



BULLETIN IN BRIEF

- Budget¹ with accumulated deficit 317 M, EUR/ 1.1 % of forecasted GDP (January-September)
 - Central government debt outstanding (nominal value) 12 846 M, EUR/ 45.6 % of forecasted GDP (end of September)
 - Municipalities' borrowings made from the Treasury 153 M, EUR/ 0.5 % of forecasted GDP (January-September)
- GDP forecast for 2020 EUR 28 194 M (Ministry of Finance on October 2020)

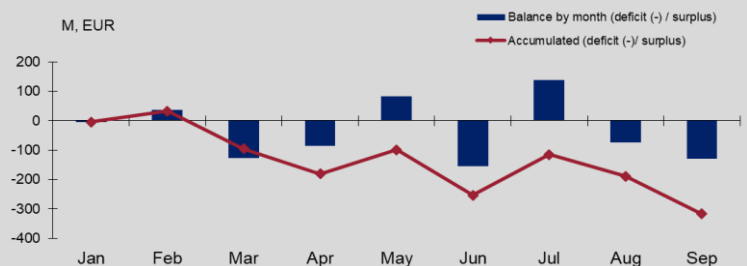
- August 21, the credit rating agency S&P Global Ratings reaffirmed Latvia's rating at the high "A+" level with the stable outlook.

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Balance by month (deficit -) / surplus	-5	37	-128	-86	82	-154	138	-73	-129
Accumulated (deficit -) / surplus	-5	32	-95	-181	-99	-253	-115	-188	-317

* excluding grants, donations and derived public entities

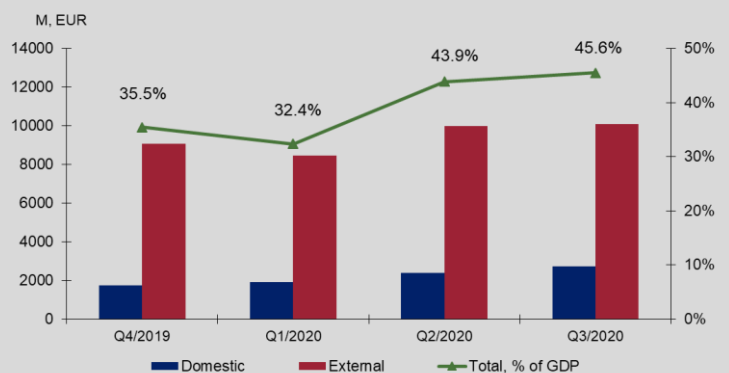


Central Government Debt Outstanding

Debt (M, EUR)	Q4/2019		Q1/2020		Q2/2020		Q3/2020	
	M, EUR	%	M, EUR	%	M, EUR	%	M, EUR	%
Domestic debt	1 734	16%	1 902	18%	2 390	19%	2 741	21%
External debt	9 076	84%	8 460	82%	9 996	81%	10 105	79%
Total	10 810	100%	10 362	100%	12 386	100%	12 846	100%
Central government debt (% of GDP)	35.5		32.4		43.9		45.6	
Net debt* (% of GDP)	30.2		28.8		33.6		34.9	

(nominal value)

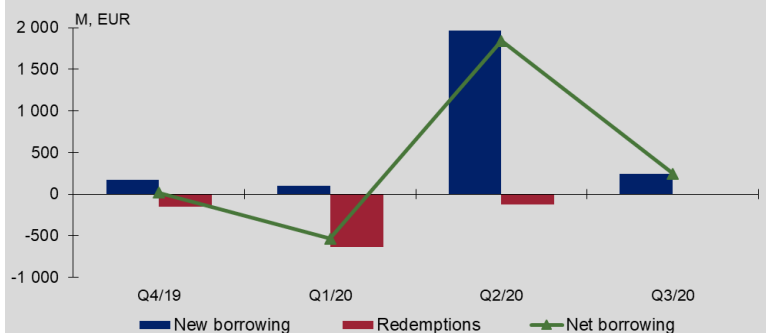
* without the derivative financial instruments effect result



