

ABLV Bank, AS

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Final Terms of Offer of the First Bond Issue Series in USD ABLV FXD USD 110718

under the Sixth Bond Offer Programme

Securities:	Bonds
Issue face value / total amount:	USD 75 000 000.00 (seventy five million US dollars)
Securities face value / currency:	USD 1 000.00 (one thousand US dollars)
Number of securities:	75 000 (seventy five thousand)
Initial placement price:	100% of the face value
Annual Interest Rate:	fixed rate: 1.85% with coupon payment twice a year
Maturity date:	11 July 2018

5 May 2016

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Appendixes include the Bond issue summary and the sample order form to be submitted by the Investor to conclude the financial instruments transaction.

Appendix 1: Bond issue summary.

Appendix 2: "Financial Instrument' Trade Order" form.

The Final Terms are prepared in accordance with the requirements of paragraph 4 of article 5 of the Directive 2003/71/EC of the European Parliament and of the Council.

The Final Terms shall be read together with ABLV Bank, AS Base Prospectus of the Sixth Bond Offer Programme. The Base Prospectus is published at the Issuer's home page www.ablv.com. Full information on the Issuer and the Bond issue can be only obtained reading the Base Prospectus together with the Final Terms. The Bond issue summary is appended to these Final Terms.

Notice

Before making a decision on investing in the Bonds, any Investor shall independently and, if necessary, engaging an advisor, generally assess the information provided in the Base Prospectus and these Final Terms.

1. Explanation of the terms and abbreviations used

First Bond Issue Series in USD or ABLV FXD USD 110718 – the Bonds that are issued pursuant to ABLV Bank, AS Base Prospectus of the Sixth Bond Offer Programme and these Final Terms of Offer.

Note: the other terms and abbreviations used correspond to those included in the Base Prospectus.

2. Essential information

2.1. Interest of natural and legal persons involved in the issue/ offer
N/A

2.2. Reasons for the offer

Objective of the First Bond Issue Series in USD 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.

3. Information about the First Bond Issue Series in USD – ABLV FXD USD 110718 (under the Sixth Bond Offer Programme)

Issuer:	ABLV Bank, AS
Securities:	Bonds
ISIN:	LV0000802072
Type of securities:	In bearer form
Class of securities:	Without restraint on alienation
Collateral:	Not secured with pledge
Depository:	Joint stock company Latvian Central Depository
Regulated market:	Stock Exchange Nasdaq Riga Baltic Bond List
Currency of the Bond issue:	USD (US dollars)
Face value/total amount of the Bond issue:	USD 75 000 000.00 ¹ (seventy five million US dollars)
Bond Face Value:	USD 1 000.00 (one thousand US dollars)
Number of the Bonds:	75 000 ¹ (seventy five thousand)
Annual Interest Rate:	Fixed: 1.85% (one and 85/100 percent)
Date of the Interest Income calculation:	5 working days before the Interest Income payment date
Frequency and dates of the Interest Income payments:	Twice a year: on 11 July and 11 January, starting from 11 January 2017, ending on 11 July 2018
Maturity date of the Bonds:	11 July 2018
Premature redemption (call option):	<ul style="list-style-type: none"> • The Issuer shall be entitled to prematurely redeem the part of the Bond issue the initial placement of which was not 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.
Early repayment claim (put option):	The Investor shall not be entitled to claim the Face Value and accrued interest to be repaid by the Issuer before maturity.
Arrangements for the amortisation of the loan	N/A
Information on yield	Fixed interest rate is set for the Bonds. The Bond yield does not depend on the changes in the base interest rate in the interbank market.
Yield calculation method	Pursuant to paragraph 6.9 of the Base Prospectus
Representation of the Investors	Pursuant to paragraph 6.14 of the Base Prospectus

