

BULLETIN IN BRIEF

- Budget¹ with accumulated deficit
- Central government debt outstanding (nominal value)
- Municipalities' borrowings made from the Treasury

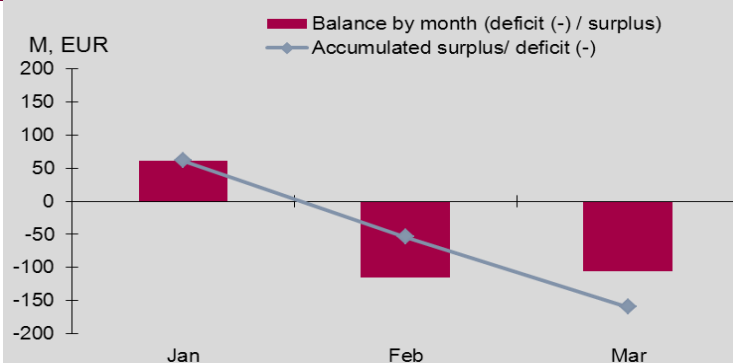
-112 M, LVL / -160 M, EUR (Jan-March)
 5 620 M, LVL / 7 997 M, EUR (end of March)
 8.4 M, LVL / 11.9 M, EUR (Jan-March)

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR		
	Jan	Feb	Mar
Balance by month (deficit (-) / surplus)	61	-115	-106
Accumulated surplus/ deficit (-)	61	-54	-160

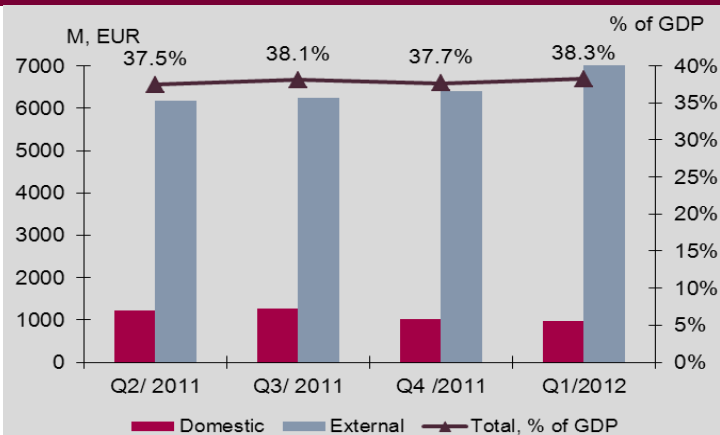
* excluding grants, donations and derived public entities



Central Government Debt Outstanding

Debt (M, EUR)	Q2/ 2011		Q3/ 2011		Q4/ 2011		Q1/ 2012	
	M	%	M	%	M	%	M	%
Domestic debt	1 212	16%	1 273	17%	1 022	14%	974	12%
External debt	6 174	84%	6 240	83%	6 401	86%	7 023	88%
Total	7 386	100%	7 512	100%	7 422	100%	7 997	100%

(nominal values)

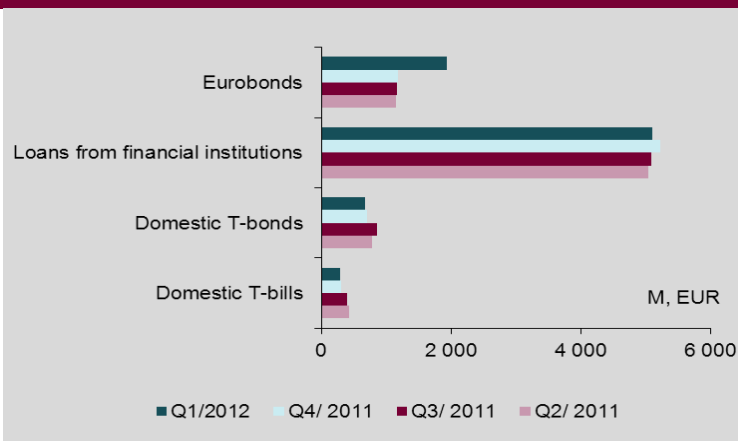


GDP forecast for 2012: LVL 14 690,0 M (EUR 20 901,9 M) (Ministry of Finance)

