

## ABLV Bank, AS

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## Final Terms of Offer of the Third Bond Issue Series in EUR ABLV SUB EUR 271024 for the sake of raising funds for subordinated capital increase

### under the Fourth Bond Offer Programme

Securities:	Bonds
Issue face value / total amount:	EUR 15 173 100.00 (fifteen million one hundred seventy-three thousand one hundred euro)
Securities face value / currency:	EUR 0.01 (one euro cent)
Number of securities:	1 517 310 000 (one billion five hundred seventeen million three hundred ten thousand)
Initial placement price:	81.8340% of the face value
Annual Interest Rate:	<ul style="list-style-type: none"><li>from 27 October 2014 till 27 October 2019 discount rate: fixed, 4.05%, calculated twice a year;</li><li>from 28 October 2019 till 27 October 2024 coupon rate: fixed, 6.00%, with coupon payment twice a year</li></ul>
Maturity date:	27 October 2024

4 September 2014

## TABLE OF CONTENTS

1.	Explanation of the terms and abbreviations used.....	3
2.	Essential information.....	3
3.	Information about the Third Bond Issue Series in EUR – ABLV SUB EUR 271024.....	3
4.	Terms and conditions of the offer.....	4
5.	Plan of securities distribution and allotment.....	5
6.	Pricing.....	5
7.	Placing and Underwriting.....	6
8.	Admission to regulated market and trading arrangements.....	6
9.	Information about previous Bond Issue Series performed under the Programme.....	6
10.	Additional information.....	7

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 Fourth Bond Offer Programme. The Base Prospectus is published at the Issuer's home page [www.ablv.com](http://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

**Third Bond Issue Series in EUR or ABLV SUB EUR 271024** – the Bonds that are issued pursuant to ABLV Bank, AS, Base Prospectus of the Fourth 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 Third Bond Issue Series in EUR shall be raising of funds for formation and increase of the ABLV Bank subordinated capital.

The Issuer informs the Investor 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.

## 3. Information about the Third Bond Issue Series in EUR – ABLV SUB EUR 271024 (under the Fourth Bond Offer Programme)

Issuer:	ABLV Bank, AS
Securities:	Bonds
ISIN:	LV0000801520
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 OMX Riga Baltic list of debt securities
Currency of the Bond issue:	EUR (euro)
Face value / total amount of the Bond issue:	EUR 15 173 100.00 <sup>1</sup> (fifteen million one hundred seventy-three thousand one hundred euro)
Bond Face Value:	EUR 0.01 (one euro cent)
Number of the Bonds:	1 517 310 000 <sup>1</sup> (one billion five hundred seventeen million three hundred ten thousand)
Annual Interest Rate:	<ul style="list-style-type: none"> <li>from 27 October 2014 till 27 October 2019: discount rate: fixed, 4.05%, calculated twice a year</li> <li>from 28 October 2019 till 27 October 2024: coupon rate: fixed, 6.00%, with coupon payment twice a year</li> </ul>
Date of the Interest Income calculation:	5 working days before the Interest Income payment date
Frequency and dates of the Interest Income payments:	<ul style="list-style-type: none"> <li>from 27 October 2014 till 27 October 2019: no interest income is supposed to be paid (no coupon payments)</li> <li>during the period from 28 October 2019 till 27 October 2024: twice a year: on 27 October and 27 April, starting from 27 April 2020, ending on 27 October 2024</li> </ul>
Maturity date of the Bonds:	27 October 2024
Premature redemption (call option):	<ul style="list-style-type: none"> <li>The Issuer shall be entitled to prematurely redeem the part of the Bond issue the initial placement of which was not performed;</li> <li>The Issuer shall be entitled to redeem all Bonds starting from 27 October 2019<sup>2</sup>.</li> </ul>
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 paragraphs 6.9 and 6.10 of the Base Prospectus
Representation of the Investors	Pursuant to paragraph 6.14 of the Base Prospectus

