

BULLETIN IN BRIEF

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

108 M, LVL / 153 M, EUR (Jan-June)
5 744 M, LVL / 8 173 M, EUR (end of June)
38,6 M, LVL / 55,0 M, EUR (Jan-June)

Standard & Poor's (June 10) upgraded Latvia's credit rating by one notch to BBB+, setting the outlook- stable.

On June 19 opened a new investment opportunity for Latvian citizens - saving bonds- enabling Latvian citizen buy government securities.

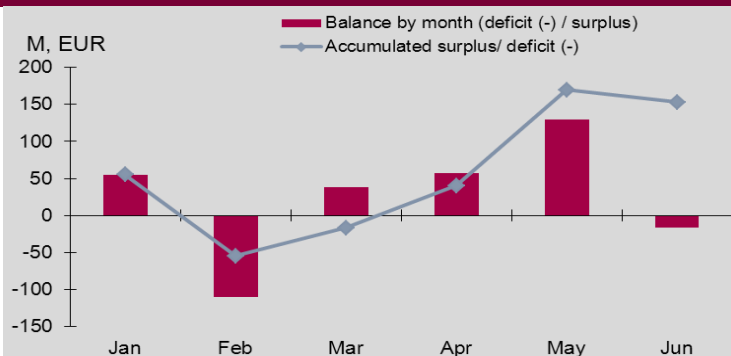
In June, Latvia established its first Global Medium Term Note programme.

GENERAL DATA

Central Government Consolidated Budget**

Month	M, EUR					
	Jan	Feb	Mar	Apr	May	Jun
Balance by month (deficit (-) / surplus)	55	-110	38	57	129	-16
Accumulated surplus/ deficit (-)	55	-55	-17	40	170	153

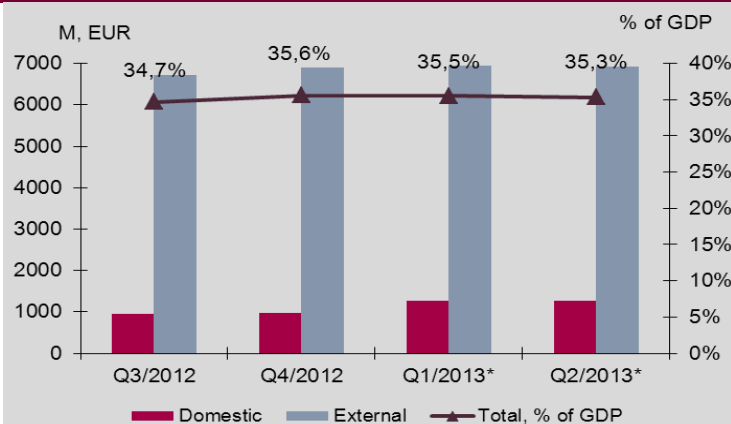
** excluding grants, donations and derived public entities



Central Government Debt Outstanding

Debt (M, EUR)	Q3/ 2012		Q4/ 2012		Q1/ 2013*		Q2/ 2013*	
	M, EUR	%	M, EUR	%	M, EUR	%	M, EUR	%
Domestic debt	941	12%	968	12%	1 274	15%	1 260	15%
External debt	6 715	88%	6 897	88%	6 952	85%	6 913	85%
Total	7 656	100%	7 865	100%	8 226	100%	8 173	100%

(nominal values)

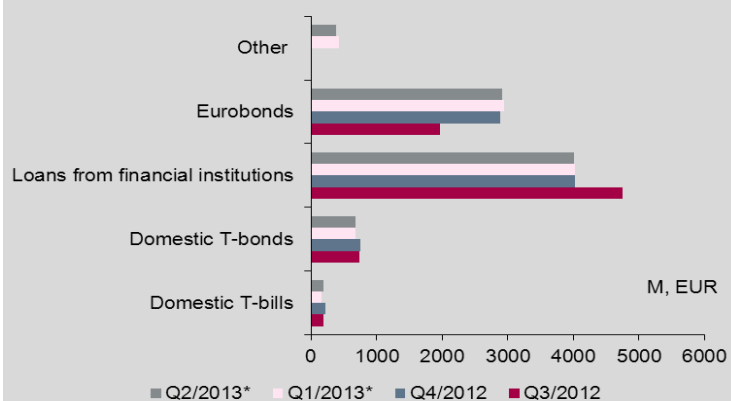


GDP forecast for 2013: LVL 16 269,0 M (EUR 23 148,7 M) (Ministry of Finance)

