

ABLV Bank, AS in Liquidation

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|-------------------|--|
| Registration No.: | 50003149401 |
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| Website: | www.ablv.com |
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Final Terms of Offer of the First Bond Issue Series Redenominated in EUR ABLV FXD RD EUR 030719

under the Seventh Bond Offer Programme

| Securities: | Bonds |
|---|---|
| Issue redenominated face value / total amount: | Respective amount in euro resulting from exchanging the amount of USD 71 867 000.00 (seventy-one million eight hundred sixty-seven thousand US dollars) to euro at the rate set by the European Central Bank as at 24 September 2018. |
| Securities redenominated face value / currency: | Respective amount in euro resulting from exchanging the amount of USD 1 000.00 (one thousand US dollars) to euro at the rate set by the European Central Bank as at 24 September 2018. |
| Number of securities: | 71 867 (seventy-one thousand eight hundred sixty-seven) |
| Initial placement price: | 100% of the face value |
| Annual Interest Rate: | fixed rate: 2.25% with coupon payment twice a year |
| Maturity date: | 3 July 2019 |

17 May 2017

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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 in liquidation Base Prospectus of the Seventh Bond Offer Programme. The Base Prospectus is published at the Issuer's website **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 Redenominated in EUR or **ABLV FXD RD EUR 030719** – the Bonds that are issued pursuant to ABLV Bank, AS in liquidation Base Prospectus of the Seventh 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 Redenominated in EUR shall be raising of funds that the Issuer will use for financing its operating activities, including without limitation:

- improvement of the ABLV Bank, AS in liquidation assets' and liabilities' distribution into maturity bands;
- increase and maintenance of the liquidity level required for activities of ABLV Bank, AS in liquidation.

3. Information about the First Bond Issue Series Redenominated in EUR – ABLV FXD RD EUR 030719 (under the Seventh Bond Offer Programme)

| | |
|--|---|
| Issuer: | ABLV Bank, AS in liquidation |
| Securities: | Bonds |
| ISIN: | LV0000880060 |
| Type of securities: | In bearer form |
| Class of securities: | Without restraint on alienation |
| Collateral: | Not secured with pledge |
| Depository: | Nasdaq CSD SE |
| Regulated market: | Stock Exchange Nasdaq Riga Baltic Bond List |
| Currency of the Bond issue after redenomination: | EUR (euro) |
| Redenominated face value/total amount of the Bond issue: | Respective amount in euro resulting from exchanging the amount of USD 71 867 000.00 (seventy-one million eight hundred sixty-seven thousand US dollars) to euro at the rate set by the European Central Bank as at 24 September 2018. |
| Bond redenominated Face Value: | Respective amount in euro resulting from exchanging the amount of USD 1 000.00 (one thousand US dollars) to euro at the rate set by the European Central Bank as at 24 September 2018. |
| Number of the Bonds: | 71 867 ¹ (seventy-one thousand eight hundred sixty-seven) |
| Annual Interest Rate: | Fixed: 2.25% (two and 25/100 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 3 July and 3 January, starting from 3 January 2018, ending on 3 July 2019 |
| Maturity date of the Bonds: | 3 July 2019 |
| 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 6.15 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, AS in liquidation:</p> <ul style="list-style-type: none">• decision on the bond issue of the extraordinary meeting of shareholders, dated 31 March 2017 (Minutes No. 1, paragraph 5.9);• 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);• decision of the Board on the Base Prospectus of the Seventh Bond Offer Programme including recommendations of the Financial and Capital Market Commission, dated 9 May 2017 (Minutes No. V-26, paragraph 1);• decision of the Board on approval of ABLV Bank, AS in liquidation Final Terms of Offer of the First Bond Issue Series Redenominated in EUR – ABLV FXD RD EUR 030719 under the Seventh Bond Offer Programme, dated 17 May 2017 (Minutes No. V-31, paragraph 1). |
| Issue date: | 3 July 2017 |
| Public offer start date: | Not later than on 22 May 2017, the information shall be published at the Issuer's website www.ablv.com The public offer start date is 25 May 2017 |
| Public offer end date: | 26 June 2017 |
| Decision on concluding the transactions: | Pursuant to paragraph 9.4 of the Base Prospectus, the decision on concluding the transactions will be made on 29 June 2017 |
| Settlement date: | 3 July 2017 |

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 paragraphs 9.3 and 9.4 of the Base Prospectus.

