

ABLV Bank, AS

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Base Prospectus of the Seventh Bond Offer Programme

Securities:	Bonds
Amount of the offer programme:	EUR 400 000 000.00 (four hundred million euro) or equivalent in USD
Maturity period:	from 1 to 12 years

9 May 2017

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Appendix 1: ABLV Bank, AS consolidated financial statements of the group and separate financial statements of the bank for the year 2015 and the independent auditors' report.

Appendix 2: ABLV Bank, AS consolidated and separate annual report for the year 2016 and the independent auditors' report.

1. Explanation of the terms and abbreviations used

ABLV Group — ABLV Group consists of ABLV Bank, AS; ABLV Luxembourg, S.A.; ABLV Capital Markets, IBAS; ABLV Asset Management, IPAS; Pillar Holding Company, KS; ABLV Consulting Services, AS; ABLV Corporate Services, SIA; New Hanza City, SIA, and other companies.

Stock Exchange or Nasdaq Riga — joint stock company Nasdaq Riga, registration No. 40003167049, legal address: 1 Vajņņu Street, Riga, Latvia.

DVP — settlement principle *Delivery vs Payment*.

ECB — the European Central Bank, address: Kaiserstrasse 29, D-60311 Frankfurt am Main, Germany. Pursuant to COUNCIL REGULATION (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, the ECB will perform the tasks stated in the Regulation within the single supervisory mechanism composed by the ECB and national competent authorities. The ECB shall assume the tasks conferred on it by the said Regulation on 4 November 2014.

Issuer — pursuant to the Financial Instrument Market Law, a person transferrable securities of which are admitted to a regulated market, as well as a person which issues, or has applied for admission to the regulated market of, transferrable securities or other financial instruments in this person's own name. In this Base Prospectus — ABLV Bank, AS, registration No.: 50003149401, legal address: 23 Elizabetes Street, Riga, Latvia, or also **ABLV Bank**.

Financial statements — ABLV Bank, AS consolidated financial statements of the group and separate financial statements of the bank for the year 2015 and the independent auditors' report, as well as ABLV Bank, AS consolidated and separate annual report for the year 2016 and the independent auditors' report. The financial statements can be found in Appendix 1 and Appendix 2.

FCMC — the Financial and Capital Market Commission, registration No. 40003167049, legal address: 1 Kungu Street, Riga, Latvia. Pursuant to the Law on the Financial and Capital Market Commission, the FCMC shall enjoy full rights of an independent/autonomous public institution and, in compliance with its goals and objectives, shall regulate and monitor the functioning of the financial and capital market and its participants.

Annual Interest Rate — annual rate of the Bond income (coupon) in percentage terms, which the Issuer shall calculate and determine on the dates and according to the procedures set in this Base Prospectus and the Final Terms.

Final Terms — terms of offer of each particular Bond Issue Series under the Seventh Programme described in this Base Prospectus.

Investment Company — a credit institution or investment brokerage company that is duly licensed to render investment services and related services, and where the Investor has a financial instruments account opened with the same.

Investor (Bondholder) — a person that expressed a wish or plans to acquire the Bonds or has acquired the Bonds in accordance with the procedures set in the Base Prospectus and the Final Terms.

ISIN — International Securities Identification Number assigned to the Bonds, issued under the programme described in the Base Prospectus, by the LCD as a member of the Association of National Numbering Agencies.

LCD — joint stock company Latvian Central Depository, registration No. 40003242879, legal address: 1 Vajņņu Street, Riga, Latvia.

Face Value — value of a single Bond set by the Issuer and stated in the Final Terms of each particular Bond Issue Series.

Bonds — debt securities issued by ABLV Bank, which enable their holders to receive interest income and face value following the procedure and within the term set in this Base Prospectus, those securities being issued in accordance with provisions of this Base Prospectus and the Final Terms.

Bond Issue Series or Series — an issue of securities of the same class performed under the Programme, their details being stated in the Final Terms. Separate Final Terms are approved and published for each series.

ORICGS — the Official System for Central Storage of Regulated Information in which the companies whose financial instruments are admitted to trading on the regulated market publish mandatory information pursuant to the Financial Instrument Market Law.

Seventh Offer Programme or Seventh Programme — a set of activities intended for repeated issue of the Bonds within the period of this Base Prospectus being effective.

Applicable normative acts — legal acts of the European Union, legal acts of the Republic of Latvia, rules issued by the Stock Exchange and LCD.

Order for Purchase — an irrevocable application for purchasing the Bonds submitted by the Investor under the public offer.

Interest Income — interest income under the Bonds, or a coupon, which the Issuer shall pay to the Bondholder on the dates and in accordance with the procedure set forth in this Base Prospectus and the Final Terms.

Base Prospectus of the Seventh Bond Offer Programme or Base Prospectus — this prospectus, which contains detailed information on the Issuer and the Bonds that will be offered to the public under the Seventh Programme. The Base Prospectus has been produced to make a public offer of the Bonds and admit those to trading on a regulated market. The Issuer has not included the information on the Final Terms of offer of each particular Bond Issue Series in this Base Prospectus.

2. General provisions

This Base Prospectus has been produced in accordance with the applicable normative acts, including the requirements of the Financial Instrument Market Law, Commission Regulation No 809/2004 and Commission delegated Regulation No 486/2012.

This Base Prospectus is registered with the FCMC.

Notice

Before making a decision on investing in the Bonds, any Investor should independently and, if necessary, engaging an advisor, assess the information provided in the Base Prospectus in general.

In case of any discrepancy between the Latvian text of the Base Prospectus and the text of the Base Prospectus in another language, the Base Prospectus in Latvian shall be applicable.

3. Representations of the Issuer's responsible persons

We,

Name, surname	Position held	Signature
Ernests Bernis	Chairman of the Board, Chief Executive Officer (CEO)	
Vadims Reinfelds	Deputy Chairman of the Board, Deputy Chief Executive Officer (dCEO)	
Māris Kanneieks	Member of the Board, Chief Financial Officer (CFO)	
Edgars Pavlovičs	Member of the Board, Chief Risk Officer (CRO)	
Aleksandrs Pāže	Member of the Board, Chief Compliance Officer (CCO)	
Rolands Citajevs	Member of the Board, Chief Information Officer (CIO)	
Romans Surnačovs	Member of the Board, Chief Operating Officer (COO)	

hereby confirm the information provided in the Base Prospectus and represent that according to the data available to us the information provided in the Base Prospectus is true and there are no concealed facts that might affect meaning of the information provided in the Base Prospectus.

4. Summary

Section A. Introduction and warnings

	<p>The summary shall be deemed the introduction of the Base Prospectus. Any decision on investing in the Bonds shall be based on the Investor's judgement on the whole Base Prospectus. Should any claim be lodged to a court regarding the information provided in the Base Prospectus, if necessary, the Investor lodging the claim to a court in accordance with normative acts of the respective member state shall cover the costs of translating the Base Prospectus before the proceedings are initiated.</p>	
A.1	<p>The persons responsible for the information provided in the Base Prospectus, including persons that translated the same and applied for its notification, may be held civilly liable only where the summary is misleading, inaccurate, or inconsistent with other sections of the Base Prospectus, or fails to provide the most essential information that would aid the Investors when considering whether to invest in the Bonds.</p>	
A.2	N/A	

Section B. Issuer

B.1	Legal and commercial name of the Issuer	ABLV Bank, AS.
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	ABLV Bank is a joint stock company registered in the Republic of Latvia, which carries out its operations in accordance with the Republic of Latvia legal acts, the European Union normative acts, and the issued licence that allows rendering all financial services stated in the Credit Institution Law.
B.3 – B.4.a	N/A	
B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	As at the day of producing the Base Prospectus, there is no information on any detected trends, events, claims, or obligations that might have significant negative effect on further operations of ABLV Bank, AS or the Republic of Latvia credit institution sector.

The information provided in the table below completely matches that presented in ABLV Bank consolidated report for the year 2016.

No	Company	Country of incorporation	Registration number	Business profile	Share in	Share in
					the entity's capital (%)	the entity's capital with voting rights (%)
1.	ABLV Bank, AS	LV	50003149401	Financial services	100	100
2.	ABLV Bank Luxembourg, S.A.	LU	B 162048	Financial services	100	100
3.	ABLV Consulting Services, AS	LV	40003540368	Consulting services	100	100
4.	ABLV Advisory Services, SIA	LV	40103964811	Consulting services	100	100
5.	ABLV Corporate Services Holding Company, SIA	LV	40103799987	Holding company	100	100
6.	ABLV Corporate Services, SIA	LV	40103283479	Consulting services	100	100
7.	ABLV Corporate Services, LTD	CY	HE273600	Consulting services	100	100
8.	ABLV Capital Markets, IBAS	LV	40003814705	Financial services	90	100
9.	ABLV Asset Management, IPAS	LV	40003814724	Financial services	90	100
10.	PEM, SIA	LV	40103286757	Investment project management	51	51
11.	PEM 1, SIA	LV	40103551353	Wholesale trade services of other machinery and equipment	51	51
12.	ABLV Private Equity Fund 2010, KS	LV	40103307758	Investment activities	-	-

Nº	Company	Country of incorporation	Registration number	Business profile	Share in the entity's capital (%)	Share in the entity's capital with voting rights (%)
13.	New Hanza Capital, AS	LV	50003831571	Holding company	88	88
14.	NHC 1, SIA	LV	50103247681	Investments in real estate	88	88
15.	NHC 2, SIA	LV	40103963977	Investments in real estate	88	88
16.	NHC 3, SIA	LV	50103994841	Investments in real estate	88	88
17.	NHC 4, SIA	LV	40203032424	Investments in real estate	88	88
18.	NHC 5, SIA	LV	50203032411	Investments in real estate	88	88
19.	NHC 6, SIA	LV	40203032439	Investments in real estate	88	88
20.	Pillar, SIA	LV	40103554468	Holding company	100	100
21.	Pillar Holding Company, KS	LV	40103260921	Holding company	100	100
22.	Pillar 3, SIA	LV	40103193067	Real estate transactions	100	100
23.	Pillar 4 & 6, SIA	LV	40103210494	Real estate transactions	100	100
24.	Pillar 7 & 8, SIA	LV	40103240484	Real estate transactions	100	100
25.	Pillar 9, SIA	LV	40103241210	Real estate transactions	100	100
26.	Pillar 11, SIA	LV	40103258310	Real estate transactions	100	100
27.	Pillar 2, 12 & 14, SIA	LV	50103313991	Real estate transactions	100	100
28.	Pillar 18, SIA	LV	40103492079	Real estate transactions	100	100
29.	Pillar 19, SIA	LV	40103766952	Real estate transactions	100	100
30.	Pillar 20, SIA	LV	40103903056	Real estate transactions	100	100
31.	Pillar 21, SIA	LV	40103929286	Real estate transactions	100	100
32.	Pillar 22, SIA	LV	50103966301	Real estate transactions	100	100
33.	Pillar Management, SIA	LV	40103193211	Real estate management and administration	100	100
34.	Pillar RE Services, SIA	LV	40103731804	Parking management	100	100
35.	Pillar Contractor, SIA	LV	40103929498	Management and coordination of construction processes	100	100

				Share in the entity's capital (%)	Share in the entity's capital with voting rights (%)	
	No	Company	Country of incorporation	Registration number	Business profile	
	36.	Pillar Architekten, SIA	LV	40103437217	Designing and designers supervision	
	37.	Pillar Development, SIA	LV	40103222826	Infrastructure maintenance	
	38.	Pillar Utilities, SIA	LV	40103693339	Infrastructure management	
	39.	ABLV Building Complex, SIA	LV	40203037667	Investments in real estate	
B.6 – B.8	N/A					
B.9	Profit forecast and assessment	ABLV Bank made no profit forecasts for the following periods of operations.				
B.10	Reservations in the audit report on the financial information	ABLV Bank audited financial report for the year 2016 contains no reservations.				
B.11	N/A					
B.12	Selected historical key financial information and any changes to it since the date of the last published audited financial reports	Performance indicators		2015	2016	
		Financial indicators, EUR'000				
		Operating income		126 319	141 875	
		Operating expense		51 933	59 914	
		Profit or loss before taxes		74 563	81 961	
		Balance sheet data, EUR'000				
		Assets		4 928 121	3 849 586	
		Deposits		3 793 192	2 901 824	
		Loans		873 499	1 012 146	
		Shareholders' equity		281 453	321 802	
ABLV Bank forecasts contain no adverse changes since the date of its last published audited financial report.						
There are no significant changes in the financial or trading position of ABLV Bank detected subsequent to the period covered by the historical financial information.						
B.13	Events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	Recently there were no detected events particular to ABLV Bank which are to a material extent relevant to the evaluation of the Issuer's solvency.				
B.14	Issuer's dependence on other entities within the group	ABLV Bank is not dependent upon other entities within the ABLV Bank group.				
B.15	Issuer's principal activities	ABLV Bank principal activities are rendering of financial services.				
B.16	Control over the Issuer	As at the moment of the Prospectus approval, no shareholder controls the Issuer.				
B.17	Credit ratings	No credit ratings are assigned to ABLV Bank by credit rating agencies registered and/or certified according to Regulation No 1060/2009 on credit rating agencies.				
B.18 – B.50	N/A					