Debt Outstanding by Instruments

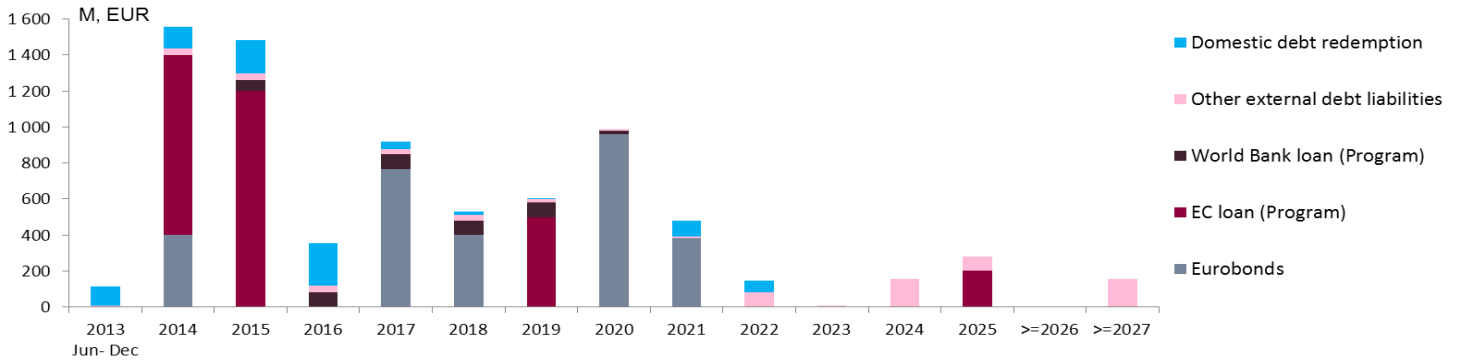
M, EUR	Q3/2012	Q4/2012	Q1/2013*	Q2/2013*
	Domestic T-bills	196	215	164
Domestic T-bonds	739	745	681	679
Loans from financial institutions	4 755	4 027	4 020	4 013
Eurobonds	1 965	2 878	2 940	2 909
Other			420	388
Total	7 656	7 865	8 226	8 173

(nominal values)

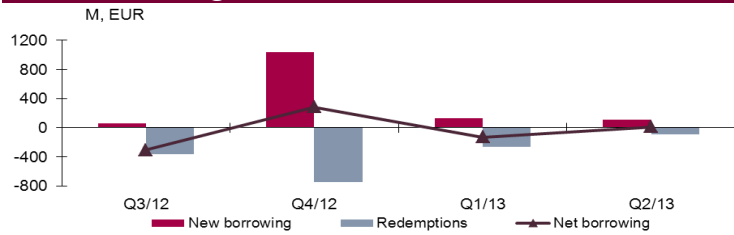


¹Central government consolidated budget (excluding grants, donations and derived public entities)

Redemption Profile (at the end of June 2013)



Net Borrowing



M, EUR	Q3/12	Q4/13	Q1/13	Q2/13
New borrowing	62	1 034	131	106
Redemptions	-367	-751	-255	-96
Net borrowing	-305	283	-124	10

(nominal values)

Central Government Net Debt

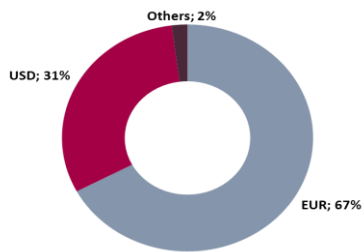


BORROWING MANAGEMENT – EXTERNAL

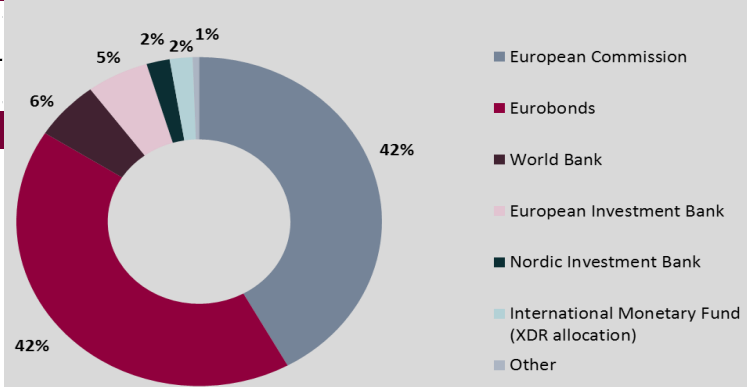
External Borrowing

(M, EUR)	Q3/12	Q4/12	Q1/13	Q2/13
Borrowing made	0	965	0	0

Foreign Currency External Debt (at the end of June 2013)



