



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

**FINAL TERMS OF THE OFFERING
OF P01CB SERIES DISCOUNT NOTES
INITIAL OFFERING PROGRAM**

Amount of issue	EUR 15,000,000 (fifteen million Euros)
Face value of one discount note	EUR 100 (one hundred Euros)
Amount of Discount notes	150,000 (one hundred fifty thousand)

Hipotēku banka
P01CB sērijas Parādzīmju piedāvājuma Galīgie nosacījumi

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Terms and abbreviations used and their explanation

P01CB 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 P01CB 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 P01CB 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 P01CB series Discount Notes offering are available on the Mortgage Bank’s website 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
Inesis Feiferis	Chairman of the Board	_____
Rolands Paņko	Member of the Board, Deputy Chairman of the Board	_____
Jēkabs Krieviņš	Member of the Board	_____
Andris Riekstiņš	Member of the Board	_____

2. Legal information

2.1. Issuer’s resolutions on the issue of P01CB series Discount Notes .

2.1.1. P01CB 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 P01CB 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 P01CB series Discount Notes

ISIN code	LV0000800498
Maturity date	12 June 2008
Amount of issue	EUR 15,000,000.00 (fifteen million Euros)
Type and form	Discount Notes are bearer’s debt securities, negotiable without any restrictions (transferable)

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	securities). Discount Notes are issued in the dematerialized form.
Amount of Discount notes	150,000 (one hundred fifty thousand)
Issue currency	EUR
Face value of one Discount note	EUR 100.- (one hundred Euros)
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	4.8000%
Offer price	95.4199% 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