



BULLETIN IN BRIEF

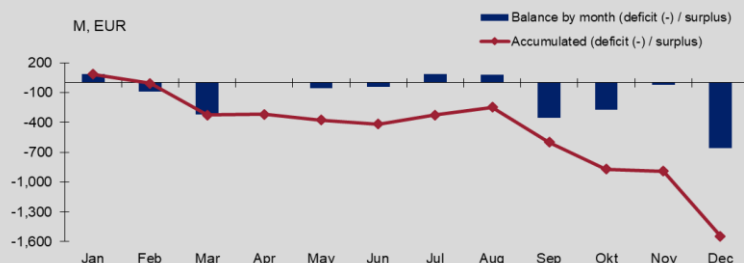
- Budget¹ with accumulated deficit 1 546 M, EUR/ 3.9 % of forecasted GDP (January-December)
 - Central government debt outstanding (nominal value) 16 767 M, EUR/ 42.5 % of forecasted GDP (end of December)
 - Municipalities' borrowings made from the Treasury 249 M, EUR/ 0.6 % of forecasted GDP (January-December)
- GDP forecast for 2022 EUR 39 439 M (Ministry of Finance as on December 2022)
- On October 20, Latvia priced Long 4-year Eurobond raising EUR 850 million with a reoffer yield of 4.198% and a coupon of 3.875%.
 - On December 5, Japanese credit rating agency R&I affirmed Latvia's credit rating at "A" level with stable outlook.
 - On December 6, S&P Global Ratings revised outlook on Latvia to negative from stable and affirmed Latvia's credit rating at A+ level.
 - On December 14, 4th instalment of the European Commission SURE (support to mitigate unemployment risks in an emergency following the COVID-19 outbreak) loan were received in amount of EUR 167 million, total amount disbursed EUR 472 million.

GENERAL DATA

Central Government Consolidated Budget*

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Okt	Nov	Dec
Balance by month (deficit (-) / surplus)	86	-91	-318	4	-55	-41	90	80	-353	-271	-20	-655
Accumulated (deficit (-) / surplus)	86	-5	-323	-319	-374	-415	-325	-246	-599	-870	-890	-1,546

* excluding grants, donations and derived public entities



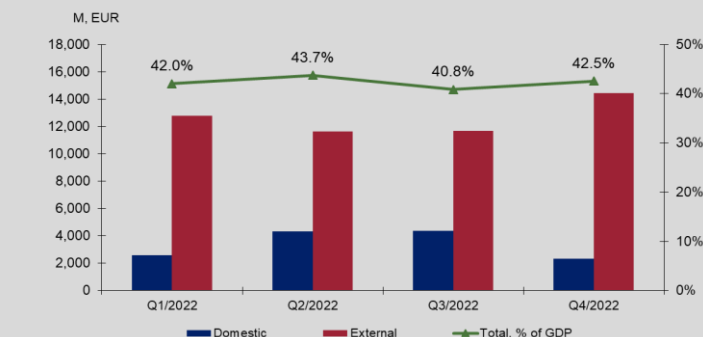
Central Government Debt Outstanding

Debt (M, EUR)	Q1/2022	%	Q2/2022	%	Q3/2022	%	Q4/2022	%
Domestic debt	2,573	17%	4,329*	27%	4,376	27%	2,336*	14%
External debt	12,774	83%	11,645*	73%	11,656	73%	14,431*	86%
Total	15,348	100%	15,973	100%	16,032	100%	16,767	100%
Central government debt (% of GDP)	42.0		43.7		40.8		42.5	
Net debt** (% of GDP)	36.1		36.6		34.5		37.2	

(nominal value)

*Q1/2022 and Q4/2022 eurobond TAP issues targeted for domestic investors in general has been classified as external debt, Q2/2022 and Q3/2022 as domestic debt.

