



# Latvia refinances debt with lower interest rates

Treasury  
Republic of Latvia

On Wednesday, May 23, 2018, Latvia priced the Eurobond dual-tranche in the international capital markets in a total amount of EUR 650 million.

A new 10-year Eurobond with a size of EUR 350 million was issued at a yield 1.148 %, as well as a 30-year Eurobond maturing in February 2047 was reopened at a yield 1.938 % increasing the outstanding amount by EUR 300 million.

By comparison, a 10-year Eurobond issued in 2008 in the amount of EUR 400 million with a yield 5.530% was redeemed on March 5, 2018, carrying an annual debt service cost of EUR 22 million. Taken into account still historically low euro interest rate environment, annual debt servicing cost for the new Eurobond with similar tenor, size and the interest rate fixed at today's transaction will be decreased by EUR 17,5 million.

Eurobond offerings were well received from more than 80 investors, mainly from Europe.

The Joint Lead Managers were Citi, JP Morgan and Natixis.

Domestic debt securities redemptions for 5-year and 11-year T-bonds with coupon rates of 2.125% and 5.625% will follow later in 2018.

## Overview of bond issues

	New 10-year Notes due to 2028	Tap of Notes due 2047
Issuer	Republic of Latvia	
Rating	A3/ A- /A-	
Format	RegS Registered	
Maturity	30 May, 2028	15 February, 2047
Size	EUR 350 million	EUR 300 million(tap)*
Coupon p.a.	1.125%	2.250%
Yield	1.148%	1.938%
Issue price	99.784	106.817
Spread vs MS	+15 bps	+37 bps
Pricing date	23 May 2018	
Governing Law	English	
Listing	Luxembourg Stock Exchange	
Lead Managers	Citi, JP Morgan, Natixis	

\* outstanding amount of Notes due 2047 is €800 mln

## Investor distribution