External Debt Outstanding by Instruments and Lender (at the end of June 2013)



Eurobond Spread performance over swap yield 5 year CDS performance



Source: Bloomberg, 30.06.2013



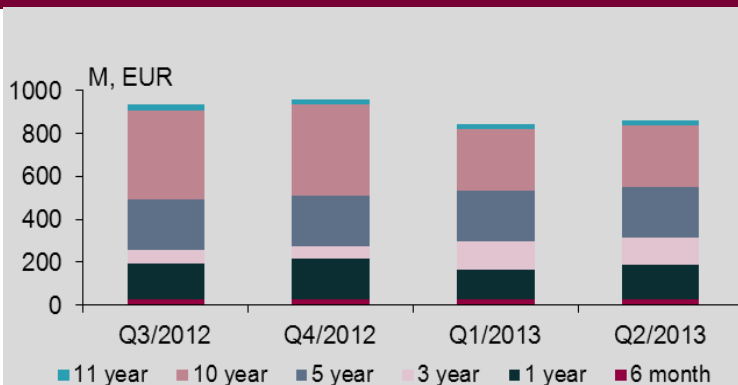
Source: Bloomberg, 30.06.2013

Republic of Latvia Moody's: Baa2 / Fitch, S&P: BBB+/ R&I: BBB Bloomberg: TREL <GO>

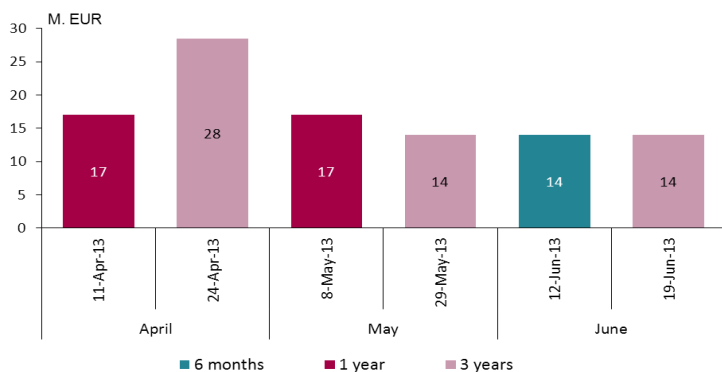
BORROWING MANAGEMENT – DOMESTIC

Domestic Securities Outstanding

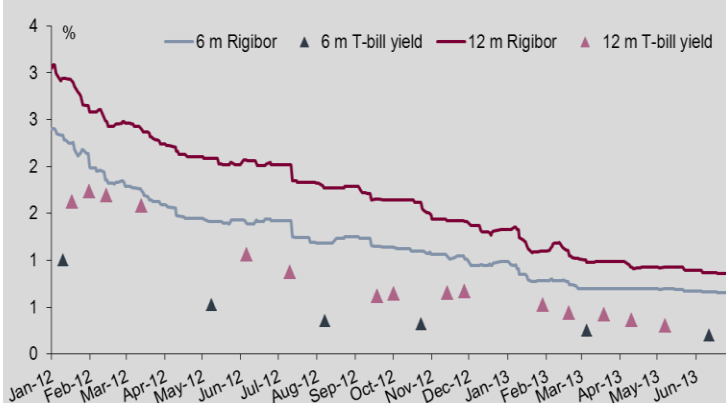
Outstanding	Q3/2012	Q4/2012	Q1/2013	M, EUR Q2/2013
6 month	28	28	28	28
1 year	166	186	136	156
3 year	60	60	134	131
5 year	238	238	234	234
10 year	417	423	289	289
11 year	24	24	24	24
Saving bonds	-	-	-	0,08
Total	933	959	846	863