Section C. Securities

C.1	Bond details	Bond details will be provided in the Final Terms of the Bond issue.
C.2	Currency of the Bond issue	The Bonds are supposed to be issued in EUR and USD, pursuant to the Final Terms of the Bond issue.
C.3 – C.4		N/A
C.5	Restrictions on the free transferability of the Bonds	The Bonds are freely transferrable securities that represent the Issuer's debt to the Bondholders without additional collateral. The Bonds are dematerialized bearer securities without restraint on alienation — transferrable securities.
C.6 – C.7		N/A
		<p>Division of the Bonds into categories</p> <p>Under the Bond issue, both straight Bonds and subordinated Bonds intended for raising subordinated capital are supposed to be issued. The Bonds are not supposed to be divided into categories according to other characteristics.</p> <p>Limitations to the rights attached to the Bonds</p> <p>The Bonds are freely transferrable securities without restraint on their alienation.</p> <p>The Issuer draws the Investor's attention to the fact that where the objective of the Bond Issue Series is raising of funds that the Issuer will use as subordinated capital, in case of the Issuer's insolvency the Investor's claims to the Issuer arising out of the Bonds will be satisfied after claims of all other creditors, but before satisfying claims of the shareholders.</p> <p>Interest rate</p> <p>Annual Interest Rate of each Bond Issue Series under the Seventh Programme shall be specified in the Final Terms. Rates of different types may be set within single Bond Issue Series, where each of those shall be applicable to particular period of the Bond term. The Annual Interest Rate may be fixed or floating. The Issuer may issue the Bonds at a discount from the face value, meaning that no interest income will be paid during some period (no coupon payment).</p>
C.8, C.9	Rights attached to the Bonds	<p>The date from which interest becomes payable and the due dates for interest</p> <p>The dates of calculating and paying the interest income accrued under the Bonds shall be stated in the Final Terms of each series.</p> <p>Setting of the floating interest rate</p> <p>In case of floating interest rate set for the Bonds, variable money market index (base rate) and risk premium used in floating interest rate calculation shall be stated in the Final Terms of the Bond Issue Series.</p> <p>Bond maturity date and repayment procedures</p> <p>The Investor shall be entitled to receive the face value of the Bonds. The face value of the Bonds shall be repaid at the Bonds maturity by making a lump-sum payment. For each Bond Issue Series under the Seventh Programme, the face value and maturity of the Bond shall be set forth in the Final Terms, but the latter shall not exceed 12 (twelve) years.</p> <p>Bond yield</p> <p>The Bond yield depends on the changes in the base interest rate in the interbank market. Where fixed rate is applied, the Bonds' yield will remain constant, regardless fluctuations in financial markets.</p> <p>Representatives of debt security holders</p> <p>Holders of the debt securities may freely determine representatives for exercising the rights attached to the Bonds.</p>
C.10		N/A
C.11	Admission of the Bonds to the regulated market	All Bonds issued under the Seventh Programme are supposed to be admitted to trading on the Stock Exchange Nasdaq Riga.
C.12	Minimum face value of the issue	In the Final Terms of each series, the Issuer shall state the particular series size and the number of offered Bonds. The size of a single Bond Issue Series may not be lower than EUR 1 000 000.00 (one million euro) or equivalent in USD, at the euro reference rate published by the European Central Bank as at the day of the FCMC making the decision to allow public offering.
C.13 – C.22		N/A

Section D. Risks

D.1	N/A
D.2	<p>Key information on the key risks</p> <p>In carrying out its operating activities, ABLV Bank is subject to various risks. Most significant risks that may decrease the Issuer's ability to perform its obligations are stated below.</p> <ol style="list-style-type: none"> 1. Credit risk Credit risk is exposure to potential losses in case of ABLV Bank counterparty or debtor being unable to pay the contractual obligations to ABLV Bank. 2. Liquidity risk Liquidity is ABLV Bank ability to maintain or ensure sufficient cash flow to meet the expected (everyday) or sudden (critical) need for the same in order to provide financing for asset growth or discharge the financial obligations in a due time. This means the ability to turn assets into cash with minimal loss or ensure reasonably priced credit facilities. 3. Currency exchange rate fluctuation risk ABLV Bank is exposed to negative effects of fluctuations in the foreign currency exchange rates on its financial position and cash flow. 4. Interest rate risk Interest rate risk represents the adverse effect of the market interest rate fluctuations on ABLV Bank financial position. 5. Non-financial risks During the course of its operations, ABLV Bank encounters also non-financial risks (including operational risk, reputational risk, etc.) with exposure to sudden loss. The cause of such risks may be, for instance, clerical errors or fraud, break-downs in information systems, insufficient internal control and procedures, etc. 6. Competition risk As at the end of 2016, 86% of total deposits with ABLV Bank were the deposits placed by foreign clients. Consequently, operations of the Issuer are only partly subject to competition risk in the local market. 7. Legal risk (incl. tax) The risk related to amendments in laws, regulations, and other legal acts, or to implementation of new legal acts, which may result in reorientation of the Issuer's activities or abandonment of particular lines of the Issuer's financial activities. This may have consequent negative impact on the Issuer's earning capacity and stability.
D.3	<p>Information on the risks specific to the Bonds</p> <p>Risk factors associated with the Bond issue:</p> <ol style="list-style-type: none"> 1. Liquidity risk Listing of the Bonds in the Stock Exchange Nasdaq Riga Bond List does not guarantee liquidity of the Bonds, and therefore the Investor should assess potential risk of limited possibilities of selling the Bonds in the secondary market due to insufficient interest of other market players. If there is no sufficient interest in the secondary market (liquidity shortfall), it may be difficult for the Investor to sell the Bonds at adequate market price. 2. Price risk Price of the Bonds in the secondary market may fluctuate in accordance with the Investors' interest, which can be affected by macroeconomic processes, events concerning one or several Investors, and also, inter alia, events concerning the Issuer. The Investors' opportunities of gaining profit may vary accordingly from time to time. 3. Interest rate fluctuation risk Within single Bond Issue Series, rates of different types may be set. The rate may be fixed or floating, and each of those shall be applicable to particular period of the Bond term. Where calculation of the annual interest rate under the offered Bonds involves floating rate, the Investor shall take into account that the Bonds' yield will be floating, depending on changes in the base interest rate in the interbank market. Where fixed rate is applied, the Bonds' yield will remain constant, regardless fluctuations in financial markets. 4. Legal risk (incl. tax) The risk related to amendments in legislation, regulations and other legal acts, or to implementation of new legal acts, which may cause additional expenses or reduce return on investment. This risk also covers possible changes in applicable tax assessment and withholding procedures.
D.4 – D.6	N/A

Section E. Offer

E.1 – E.2a		N/A
E.2b	Reasons for the Bond offer	<p>Objective of offering each Bond Issue Series shall be raising of funds that the Issuer will use for financing its operating activities, including without limitation:</p> <ul style="list-style-type: none"> • improvement of the ABLV Bank assets' and liabilities' distribution into maturity bands; • increase and maintenance of the liquidity level required for activities of ABLV Bank; <p>or</p> <ul style="list-style-type: none"> • raising of funds for formation or increase of the ABLV Bank subordinated capital.
E.3	Terms and conditions of the offer	Terms and conditions of the Bond offer will be stated in the Final Terms of the Bond issue.
E.4	Possible conflicts of interests	ABLV Bank has no information on possible conflicts of interests related to the Bond issue.
E.5 – E.6		N/A
E.7	Expenses	<p>All expenses related to the Bonds purchase and custody shall be covered by the Investor in accordance with the rates and charges of the investment company whose services are used for the Bonds purchase, custody and the relevant settlements. The Issuer shall not be obliged to reimburse the Investor for its expenses.</p> <p>The Investors may incur additional expenses due to the tax payment obligation in the Investor's residence country. The Issuer shall withhold tax payments from the interest (coupon) payments in accordance with the provisions of effective normative acts of the Republic of Latvia.</p>

5. Risk factors

Notice

The Investor shall thoroughly assess risks listed in this section of the Base Prospectus. Those may decrease the Issuer's ability to perform its obligations or affect the possibility of executing transactions in the Bonds. The Base Prospectus may contain incomplete list of all possible risks that might affect the Issuer's operations or trading of the Bonds.

Normative acts of the European Union and the Republic of Latvia provide for strong supervision of credit institutions that minimizes the Investor's risk compared with investing in securities issued by companies operating in other sectors. In the Republic of Latvia, such supervision is performed by the FCMC. Pursuant to provisions of COUNCIL REGULATION (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, the ECB together with the FCMC will perform such supervision in the Republic of Latvia within the single supervisory mechanism starting from 4 November 2014.

Nevertheless, before making a decision on investing in the Bonds, any Investor should independently assess risks associated with the investment, engaging an advisor, if necessary.

Risks that might adversely affect the Issuer and cause the Issuer's insolvency at worst are mentioned and described below.

5.1. Overall risk factors

5.1.1. Macroeconomic risks associated with Latvia

Rapid changes that made global corrections after the end of 2008 were concurrent with economic crisis in the Republic of Latvia. Both processes had negative effect on the banking sector.

As at the moment of producing this Base Prospectus, the situation in Latvian banking sector has improved significantly, the country's economy has stabilized, and international rating agencies appreciated those achievements by gradually increasing the country's ratings, following their rapid drop in 2009.

Agency	Rating	Date of last changes	Last changes made
Standard & Poor's	A-/stable	30 May 2014	Rating: from BBB+/positive to A-/stable
Fitch	A-/stable	4 November 2016	Rating: current rating A-/stable was confirmed
Moody's	A3/stable	13 February 2015	Rating: from Baa1/stable to A3/stable

Based on evaluations given by rating agencies and macroeconomic indicators, it can be said that growth is observed in the Republic of Latvia economy currently. Nevertheless, the Investors should take into account the experience gained in previous years, which evidences that global economic processes may have considerable effect on the country's economy, including banking sector.

In recent years, growth of Latvian economy was among the most rapid ones in the European Union. In 2011–2015, increase in gross domestic product (GDP) amounted to 3.8%. In 2016, despite geopolitical instability and consequences of the same, Latvian GDP continued the growth reaching 2.0%.

5.1.2. Political risks

- The Republic of Latvia is a unitary multiparty republic, placing high value on democracy principles.
- The Republic of Latvia is a member of the European Union since May 2004.
- The Republic of Latvia joined NATO in March 2004.

Based on the above facts, it can be concluded that the possibility of significant changes in political risks is relatively small. Following elections, parties present in the parliament may change, as well as composition of the government, though it has no significant effect neither on operations of the banking sector set in compliance with the European Union law and banking traditions, nor on the securities market.

5.2. Risk factors associated with the Issuer

In carrying out its operating activities, ABLV Bank is subject to various risks. The Base Prospectus does not list all of those, but mentions most significant ones that may decrease the Issuer's ability to perform its obligations.

5.2.1. Credit risk

Credit risk is exposure to potential loss in case of ABLV Bank counterparty or debtor being unable to fulfil the contractual obligations to ABLV Bank.

ABLV Bank has developed a credit risk management system suitable to its operations, taking into account the overall credit amount, credit types, characteristics of business partners, number of structural units involved in credit risk management, and other factors that have material effect on the Bank's credit risk level.

The Bank ensures credit risk management considering interaction of the same with other risks associated with the Bank's operations.

ABLV Bank ensures credit risk management according to its Credit Policy. Before entering into any cooperation with a prospective partner, ABLV Bank performs a comprehensive review of the solvency and collateral provided.

ABLV Bank has set up the permanent Asset Evaluation Committee, which performs a regular analysis of assets and memorandum items, i.e., determines their recoverability. Depending on the results of such analysis, the amount of the allowance for credit losses (impairment) is determined.

5.2.2. Liquidity risk

Liquidity is ABLV Bank ability to maintain or ensure sufficient cash flow to meet the expected (everyday) or sudden (critical) need for the same in order to provide financing for asset growth or discharge the financial obligations in a due time. This means the ability to turn assets into cash with minimal loss or ensure reasonably priced credit facilities.

