



BULLETIN IN BRIEF

• Budget ¹ with accumulated deficit	808 M, EUR/ 2.6 % of forecasted GDP	(January-September)
• Central government debt outstanding (nominal value)	14 218 M, EUR/ 45.3 % of forecasted GDP	(end of September)
• Municipalities' borrowings made from the Treasury	159 M, EUR/ 0.5 % of forecasted GDP	(January-September)
	GDP forecast for 2021 EUR 31 364 M (Ministry of Finance as on June 2021)	

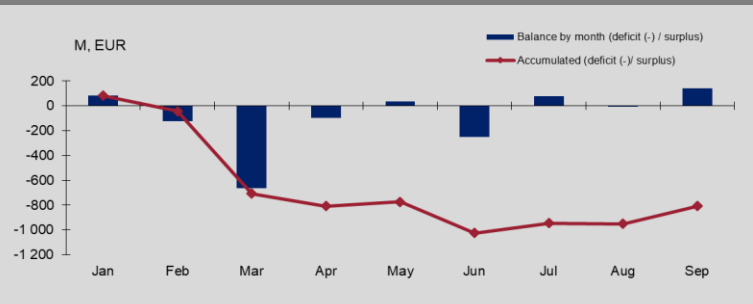
• On June 30, Latvia priced 7-year long Eurobond (maturing 24 January 2029) in a total amount of EUR 500 million, setting a yield at 0.003% and a coupon 0.000%. Trade settlement date was July 7.

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Balance by month (deficit (-) / surplus)	83	-126	-665	-98	33	-253	80	-4	141
Accumulated (deficit (-)/ surplus)	83	-43	-708	-806	-773	-1 025	-945	-949	-808

* excluding grants, donations and derived public entities

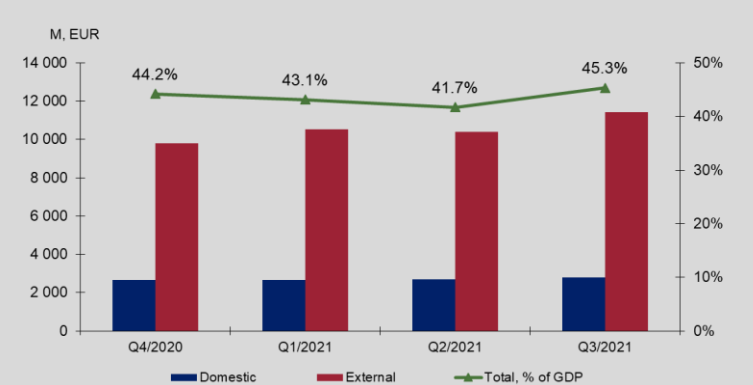


Central Government Debt Outstanding

Debt (M, EUR)	Q4/2020		Q1/2021		Q2/2021		Q3/2021	
		%		%		%		%
Domestic debt	2 648	21%	2 669	20%	2 681	20%	2 783	20%
External debt	9 811	79%	10 539	80%	10 410	80%	11 436	80%
Total	12 459	100%	13 208	100%	13 091	100%	14 218	100%
Central government debt (% of GDP)	44.2		43.1		41.7		45.3	
Net debt* (% of GDP)	38.0		37.3		37.7		37.5	

(nominal value)

