

BULLETIN IN BRIEF

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

248 M, LVL / 353 M, EUR (Jan-Sept)
 5 705 M, LVL / 8 117 M, EUR (end of September)
 98,3 M, LVL / 139,9 M, EUR (Jan-Sept)

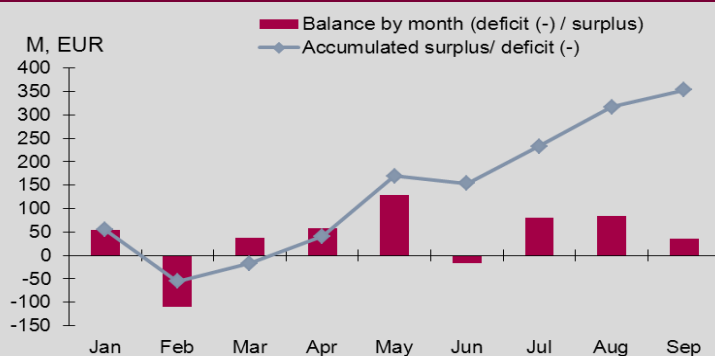
Fitch (July 9) upgraded Latvia's credit rating by one notch to BBB+, setting the outlook- stable.

GENERAL DATA

Central Government Consolidated Budget*

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Balance by month (deficit (-) / surplus)	55	-110	38	57	129	-16	80	84	36
Accumulated surplus/ deficit (-)	55	-55	-17	40	170	153	233	317	353

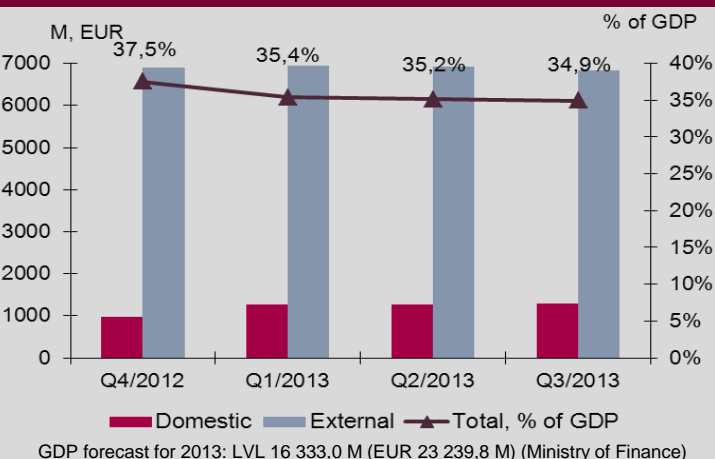
* excluding grants, donations and derived public entities



Central Government Debt Outstanding

Debt (M, EUR)	Q4/2012	%	Q1/2013	%	Q2/2013	%	Q3/2013	%
Domestic debt	1 386	17%	1 274	15%	1 260	15%	1 282	16%
External debt	6 897	83%	6 952	85%	6 913	85%	6 835	84%
Total	8 283	100%	8 226	100%	8 173	100%	8 117	100%

(nominal values)

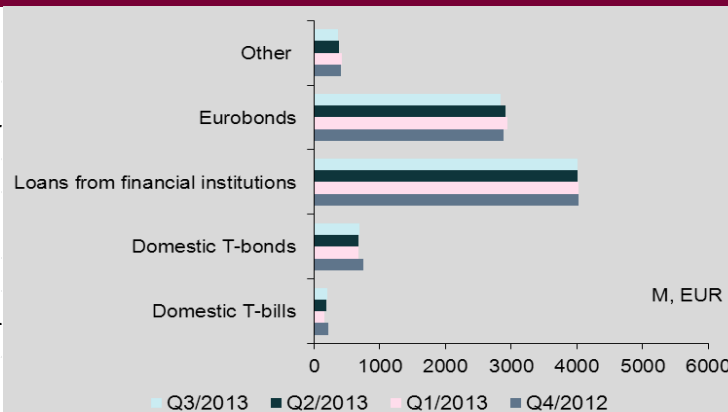


GDP forecast for 2013: LVL 16 333,0 M (EUR 23 239,8 M) (Ministry of Finance)

