



BULLETIN IN BRIEF

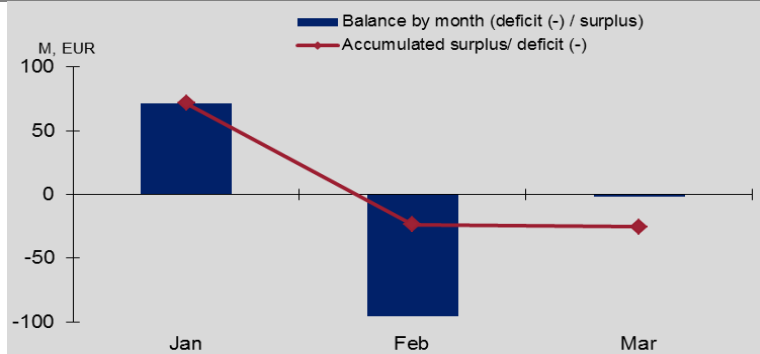
- Budget¹ with accumulated deficit 25 M, EUR (January-March)
- Central government debt outstanding (nominal value) 8 206 M, EUR (end of March)
- Municipalities' borrowings made from the Treasury 24,2 M, EUR (January-March)

On February 13th rating agency Moody's upgraded Latvia's credit rating by one notch to A3 from Baa1. The Outlook is Stable.

GENERAL DATA

Central Government Consolidated Budget*

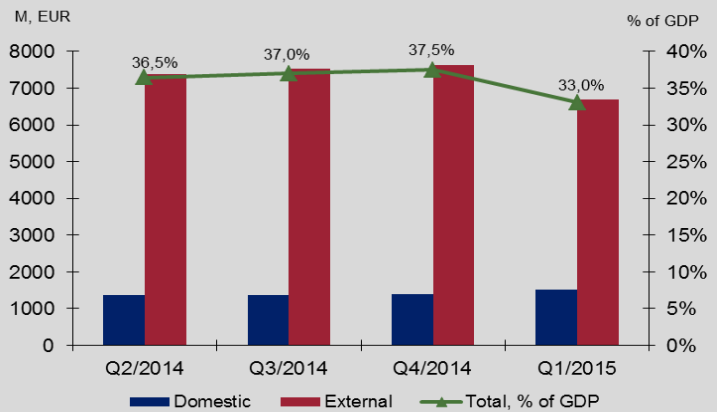
Month	M, EUR		
	Jan	Feb	Mar
Balance by month (deficit (-) / surplus)	72	-95	-2
Accumulated surplus/ deficit (-)	72	-24	-25



* excluding grants, donations and derived public entities

Central Government Debt Outstanding

Debt (M, EUR)	Q2/ 2014		Q3/ 2014		Q4/ 2014		Q1/ 2015	
		%		%		%		%
Domestic debt	1 380	16%	1 368	15%	1 384	15%	1 522	19%
External debt	7 390	84%	7 539	85%	7 628	85%	6 684	81%
Total	8 770	100%	8 906	100%	9 012	100%	8 206	100%
Central government debt (% of GDP)	36,5		37		37,5		33	
Net debt (% of GDP)	26,7		27,2		30,2		31,4	

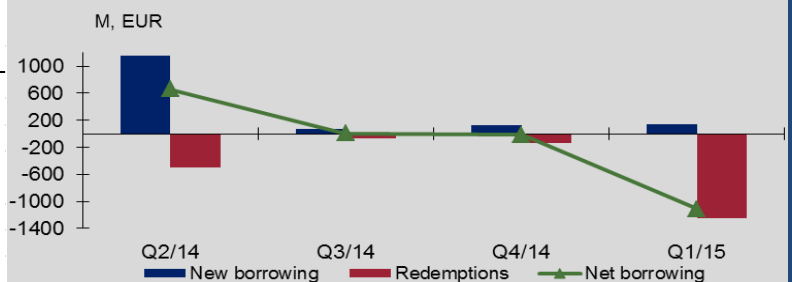


(nominal value)

GDP forecast for 2015: EUR 24 847,1 M (Ministry of Finance)