* without the derivative financial instruments effect result

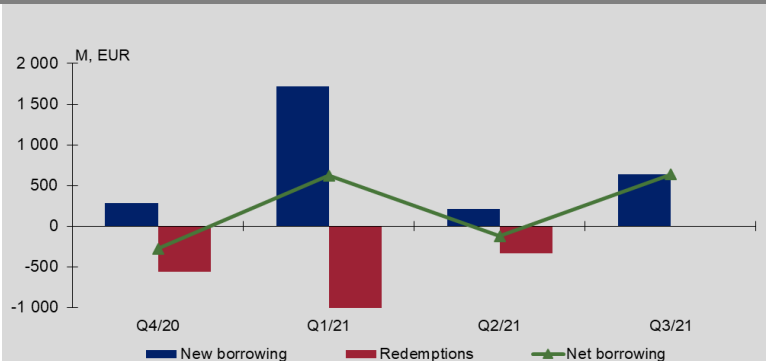


Central Government Net Borrowing

	M, EUR	Q4/20	Q1/21	Q2/21	Q3/21
		New borrowing	286	1 714	214
<i>incl. Eurobonds</i>	40	1 392	101	637	
<i>incl. Loan issued by Nordic Investment Bank</i>	125	250			
<i>incl. EC SURE loan</i>	120	72	113		
Redemptions	-562	-1 093	-337	-1	
<i>incl. debt redemption to:</i>					
<i>World Bank</i>	-10				
<i>domestic securities</i>	-1	-88	-2	-1	
<i>Eurobonds</i>	-550	-1 000	-331		
Net borrowing	-276	621	-123	636	

(nominal value)

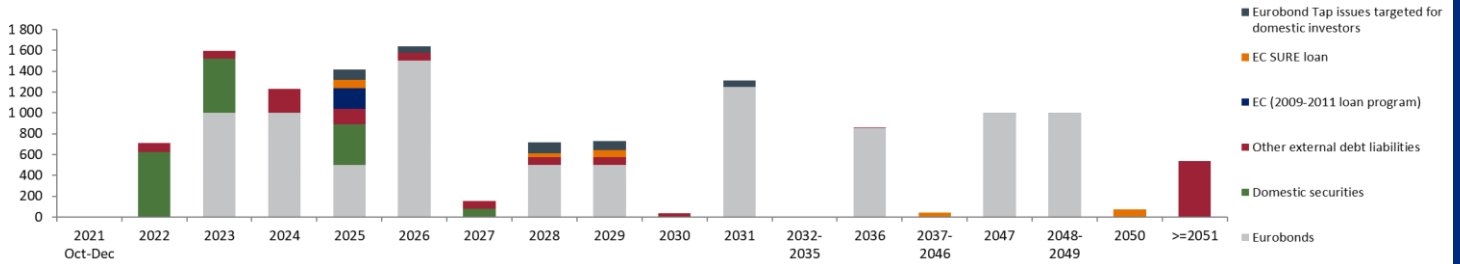
*excluding IMF XDR allocations



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



Central Government Debt Redemption Profile (at the end of September 2021)

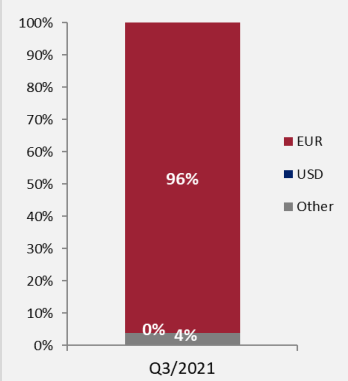
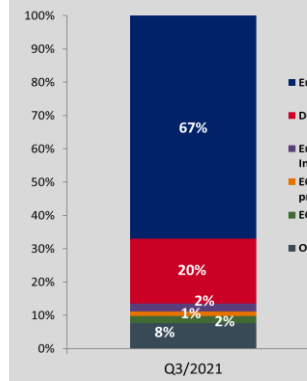
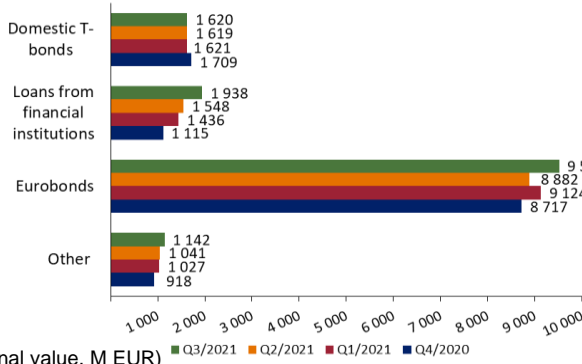