Debt Outstanding by Instruments

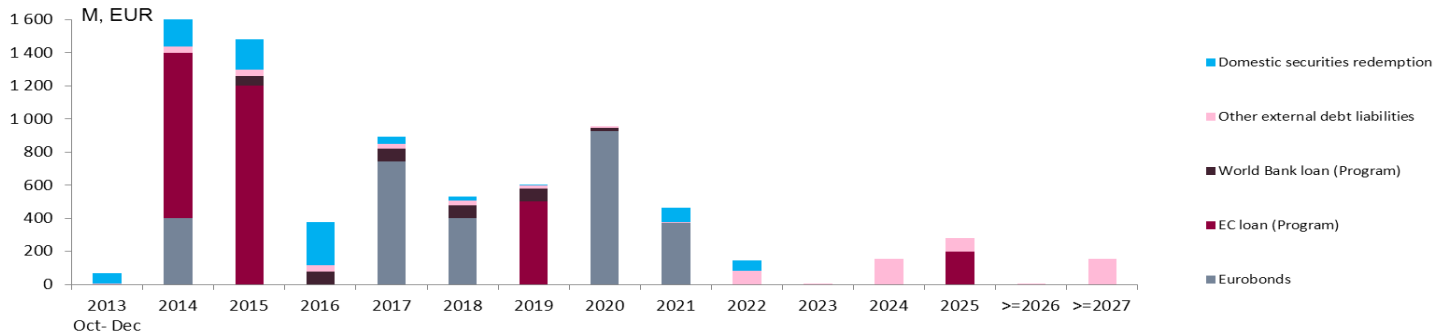
M, EUR	Q4/2012	Q1/2013	Q2/2013	Q3/2013
Domestic T-bills	215	164	184	206
Domestic T-bonds	745	681	679	700
Loans from financial institutions	4 027	4 020	4 013	4 005
Eurobonds	2 878	2 940	2 909	2 839
Other	418	420	388	367
Total	8 283	8 226	8 173	8 117

(nominal values)



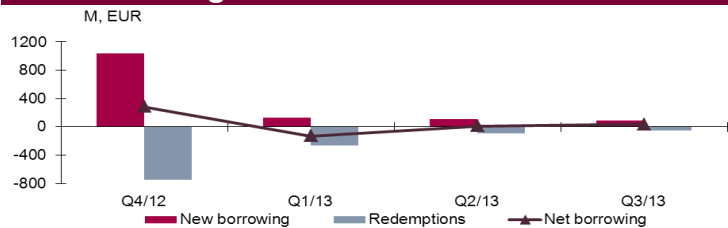
¹Central government consolidated budget (excluding grants, donations and derived public entities)

Central Government Borrowing Redemption Profile (at the end of September 2013)



(nominal values)

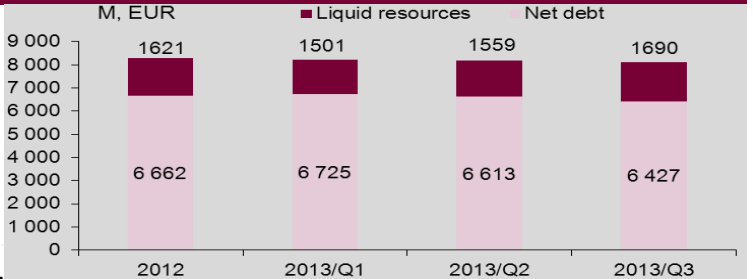
Net Borrowing



M, EUR	Q4/13	Q1/13	Q2/13	Q3/13
New borrowing	1 034	131	106	86
Redemptions	-751	-255	-96	-47
Net borrowing	283	-124	10	39

(nominal values)

Central Government Net Debt



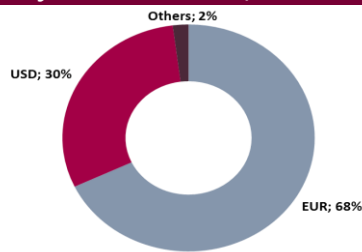
	2011	2012	Q1/2013	Q2/2013	Q3/2013
Central government debt (% of GDP)	36,5	37,5	35,4	35,2	34,9
Net debt (% of GDP)	31,4	30,2	28,9	28,5	27,7