As at 31 December 2016, the liquidity coverage ratio (LCR) of the bank was 375.0% (as at 31 December 2015 — 437.0%). According to REGULATION (EU) No 575/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on prudential requirements for credit institutions and investment firms, as at 31 December 2016, the bank was required to maintain an LCR of at least 70%.

5.2.3. Currency exchange rate fluctuation risk

ABLV Bank is exposed to negative effects of fluctuations in the foreign currency exchange rates on its financial position and cash flow. The exposure to currency risk is calculated for each separate currency and includes assets and liabilities denominated in foreign currencies, as well as cash flows arising from derivatives.

The bank has major open positions in EUR and USD (US dollars). The bank's open currency position in USD is hedged by using currency forwards/futures. As at 31 December 2016, the bank's open currency position in USD was 3.6% (as at 31 December 2015 — 0.7%) of the bank's qualifying capital and, therefore, the effect of changes in the USD exchange rate is insignificant, and the bank conducts Value at Risk (VaR) calculation, which is also used for determining the amount of capital needed for covering currency risk. This risk is also controlled by limits set by Limits policy. As at 31 December 2016, all the above limits were met.

According to the Credit Institution Law of the Republic of Latvia, open positions in each foreign currency may not exceed 10% of the bank's eligible capital and the total foreign currency open position may not exceed 20% of eligible capital. As at 31 December 2016 the bank was in compliance with this requirement.

5.2.4. Interest rate risk

Interest rate risk represents the adverse effect of the market interest rate fluctuations on ABLV Bank financial position. ABLV Bank performs assessment of interest rate risk to cover, to the maximum extent possible, all risk elements — repricing risk, yield curve risk, basis risk, and option risk. Interest rate risk is assessed both from the profitability perspective and the economic value perspective. The term 'economic value' denotes the economic value of equity, which is the difference between the economic value of claims and that of liabilities.

In order to mitigate interest rate risk, ABLV Bank sets certain thresholds for an acceptance decrease in the economic value and weighted average modified duration of the available for sale portfolio. Hedging derivatives may be used to hedge interest rate risk.

5.2.5. Non-financial risks

During the course of its operations, ABLV Bank encounters also non-financial risks (including operational risk, reputational risk, etc.) with exposure to sudden loss. The cause of such risks may be, for instance, clerical errors or fraud, break-downs in information systems, insufficient internal control and procedures, etc. ABLV Bank makes every effort to maintain the lowest possible risk level, meanwhile striving at not exceeding a reasonable level of expense. Internal control within ABLV Bank structural units and the control exercised by the Risk Management Division are one of the measures taken to prevent the potential loss.

Since ABLV Bank is actively engaged in rendering services to foreign clients, the Issuer thoroughly adheres to "Know Your Client" principle and abides by requirements of the Law on the Prevention of Money Laundering and Terrorism Financing. Direct duties of more than 100 employees involve client acceptance and control over clients' transactions. Moreover, ABLV Bank ensures regular trainings for all employees on anti-money laundering requirements and practices.

5.2.6. Competition risk

There are 16 banks operating in the Republic of Latvia, as well as 7 branches of foreign banks are registered, and most of those are actively rendering services to clients in the local market.

According to data of the Association of Commercial Banks of Latvia, as at 31 December 2016, ABLV Bank is ranked 2nd in terms of the amount of assets among Latvian commercial banks. Therefore, ABLV Bank is the largest commercial bank with local capital on Latvian market.

86% of total deposits with ABLV Bank are placed by foreign clients. Consequently, operations of the Issuer are only partly subject to competition risk in the local market. The banks that have larger amount of assets than the Issuer are not actively offering services to foreign clients. Nevertheless, the Issuer recognizes the competition risk and is continuously improving quality of services rendered to the clients.

5.2.7. Legal risk (incl. tax)

The risk related to amendments in laws, regulations, and other legal acts, or to implementation of new legal acts, which may result in reorientation of the Issuer's activities or abandonment of particular lines of the Issuer's financial activities. This may have consequent negative impact on the Issuer's earning capacity and stability.

5.3. Risk factors associated with the type of securities being issued

5.3.1. Liquidity risk

The Bonds will be placed by means of public offering and will be included in the Stock Exchange Nasdaq Riga Bond List, which is an official listing. Nevertheless, listing of the Bonds does not guarantee liquidity of the Bonds, and the Investor should assess potential risk of limited possibilities of selling the Bonds in the secondary market due to insufficient interest of other market players. If there is no sufficient interest in the secondary market (liquidity shortfall), it may be difficult for the Investor to sell the Bonds at adequate market price. At the same time, ABLV Bank may acquire the Bonds in the secondary market, provided those Bonds are not issued for the sake of raising subordinated capital.

5.3.2. Price risk

Price of the Bonds in the secondary market may fluctuate in accordance with the Investors' interest, which can be affected by macroeconomic processes, events concerning one or several Investors, and also, inter alia, events concerning the Issuer. The Investors' opportunities of gaining profit may vary accordingly from time to time.

5.3.3. Interest rate fluctuation risk

Within single Bond Issue Series, rates of different types may be set. The rate may be fixed or floating, and each of those shall be applicable to particular period of the Bond term. Where calculation of the annual interest rate under the offered Bonds involves floating rate, the Investor shall take into account that the Bonds' yield will be floating, depending on changes in the base interest rate in the interbank market. Where fixed rate is applied, the Bonds' yield will remain constant, regardless fluctuations in financial markets.

5.3.4. Legal risk (incl. tax)

The Investor shall also take into account the risk of possible losses due to amendments in legislation, regulations and other legal acts or due to implementation of new legal acts, which may cause additional expenses or reduce return on investment. This risk also covers possible changes in applicable tax assessment and withholding procedures.

6. Information on offered securities

This section of the Base Prospectus contains information on the Bonds that will be issued under the single Seventh Programme described in this Base Prospectus. For each Bond Issue Series performed under the Seventh Programme, there will be the Final Terms produced, providing comprehensive information on terms of the particular Bond Issue Series.

The Base Prospectus shall be effective for 12 months after registration of the same with the FCMC.

6.1. Objective of the Bond issue

Objective of each particular Bond Issue Series shall be raising of funds that the Issuer will use for financing its operating activities, including without limitation:

- improvement of the ABLV Bank assets' and liabilities' distribution into maturity bands;
 - increase and maintenance of the liquidity level required for activities of ABLV Bank;
- or
- raising of funds for increase of the ABLV Bank subordinated capital.

Objective of each Bond Issue Series shall be stated in the Final Terms applicable to the particular series. For example, the Issuer, without limitation, may state that the acquired funds will be used for increasing the ABLV Bank subordinated capital, pursuant to REGULATION (EU) No 575/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

6.2. Legal acts regulating the issue

Issue of the Bonds shall be performed in accordance with the following:

- the Commercial Law,
 - the Financial Instrument Market Law,
 - the Stock Exchange and LCD rules,
- as well as other effective applicable normative acts.

6.3. Securities details, type and form

Under the Seventh Programme described in this Base Prospectus, the Issuer will issue Bonds that are dematerialized bearer securities without restraint on alienation — freely transferrable securities. The Bonds represent the Issuer's debt to the Bondholders without additional collateral. All Bonds issued under the Seventh Programme are supposed to be admitted to the regulated market, ensuring their public trading.

According to the Financial Instrument Market Law, in the Republic of Latvia, posting and accounting of dematerialized securities admitted to trading on a regulated market shall be ensured by the LCD.

Pursuant to the Financial Instrument Market Law, the Bonds are held by credit institutions and investment brokerage companies. The LCD performs accounting of financial instruments, including the Bonds, owned by a credit institution or an investment brokerage company, as well as overall accounting of financial instruments owned by clients of the respective credit institution or investment brokerage company and held thereby.

6.4. Collateral for the Bonds

The Bonds have no collateral. In case of the Issuer's insolvency, the Investors shall have the same rights as other creditors of the relevant group in accordance with the applicable normative acts.

6.5. Issue currency

Under the Seventh Programme, the Bonds may be issued in EUR or USD. Currency of each Bond Issue Series under the Seventh Programme shall be specified in the Final Terms.

6.6. Issue and single Bond face value

Size of each Bond Issue Series is equal to the total number of Bonds issued within the particular series multiplied by face value of a single Bond. The number and face value of the Bonds shall be stated in the Final Terms accordingly.

6.7. Annual Interest Rate

Annual Interest Rate of each Bond Issue Series under the Seventh Programme shall be specified in the Final Terms.

Rates of different types may be set within single Bond Issue Series, where each of those shall be applicable to particular period of the Bond term. The Annual Interest Rate may be fixed and/or floating.

In case of fixed rate set, the interest income shall be determined and stated in the Final Terms of each Bond Issue Series. Several fixed rates may be set within single Bond Issue Series, where each of those shall be applicable to particular period of the Bond term.

In case of floating rate set, variable money market index (base rate) and risk premium shall be stated in the Final Terms of the Bond Issue Series. Interest income for the following periods shall be calculated in accordance with the formula provided in paragraph 6.9 of the Base Prospectus. The base rate: EURIBOR (EUR) or LIBOR (USD) is published at the Bank of Latvia home page. The interest income rate for the following interest income period shall be set 5 (five) working days prior to the next date of the interest income payment, and this rate shall be effective throughout the following interest income period. The interest income rate shall be rounded off to two decimal places applying the following principle:

- if the third decimal digit is equal to or smaller than 4, the value is rounded down;
- if the third decimal digit is from 5 to 9, the value is rounded up.

In case of floating rate set, the Issuer shall publish a notice on the interest income rate set for the following period at the Issuer's website **www.ablv.com** at least 4 (four) working days prior to the next date of the interest income payment. This interest income rate shall also be published in the Stock Exchange Nasdaq Riga information system.

6.8. Conditions of the interest income payment

The Investor shall be entitled to receive the interest income. The dates of calculating and paying the interest income accrued under the Bonds shall be stated in the Final Terms of each series. Since it may be possible that tax should be withheld from the interest income, the Issuer shall determine the payment date to be not earlier than the second working day and not later than the fifth working day after the calculation date.

The Issuer may issue the Bonds at a discount from the face value, meaning that no interest income will be paid during some period (no coupon payment).

The list of Bondholders, eligible for interest payments, will be established on the 5 (fifth) business day before the interest payment date by listing them in the Bondholders' list compiled by the LCD.

The Issuer shall pay the interest income, with the LCD acting as an intermediary, in accordance with the effective LCD rules No 8 "On Payment of Dividends, Coupons, Principal, and Other Cash Proceeds". The interest income amount shall be credited to the cash account of the Bondholder by the account holder (the securities account of the Bondholder is opened with). Should the interest income payment date appear to be a holiday, the Issuer shall pay the interest income on the next working day following the holiday.

Should the Issuer fail to make settlement for the interest income on the date stated forth in the Final Terms, the Bondholders shall be entitled to lodge claims to the Issuer demanding payment of the interest income not earlier than in 5 (five) business days after the relevant interest income payment date.

6.9. Method of calculating accrued interest income under interest-bearing Bonds

Interest income under a single Bond for each interest income period is calculated considering the following:

- the face value of the Bond;
- the annual interest rate in the corresponding interest income period;
- number of days in the interest income period.

It is assumed that a single interest income period consists of 180 (one hundred eighty) days, and one year consists of 360 (three hundred sixty) days (30E/360 principle, where E — number of full months).

The interest income amount shall be calculated as follows:

CPN = F * C / 2, where

CPN — the amount of accrued interest income payable in the issue currency per one Bond;

F — face value of a single Bond;

C — annual interest rate.

Between the payment dates, the amount of interest income shall be calculated as follows:

AI = F x C / 360 x D, where

AI — accrued interest;

F — face value of a single Bond;

C — annual interest rate;

D — number of days since the beginning of the interest accrual period.

6.10. Method of calculating the Bond price of the Bonds issued at a discount from the face value

The Bond price shall be calculated as discounted price to the Bond face value, using the following formula:

$$P = \frac{F}{\left(1 + \frac{Y}{2}\right)^{\frac{D_1}{D_2}}}, \text{ where}$$

P — Bond price;

F — Bond face value;

Y — yield expressed as interest rate p.a. till the end date of the period during which the interest income is not supposed to be paid;

D1 — number of days from the settlement day till the end date of the period during which the interest income is not supposed to be paid;

D2 — number of days in a year.

After the end of the period during which the interest income is not supposed to be paid, the interest income shall be calculated according to the formula provided in paragraph 6.9 of the Base Prospectus.

