

ABLV Bank, AS

registration No.:	50003149401
legal address:	23 Elizabethes Street, Riga, Latvia
Internet address:	www.ablv.com
phone:	+ 371 6777 5222

Final Terms of Offer of the Third Bond Issue Series in USD ABLV FXD USD 220218

under the Fifth Bond Offer Programme

Securities:	Bonds
Issue face value / total amount:	USD 75 000 000.00 (seventy five million US dollars)
Securities face value / currency:	USD 1 000.00 (one thousand US dollars)
Number of securities:	75 000 (seventy five thousand)
Initial placement price:	100% of the face value
Annual Interest Rate:	fixed rate: 1.85% with coupon payment twice a year
Maturity date:	22 February 2018

10 December 2015

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

Notice

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

1. Explanation of the terms and abbreviations used

Third Bond Issue Series in USD or ABLV FXD USD 220218 – the Bonds that are issued pursuant to ABLV Bank, AS Base Prospectus of the Fifth 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 USD shall be raising of funds that the Issuer will use for financing its operating activities, including without limitation:

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

3. Information about the Third Bond Issue Series in USD – ABLV FXD USD 220218 (under the Fifth Bond Offer Programme)

Issuer:	ABLV Bank, AS
Securities:	Bonds
ISIN:	LV0000801991
Type of securities:	In bearer form
Class of securities:	Without restraint on alienation
Collateral:	Not secured with pledge
Depository:	Joint stock company Latvian Central Depository
Regulated market:	Stock Exchange Nasdaq Riga Baltic Bond List
Currency of the Bond issue:	USD (US dollars)
Face value/total amount of the Bond issue:	USD 75 000 000.00 ¹ (seventy five million US dollars)
Bond Face Value:	USD 1 000.00 (one thousand US dollars)
Number of the Bonds:	75 000 ¹ (seventy five thousand)
Annual Interest Rate:	Fixed: 1.85% (one and 85/100 percent)
Date of the Interest Income calculation:	5 working days before the Interest Income payment date
Frequency and dates of the Interest Income payments:	Twice a year: on 22 February and 22 August, starting from 22 August 2016, ending on 22 February 2018
Maturity date of the Bonds:	22 February 2018
Premature redemption (call option):	<ul style="list-style-type: none"> • The Issuer shall be entitled to prematurely redeem the part of the Bond issue the initial placement of which was not performed; • The Issuer shall be entitled to prematurely redeem the Bonds that the Issuer purchased in the secondary securities market or acquired otherwise in compliance with provisions of the normative acts, provided that normative acts contain no limitations with regard to such redemption.
Early repayment claim (put option):	The Investor shall not be entitled to claim the Face Value and accrued interest to be repaid by the Issuer before maturity.
Arrangements for the amortisation of the loan	N/A
Information on yield	Fixed interest rate is set for the Bonds. The Bond yield does not depend on the changes in the base interest rate in the interbank market.
Yield calculation method	Pursuant to paragraph 6.9 of the Base Prospectus
Representation of the Investors	Pursuant to paragraph 6.14 of the Base Prospectus

Decisions on the Bond issue	<p>The Bonds are issued and public offering is performed pursuant to the following decisions of ABLV Bank:</p> <ul style="list-style-type: none"> • decision on the bond issue of the ordinary meeting of shareholders, dated 31 March 2015 (Minutes No. 1, paragraph 5.11); • decision of the Board on approving the Base Prospectus of the Fifth Bond Offer Programme, dated 23 April 2015 (Minutes No. V-26, paragraph 7); • decision of the Board on approval of ABLV Bank, AS Final Terms of Offer of the Third Bond Issue Series in USD – ABLV FXD USD 220218 under the Fifth Bond Offer Programme, dated 10 December 2015 (Minutes No. V-67, paragraph 5).
Issue date:	22 February 2016
Public offer start date:	Not later than on 17 December 2015, the information shall be published at the Issuer's home page www.ablv.com The public offer start date is 4 January 2016
Public offer end date:	15 February 2016
Decision on concluding the transactions:	Pursuant to paragraph 8.4 of the Base Prospectus, the decision on concluding the transactions will be made on 18 February 2016
Settlement date:	22 February 2016

¹ Before the end of the public offer period, but not later than 4 (four) working days prior to the public offer end date, the Issuer may increase the Issue Series size. If amendments to the Final Terms are made, those shall be published in the same way as the Final Terms.

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

4. Terms and conditions of the offer

4.1. Initial placement process

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

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

The public offer start date is 4 January 2016.

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

The public offer end date shall be 15 February 2016. Orders shall be accepted by ABLV Bank till the end of the working day, i.e., 18:30, or electronically – till the end of the day, i.e., 24:00.

Information about the order submission can be obtained:

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

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

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

4.3. Details of the minimum and / or maximum amount of application Pursuant to paragraph 8.4 of the Base Prospectus, maximum number of the Bonds that a single Investor may apply for is not set. The Investor may not apply for purchasing less than 1 (one) Bond.