Central Government Net Borrowing

	M, EUR	Q4/19	Q1/20	Q2/20	Q3/20
		New borrowing	173	100	1 971
<i>incl. Eurobonds</i>				1 550	
<i>incl. Loan issued by Nordic Investment Bank</i>				125	
Redemptions	-156	-633	-126	-1	
<i>incl. debt redemption to</i>					
<i>World Bank</i>	-20		-10		
<i>domestic securities</i>	-135		-113		
Net borrowing	16	-534	1 844	244	

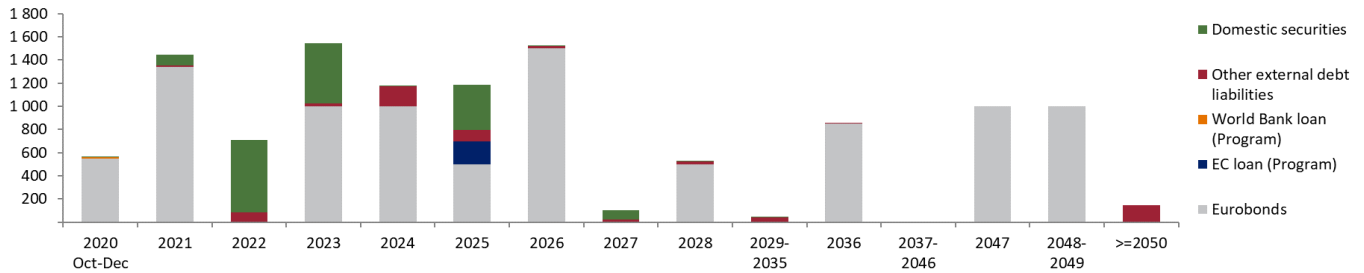
(nominal value)



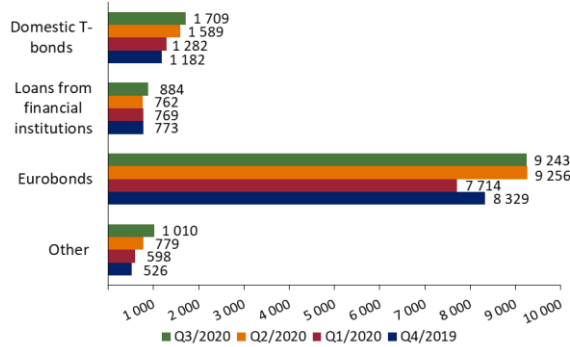
¹ Central government consolidated budget (excluding grants, donations and derived public entities)



Central Government Debt Redemption Profile (at the end of September 2020)

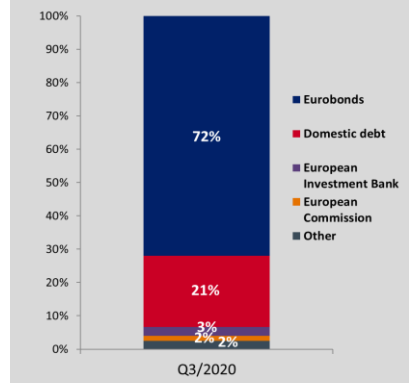


Debt Outstanding by instruments/

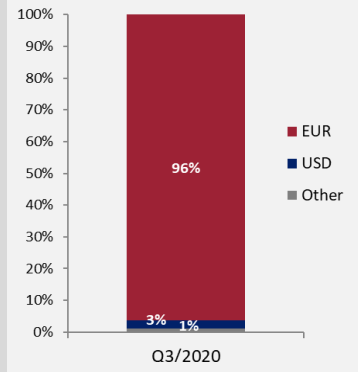


(nominal value, M EUR)

