



BULLETIN IN BRIEF

- Budget¹ with accumulated surplus 376 M, EUR/ 1.2 % of forecasted GDP (January-September)
- Central government debt outstanding (nominal value) 10 788 M, EUR/ 34.4 % of forecasted GDP (end of September)
- Municipalities' borrowings made from the Treasury 197 M, EUR/ 0.6 % of forecasted GDP (January-September)

GDP forecast for 2019 on June 2019 EUR 31 402 M (Ministry of Finance)

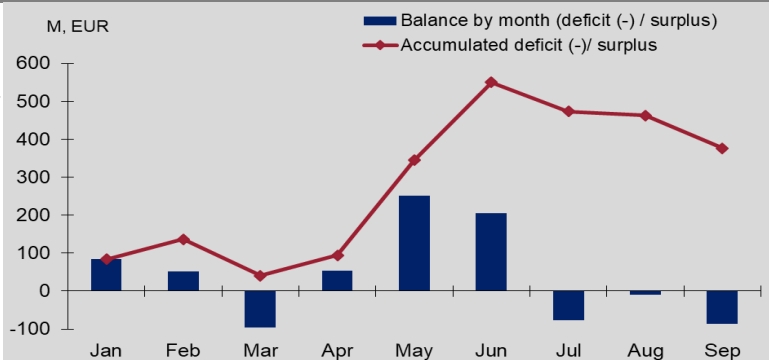
September 20, the credit rating agency *S&P Global* reaffirmed its 'A' foreign currency issuer rating on the Republic of Latvia. The outlook remains stable.

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Balance by month (deficit -) / surplus	84	53	-95	53	251	205	-77	-11	-86
Accumulated deficit (-) / surplus	84	136	41	94	345	550	473	462	376

* excluding grants, donations and derived public entities

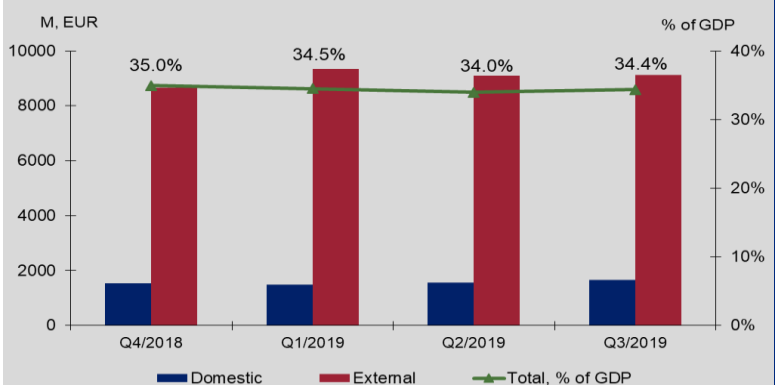


Central Government Debt Outstanding

Debt (M, EUR)	Q4/2018		Q1/2019		Q2/2019		Q3/2019	
	Value	%	Value	%	Value	%	Value	%
Domestic debt	1 543	15%	1 490	14%	1 562	15%	1 661	15%
External debt	8 654	85%	9 352	86%	9 106	85%	9 127	85%
Total	10 197	100%	10 842	100%	10 667	100%	10 788	100%
Central government debt (% of GDP)	35.0		34.5		34.0		34.4	
Net debt* (% of GDP)	30.3		28.1		26.5		27.4	

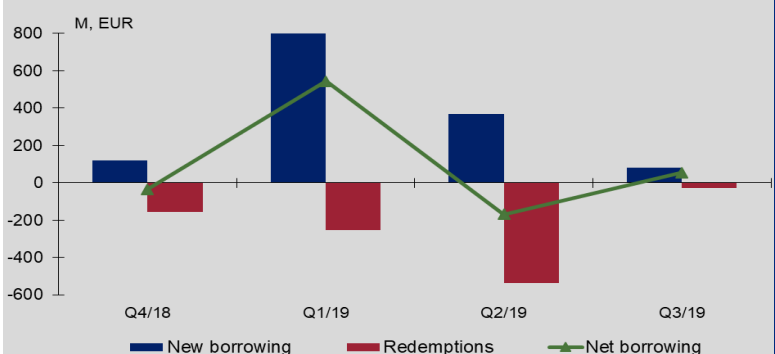
(nominal value)