4.4. Settlement process

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

- not applying the DVP principle, if agreed so by the underwriter and the Investor, or
 - applying the DVP principle, regulated by the respective LCD rules On DVP Settlement for OTC Transactions.
- If the transaction parties agree on not applying the DVP principle, the moment of the Bonds' delivery and the moment of payment may be different. The Investor shall ensure funds in the respective account on the day agreed upon by the

transaction parties, whereas the Bonds shall be credited to the Investor's account on the day agreed upon by the transaction parties.

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

The day of concluding the transaction shall be the day of making the decision on concluding the transaction – for this Series it is set to be 18 February 2016.

The settlement date under the Third Bond Issue Series in USD shall be 22 February 2016.

4.5. Information about results

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

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

N/A

5. Plan of securities distribution and allotment

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

N/A

5.2. Notification to applicants of the Bond amount allotted

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

6. Pricing

6.1. Initial placement price of a Bond

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

6.2. Pricing method

ABLV Bank Board will determine the Bonds' price depending on the situation in secondary market of similar securities then present and, in particular, based on evaluation of the demand in the securities market and yield of comparable market instruments. The price determined by ABLV Bank for the Bond Issue Series shall be the same for all Investors and shall remain constant throughout the whole initial placement period.

6.3. Application of expenses and taxes

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

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

The Issuer shall be responsible for withholding and payment of taxes in compliance with the procedures and amount stated in the Republic of Latvia normative acts. The Issuer shall not be responsible for payment of taxes where the Republic of Latvia normative acts do not stipulate the Issuer's duty to assess and withhold the tax amount before making Interest Income payments.

7. Placing and Underwriting

7.1. Offer coordinator

N/A

7.2. Depository

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

7.3. Entities agreeing to underwrite the issue

N/A

7.4. Time of reaching the underwriting agreement
N/A

8. Admission to regulated market and trading arrangements

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

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

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

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

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

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

	Straight coupon bonds in USD	Straight coupon bonds in EUR	Subordinated discount bonds in EUR
ISIN	LV0000801751	LV0000801769	LV0000801835
Issue size	USD 75 000 000.00	EUR 20 000 000.00	EUR 20 000 000.00
Issue name	ABLV FXD USD 070717	ABLV FXD EUR 070717	ABLV SUB EUR 261025
Discount rate (p.a.)	-	-	Fixed; 3.75% (during first 5 years)
Coupon rate (p.a.)	Fixed; 1.55%	Fixed; 0.80%	Fixed; 3.75% (starting from the 6th year, unless the Bank exercises its premature redemption right)
Current interest income period	07.07.2015 – 06.01.2016	07.07.2015 – 06.01.2016	-
Issue date	07.07.2015	07.07.2015	26.10.2015
Maturity date	07.07.2017	07.07.2017	26.10.2025

	Straight coupon bonds in USD	Straight coupon bonds in EUR
ISIN	LV0000801850	LV0000801868
Issue size	USD 75 000 000.00	EUR 20 000 000.00
Issue name	ABLV FXD USD 261017	ABLV SUB EUR 261017
Coupon rate (p.a.)	Fixed; 1.65%	Fixed; 0.80%
Current interest income period	26.10.2015 – 25.04.2016	26.10.2015 – 25.04.2016
Issue date	26.10.2015	26.10.2015
Maturity date	26.10.2017	26.10.2017

Simultaneously with the Third Bond Issue Series in USD, the following public offering is performed under the Fifth Bond Offer Programme Fourth Bond Issue Series in EUR – ABLV FXD EUR 220218 – straight 2-year bonds.

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

10. Additional information

10.1. Advisors connected with the Bond issue

N/A

10.2. Information about the Bond issue provided by third parties

N/A

10.3. Credit ratings assigned to the Bonds

N/A

The Final Terms were approved at ABLV Bank, AS Board session on 10 December 2015.

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)	
Aleksandrs Pāže	Member of the Board, Chief Compliance Officer (CCO)	
Rolands Citajevs	Member of the Board, Chief Information Officer (CIO)	
Edgars Pavlovičs	Member of the Board, Chief Risk Officer (CRO)	
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.
- 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.

Section B. Issuer

B.1	Legal and commercial name of the Issuer	ABLV Bank, AS.
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	ABLV Bank is a joint stock company registered in the Republic of Latvia, which carries out its operations in accordance with the Republic of Latvia legal acts, the European Union normative acts, and the issued licence that allows rendering all financial services stated in the Credit Institution Law.
B.3	Description of, and key factors relating to, the nature of the Issuer's current operations and its principal activities	Major lines of ABLV Bank business are rendering of tailored services to private and corporate customers in Latvia, as well as export of high-quality financial services to foreign customers from the EEA and CIS states. The Issuer's place of rendering the services is the Republic of Latvia.
B.4a	Description of the most significant recent trends affecting the Issuer and the industries in which it operates	As at the day of producing the Final Terms, there is no information on any detected trends that might have significant negative effect on operations of ABLV Bank, AS, or the banking sector in 2015. In 2015, liquidity and capitalization level in the banking sector remain high. ABLV Bank, AS plans gradual natural growth in 2015.
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 2015.