Central Government Net Borrowing

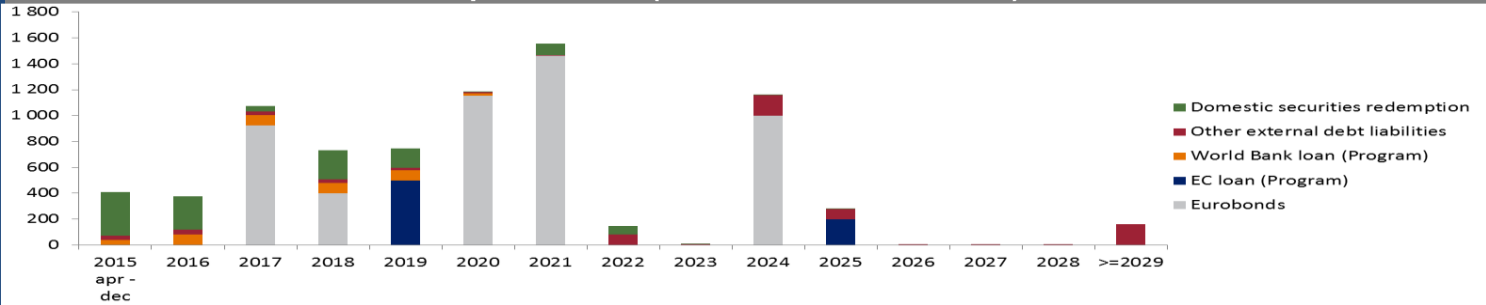
	M, EUR	Q2/14	Q3/14	Q4/14	Q1/15
New borrowing		1 161	73	126	141
incl. Eurobonds		1000			
Redemptions		-503	-69	-144	-1 256
incl. debt redemption to European Commission					-1 220
Eurobonds		-400			
Net borrowing		658	4	-18	-1 115



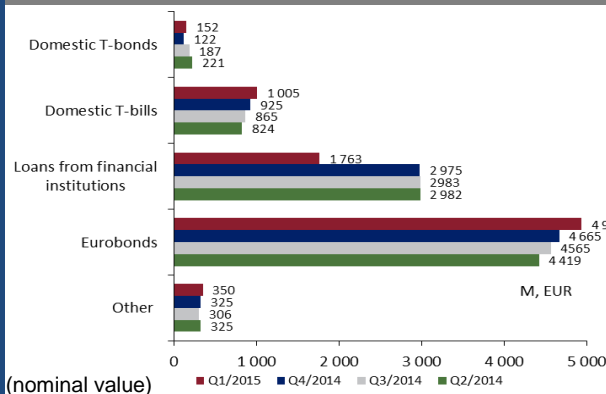
¹Central government consolidated budget (excluding grants, donations and derived public entities)



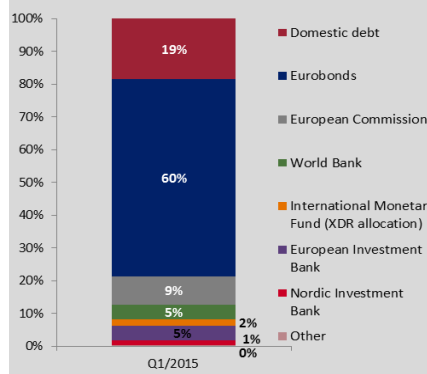
Central Government Debt Redemption Profile (at the end of March 2015)