* without the derivative financial instruments effect result



Central Government Net Borrowing

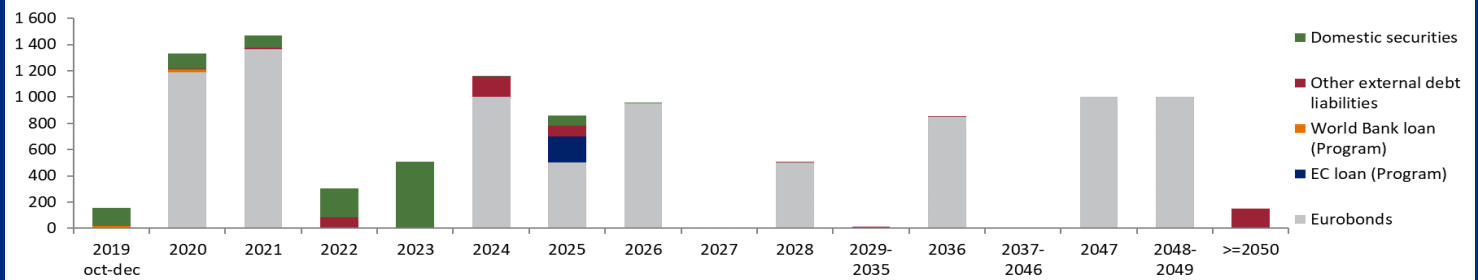
	M, EUR	Q4/18	Q1/19	Q2/19	Q3/19
		New borrowing	120	800	370
<i>incl. Eurobonds</i>			700	300	
Redemptions	-154	-255	-538	-26	
<i>incl. debt redemption to</i>					
<i>World Bank</i>	-20	-20	-20	-20	
<i>European Commission</i>			-500		
<i>domestic securities</i>	-124	-230	-6	-5	
Net borrowing	-34	545	-168	54	



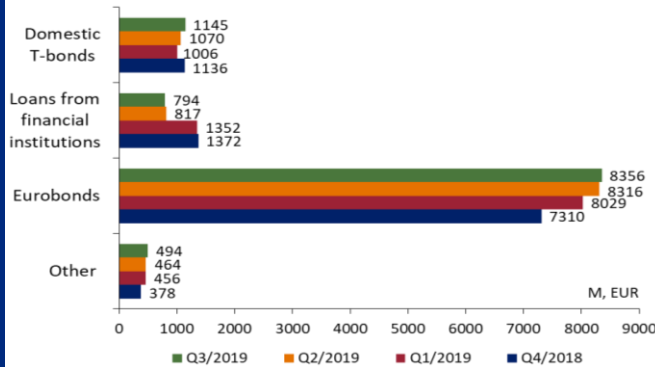
¹Central government consolidated budget (excluding grants, donations and derived public entities)



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

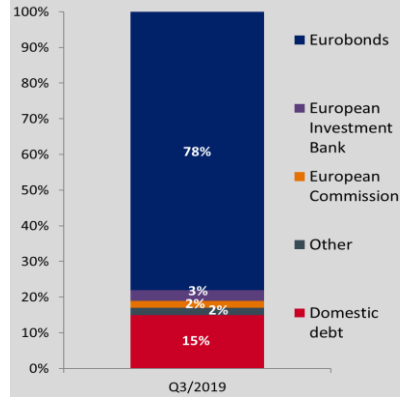


Debt Outstanding by instruments/

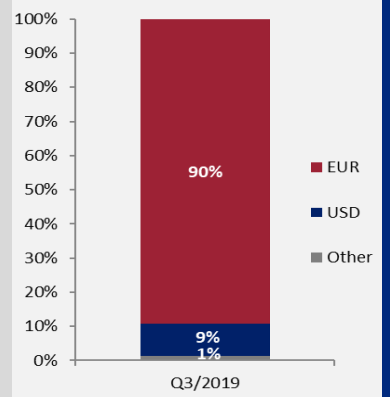


(nominal value, EUR)

