



BULLETIN IN BRIEF

- Budget¹ with accumulated deficit 1 025 M, EUR/ 3.3 % of forecasted GDP (January-June)
 - Central government debt outstanding (nominal value) 13 091 M, EUR/ 41.7 % of forecasted GDP (end of June)
 - Municipalities' borrowings made from the Treasury 88 M, EUR/ 0.3 % of forecasted GDP (January-June)
- GDP forecast for 2021 EUR 31 364 M (Ministry of Finance as on June 2021)

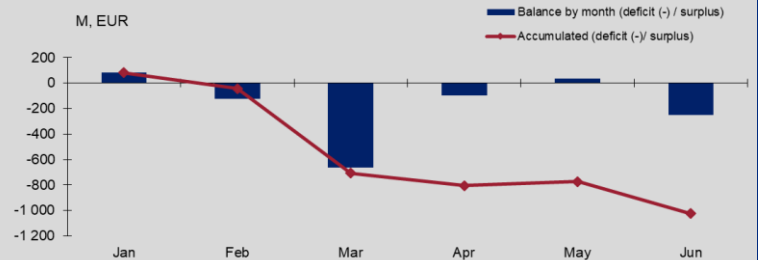
- On May 25, 3rd instalment of the European Commission SURE (support to mitigate unemployment risks in an emergency following the COVID-19 outbreak) loan were received in amount of EUR 113 million, total amount disbursed EUR 305 million.
- On June 16, Latvia ensured the full and timely repayment of USD 10-year bond, issued in June 16, 2011, at a coupon rate of 5.250%, totalling USD 401.49 million in nominal value. After repayment of these bonds, Latvia has outstanding bonds only in EUR currency.
- On June 30, Latvia priced 7-year long Eurobond (maturing 24 January 2029) in a total amount of EUR 500 million, setting a yield at 0.003% and a coupon 0.000%. Trade settlement date was July 7, therefore indicators published in 2nd quarter bulletin do not include this transaction.

GENERAL DATA

Central Government Consolidated Budget*

Month	M, EUR					
	Jan	Feb	Mar	Apr	May	Jun
Balance by month (deficit (-) / surplus)	83	-126	-665	-98	33	-253
Accumulated (deficit (-)/ surplus)	83	-43	-708	-806	-773	-1 025

* excluding grants, donations and derived public entities

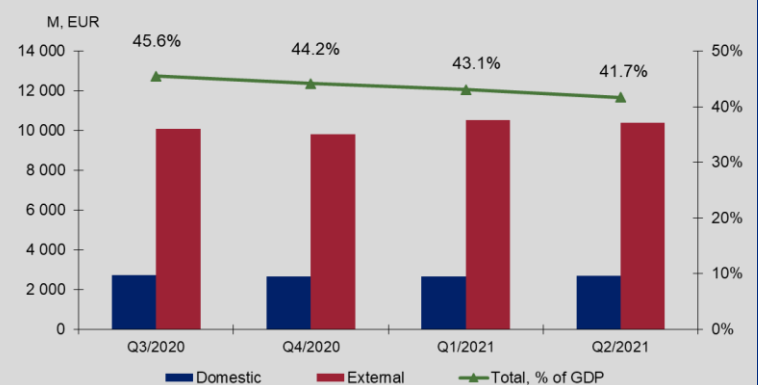


Central Government Debt Outstanding

Debt (M, EUR)	Q3/2020		Q4/2020		Q1/2021		Q2/2021	
	M, EUR	%	M, EUR	%	M, EUR	%	M, EUR	%
Domestic debt	2 741	21%	2 648	21%	2 669	20%	2 681	20%
External debt	10 105	79%	9 811	79%	10 539	80%	10 410	80%
Total	12 846	100%	12 459	100%	13 208	100%	13 091	100%
Central government debt (% of GDP)	45.6		44.2		43.1		41.7	
Net debt* (% of GDP)	34.9		38.0		37.3		37.7	

(nominal value)

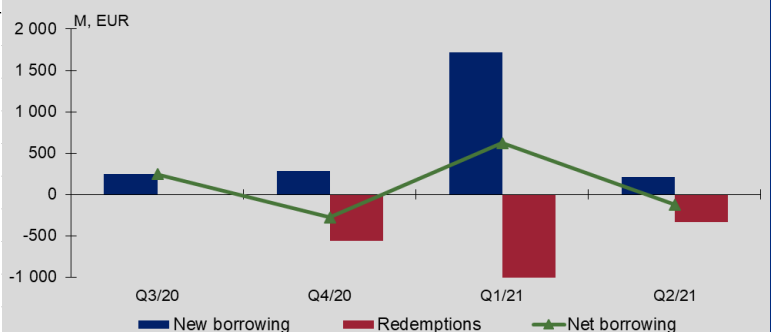
* without the derivative financial instruments effect result



