

Latvian government securities market review

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11.10.2013

COMPETITIVE MULTI - PRICE AUCTION RESULTS FOR DOMESTIC T-BILLS

| Date of Auction | Term of Security (Number of Days) | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to- cover ratio | Redemptions in the auction (Ls) | Average Annual Yield (%) |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|---------------------|---------------------------------|--------------------------|
| 24.10.2012 | 182-days | 32984 | 3 | 8 000 000 | 15 550 000 | 8 000 000 | 1,9 | | 0,315 |
| 14.11.2012 | 364-days | 41795 | 5 | 8 000 000 | 14 550 000 | 8 000 000 | 1,8 | | 0,649 |
| 28.11.2012 | 364-days | 41803 | 4 | 8 000 000 | 17 000 000 | 8 000 000 | 2,1 | | 0,667 |
| 30.01.2013 | 364-days | 41811 | 8 | 8 000 000 | 34 900 000 | 8 000 000 | 4,4 | | 0,520 |
| 20.02.2013 | 364-days | 41829 | 8 | 8 000 000 | 29 500 000 | 8 000 000 | 3,7 | | 0,440 |
| 06.03.2013 | 182-days | 32992 | 5 | 8 000 000 | 28 500 000 | 8 000 000 | 3,6 | | 0,247 |
| 20.03.2013 | 364-days | 41837 | 8 | 8 000 000 | 28 750 000 | 8 000 000 | 3,6 | | 0,419 |
| 11.04.2013 | 364-days | 41845 | 5 | 10 000 000 | 37 250 000 | 10 000 000 | 3,7 | | 0,356 |
| 08.05.2013 | 364-days | 41852 | 5 | 10 000 000 | 39 500 000 | 10 000 000 | 4,0 | | 0,300 |
| 12.06.2013 | 182-days | 33008 | 5 | 8 000 000 | 30 000 000 | 8 000 000 | 3,8 | | 0,201 |
| 17.07.2013 | 364-days | 41860 | 5 | 8 000 000 | 24 000 000 | 8 000 000 | 3,0 | | 0,298 |
| 14.08.2013 | 364-days | 41878 | 5 | 8 000 000 | 30 900 000 | 8 000 000 | 3,9 | | 0,298 |
| 11.09.2013 | 182-days | 33016 | 4 | 8 000 000 | 18 300 000 | 8 000 000 | 2,3 | | 0,233 |
| 18.09.2013 | 364-days | 41886 | 5 | 12 000 000 | 28 500 000 | 12 000 000 | 2,4 | | 0,327 |
| 09.10.2013 | 364-days | 41894 | 5 | 9 000 000 | 22 000 000 | 9 000 000 | 2,4 | | 0,353 |

