

# Latvian government securities market review

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04.04.2014

## COMPETITIVE MULTI - PRICE AUCTION RESULTS FOR DOMESTIC T-BILLS

| Date of Auction | Original Term to Maturity (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 (%) | Currency on the auction date |
|-----------------|----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|--------------------|---------------------------------|--------------------------|------------------------------|
| 20.03.2013      | 364                              | 41837                | 5                      | 8 000 000                 | 28 750 000      | 8 000 000        | 3,6                |                                 | 0,419                    | LVL                          |
| 10.04.2013      | 364                              | 41845                | 5                      | 10 000 000                | 37 250 000      | 10 000 000       | 3,7                |                                 | 0,356                    | LVL                          |
| 08.05.2013      | 364                              | 41852                | 5                      | 10 000 000                | 39 500 000      | 10 000 000       | 4,0                |                                 | 0,300                    | LVL                          |
| 12.06.2013      | 182                              | 33008                | 5                      | 8 000 000                 | 30 000 000      | 8 000 000        | 3,8                |                                 | 0,201                    | LVL                          |
| 17.07.2013      | 364                              | 41860                | 5                      | 8 000 000                 | 24 000 000      | 8 000 000        | 3,0                |                                 | 0,298                    | LVL                          |
| 14.08.2013      | 364                              | 41878                | 5                      | 8 000 000                 | 30 900 000      | 8 000 000        | 3,9                |                                 | 0,298                    | LVL                          |
| 11.09.2013      | 182                              | 33016                | 4                      | 8 000 000                 | 18 300 000      | 8 000 000        | 2,3                |                                 | 0,233                    | LVL                          |
| 18.09.2013      | 364                              | 41886                | 5                      | 12 000 000                | 28 500 000      | 12 000 000       | 2,4                |                                 | 0,327                    | LVL                          |
| 09.10.2013      | 364                              | 41894                | 5                      | 9 000 000                 | 22 000 000      | 9 000 000        | 2,4                |                                 | 0,353                    | LVL                          |
| 30.10.2013      | 364                              | 41902                | 5                      | 10 000 000                | 24 000 000      | 10 000 000       | 2,4                |                                 | 0,376                    | LVL                          |
| 13.11.2013      | 364                              | 41910                | 5                      | 10 000 000                | 24 000 000      | 10 000 000       | 2,4                |                                 | 0,386                    | LVL                          |
| 04.12.2013      | 182                              | 33024                | 5                      | 8 000 000                 | 27 500 000      | 8 000 000        | 3,4                |                                 | 0,228                    | LVL                          |
| 11.12.2013      | 364                              | 41928                | 5                      | 10 000 000                | 33 100 000      | 10 000 000       | 3,3                |                                 | 0,372                    | LVL                          |
| 12.02.2014      | 364                              | 41936                | 5                      | 12 000 000                | 37 400 000      | 12 000 000       | 3,1                |                                 | 0,374                    | EUR                          |
| 05.03.2014      | 182                              | 33032                | 5                      | 12 000 000                | 41 000 000      | 12 000 000       | 3,4                |                                 | 0,219                    | EUR                          |
| 12.03.2014      | 364                              | 41944                | 5                      | 12 000 000                | 43 550 000      | 12 000 000       | 3,6                |                                 | 0,374                    | EUR                          |