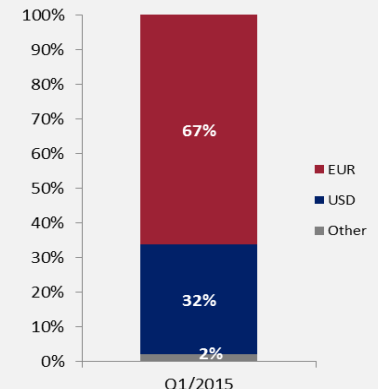
Debt Outstanding by instruments/



lenders/

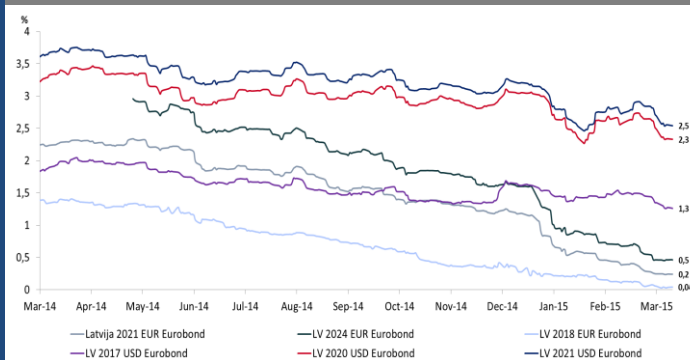


currencies



FOREIGN SECURITIES

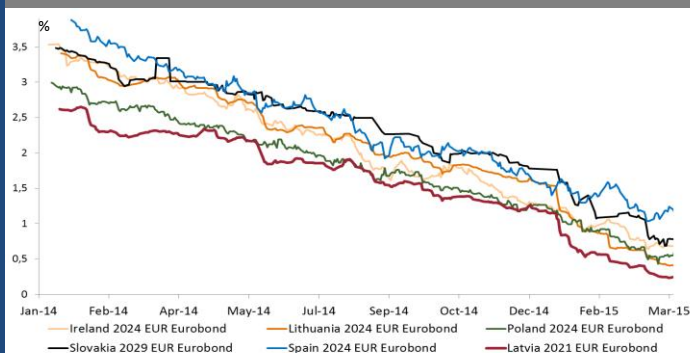
EUR and USD Eurobond yields



Source: Bloomberg, 30.03.2015

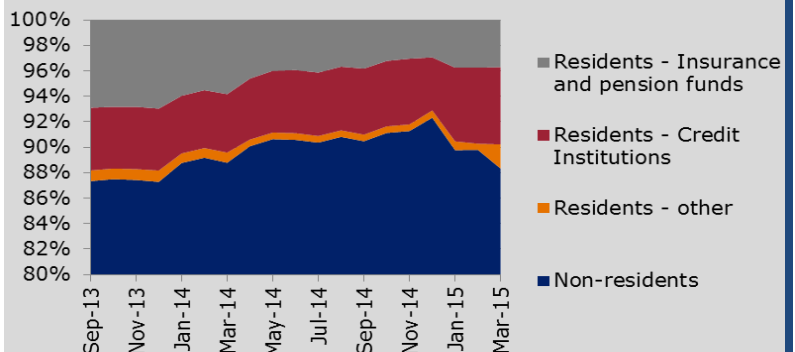
	Maturity Date	Issuer Name	Cpn	S&P Rating	Mid YTM	BID Z-Spread
USD	22.02.2017	LATVIA	5,25	A-	1,25	58
	12.01.2020	LATVIA	2,75	A-	2,33	92
	16.06.2021	LATVIA	5,25	A-	2,54	94
EUR	05.03.2018	LATVIA	5,5	A-	0,04	-1
	21.01.2021	LATVIA	2,6	A-	0,24	1
	30.04.2024	LATVIA	2,9	A-	0,44	-2

EUR bond yields by European countries



Source Bloomberg, 30.03.2015

External Securities Outstanding by Type of Investor in Secondary Market



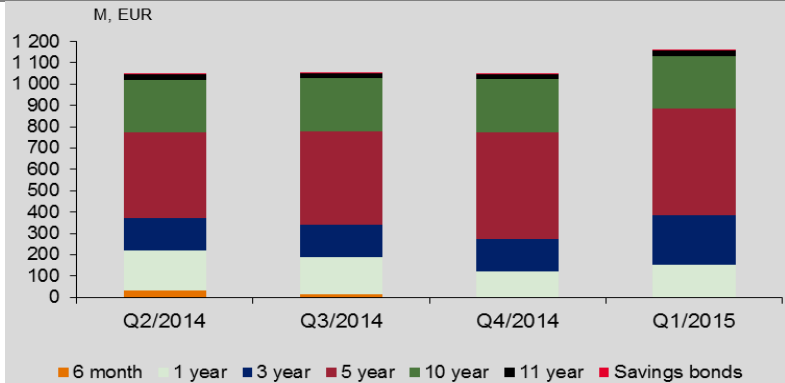
Source: Bank of Latvia



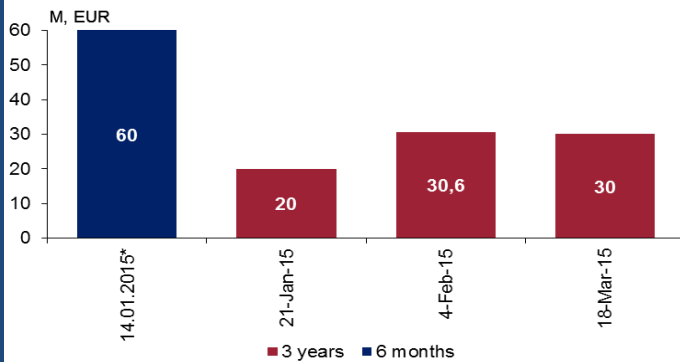
DOMESTIC SECURITIES

Domestic Securities Outstanding by original maturities

Outstanding	Q2/2014	Q3/2014	Q4/2014	Q1/2015
	M, EUR			
6 month	30	15	0	0
1 year	191	172	122	152
3 year	153	153	153	233
5 year	398	439	500	500
10 year	248	248	248	248
11 year	24	24	24	24
Savings bonds	4,5	4,9	5	5
Total	1 049	1 057	1 052	1 162