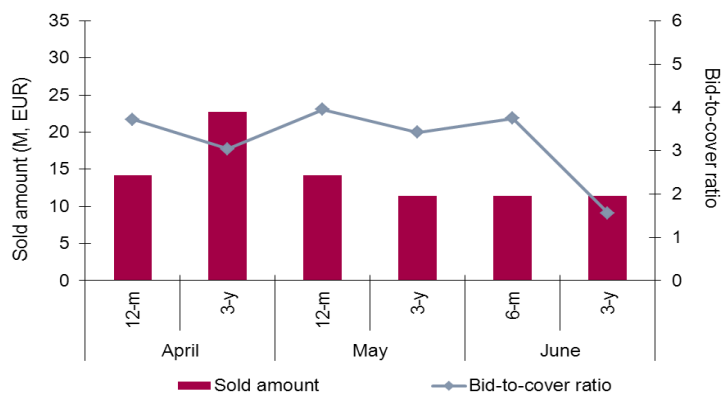
Sold amounts at auctions in Q2/2013



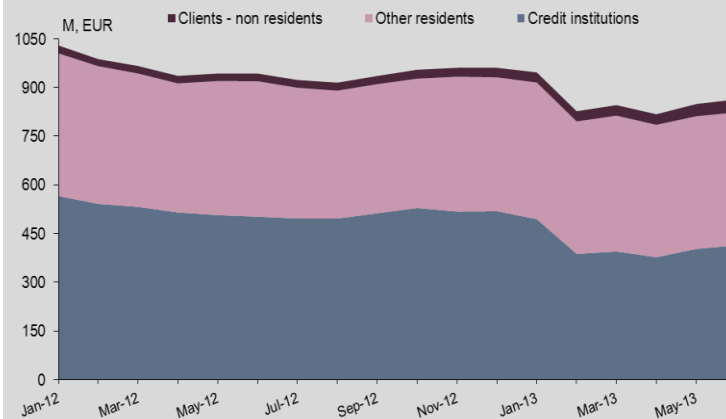
Yields on 6-month and 12-month T-bills at auctions and 6-month and 12-month RIGIBOR rates



Bid-to-Cover Ratio at Competitive Multi-price Auctions in Q2/2013



Domestic Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

Planned Domestic Securities Organization

Calendar for the planned auctions are being published each month on the Treasury's website. On Wednesdays competitive multi-price government securities auctions are organized and on Thursdays – non-competitive fixed rate auctions. The Treasury holds the right to amend the calendar, days on which respective auctions are hold, as well as borrowing amounts and instruments at any time. Since February 2013 the primary dealer system is operating in Latvia.

DEBT PORTFOLIO MANAGEMENT

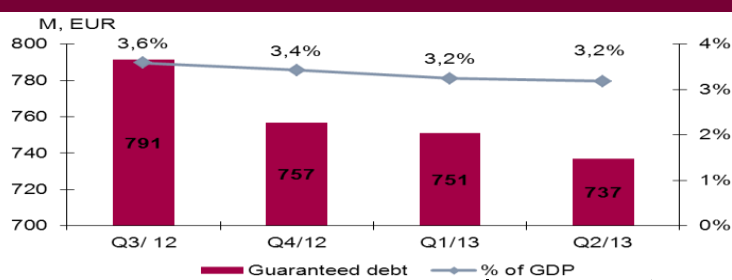
Parameters of Debt Management Strategy

PARAMETERS	31.03.2013.		30.06.2013.		STRATĒGIJA	
The share of the lats debt in the portfolio	14,7%		14,8%		>= 35%^	
Maturity profile	<1 year 18,6%^^	<3 years 43,5%^^	<1 year 23,3%^^	<3 years 44,0%^^	<1 year <25%	<3 years <50%
Optimum share of fixed rate in the portfolio^^	81,05%		75,89%		>= 60%	
Duration (years)	3,86		3,67		3,4 - 5,0	
Foreign currency net debt currency composition	EUR 99,77%		EUR 99,79%		EUR 100% (+/- 5%)	

^ 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- 100 million lats/ 142 million EUR
^^^ Fixed rate debt with a maturity over one year.