Decisions on the Bond issue	<p>The Bonds are issued and public offering is performed pursuant to the following decisions of ABLV Bank:</p> <ul style="list-style-type: none"> • decision on the bond issue of the ordinary meeting of shareholders, dated 7 April 2016 (Minutes No. 1, paragraph 5.11); • decision of the Board on approving the Base Prospectus of the Sixth Bond Offer Programme, dated 7 April 2016 (Minutes No. V-27, paragraph 1); • decision of the Board on the Base Prospectus of the Sixth Bond Offer Programme including recommendations of the Financial and Capital Market Commission, dated 22 April 2016 (Minutes No. V-31, paragraph 1); • decision of the Board on approval of ABLV Bank, AS Final Terms of Offer of the First Bond Issue Series in USD – ABLV FXD USD 110718 under the Sixth Bond Offer Programme, dated 5 May 2016 (Minutes No. V-34, paragraph 3).
Issue date:	11 July 2016
Public offer start date:	Not later than on 12 May 2016, the information shall be published at the Issuer's home page www.ablv.com The public offer start date is 18 May 2016
Public offer end date:	4 July 2016
Decision on concluding the transactions:	Pursuant to paragraph 8.4 of the Base Prospectus, the decision on concluding the transactions will be made on 7 July 2016
Settlement date:	11 July 2016

¹ Before the end of the public offer period, but not later than 4 (four) working days prior to the public offer end date, the Issuer may 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.

For the purposes of the Base Prospectus and these Final Terms, the Issuer shall be an institution that borrows funds by issuing the Bonds.

4. Terms and conditions of the offer

4.1. Initial placement process

The initial placement process is described in paragraph 8.4 of the Base Prospectus.

The total amount of the First Bond Issue Series in USD is USD 75 000 000.00 (seventy five million US dollars).

The public offer start date is 18 May 2016.

A representative of the Investment Company or the Investor itself, provided it has a financial instruments account opened with ABLV Bank, shall submit an order to the Issuer, using the sample form "Financial Instruments' Trade Order" appended hereto, on working days from 08:30 till 18:30. The order may also be submitted electronically, using a corresponding order form in ABLV Bank Internetbank.

The public offer end date shall be 4 July 2016. Orders shall be accepted by ABLV Bank till the end of the working day, i.e., 18:30, or electronically – till the end of the day, i.e., 24:00.

Information about the order submission can be obtained:

- by phone: + 371 6700 2777
- via e-mail: **ibas@ablv.com**

The orders submitted to the Issuer may not be altered or revoked.

4.2. A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants N/A

4.3. Details of the minimum and / or maximum amount of application Pursuant to paragraph 8.4 of the Base Prospectus, 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.

4.4. Settlement process

Within this Bond Issue Series, settlement under initial placement transactions shall be performed as follows:

- not applying the DVP principle, if agreed so by the underwriter and the Investor, or
- applying the DVP principle, regulated by the respective LCD rules On DVP Settlement for OTC Transactions.

If the transaction parties agree on not applying the DVP principle, the moment of the Bonds' delivery and the moment of payment may be different. The Investor shall ensure funds in the respective account on the day agreed upon by the transaction parties, whereas the Bonds shall be credited to the Investor's account on the day agreed upon by the transaction parties.

DVP shall be executed on the T+2 day, where "T" stands for the day of concluding the Bond purchase transaction, and "2" is the 2nd (second) working day after the day of concluding the Bond purchase transaction.

The day of concluding the transaction shall be the day of making the decision on concluding the transaction – for this Series it is set to be 7 July 2016.

The settlement date under the First Bond Issue Series in USD shall be 11 July 2016.

4.5. Information about results

Pursuant to paragraph 8.6 of the Base Prospectus, information on the initial placement results will be published at the Issuer's home page www.ablv.com within 10 (ten) working days after the public offer end date.

4.6. The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

N/A

5. Plan of securities distribution and allotment

5.1. Offering the Bonds simultaneously in the markets of two or more countries

N/A

5.2. Notification to applicants of the Bond amount allotted

The Bank shall send a confirmation of the concluded transaction to the Investor, following the procedure set forth in ABLV Capital Markets, IBAS, General Terms of Business. The General Terms of Business are available at the Issuer's home page www.ablv.com.