Central Government Net Borrowing

	M, EUR	Q3/20	Q4/20	Q1/21	Q2/21
		New borrowing	245	286	1 714
<i>incl. Eurobonds</i>			40	1 392	101
<i>incl. Loan issued by Nordic Investment Bank</i>	125	125	250		
<i>incl. EC SURE loan</i>			120	72	113
Redemptions	-1	-562	-1 093	-337	
<i>incl. debt redemption to:</i>					
World Bank			-10		
domestic securities			-1	-88	-2
Eurobonds			-550	-1 000	-331
Net borrowing	244	-276	621	-123	

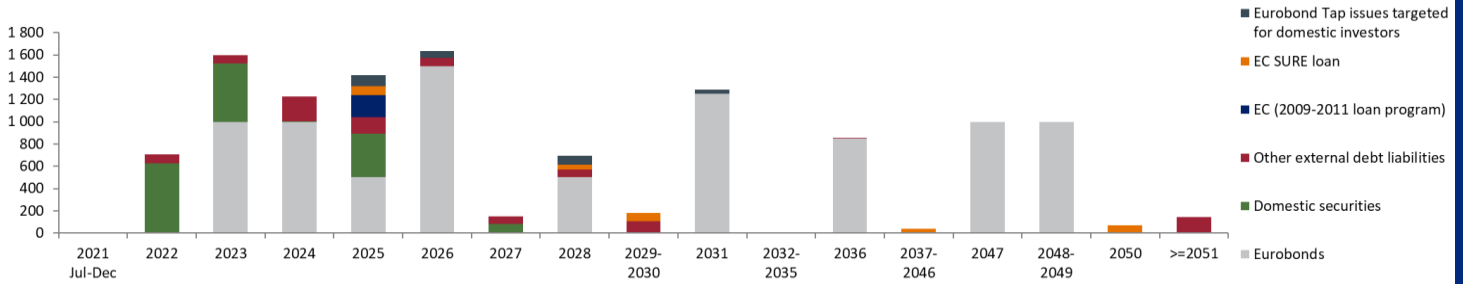
(nominal value)



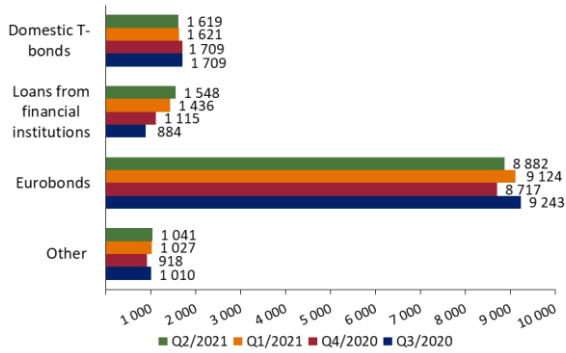
¹ Central government consolidated budget (excluding grants, donations and derived public entities)



Central Government Debt Redemption Profile (at the end of June 2021)

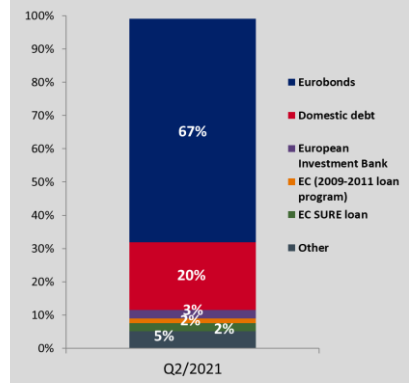


Debt Outstanding by instruments/

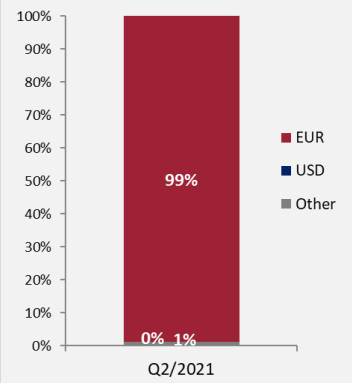


(nominal value, M EUR)

