

ABLV Bank, AS

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Final Terms of Offer of the Fourth Bond Issue Series in USD ABLV FXD USD 230220

under the Seventh Bond Offer Programme

Securities:	Bonds
Issue face value / total amount:	USD 75 000 000.00 (seventy five million US dollars)
Securities face value / currency: (nominal settlement unit)	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: 2.25% with coupon payment twice a year
Maturity date:	23 February 2020

11 January 2018

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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 Seventh Bond Offer Programme and amendments to ABLV Bank, AS Base Prospectus of the Seventh Bond Offer Programme. The Base Prospectus and amendments to Base Prospectus are 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

NASDAQ CSD SE — European commercial society NASDAQ CSD SE, (unified registration number: 40003242879, legal address: 1 Vaļņu Street, Riga, Latvia).

Fourth Bond Issue Series in USD or ABLV FXD USD 230220 – the Bonds that are issued pursuant to ABLV Bank, AS 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 Fourth Bond Issue Series in USD shall be raising of funds that the Issuer will use for financing its operating activities, including without limitation.

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 Fourth Bond Issue Series in USD – ABLV FXD USD 230220 (under the Seventh Bond Offer Programme)

Issuer	ABLV Bank, AS
Securities	Bonds
ISIN	LV0000850014
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	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 (nominal settlement unit)	USD 1 000.00 (one thousand US dollars)
Settlement unit Multiple	USD 1 000.00 (one thousand US dollars)
Number of the Bonds	75 000 ¹ (seventy five thousand)
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 23 February and 23 August, starting from 23 August 2018, ending on 23 February 2020
Maturity date of the Bonds	23 February 2020
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 paragraphs 6.9 and 6.10 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:</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 Final Terms of Offer of the Fourth Bond Issue Series in USD – ABLV FXD USD 230220 under the Seventh Bond Offer Programme, dated 11 January 2018 (Minutes No. V-01, paragraph 7).
Issue date	23 February 2018
Public offer start date	<p>Not later than on 12 January 2018, the information shall be published at the Issuer's website www.ablv.com.</p> <p>The public offer start date is 15 January 2018.</p>
Public offer end date	19 February 2018
Decision on concluding the transactions	Pursuant to paragraph 9.4 of the Base Prospectus, the decision on concluding the transactions will be made on 22 February 2018.
Settlement date	23 February 2018

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 amount of the Issue is USD 75 000 000.00 (seventy five million US dollars).

The public offer start date is 15 January 2018.

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

The public offer end date shall be 19 February 2018. 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., 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 effective NASDAQ CSD SE rules.

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+1 day, where "T" stands for the day of concluding the Bond purchase transaction, and "1" is the 1st (first) 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 22 February 2018.

The settlement date shall be 23 February 2018.

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 face value is USD 1 000.00 (one thousand US dollars).

6.2. Pricing method

ABLV Bank, AS 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 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 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
European commercial society NASDAQ CSD SE, 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

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

Under ABLV Bank, AS, Seventh Offer Programme, there were six issues performed and included to securities lists of Nasdaq Riga regulated markets:

	Straight coupon bonds in USD	Straight coupon bonds in EUR
ISIN	LV0000802270	LV0000802288
Issue size	USD 75 000 000.00	EUR 20 000 000.00
Issue name	ABLV FXD USD 030719	ABLV FXD EUR 030719
Coupon rate (p.a.)	Fixed; 2.25%	Fixed; 0.75%
Current interest income period	03.01.2018 – 02.07.2018	03.01.2018 – 02.07.2018
Issue date	03.07.2017	03.07.2017
Maturity date	03.07.2019	03.07.2019

	Straight coupon bonds in USD	Straight coupon bonds in EUR	Subordinated discount bonds in EUR
ISIN	LV0000802320	LV0000802338	LV0000802346
Issue size	USD 75 000 000.00	EUR 20 000 000.00	EUR 25 000 000.00
Issue name	ABLV FXD USD 271019	ABLV FXD EUR 271019	ABLV SUB EUR 271027
Discount year (p.a.)	-	-	Fixed; 3.75% (first 5 years)
Coupon rate (p.a.)	Fixed; 2.15%	Fixed; 0.95%	Fixed; 3.75% (starting from 6th year, if the bank does not exercise its right of premature redemption of the bond)
Current interest income period	27.10.2017 – 26.04.2018	27.10.2017 – 26.04.2018	-
Issue date	27.10.2017	27.10.2017	27.10.2017
Maturity date	27.10.2019	27.10.2019	27.10.2027

	Subordinated discount bonds in USD
ISIN	LV0000802361
Issue size	USD 40 000 000.00
Issue name	ABLV SUB USD 171127
Discount year (p.a.)	Fixed; 4.25% (first 5 years)
Coupon rate (p.a.)	Fixed; 4.25% (starting from 6th year, if the bank does not exercise its right of premature redemption of the bond)
Current interest income period	-
Issue date	17.11.2017
Maturity date	17.11.2027

Simultaneously with the Fourth Bond Issue Series in USD, the following public offering is performed under the Seventh Bond Offer Programme – Fourth Bond Issue Series in EUR / ABLV FXD EUR 230220 – straight 2-year bonds.

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 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 ABLV Bank, AS Board session on 11 January 2018.

Name, surname	Position held	Signature
Ernestis Bernis	Chairman of the Board, Chief Executive Officer (CEO)	
Vadims Reinfelds	Deputy Chairman of the Board, Deputy Chief Executive Officer (dCEO)	
Māris Kanneņieks	Member of the Board, Chief Financial Officer (CFO)	
Edgars Pavlovičs	Member of the Board, Chief Risk Officer (CRO)	
Rolands Citajevs	Member of the Board, Chief Information Officer (CIO)	
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.
- A.1 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.
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 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 or the Republic of Latvia credit institution sector.

