



**State-owned Joint Stock Company  
“Mortgage and Land Bank of Latvia”**

**FINAL TERMS OF THE OFFERING  
OF P01AO SERIES DISCOUNT NOTES  
INITIAL OFFERING PROGRAM**

Amount of issue	LVL 10,000,000 (ten million Lats)
Face value of one discount note	LVL 100 (one hundred Latvian Lats)
Amount of discount notes	100,000 (one hundred thousand)

**Hipotēku banka**  
**P01AO sērijas Parādzīmju piedāvājuma Galīgie nosacījumi**

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**Table of Contents**

Terms and abbreviations used	2
Caution	2
Locations to access the Base prospectus and the Final Terms of the offer for P01AO series discount notes issue	2
1. Persons responsible for information provided in prospectus	3
2. Legal information	3
3. Information on P01AO series discount notes	3
4. Terms of offering	4
5. Provisions for listing on the regulated market	4

**Terms and abbreviations used and their explanation**

**P01AO series discount notes** – Discount notes that are issued according to the Base prospectus and these Final Terms of the Offer for the initial offering program of the State-owned Joint Stock Company “Mortgage and Land Bank of Latvia”

**Remark.**

Other used terms, abbreviations and their explanation follow the legend for terms, abbreviations and their explanation used in the Base prospectus

**Caution**

Any decision on investment into P01AO series discount notes should be based on assessment of the information included in the Final terms of the offer in combination with the Base Prospectus for the Discount Notes Initial offering program of the State-owned Joint Stock Company “Mortgage and Land Bank of Latvia” in their entirety

**Locations to access the Base prospectus and the Final Terms of the offer for P01AO series Discount Notes**

The Base prospectus of the Discount Notes Initial offering program of the State-owned Joint Stock Company “Mortgage and Land Bank of Latvia” and the Final Terms for P01AO series Discount Notes offering are available on the Mortgage Bank’s website [www.hipo.lv](http://www.hipo.lv).

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**1. Persons responsible for information provided in the Final terms of the offer**

**1.1. Statement by Persons Responsible for the Final terms of the offer**

Herewith we, Chairperson of the Board Inesis Feiferis, First Deputy Chairperson of the Board Rolands Paņko, member of the Board Jēkabs Krieviņš, member of the Board Andris Riekstiņš of the JSC “Mortgage and Land Bank of Latvia”, confirm that, granting due attention to this cause, and to the best of our knowledge, the information provided in the Final terms of the offer is accurate and based on facts, and there are no omissions that might affect the meaning of the information provided herein.

**1.2. Details of Persons who are Responsible for Information Provided in the Final terms of the offer**

Name, surname	Position	Signature
<b>Inesis Feiferis</b>	Chairman of the Board	_____
<b>Rolands Paņko</b>	Member of the Board, Deputy Chairman of the Board	_____
<b>Jēkabs Krieviņš</b>	Member of the Board	_____
<b>Andris Riekstiņš</b>	Member of the Board	_____

**2. Legal information**

2.1. Issuer’s resolutions on the issue of P01AO series Discount Notes .

2.1.1. P01AO series Discount Notes are issued under the Discount Notes Initial offering Program of the State-owned Joint Stock Company “Mortgage and Land Bank of Latvia” in accordance with Mortgage Bank’s shareholder’s meeting on March 20, 2007 (minutes No.1). The Base prospectus was registered with the FCMC on April 26, 2007 (resolution No.52, minutes No. 18 7.p.).

2.1.2.. Resolution on public offering of P01AO series Discount Notes was made and the Final terms of the Discount Notes offering approved at Mortgage Bank’s Board meeting on June 5, 2007 (Minutes No. 25).

**3. Information on P01AO series Discount notes**

ISIN code	LV0000800480
Maturity date	12 June 2008
Amount of issue	LVL 10,000,000.00 (ten million Latvian lats)
Type and form	Discount Notes are bearer’s debt securities, negotiable without any restrictions (transferable)

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**P01AO sērijas Parādzīmju piedāvājuma Galīgie nosacījumi**

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	securities). Discount Notes are issued in the dematerialized form.
Amount of Discount notes	100,000 (one hundred thousand)
Issue currency	LVL
Face value of one Discount note	LVL 100 (one hundred Latvian lats)
Date of the Non-competitive auction (Public offering date)	13 June 2007
Settlement date to transactions concluded on the Non-competitive auction (Date of issue);	18 June 2007
Yield;	6.7500%
Offer price	93.6768% of the face value

**4. Terms of offering:**

Initial placement procedure	According to Article 10.1. of the Base prospectus.
Procedure of settlements	According to Article 10.2. of the Base prospectus.
Information on outcome	According to Article 10.3. of the Base prospectus.
Depository	LCD
Application of funds	Primary operating activities of the Bank
Imposing income tax on the income derived from the Discount notes	According to Article 10.10. of the Base prospectus.

**5. Provisions for listing on the regulated market**

Terms and conditions	According to Article 11.1. of the Base prospectus.
Regulated market	RSE