lenders/

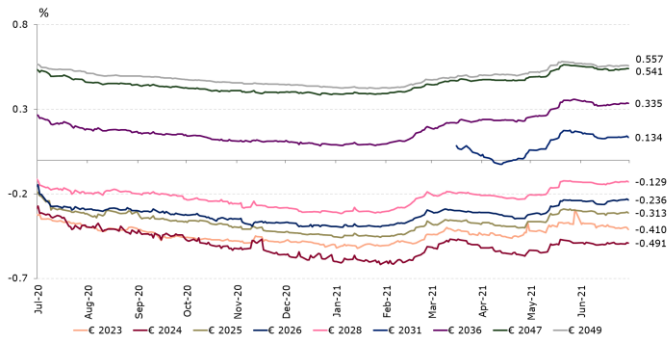


currencies



FOREIGN SECURITIES

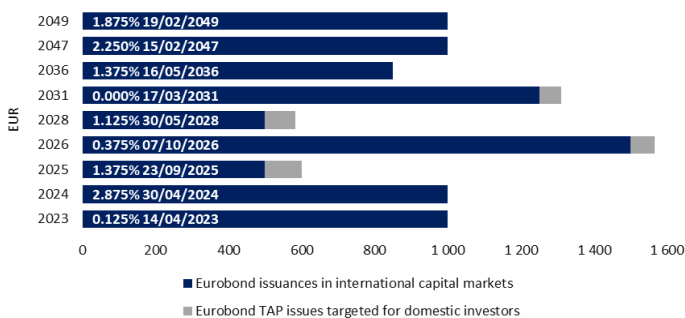
EUR Eurobond yields



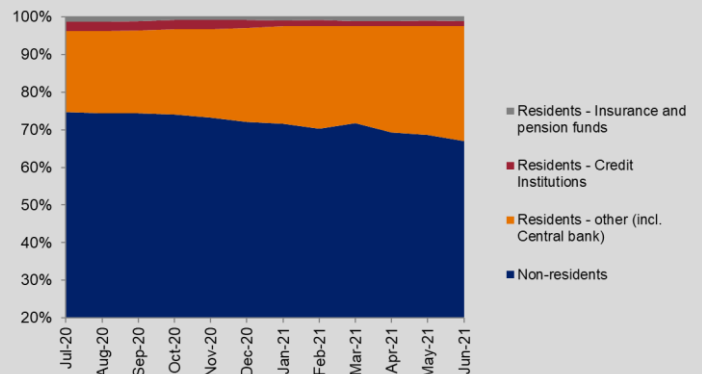
Source: Bloomberg, 30/06/2021

	Maturity Date	Issuer Name	Cpn	S&P Rating	Mid YTM	BID Z-Spread
EUR	14/04/2023	LATVIA	0.125	A+	-0.410	20
	30/04/2024	LATVIA	2.875	A+	-0.491	0
	23/09/2025	LATVIA	1.375	A+	-0.313	5
	07/10/2026	LATVIA	0.375	A+	-0.236	4
	30/05/2028	LATVIA	1.125	A+	-0.129	4
	17/03/2031	LATVIA	0.000	A+	0.134	6
	16/05/2036	LATVIA	1.375	A+	0.335	1
	15/02/2047	LATVIA	2.250	A+	0.541	8
19/02/2049	LATVIA	1.875	A+	0.557	9	

Eurobonds outstanding (on the end of June)