According to the Day Count Convention, a year is assumed to consist of 360 days.

6.11. Redemption of the Bonds

The Investor shall be entitled to receive the face value of the Bonds. The face value of the Bonds shall be repaid at the Bonds maturity by making a lump-sum payment. For each Bond Issue Series under the Seventh Programme, the face value and maturity of the Bond shall be set forth in the Final Terms, but the latter shall not exceed 12 (twelve) years.

The Bondholders, eligible for redemption payments, will be indicated on the last business day before the Bond maturity date by listing them in the Bondholders' list compiled by the LCD.

The Issuer shall pay the face value on the Bonds maturity date in accordance with the LCD rules No. 8 On Payment of Dividends, Coupons, Principal, and Other Cash Proceeds. The face value amount shall be credited to the cash account of the Bondholder by the account holder (the securities account of the Bondholder is opened with). Should the Bonds maturity date appear to be a holiday, the Issuer shall pay the face value of the Bonds on the next working day following the holiday.

Should the Issuer fail to make settlement for redemption of the Bonds on the date stated forth in the Final Terms, the Bondholders shall be entitled to lodge claims to the Issuer demanding payment of the face value not earlier than in 5 (five) business days after the relevant Bond maturity date.

6.11.1. Premature redemption of the Bonds on the Issuer's initiative (call option)

The Issuer shall be entitled to cancel the part of the Bond issue the initial placement of which has not been performed.

The Issuer shall be entitled to prematurely redeem the Bonds that the Issuer purchased in the secondary securities market or acquired otherwise in compliance with provisions of the normative acts, provided that normative acts contain no limitations with regard to such redemption.

The Bonds intended for raising subordinated capital may be called, redeemed, or repurchased by the Issuer before maturity only given a prior permission of the competent authority and not before 5 (five) years after the date of issue and the moment of their complete payment.

The Issuer shall not be entitled to prematurely redeem the Bonds owned by the Bondholders, unless the Final Terms of the Bond Issue Series provide otherwise.

Should the Bonds be redeemed prematurely, the Issuer shall make a corresponding notice in accordance with the disclosure procedure under paragraph 7.3 hereof at least 4 (four) business days in advance, stating the number of the Bonds being redeemed, their amount at face value, and the date of premature redemption.

The list of Bondholders eligible for redemption payments will be made at the end of the 5th (fifth) working day before the premature redemption date in accordance with the list of Bondholders compiled by the LCD. The Bondholder shall be entitled to receive the amount equal to the face value of the Bonds multiplied by the price of premature redemption, in accordance with the number of bonds owned by the Bondholder on the premature redemption calculation date.

Should the premature redemption date appear to be a day off, the Issuer shall pay the face value of the Bonds on the next business day following the day off.

Other rights and obligations of the Investors arising out of the Bonds and not mentioned in this Base Prospectus shall be exercised in accordance with the legal acts effective in the Republic of Latvia.

6.11.2. The Investor requesting premature redemption of the Bonds (put option)

The Investor shall not be entitled to request the Issuer to repay the face value and accrued interest prematurely, unless stated otherwise in the Final Terms of the Bond Issue Series.

6.12. Decisions on the Bond issue

The Bonds are issued and public offering is performed pursuant to the following decisions of ABLV Bank:

- decision on the bond issue of the extraordinary meeting of shareholders, dated 31 March 2017 (Minutes No. 1, paragraph 5.9), pursuant to which public offering, issue, and admission to the regulated market of the Bonds the total amount of which is up to EUR 400 000 000 (four hundred million euro) or equivalent in USD (US dollars), at the euro reference rate published by the European Central Bank as at the day of the FCMC making the decision to allow public offering, is supposed to be performed before 1 May 2018, allowing the possibility that the total amount of the Bonds may be issued within one issue or divided into several issues, provided the maturity period of any single issue does not exceed 12 (twelve) years after the respective issue;
- decision of the Board on approving the Base Prospectus of the Seventh Bond Offer Programme, dated 24 April 2017 (Minutes No. V-24, paragraph 1), pursuant to which terms and conditions of the Seventh Bond Offer Programme are approved, which, inter alia, stipulate the total amount of the Bonds to be issued being up to EUR 400 000 000 (four hundred million euro) or equivalent in USD (US dollars), at the euro reference rate published by the European Central Bank as at the day of the FCMC making the decision to allow public offering, provided the maturity period of any single issue does not exceed 12 (twelve) years after the respective issue, and the terms and conditions of each particular issue are set forth in the final terms, stating the precise issue size, currency, face value and coupon rate of the bonds, issue period and procedures therein;
- decision of the Board on the Base Prospectus of the Seventh Bond Offer Programme including recommendations of the Financial and Capital Market Commission, dated 09 May 2017 (Minutes No. V-26, paragraph 1), pursuant to which terms and conditions of the Seventh Bond Offer Programme have been amended and approved.

The Final Terms of each Bond Issue Series shall be approved by a decision of ABLV Bank Board.

6.13. Restrictions on the free transferability of the Bonds

The Bonds are freely transferrable securities, therefore there are no restrictions on transferability of the Bonds.

6.14. Subordination of the Bonds

If objective of the Bond Issue Series is raising of funds that the Issuer will use as subordinated capital, the Investor shall be informed that in case of the Issuer's insolvency the Investor's claims to the Issuer arising out of the Bonds will be satisfied after claims of all other creditors, but before satisfying claims of the shareholders.

Pursuant to Article 63 of REGULATION (EU) No 575/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, the following requirements apply to the bonds intended for raising subordinated capital and recognized as Tier 2 instruments:

- original maturity of at least 5 (five) years;
- the claim on the principal amount of the bonds under the provisions governing the instruments is wholly subordinated to claims of all non-subordinated creditors;
- where the bonds include one or more call options, the options are exercisable at the sole discretion of the Issuer;
- such bonds may not be called, redeemed or repurchased by the Issuer before the minimum period of 5 (five) years after the issue date and the moment of complete payment for the bonds elapses, except in case of the Issuer's insolvency or liquidation;
- the bonds intended for raising subordinated capital may be called, redeemed, or repurchased before maturity only given a prior permission of the competent authority and not before 5 (five) years after the date of issue;

as well as other requirements pursuant to Article 63 of REGULATION (EU) No 575/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

For the purposes of this Base Prospectus, the Issuer shall be an institution that borrows funds by issuing the Bonds. If provided for in the Final Terms of the Issue Series, the Issuer also may borrow funds by issuing the Bonds for the sake of raising subordinated capital.

6.15. Representation of the Investors

This Base Prospectus has no provisions for, or restrictions on, the rights to establish an organization of the Investors' representatives. In case of the Issuer's insolvency, each Investor shall be entitled to represent its interests at the meetings of creditors. In case of the Issuer's insolvency, any Investor's rights to get back its investment shall be equal to those of other similar creditors.

7. Special provisions

7.1. Final Terms

Before issuing each Bond Issue Series, the Issuer shall publish the Final Terms of the respective issue, providing the following information therein:

- public offer start and end date;
- information on the Bonds' ISIN;
- number of issued Bonds;
- face value of issued Bonds;
- total value of issued Bonds;
- currency of issued Bonds;
- annual interest rate;
- frequency and dates of interest income payments to be made within the series;
- maturity date of the Bonds.

In case of issuing new series under the Seventh Programme, the Issuer shall state in the Final Terms the main terms and conditions of public placement of previous Bond Issue Series performed under the Seventh Programme, namely:

- the Bonds' ISIN;
- number of issued Bonds;
- face value of issued Bonds;
- total value of issued Bonds;
- currency of issued Bonds;
- annual interest rate;
- frequency and dates of interest income payments to be made within the series;
- maturity date of the Bonds;
- other terms and conditions, provided those do not contradict the Base Prospectus and Applicable Normative Acts.

7.2. Methods of publishing the Final Terms

The Final Terms of the Bond issues shall be published by the Issuer on the Issuer's website **www.ablv.com** at least 1 (one) working day before starting the initial public offering.

Changes related to increase of the Issue Series size may be published by the Issuer within the public offer period, but not later than 4 (four) working days prior to the public offer end date.

7.3. Information disclosure

The Issuer shall inform the Investors by publishing all material information at the Issuer's website **www.ablv.com**, Stock Exchange website, and ORICGS. Such information shall be provided in accordance with the provisions of the Financial Instrument Market Law, rules of the FCMC and Nasdaq Riga. The Issuer shall also provide necessary information to the LCD according to the LCD rules and the provisions of the agreement made between the LCD and the Issuer.

7.4. Insolvency event

In case the Issuer's insolvency proceedings have been declared by a court decision, this shall be treated as the Issuer's insolvency event. In case of the Issuer's insolvency, the Investors' claims against the Issuer under the Bonds shall be satisfied simultaneously with the claims of other unsecured creditors in accordance with the procedure under the Insolvency Law.

7.5. Application for the waiver

The Issuer shall request the Investors' consent to changes in the following parameters of the Bonds stated in this Base Prospectus and/or Final Terms of the Bond issue (apply for the waiver):

- annual interest rate of the Bonds;
- frequency of interest income payments;
- maturity date of the Bonds;
- conditions of premature redemption (put option).

The Issuer shall not require the Investors' consent (waiver) to amend other provisions set forth in this Base Prospectus and/or Final Terms of the Bond issue. Technical amendments to the Base Prospectus and/or Final Terms of the Bond issue may be also made by the Issuer at the Issuer's discretion without the need to obtain the Investors' consent, provided such amendments are not contrary to the Investors' interests, as well as amendments ensuing from changes in the applicable normative acts and those to be made following the instructions of the competent authority may be made by the Issuer without the need to obtain the Investors' consent.

Where the Investors' consent is to be obtained by the Issuer to make the planned amendments to the provisions of the Base Prospectus and/or Final Terms of the Bond issue, the Issuer shall submit to the Investors an application for the

waiver by publishing it in accordance with the information disclosure procedure under paragraph 7.3 hereof, stating at least the following information:

- description of the proposed amendments;
- reasons for the proposed amendments;
- date as at which the list of the Investors entitled to give the permission is taken;
- deadline by which the Investor may support or decline the waiver proposed;
- instructions on supporting or declining the waiver proposed and the procedure for completing the voting form;
- notice that the Investor willing to support the waiver proposed by the Issuer should notify the Issuer accordingly by the deadline stated in the application, and, unless the Investor notifies the Issuer about the confirmation to support the waiver by the specified deadline, the Investor shall be deemed not to have given the consent to the waiver;
- the Issuer's contact information used for notices (telephone for enquiries, address for sending/submitted completed and signed forms, and address of the Issuer where the Investor may submit the form in person);
- other relevant information.

The Issuer shall request a list of Investors from the LCD as at the date being the 5 (fifth) business day after the relevant notice is published. The term for the Investors to decide on supporting or declining the waiver applied for by the Issuer may not be shorter than 10 (ten) calendar days from the date when the application is published.

The Investors shall submit their signed forms with their decision to the Issuer by the date stated in the application for the waiver. The forms shall be sent by registered mail, submitted in person or by a courier to the Issuer. The postal stamp, the responsible employee's signature to acknowledge receipt in the office shall be treated as the date of submitting the form.

The waiver shall be deemed accepted, provided the Investors that own at least 75% of the remaining Bonds (except for the Bonds owned by the Issuer and/or its related persons (the Issuer's affiliate companies, the Issuer's shareholders, members of the Council and the Board)) have voted to support the waiver. The Bonds owned by the Issuer and/or its related persons may not be used to participate in supporting the waiver.

The Issuer shall count the number of votes received and make a public announcement of the voting results within 2 (two) business days after the term of submitting the forms expires, by publishing the relevant notice in accordance with the information disclosure procedure under paragraph 7.3 hereof.

Should the waiver be received from the Investors, amendments shall take effect on the following working day after the announcement is published at the earliest.

Should the amendments refer to the Bond details and/or the method of calculating the coupon, or the procedure for the coupon or the face value payment, the Issuer shall notify the LCD about the relevant amendments immediately after those take effect.

8. Taxation of income derived from the Bonds

Notice

- The information included in this section of the Base Prospectus provides general overview and does not refer to special circumstances about which the Issuer does not have precise information. Accordingly, the information provided in this section of the Base Prospectus shall not be treated as legal or tax advice.
- This section of the Base Prospectus does not contain complete information on all taxes applicable to the Investor and investment in the Bonds.
- The provided overview is based on the normative acts of the Republic of Latvia effective as at the moment of approval of this Base Prospectus. Tax rates and payment conditions may change during the period from approval of this Base Prospectus till the moment of gaining the income. The Issuer has no obligation to inform the Investors on changes in the tax rates and payment conditions. The Investor should independently and, if necessary, engaging a tax advisor, assess the taxation amendments.
- Before making a decision on investing in the Bonds, the Investor should independently and, if necessary, engaging a tax advisor, estimate taxes applicable to the investment, pursuant to the provisions of both the Republic of Latvia legal acts and foreign legal acts, in case the Investor is not a resident of the Republic of Latvia.

