

BULLETIN IN BRIEF

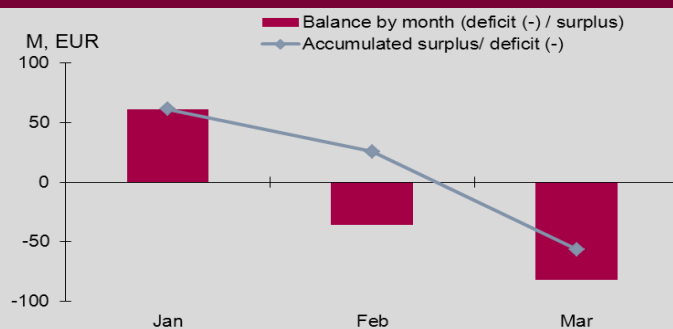
- Budget¹ with accumulated surplus/ deficit -56 M, EUR (Jan-March)
 - Central government debt outstanding (nominal value) 8 096 M, EUR (end of March)
 - Municipalities' borrowings made from the Treasury 18,8 M, EUR (Jan-March)
- 14th January- Latvia priced an issue of 7-year bonds in an amount of 1 billion euro with a coupon of 2.625% (yield rate of 2.815%).
- 25th March- the Treasury repaid one billion euro to the European Commission, which is a part of the international loan issued to Latvia during the economic crisis.

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR		
	Jan	Feb	Mar
Balance by month (deficit (-) / surplus)	61	-36	-82
Accumulated surplus/ deficit (-)	61	26	-56

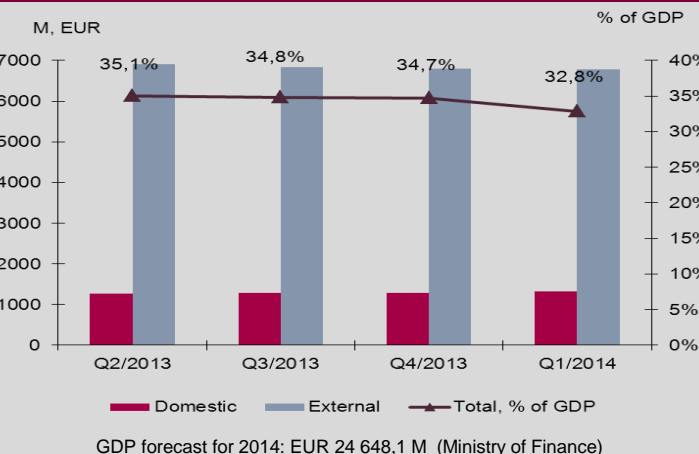
* excluding grants, donations and derived public entities



Central Government Debt Outstanding

Debt (M, EUR)	Q2/ 2013		Q3/ 2013		Q4/ 2013		Q1/ 2014	
	M, EUR	%	M, EUR	%	M, EUR	%	M, EUR	%
Domestic debt	1 260	15%	1 282	16%	1 288	16%	1 313	16%
External debt	6 913	85%	6 835	84%	6 806	84%	6 782	84%
Total	8 173	100%	8 117	100%	8 093	100%	8 096	100%
Central government debt (% of GDP)	35,1		34,8		34,7		32,8	
Net debt (% of GDP)	28,4		27,6		28,9		28,3	

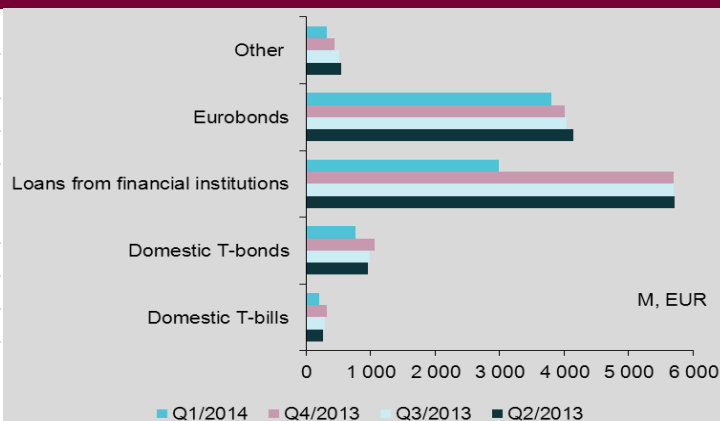
(nominal values)