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

| Date of Auction | Original Term to Maturity (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 (%) | Currency on the auction date |
|-----------------|----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|--------------------|--|--------------------------|------------------------------|
| 21.02.2013      | 364                              | 41829                | 5                      | 2 000 000                 | 4 650 000       | 2 000 000        | 2,3                |  | 0,440                    | LVL                          |
| 07.03.2013      | 182                              | 32992                | 4                      | 2 000 000                 | 5 500 000       | 2 000 000        | 2,8                |  | 0,247                    | LVL                          |
| 21.03.2013      | 364                              | 41837                | 5                      | 2 000 000                 | 6 750 000       | 2 000 000        | 3,4                |  | 0,419                    | LVL                          |
| 11.04.2013      | 364                              | 41845                | 5                      | 2 000 000                 | 4 850 000       | 2 000 000        | 2,4                |  | 0,356                    | LVL                          |
| 09.05.2013      | 364                              | 41852                | 5                      | 2 000 000                 | 6 300 000       | 2 000 000        | 3,2                |  | 0,300                    | LVL                          |
| 13.06.2013      | 182                              | 33008                | 5                      | 2 000 000                 | 4 975 000       | 2 000 000        | 2,5                |  | 0,201                    | LVL                          |
| 18.07.2013      | 364                              | 41860                | 4                      | 2 000 000                 | 3 750 000       | 2 000 000        | 1,9                |  | 0,298                    | LVL                          |
| 15.08.2013      | 364                              | 41878                | 5                      | 2 000 000                 | 5 600 000       | 2 000 000        | 2,8                |  | 0,298                    | LVL                          |
| 12.09.2013      | 182                              | 33016                | 5                      | 2 000 000                 | 4 270 000       | 2 000 000        | 2,1                |  | 0,233                    | LVL                          |
| 19.09.2013      | 364                              | 41886                | 5                      | 3 000 000                 | 3 320 000       | 3 000 000        | 1,1                | 381 700  | 0,327                    | LVL                          |
| 10.10.2013      | 364                              | 41894                | 5                      | 1 000 000                 | 1 170 000       | 1 000 000        | 1,2                |  | 0,353                    | LVL                          |
| 31.10.2013      | 364                              | 41902                | 5                      | 2 000 000                 | 3 750 000       | 2 000 000        | 1,9                |  | 0,376                    | LVL                          |
| 14.11.2013      | 364                              | 41910                | 5                      | 2 000 000                 | 4 220 000       | 2 000 000        | 2,1                |  | 0,386                    | LVL                          |
| 05.12.2013      | 182                              | 33024                | 5                      | 2 000 000                 | 5 160 000       | 2 000 000        | 2,6                |  | 0,228                    | LVL                          |
| 12.12.2013      | 364                              | 41928                | 4                      | 2 000 000                 | 6 100 000       | 2 000 000        | 3,1                |  | 0,372                    | LVL                          |
| 13.02.2014      | 364                              | 41936                | 4                      | 3 000 000                 | 6 000 000       | 3 000 000        | 2,0                |  | 0,374                    | EUR                          |
| 06.03.2014      | 182                              | 33032                | 4                      | 3 000 000                 | 6 060 000       | 3 000 000        | 2,0                |  | 0,219                    | EUR                          |
| 13.03.2014      | 182                              | 41944                | 4                      | 3 000 000                 | 8 000 000       | 3 000 000        | 2,7                |  | 0,374                    | EUR                          |

## COMPETITIVE MULTI - PRICE AUCTION RESULTS FOR DOMESTIC BONDS

| Date of Auction | Original Term to Maturity (years) | 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 (%) | Currency on the auction date |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|--------------------|---------------------------------|--------------------------|------------|------------------------------|
| 26.03.2013      | 3                                 | 60050                | 5                      | 8 000 000                 | 30 000 000      | 8 000 000        | 3,8                |                                 | 1,226                    | 1,375      | LVL                          |
| 24.04.2013      | 3                                 | 60050                | 5                      | 16 000 000                | 48 600 000      | 16 000 000       | 3,0                |                                 | 1,189                    | 1,375      | LVL                          |
| 29.05.2013      | 3                                 | 60050                | 5                      | 8 000 000                 | 27 400 000      | 8 000 000        | 3,4                | 42 362 900                      | 1,094                    | 1,375      | LVL                          |
| 19.06.2013      | 3                                 | 60050                | 4                      | 8 000 000                 | 12 500 000      | 8 000 000        | 1,6                |                                 | 1,109                    | 1,375      | LVL                          |
| 31.07.2013      | 3                                 | 60050                | 5                      | 8 000 000                 | 14 050 000      | 8 000 000        | 1,8                |                                 | 1,149                    | 1,375      | LVL                          |
| 28.08.2013      | 3                                 | 60050                | 5                      | 4 000 000                 | 13 800 000      | 4 000 000        | 3,5                |                                 | 1,163                    | 1,375      | LVL                          |
| 02.10.2013      | 5                                 | 70117                | 5                      | 8 000 000                 | 22 210 000      | 8 000 000        | 2,8                |                                 | 2,216                    | 2,125      | LVL                          |
| 23.10.2013      | 5                                 | 70117                | 5                      | 9 000 000                 | 22 570 000      | 9 000 000        | 2,5                |                                 | 2,294                    | 2,125      | LVL                          |
| 27.11.2013      | 5                                 | 70117                | 5                      | 8 000 000                 | 34 400 000      | 8 000 000        | 4,3                |                                 | 1,959                    | 2,125      | LVL                          |
| 26.02.2014      | 5                                 | 70117                | 5                      | 16 000 000                | 59 000 000      | 16 000 000       | 3,7                |                                 | 1,790                    | 2,125      | EUR                          |
| 02.04.2014      | 5                                 | 70117                | 5                      | 48 000 000                | 137 465 000     | 48 000 000       | 2,9                |                                 | 1,577                    | 2,125      | EUR                          |

