



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

**Final terms of the offering
OF C01CC SERIES MORTGAGE BONDS
INITIAL OFFERING PROGRAM**

Amount of issue	EUR 25,000,000 (twenty five million Euros)
Face value of one discount note	EUR 100 (one hundred Euros)
Amount of Discount notes	250,000 (two hundred fifty thousand)

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Terms and abbreviations used and their explanation

C01CC Series Mortgage bonds – Mortgage bonds, that are issued according to the Base prospectus, amendments to the Base prospectus of the initial offering program of the State-owned Joint Stock Company “Mortgage and Land Bank of Latvia” and these Final Terms of the Offer.

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 C01CC Series Mortgage bonds should be based on assessment of the information included in the Final terms of the offer in combination with the Base Prospectus for the Mortgage bonds Initial offering program of the State -owned Joint Stock Company “Mortgage and Land Bank of Latvia” and amendments to the said Base Prospectus in their entirety.

Locations to access the Base prospectus, amendments to the Base Prospectus, and the Final Terms of the offer for C01CC Series Mortgage bonds issue

The Base prospectus of the Mortgage bonds Initial offering program of the State -owned Joint Stock Company “Mortgage and Land Bank of Latvia” and amendments to the said Base Prospectus and the Final terms of the offer of C01CC Series Mortgage bonds 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 Paško, member of the Board Jānis 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 Paško	Member of the Board, Deputy Chairman of the Board	_____
Jānis Krieviņš	Member of the Board	_____
Andris Riekstiņš	Member of the Board	_____

2. Legal information

2.1. Issuer’s resolutions on the issue of C01CC Series Mortgage bonds

2.1.1. C01CC Series Mortgage bonds are issued under the Mortgage bonds 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 June 8, 2006 (minutes No.2).

The Base prospectus was registered with the FCMC on February 15, 2008 (resolution No.26, minutes No.7 Article 10).

The amendments to the Base prospectus were registered with the FCMC on April 18, 2008 (resolution No.43, minutes No. 16 Article 6).

2.1.3. Resolution on public offering of C01CC Series Mortgage bonds was made and the Final terms of the C01CC Series Mortgage bonds offering approved at Mortgage Bank’s Board meeting on __.____. 2008 (Minutes No.____).

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3. Information on C01CC Series Mortgage bonds

ISIN code	According to Article 9.1 of the Base prospectus.
Maturity date	15 February 2011
Amount of issue	EUR 25,000,000.00 (twenty five million Euros)
Type and form	Mortgage bonds are bearer's debt securities, negotiable without any restrictions (transferable securities). issued in the dematerialized form.
Amount of Discount notes	250,000 (two hundred fifty thousand)
Issue currency	EUR
Face value of one Mortgage bond	EUR 100.- (one hundred Euros)
Type of coupon rate	Fixed
Amount of coupon rate	5.70%
Coupon calculation dates	15 August and 15 February of each year, starting on 15 August 2008 and ending on 15 February 2011
Coupon payment dates;	16 August and 16 February of each year, starting on 15 August 2008 and ending on 16 February 2011
Calculation method of the accrued interest	According to Article 9.8.1 of the Base prospectus.
Rights to redeem the issue prematurely	Mortgage Bank has the rights to redeem the Mortgage bonds prior to maturity exceptionally on cases defined in Articles 9.7.5.1; 9.7.5.2; 9.7.5.3 of the Base prospectus
Date of the Non-competitive auction (Public offering date)	May 14, 2008
Settlement date to transactions concluded on the Non-competitive auction (Date of issue);	May 18, 2008
Accrued interest to the settlement date	1,4883%
Offer price	100.00 % 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 10.11. 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

6. Consolidated data of the Mortgage bonds cover register as of March 31, 2008

6.1. Distribution of the mortgage loans included in the Bond cover register by currency

Amount ('000) Total, LVL*	Number	Amount ('000) LVL	Number	Amount ('000) USD	Number	Amount ('000) EUR	Number
131,155	5,211	31,607	2,518	8,817	145	136,061	2,548

* hereinafter currencies are converted using the Bank of Latvia exchange rate as set on 31 March 2008.