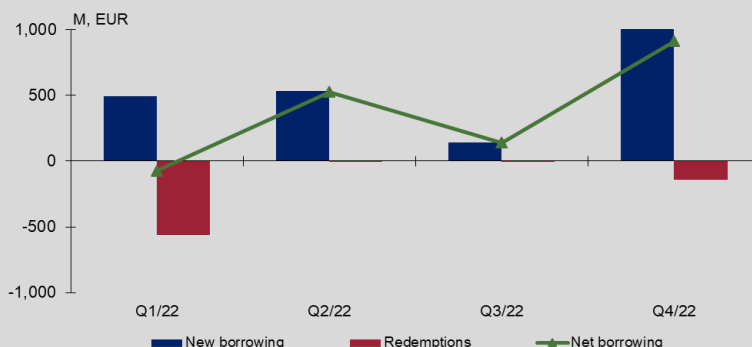
** without the derivative financial instruments effect result



Central Government Net Borrowing

	M, EUR	Q1/22	Q2/22	Q3/22	Q4/22
New borrowing		491	530	140	1,052
incl. Eurobonds		490	530	140	885
incl. EC SURE loan					167
Redemptions		-563	-3	0	-142
incl. domestic securities		-559			-66
incl. other loans					-76
Net borrowing		-72	527	140	910

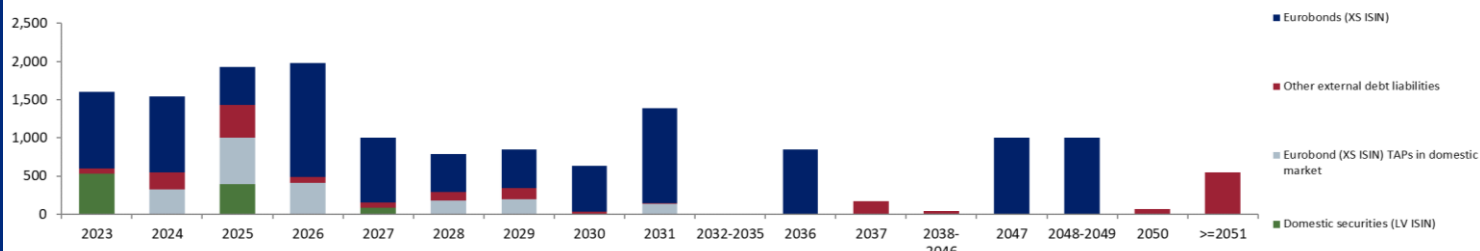
(nominal value)



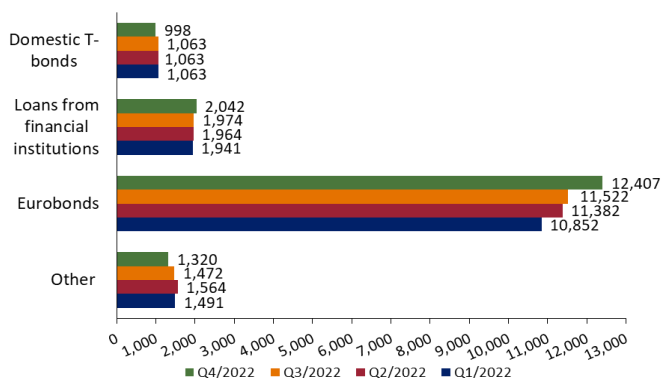
¹Central government consolidated budget (excluding grants, donations and derived public entities)



Central Government Debt Redemption Profile (at the end of December 2022)

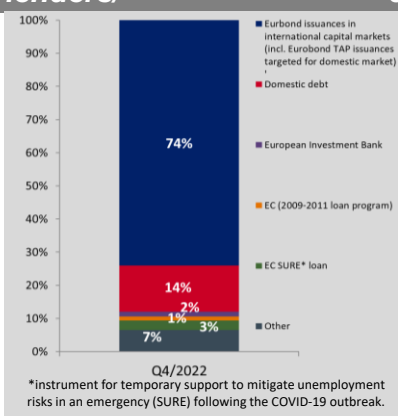


Debt Outstanding by instruments/



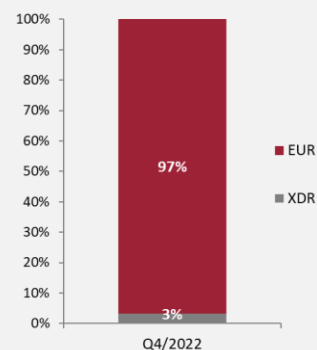
(nominal value, M EUR)

lenders/



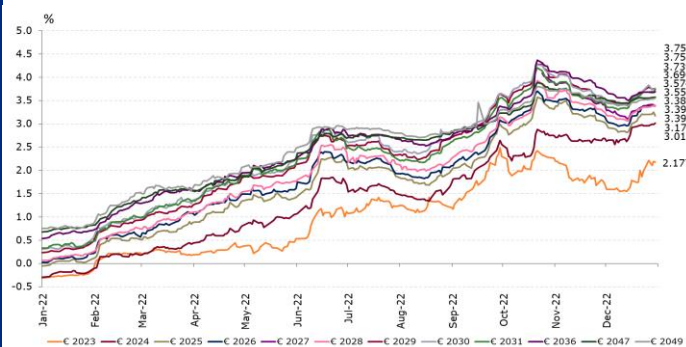
*Instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak.