lenders/

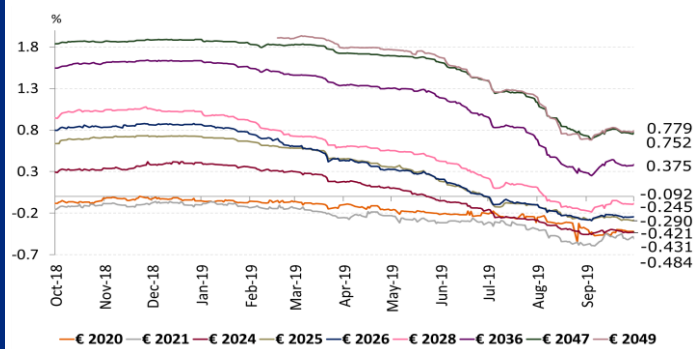


currencies



FOREIGN SECURITIES

EUR Eurobond yields



Source: Bloomberg, 30.09.2019

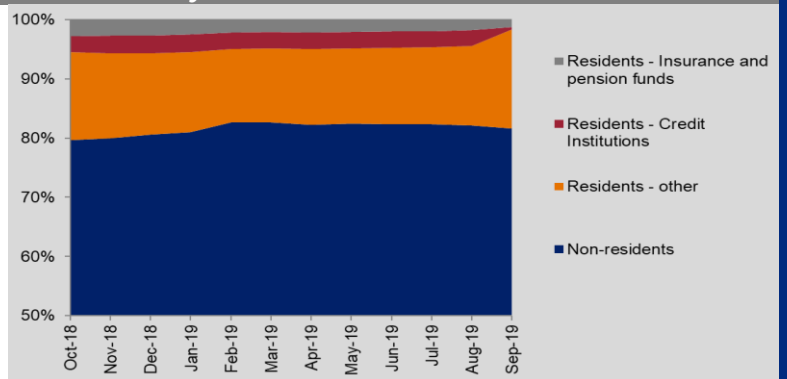
	Maturity Date	Issuer Name	Cpn	S&P Rating	Mid YTM	BID Z-Spread
USD	12.01.2020	LATVIA	2.750	A	2.686	120
	16.06.2021	LATVIA	5.250	A	2.186	64
EUR	15.12.2020	LATVIA	0.500	A	-0.421	15
	21.01.2021	LATVIA	2.625	A	-0.484	9
	30.04.2024	LATVIA	2.875	A	-0.431	5
	23.09.2025	LATVIA	1.375	A	-0.290	16
	07.10.2026	LATVIA	0.375	A	-0.245	12
	30.05.2028	LATVIA	1.125	A	-0.092	18
	16.05.2036	LATVIA	1.375	A	0.375	31
	15.02.2047	LATVIA	2.250	A	0.752	59
	19.02.2049	LATVIA	1.875	A	0.779	61

USD Eurobond yields



Source: Bloomberg, 30.09.2019

External Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

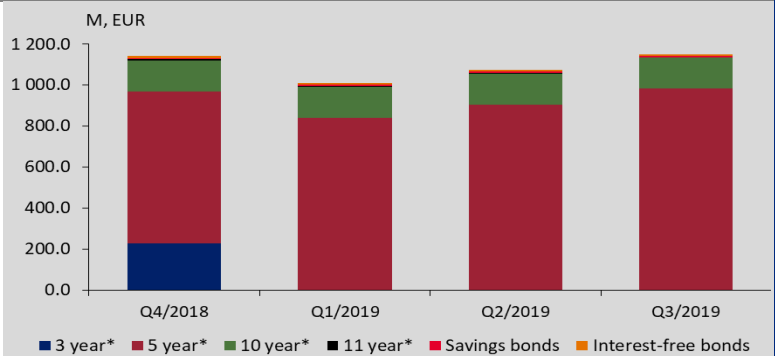


DOMESTIC SECURITIES

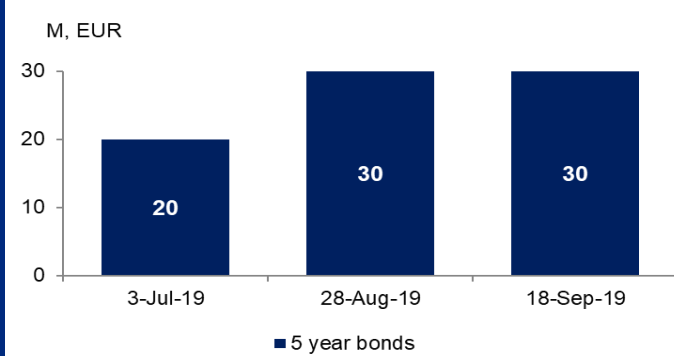
Domestic Securities Outstanding

Outstanding	M, EUR			
	Q4/2018	Q1/2019	Q2/2019	Q3/2019
3 year*	229.8	0.0	0.0	0.0
5 year*	739.9	839.9	903.9	983.9
10 year*	151.6	151.6	151.6	151.6
11 year*	4.8	4.8	4.8	0.0
Savings bonds	5.1	5.1	5.2	5.3
Interest-free bonds	9.5	9.5	9.5	9.8
Total	1 140.7	1 010.9	1 074.9	1 150.6