Debt Outstanding by Instruments

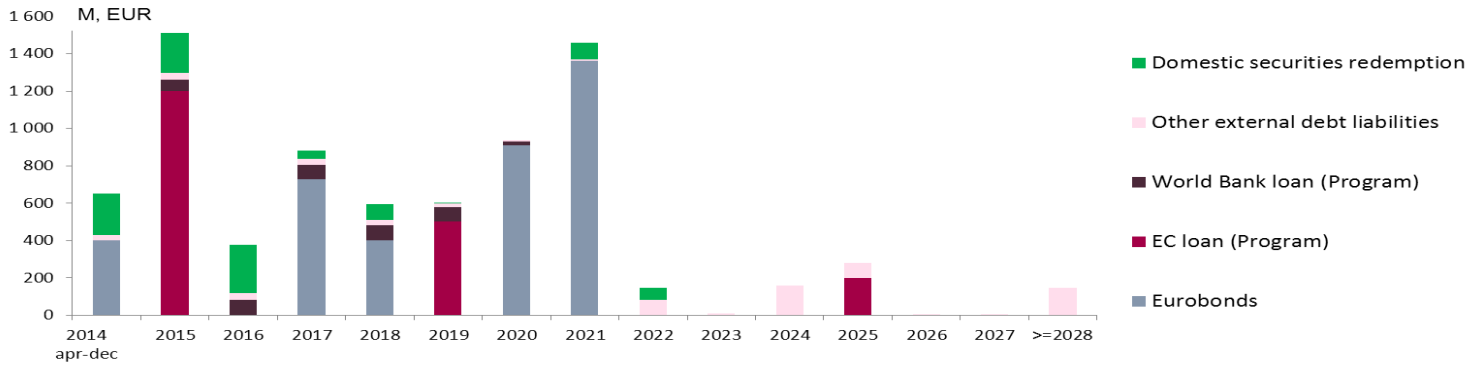
	M, EUR			
	Q2/2013	Q3/2013	Q4/2013	Q1/2014
Domestic T-bills	262	293	316	209
Domestic T-bonds	966	996	1 060	765
Loans from financial institutions	5 709	5 699	5 693	2 994
Eurobonds	4 139	4 039	4 007	3 799
Other	552	523	441	329
Total	11 629	11 550	11 516	8 096

(nominal values)

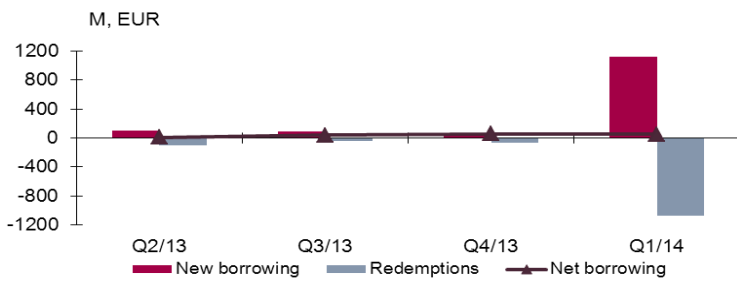


¹Central government consolidated budget (excluding grants, donations and derived public entities)

Central Government Borrowings Redemption Profile (at the end of March 2014)



Central Government Net Borrowing



M, EUR	Q2/13	Q3/13	Q4/13	Q1/14
New borrowing	106	86	60	1 066
Redemptions	-96	-47	-69	-1 064
Net borrowing	10	39	55	3

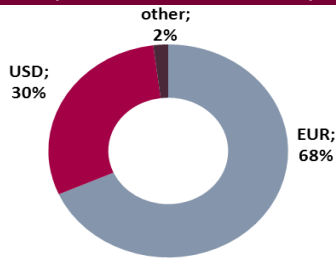
(nominal values)