currencies



SECURITIES IN INTERNATIONAL MARKETS

EUR Eurobond yields

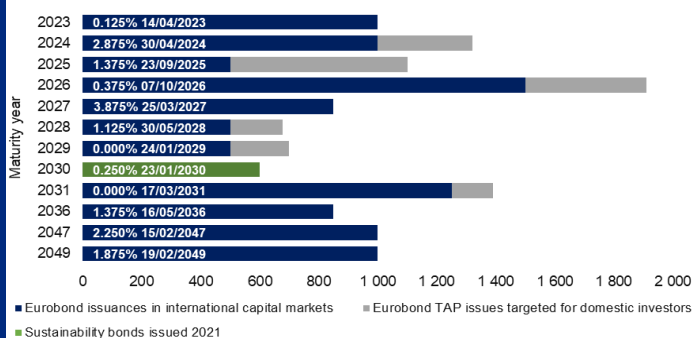


Source: Bloomberg, 30/12/2022

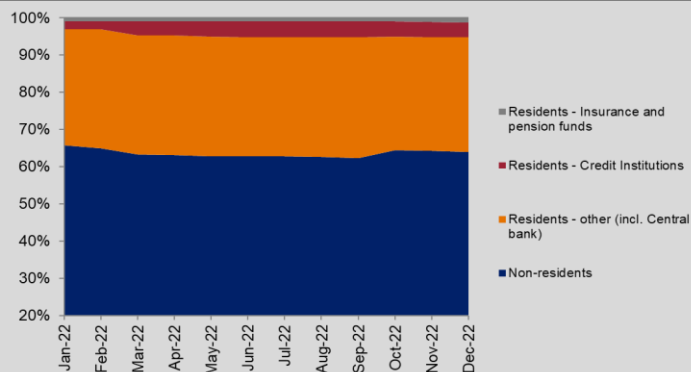
	Maturity Date	Issuer Name	Cpn	S&P Rating	Mid YTM	BID Z-Spread
EUR	14.04.2023	LATVIA	0.125	A+	2.177	114
	30.04.2024	LATVIA	2.875	A+	3.015	3
	23.09.2025	LATVIA	1.375	A+	3.175	12
	07.10.2026	LATVIA	0.375	A+	3.390	34
	25.03.2027	LATVIA	3.875	A+	3.388	30
	30.05.2028	LATVIA	1.125	A+	3.392	43
	24.01.2029	LATVIA	0.000	A+	3.758	76
	23.01.2030*	LATVIA	0.250	A+	3.759	72
	17.03.2031	LATVIA	0.000	A+	3.739	75
	16.05.2036	LATVIA	1.375	A+	3.690	70
	15.02.2047	LATVIA	2.250	A+	3.574	97
	19.02.2049	LATVIA	1.875	A+	3.555	100

* Sustainability bonds issued 2021

Eurobonds outstanding (on the end of December, M EUR)



External Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

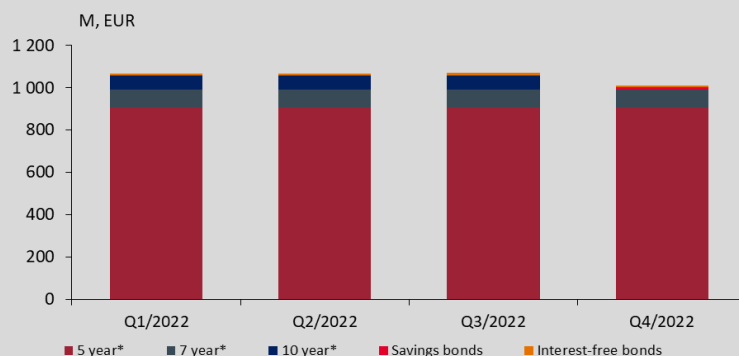


SECURITIES IN DOMESTIC MARKET

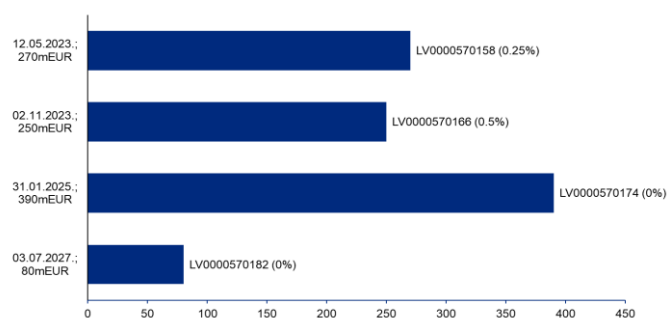
Domestic Securities Outstanding

Outstanding	Q1/2022	Q2/2022	Q3/2022	Q4/2022
5 year*	910.0	910.0	910.0	910.0
7 year*	80.0	80.0	80.0	80.0
10 year*	64.5	64.5	64.5	-
Savings bonds	5.5	5.6	6.4	14.7
Interest-free bonds	8.5	8.5	8.8	7.5
Total	1 068.6	1 068.6	1 069.6	1 012.2

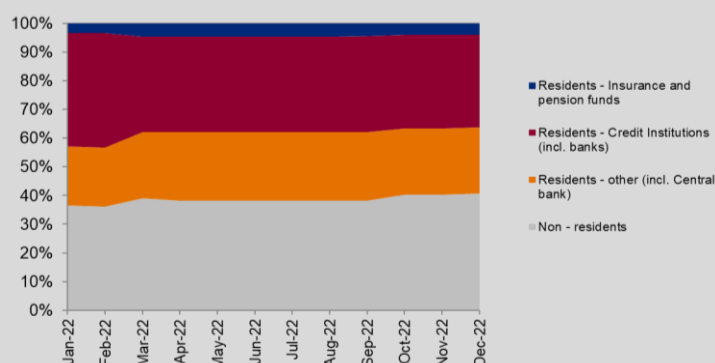
*original maturity



Government domestic securities outstanding (at the end of December)

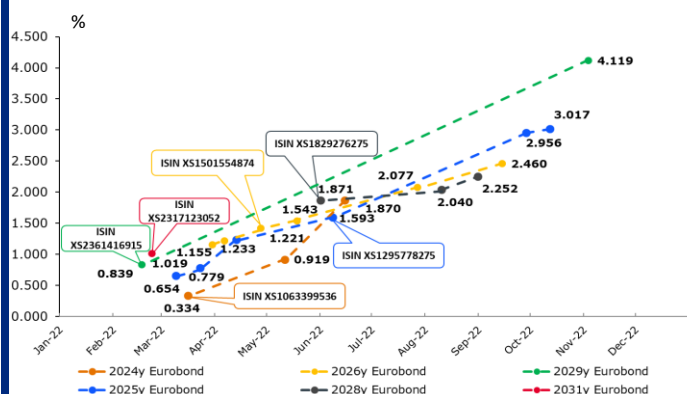


Domestic Securities Outstanding by Type of Investor in Secondary Market

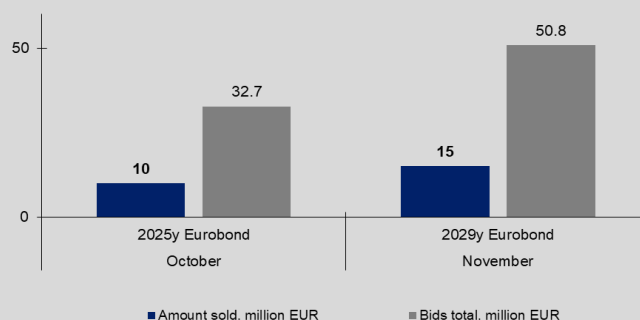


Source: Bank of Latvia

Competitive Multi-price Auction rates



Competitive Multi-Price Auctions in domestic market in 4th quarter



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 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	30.09.2022		31.12.2022		STRATEGY	
Outstanding amount of central government securities distributed in initial placement for domestic market investors at the end of the year	2 274.47 M, EUR ^{^^}		2 847.25 M, EUR		is not less than the outstanding amount at the beginning of the year ^{^^^}	
Maturity profile (%) of central government debt	≤ 1 year 18.3%	≤ 3 years 39.7%	≤ 1 year 17.4%	≤ 3 years 38.2%	≤ 1 year ≤ 25%	≤ 3 years ≤ 50%
Share of fixed rate [^]	75.8%		76.4%		≥ 60%	
Macaulay Duration (years)	6.00		5.85		5.00 - 9.00	
Net debt currency composition ^{^^}	EUR		EUR		EUR	
	100.53%		100.47%		100% (+/- 5%)	