External Securities Outstanding by Type of Investor in Secondary Market



Source: Bank of Latvia

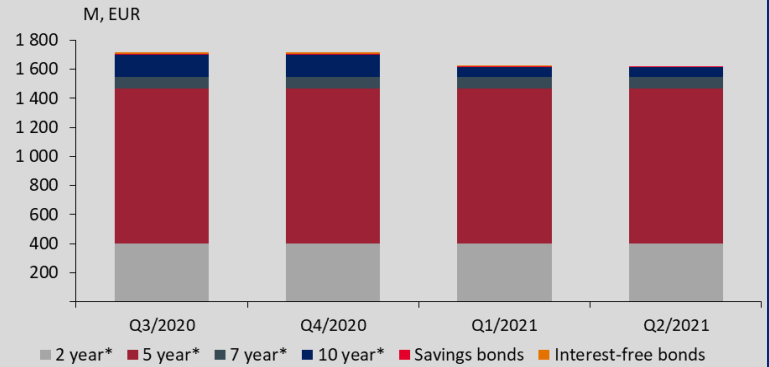


DOMESTIC SECURITIES

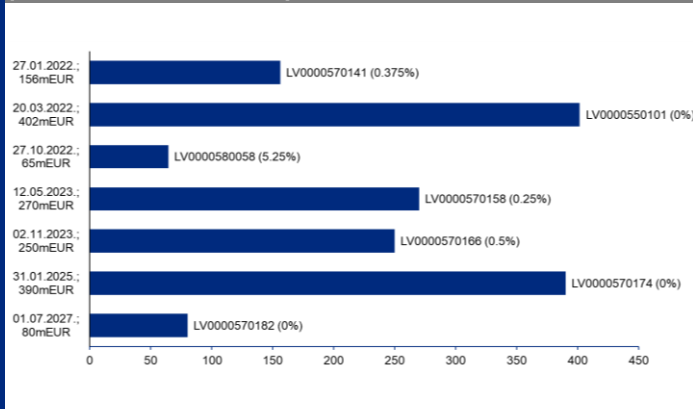
Domestic Securities Outstanding

Outstanding	Q3/2020	Q4/2020	Q1/2021	Q2/2021
2 year*	401.5	401.5	401.5	401.5
5 year*	1 066.2	1 066.2	1 066.2	1 066.2
7 year*	80.0	80.0	80.0	80.0
10 year*	151.6	151.6	64.5	64.5
Savings bonds	5.2	5.2	5.3	5.3
Interest-free bonds	9.5	9.5	8.8	7.0
Total	1 714.0	1 714.0	1 626.3	1 624.6

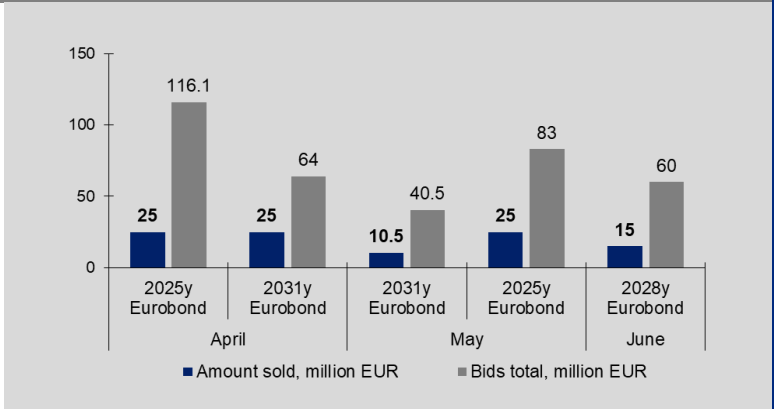
*original maturity



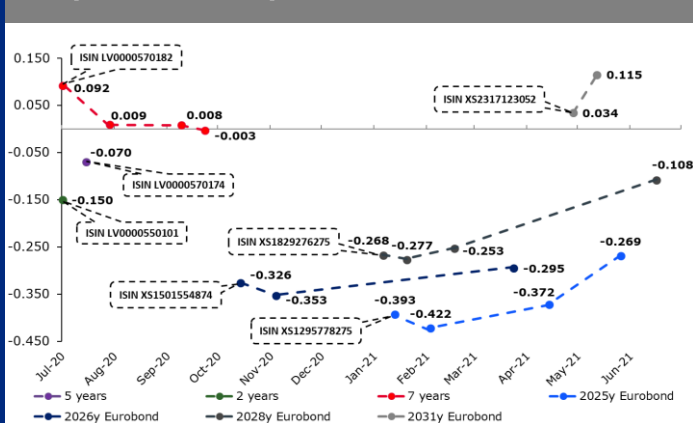
Government domestic securities outstanding (on the end of June)



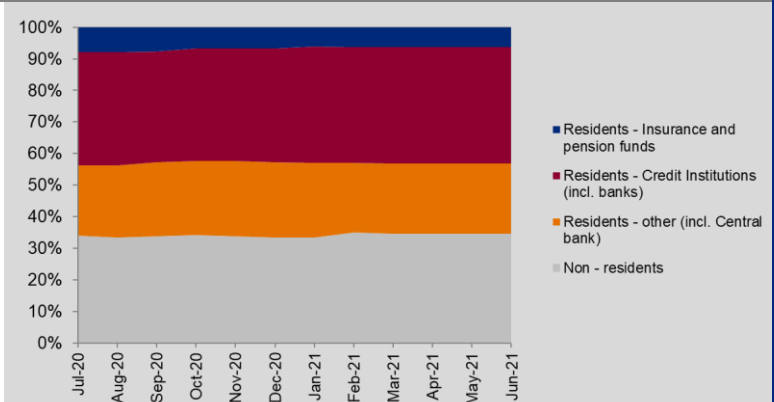
Domestic T-Bond Competitive Multi-Price Auctions in 2nd quarter