## FIXED RATE (UNCOMPETITIVE) AUCTION RESULTS FOR DOMESTIC BONDS

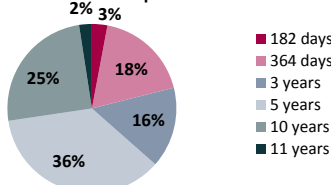
| Date of Auction | Original Term to Maturity (years) | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to-cover ratio | State Institution Fund Investments (Sold Amount, Ls) | Average Annual Yield (%) | Coupon (%) | Currency on the auction date |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|--------------------|--|--------------------------|------------|------------------------------|
| 27.03.2013      | 3                                 | 60050                | 5                      | 2 000 000                 | 6 400 000       | 2 000 000        | 3,2                | 1 623 800  | 1,226                    | 1,375      | LVL                          |
| 25.04.2013      | 3                                 | 60050                | 5                      | 4 000 000                 | 16 500 000      | 4 000 000        | 4,1                | 656 800  | 1,189                    | 1,375      | LVL                          |
| 30.05.2013      | 3                                 | 60050                | 5                      | 2 000 000                 | 6 550 000       | 2 000 000        | 3,3                | 126 000  | 1,094                    | 1,375      | LVL                          |
| 20.06.2013      | 3                                 | 60050                | 4                      | 2 000 000                 | 2 650 000       | 2 000 000        | 1,3                |  | 1,109                    | 1,375      | LVL                          |
| 01.08.2013      | 3                                 | 60050                | 5                      | 2 000 000                 | 1 710 000       | 1 710 000        | 0,9                | 322 600  | 1,149                    | 1,375      | LVL                          |
| 29.08.2013      | 3                                 | 60050                | 5                      | 1 000 000                 | 3 800 000       | 1 000 000        | 3,8                |  | 1,163                    | 1,375      | LVL                          |
| 03.10.2013      | 5                                 | 70117                | 5                      | 2 000 000                 | 5 330 000       | 2 000 000        | 2,7                |  | 2,216                    | 2,125      | LVL                          |
| 24.10.2013      | 5                                 | 70117                | 5                      | 1 000 000                 | 2 410 000       | 1 000 000        | 2,4                |  | 2,294                    | 2,125      | LVL                          |
| 28.11.2013      | 5                                 | 70117                | 5                      | 2 000 000                 | 8 000 000       | 2 000 000        | 4,0                | 1 196 700  | 1,959                    | 2,125      | LVL                          |
| 27.02.2014      | 5                                 | 70117                | 4                      | 4 000 000                 | 14 000 000      | 4 000 000        | 3,5                |  | 1,790                    | 2,125      | EUR                          |
| 03.04.2014      | 5                                 | 70117                | 5                      | 12 000 000                | 31 010 000      | 12 000 000       | 2,6                |  | 1,577                    | 2,125      | EUR                          |

On Wednesday, 2 April, 5 year domestic government T-Bonds were offered with maturity 4 October, 2018. All offered securities with the total nominal value of 48 million EUR were sold in a competitive multi-price auction. Total demand reached 137,5 million EUR and exceeded the amount offered 2,9 times. The top admissible yield set by the Treasury was 2,7% and the weighted average yield rate was 1,577% (in the auction of the same series on 26 February 2014 – 1,790%). On Thursday, 3 April, all offered 5 year T-Bonds with the total nominal value of 12,0 million EUR were sold in a non-competitive fixed rate auction. Total demand reached 31,0 million EUR and exceeded the amount offered 2,6 times.

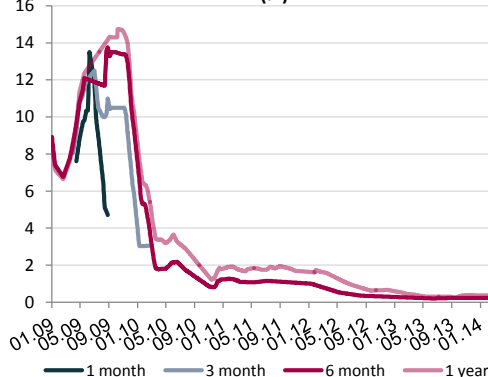
### Government securities outstanding after 2 and 3 April auctions

| Type of security | Original term to maturity | Outstanding Amount at Discount Values (EUR) | Outstanding Amount at Nominal Values (EUR) |
|------------------|---------------------------|---|--|
| T-bills          | 182 days                  | 29 195 742,54                               | 29 228 718,11                              |
| T-bills          | 364 days                  | 179 315 472,69                              | 179 944 650,33                             |
| T-bonds          | 3 years                   | 152 853 084,06                              | 152 872 209,04                             |
| T-bonds          | 5 years                   | 357 900 691,49                              | 358 230 345,86                             |
| T-bonds          | 10 years                  | 246 589 013,77                              | 248 020 642,97                             |
| T-bonds          | 11 years                  | 24 149 716,33                               | 24 443 799,39                              |
| <b>Total:</b>    |                           | <b>990 003 720,88</b>                       | <b>992 740 365,70</b>                      |

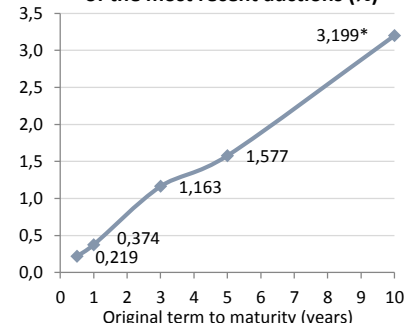
### Government securities outstanding after 2 and 3 April auctions



### Government T-Bill weighted average yields (%)



### Government securities' yield curve derived from the results of the most recent auctions (%)



\*10 year T-Bond auction on 01.11.2012.