Debt Outstanding by

instruments/

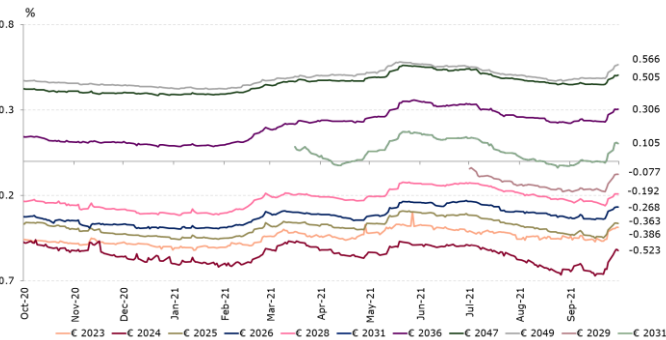
lenders/

currencies



FOREIGN SECURITIES

EUR Eurobond yields

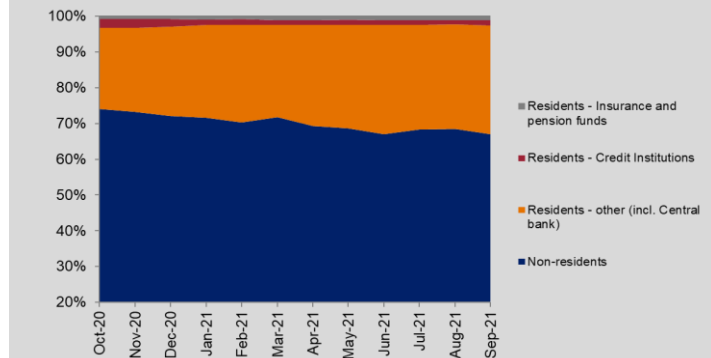
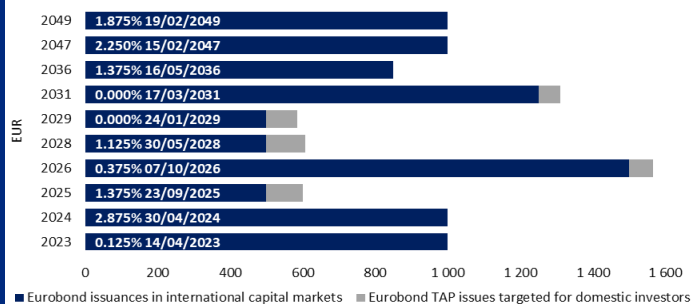


Source: Bloomberg, 30/09/2021

	Maturity Date	Issuer Name	Cpn	S&P Rating	Mid YTM	BID Z-Spread
EUR	14.04.2023	LATVIA	0.125	A+	-0.386	24
	30.04.2024	LATVIA	2.875	A+	-0.523	-5
	23.09.2025	LATVIA	1.375	A+	-0.363	-2
	07.10.2026	LATVIA	0.375	A+	-0.268	-3
	30.05.2028	LATVIA	1.125	A+	-0.192	-7
	24.01.2029	LATVIA	0.000	A+	-0.077	-1
	17.03.2031	LATVIA	0.000	A+	0.105	2
	16.05.2036	LATVIA	1.375	A+	0.306	-3
	15.02.2047	LATVIA	2.250	A+	0.505	4
	19.02.2049	LATVIA	1.875	A+	0.566	11

Eurobonds outstanding (on the end of September)

External Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

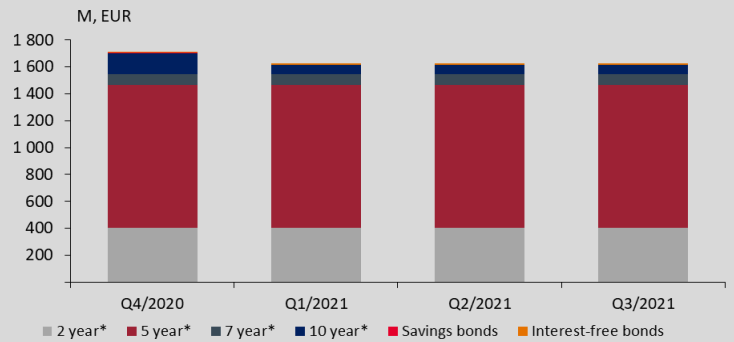


DOMESTIC SECURITIES

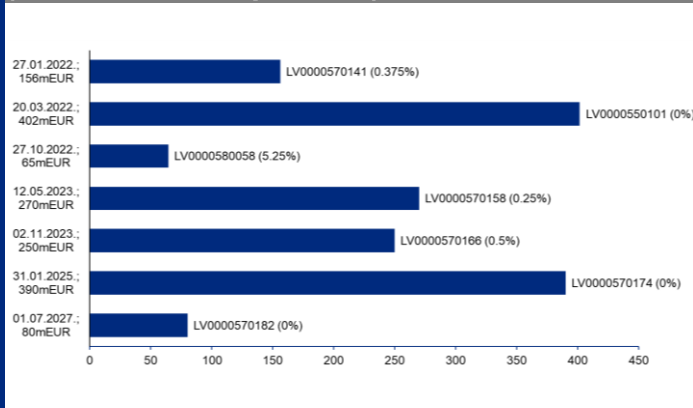
Domestic Securities Outstanding

Outstanding	Q4/2020	Q1/2021	Q2/2021	Q3/2021
2 year*	401.5	401.5	401.5	401.5
5 year*	1 066.2	1 066.2	1 066.2	1 066.2
7 year*	80.0	80.0	80.0	80.0
10 year*	151.6	64.5	64.5	64.5
Savings bonds	5.2	5.3	5.3	5.1
Interest-free bonds	9.5	8.8	7.0	8.3
Total	1 714.0	1 626.3	1 624.6	1 625.6

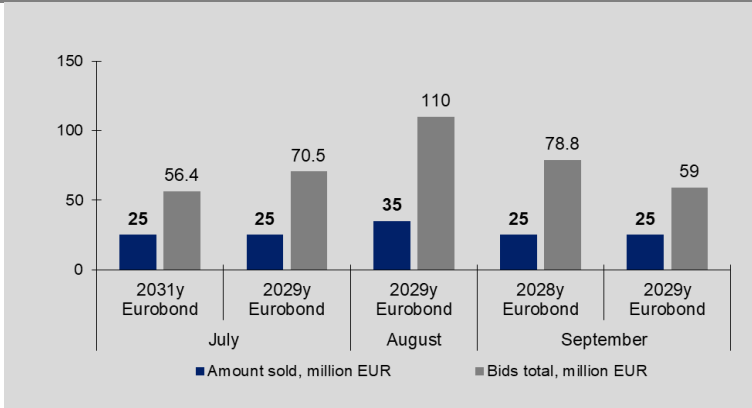
*original maturity



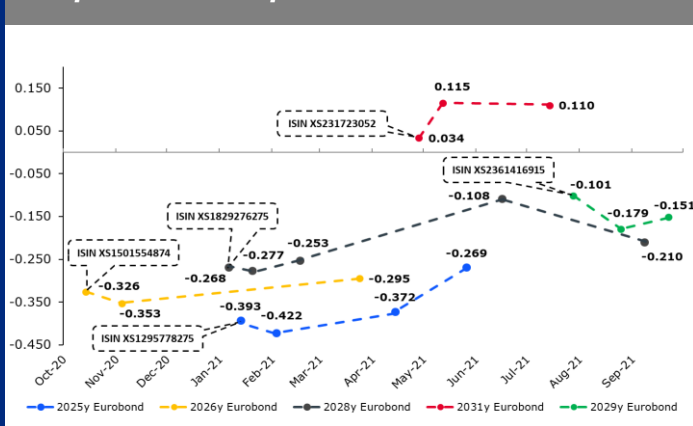
Government domestic securities outstanding (on the end of September)



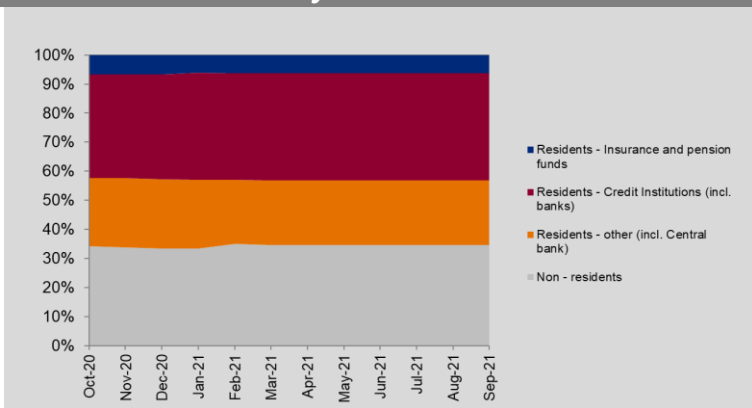
Domestic T-Bond Competitive Multi-Price Auctions in 3rd quarter