6. Pricing

6.1. Initial placement price of a Bond

Initial placement price of a Bond is set to be **100%** of the Bond's face value.
The Bond's face value is USD 1 000.00 (one thousand US dollars).

6.2. Pricing method

ABLV Bank Board will determine the Bonds' price 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 price determined by ABLV Bank for the Bond Issue Series shall be the same for all Investors and shall remain constant throughout the whole initial placement period.

6.3. Application of expenses and taxes

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. ABLV Bank will not receive the said fees and payments charged by other Investment Companies and shall not be responsible for those additional expenses.

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.

7. Placing and Underwriting

7.1. Offer coordinator

N/A

7.2. Depository
Joint stock company Latvian Central Depository, legal address: 1 Valņu Street, Riga, Latvia.

7.3. Entities agreeing to underwrite the issue
N/A

7.4. Time of reaching the underwriting agreement
N/A

8. Admission to regulated market and trading arrangements

8.1. Term and conditions of admission to regulated market
Pursuant to paragraph 9 of the Base Prospectus, application for admitting the Bonds to the regulated market will be prepared in accordance with the Stock Exchange requirements and submitted within 3 (three) months after the end of the initial placement at the latest.

8.2. Regulated market
Stock Exchange Nasdaq Riga, Baltic Bond List.

8.3. Entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment
N/A

9. Information about previous Bond Issue Series performed under the Programme

- One issue performed under ABLV Bank, AS, First Offer Programme,
 - Three issues performed under ABLV Bank, AS, Second Offer Programme,
 - Three issues performed under ABLV Bank, AS, Third Offer Programme,
 - Seven issues performed under ABLV Bank, AS, Fourth Offer Programme and
 - Seven issues performed under ABLV Bank, AS, Fifth Offer Programme
- have been included in the Baltic Bond List of the Stock Exchange Nasdaq Riga regulated markets.

Simultaneously with the First Bond Issue Series in USD, the following public offering is performed under the Sixth Bond Offer Programme First Bond Issue Series in EUR – ABLV FXD EUR 110718 – straight 2-year bonds. The Final Terms of this issue is available at ABLV Bank, AS home page www.ablv.com.

The Investors can find the information about issues performed under the First, Second, Third, Fourth, Fifth and Sixth Offer Programmes and their Final Terms at ABLV Bank, AS home page www.ablv.com.

10. Additional information

10.1. Advisors connected with the Bond issue
N/A

10.2. Information about the Bond issue provided by third parties
N/A

10.3. Credit ratings assigned to the Bonds
N/A

The Final Terms were approved at ABLV Bank, AS Board session on 5 May 2016.

Name, surname	Position held	Signature
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)	
Romans Surnačovs	Member of the Board, Chief Operating Officer (COO)	

Summary of the Bond issue

Section A. Introduction and warnings

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 and the respective Final Terms of the Bond issue.
 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.
 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.

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	Description of, and key factors relating to, the nature of the Issuer's current operations and its principal activities	Major lines of ABLV Bank business are rendering of tailored services to private and corporate customers in Latvia, as well as export of high-quality financial services to foreign customers from the EEA and CIS states. The Issuer's place of rendering the services is the Republic of Latvia.
B.4a	Description of the most significant recent trends affecting the Issuer and the industries in which it operates	As at the day of producing the Final Terms, there is no information on any detected trends that might have significant negative effect on operations of ABLV Bank, AS, or the banking sector in 2016. In 2016, liquidity and capitalization level in the banking sector remain high. ABLV Bank, AS plans gradual natural growth in 2016.
B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	As at the day of producing the Final Terms, 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 2015.