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. Government securities in domestic market are issued under the Latvian legislation or under other countries legislation by using auction method. Latvian government bonds in international markets are issued 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	31/03/2021		30/06/2021		STRATEGY	
	≤ 1 year	≤ 3 years	≤ 1 year	≤ 3 years	≤ 1 year ≤ 25%	≤ 3 years ≤ 50%
Maturity profile (%) of central government debt	14.7%	28.0%	12.3%	33.7%		
Share of fixed rate [^]	84.3%		86.7%		≥ 60%	
Macaulay Duration (years)	7.18		7.21		5.00 - 9.00	
Net debt currency composition ^{^^}	EUR		EUR		EUR	
	100.11%		100.17%		100% (+/- 5%)	

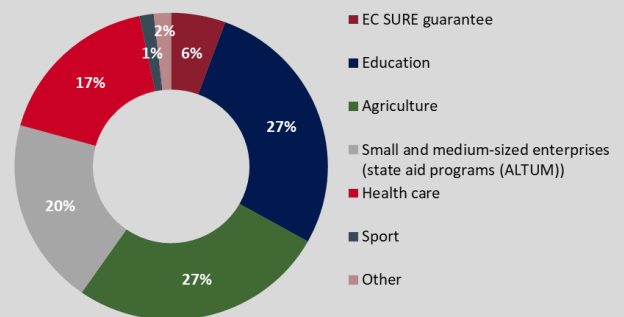
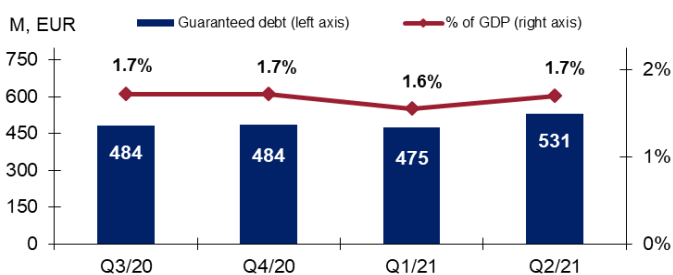
[^]Fixed rate central government debt with a maturity over one year.

^{^^} 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

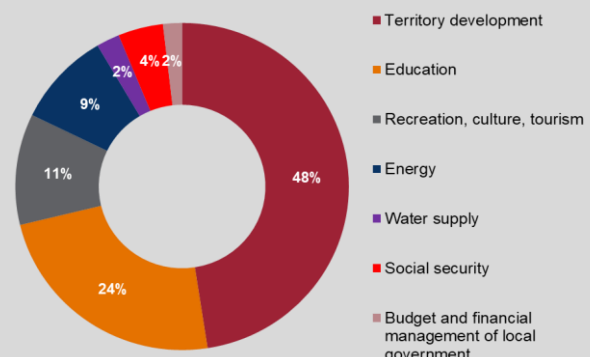
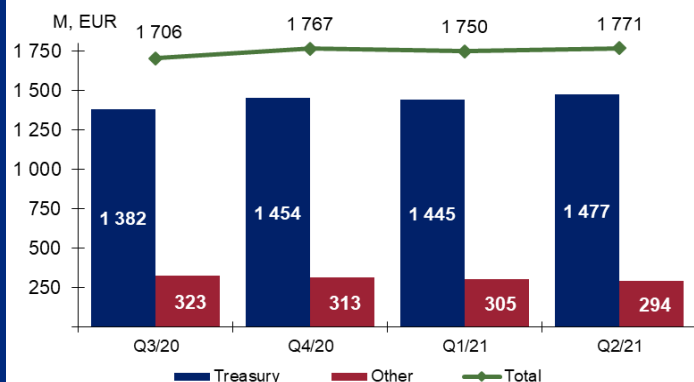
State guaranteed loans by industry (at the end of June)



MUNICIPALITIES' BORROWINGS

Municipalities' Debt Outstanding

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



	M, EUR
Total increase of borrowing stated in Budget Law 2021	484.5
Planned limit of loan disbursements to municipalities 2021	387.0
Total borrowings made (January-June)	87.9
from the Treasury	87.9
from other institutions	0.0

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NEXT ISSUE: Next Quarterly Bulletin will be available in the Treasury's web site on October 22, 2021.

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.