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. Government securities in domestic market are issued under the Latvian legislation or under other countries legislation by using auction method. 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 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 the Central Government Debt Portfolio Structure

Parameters	30.06.2021		30.09.2021		STRATEGY	
	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years
Maturity profile (%) of central government debt	12.3%	33.7%	12.1%	31.7%	≤ 25%	≤ 50%
Share of fixed rate [^]	86.7%		81.3%		≥ 60%	
Macaulay Duration (years)	7.21		6.78		5.00 - 9.00	
Net debt currency composition ^{^^}	EUR		EUR		EUR	
	100.17%		100.59%		100% (+/- 5%)	

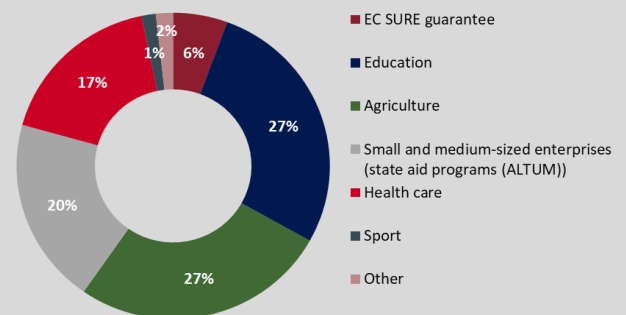
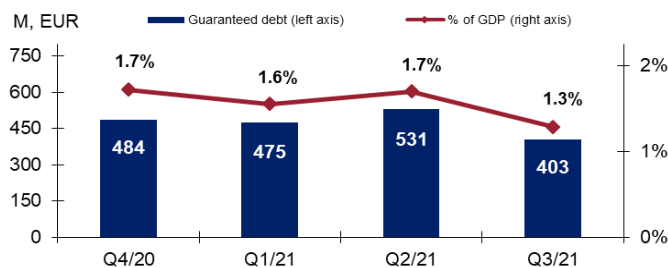
[^]Fixed rate central government debt with a maturity over one year.

^{^^} 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

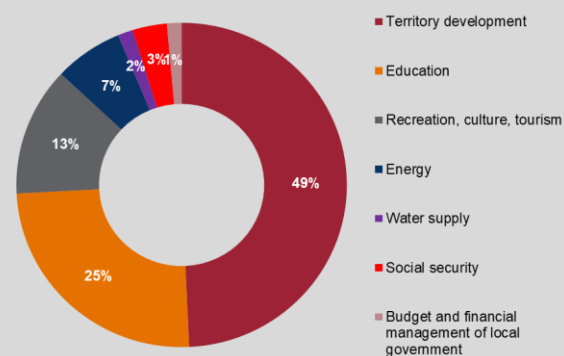
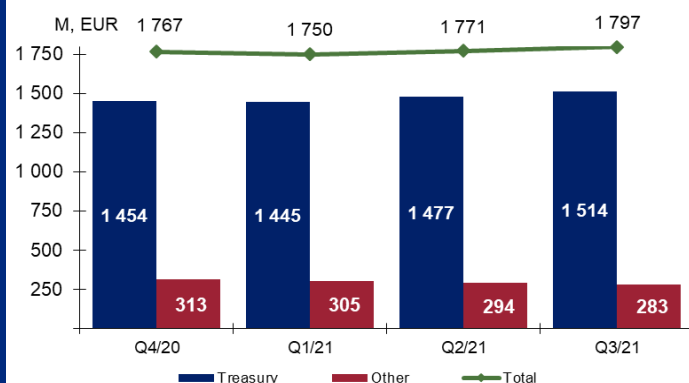
State guaranteed loans by industry (at the end of September)



MUNICIPALITIES' BORROWINGS

Municipalities' Debt Outstanding

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



	M, EUR
Total increase of borrowing stated in Budget Law 2021	484.5
Planned limit of loan disbursements to municipalities 2021	387.0
Total borrowings made (January-September)	158.6
from the Treasury	158.6
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 27, 2022.

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