FIXED RATE (UNCOMPETITIVE) AUCTION RESULTS FOR DOMESTIC T-BILLS

| Date of Auction | Term of Security (Number of Days) | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to- cover ratio | State Institution Fund Investments (Sold Amount Ls) | Average Annual Yield (%) |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|---------------------|---|--------------------------|
| 25.10.2012 | 182-days | 32984 | 3 | 2 000 000 | 5 000 000 | 2 000 000 | 2,50 | | 0,315 |
| 15.11.2012 | 364-days | 41795 | 3 | 2 000 000 | 4 600 000 | 2 000 000 | 2,30 | 998 300 | 0,649 |
| 29.11.2012 | 364-days | 41803 | 2 | 2 000 000 | 2 500 000 | 2 000 000 | 1,25 | | 0,667 |
| 31.01.2013 | 364-days | 41811 | 4 | 2 000 000 | 7 200 000 | 2 000 000 | 3,60 | 553 500 | 0,520 |
| 21.02.2013 | 364-days | 41829 | 5 | 2 000 000 | 6 450 000 | 2 000 000 | 3,23 | | 0,440 |
| 07.03.2013 | 182-days | 32992 | 4 | 2 000 000 | 5 500 000 | 2 000 000 | 2,75 | | 0,247 |
| 21.03.2013 | 364-days | 41837 | 5 | 2 000 000 | 6 750 000 | 2 000 000 | 3,38 | | 0,419 |
| 12.04.2013 | 364-days | 41845 | 5 | 2 000 000 | 4 850 000 | 2 000 000 | 2,43 | | 0,356 |
| 09.05.2013 | 364-days | 41852 | 5 | 2 000 000 | 6 300 000 | 2 000 000 | 3,15 | | 0,300 |
| 13.06.2013 | 182-days | 33008 | 5 | 2 000 000 | 4 975 000 | 2 000 000 | 2,5 | | 0,201 |
| 18.07.2013 | 364-days | 41860 | 4 | 2 000 000 | 3 750 000 | 2 000 000 | 1,9 | | 0,298 |
| 15.08.2013 | 364-days | 41878 | 5 | 2 000 000 | 5 600 000 | 2 000 000 | 2,8 | | 0,298 |
| 12.09.2013 | 182-days | 33016 | 5 | 2 000 000 | 4 270 000 | 2 000 000 | 2,1 | | 0,233 |
| 19.09.2013 | 364-dienu | 41886 | 5 | 3 000 000 | 3 320 000 | 3 000 000 | 1,1 | 381 700 | 0,327 |
| 10.10.2013 | 364-days | 41894 | 5 | 1 000 000 | 1 170 000 | 1 000 000 | 1,2 | | 0,353 |

COMPETITIVE MULTI - PRICE AUCTION RESULTS FOR DOMESTIC BONDS

| Date of Auction | Term of Security (Number of Days) | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to- cover ratio | Redemptions in the auction (Ls) | Average Annual Yield (%) | Coupon (%) |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|---------------------|---------------------------------|--------------------------|------------|
| 01.11.2012 | 10-years | 80058 | 7 | 2 000 000 | 5 590 000 | 2 000 000 | 2,8 | | 3,199 | 5,250 |
| 09.01.2013 | 3-years | 60050 | 5 | 8 000 000 | 37 100 000 | 8 000 000 | 4,6 | | 1,421 | 1,375 |
| 13.02.2013 | 3-years | 60050 | 5 | 24 000 000 | 59 555 000 | 24 000 000 | 2,5 | | 1,389 | 1,375 |
| 26.03.2013 | 3-years | 60050 | 5 | 8 000 000 | 30 000 000 | 8 000 000 | 3,8 | | 1,226 | 1,375 |
| 24.04.2013 | 3-years | 60050 | 5 | 16 000 000 | 48 600 000 | 16 000 000 | 3,0 | | 1,189 | 1,375 |
| 29.05.2013 | 3-years | 60050 | 5 | 8 000 000 | 27 400 000 | 8 000 000 | 3,4 | 42 362 900 | 1,094 | 1,375 |
| 19.06.2013 | 3-years | 60050 | 4 | 8 000 000 | 12 500 000 | 8 000 000 | 1,6 | | 1,109 | 1,375 |
| 31.07.2013 | 3-years | 60050 | 5 | 8 000 000 | 14 050 000 | 8 000 000 | 1,8 | | 1,149 | 1,375 |
| 28.08.2013 | 3-years | 60050 | 5 | 4 000 000 | 13 800 000 | 4 000 000 | 3,5 | | 1,163 | 1,375 |
| 02.10.2013 | 5-years | 70117 | 5 | 8 000 000 | 22 210 000 | 8 000 000 | 2,8 | | 2,216 | 2,125 |