BORROWING MANAGEMENT – EXTERNAL

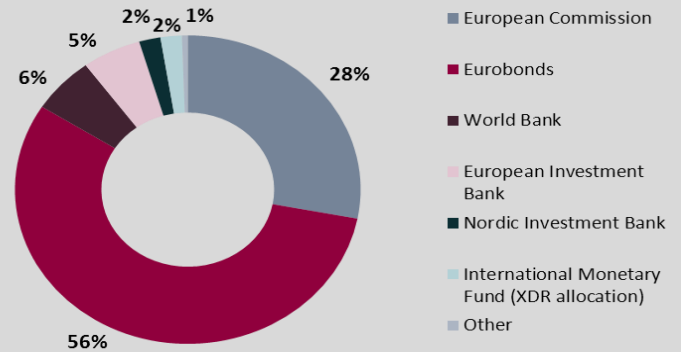
External Borrowing

(M, EUR)	Q2/13	Q3/13	Q4/13	Q1/14
Borrowing made	0	0	0	1 000

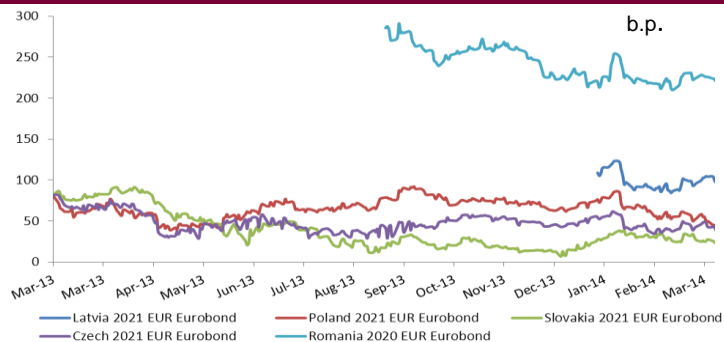
Debt by Currencies (at the end of March 2014)



External Debt Outstanding by Instruments and Lender (at the end of March 2014)