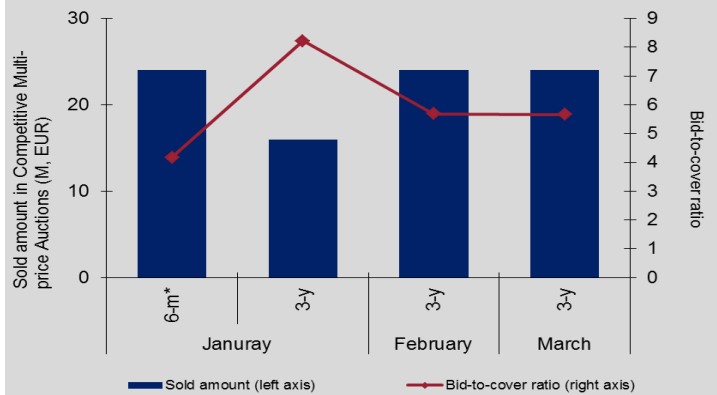


Sold Amount at Auctions in 1st quarter



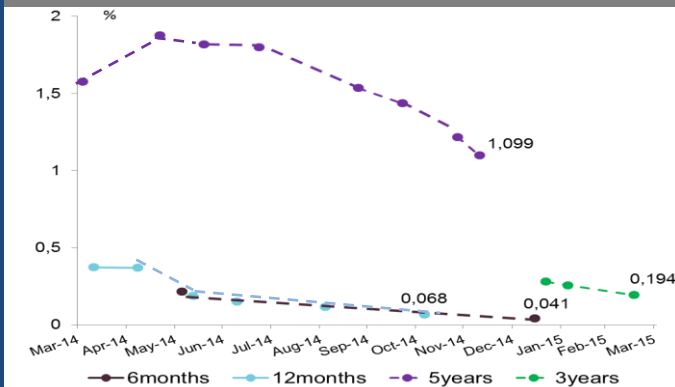
* TAP of original 12-m T-bill

Bid-to-cover Ratio at Competitive Multi-price Auctions in 1st quarter

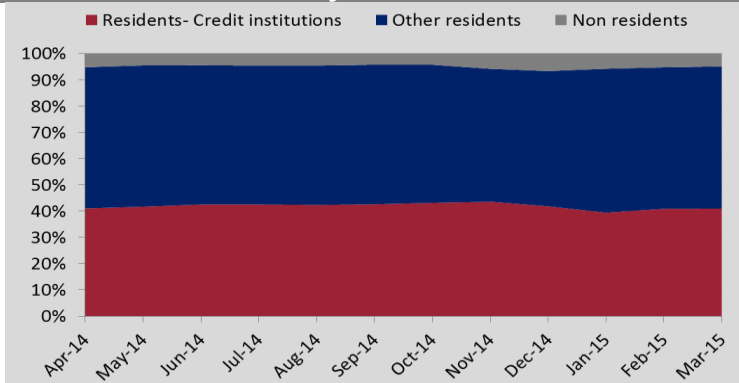


* TAP of original 12-m T-bill

Competitive Multi-price Auction rates



Domestic Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

Management of Planned Domestic Securities

Government securities can be issued in Latvia's and international financial markets. Domestic securities are issued by using auction method under the Latvian legislation. Latvian government bonds in international markets are issues by using syndicate method under other countries legislation.

Calendar for the planned auctions is being published each month on the Treasury's website. Government securities auctions are organized on Wednesdays. 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	31.12.2014.		30.03.2015		STRATEGY	
	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years
Maturity profile (%) of central government debt	21,4%	36,4%	11,4%	33,2%	≤ 25%	≤ 50%
Share of fixed rate [^]	81,7%		91,9%		≥ 60%	
Macaulay Duration (years)	4,16		4,55		3,4 - 5,0 ^{^^}	
Net debt ^{^^} currency composition	EUR		EUR		EUR	
	100,00%		100,02%		100% (+/- 5%)	

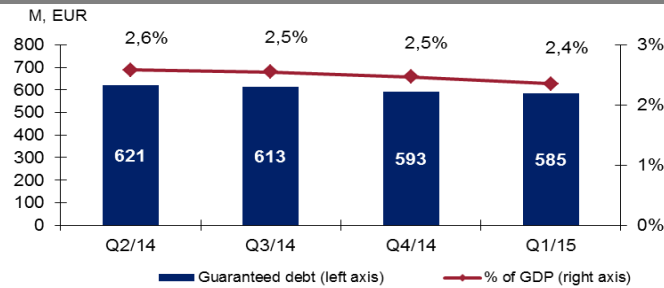
[^] Fixed rate central government debt with a maturity over one year.