lenders/

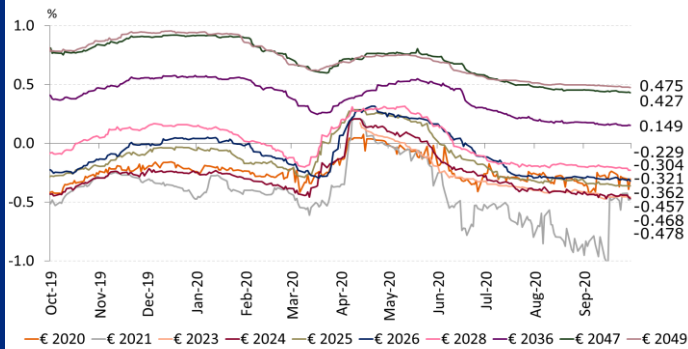


currencies



FOREIGN SECURITIES

EUR Eurobond yields



Source: Bloomberg, 30/09/2020

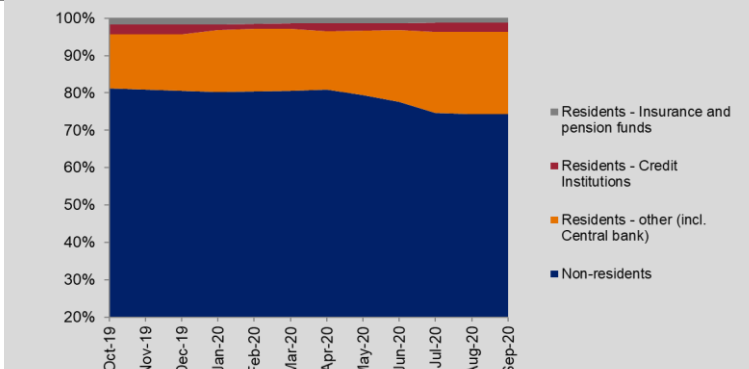
	Maturity Date	Issuer Name	Cpn	S&P Rating	Mid YTM	BID Z-Spread
USD	16/06/2021	LATVIA	5.250	A	0.291	36
EUR	15/12/2020	LATVIA	0.500	A	-0.304	67
	21/01/2021	LATVIA	2.625	A	-0.478	22
	14/04/2023	LATVIA	0.125	A	-0.457	11
	30/04/2024	LATVIA	2.875	A	-0.468	5
	23/09/2025	LATVIA	1.375	A	-0.362	11
	07/10/2026	LATVIA	0.375	A	-0.321	11
	30/05/2028	LATVIA	1.125	A	-0.229	15
	16/05/2036	LATVIA	1.375	A	0.149	23
	15/02/2047	LATVIA	2.250	A	0.427	48
	19/02/2049	LATVIA	1.875	A	0.475	51