No	Company	Country of Incorporation	Registration number	Business profile	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 Corporate Services Holding Company, SIA	LV	40103799987	Holding company	100	100
5.	ABLV Corporate Services, SIA	LV	40103283479	Consulting services	100	100
6.	ABLV Corporate Services, LTD	CY	HE273600	Consulting services	100	100
7.	Pillar Holding Company, KS	LV	40103260921	Holding company	100	100
8.	Pillar, SIA	LV	40103554468	Holding company	100	100

No	Company	Country of Incorporation	Registration number	Business profile	Share in the entity's capital (%)	Share in the entity's capital with voting rights (%)
9.	Pillar Management, SIA	LV	40103193211	Real estate management and administration	100	100
10.	Pillar 2, 12 & 14, SIA	LV	50103313991	Real estate transactions	100	100
11.	Pillar 3, SIA	LV	40103193067	Real estate transactions	100	100
12.	Pillar 4 & 6, SIA	LV	40103210494	Real estate transactions	100	100
13.	Pillar 7 & 8, SIA	LV	40103240484	Real estate transactions	100	100
14.	Pillar 9, SIA	LV	40103241210	Real estate transactions	100	100
15.	Pillar 10, SIA	LV	50103247681	Real estate transactions	100	100
16.	Pillar 11, SIA	LV	40103258310	Real estate transactions	100	100
17.	Pillar 18, SIA	LV	40103492079	Real estate transactions	100	100
18.	Pillar 19, SIA	LV	40103766952	Real estate transactions	100	100
19.	Pillar 20, SIA	LV	40103903056	Real estate transactions	100	100
20.	Pillar 21, SIA	LV	40103929286	Real estate transactions	100	100
21.	Pillar Investment Group, SIA	LV	50003831571	Real estate transactions	91.6	91.6
22.	Schaller Kyncl Architekten Riga, SIA	LV	40103437217	Designing and designer's supervision	100	100
23.	Pillar RE Services, SIA	LV	40103731804	Parking management	100	100
24.	Pillar Contractor, SIA	LV	40103929498	Management and coordination of construction processes	100	100
25.	New Hanza City, SIA	LV	40103222826	Infrastructure maintenance	100	100
26.	NHC Utilities, SIA	LV	40103693339	Infrastructure management	100	100
27.	ABLV Asset Management, IPAS	LV	40003814724	Financial services	90	100
28.	ABLV Capital Markets, IBAS	LV	40003814705	Financial services	90	100
29.	ABLV Private Equity Management, SIA	LV	40103286757	Investment project management	100	100
30.	ABLV Private Equity Fund 2010, KS	LV	40103307758	Investment activities	100	100

Interest in ABLV Bank, in percentage terms of the voting shares, as at 31 March 2016:

	Ernests Bernis and Nika Berne (direct and indirect interest)	43.12%
	Oļegs Fijs (indirect interest)	43.13%
B.6 Issuer's shareholders	14 legal entities and 117 individuals	13.75%

Shareholders of ABLV Bank, AS, voting shares have no different voting rights.
ABLV Bank, AS is controlled by its shareholders pursuant to the procedures set forth in the
Commercial Law.

Statements of financial position as at 31 December 2015 and 31 December 2014

	31.12.2015	31.12.2014
	EUR '000	EUR '000
Assets		
Cash and deposits with central banks	448 187	258 908
Balances due from credit institutions	671 772	795 282
Derivatives	121	4 079
Financial assets at fair value through profit or loss	22 286	14 884
Available-for-sale financial assets	1 780 554	1 209 073
Loans	873 499	790 247
Held-to-maturity investments	965 253	930 579
Investments in subsidiaries	111 266	115 099
Investments in associates	8 770	–
Investment properties	25 069	25 033
Property and equipment	9 529	10 606
Intangible assets	6 036	5 700
Current corporate income tax receivables	3 042	3 257
Deferred corporate income tax	–	1 457
Repossessed real estate	–	–
Other assets	2 737	5 640
Total assets	4 928 121	4 169 844
Liabilities		
Derivatives	365	5 630
Balances held with Bank of Latvia	180 072	16 797
Demand deposits from credit institutions	63 294	28 962
Term deposits from credit institutions	–	2 971
Deposits	3 793 192	3 406 032
Current corporate income tax liabilities	–	–
Other liabilities	35 072	13 205
Deferred corporate income tax	1 001	–
Provisions	–	352
Issued securities	558 411	454 581
Subordinated deposits	15 261	14 413
Total liabilities	4 646 668	3 942 943
Shareholders' equity		
Paid-in share capital	35 300	32 650
Share premium	96 918	66 270
Reserve capital and other reserves	2 134	2 134
Fair value revaluation reserve of available-for-sale financial assets	9 497	(1 427)
Retained earnings brought forward	68 565	68 600
Retained earnings for the period	69 039	58 674
Attributable to the equity holders of the bank	281 453	226 901
Non-controlling interests	–	–
Total shareholders' equity	281 453	226 901
Total liabilities and shareholders' equity	4 928 121	4 169 844
Memorandum items		
Contingent liabilities	9 516	9 444
Financial commitments	68 907	60 228