Decisions on the Bond issue	The Bonds are issued and public offering is performed pursuant to the following decisions of ABLV Bank: <ul style="list-style-type: none"><li>• decision on the bond issue of the extraordinary meeting of shareholders, dated 21 March 2014 (Minutes No. 2, paragraph 5.5);</li><li>• decision of the Board on approving the Base Prospectus of the Fourth Bond Offer Programme, dated 10 April 2014 (Minutes No. V-21, paragraph 1);</li><li>• decision of the Board on approval of ABLV Bank, AS, Final Terms of Offer of the Third Bond Issue Series in EUR – ABLV SUB EUR 271024 for the sake of raising funds for subordinated capital increase under the Fourth Bond Offer Programme, dated 4 September 2014 (Minutes No. V-55).</li></ul>
Issue date:	27 October 2014
Public offer start date:	Not later than on 5 September 2014, the information shall be published at the Issuer's home page <a href="http://www.ablv.com">www.ablv.com</a> The public offer start date is 12 September 2014
Public offer end date:	20 October 2014
Decision on concluding the transactions:	Pursuant to paragraph 8.4 of the Base Prospectus, the decision on concluding the transactions will be made on 23 October 2014
Settlement date:	27 October 2014

<sup>1</sup> 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.

<sup>2</sup> 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 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 FCMC 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.

#### 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 Third Bond Issue Series in EUR is EUR 15 173 100.00 (fifteen million one hundred seventy-three thousand one hundred euro).

The public offer start date is 12 September 2014.

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 Transaction 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 20 October 2014. 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](mailto: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 23 October 2014.

The settlement date under the Third Bond Issue Series in EUR shall be 27 October 2014.

- 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](http://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](http://www.ablv.com).

## 6. Pricing

- 6.1. Initial placement price of a Bond  
Initial placement price of a Bond is set to be **81.8340%** of the Bond's face value.  
The Bond's face value is EUR 0.01 (one euro cent).
- 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 additional payments 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 OMX Riga list of debt securities.
- 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,
  - Seven issues performed under ABLV Bank, AS, Second Offer Programme and
  - Eight issues performed under ABLV Bank, AS, Third Offer Programme
- have been included in the bond lists of the Stock Exchange NASDAQ OMX Riga regulated markets.

Under ABLV Bank, AS, Fourth Offer Programme, there were two issues performed and included to securities lists of NASDAQ OMX Riga regulated markets:

	Straight coupon bonds in USD	Straight coupon bonds in EUR
ISIN	LV0000801421	LV0000801439
Issue size	USD 75 000 000,00	EUR 20 000 000,00
Issue name	ABLV FXD USD 080716	ABLV FXD EUR 080716
Coupon rate (p.a.)	Fixed; 2.00%	Fixed; 2.05%
Current interest income period	08.07.2014 – 07.01.2015	08.07.2014 – 07.01.2015
Issue date	08.07.2014	08.07.2014
Maturity date	08.07.2016	08.07.2016

Simultaneously with the Third Bond Issue Series in EUR, the following public offering is performed under the Fourth Bond Offer Programme:

- Second Bond Issue Series in USD – ABLV FXD USD 281016 – straight 2-year bonds;
- Second Bond Issue Series in EUR – ABLV FXD EUR 281016 – straight 2-year bonds;

The Investors can find the information about issues performed under the First, Second, Third and Fourth Offer Programmes and their Final Terms at ABLV Bank, AS, home page [www.ablv.com](http://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 Board session on 4 September 2014.

<b>Name, surname</b>	<b>Position held</b>	<b>Signature</b>
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)	
Aleksandrs Pāže	Member of the Board, Chief Compliance Officer (CCO)	
Edgars Pavlovičs	Member of the Board, Chief Risk Officer (CRO)	
Rolands Citajevs	Member of the Board, Chief Information Officer (CIO)	



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 settlement products, investment services, asset management, and lending. 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 2014. In 2014, liquidity and capitalization level in the banking sector remain high. ABLV Bank, AS, plans gradual natural growth in 2014.
- 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 H1 2014.

No	Name of the company	Registration number	Code of country of incorporation and address	Type of activities <sup>1</sup>	Interest in share capital (%)	Share of voting rights (%)	Motivation for inclusion in the group <sup>2</sup>
1	ABLV Bank, AS	50003149401	LV, Elizabetes iela 23, Rīga, LV-1010	BNK	100	100	MT
2	ABLV Bank Luxembourg, S.A.	B 162048	LU, Boulevard Royal, 26a, L-2449, Luxembourg	BNK	100	100	MS
3	ABLV Consulting Services, AS	40003540368	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
4	ABLV Corporate Services Holding Company, SIA	40103799987	LV, Elizabetes iela 23, Rīga, LV-1010	CFI	100	100	MS
5	ABLV Corporate Services, SIA	40103283479	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
6	ABLV Corporate Services, LTD	HE273600	CY, 15 Karaiskaki Street, 3032, Limassol	PLS	100	100	MMS
7	Pillar Holding Company, KS	40103260921	LV, Elizabetes iela 23, Rīga, LV-1010	CFI	100	100	MS
8	Pillar, SIA	40103554468	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
9	Pillar Management, SIA	40103193211	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS

No	Name of the company	Registration number	Code of country of incorporation and address	Type of activities <sup>1</sup>	Interest in share capital (%)	Share of voting rights (%)	Motivation for inclusion in the group <sup>2</sup>
10	Pillar 2, SIA	40103193033	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
11	Pillar 3, SIA	40103193067	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
12	Pillar 4, SIA	40103210494	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
13	Pillar 6, SIA	40103237323	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
14	Pillar 7, SIA	40103237304	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
15	Pine Breeze, SIA	40103240484	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
16	Pillar 9, SIA	40103241210	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
17	Pillar 10, SIA	50103247681	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
18	Pillar 11, SIA	40103258310	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
19	Pillar 12, SIA	40103290273	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
20	Lielezeres Apartment House, SIA	50103313991	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
21	Pillar 18, SIA	40103492079	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
22	Pillar 19, SIA	40103766952	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
23	Elizabetes Park House, SIA	50003831571	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	91.6	91.6	MMS
24	Schaller Kyncl Architekten Riga, SIA	40103437217	LV, Pulkveža brieža iela 28A, Rīga, LV1045	PLS	100	100	MMS
25	Pillar Parking, SIA	40103731804	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
26	New Hanza City, SIA	40103222826	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
27	Hanzas 14c, SIA	40003918290	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
28	ABLV Asset Management, IPAS	40003814724	LV, Elizabetes iela 23, Rīga, LV-1010	IPS	91.7	100	MS
29	ABLV Capital Markets, IBAS	40003814705	LV, Elizabetes iela 23, Rīga, LV-1010	IBS	90	100	MS
30	AmberStone Group, AS	40103736854	LV, Elizabetes iela 23, Rīga, LV-1010	CFI	40.9	40.9	MS
31	ABLV Private Equity Management, SIA	40103286757	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
32	ABLV Private Equity Fund 2010, KS	40103307758	LV, Elizabetes iela 23, Rīga, LV-1010	CFI	100	100	MS
33	Vaiņode Agro Holding, SIA	40103503851	LV, Elizabetes iela 23, Rīga, LV-1010	CFI	70	70	MMS

<sup>1</sup> - BNK – bank, IBS – investment brokerage company, IPS – asset management company, CFI – other financial institution, PLS – ancillary subsidiary company.

<sup>2</sup> - MS – subsidiary company; MSS – subsidiary company of subsidiary company; MT – parent company.

Interest in ABLV Bank, in percentage terms of the voting shares, as at 30 June 2014:

B.6 Issuer's shareholders	Ernests Bernis (direct and indirect interest) and Nika Berne	43.11%
	Oļegs Fiļs (indirect interest)	43.12%
	14 legal entities and 100 individuals	13.77%

Shareholders of ABLV Bank voting shares have no different voting rights.

ABLV Bank is controlled by its shareholders pursuant to the procedures set forth in the Commercial Law.

Statements of financial position as at 31 December 2013 and 30 June 2014:

	30.06.2014.	31.12.2013.
	EUR '000	EUR '000
<b>Assets</b>		
Cash and deposits with central banks	152 708	356 747
Balances due from credit institutions	772 018	619 037
Derivatives	54	451
Financial assets at fair value through profit or loss	16 742	16 794
Available-for-sale financial assets	949 094	731 659
Loans	743 764	761 268
Held-to-maturity investments	776 298	651 411
Investments in subsidiaries and associates	123 487	132 829
Investment properties	24 321	24 330
Tangible fixed assets	10 229	9 745
Intangible fixed assets	4 870	5 016
Current corporate income tax receivables	338	-
Deferred corporate income tax	-	-
Non-financial assets held for sale	-	622
Other assets	4 467	5 457
<b>Total assets</b>	<b>3 578 390</b>	<b>3 315 366</b>

	30.06.2014.	31.12.2013.
	EUR '000	EUR '000
<b>Liabilities</b>		
Derivatives	60	2 046
Demand deposits from credit institutions	13 580	14 491
Term deposits from credit institutions	4 282	-
Deposits	2 977 547	2 776 457
Current corporate income tax liabilities	-	5 125
Other liabilities	13 982	11 098
Deferred corporate income tax	536	169
Provisions	373	408
Issued securities	351 981	308 386
Subordinated deposits	11 641	10 149
<b>Total liabilities</b>	<b>3 373 982</b>	<b>3 128 329</b>