USD Eurobond yields



Source: Bloomberg, 30/09/2020

External Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

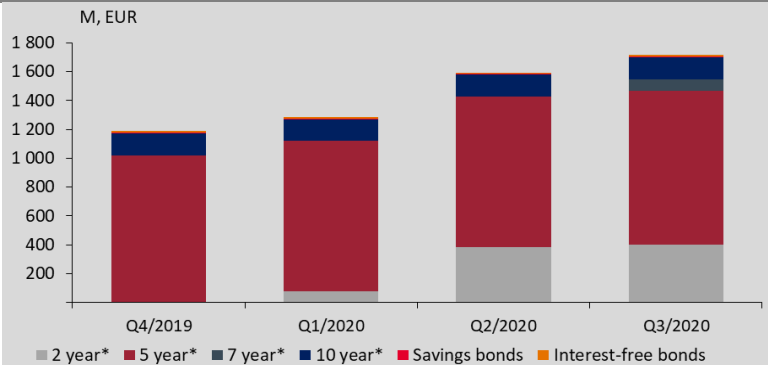


DOMESTIC SECURITIES

Domestic Securities Outstanding

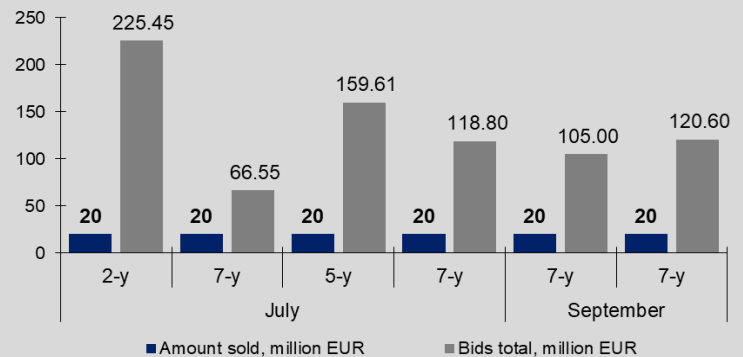
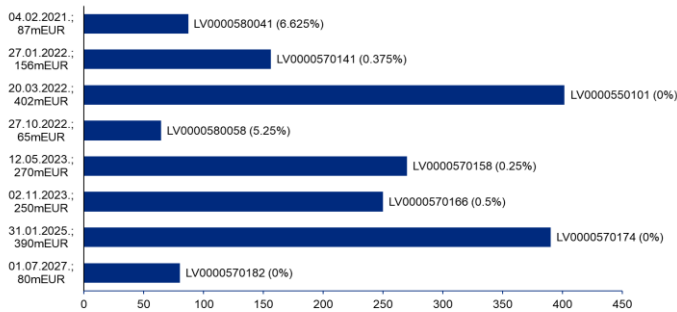
Outstanding	Q4/2019	Q1/2020	Q2/2020	M, EUR Q3/2020
2 year*	0.0	79.0	381.5	401.5
5 year*	1,020.6	1,040.6	1,046.2	1,066.2
7 year*	0.0	0.0	0.0	80.0
10 year*	151.6	151.6	151.6	151.6
Savings bonds	5.3	5.2	5.2	5.2
Interest-free bonds	10.3	10.5	9.8	9.5
Total	1 187.8	1 287.0	1 594.3	1 714.0

*original maturity



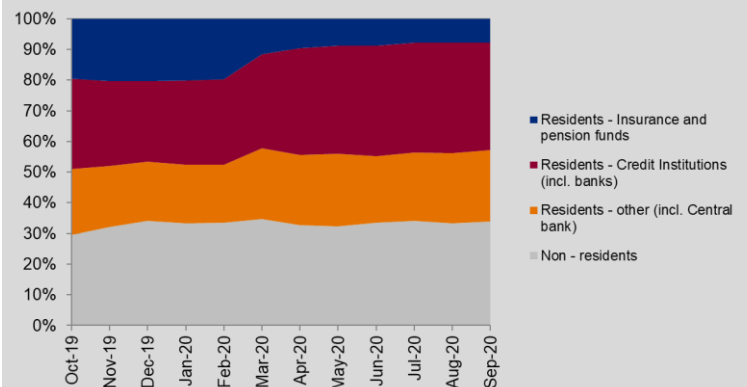
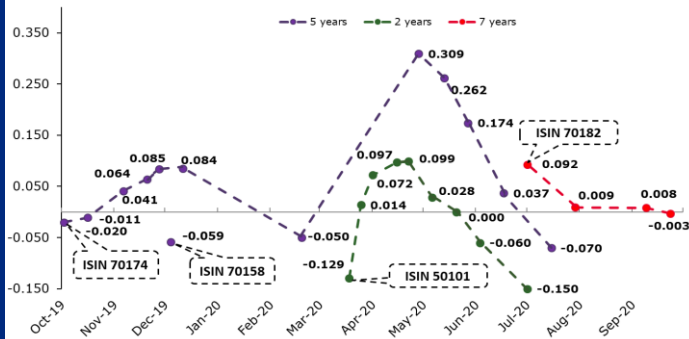
Government domestic securities outstanding (on the end of September)

Domestic T-Bond Competitive Multi-Price Auctions in 3rd quarter



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 the Central Government Debt Portfolio Structure

Parameters	30/06/2020		30/09/2020		STRATEGY	
	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years
Maturity profile (%) of central government debt	22.6%	38.6%	23.5%	39.1%	≤ 25%	≤ 50%
Share of fixed rate [^]	80.4%		78.4%		≥ 60%	
Macaulay Duration (years)	6.93		6.50		5.00 - 9.00	
Net debt currency composition ^{^^}	EUR		EUR		EUR	
	100.06%		100.53%		100% (+/- 5%)	