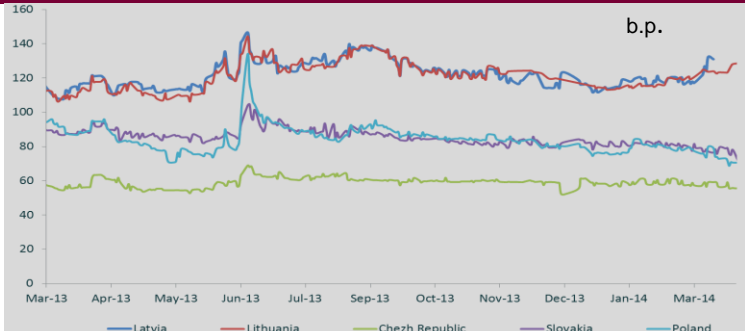


Eurobond Spread performance over swap yield



Source: Bloomberg, 30.03.2014

5 year CDS performance



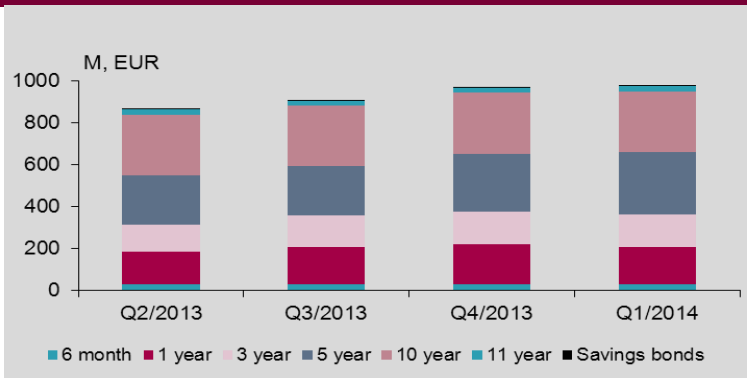
Source: Bloomberg, 30.03.2014

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

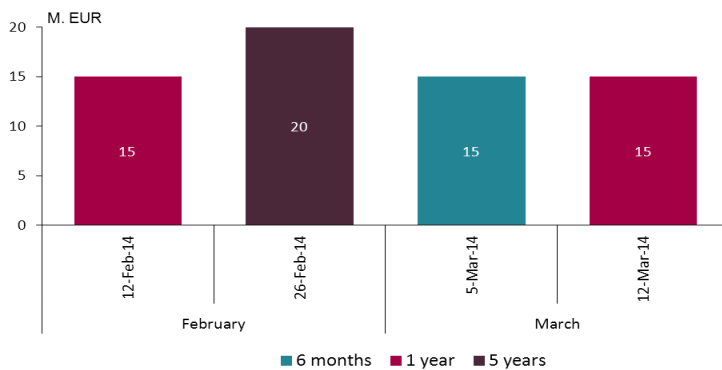
BORROWING MANAGEMENT – DOMESTIC

Domestic Securities Outstanding

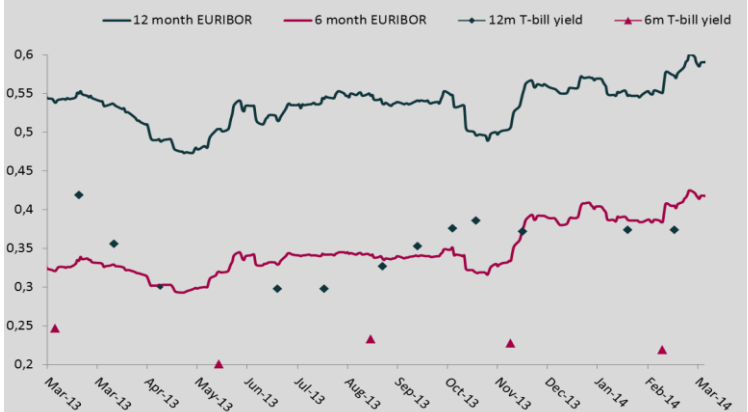
Outstanding	Q2/2013	Q3/2013	Q4/2013	Q1/2014
	M, EUR			
6 month	28	28	28	29
1 year	156	177	193	180
3 year	131	153	153	153
5 year	234	234	278	298
10 year	289	289	289	289
11 year	24	24	24	24
Savings bonds	0,08	0,94	2	4
Total	863	906	968	978



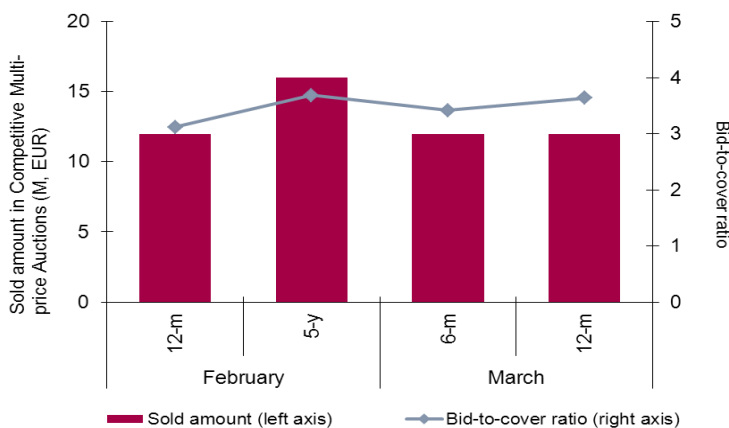
Sold amounts at auctions in Q1/2014



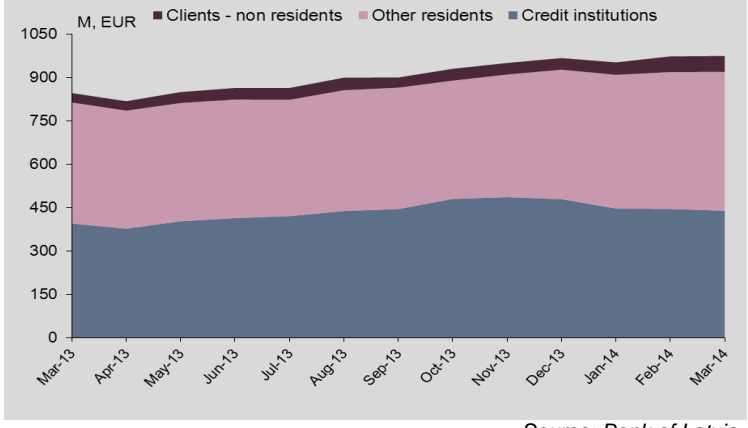
Yields on 6-month and 12-month T-bills at auctions and 6-month and 12-month EURIBOR rates



Bid-to-Cover Ratio at Competitive Multi-price Auctions in Q1/2014



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

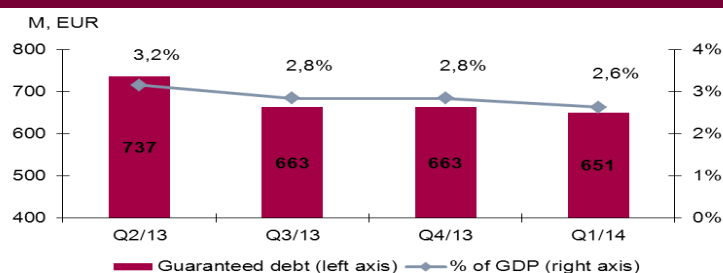
Parameters	31.12.2013.		31.03.2014.		STRATEGY	
Maturity profile (%) of central government debt	≤1 year	≤3 years	≤1 year	≤3 years	≤1 year	≤3 years
	23,1%^	46,1%^	24,5%^	42,2%^	≤25%	≤50%
Minimum share of fixed rate ^{^^}	78%		76%		≥60%	
Macaulay Duration (years)	3,4		4		3,4 - 5,0	
Net debt ^{^^^} currency composition	EUR		EUR		EUR	
	100,07%		100,03%		100% (+/- 5%)	

^{^^} Fixed rate central government debt with a maturity over one year.
^{^^^} Central government debt at the end of the period less the liquid assets that are not classified as risky (including Treasury's cash accounts, investments in deposits and fixed income securities, loans and currency assets purchased for derivative financial instruments), and increased by guarantees classified as risky, and derivative financial instrument liabilities not classified as risky.