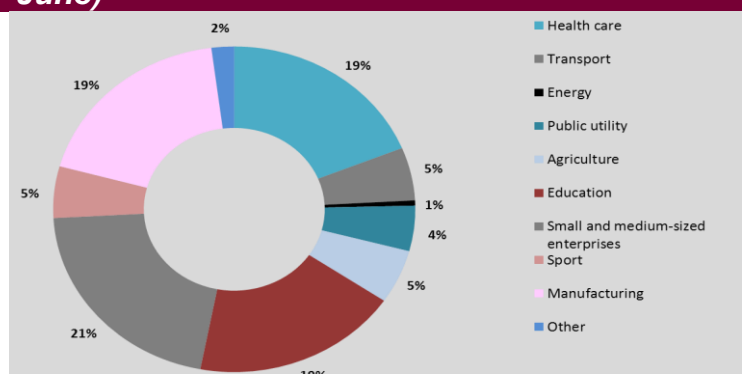
ISSUANCE OF STATE GUARANTEES

State Guaranteed Debt Outstanding in 2013



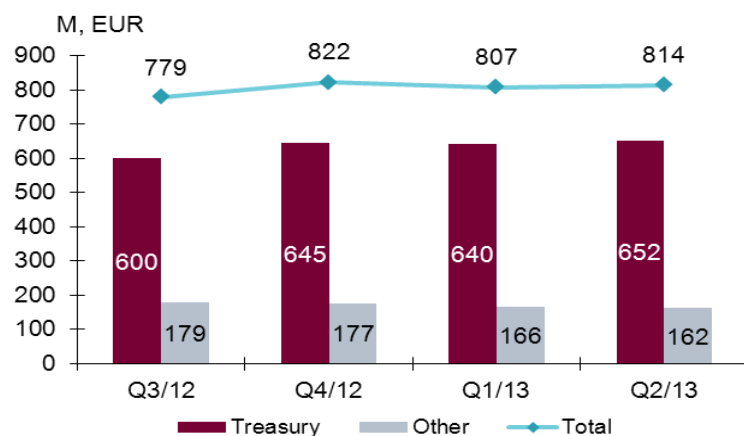
	Planned in 2013, M, EUR	Issued
Loans to studies and students	40,8	2,0
Total	40,8	2,0

State guaranteed loans by industry (end of June)

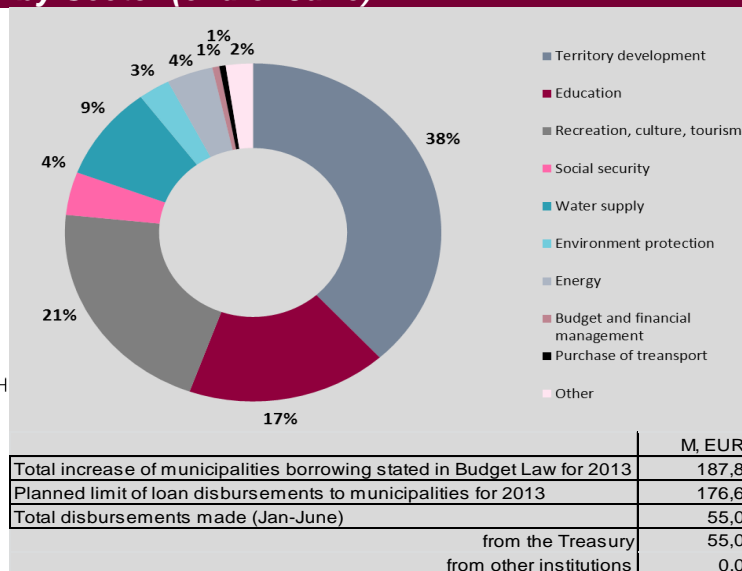


MUNICIPALITIES' BORROWING

Municipalities' Debt Outstanding



Municipalities' Borrowings from the Treasury by Sector (end of June)



	M, EUR
Total increase of municipalities borrowing stated in Budget Law for 2013	187,8
Planned limit of loan disbursements to municipalities for 2013	176,6
Total disbursements made (Jan-June)	55,0
from the Treasury	55,0
from other institutions	0,0

* As of 2013, methodology of domestic debt has been changed to include on-demand and short-term deposits in it. Therefore 1st and 2nd quarter data of total and internal debt of 2013 is not statistically comparable with data of the previous periods.

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NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on October 23, 2013.

DISCLAIMER: Figures may not sum due to rounding. "0" - the indicator is below 0.5 but over 0, or the result of the computation of the indicator, is 0. The information included in this Bulletin corresponds to the best value obtained for each period at the date of publication, and has been carefully compiled. The possibility of any mistake can not, however, be excluded. The data included in this publication may be clarified in subsequent publications. The Treasury bears no responsibility for losses incurred as a result of using this publication. This document may not be copied, distributed for any commercial purposes or published in any other way without the consent of the Treasury.