Debt Outstanding by Instruments

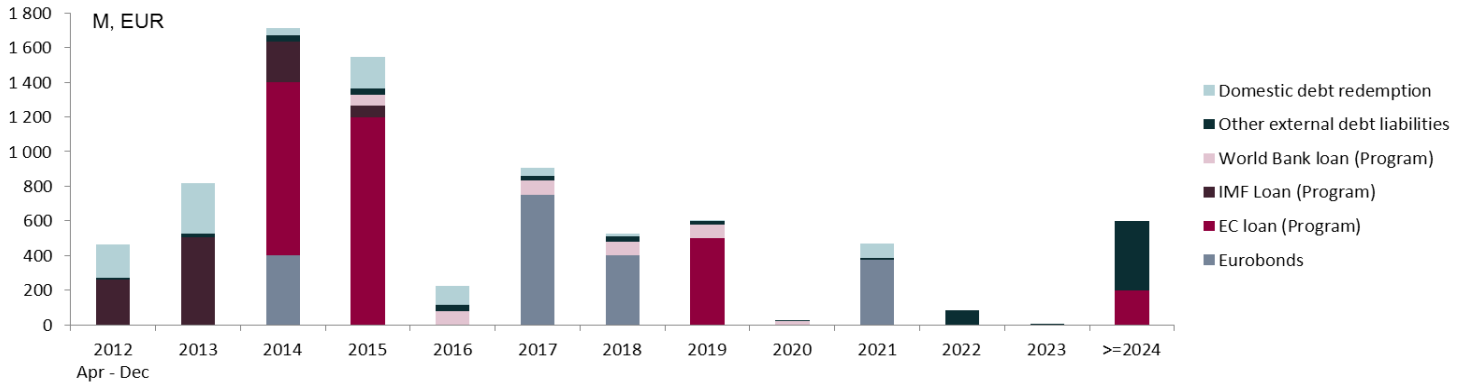
M, EUR	Q2/ 2011	Q3/ 2011	Q4/ 2011	Q1/ 2012
Domestic T-bills	425	400	304	286
Domestic T-bonds	775	862	709	681
Loans from financial institutions	5 038	5 084	5 222	5 104
Eurobonds	1 148	1 167	1 187	1 927
Total	7 386	7 512	7 422	7 997

(nominal values)

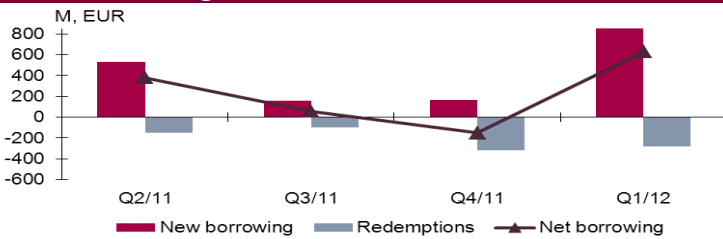


¹Central government consolidated budget (excluding grants, donations and derived public entities)

Redemption Profile



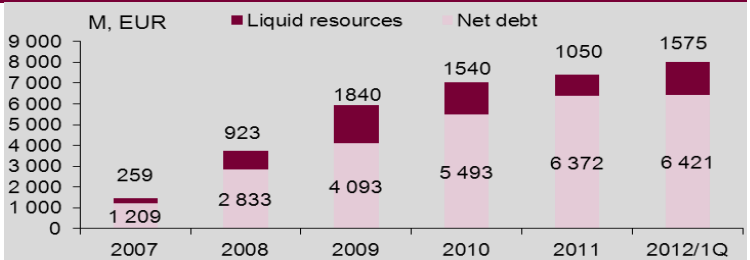
Net Borrowing



M, EUR	Q2/11	Q3/11	Q4/11	Q1/12
New borrowing	529	154	163	906
Redemptions	-152	-97	-318	-279
Net borrowing	377	59	-154	626

(nominal values)

Central Government Net Debt



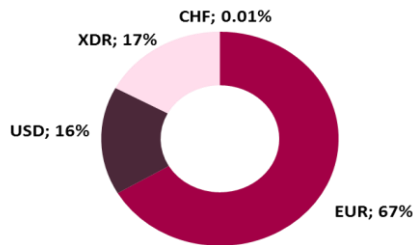
M, EUR	2007	2008	2009	2010	2011	Q1/2012
Central government debt (% of GDP)	7.0	16.3	31.9	38.8	36.8	38.3
Net debt (% of GDP)	5.8	12.3	22.0	30.3	31.6	31.3