8.1. Determination of the Investor's residence for tax purposes

For tax purposes, an individual shall be considered a resident of the Republic of Latvia where:

- the declared place of residence of this person is the Republic of Latvia, or
- the same stays in the Republic of Latvia for 183 days or more within any 12-month period commencing or ending in the taxation year, or
- the same is a citizen of the Republic of Latvia employed abroad by the Republic of Latvia government.

If an individual does not meet the above criteria, it shall not be considered a resident of the Republic of Latvia for tax purposes.

A legal entity shall be considered a resident of the Republic of Latvia for tax purposes where it is or should have been established and registered in the Republic of Latvia pursuant to laws of the Republic of Latvia. Other legal entities shall be considered non-residents of the Republic of Latvia for tax purposes.

If there is a tax treaty made with the residence country of a non-resident, the tax reliefs set in the treaty shall be complied with. The procedures for application of reliefs are set in the Republic of Latvia Cabinet Regulations No. 178 Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion of 30 April 2001.

8.2. Tax amount

Pursuant to the normative acts effective as at the moment of approving the Base Prospectus, the tax rate of 10% of the amount of interest income shall be applied to the interest income paid to an individual — resident of the Republic of Latvia. Regarding the interest income paid to an individual that is not a resident of the Republic of Latvia, no tax will be withheld at source, except where this individual is in the low-tax or tax-free country or territory pursuant to the Republic of Latvia Cabinet Regulations No. 276 of 26 June 2001 (Regulations on Low-Tax or Tax-Free Countries and Territories). This being the case, the payer of interest shall withhold the tax at the rate of 5%.

Regarding the interest income paid to a legal entity, no tax will be withheld at source, except where this legal entity is registered in the low-tax or tax-free country or territory pursuant to the Republic of Latvia Cabinet Regulations No. 276 of 26 June 2001 (Regulations on Low-Tax or Tax-Free Countries and Territories). This being the case, the payer of interest shall withhold the tax at the rate of 5%. A non-resident legal entity that receives interest payments shall pay taxes in accordance with effective legislation of its country.

8.3. Responsibility of the Issuer

The Issuer shall be responsible for withholding and payment of taxes in compliance with the procedures and amount stated in the Republic of Latvia normative acts.

The Issuer shall not be responsible for payment of taxes where the Republic of Latvia normative acts do not stipulate the Issuer's duty to assess and withhold the tax amount before making interest income payments.

9. Terms and conditions of the offer

Under the Seventh Bond Offer Programme, the Issuer will issue one or several series of the Bonds. The Investors are offered to acquire the Bonds denominated in EUR or USD. The Bonds are bearer debt securities without restraint on alienation. The face value of a single Bond and the total face value of a single series shall be stated in the Final Terms, whereas overall face value of the Bonds issued under the Seventh Programme described in this Base Prospectus will not exceed EUR 400 000 000.00 (four hundred million euro) or equivalent amount in USD, at the euro reference rate published by the European Central Bank as at the day of the FCMC making the decision to allow public offering.

9.1. Issue size and securities identification number

Under the Seventh Programme described in this Base Prospectus, the Issuer may issue the Bonds the total value of which amounts to EUR 400 000 000.00 (four hundred million euro) or equivalent in USD (US dollars), at the euro reference rate published by the European Central Bank as at the day of the FCMC making the decision to allow public offering.

In the Final Terms of each Bond Issue Series, the Issuer shall set forth the particular issue size and number of the Bonds. The size of a single Bond Issue Series may not be lower than EUR 1 000 000.00 (one million euro) or equivalent in USD (US dollars), at the euro reference rate published by the European Central Bank as at the day of the Financial and Capital Market Commission making the decision to allow public offering.

Each issue of the Bonds shall be deemed performed to the amount of the placed Bonds. Not placed Bonds will be cancelled before being admitted to trading on the regulated market. Only Bonds actually placed will be admitted to trading on the regulated market. The Issuer will inform about the total amount of actually placed Bonds in accordance with the information disclosure procedure set forth in paragraph 7.3 hereof, within 10 (ten) days after the public offer end date.

Before initial public offering of the respective issue is started and after the documents stipulated in the LCD rules are received from the Issuer, the LCD will register each Bond Issue Series performed under the Seventh Programme and assign ISIN to the Bonds, as well as will ensure posting and accounting of the outstanding Bonds.

For clear identification of each new Bond Issue Series, the title of the Final Terms will contain the sequence number of the programme, as well as sequence number and currency of the series. Under each Bond Issue Series, securities of only one category may be issued. Therefore, each series will have one single ISIN, different from that of other Bond Issue Series.

The issue series size may be increased before the public offer end date, but not later than 4 (four) working days prior to the public offer end date, by amending the series Final Terms and submitting the order to the LCD for posting additional number of the Bonds applying the ISIN code previously assigned for posting initial Bonds. After the public offer end date, the Issuer may not increase the issue series size. If amendments to the Final Terms are made, those shall be published in the same way as the Final Terms.

9.2. Determination of the price for initial placement transactions

The Issuer will determine the price of initial placement of the Bonds depending on the situation in secondary market of similar securities then present and, in particular, based on evaluation of the demand in the securities market and yield of comparable market instruments.

The Issuer shall determine the face value and the price of initial placement of the Bonds expressed as percentage of the face value. The price determined by the Issuer for the Bond Issue Series will be the same for all Investors and will remain constant throughout the whole initial placement period.

During the initial placement, the Bonds will be sold at the price determined by decision of the Issuer's Board at least 1 (one) working day prior to the start date of the Bonds' initial placement, and this price will be stated in the Final Terms.

Purchasing the Bonds during the initial placement period, the Investor will have to transfer just set Bond sale price to the Issuer for each Bond unit being purchased.

Additional expenses under the transaction, which might include, without limitation, fees for account opening, for transaction conclusion and execution, may vary in different Investment Companies, and the Investor can find those out in the respective Investment Company engaged by the Investor in concluding the Bonds' purchase transaction as intermediary. The Issuer will not receive the said additional payments and shall not be responsible for those additional expenses.

9.3. Term of the public offering and application process

The public offer start date shall be the next day after receiving the FCMC permission for making public offer or the date specifically stated in the Final Terms of the Bond Issue Series under the Seventh Programme.

The public offer end date shall be stated in the Final Terms of each Bond Issue Series under the Seventh Programme. Initially planned public offer period is a period of time within which the Investor or the Investment Company may submit an order for purchasing the Bonds, and it will be stated in the Final Terms of the Bond Issue Series.

The Issuer shall perform initial placement of the Bonds by means of their direct sale.

Maximum number of the Bonds that a single Investor may apply for is not set. The Investor may not apply for purchasing less than 1 (one) Bond.

9.4. Decision on concluding the transactions

The Bonds purchase transactions shall be concluded on the basis of an order submitted by the Investor or the investment company to be engaged by the Investor in concluding the Bonds' purchase transaction as an intermediary under the public offer.

The Investor or the investment company to be engaged by the Investor in concluding the Bonds' purchase transaction as an intermediary shall be obliged, by the settlement date under the Bond issue, to ensure that funds required to pay for the Bonds purchase transaction are available in the Investor's or the investment company's cash account with ABLV Bank.

Transactions shall be concluded in accordance with the decision-making procedure stated below.

- The transactions shall be executed at the price set forth in the Final Terms of the Bond Issue Series, which will be expressed as percentage of the face value.
- The transactions shall be concluded during the initial placement period stated in the Final Terms of the Bond Issue Series and within size of the Bond Issue Series.
- The transactions shall be concluded pursuant to the order completed by the Investor or the Investment Company. The order form will be provided as appendix to the Final Terms of the Bond Issue Series.
- The decision on concluding the transactions with the Investors in accordance with the procedure set forth in the Final Terms of the Bond Issue Series shall be made by the Issuer's Board.
- The decision on concluding the transaction shall be made on the date stated in the Final Terms of the Bond Issue Series in accordance with the sequence in which orders were submitted, however providing for the decision-maker's right to execute an order partially or to deny the transaction, inter alia, for the sake of limiting possible reputational risk.

9.5. Settlement under initial placement transactions

Settlements for the initial placement transactions shall be made in accordance with the DVP principle regulated by LCD Rules No. 5 On DVP Settlement for OTC Transactions and No. 15 On DVP Settlement in Foreign Currencies.

In the Final Terms of each Bond Issue Series, the Issuer shall state the day of making the decision on transaction conclusion, the day of the transaction conclusion, and the issue settlement day.

9.6. Information on the initial placement results

The information on the initial placement results will be published in accordance with the information disclosure procedure set forth in paragraph 7.3 of the Base Prospectus, not later than within 10 (ten) working days after the public offer end date, stated in the Final Terms of the offer. Issue of the Bonds shall be deemed performed to the amount of the placed Bonds.

9.7. Depository

Functions of the depository shall be performed by the LCD.

10. Admission to the market

10.1. Application for admitting the Bonds to the regulated market

The regulated market maker to which application for including debt securities in the official listing will be submitted:

Joint stock company Nasdaq Riga
 Registration number: 40003167049
 Legal address: 1 Valņu Street, Riga, Latvia
 Website: www.nasdaqbaltic.com

The Issuer shall submit all documents required for admission of the Bond issue to the regulated market — Nasdaq Riga Baltic Bond List.

The application for admitting the Bonds to the regulated market shall be prepared in accordance with the Stock Exchange requirements and submitted not later than within 3 (three) months after completion of the initial placement, and there will be all documents and information on the Bond issue attached thereto, as set forth in the Financial Instrument Market Law. All Bonds to be placed under the public offer shall be admitted to trading on the regulated market.

The Issuer undertakes to cover all expenses relating to admission of the Bond issue to the regulated market.

The Bonds shall be available for trading on the regulated market from the date when Nasdaq Riga decides to start listing of the Bonds on the regulated market.

As at the moment of approving this Base Prospectus, the Issuer has not entered into an agreement with any person on maintaining the Bonds liquidity on the secondary market.

10.2. Previous issues performed by the Issuer and admitted to the regulated market

ABLV Bank started performing public bond issues in 2011. The issues of the bonds are performed in accordance with the bank's strategic objectives — to raise sufficient financial resources available in the long term. Diversification of the sources of funding is considered to be an efficient way of achieving this objective, and this means raising financial resources not just in the form of the clients' deposits, but also by issuing the bank's debt securities — bonds.

41 public bond issues have been performed and included in Nasdaq Riga Bond Lists since 2011, including the new ones and those already redeemed. Currently, 21 bond issues are included in the Nasdaq Riga Bond Lists.