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

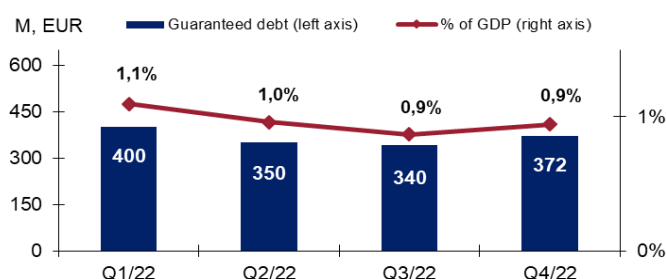
^{^^} Central government debt at the end of the period less the amount of loans and receivables, where impairment loss of guarantees are not taken in account (including Treasury's cash accounts, investments in deposits and fixed income securities, loans, receivables (including receivables of derivative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

^{^^^} The index value is set once a year, i.e., at the end of the current year; value to 31.12.2021.

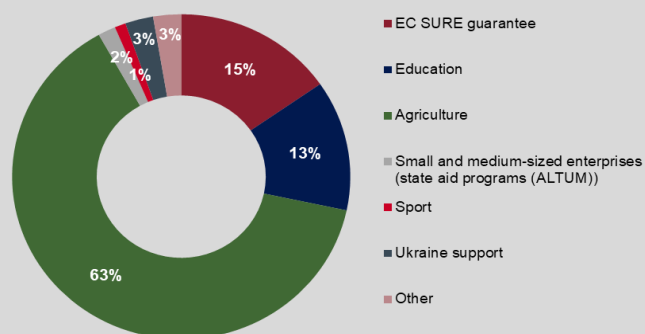
^{^^^} Deviation is acceptable if, having a negative net issuance in the current year, it is compensated with the corresponding amount by increased planned borrowings in domestic market in the next year.

ISSUANCE OF STATE GUARANTEES

State Guaranteed Debt Outstanding

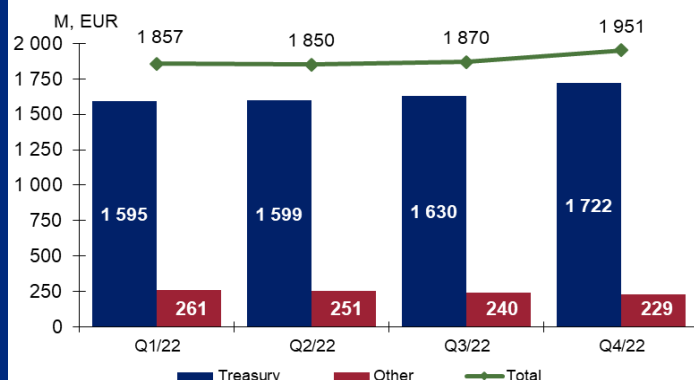


State guaranteed loans by industry (at the end of December)

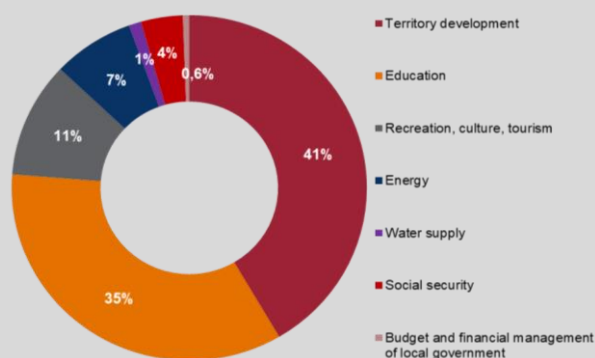


MUNICIPALITIES' BORROWINGS

Municipalities' Debt Outstanding



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



	M, EUR
Total increase of borrowing stated in Budget Law 2022	404.5
Planned limit of loan disbursements to municipalities 2022	324.5
Total borrowings made (January-December)	249.1
from the Treasury	249.1
from other institutions	0.0

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NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on April 24, 2023.

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.