BORROWING MANAGEMENT – EXTERNAL

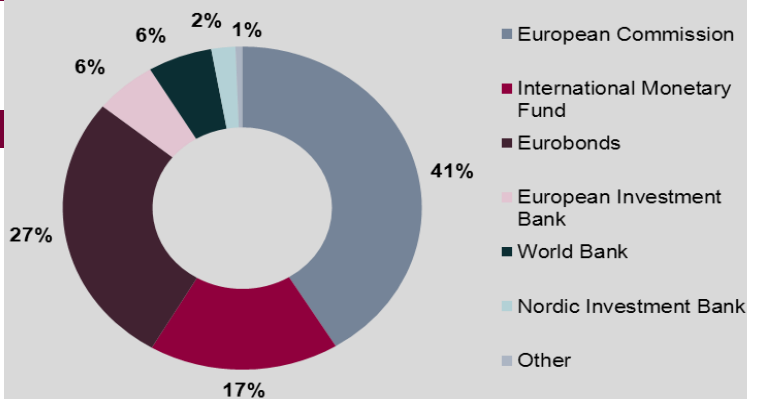
External Borrowing

(M, EUR)	Q2/11	Q3/11	Q4/11	Q1/12
Borrowing made	347	0	100	754

Foreign Currency External Debt (at the end of March 2012)

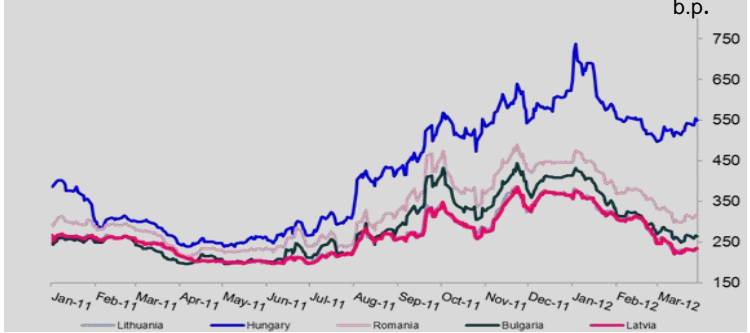
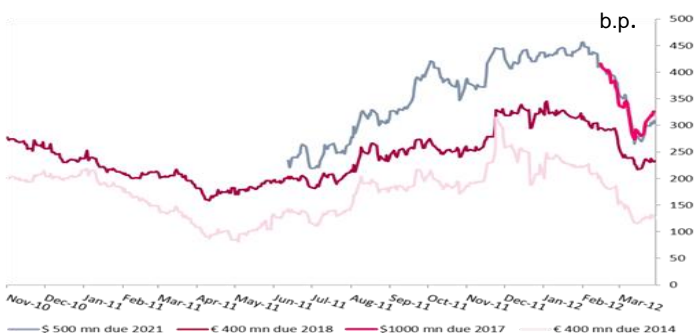


External Debt Outstanding by Instruments and Lender (at the end of March 2012)



Latvia Eurobond Spread performance vs. mid-swap (secondary market)

5 year CDS performance



Source: Bloomberg, 30.03.2012

Source: Bloomberg, 30.03.2012

Republic of Latvia

Moody's: Baa3 / Fitch, R&I:

BBB- / S&P: BB+

Bloomberg: TREL <GO>

BORROWING MANAGEMENT – DOMESTIC

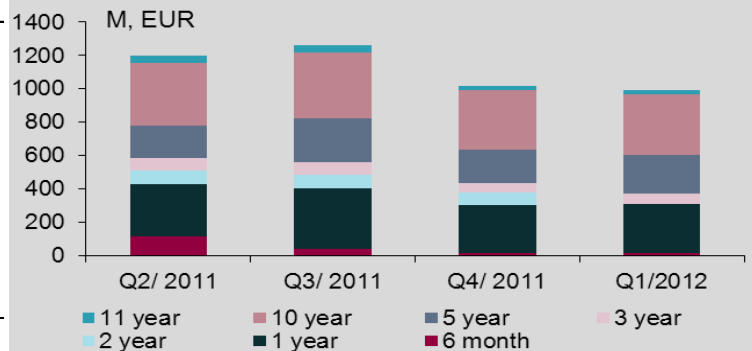
Planned Domestic Securities Auctions

The announcements of the forthcoming auctions are published no later than one day prior to auction on the Treasury's website. Auctions are held depending on actual financing requirement and the financial market conditions. On Wednesdays competitive multi-price government securities auctions are organized and on Thursdays depending on the financial market conditions – non-competitive fixed rate auctions.