As at the day of approving the Base Prospectus of the Seventh Bond Offer Programme, the following issues by ABLV Bank are included in the securities lists of Nasdaq Riga regulated market:

Bond type	ISIN/ Issue name	Issue size	Discount rate (p.a.)	Coupon rate (p.a.)	Current interest income period	Issue date	Maturity date
under the Second Offer Programme							
Subordinated discount bonds in EUR	LV0000800977/ ABLV SUB EUR 250622	EUR 5 000 000	Fixed; 4.50% (till 25.06.2017)	Fixed; 6.00% ¹		25.06.2012	25.06.2022 (premature redemption right from 25.06.2017)
Subordinated coupon bonds in USD	LV0000800985/ ABLV SUB USD 270622	USD 20 000 000		Fixed; 4.50% (till 27.06.2017) Fixed; 6.00% ¹	27.12.2016 – 26.06.2017	27.06.2012	27.06.2022 (premature redemption right from 27.06.2017)
Subordinated discount bonds in USD	LV0000801124/ ABLV SUB USD 180323	USD 20 000 000	Fixed; 4.50% (till 18.03.2018)	Fixed; 6.00% ¹		18.03.2013	18.03.2023 (premature redemption right from 18.03.2018)
under the Third Offer Programme							
Subordinated discount bonds in USD	LV0000801173/ ABLV SUB USD 270623	USD 20 000 000	Fixed; 4.25% (till 27.06.2018)	Fixed; 6.00% ¹		27.06.2013	27.06.2023 (premature redemption right from 27.06.2018)
Subordinated discount bonds in EUR	LV0000801181/ ABLV SUB EUR 270623	EUR 20 000 000	Fixed; 4.25% (till 27.06.2018)	Fixed; 6.00% ¹		27.06.2013	27.06.2023 (premature redemption right from 27.06.2018)

Bond type	ISIN/ Issue name	Issue size	Discount rate (p.a.)	Coupon rate (p.a.)	Current interest income period	Issue date	Maturity date
Subordinated coupon bonds in USD	LV0000801223/ ABLV SUB USD 231023	USD 15 000 000		Fixed; 4.25% (till 22.10.2019) Fixed; 6.25% ²	23.04.2017 – 22.10.2017	23.10.2013	23.10.2023 (premature redemption right from 23.10.2018)
under the Fourth Offer Programme							
Subordinated discount bonds in EUR	LV0000801520/ ABLV SUB EUR 271024	EUR 20 000 000	Fixed; 4.05% (till 27.10.2019)	Fixed; 6.00% ¹		27.10.2014	27.10.2024 (premature redemption right from 27.10.2019)
under the Fifth Offer Programme							
Straight coupon bonds in USD	LV0000801751/ ABLV FXD USD 070717	USD 75 000 000		Fixed; 1.55%	07.01.2017 – 06.07.2017	07.07.2015	07.07.2017
Straight coupon bonds in EUR	LV0000801769/ ABLV FXD EUR 070717	EUR 20 000 000		Fixed; 0.80%	07.01.2017 – 06.07.2017	07.07.2015	07.07.2017
Subordinated discount bonds in EUR	LV0000801835/ ABLV SUB EUR 261025	EUR 20 000 000	Fixed; 3.75% (till 26.10.2020)	Fixed; 3.75% ¹		26.10.2015	26.10.2025 (premature redemption right from 26.10.2020)
Straight coupon bonds in USD	LV0000801850/ ABLV FXD USD 261017	USD 75 000 000		Fixed; 1.65%	26.10.2016 – 25.04.2017	26.10.2015	26.10.2017
Straight coupon bonds in EUR	LV0000801868/ ABLV FXD EUR 261017	EUR 20 000 000		Fixed; 0.80%	26.10.2016 – 25.04.2017	26.10.2015	26.10.2017
Straight coupon bonds in USD	LV0000801991/ ABLV FXD USD 220218	USD 75 000 000		Fixed; 1.85%	22.02.2017 – 21.08.2017	22.02.2016	22.02.2018
Straight coupon bonds in EUR	LV0000802007/ ABLV FXD EUR 220218	EUR 20 000 000		Fixed; 0.70%	22.02.2017 – 21.08.2017	22.02.2016	22.02.2018
under the Sixth Offer Programme							
Straight coupon bonds in USD	LV0000802072/ ABLV FXD USD 110718	USD 75 000 000		Fixed; 1.85%	11.01.2017 – 10.07.2017	11.07.2016	11.07.2018
Straight coupon bonds in EUR	LV0000802080/ ABLV FXD EUR 110718	EUR 20 000 000		Fixed; 0.70%	11.01.2017 – 10.07.2017	11.07.2016	11.07.2018
Subordinated discount bonds in EUR	LV0000802189/ ABLV SUB EUR 311026	EUR 20 000 000	Fixed; 3.75% (till 31.10.2021)	Fixed; 3.75% ¹		31.10.2016	31.10.2026 (premature redemption right from 31.10.2021)
Straight coupon bonds in USD	LV0000802163/ ABLV FXD USD 311018	USD 75 000 000		Fixed; 1.85%	31.10.2016 – 29.04.2017	31.10.2016	31.10.2018
Straight coupon bonds in EUR	LV0000802171/ ABLV FXD EUR 311018	EUR 20 000 000		Fixed; 0.70%	31.10.2016 – 29.04.2017	31.10.2016	31.10.2018
Straight coupon bonds in USD	LV0000802239/ ABLV FXD USD 270219	USD 75 000 000		Fixed; 2.25%	27.02.2017 – 26.08.2017	27.02.2017	27.02.2019
Straight coupon bonds in EUR	LV0000802247/ ABLV FXD EUR 270219	EUR 20 000 000		Fixed; 0.75%	27.02.2017 – 26.08.2017	27.02.2017	27.02.2019

¹ Starting from the 6th year, unless the Bank exercises its premature redemption right.

² Starting from the 7th year, unless the Bank exercises its premature redemption right.

11. Information about the Issuer

11.1. Basic information about the Issuer

Company:	ABLV Bank, AS
Country of incorporation:	the Republic of Latvia
Registration No.:	50003149401
Place of registration:	the Republic of Latvia Register of Enterprises
Registration date:	17 September 1993
Legal address:	23 Elizabetes Street, Riga, Latvia
Type of business:	joint stock company

The Issuer operates in accordance with the Credit Institution Law of the Republic of Latvia, the Commercial Law of the Republic of Latvia, and other Applicable Normative Acts.

11.2. Certified auditor

The audit of ABLV Bank, AS consolidated financial statements of the group and separate financial statements of the bank for the year 2015, included in this Base Prospectus, has been performed by:

KPMG Baltics SIA	(licence No. 55)
Registration number:	40003235171
Legal address:	7 Vesetas Street, Riga, Latvia
Chairperson of the Board	
Sworn Auditor of the Republic of Latvia:	Armine Movsisjana (certificate No. 178)

The audit of ABLV Bank, AS consolidated and separate annual report for the year 2016, included in this Base Prospectus, has been performed by:

KPMG Baltics SIA	(licence No. 55)
Registration number:	40003235171
Legal address:	7 Vesetas Street, Riga, Latvia
Chairperson of the Board	
Sworn Auditor of the Republic of Latvia:	Armine Movsisjana (certificate No. 178)

11.3. Issuer's history and development

The Bank was founded on 17 September 1993. In 1995, there were changes made to the Bank's shareholding structure. Ernests Bernis and Oļegs Fiļs became the Bank's shareholders and executives, and have been working solely in this field since then.

In 1995, the Bank started expanding its activities and founded a branch in Riga. In the following years, the Bank actively worked in the field of providing services to foreign clients, offering them various bank products, mainly related to making payments, and became a notable player in the financial market. The Bank was one of the first to develop different remote service channels. Thus the service level has been substantially improved, and even more rapid growth of the Bank followed.

In 2004, the Bank focused on developing a second line to its primary activities — investment management. There were two affiliate companies founded: ABLV Asset Management, IPAS, dealing with investment management, and ABLV Capital Markets, IBAS, which provides brokerage services.

In 2008, the Bank adopted new strategy, emphasizing the development of bespoke financial solutions for clients.

Since 2009, the Bank offers a third line of services — advisory on asset protection and structuring.

In 2011, the Bank's name was changed to ABLV Bank, AS. Alongside with the change of name and visual identity, the Issuer has completed the process of changing its business line, which is aimed at rendering tailored financial services in accordance with the highest standards.

In 2012, ABLV Bank, AS established a subsidiary bank in Luxembourg — ABLV Bank Luxembourg, S.A., in order to develop the existing client base and strengthen their loyalty, providing larger range of investment and fiduciary services, as well as to attract new clients. ABLV Bank is the first bank from the Baltic countries to establish a subsidiary bank in Luxembourg.

ABLV Bank Luxembourg, S.A. started rendering services to clients in September 2013. Alongside traditional banking products, clients are also offered services, developed especially for clients of the Luxembourg bank: fiduciary

transactions, overnight deposits, advisory investment management, etc. ABLV Bank Luxembourg, S.A. combines the high level of ABLV client service and traditions of the largest European investment centre.

In September 2013, ABLV Bank celebrated its 20-year anniversary. ABLV Bank started operations being one of the smallest banks, and due to the steadily pursuing elaborated strategy the bank managed to successfully overcome all crisis situations, meanwhile retaining its independence, and became the largest private bank in Latvia and one of the three biggest Latvian banks in terms of the amount of assets.

One of the most influential publications in the field of global capital and financial markets, Euromoney, named ABLV Bank the best bank in Latvia under Euromoney Awards for Excellence 2013. During the research, Euromoney examined banking markets of about a hundred countries of the world and granted awards for excellence to leading financial institutions. The best banks within a region were chosen by Euromoney expert commission that carried out detailed analysis of the companies' performance.

According to the strategy adopted in 2014, ABLV Bank is supposed to become the leading independent bank in the region and to be the first bank combining traditional banking services, asset management and advisory services in a single client-tailored service offer.

On 4 November 2014, the single supervisory mechanism became effective, and the eurozone largest banks came under direct supervision of the ECB. In Latvia, the ECB together with the FCMC also supervise ABLV Bank, AS, which is one of the three largest banks in terms of the asset amount. Before the ECB started performing supervisory functions, the banks underwent in-depth review of their balance sheets and stress testing — the comprehensive assessment, in which local supervisory authorities of each country and the European Banking Authority (EBA) were involved. Under the assessment, the ECB also applied correlation between asset quality review and stress test results to ensure even more critical assessment of the banks' risky assets. ABLV Bank has successfully passed the comprehensive assessment. The ECB single supervision ensures better availability of information on the banks' situation and thus boosts confidence in the financial sector.

In June 2015, ABLV Bank signed an agreement with the development finance institution ALTUM on cooperation within the programme of providing guarantees under housing loans. Within the programme, ALTUM provides guarantees under loans for housing acquisition or construction granted by commercial banks to families with children.

In 2015, ABLV Bank was named one of the best Latvian export brands. To determine the best exporting brands, the export support movement The Red Jackets, in cooperation with the export advice company GatewayBaltic and financial advice company BDO, examined the performance of more than 1300 Latvian exporting companies the export turnover of which exceeds one million euros. Following the examination, 100 best Latvian exporting brands were determined, and the expert panel nominated 25 most prominent export brands, including ABLV Bank, for The Red Jackets title.

Expanding to new regions and building closer relationships with the business partners, in 2016, ABLV group company ABLV Advisory Services, SIA opened the representative office in the United States of America. The representative office works on establishing mutually beneficial international business contacts for the companies of ABLV group and on studying the US regulatory environment.

Given ABLV Bank long-term experience and knowledge of debt securities issuing, in 2016, a new service was launched — arrangement of bond issues for the clients. Bond issues enable companies to raise additional financing both with the collateral and without collateral, as well as for the term exceeding that possible in case of loans. The costs of such raising of resources are relatively lower, and diversification of investor base is possible as well. Using the new service, the bank's client — real estate holding company AS Baltic RE Group — performed the issue of straight bonds amounting to EUR 4 million. ABLV Bank arranged the initial placement of the issue, ensuring the complete placement. ABLV Bank advised joint stock company Citadele banka on the arrangement of the subordinated bond programme, underwriting EUR 20 million within the initial placement.

- 11.4. Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency Since the day of publishing the last audited financial report, the Issuer has no available information on events that might significantly affect the Issuer's solvency in the current or the following financial periods.

11.5. Business overview

11.5.1. Issuer's principal activities

Alongside implementation of the new brand and change of the legal name in 2011, ABLV Bank strengthens emphasis on the following lines of business:

- **Banking**

Banking services usually begin with payment services. ABLV Bank is the largest private bank in the Baltics and has more than 20 years long experience of successful banking business, offering a full range of banking services, including secure payments and financing.

ABLV Bank clients are offered a wide range of payment services, overdrafts, credit and overdraft lines, trade financing, and long-term commercial loans. ABLV Bank grants financing to business projects in the countries in which representative offices of ABLV Bank are located.

A wide range of ABLV Bank payment cards will satisfy the needs of even most demanding clients, ensuring necessary status, fast and secure payments.

Safe storage of valuable things in safe deposit boxes, remote account management via convenient and secure Internetbank — these and other banking services are aimed at ensuring maximum comfort for the clients.

- **Investments**

ABLV Bank offers different ways of effective financial management — depending on the amount of funds, clients' goals, and willingness to take risk or keep to a conservative strategy.

To accumulate savings, ABLV Bank offers savings accounts and term deposits.

Taking into consideration low interest rates on term deposits and savings accounts, ABLV Bank offers an alternative solution that guarantees yield — ABLV Bank bonds.

If clients are ready to take reasonable risk in order to earn more, it is possible to use investments into ABLV mutual funds, investments into private capital of non-public companies, or brokerage services.

Investment management and brokerage services are ensured by subsidiary companies of ABLV Bank — ABLV Asset Management and ABLV Capital Markets, whereas ABLV Bank acts as depositary. Thus ABLV Bank ensures efficiency of operations alongside thorough transaction control and safe keeping of assets.

- **Advisory**

ABLV Bank clients are interested to use legal entities to protect and manage their assets. The Bank renders these services and advises clients on the Bank's long-term cooperation partners — these services providers.

