

**Decisions of the extraordinary shareholders` meeting
of AS "Latvijas Krājbanka"**

Riga, 15 Jāņa Daliņa Street

October 24th 2008

1. On increase of the share capital of AS "Latvijas Krājbanka"

The shareholders` meeting resolved:

- 1/ To increase the share capital of AS "Latvijas Krājbanka" (hereinafter referred to as – the Bank) for the amount of LVL 5'000'000 (five million lats) in order to raise additional funds for the development of the AS "Latvijas Krājbanka" activity and to introduce new products, by issuing 5'000'000 (five million) ordinary bearer shares at nominal value of LVL 1, category – with right for receiving dividends, receiving liquidation quota and with voting right at the shareholders` meeting
- 2/ To approve the "Regulations for Increase of the Share Capital of AS "Latvijas Krājbanka"" in accordance with the appendix.
- 3/ To authorize the Board of AS "Latvijas Krājbanka" to perform all necessary activities for the execution of the present resolution, including but not limited:
 - to draft and approve the share Emission Prospectus of AS "Latvijas Krājbanka", to define the procedure for the distribution of securities in compliance with the "Regulations for Increase of the Share Capital of AS "Latvijas Krājbanka"" approved by present resolution;
 - to amend and supplement the Emission Prospectus if necessary;
 - to submit the Emission Prospectus and other necessary documents to the Financial and Capital Market Commission and to receive the permit for enounce the public offer;
 - to perform all the activities necessary for ensuring the issue of the shares and organization of the public offer;
 - to perform all the activities necessary for announcing the increase of the share capital and the registration of the amendments to the Articles of Association in the Commercial Register of Enterprises of the Republic of Latvia;
 - to decide on listing of the shares of AS "Latvijas Krājbanka" at the Riga Stock Exchange and/or including in the regulated markets of other countries;
 - to perform all the activities necessary to initiate the listing of the shares.

APPROVED
at the AS "Latvijas Krājbanka"
extraordinary shareholders` meeting
held on October 24th 2008
(Minutes no. 2, 1 item of the agenda)

**Regulations for the Increase of the Share Capital
of AS "Latvijas Krājbanka"**

1. The purpose for increasing the share capital of AS "Latvijas Krājbanka", reg. no. 40003098527, having its legal address at 15 Jāņa Daliņa Street in Riga (hereinafter referred to as – the Bank):
 - to raise funds for the development of the Bank services;
 - to increase the Bank's return on assets.
2. Registered and paid stock capital of AS "Latvijas Krājbanka" at the moment of the approval of the "Regulations for Increase of the Share Capital of AS "Latvijas Krājbanka"" (hereinafter referred to as – Regulations) amounts of LVL 12'149'246 (twelve million one hundred forty-nine thousand two hundred and forty-six lats). The Bank's stock capital consists of:
 - 12'146'412 ordinary bearer shares, category – with right for receiving dividends, the liquidation quota and with the voting right at the shareholders` meeting. All shares have an equal nominal value: LVL 1 (one lat);;
 - 2'834 "A" category preference shares with equal guaranteed rights for receiving dividends from the net profit share, proportional to the share of all category "A" preference shares in the Bank's stock capital, and for receiving the liquidation quota. All shares have an equal nominal value: LVL 1 (one lat).
3. The Bank's stock capital is increased up to LVL 17'149'246 (seventeen million one hundred forty-nine thousand two hundred and forty-six lats) (the announced stock capital) by enouncing the public offer in accordance with procedure prescribed in legislative enactments.
4. The Bank's stock capital is being increased for the amount of LVL 5'000'000 (five million lats), by issuing 5'000'000 (five million) ordinary bearer shares at the nominal values of LVL 1 (one lat), category - with right for receiving dividends, the liquidation quota and with the voting right at the shareholders` meeting (hereinafter referred to also as – Shares). All shares are dematerialized.
5. The Shares of the new issue ensure the shareholders` with all rights assigned with the Bank's ordinary shares according to the Commercial Law and the regulations of the Articles of Associations of the Bank.
The Shares will participate in the distribution of profit starting from the financial year 2008.
6. The distributor of the new issue of the shares of the Bank: AS "Latvijas Krājbanka".
7. The purchase price, at which the Bank's shareholders and other natural and legal

persons shall be entitled to subscribe to the Shares, is LVL 3 (three lats) per each Share, including:

LVL 1 (one lat) – nominal value of the Share;

LVL 2 (two lats) – premium of the issue.

