

Approved at
Shareholders' Meeting
on 25 March 2010

REGISTERED with
the Enterprise Register of the Republic of
Latvia on 3 June 1993 by No 000313243

the Commercial Register of
the Republic of Latvia
on 14 July 2004 by No 40003132437

STATE-OWNED JOINT STOCK COMPANY

“MORTGAGE AND LAND BANK OF LATVIA”

ARTICLES OF ASSOCIATION

Riga

I General Provisions

1. Name of the company: state-owned joint stock company „Mortgage and Land Bank of Latvia” (hereinafter referred to as the company).

2. Types of business of the company (in accordance with NACE classification) are as follows:

- 2.1. other monetary mediation (64.19),
- 2.2. placing of funds with the trusts, funds and similar financial units (64.3),
- 2.3. other activities of financial services, except for insurance and accumulation of pensions (64.9),
- 2.4. financial lease (64.91),
- 2.5. other lending services (64.92);
- 2.6. activities of financial services not identified elsewhere, except for insurance and accumulation of pensions (64.99),
- 2.7. insurance (65.1),
- 2.8. insurance, except for life insurance (65.12),
- 2.9. activities complementing the activities of financial services and insurance (66),
- 2.10. management of financial market (66.11),
- 2.11. transactions with securities (66.12),
other activities complementing financial services, except for insurance and accumulation of pensions (66.19),
- 2.12. assessment of risk and losses (66.21),
- 2.13. activities of insurance agents and brokers (66.22),
- 2.14. transactions with real estate (68),
- 2.15. buying and selling of one's own real estate (68.1),
- 2.16. management and subletting of one's own or rented real estate (68.2),
- 2.17. transactions with real estate performed on the basis of contract or for remuneration (68.3),
- 2.18. mediation in transactions with real estate (68.31),
- 2.19. management of the real estate for remuneration or on the basis of contract (68.32),
- 2.20. legal and accounting services (69),
- 2.21. record keeping, accounting, audit and revision services, consultations on tax issues (69.2),
- 2.22. operation of the head offices, consulting about business and business management (70),
- 2.23. services of management consultations (70.2),
- 2.24. consulting about business and business management (70.21),
- 2.25. market and public opinion research (73.2).

2.5. The company shall be entitled to engage into other types of business in accordance with the Credit Institution Law, including encashment .

3. The Law ‘On State and Municipality Capital Shares and Capital Companies’ and Commercial Law as well as other regulatory enactments, including those that regulate the operation of the lending institutions, shall apply to the issues not addressed by these Articles of Association.

4. The notifications to the institutions governing and controlling the company stipulated by these Articles of Association shall be sent by registered mail or electronically (for example, by telefax, e-mail) to the addresses which the members of the institutions governing and controlling the company have provided to the person authorized by the board.

5. The major goal of the company's operation shall be to support the economic development of Latvia in line with the types of business of the company. The company must gain profit necessary for its development from its operation.

II Capital and Securities of Company

6. The fixed capital of the Company is LVL 191 601 311 (one hundred and ninety-one million six hundred and one thousand and three hundred and eleven lats) that consists of 191 601 311 (one hundred and ninety-one million six hundred and one thousand and three hundred and eleven) shares.

7. All the shares of the company shall have equal right to the dividends, liquidation quotas and voting rights in the Shareholders' meeting.

8. All the shares of the company are registered shares.

9. All the shares of the company are dematerialised shares.

10. The face value of one share is LVL 1 (one) lat.

III Council

11. The Council consists of three members.

12. The Council shall pass its decisions by simple majority vote of the members present.

IV Board

13. The Board consists of five members.

14. A member of the Board shall be elected to a three-year period.

15. The Council shall appoint a chairperson of the Board from the members of the Board. The chairperson of the Board shall chair the work of the Board.

16. Upon recommendation of the chairperson of the Board the Council shall appoint a deputy chairperson of the Board from the members of the Board. The deputy chairperson of the Board shall chair the work of the Board in the absence of the chairperson of the Board or under his/her assignment.

17. The Board shall pass its decisions by simple majority vote of the Board members present.

18. All the members of the Board shall have the right of representation. The members of the Board represent the company collectively.

19. The members of the Board shall be entitled to authorise one or several members of the Board to conclude specific transactions or transactions of particular type.

V Internal Audit (Revision) Service

20. To perform internal supervision of the company the Shareholders' Meeting shall establish the Internal Audit (Revision) Service subordinated to the Shareholders' Meeting.

21. The Shareholders' Meeting shall appoint the head of the Internal Audit (Revision) Service, define his/her salary and other provisions of his/her employment contract.

22. The Internal Audit (Revision) Service shall act in accordance with the work plan and estimate of expenses approved by the Shareholders' Meeting. The estimate of expenses of the Internal Audit (Revision) Service is a component of the company's budget.

M. Bi evskis
Representative of the holder of the state's capital shares