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6.2. Over-collateral of Bonds cover

	for Total cover (LVL '000)	LVL cover (LVL '000)	USD cover (USD '000)	EUR cover (EUR '000)
Government domestic borrowing securities	3,730	2,238	3,352	0
Mortgage loans of conventional risk rate 50%	1,461	1,011	439	362
Mortgage loans of conventional risk rate 100%	129,694	30,596	8,378	135,699
Cover of Mortgage Bonds	134,885	33,845	12,169	136,061
Cover assets risk weighted value*	130,425	31,102	8,597	135,880
Payments of Bonds in circulation	36,788	20,062	6,000	20,000
Over-collateral required by Mortgage Bonds cover	13,042	3,110	860	13,588
Actual over-collateral of Mortgage Bonds cover	98,096	13,783	6,169	116,061
Over-collateral (minimum requirement 10%)	75.21%	44.31%	71.76%	85.41%

* Cover assets risk weighted value is calculated multiplying the amount of included assets by the conventional risk level for the respective assets, the level being determined by FCMC "Capital sufficiency calculation regulations" of 17 November 2004

6.3. Distribution of the mortgage loans included in the Mortgage Bond cover register

	Total amount (LVL '000)	Total number	to include					
			amount (LVL '000)	number	amount (USD '000)	number	amount (EUR '000)	number
Mortgage loans, including	131,155	5,211	31,607	2,518	8,817	145	136,061	2,548
<i>by aim of the loan</i>								
Housing loans to natural persons	78,389	4,337	23,111	2,046	2,887	126	76,825	2165
Other loans	52,766	874	8,496	472	5,930	19	59,236	383
	131,155	5,211	31,607	2,518	8,817	145	136,061	2,548

by loan to value ratio

< 15%	19,213	719	4,228	416	2,659	36	19,638	267
15% - 30%	14,918	924	4,235	521	4,053	39	12,634	364
30% - 45%	22,795	1,046	6,457	536	728	34	22,787	476
45% - 60%	38,846	1,220	8,147	552	1,142	30	42,962	638
60% - 75%	35,383	1,302	8,540	493	235	6	38,039	803
	131,155	5,211	31,607	2,518	8,817	145	136,061	2,548

by the size of the loan

< 5,000	2,353	818	2,209	734	56	24	169	60
5,000 – 25,000	30,083	2,781	17,333	1,519	995	74	17,511	1,188
25,000 – 50,000	26,345	1,005	7,131	214	1,013	28	26,697	763
50,000 – 100,000	19,750	396	2,923	41	773	11	23,454	344
100,000 – 500,000	21,550	179	1,381	9	875	5	28,143	165
500,000 – 1,000,000	6,368	13	630	1	778	1	7,671	11
> 1,000,000	24,707	19	0	0	4,327	2	32,416	17
	131,155	5,211	31,607	2,518	8,817	145	136,061	2,548

by maturity profile

Up to 1 month	596	12	21	6	0	0	817	6
1-3 months	163	20	6	15	1	1	223	4
3-6 months	1,383	38	155	31	0	1	1,747	6
6-12 months	7,600	66	93	48	5	1	10,678	17
1-5 years	15,518	869	4,806	599	2,006	50	13,972	220
exceeding 5 years	105,896	4,206	26,527	1,819	6,805	92	108,624	2,295
	131,155	5,211	31,607	2,518	8,817	145	136,061	2,548

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6.4. Sufficiency Calculation of Cover of Mortgage Bonds in Circulation

Payment date	Substitute Cover sufficiency status on the last payment date *	Mortgage payments receivable		Payments of Bonds in circulation		Substitute cover	Bonds cover sufficiency (01+02+03-04-05+06)
		principal payments	coupon payments**	redemption payments	interest income payments**		
	01	02	03	04	05	06	07
15.08.2008	0	3,186	3,460	(4,050)	(1,040)	0	1,556
15.02.2009	0	11,910	4,385	0	(906)	0	10,253
15.08.2009	11,910	6,181	4,078	(3,000)	(906)	0	10,617
15.02.2010	15,091	6,414	3,808	0	(808)	0	13,513
15.08.2010	21,505	3,912	3,620	(3,000)	(808)	0	13,294
15.02.2011	22,417	3,957	3,466	0	(667)	0	16,089
15.08.2011	26,374	4,673	3,302	(3,820)	(667)	0	12,695
15.02.2012	27,227	3,448	3,148	(14,056)	(574)	0	15,349
15.08.2012	16,619	3,528	3,015	(5,000)	(251)	0	13,498
15.02.2013	15,147	3,712	2,871	0	(101)	0	16,427
15.08.2013	18,859	5,306	2,718	(3,862)	(101)	0	18,239
15.02.2014	20,303	4,078	2,533	0	0	0	21,676
15.08.2014	24,381	55994	19,771	0	0	0	36,851
15.02.2015	80,375	14856	6,551	0	0	0	47,921
Total fully paid share capital:	X	131,155	66,723	(36,788)	(6,829)	0	X

* Bond Cover sufficiency on the last Payment Date is calculated: figures showed in Column 7 on the last payment date, (Column 3 – Column 5)

** for Mortgage loans and floating Bonds the interest is calculated using the last set interest rate, established in accordance to the concluded loan agreements and Prospectuses of Mortgage Bonds.