8. The Shares of new issue shall be paid for in cash. The minimum instalment to be done when subscribing to the Shares – 100% (one hundred percents) of the Purchase price of the Shares.
9. Those shareholders, who, in accordance with the list of the shareholders prepared by the Central Depository of Latvia by the end of day of November 10th 2008 (hereinafter referred to as – the Reporting date) were defined as the owners of the ordinary and preference shares of AS "Latvijas Krājbanka" (hereinafter referred to also as – the Shareholders), shall have the pre-emptive right to subscribe to the Shares. The above-mentioned shareholders have priority rights to acquire the new Shares in proportion to the nominal value of shares (ordinary and preference) owned by them as on November 10th 2008 (at the end of the day) within one month after the date when the announcement on the Shareholders` pre-emptive right to the new issue of Shares has been published in the newspaper "Latvijas Vēstnesis".
10. The subscription to Shares shall be arranged in three stages. During the first and the second stage only Shareholders shall be entitled to subscribe to the Shares, but during the third stage – also all other natural and legal persons according to the procedure stated in the Emission Prospectus.

During the first stage the Shareholders express their will to use the pre-emptive right by subscribing to Shares in the amount, corresponding to the Shareholders` pre-emptive right according to the article 9 of the Present Regulations. The subscription term to Shares during the first stage is one calendar month from the date when the announcement on the Shareholders` pre-emptive right to new issue of Shares has been published in the newspaper "Latvijas Vēstnesis".

During the second stage the Shareholders are entitled to subscribe to Shares, to which the Shareholders have not utilized their priority right within the first stage. The subscription term to the Shares during the second stage starts on the forth-working day after the subscription term to Shares during the first stage is over. The subscription term to the Shares during the second stage starts at 10 o'clock and ends at 17 o'clock on the same day.

During the third stage the Shareholders and other natural and legal persons are entitled to subscribe to all the Shares, which have not been acquired by the Shareholders during the first and the second stage. The subscription term to the Shares during the third stage starts on the forth-working day after the subscription term to the Shares during the second stage is over. The subscription term to the Shares during the third stage starts at 10 o'clock and ends at 17 o'clock on the same day.

The final subscription term to the new issue of the Shares is December 30th 2008 or the date, when the subscription to the new issue of the Shares during the third stage is over, depending on which comes first. If necessary the Board has right to specify the subscription terms within previously stated limits

11. The settlement term for the Shares subscribed during the first, second or the third stage is three working days from the day, when the Shares are subscribed to.

According to the articles 10 and 11 of the present Regulations, the settlement term of the new emission Shares is not later than January 6th 2009 (the final payment term).

12. The subscription takes place on working days from 10:00 to 17:00 o'clock during the subscription stages mentioned in the articles 9 and 10 of the present regulations in the following client service centers of AS "Latvijas Krājbanka": 15 Jāņa Daliņa Street in Riga; 2 Jēkaba Street in Riga; 40 Brīvības Street in Riga; 6a Antonijas Street in Riga; 243 Maskavas Street in Riga; 55 Dzelzavas Street in Riga; 27 Dzirciema Street in Riga; 10a Bērzu Street in Aizkraukle; 1 Lēnču Street in Cēsis; 17 Parādes Street in Daugavpils; 65 Rīgas Street in Gulbene; 6 Raiņa Street in Madona; 5/7 Lielā Street in Jelgava; 5 Uzvaras Street in Dobele; 44 Liepājas Street in Kuldīga; 12 Liela Street in Liepāja; 91 Atbrīvošanas alley in Rēzekne; 27 Rīgas Street in Valmiera; 51 Kuldīgas Street in Ventspils; 8 Kareivju Street in Talsi; 2 Draudzības alley in Jekabpils; 3 Mārupes Street in Riga.
13. The Procedure for the subscription and distribution of the new issue of the Shares, as well as other terms of emission shall be set by the Board in the Emission Prospectus.
14. If the demand for the Shares during the second and/or the third stage will exceed the offer, the shares shall be distributed according to the following distribution principles:
 - if the number of the subscribed Shares during the second stage will exceed the offer, the Shares will be distributed to each shareholder in the amount, proportional to the number of subscribed Shares owned by the corresponding shareholder toward the total number of Shares, to which all Shareholders, participating in the second stage, will subscribe to;
 - if the number of the subscribed Shares during the third stage will exceed the offer, the Shares shall be distributed to the investors according to the subscription application reception date, satisfying earlier submitted applications at first. If the applications are submitted simultaneously and it is not possible to satisfy them in full, then the Shares will be distributed proportionally to the number stated in the applications.