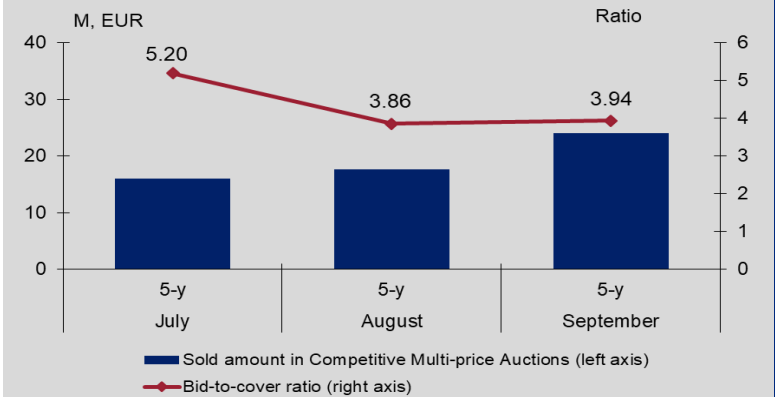
*original maturity



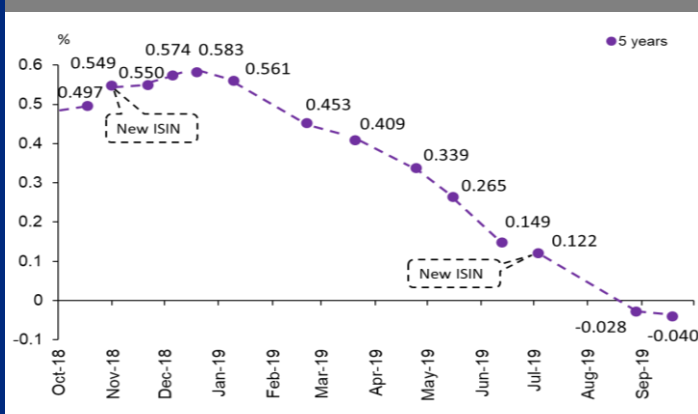
Sold Amount at Auctions in 3rd quarter



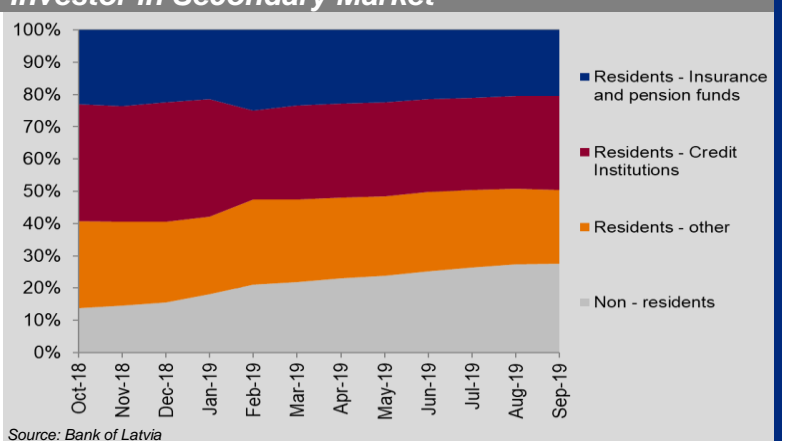
Bid-to-cover Ratio at Competitive Multi-price Auctions in 3rd quarter



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

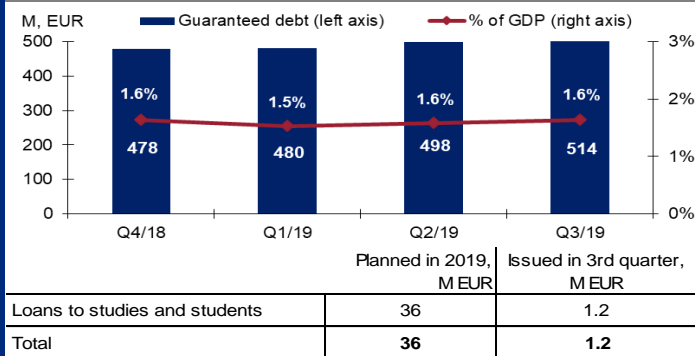
Parameters	30.06.2019		30.09.2019		STRATEGY	
	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years
Maturity profile (%) of central government debt	13.1%	33.6%	13.2%	33.6%	≤ 25%	≤ 50%
Share of fixed rate [^]	90.2%		90.1%		≥ 60%	
Macaulay Duration (years)	8.05		7.77		5.00 - 9.00	
Net debt currency composition ^{^^}	EUR		EUR		EUR	
	100.03%		100.04%		100% (+/- 5%)	