^{^^} 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.

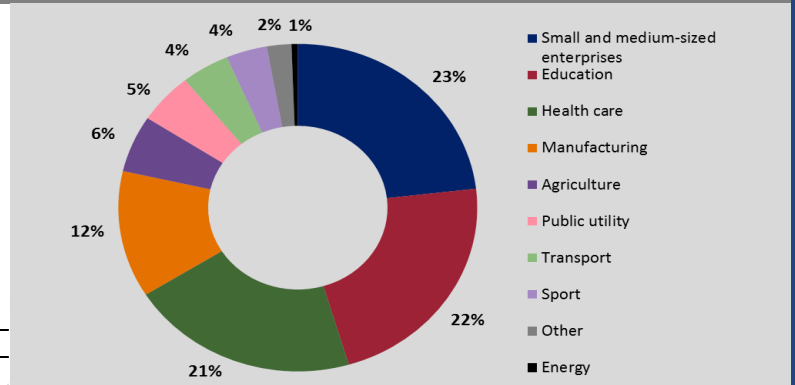
^{^^^} On 2 April 2015 minister of finance approved new Debt Management Strategy where macaulay duration is 3,65-5,15 years.

ISSUANCE OF STATE GUARANTEES

State Guaranteed Debt Outstanding in Q1/15



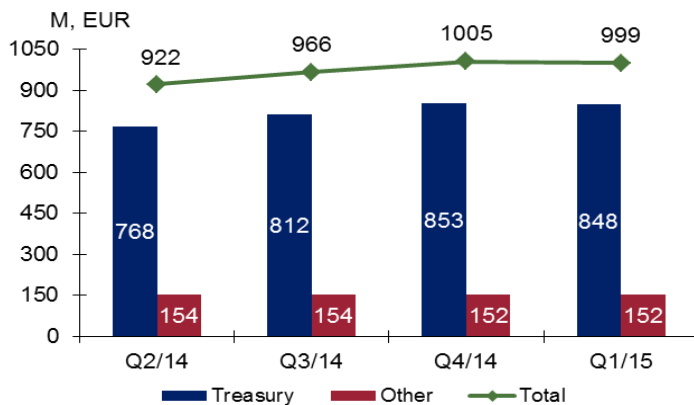
State guaranteed loans by industry (end of March)



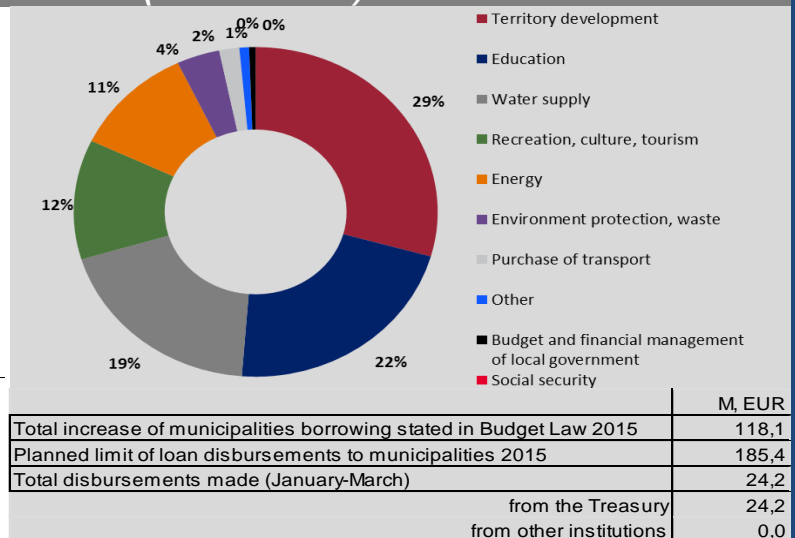
	Planned in 2015, M, EUR	Issued in 1st quarter
Loans to studies and students	36	0
Total	36	0

MUNICIPALITIES' BORROWINGS

Municipalities' Debt Outstanding



Municipalities' Borrowings from the Treasury By Sectors (end of March)



	M, EUR
Total increase of municipalities borrowing stated in Budget Law 2015	118,1
Planned limit of loan disbursements to municipalities 2015	185,4
Total disbursements made (January-March)	24,2
from the Treasury	24,2
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 23, 2015.

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. Reference to the Treasury data compulsory when reproduced.