The total redenominated amount of the Issue is equal to the respective amount in euro resulting from exchanging the amount of USD 71 867 000.00 (seventy-one million eight hundred sixty-seven thousand US dollars) to euro at the rate set by the European Central Bank as at 24 September 2018.

The public offer start date is 25 May 2017.

A representative of the Investment Company or the Investor itself, provided it has a financial instruments account opened with ABLV Bank, AS in liquidation, 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, AS in liquidation Internetbank.

The public offer end date shall be 26 June 2017. Orders shall be accepted by ABLV Bank, AS in liquidation till the end of the working day, i.e., 18:30, or electronically – till the end of the day, i.e., 23:59.

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 9.3 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 29 June 2017.

The settlement date shall be 3 July 2017.

4.5. Information about results

Pursuant to paragraph 9.6 of the Base Prospectus, information on the initial placement results will be published at the Issuer's website 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 website 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 redenominated face value is equal to the respective amount in euro resulting from exchanging the amount of USD 1 000.00 (one thousand US dollars) to euro at the rate set by the European Central Bank as at 24 September 2018.

6.2. Pricing method

ABLV Bank, AS in liquidation 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, AS in liquidation 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, AS in liquidation 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 10.1 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

- Three issues performed under ABLV Bank, AS in liquidation Second Offer Programme,
 - Three issues performed under ABLV Bank, AS in liquidation Third Offer Programme,
 - One issue performed under ABLV Bank, AS in liquidation Fourth Offer Programme,
 - Seven issues performed under ABLV Bank, AS in liquidation Fifth Offer Programme and
 - Seven issues performed under ABLV Bank, AS in liquidation Sixth 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 Redenominated in EUR, the following public offering is performed under the Seventh Bond Offer Programme First Bond Issue Series in EUR – ABLV FXD EUR 030719 – straight 2-year bonds. The Final Terms of this issue is available at ABLV Bank, AS in liquidation website **www.ablv.com**.

The Investors can find the information about issues performed under the Second, Third, Fourth, Fifth, Sixth and Seventh Offer Programmes and their Final Terms at ABLV Bank, AS in liquidation website **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 the session of the Liquidation Committee of ABLV Bank, AS in liquidation on 20 August 2018.

| Name, surname | Position held | Signature |
|----------------------|----------------------|------------------|
| Arvīds Kostomārovs | Liquidator | |
| Elvijs Vēbers | Liquidator | |
| Andris Kovaļčuks | Liquidator | |
| Eva Berlaus | Liquidator | |

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.

A.1 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.

A.2 N/A

Section B. Issuer

| | | |
|-------------|---|---|
| B.1 | Legal and commercial name of the Issuer | ABLV Bank, AS in liquidation. |
| B.2 | The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation | ABLV Bank, AS in liquidation 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 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 in liquidation or the Republic of Latvia credit institution sector. |

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

| No | Company | Country of incorporation | Registration number | Business profile | Share in | Share in | | |
|-----|------------------------------------|--------------------------|--|---------------------|------------------------------|---|-----|-----|
| | | | | | the the entity's capital (%) | the 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 | | |
| B.5 | Issuer's position within the group | 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 |

| No | Company | Country of incorporation | Registration number | Business profile | Share in the entity's capital (%) | Share in the entity's capital with voting rights (%) |
|-----|-----------------------------------|--------------------------|---------------------|---|-----------------------------------|--|
| 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 |
| 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 |