Assets protection and advisory services are rendered by ABLV Bank subsidiary company, ABLV Corporate Services, which has an extensive experience in the establishment, management, and administration of various legal entities. Such legal entities include foreign holding companies, commercial enterprises engaged in trading or service rendering, charitable foundations, investments funds and institutions for assets protection including private funds and trusts.

11.5.2. Major markets where the Issuer operates

Target markets of ABLV Bank, AS are the Baltic countries and member states of the European Economic Area (EEA) and the Commonwealth of Independent States (CIS). The residents of these countries are offered traditional banking services, asset management, and advisory by ABLV Bank, AS.

ABLV Bank individual clients are:

- businessmen,
- top managers,
- skilled professionals — lawyers, financial advisors, sportsmen, doctors, artists, and scientists,
- wealthy families,
- real estate owners.

ABLV Bank clients—legal entities are:

- trading companies, dealing with export and import in the Baltic and CIS states,
- providers of transportation, travel, communication and other services,

- investment companies, operating in the field of real estate, collective investments, private equity,
- financial institutions — investment companies, insurance companies, pension funds, brokerage companies, and financial intermediaries,
- multi-sector holdings.

As at the end of 2016, deposits of the companies constituted more than 83% of the total deposits with the Bank.

Operations of ABLV Bank, AS in the target markets are also facilitated by wide network of representative offices and agents.

11.6. Issuer's organisational structure

11.6.1. Structure of the Issuer's group

The information provided in the table below completely matches that presented in ABLV Bank consolidated report for the year 2016.

№	Company	Country of incorporation	Registration number	Business profile	Share in the entity's capital with the entity's voting rights (%)	
					Share in capital (%)	Share in voting rights (%)
1.	ABLV Bank, AS	LV	50003149401	Financial services	100	100
2.	ABLV Bank Luxembourg, S.A.	LU	B 162048	Financial services	100	100
3.	ABLV Consulting Services, AS	LV	40003540368	Consulting services	100	100
4.	ABLV Advisory Services, SIA	LV	40103964811	Consulting services	100	100
5.	ABLV Corporate Services Holding Company, SIA	LV	40103799987	Holding company	100	100
6.	ABLV Corporate Services, SIA	LV	40103283479	Consulting services	100	100
7.	ABLV Corporate Services, LTD	CY	HE273600	Consulting services	100	100
8.	ABLV Capital Markets, IBAS	LV	40003814705	Financial services	90	100
9.	ABLV Asset Management, IPAS	LV	40003814724	Financial services	90	100
10.	PEM, SIA	LV	40103286757	Investment project management	51	51
11.	PEM 1, SIA	LV	40103551353	Wholesale trade services of other machinery and equipment	51	51
12.	ABLV Private Equity Fund 2010, KS	LV	40103307758	Investment activities	-	-
13.	New Hanza Capital, AS	LV	50003831571	Holding company	88	88
14.	NHC 1, SIA	LV	50103247681	Investments in real estate	88	88
15.	NHC 2, SIA	LV	40103963977	Investments in real estate	88	88
16.	NHC 3, SIA	LV	50103994841	Investments in real estate	88	88
17.	NHC 4, SIA	LV	40203032424	Investments in real estate	88	88
18.	NHC 5, SIA	LV	50203032411	Investments in real estate	88	88
19.	NHC 6, SIA	LV	40203032439	Investments in real estate	88	88
20.	Pillar, SIA	LV	40103554468	Holding company	100	100
21.	Pillar Holding Company, KS	LV	40103260921	Holding company	100	100
22.	Pillar 3, SIA	LV	40103193067	Real estate transactions	100	100
23.	Pillar 4 & 6, SIA	LV	40103210494	Real estate transactions	100	100
24.	Pillar 7 & 8, SIA	LV	40103240484	Real estate transactions	100	100
25.	Pillar 9, SIA	LV	40103241210	Real estate transactions	100	100
26.	Pillar 11, SIA	LV	40103258310	Real estate transactions	100	100
27.	Pillar 2, 12 & 14, SIA	LV	50103313991	Real estate transactions	100	100
28.	Pillar 18, SIA	LV	40103492079	Real estate transactions	100	100
29.	Pillar 19, SIA	LV	40103766952	Real estate transactions	100	100
30.	Pillar 20, SIA	LV	40103903056	Real estate transactions	100	100

№	Company	Country of incorporation	Registration number	Business profile	Share in the entity's capital with the entity's voting rights (%)	
					Share in capital (%)	Share in voting rights (%)
31.	Pillar 21, SIA	LV	40103929286	Real estate transactions	100	100
32.	Pillar 22, SIA	LV	50103966301	Real estate transactions	100	100
33.	Pillar Management, SIA	LV	40103193211	Real estate management and administration	100	100
34.	Pillar RE Services, SIA	LV	40103731804	Parking management	100	100
35.	Pillar Contractor, SIA	LV	40103929498	Management and coordination of construction processes	100	100
36.	Pillar Architekten, SIA	LV	40103437217	Designing and designers supervision	100	100
37.	Pillar Development, SIA	LV	40103222826	Infrastructure maintenance	100	100
38.	Pillar Utilities, SIA	LV	40103693339	Infrastructure management	100	100
39.	ABLV Building Complex, SIA	LV	40203037667	Investments in real estate	100	100

11.6.2. Issuer's administrative, management and supervisory bodies

- **Council**
 - **Board**
 - **Chief Executive Officer**
 - Administrative Division
 - Secretariat of the Board
 - Security Department
 - **Deputy Chief Executive Officer**
 - Corporate and Private Clients Service Division
 - Financing Division
 - Mortgage Loans Division
 - **Chief Operating Officer**
 - Product Development Division
 - Operations Accounting Division
 - **Chief Compliance Officer**
 - Compliance Division
 - Legal Division
 - **Chief Financial Officer**
 - Financial Market Division
 - Financial Accounting Division
 - **Chief Information Officer**
 - Business Technologies Division
 - Information Technologies Division
 - **Chief Risk Officer**
 - Risk Management Division

ABLV Bank Council

Name, surname	Position held
Oļegs Fiļs	Chairman of the Council; term of office: 02.05.2016 – 01.05.2019.
Jānis Krīgers	Deputy Chairman of the Council; term of office: 02.05.2016 – 01.05.2019.
Igors Rapoport	Member of the Council; term of office: 02.05.2016 – 01.05.2019.

ABLV Bank Board	
Name, surname	Position held
Ernests Bernis	Chairman of the Board, Chief Executive Officer (CEO); term of office: 01.05.2014 – 01.05.2017.
Vadims Reinfelds	Deputy Chairman of the Board, Deputy Chief Executive Officer (dCEO); term of office: 01.05.2014 – 01.05.2017.
Māris Kanneieks	Member of the Board, Chief Financial Officer (CFO); term of office: 01.05.2014 – 01.05.2017.
Edgars Pavlovičs	Member of the Board, Chief Risk Officer (CRO); term of office: 01.05.2014 – 01.05.2017.
Aleksandrs Pāže	Member of the Board, Chief Compliance Officer (CCO); term of office: 01.05.2014 – 01.05.2017.
Rolands Citajevs	Member of the Board, Chief Information Officer (CIO); term of office: 01.05.2014 – 01.05.2017.
Romans Surnačovs	Member of the Board, Chief Operating Officer (COO); term of office: 01.05.2014 – 01.05.2017.

Heads of ABLV Bank divisions

Name, surname	Position held
Armands Rozenbahs	Head of Administrative Division
Aleksejs Savko	Head of Corporate and Private Clients Service Division
Oļegs Sirotins	Head of Financing Division
Zigmārs Bērziņš	Head of Mortgage Loans Division
Sergejs Mazurs	Head of Product Development Division
Sandra Korna	Head of Operations Accounting Division
Kaspars Dreimanis	Head of Compliance Division
Ivans Marjasovs	Head of Legal Division
Jānis Brūveris	Head of Financial Market Division
Aija Daugavvanaga	Head of Financial Accounting Division
Aleksandrs Teplihis	Head of Business Technologies Division
Jurijs Dorofejevs	Head of Information Technologies Division
Jeļena Kasatkina	Head of Risk Management Division

Members of ABLV Bank Council and Board, as well as heads of ABLV Bank divisions do not engage in operations outside ABLV Group that are material with relation to the Issuer.

Members of ABLV Bank Council and Board, as well as heads of ABLV Bank divisions have no conflicts of interests between their personal interests and their duties performed with relation to the Issuer.

11.6.3. Issuer's Audit Committee

Name, surname	Position held
Oļegs Fiļs	Member of the Audit Committee; elected on 01.04.2017.
Olga Ibišova	Member of the Audit Committee; elected on 01.04.2017.
Mārtiņš Valters	Member of the Audit Committee; elected on 01.04.2017.

11.6.4. Issuer's shareholding structure
ABLV Bank major shareholders:

Interest in ABLV Bank, in percentage terms of the voting shares, as at 31 March 2017

Ernests Bernis and Nika Berne (direct and indirect interest)	43.27%
Oļegs Fiļs (indirect interest)	43.28%
18 legal entities and 116 individuals	13.45%

Current share capital of the Bank, equal to EUR 38 300 000.00, is constituted by 34 470 000 registered shares with voting rights and 3 830 000 employee shares without voting rights. The nominal value of one share is EUR 1.00 (one euro).

11.7. Information about operations development trends

To ensure stable further development, the Issuer gradually shifts the focus to different lines of the bank's operations. The share of settlement business is reduced, since the same is associated with higher risks, and the Issuer pays increasing attention to competent wealth management with high added value — such services as arrangement of securities issues, lending to companies, support under complex trading transactions, and investment services.

11.8. Significant changes in the Issuer's financial position

Since ABLV Bank consolidated report for 2016 was published, there have been no other material changes that would affect the Issuer's financial position.

11.9. Legal and arbitration proceedings

In the ordinary course of business, ABLV Bank is involved in a number of legal proceedings both as a claimant and as a defendant, but those legal proceedings pending cannot significantly affect the Issuer's financial position and solvency.

11.10. Material contracts

In 2016, the Issuer entered into administrative agreement with the FCMC, according to which the Issuer will improve the Bank's internal control system and strengthen its efficiency.

ABLV Bank and other companies comprising ABLV Group have not entered into other material contracts stipulating such responsibilities or liabilities of ABLV Group members which might affect ABLV Bank ability to meet its liabilities to Investors under the Bond issue described in this Base Prospectus.

11.11. Credit ratings assigned to the Issuer

No credit ratings are assigned to ABLV Bank by credit rating agencies registered and/or certified according to Regulation No 1060/2009 on credit rating agencies.

11.12. Profit forecast

The Issuer decided not to include profit forecasts or estimates in the Base Prospectus.

11.13. Available documents of the Issuer

The following documents of the Issuer are available to the Investors:

- ABLV Bank incorporation documents and articles of association — at the Republic of Latvia Register of Enterprises, at 2 Pērses Street, Riga, Latvia;
- the Bank's financial information for two financial years preceding publishing of the Base Prospectus — at ABLV Bank website www.ablv.com.

12. Issuer's financial information

12.1. Statement of the audit of financial information

Independent auditors' reports for the years 2015 and 2016 are available in Appendix 1 and Appendix 2.

12.2. ABLV Bank, AS financial reports for the years 2015 and 2016

The Issuer's financial reports for the years 2015 and 2016 alongside independent auditors' reports are available in Appendix 1 and Appendix 2.

The information provided in this section corresponds to ABLV Bank, AS consolidated and separate annual reports for the year 2016 (data for the years 2015 and 2016).