B.7 Financial information

B.8	Key pro forma financial information	<p>In 2016, ABLV Bank will continue the work on strengthening the compliance and risk management functions. A number of projects aimed at automation of supervision processes is planned to be accomplished. Tense situation in financial markets and target regions of ABLV Bank, as well as growing requirements of different supervisory institutions, do not allow expecting the business development to be as rapid as in previous years, but since ABLV Bank business model is efficient and risk management – strong and elaborate, the results can be forecasted to be similar to those in 2015.</p> <p>The above information addresses a hypothetical situation and, therefore, does not represent the Issuer's actual financial position or results.</p>
B.9	Profit forecast	<p>ABLV Bank made no profit forecasts for the following periods of operations.</p>
B.10	Qualifications in the audit report on the financial information	<p>ABLV Bank audited financial report for the year 2015 contains no auditors' qualifications or disclaimers.</p>
B.11	Issuer's equity	<p>ABLV Bank meets equity requirements set forth in the legal acts. As at 31 December 2015, ABLV Bank equity equalled EUR 321.0 million.</p>
B.12	Forecasts regarding the Issuer	<p>ABLV Bank forecasts contain no adverse changes since the date of its last published audited financial statements.</p> <p>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.</p>
B.13	Events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	<p>In 2015, the FCMC performed several inspections at the Bank to verify the compliance with the requirements of the Credit Institution Law and the Law on the Prevention of Money Laundering and Terrorism Financing, following which there was administrative matter initiated on 18 December 2015. Until the moment of registration of this Base Prospectus, no administrative act has been issued and no decision on the matter termination has been made under the said administrative matter. Currently, the administrative agreement regarding the said matter is under negotiation.</p> <p>Pursuant to the Credit Institution Law, the penalty of up to 10% of the net income amount for the previous financial year may be applied by the FCMC to the credit institution for violation of the requirements on the prevention of money laundering and terrorism financing. Considering the information available to the Bank, the Bank's possible violations are not that material for the full penalty amount to be applied.</p> <p>Whereas, as at the moment of registration of the Base Prospectus, the Bank has performed the following:</p> <ol style="list-style-type: none"> 1. invited an independent US auditor to perform the assessment of the Bank's internal control system, processes, and technologies used by the Bank under the risk management for the prevention of money laundering and terrorism financing, guided by international regulatory requirements and following the best practice, and to provide advice on further improvements to the internal control system regarding risk management for the prevention of money laundering and terrorism financing, which will be also used for client base audit, 2. ensured more efficient work of the Compliance Division, splitting it into two divisions (Compliance Division and Legal Division), and 3. increased the number of officers involved in ensuring the compliance, <p>ABLV Bank is sure that the administrative matter initiated on 18 December 2015 and the possible sanctions under the same will have no material impact on the Bank's financial status and earning capacity. On the contrary, the Bank will improve its internal control system in the AML (anti money laundering) area following the current international best practice, as well as will boost good reputation of the Bank.</p> <p>Recently there were no other events particular to ABLV Bank which are to a material extent relevant to the evaluation of the Issuer's solvency.</p>
B.14	Issuer's position within the group	<p>ABLV Bank is not dependent upon other entities within the ABLV Bank group.</p>
B.15	Issuer's principal activities	<p>ABLV Bank principal activities are rendering of financial services.</p>