BORROWING MANAGEMENT – EXTERNAL

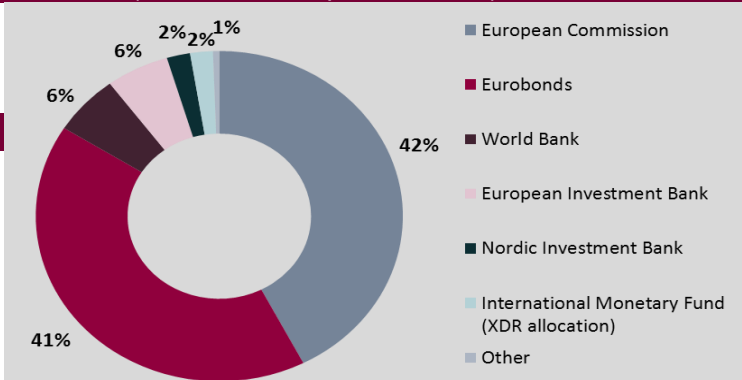
External Borrowing

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

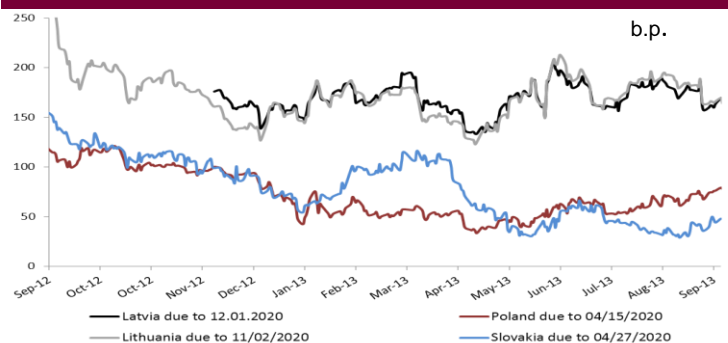
Foreign Currency External Debt (at the end of Sept 2013)



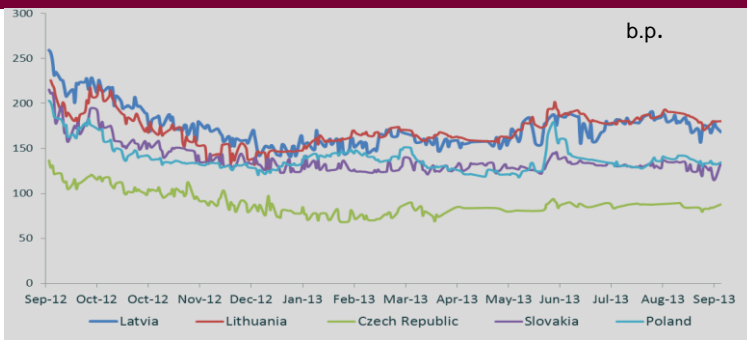
External Debt Outstanding by Instruments and Lender (at the end of September 2013)