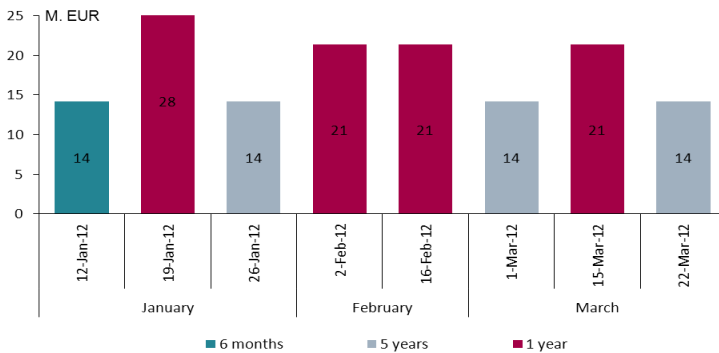
In April 26 The Treasury will launch new bond programme with maturity 27 October 2022.

Domestic Securities Outstanding

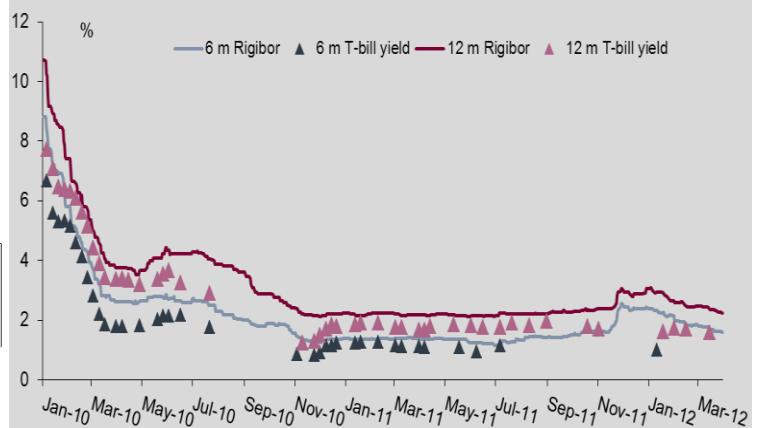
Outstanding	Q2/2011	Q3/2011	Q4/2011	Q1/2012
1 month	0	0	0	0
3 month	0	0	0	0
6 month	111	38	12	14
1 year	314	362	292	293
2 year	83	83	71	0
3 year	72	72	60	60
5 year	197	269	195	238
10 year	376	391	358	358
11 year	46	46	24	24
Total	1200	1262	1013	987



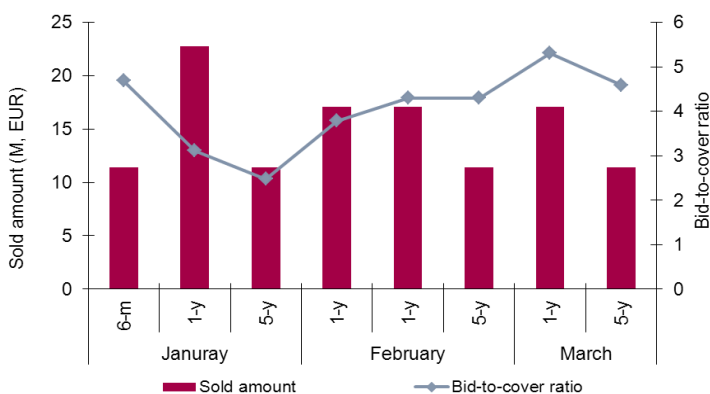
Sold amounts at auctions in Q1/2012



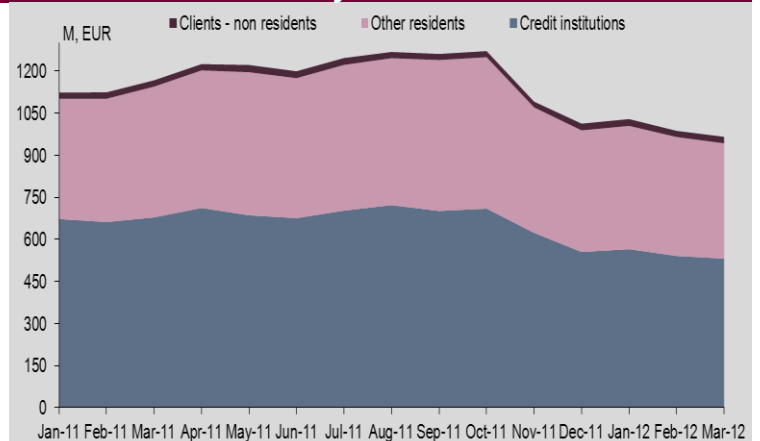
Yields on 6-month and 12-month T-bills at auctions and 6-month and 12-month RIGIBOR rates