B.16	Control over the Issuer	N/A
B.17	Credit ratings assigned to the Issuer's debt securities	ABLV Bank is not assigned credit ratings by credit rating agencies registered and / or certified in accordance with Regulation No 1060/2009 on credit rating agencies.
B.18 – B.50		N/A
Section C. Securities		
C.1	Bond details	Bonds issued under the First Bond Issue Series in USD – ABLV FXD USD 110718 (ISIN LV0000802072) are dematerialized bearer securities without restraint on alienation.
C.2	Currency of the Bond issue	USD (US dollars)
C.3	Information about shares issued	N/A
C.4	Rights attached to the shares issued	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 owners of the Bonds without additional collateral. The Bonds are dematerialized bearer securities without restraint on alienation – transferrable securities.
C.6	Admission of the issued shares to trading on a regulated market	N/A
C.7	Dividend policy	N/A
		<p>Division of the Bonds into categories The Bonds are not supposed to be divided into categories. Pursuant to these Final Terms, straight Bonds are supposed to be issued.</p> <p>Limitations to the rights attached to the Bonds The Bonds are freely transferrable securities without restraint on their alienation.</p> <p>Interest Rate The Annual Interest Rate is fixed, and it is equal to 1.85% (p.a.).</p>
C.8, C.9	Rights attached to the Bonds	<p>The date from which interest becomes payable and the due dates for interest The Interest Income shall be accrued starting from 11 July 2016. The Interest Income shall be paid twice a year: on 11 July and 11 January, starting from 11 January 2017, ending on 11 July 2018.</p> <p>Bond maturity date and repayment procedures The Investor shall receive the Bond Face Value as a lump-sum payment on 11 July 2018.</p> <p>Bond yield Fixed rate is applied to the Bonds, and therefore the yield does not change.</p> <p>Representatives of debt security holders Holders of the debt securities may freely determine representatives for exercising the rights attached to the Bonds.</p>
C.10	Interest payments under securities involving derivative components	N/A
C.11	Admission of the Bonds to the regulated market	The Bonds are supposed to be admitted to the regulated market – Baltic Bond List of Nasdaq Riga Stock Exchange.
C.12	Minimum face value of the issue	Pursuant to paragraph 8.4 of the Base Prospectus, the Investor may not apply for purchasing less than 1 (one) Bond.
C.13 – C.22		N/A

Section D. Risks

		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.
D.1, D.2	Key information on the key risks	<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 performance. 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 2015, 86% of total deposits with ABLV Bank were the deposits placed by foreign customers. Consequently, operations of the Issuer are only partly subject to competition risk in the local market. 7. Legislative risk 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	Information on the risks specific to the Bonds	<p>Risk factors associated with the Bond issue:</p> <ol style="list-style-type: none"> 1. Liquidity risk Listing of the Bonds in the Baltic Bond List of Stock Exchange Nasdaq Riga 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. Legislative risk 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 the 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>The total amount of the issue is USD 75 000 000.00 (seventy five million US dollars).</p> <p>The public offer start date is 18 May 2016.</p>
E.3	Terms and conditions of the offer	<p>A representative of the Investment Company or the Investor itself, provided it has a financial instruments account opened with ABLV Bank, shall submit an order to the Issuer, using the sample form "Financial Instruments' Trade Order" appended hereto, on working days from 08:30 till 18:30. The order may also be submitted electronically, using a corresponding order form in ABLV Bank Internetbank.</p> <p>The public offer end date shall be 4 July 2016. Orders shall be accepted by ABLV Bank, AS, till the end of the working day, i.e., 18:30, or electronically – till the end of the day, i.e., 24:00.</p>
E.4	Possible conflicts of interests	<p>ABLV Bank has no information on possible conflicts of interests related to the Bond issue.</p>
E.5 – E.6		<p>N/A</p>
E.7	Expenses	<p>Pursuant to the Bond issue rules, no additional expenses are supposed to be charged to the Investors.</p>