Eurobond Spread performance over swap yield 10 year CDS performance



Source: Bloomberg, 30.09.2013



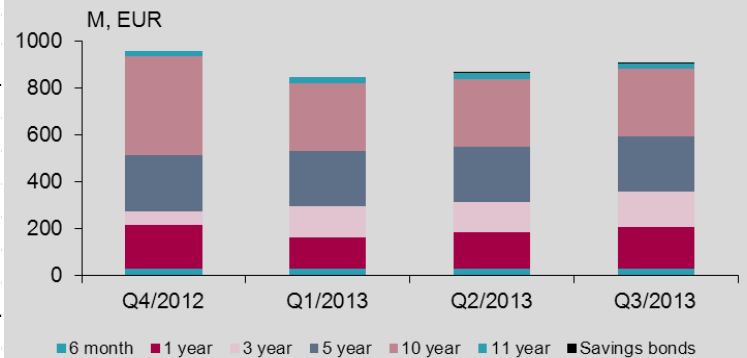
Source: Bloomberg, 30.09.2013

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

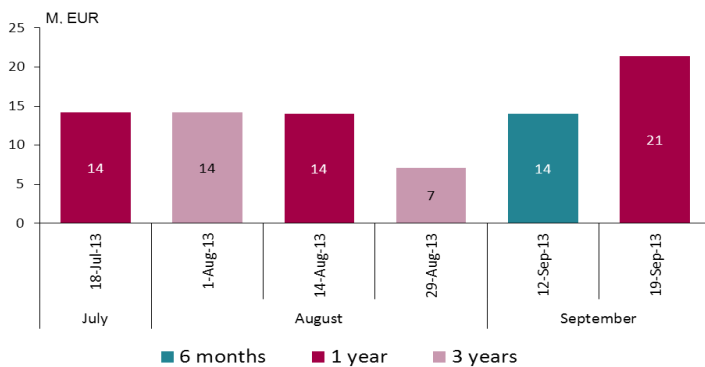
BORROWING MANAGEMENT – DOMESTIC

Domestic Securities Outstanding

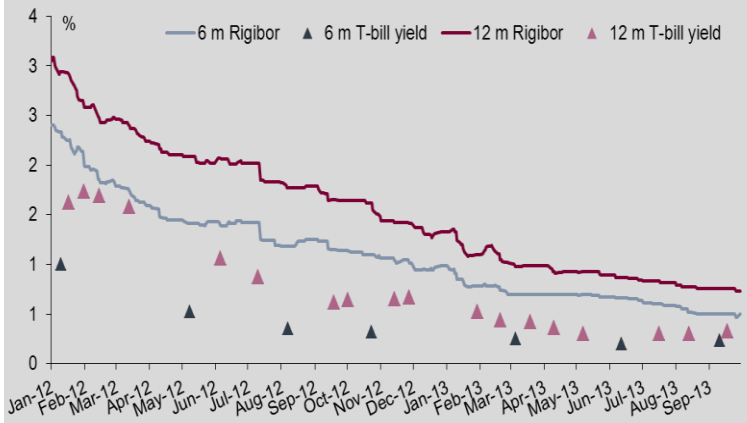
Outstanding	Q4/2012	Q1/2013	Q2/2013	M, EUR Q3/2013
6 month	28	28	28	28
1 year	186	136	156	177
3 year	60	134	131	153
5 year	238	234	234	234
10 year	423	289	289	289
11 year	24	24	24	24
Savings bonds			0,08	0,94
Total	959	846	863	906



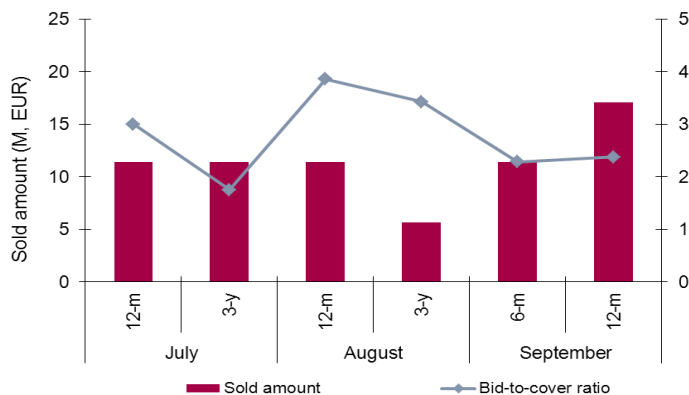
Sold amounts at auctions in Q3/2013



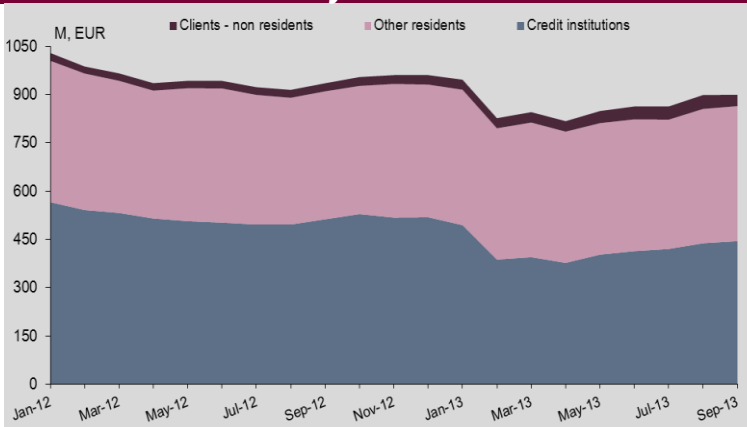
Yields on 6-month and 12-month T-bills at auctions and 6-month and 12-month RIGIBOR rates



Bid-to-Cover Ratio at Competitive Multi-price Auctions in Q3/2013



Domestic Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

Planned Domestic Securities Organization

Calendar for the planned auctions is 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

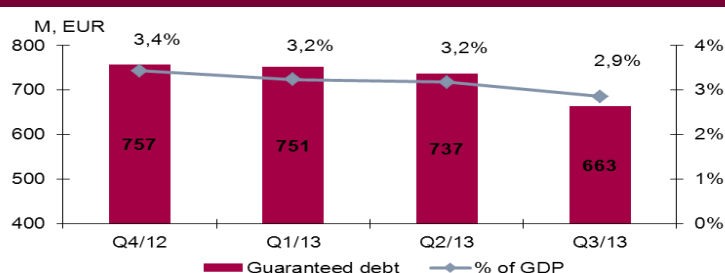
Parameters of Debt Management Strategy

PARAMETERS	30.06.2013.	30.09.2013.	STREATEGY
The share of the lats debt in the portfolio	14,8%	15,2%	>= 35%^
Maturity profile	<1 year 23,3%^ ^{^^} < 3 years 44,0%^ ^{^^}	<1 year 23,4%^ ^{^^} < 3 years 46,1%^ ^{^^}	< 1 year < 25% < 3 years < 50%
Optimum share of fixed rate in the portfolio ^{^^^}	76%	76%	>= 60%
Duration (years)	3,67	3,45	3,4 - 5,0
Foreign currency net debt currency composition	EUR 99,79%	EUR 99,8%	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