Bid-to-Cover Ratio at Competitive Multi-price Auctions in Q1/2012



Domestic Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

DEBT PORTFOLIO MANAGEMENT

Parameters of Debt Management Strategy*

PARAMETERS	31.03.2011	31.03.2012.	STRATEGY
The share of the lats debt in the portfolio	16,6%	12,1%	>= 35%**
Maturity profile	<1 year 10% < 3 years 40%	<1 year 5,3%*** < 3 years 48,5%***	< 1 year < 25% < 3 years < 50%
Optimum share of fixed rate in the portfolio	76%	81,4%	>= 60%****
Duration (years)	3,55	3,53	3,4 - 4,0
Foreign currency net debt currency composition	EUR 100,12%	EUR 99,69%	EUR 100% (+/- 5%)

* Borrowings of the ministries, other central government institutions and derived public person outside the Treasury (5.4 million. lats/ 7.7 million EUR) are not included.

** Minimum share of the LVL debt in medium term shall be ensured at least at 35% level, if this scenario agrees with Latvian macroeconomic development tendencies, capital market and overall financial system condition and if the weighted average yield of medium term and long term government domestic securities offered at auctions held by the Treasury is less than 100 basis points above borrowing opportunity level in EUR.

***Maturity profile taking into account the debt refinancing reserve (270 million lats/ 384 million EUR).

**** Fixed rate debt with a maturity over one year.

ISSUANCE OF STATE GUARANTEES

State Guarantees in 2012

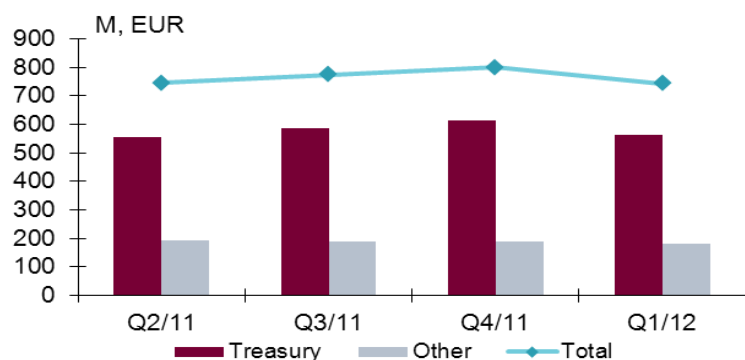
Planned in 2012	M, EUR	Current status
Study and student crediting	40.88	not issued
Mortgage and Land Bank	101.02	not issued
SIA JP Termināls	34.72	not issued
Total	176.6	issued 0.0

State Guaranteed Debt Outstanding

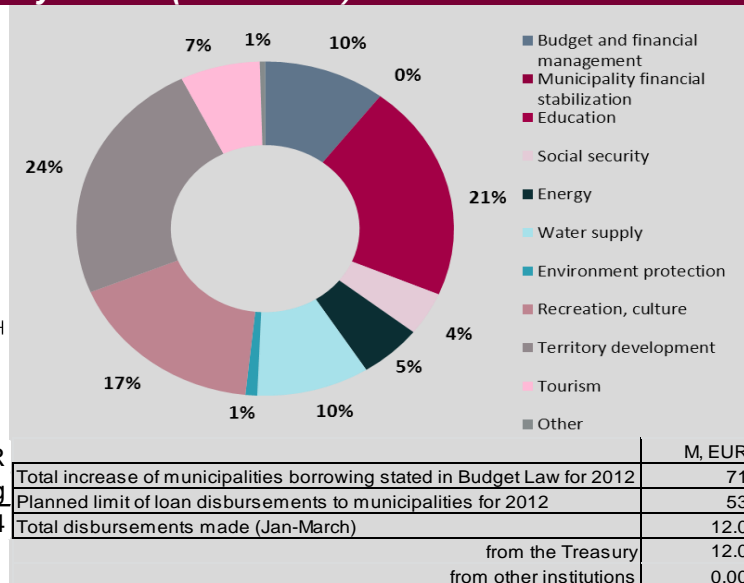


MUNICIPALITIES' BORROWING

Municipalities' Debt Outstanding



Municipalities' Borrowings from the Treasury by Sector (Jan-March)



Lender	Treasury	Other lender	Debt outstanding
end of March 2012	562	182	744

	M, EUR
Total increase of municipalities borrowing stated in Budget Law for 2012	71
Planned limit of loan disbursements to municipalities for 2012	53
Total disbursements made (Jan-March)	12.0
from the Treasury	12.0
from other institutions	0.00

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NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on July 23, 2012.

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