B.7 Financial information

<b>Shareholders' equity</b>		
Paid-in share capital	32 401	30 003
Share premium	66 270	41 485
Reserve capital and other reserves	2 134	2 134
Fair value revaluation reserve of available-for-sale financial assets	1 818	983
Retained earnings brought forward	68 849	68 756
Retained earnings for the period	32 936	43 676
Attributable to the equity holders of the Bank	204 408	187 037
Non-controlling interests	-	-
<b>Total shareholders' equity</b>	<b>204 408</b>	<b>187 037</b>
<b>Total liabilities and shareholders' equity</b>	<b>3 578 390</b>	<b>3 315 366</b>

	30.06.2014.	31.12.2013.
	EUR '000	EUR '000
<b>Memorandum items</b>		
Contingent liabilities	10 974	7 689
Financial commitments	77 930	61 008

		Planning growth, increase of profitability and overall income in 2014, ABLV Bank pays great attention to assessing and reducing possible impact of negative factors, as well as to risk management and compliance with regulatory requirements. At the same time, ABLV Bank and affiliate companies rendering investment services are expected to grow faster than on average within the sector, retaining leading positions in the field of export of financial services, as well as the status of the largest private bank.
B.8	Key pro forma financial information	<p>ABLV Bank will continue work on increasing the number of active customers and services used by them, and will also implement several new investment products. In 2014, we plan to increase the Bank's operating income at least by 15%. Particular attention is supposed to be paid to development of new lending projects in Latvia.</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	ABLV Bank made no profit forecasts for the following periods of operations.
B.10	Qualifications in the audit report on the financial information	ABLV Bank audited financial report for H1 2014 contains no auditors' qualifications or disclaimers.
B.11	Issuer's equity	<p>ABLV Bank meets equity requirements set forth in the legal acts.</p> <p>As at 30 June 2014, ABLV Bank equity equalled EUR 259.40 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	Recently there were no events particular to ABLV Bank which are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	Issuer's position 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	N/A
B.17	Credit ratings assigned to the Issuer's debt securities	No credit ratings are assigned to ABLV Bank.
B.18 – B.50		N/A
Section C. Securities		
C.1	Bond details	Bonds issued under the Third Bond Issue Series in EUR – ABLV SUB EUR 271024 (ISIN LV0000801520) are dematerialized bearer securities without restraint on alienation.
C.2	Currency of the Bond issue	EUR (euro).
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, subordinated Bonds are supposed to be issued for the sake of subordinated capital increase.</p> <p>Limitations to the rights attached to the Bonds                  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> <ul style="list-style-type: none"> <li>• from 27 October 2014 till 27 October 2019: discount rate is set: fixed, 4.05% (p.a.), calculated twice a year;</li> <li>• from 28 October 2019 till 27 October 2024: coupon rate is set: fixed, 6.00%, with coupon payment twice a year.</li> </ul> <p>The date from which interest becomes payable and the due dates for interest</p> <ul style="list-style-type: none"> <li>• from 27 October 2014 till 27 October 2019: no interest income is supposed to be paid (no coupon payments);</li> <li>• during the period from 28 October 2019 till 27 October 2024, interest will be paid twice a year: on 27 October and 27 April, starting from 27 April 2020, ending on 27 October 2024.</li> </ul> <p>Bond maturity date and repayment procedures                  The Investor shall receive the Bond Face Value as a lump-sum payment on 27 October 2024.</p> <p>Bond yield                  The Bond yield depends on the changes in the base interest rate in the interbank market.</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.8, C.9	Rights attached to the Bonds	
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 – the list of debt securities of NASDAQ OMX 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
<b>Section D. Risks</b>		
D.1, D.2	Key information on the key risks	<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.</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>

	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 2013, more than 88% 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.
	Risk factors associated with the Bond issue:
D.3	Information on the risks specific to the Bonds
	1. Liquidity risk Listing of the Bonds in the Stock Exchange NASDAQ OMX Riga List of Debt Securities 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
	Objective of offering the Bond Issue Series shall be raising of funds for formation and increase of the ABLV Bank subordinated capital. The Issuer informs the Investor 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.
E.3	Terms and conditions of the offer
	The total amount of the issue is EUR 15 173 100.00 (fifteen million one hundred seventy-three thousand one hundred euro). The public offer start date is 12 September 2014. 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 Transaction 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 20 October 2014. 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.
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
	Pursuant to the Bond issue rules, no additional expenses are supposed to be charged to the Investors.