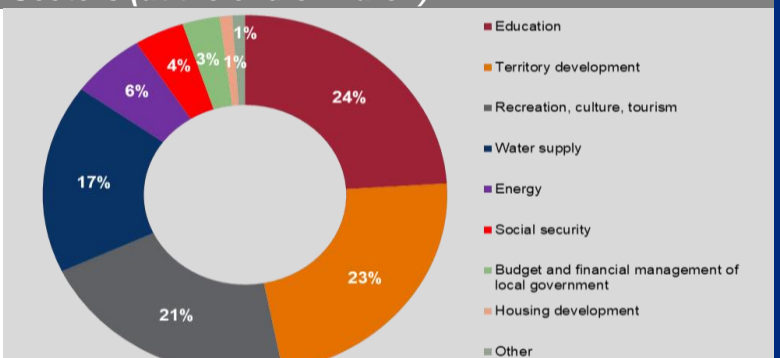


MUNICIPALITIES' BORROWINGS

Municipalities' Debt Outstanding



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



	M, EUR
Total increase of borrowing stated in Budget Law 2019	334.5
Planned limit of loan disbursements to municipalities 2019	217.4
Total borrowings made (January-March)	29.7
from the Treasury	29.7
from other institutions	0.0

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

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NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on July 22, 2019.

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.