[^] Maturity profile of central government debt taking into account the debt refinancing reserve - 142 million EUR.
^{^^} Maturity profile of central government debt taking into account the debt refinancing reserve - 250 million EUR.

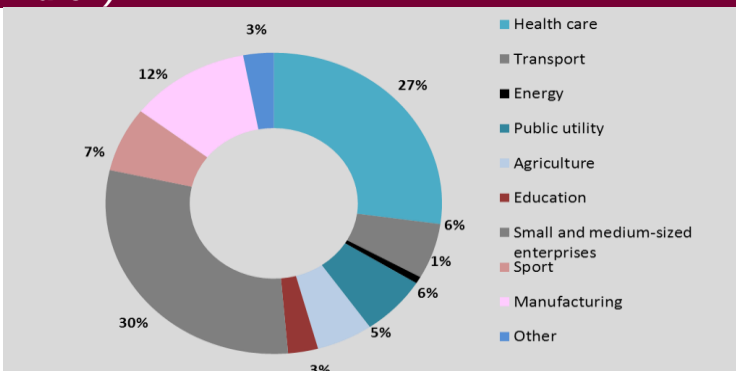
ISSUANCE OF STATE GUARANTEES

State Guaranteed Debt Outstanding in 2014



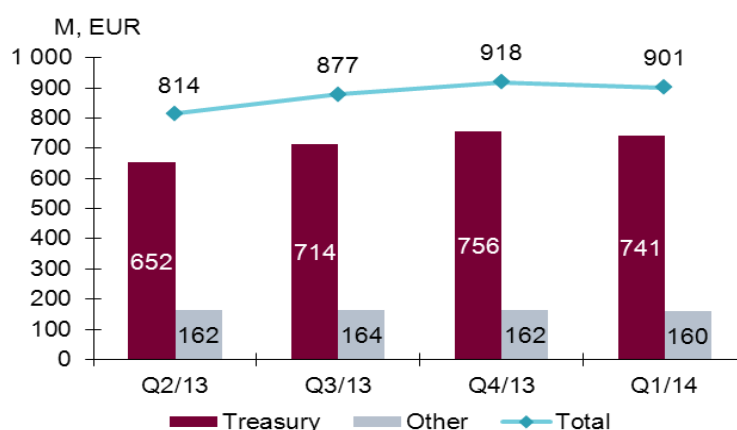
	Planned in 2014, M, EUR	Issued in 1Q
Loans to studies and students	40,9	0
Total	40,9	0

State guaranteed loans by industry (end of March)

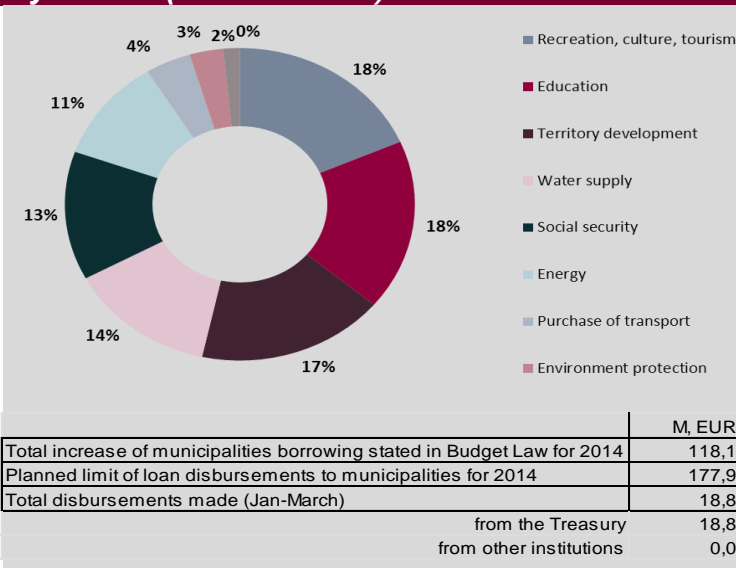


MUNICIPALITIES' BORROWING

Municipalities' Debt Outstanding



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



	M, EUR
Total increase of municipalities borrowing stated in Budget Law for 2014	118,1
Planned limit of loan disbursements to municipalities for 2014	177,9
Total disbursements made (Jan-March)	18,8
from the Treasury	18,8
from other institutions	0,0

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NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on July 24, 2014.

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