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

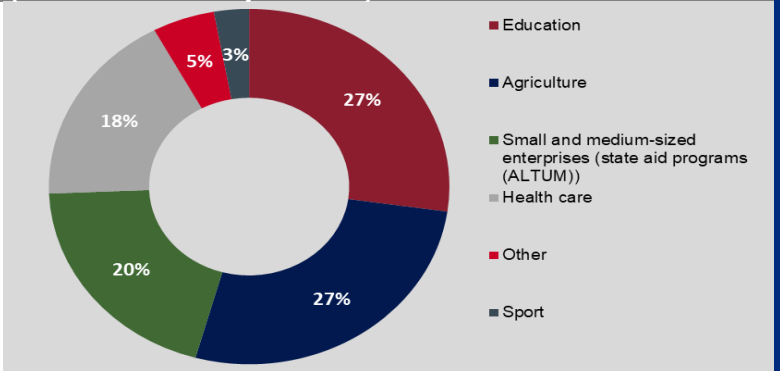
^{^^} Central government debt at the end of the period less the amount of loans and receivables, where impairment loss of guarantees are not taken in account (including Treasury's cash accounts, investments in deposits and fixed income securities, loans, receivables (including receivables of derivative 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

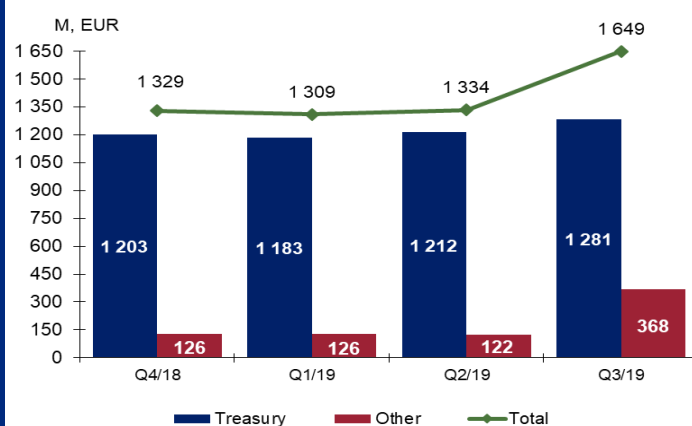


State guaranteed loans by industry (at the end of September)

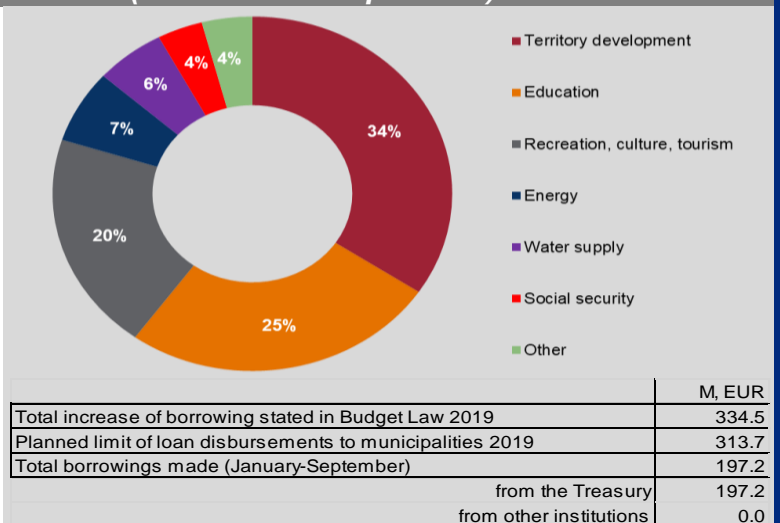


MUNICIPALITIES' BORROWINGS

Municipalities' Debt Outstanding



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



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 January 27, 2020.

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