07 November 2008, Moody's Investors Service downgraded the long- and short-term foreign currency deposit rating of Mortgage and Land Bank of Latvia to A3 from A2 and to Prime-2 from Prime-1 respectively.

The change in the rating is due to the change in the Republic of Latvia foreign and local currency ratings to A3 from A2 conducted on November 7, 2008 and reflects decrease of economic activity in the Republic of Latvia.

As of September 30, 2008, the assets of the State JSC Mortgage bank were 949 mln. LVL and its equity capital together with subordinated liabilities comprised 91 mln. LVL.