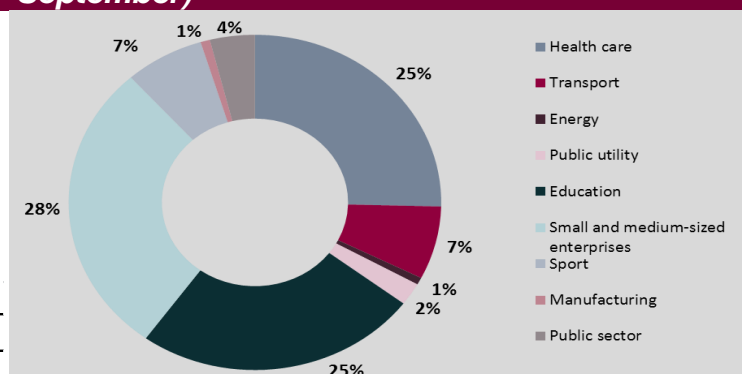
State Guaranteed Debt Outstanding in 2013



Planned in 2013, M, EUR | Issued till 3. quarter

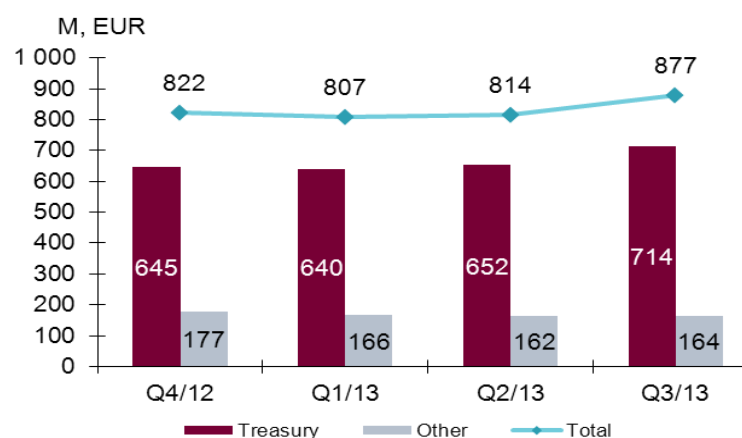
Loans to studies and students	40,8	4,1
Total	40,8	4,1

State guaranteed loans by industry (end of September)

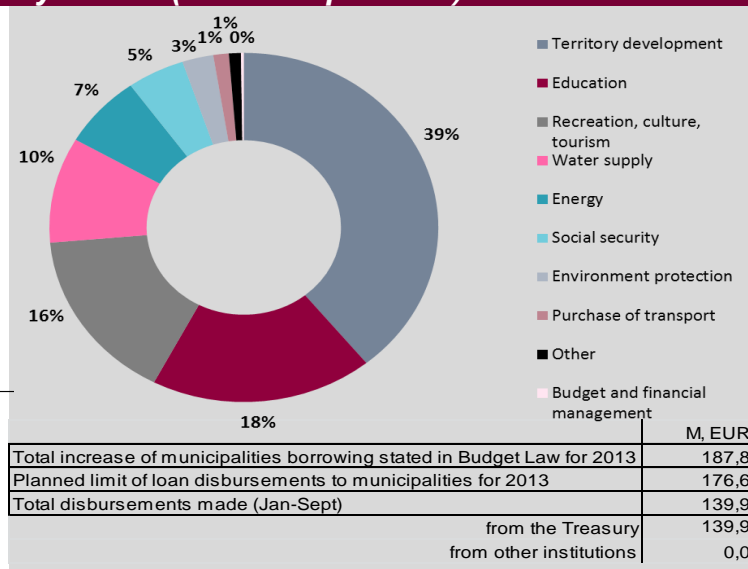


MUNICIPALITIES' BORROWING

Municipalities' Debt Outstanding



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



	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-Sept)	139,9
from the Treasury	139,9
from other institutions	0,0

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NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on January 23, 2014.

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