

Latvian government securities market review

Latvian government securities market review

24.10.2014

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 |
|-----------------|----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|---------------------|---------------------------------|--------------------------|------------------------------|
| 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 |
| 09.04.2014 | 364 | 41951 | 5 | 12 000 000 | 45 000 000 | 12 000 000 | 3,8 | | 0,373 | EUR |
| 07.05.2014 | 364 | 41969 | 5 | 12 000 000 | 45 500 000 | 12 000 000 | 3,8 | | 0,370 | EUR |
| 04.06.2014 | 184 | 33040 | 5 | 12 000 000 | 44 100 000 | 12 000 000 | 3,7 | | 0,216 | EUR |
| 11.06.2014 | 364 | 41977 | 5 | 12 000 000 | 49 000 000 | 12 000 000 | 4,1 | | 0,188 | EUR |
| 09.07.2014 | 364 | 41985 | 5 | 12 000 000 | 50 000 000 | 12 000 000 | 4,2 | | 0,150 | EUR |
| 03.09.2014 | 364 | 41993 | 5 | 12 000 000 | 53 000 000 | 12 000 000 | 4,4 | | 0,118 | 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 |
|-----------------|----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|---------------------|--|--------------------------|------------------------------|
| 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 | 364 | 41944 | 4 | 3 000 000 | 8 000 000 | 3 000 000 | 2,7 | | 0,374 | EUR |
| 10.04.2014 | 364 | 41951 | 5 | 3 000 000 | 8 500 000 | 3 000 000 | 2,8 | | 0,373 | EUR |
| 08.05.2014 | 364 | 41969 | 5 | 3 000 000 | 7 500 000 | 3 000 000 | 2,5 | | 0,370 | EUR |
| 05.06.2014 | 184 | 33040 | 4 | 3 000 000 | 6 510 000 | 3 000 000 | 2,2 | | 0,216 | EUR |
| 12.06.2014 | 364 | 41977 | 4 | 3 000 000 | 6 020 000 | 3 000 000 | 2,0 | | 0,188 | EUR |
| 10.07.2014 | 364 | 41985 | 4 | 3 000 000 | 9 010 000 | 3 000 000 | 3,0 | 1 701 000 | 0,150 | EUR |
| 03.09.2014 | 364 | 41993 | 4 | 3 000 000 | 6 020 000 | 3 000 000 | 2,0 | | 0,118 | 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 |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|---------------------|---------------------------------|--------------------------|------------|------------------------------|
| 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 |
| 21.05.2014 | 5 | 70125 | 5 | 16 000 000 | 62 190 000 | 16 000 000 | 3,9 | | 1,877 | 1,875 | EUR |
| 18.06.2014 | 5 | 70125 | 5 | 16 000 000 | 59 700 000 | 16 000 000 | 3,7 | | 1,819 | 1,875 | EUR |
| 23.07.2014 | 5 | 70125 | 5 | 16 000 000 | 57 458 000 | 16 000 000 | 3,6 | | 1,800 | 1,875 | EUR |
| 24.09.2014 | 5 | 70125 | 5 | 16 000 000 | 90 230 000 | 16 000 000 | 5,6 | | 1,535 | 1,875 | EUR |
| 22.10.2014 | 5 | 70125 | 5 | 16 000 000 | 75 650 000 | 16 000 000 | 4,7 | | 1,437 | 1,875 | EUR |

FIXED RATE (UNCOMPETITIVE) AUCTION RESULTS FOR DOMESTIC BONDS

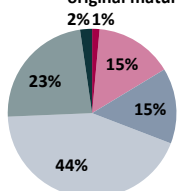
| Date of Auction | Original Term to Maturity (years) | ISIN code (LV 00005) | Number of participants | State Treasury Offer (Ls) | Bids Total (Ls) | Sold Amount (Ls) | Bid-to- cover ratio | State Institution Fund Investments (Sold Amount, Ls) | Average Annual Yield (%) | Coupon (%) | Currency on the auction date |
|-----------------|-----------------------------------|----------------------|------------------------|---------------------------|-----------------|------------------|---------------------|--|--------------------------|------------|------------------------------|
| 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 |
| 22.05.2014 | 5 | 70125 | 5 | 4 000 000 | 13 000 000 | 4 000 000 | 3,3 | | 1,877 | 1,875 | EUR |
| 19.06.2014 | 5 | 70125 | 5 | 4 000 000 | 15 600 000 | 4 000 000 | 3,9 | | 1,819 | 1,875 | EUR |
| 24.07.2014 | 5 | 70125 | 5 | 4 000 000 | 19 000 000 | 4 000 000 | 4,8 | | 1,800 | 1,875 | EUR |
| 24.09.2014 | 5 | 70125 | 5 | 4 000 000 | 20 000 000 | 4 000 000 | 5,0 | 949 000 | 1,535 | 1,875 | EUR |
| 22.10.2014 | 5 | 70125 | 5 | 4 000 000 | 12 010 000 | 4 000 000 | 3,0 | | 1,437 | 1,875 | EUR |

On Wednesday, 22 October, 5 year domestic government T-Bonds were offered due on 21 November, 2019. All offered securities with the total nominal value of 16 million EUR were sold in a competitive multi-price auction. The total demand reached 75,7 million EUR and exceeded the amount offered 4,7 times. The top admissible yield rate set by the Treasury was 2,20% and the weighted average yield rate was 1,437%. All offered 5 year T-Bonds with the total nominal value of 4,0 million EUR were sold in a non-competitive fixed rate auction. Total demand reached 12,0 million EUR and exceeded the amount offered 3,0 times.

Government securities outstanding by original maturity

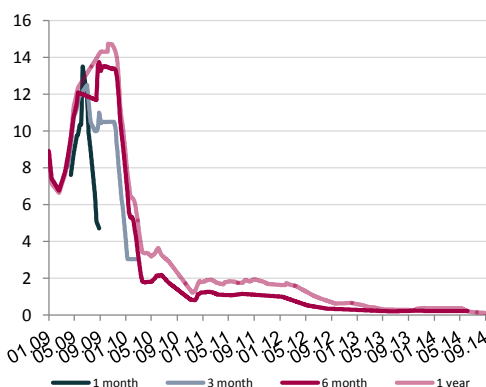
| Type of security | Original term to maturity | Outstanding Amount at Discount Values (EUR) | Outstanding Amount at Nominal Values (EUR) |
|------------------|---------------------------|---|--|
| T-bills | 182 days | 14 983 653,49 | 15 000 000,00 |
| T-bills | 364 days | 157 432 350,44 | 157 924 385,20 |
| T-bonds | 3 years | 152 853 084,06 | 152 872 209,04 |
| T-bonds | 5 years | 458 849 691,49 | 459 179 345,86 |
| T-bonds | 10 years | 246 589 013,77 | 248 020 642,97 |
| T-bonds | 11 years | 24 149 716,33 | 24 443 799,39 |
| Total: | | 1 054 857 509,58 | 1 057 440 382,46 |

Government securities outstanding by original maturity



- 182 days
- 364 days
- 3 years
- 5 years
- 10 years
- 11 years

Government T-Bill weighted average yields (%)



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