| | | Country of incorporation | Registration number | Business profile | Share in the entity's capital (%) | Share in the entity's voting rights (%) | |
|--|--|--|---------------------|------------------|-------------------------------------|---|-----|
| | No | Company | | | | | |
| | 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 |
| B.6 – B.8 | N/A | | | | | | |
| B.9 | Profit forecast and assessment | ABLV Bank, AS in liquidation made no profit forecasts for the following periods of operations. | | | | | |
| B.10 | Reservations in the audit report on the financial information | ABLV Bank, AS in liquidation 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, AS in liquidation 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, AS in liquidation 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, AS in liquidation 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, AS in liquidation is not dependent upon other entities within the group of ABLV Bank, AS in liquidation. | | | | | |
| B.15 | Issuer's principal activities | ABLV Bank, AS in liquidation 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, AS in liquidation 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 | Bonds issued under the First Bond Issue Series Redenominated in EUR – ABLV FXD RD EUR 030719 (ISIN LV0000880060) are dematerialized bearer securities without restraint on alienation. |
| C.2 | Currency of the Bond issue | EUR (euro). |
| 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 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 2.25% (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 3 July 2017. The Interest Income shall be paid twice a year: on 3 July and 3 January, starting from 3 January 2018, ending on 3 July 2019.</p> <p>Bond maturity date and repayment procedures The Investor shall receive the Bond Face Value as a lump-sum payment on 3 July 2019.</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 | | 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 9.3 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

| | | |
|-----|----------------------------------|--|
| D.1 | | N/A |
| D.2 | Key information on the key risks | <p>In carrying out its operating activities, ABLV Bank, AS in liquidation is subject to various risks. Most significant risks that may decrease the Issuer's ability to perform its obligations.</p> <ol style="list-style-type: none"> 1. Credit risk Credit risk is exposure to potential losses in case of ABLV Bank, AS in liquidation counterparty or debtor being unable to pay the contractual obligations to ABLV Bank, AS in liquidation. 2. Liquidity risk Liquidity is ABLV Bank, AS in liquidation 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. |

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|-------------------------|--|--|
| | | <p>3. Currency exchange rate fluctuation risk ABLV Bank, AS in liquidation is exposed to negative effects of fluctuations in the foreign currency exchange rates on its financial position and cash flow.</p> <p>4. Interest rate risk Interest rate risk represents the adverse effect of the market interest rate fluctuations on ABLV Bank, AS in liquidation financial position.</p> <p>5. Non-financial risks During the course of its operations, ABLV Bank, AS in liquidation 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.</p> <p>6. Competition risk As at the end of 2016, 86% of total deposits with ABLV Bank, AS in liquidation were the deposits placed by foreign clients. Consequently, operations of the Issuer are only partly subject to competition risk in the local market.</p> <p>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.</p> |
| | | <p>Risk factors associated with the Bond issue:</p> <p>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.</p> <p>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.</p> <p>3. 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.</p> |
| D.3 | Information on the risks specific to the Bonds | |
| 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, AS in liquidation assets' and liabilities' distribution into maturity bands; • increase and maintenance of the liquidity level required for activities of ABLV Bank, AS in liquidation. |
| E.3 | Terms and conditions of the offer | <p>The total redenominated amount of the issue is equal to the respective amount in euro resulting from exchanging the amount of USD 71 867 000.00 (seventy-one million eight hundred sixty-seven thousand US dollars) to euro at the rate set by the European Central Bank as at 24 September 2018.</p> <p>The public offer start date is 25 May 2017.</p> <p>A representative of the Investment Company or the Investor itself, provided it has a financial instruments account opened with ABLV Bank, AS in liquidation, shall submit an order to the</p> |

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, AS in liquidation Internetbank.

The public offer end date shall be 26 June 2017. Orders shall be accepted by ABLV Bank, AS in liquidation till the end of the working day, i.e., 18:30, or electronically – till the end of the day, i.e., 23:59.

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| E.4 | Possible conflicts of interests | ABLV Bank, AS in liquidation has no information on possible conflicts of interests related to the Bond issue. |
| E.5 – E.6 | | N/A |

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| E.7 | Expenses | 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. |
|-----|----------|--|

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.