FIXED RATE (UNCOMPETITIVE) AUCTION RESULTS FOR DOMESTIC BONDS

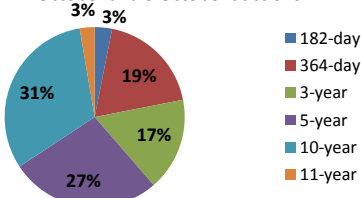
| Date of Auction | Term of Security (Number of Days) | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to- cover ratio | State Institution Fund Investments (Sold Amount Ls) | Average Annual Yield (%) | Coupon (%) |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|---------------------|---|--------------------------|------------|
| 02.11.2012 | 10-years | 80058 | 7 | 2 000 000 | 2 540 000 | 2 000 000 | 1,3 | | 3,199 | 5,250 |
| 10.01.2013 | 3-years | 60050 | 5 | 2 000 000 | 14 000 000 | 2 000 000 | 7,0 | | 1,421 | 1,375 |
| 14.02.2013 | 3-years | 60050 | 5 | 6 000 000 | 29 900 000 | 6 000 000 | 5,0 | | 1,389 | 1,375 |
| 27.03.2013 | 3-years | 60050 | 5 | 2 000 000 | 6 400 000 | 2 000 000 | 3,2 | 1 623 800 | 1,226 | 1,375 |
| 25.04.2013 | 3-years | 60050 | 5 | 4 000 000 | 16 500 000 | 4 000 000 | 4,1 | 656 800 | 1,189 | 1,375 |
| 30.05.2013 | 3-years | 60050 | 5 | 2 000 000 | 6 550 000 | 2 000 000 | 3,3 | 126 000 | 1,094 | 1,375 |
| 20.06.2013 | 3-years | 60050 | 4 | 2 000 000 | 2 650 000 | 2 000 000 | 1,3 | | 1,109 | 1,375 |
| 01.08.2013 | 3-years | 60050 | 5 | 2 000 000 | 1 710 000 | 1 710 000 | 0,9 | 322 600 | 1,149 | 1,375 |
| 29.08.2013 | 3-years | 60050 | 5 | 1 000 000 | 3 800 000 | 1 000 000 | 3,8 | | 1,163 | 1,375 |
| 03.10.2013 | 5-years | 70117 | 5 | 2 000 000 | 5 330 000 | 2 000 000 | 2,7 | | 2,216 | 2,125 |

On Wednesday, 9 October, month domestic government bills were offered with maturity 10 October, 2014. Total demand for 12 month domestic government bills in competitive multi-price auction reached 22 million lats. Government T-Bills with the total value of 9 million lats were sold during the government domestic securities competitive multi-price auction. In competitive multi-price auction in 9 October maximum yield rate was set 0,45%, weighted average yield rate was 0,353%. On Thursday, 10 October, a non-competitive fixed rate auction took place. 12 month T-Bills with the total nominal value of 1 million lats were offered and the total demand reached 1,17 million lats. All offered T-Bills were sold.

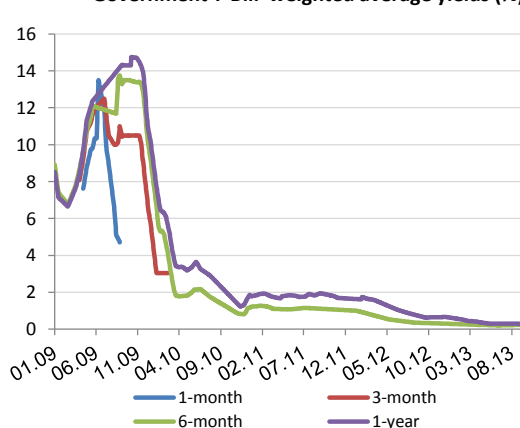
Government securities outstanding after 2 October and 3 October auctions

| Type of security | Term of security | Outstanding Amount at Discount Values (Ls) | Outstanding Amount at Nominal Values (Ls) |
|------------------|------------------|--|---|
| T-bills | 182-day | 20 000 000 | 19 978 067,94 |
| T-bills | 364-day | 120 933 500 | 120 419 418,76 |
| T-bonds | 3-year | 107 439 200 | 107 425 758,89 |
| T-bonds | 5-year | 174 344 700 | 174 179 153,75 |
| T-bonds | 10-year | 203 234 900 | 202 127 455,23 |
| T-bonds | 11-year | 17 179 200 | 16 972 517,23 |
| Total: | | 643 131 500 | 641 102 372 |

Government securities outstanding after 2 October and 3 October auctions



Government T-Bill weighted average yields (%)



Government securities' yield curve derived from results of auctions within last 12 months (%)

