

May 2016, Latvia has issued so far the its longest term - 20 year bond

On Tuesday, May 10, Latvia issued so far its longest maturity - 20-year - bonds in amount of EUR 650 million at the lowest borrowing rate among CEE countries for similar long-term transactions, with an annual fixed interest (coupon) rate 1,375% (yield 1,514%) and which was priced at the same coupon level as Latvia's 10-year bond issued in September 2015. Demand for Latvia's bonds exceeded 3 times the offer.

Minister of Finance Mrs Dana Reizniece– Ozola expresses her acknowledgement with the successful issue of bonds: “The Treasury have been monitoring the development of international capital markets for quite a while, and today has made a decision to issue a historically longest bond that resulted in financial sound and beneficial transaction, locking at rates that are close to historically low levels. The deal will allow not only refinancing the debt and reducing the government debt servicing costs, but also will provide access for low cost funding for our budget,” notes Minister of Finance Mrs Dana Reizniece-Ozola.

The issuance was well received by investors with nearly 150 accounts involved. Investors were mainly from Europe (Germany, Great Britain, Scandinavia and other), as well as other regions assuring the confidence of high quality investors in Latvia as an issuer.

Joint Lead Managers were JP Morgan, HSBC, Natixis and Swedbank.

According to the operative data of the Treasury, the central government debt at the end of August was 8.4 billion euros or ~33% of the gross domestic product (GDP) forecasted for 2016.

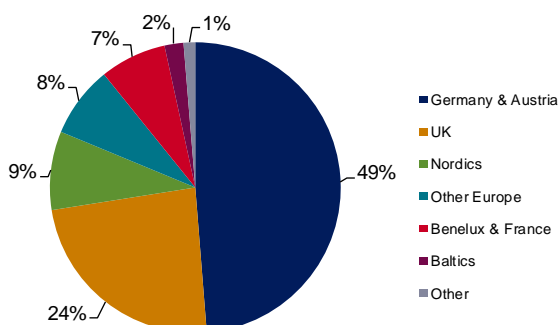
The last issue of Latvia's bonds in international financial markets took place in December 2015, when 5-year bonds in amount of EUR 550 million were issued at an annual fixed (coupon) rate 0,5% (yield 0,532%).

Overview of bond issue:

Issuer	Republic of Latvia
Rating	A3/ A- /A-
Format	Reg S Registered
Maturity	16 May 2036 (20 years)
Size	EUR 650,000,000
Coupon p.a.	1.375%
Issue price	97.617
Launch spread	+50 bps
Governing Law	English
Launch date	16 May 2016
Listing	Luxemburg
Lead Managers	HSBC/ JP Morgan/ Natixis/ Swedbank

Distribution by type of investors

Allocation by geography



Allocation by institutional type