The Board shall set the Share distribution procedure in the Emission Prospectus, observing the previously stated Share distribution principles
15. If the announced share capital is not fully subscribed to by the term stated in the present Regulations, the new issue of the Shares shall be deemed accomplished in the amount of the Shares which have been subscribed to.

2. On amendments of the articles of association of AS "Latvijas Krājbanka"

The shareholders` meeting resolved:

To amend the articles of association of AS "Latvijas Krājbanka":

1. To formulate Clause 3.1. of the articles of association in the following wording:

"3.1. The Bank's fixed capital amounts to LVL 17.149.246 (seventeen million one hundred forty-nine thousand two hundred and forty-six lats)."

2. To formulate the Clause 4.1. of the articles of association in the following wording:

"4.1. The Bank's fixed capital shall be composed of 17.149.246 (seventeen million one hundred forty-nine thousand two hundred and forty-six) shares, inter alia:
17.146.412 ordinary shares of one category all having equal rights to receiving the dividend, liquidation quota and voting rights at the Meeting of Shareholders and
2'834 "A" category preference shares having equal guaranteed rights to receiving dividend and liquidation quota."

3. To formulate Clause 5.6. of the articles of association in the following wording:

"5.6. The Council shall be composed of 5 (five) members. The Council shall be elected for 3 years."

4. To formulate Clause 5.14 of the articles of association in the following wording:

"5.14. To decide significant issues, the Board shall require the consent of the Council. Such significant issues shall cover:

- approving general principles of activities, including policies that regulate activities;
- approving documents that regulate the credit policy;
- approving the Bank's budget and work plan;
- acquisition of interest in other companies, increasing, decreasing and termination thereof;
- purchase of real estate, alienation, mortgage of real estate owned by the Bank, or encumbering the same with material rights;
- approving conditions of lending to the Bank's employees;
- establishing of branches and representation offices and termination of their activities;
- appointing and revoking the board and the council members in other companies, where the Bank has interest;
- determining the amount of remuneration (salary, bonuses and other remuneration) to the head and employees of the Bank's Internal Audit;

3. On the auditing committee of AS "Latvijas Krājbanka"

The shareholders` meeting resolved:

1. To establish auditing committee of AS "Latvijas Krājbanka" (hereinafter referred to as – the Auditing committee) composed of three members.
2. To elect to the office of the members of Auditing committee for a three year term, commencing on October 24th 2008:
 - Aleksandrs Antonovs;
 - Oļegs Suhorukovs;
 - Olga Girnis.

3. To determine the following amount of annual remuneration of the members of Auditing committee:
Chairman of the Auditing committee – LVL 1000;
Member of the Auditing committee – LVL 1000.
4. To assign the Board of AS "Latvijas Krājbanka" to adopt the regulations of the Auditing Committee upon approval of the Council.

4. On the election of the Council of AS "Latvijas Krājbanka"

The shareholders` meeting resolved:

1. The recall from the position of the Council Members of AS "Latvijas Krājbanka" prior to the expiration term:
 - 1) Raimondas Baranauskas;
 - 2) Aleksandrs Antonovs;
 - 3) Oļegs Suhorukovs;
 - 4) Dmitrijs Kocjuba;
 - 5) Naglis Stancikas;
 - 6) Žoržas Šarafanovičius;
 - 7) Michael Duncan Chartres.
2. To elect to the office of the members of the Council of AS "Latvijas Krājbanka" for a three year term, commencing on October 24th 2008:
 - 1) Raimondas Baranauskas;
 - 2) Aleksandrs Antonovs;
 - 3) Oļegs Suhorukovs;
 - 4) Naglis Stancikas;
 - 5) Maksims Ančipolovskis.