The information provided in the table below completely matches that presented in ABLV Bank, AS consolidated report for the first half of 2017.

No	Company	Country of incorporation	Registration number	Business profile	Share in	Share in
					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 Corporate Finance, SIA	LV	40203042916	Consulting services	100	100
9.	ABLV Capital Markets, IBAS	LV	40003814705	Financial services	90	100
10.	ABLV Capital Markets USA LLC*	US	6399457	Financial services	90	100
11.	ABLV Asset Management, IPAS	LV	40003814724	Financial services	90	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 (%)
12.	PEM, SIA	LV	40103286757	Investment project management	51	51
13.	PEM 1, SIA	LV	40103551353	Wholesale trade services of other machinery and equipment	51	51
14.	New Hanza Capital, AS	LV	50003831571	Holding company	88	88
15.	NHC 1, SIA	LV	50103247681	Investments in real estate	88	88
16.	NHC 2, SIA	LV	40103963977	Investments in real estate	88	88
17.	NHC 3, SIA	LV	50103994841	Investments in real estate	88	88
18.	NHC 4, SIA	LV	40203032424	Investments in real estate	88	88
19.	NHC 5, SIA	LV	50203032411	Investments in real estate	88	88
20.	NHC 6, SIA	LV	40203032439	Investments in real estate	88	88
21.	Pillar, SIA	LV	40103554468	Holding company	100	100
22.	Pillar Holding Company, KS	LV	40103260921	Holding company	100	100
23.	Pillar 3, SIA	LV	40103193067	Real estate transactions	100	100
24.	Pillar 4 & 6, SIA	LV	40103210494	Real estate transactions	100	100
25.	Pillar 7 & 8, SIA	LV	40103240484	Real estate transactions	100	100
26.	Pillar 9, SIA	LV	40103241210	Real estate transactions	100	100
27.	Pillar 11, SIA	LV	40103258310	Real estate transactions	100	100
28.	Pillar 2, 12 & 14, SIA	LV	50103313991	Real estate transactions	100	100
29.	Pillar 18, SIA	LV	40103492079	Real estate transactions	100	100
30.	Pillar 19, SIA	LV	40103766952	Real estate transactions	100	100
31.	Pillar 20, SIA	LV	40103903056	Real estate transactions	100	100
32.	Pillar 21, SIA	LV	40103929286	Real estate transactions	100	100
33.	Pillar 22, SIA	LV	50103966301	Real estate transactions	100	100
34.	Pillar Management, SIA	LV	40103193211	Real estate management and administration	100	100
35.	Pillar RE Services, SIA	LV	40103731804	Parking management	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 (%)	
	36	Pillar Contractor, SIA	LV	40103929498	Management and coordination of construction processes	100	100	
	37.	Pillar Architekten, SIA	LV	40103437217	Designing and designers supervision	100	100	
	38.	Pillar Development, SIA	LV	40103222826	Infrastructure maintenance	100	100	
	39.	Pillar Utilities, SIA	LV	40103693339	Infrastructure management	100	100	
	40.	Hanzas Dārzs, SIA	LV	40203078059	Territory management	100	100	
	41.	ABLV Building Complex, SIA	LV	40203037667	Investments in real estate	100	100	
	* subsidiary company is registered, but licence for rendering investment services has not been received yet, as well as payment of paid-in share capital has not been made, that being compliant with the registration country legislative requirements.							
B.6 – B.8	N/A							
B.9	Profit forecast and assessment	ABLV Bank, AS made no profit forecasts for the following periods of operations.						
B.10	Reservations in the audit report on the financial information	ABLV Bank, AS 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 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 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 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 is not dependent upon other entities within the ABLV Bank, AS group.						
B.15	Issuer's principal activities	ABLV Bank, AS 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 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 Fourth Bond Issue Series in USD – ABLV FXD USD 230220 (ISIN LV0000850014) are dematerialized bearer securities without restraint on alienation.
C.2	Currency of the Bond issue	USD (US dollars).
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> <p>The date from which interest becomes payable and the due dates for interest The Interest Income shall be accrued starting from 23 February 2018. The Interest Income shall be paid twice a year: on 23 February and 23 August, starting from 23 August 2018, ending on 23 February 2020.</p> <p>Bond maturity date and repayment procedures The Investor shall receive the Bond Face Value as a lump-sum payment on 23 February 2020.</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.8, C.9	Rights attached to the Bonds	
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 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"> Credit risk Credit risk is exposure to potential losses in case of ABLV Bank, AS counterparty or debtor being unable to pay the contractual obligations to ABLV Bank, AS. Liquidity risk Liquidity is ABLV Bank, AS 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

		<p>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.</p> <p>3. Currency exchange rate fluctuation risk ABLV Bank, AS 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 financial position.</p> <p>5. Non-financial risks During the course of its operations, ABLV Bank, AS 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 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> <p>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</p>
E.3	Terms and conditions of the offer	<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 15 January 2018.</p> <p>A representative of the Investment Company or the Investor itself, provided it has a financial instruments account opened with ABLV Bank, AS, shall submit an order to the Issuer, using the sample form "Financial Instruments' Trade Order" appended hereto, on working days from 08:30</p>

till 18:30. The order may also be submitted electronically, using a corresponding order form in ABLV Bank, AS Internetbank.

The public offer end date shall be 19 February 2018. 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., 23:59.

E.4	Possible conflicts of interests	ABLV Bank, AS has no information on possible conflicts of interests related to the Bond issue.
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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.
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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.