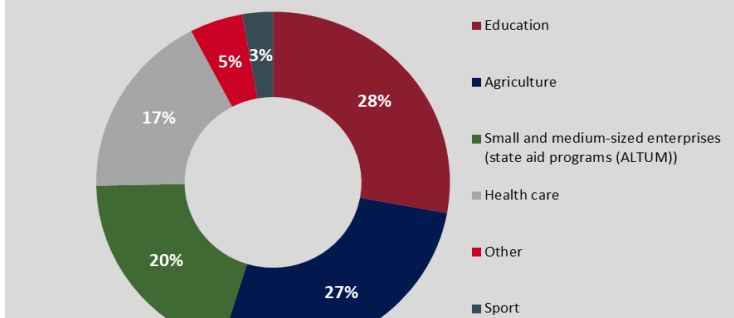
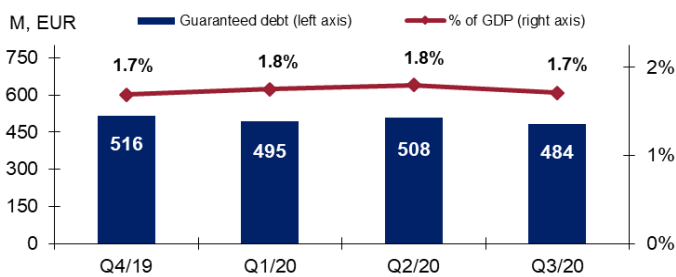
[^]Fixed rate central government debt with a maturity over one year.

^{^^} Central government debt at the end of the period less the amount of loans and receivables, where impairment loss of guarantees are not taken in account (including Treasury's cash accounts, investments in deposits and fixed income securities, loans, receivables (including receivables of derivative financial instruments which are not classified as risky from credit risk perspective)), and increased by provisions of guarantees as well as liabilities of derivative financial instruments which are not classified as risky from credit risk perspective.

ISSUANCE OF STATE GUARANTEES

State Guaranteed Debt Outstanding

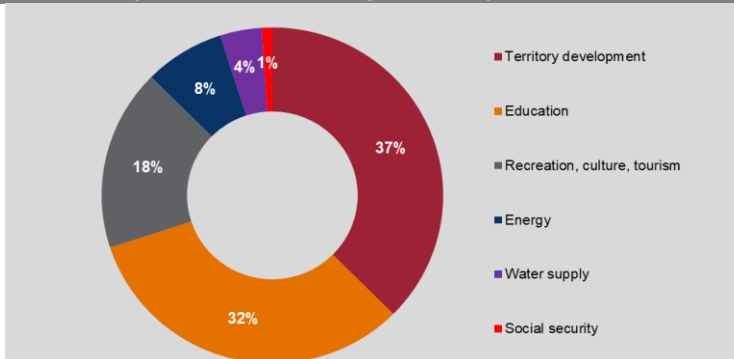
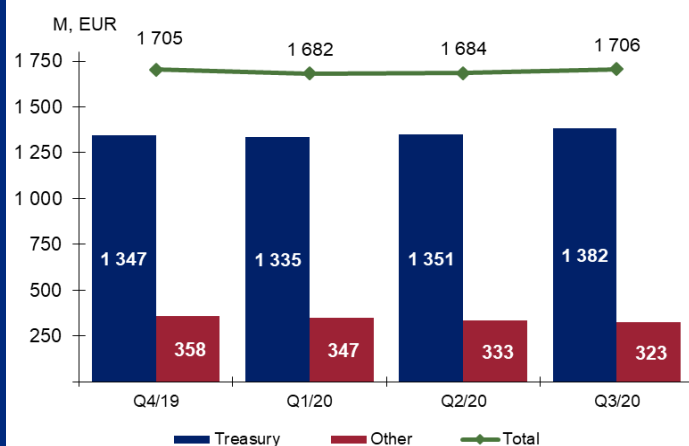
State guaranteed loans by industry (at the end of September)



MUNICIPALITIES' BORROWINGS

Municipalities' Debt Outstanding

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



	M, EUR
Total increase of borrowing stated in Budget Law 2020	641.5
Planned limit of loan disbursements to municipalities 2020	386.0
Total borrowings made (January-September)	153.0
from the Treasury	153.0
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 27, 2021.

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