Statements of financial position, EUR

Assets	Group 31.12.2016	Group 31.12.2015	Bank 31.12.2016	Bank 31.12.2015
Cash and deposits with central banks	414 431	449 136	413 047	448 187
Balances due from credit institutions	272 520	669 980	281 504	671 772
Derivatives	624	121	80	121
Financial assets at fair value through profit or loss	28 416	26 161	21 010	22 286
Available-for-sale financial assets	1 042 574	1 833 073	957 094	1 780 554
Loans and receivables	1 029 944	874 003	1 012 146	873 499
Held-to-maturity investments	1 053 987	1 015 047	989 710	965 253
Investments in subsidiaries	–	–	119 945	111 266
Investments in associates	9 117	9 068	8 635	8 770
Investment properties	34 690	22 976	25 058	25 069
Property and equipment	27 267	23 867	9 461	9 529
Intangible assets	6 060	6 365	5 826	6 036
Current corporate income tax receivables	3 134	3 148	2 360	3 042
Deferred corporate income tax	1 401	379	–	–
Repossessed real estate	41 276	52 312	–	–
Other assets	7 882	5 992	3 710	2 737
Total assets	3 973 323	4 991 588	3 849 586	4 928 121
Liabilities				
Derivatives	42	365	42	365
Balances held with Bank of Latvia	50 000	180 072	50 000	180 072
Demand deposits from credit institutions	16 463	49 154	20 375	63 294
Deposits	3 027 772	3 875 455	2 901 824	3 793 192
Current corporate income tax liabilities	334	322	–	–
Other liabilities	22 922	41 737	11 083	35 072
Deferred corporate income tax	1 366	1 016	1 346	1 001
Issued securities	521 281	550 877	528 304	558 411
Subordinated deposits	14 810	15 261	14 810	15 261
Total liabilities	3 654 990	4 714 259	3 527 784	4 646 668
Shareholders' equity				
Paid-in share capital	38 300	35 300	38 300	35 300
Share premium	132 423	96 918	132 423	96 918
Reserve capital and other reserves	2 217	2 238	2 134	2 134
Fair value revaluation reserve of available-for-sale financial assets	1 127	9 461	1 139	9 497
Retained earnings brought forward	63 401	71 259	68 469	68 565
Retained earnings for the period	78 594	61 277	79 337	69 039
Attributable to the equity holders of the bank	316 062	276 453	321 802	281 453
Non-controlling interests	2 271	876	–	–
Total shareholders' equity	318 333	277 329	321 802	281 453
Total liabilities and shareholders' equity	3 973 323	4 991 588	3 849 586	4 928 121

Assets	Group 31.12.2016	Group 31.12.2015	Bank 31.12.2016	Bank 31.12.2015
Memorandum items				
Contingent liabilities	10 015	9 949	9 928	9 516
Financial commitments	132 405	75 610	126 632	68 907

Statements of comprehensive income, EUR

	Group 01.01.2016- 31.12.2016	Group 01.01.2015- 31.12.2015	Bank 01.01.2016- 31.12.2016	Bank 01.01.2015- 31.12.2015
Interest income	86 019	85 548	84 208	83 547
Interest expense	(21 442)	(20 589)	(21 493)	(20 508)
Net interest income	64 577	64 959	62 715	63 039
Commission and fee income	53 082	65 564	45 403	55 778
Commission and fee expense	(8 475)	(10 431)	(14 115)	(15 543)
Net commission and fee income	44 607	55 133	31 288	40 235
Net gain on transactions with financial instruments and foreign exchange	45 397	21 499	45 190	21 304
Net result on transactions with repossessed real estate	(2 423)	(2 272)	-	-
Other income	5 861	9 581	4 078	3 646
Other expense	(2 833)	(6 522)	(1 449)	(1 264)
Income from dividends	169	259	6 274	9 352
Impairment allowance for loans	332	(5 888)	57	(5 483)
Allowances for impairment of investments in subsidiaries	-	-	(6 225)	(2 840)
Allowances for impairment of financial instruments	(53)	(1 670)	(53)	(1 670)
Operating income	155 634	135 079	141 875	126 319
Personnel expense	(45 917)	(43 099)	(36 865)	(33 955)
Other administrative expense	(24 355)	(18 952)	(19 907)	(14 661)
Amortisation and depreciation	(4 059)	(5 019)	(3 142)	(3 377)
Impairment reversal	-	237	-	237
Profit before corporate income tax	81 303	68 246	81 961	74 563
Corporate income tax	(2 487)	(6 372)	(2 624)	(5 524)
Net profit for the year	78 816	61 874	79 337	69 039

Attributable to:

Equity holders of the bank	78 594	61 277
Non-controlling interests	222	597

Other comprehensive income which has been or is to be reclassified to profit or loss

Changes in fair value revaluation reserve of available-for-sale financial assets	13 489	11 921	13 384	11 828
Change to income statement as a result of sale of available-for-sale securities	(22 031)	(1 763)	(21 950)	(1 711)
Change to income statement due to recognised impairment of available-for-sale securities	286	1 111	286	1 111
Changes in deferred corporate income tax	(78)	(304)	(78)	(304)
Other comprehensive income, total	(8 334)	10 965	(8 358)	10 924

Total comprehensive income	70 482	72 839	70 979	79 963
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Attributable to:

Equity holders of the bank	70 260	72 242
Non-controlling interests	222	597

Statement of cash flows, EUR

	Group 01.01.2016- 31.12.2016	Group 01.01.2015- 31.12.2015	Bank 01.01.2016- 31.12.2016	Bank 01.01.2015- 31.12.2015
Cash flows from operating activities				
Profit before corporate income tax	81 303	68 246	81 961	74 563
Dividend income	(169)	(259)	(6 274)	(9 352)
Amortisation and depreciation of fixed assets and investment properties	4 059	5 019	3 142	3 377
Impairment allowance for loans	(332)	5 888	(57)	5 483
Impairment of financial instruments	53	1 670	53	1 670
Interest (income)	(86 019)	(85 548)	(84 208)	(83 547)
Interest expense	21 442	20 589	21 493	20 508
Other non-cash items *	(20 294)	(1 737)	(13 850)	1 546
Net cash flows from operating activities before changes in assets and liabilities	43	13 868	2 260	14 248
(Increase) in balances due from credit institutions	(19 292)	(7 878)	(19 292)	(12 831)
(Increase) in loans	(147 145)	(70 698)	(131 823)	(69 656)
(Increase)/decrease in financial assets at fair value through profit or loss	314	(4 901)	3 885	(7 063)
Decrease/(increase) in other assets	8 988	9 879	(971)	2 902
Increase/(decrease) in balances due to credit institutions	(130 001)	156 890	(130 000)	160 238
(Decrease)/increase in deposits	(902 677)	175 238	(946 362)	175 459
(Decrease) in derivatives	(826)	(1 307)	(282)	(1 307)
(Decrease)/increase in other liabilities	(19 115)	11 837	(24 269)	21 747
Net cash flows from operating activities before corporate income tax	(1 209 711)	282 928	(1 246 854)	283 737
Interest received in the reporting year	87 408	87 170	87 295	85 170
Interest (paid) in the reporting year	(21 921)	(19 937)	(21 973)	(19 857)
Corporate income tax (paid)	(2 987)	(3 237)	(1 612)	(2 952)
Net cash flows from operating activities	(1 147 211)	346 924	(1 183 144)	346 098
Cash flows from investing activities				
(Purchase) of held-to-maturity investments	(97 680)	(118 729)	(81 925)	(97 391)
Redemption of held-to-maturity investments	83 890	141 209	80 990	140 009
(Purchase) of available-for-sale financial assets	(313 809)	(1 373 698)	(266 403)	(1 288 302)
Sale of available-for-sale financial assets	1 143 893	957 295	1 128 577	859 890
(Purchase) of intangible and tangible fixed assets and investment properties	(19 448)	(4 435)	(2 926)	(3 718)
Sale of intangible and tangible fixed assets and investment properties	580	122	73	1 046
Dividends received	169	259	6 274	9 352
Decrease in investments in subsidiaries and associates	135	-	10 234	3 321
(Decrease) in cash and cash equivalents due to loss of control	-	(282)	-	-
(Increase) in investments in subsidiaries and associates	-	-	(25 003)	(11 098)
Net cash flows from investing activities	797 730	(398 259)	849 891	(386 891)
Cash flows from financing activities				
Proceeds from subordinated loans	600	1 560	600	1 560
(Repayment) of subordinated loans	(1 345)	(1 600)	(1 345)	(1 600)
Proceeds from issued securities	239 533	239 691	241 533	239 691
(Repurchase) of issued securities	(281 654)	(168 522)	(284 163)	(173 972)
Dividends (paid)	(69 385)	(58 847)	(68 840)	(58 443)
Increase in non-controlling interest	1 674	126	-	-
Issue of shares	38 205	33 033	38 205	33 033
Net cash flows from financing activities	(72 372)	45 441	(74 010)	40 269
(Decrease)/increase in cash and cash equivalents	(421 853)	(5 894)	(407 263)	(524)
Cash and cash equivalents at the beginning of the year	1 014 984	1 009 756	1 002 126	987 436
Result from revaluation of foreign currency positions	1 506	11 122	3 899	15 214
Cash and cash equivalents at the end of the year	594 637	1 014 984	598 762	1 002 126

* - Significant part of other non-cash items that do not affect the cash flows in the reporting period consist of VISA Europe Ltd. share buyback transaction with VISA Inc. amounting to EUR 16.4 million.

	Group 31.12.2016	Group 31.12.2015	Bank 31.12.2016	Bank 31.12.2015
Cash and cash equivalents				
Cash and deposits with central banks	414 431	449 136	413 047	448 187
Balances due from credit institutions	196 669	615 002	206 090	617 233
Balances due to credit institutions	(16 463)	(49 154)	(20 375)	(63 294)
Total cash and cash equivalents	594 637	1 014 984	598 762	1 002 126

Statement of changes in shareholder's equity (Group), EUR

	Paid-in share capital	Share premium	Reserve capital and other reserves	Fair value revaluation reserve of available- for-sale financial assets	Retained earnings	Attributable to the equity holders of the bank	Non- controlling interests	Total shareholders' equity
01.01.2015	32 650	66 270	2 174	(1 504)	130 115	229 705	12 337	242 042
Net profit for the year	-	-	-	-	61 277	61 277	597	61 874
Other comprehensive income/(expense) for the year	-	-	-	10 965	-	10 965	-	10 965
Total comprehensive income	-	-	-	10 965	61 277	72 242	597	72 839
Increase in reserves	-	-	64	-	-	64	-	64
Dividends paid	-	-	-	-	(58 555)	(58 555)	(292)	(58 847)
Issue of personnel shares	265	-	-	-	(301)	(36)	36	-
Issue of shares	2 385	30 648	-	-	-	33 033	126	33 159
Decrease in non-controlling interests	-	-	-	-	-	-	(11 928)	(11 928)
31.12.2015	35 300	96 918	2 238	9 461	132 536	276 453	876	277 329
01.01.2016	35 300	96 918	2 238	9 461	132 536	276 453	876	277 329
Net profit for the year	-	-	-	-	78 594	78 594	222	78 816
Other comprehensive income/(expense) for the year	-	-	-	(8 334)	-	(8 334)	-	(8 334)
Total comprehensive income	-	-	-	(8 334)	78 594	70 260	222	70 482
Decrease in reserves	-	-	(21)	-	-	(21)	-	(21)
Dividends paid	-	-	-	-	(68 835)	(68 835)	(550)	(69 385)
Issue of personnel shares	300	-	-	-	(300)	-	-	-
Issue of shares	2 700	35 505	-	-	-	38 205	1 674	39 879
Increase in non-controlling interests	-	-	-	-	-	-	49	49
31.12.2016	38 300	132 423	2 217	1 127	141 995	316 062	2 271	318 333

Statement of changes in shareholders' equity (Bank), EUR

	Paid-in share capital	Share premium	Reserve capital and other reserves	Fair value revaluation reserve	Retained earnings	Total shareholders' equity
01.01.2015	32 650	66 270	2 134	(1 427)	127 274	226 901
Net profit for the year	-	-	-	-	69 039	69 039
Other comprehensive income/(expense) for the year	-	-	-	10 924	-	10 924
Total comprehensive income for the year	-	-	-	10 924	69 039	79 963
Dividends paid	-	-	-	-	(58 444)	(58 444)

	Paid-in share capital	Share premium	Reserve capital and other reserves	Fair value revaluation reserve	Retained earnings	Total shareholders' equity
Issue of personnel shares	265	-	-	-	(265)	-
Issue of shares	2 385	30 648	-	-	-	33 033
31.12.2015	35 300	96 918	2 134	9 497	137 604	281 453
01.01.2016	35 300	96 918	2 134	9 497	137 604	281 453
Net profit for the year	-	-	-	-	79 337	79 337
Other comprehensive income/(expense) for the year	-	-	-	(8 358)	-	(8 358)
Total comprehensive income for the year	-	-	-	(8 358)	79 337	70 979
Dividends paid	-	-	-	-	(68 835)	(68 835)
Issue of personnel shares	300	-	-	-	(300)	-
Issue of shares	2 700	35 505	-	-	-	38 205
31.12.2016	38 300	132 423	2 134	1 139	147 806	321 802

Appendixes:

Financial information on the Issuer's assets and liabilities, financial position, profits or losses

Appendix 1: ABLV Bank, AS consolidated financial statements of the group and separate financial statements of the bank for the year 2015 and the independent auditors' report.

Appendix 2: ABLV Bank, AS consolidated and separate annual report for the year 2016 and the independent auditors' report.