No	Company	Country of Incorporation	Registration number	Business profile	Share in the entity's capital	
					the entity's capital (%)	with voting rights (%)
B.5	Issuer's position within the group					
1.	ABLV Bank, AS	LV	50003149401	Financial services	100	100
2.	ABLV Bank Luxembourg, S.A.	LU	B 162048	Financial services	100	100
3.	ABLV Consulting Services, AS	LV	40003540368	Consulting services	100	100
4.	ABLV Corporate Services Holding Company, SIA	LV	40103799987	Holding company	100	100
5.	ABLV Corporate Services, SIA	LV	40103283479	Consulting services	100	100
6.	ABLV Corporate Services, LTD	CY	HE273600	Consulting services	100	100
7.	Pillar Holding Company, KS	LV	40103260921	Holding company	100	100
8.	Pillar, SIA	LV	40103554468	Holding company	100	100

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

Interest in ABLV Bank, in percentage terms of the voting shares, as at 30 September 2015:

B.6 Issuer's shareholders	Ernests Bernis and Nika Berne (direct and indirect interest)	43.12%
	Oļegs Fiļs (indirect interest)	43.13%
	16 legal entities and 119 individuals	13.75%

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

Statements of financial position as at 31 December 2014 and 30 June 2015

	30.06.2015	31.12.2014
	EUR '000	EUR '000
Assets		
Cash and deposits with central banks	340 421	258 908
Balances due from credit institutions	595 525	795 282
Derivatives	223	4 079
Financial assets at fair value through profit or loss	16 747	14 884
Available-for-sale financial assets	1 604 036	1 209 073
Loans	833 309	790 247
Held-to-maturity investments	983 786	930 579
Investments in subsidiaries and associates	121 803	115 099
Investment properties	25 023	25 033
Tangible fixed assets	10 060	10 606
Intangible fixed assets	5 807	5 700
Current corporate income tax receivables	3 334	3 257
Deferred corporate income tax	313	1 457
Non-financial assets held for sale	–	–
Other assets	7 854	5 640
Total assets	4 548 241	4 169 844
Liabilities		
Derivatives	112	5 630
Demand deposits from central banks	116 819	16 797
Demand deposits from credit institutions	31 594	28 962
Term deposits from credit institutions	–	2 971
Deposits	3 646 256	3 406 032
Current corporate income tax liabilities	–	–
Other liabilities	12 113	13 205
Deferred corporate income tax	–	–
Provisions	346	352
Issued securities	475 950	454 581
Subordinated deposits	15 767	14 413
Total liabilities	4 298 967	3 942 943
Shareholders' equity		
Paid-in share capital	35 035	32 650
Share premium	96 918	66 270
Reserve capital and other reserves	2 134	2 134
Fair value revaluation reserve of available-for-sale financial assets	2 904	(1 427)
Retained earnings brought forward	68 830	68 600
Retained earnings for the period	43 453	58 674
Attributable to the equity holders of the Bank	249 274	226 901
Non-controlling interests	–	–
Total shareholders' equity	249 274	226 901
Total liabilities and shareholders' equity	4 548 241	4 169 844
Memorandum items		
Contingent liabilities	10 768	9 444
Financial commitments	71 906	60 228

B.7 Financial information

		Planning growth, increase of profitability and overall income in 2015, 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.
B.8	Key pro forma financial information	<p>The amount of net fee income and net profit in 2015 are expected to remain at the level of 2014. The average increase of deposits in 2015 is planned to reach 10%, and thus the total amount of deposits might exceed EUR 4 billion by the end of 2015. We plan to grant new commercial loans for financing large business projects, the total amount of those loans constituting about EUR 130 million. In 2015, net profit is planned to be approximately the same as that in 2014.</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 2015 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 2015, ABLV Bank equity equaled EUR 321.3 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	ABLV Bank, AS is not assigned credit ratings by credit rating agencies registered and / or certified in accordance with Regulation No 1060/2009 on credit rating agencies.
B.18 – B.50		N/A
Section C. Securities		
C.1	Bond details	Bonds issued under the Third Bond Issue Series in USD – ABLV FXD USD 220218 (ISIN LV0000801991) are dematerialized bearer securities without restraint on alienation.
C.2	Currency of the Bond issue	USD (US dollars)
C.3	Information about shares issued	N/A
C.4	Rights attached to the shares issued	N/A
C.5	Restrictions on the free transferability of the Bonds	The Bonds are freely transferrable securities that represent the Issuer's debt to the owners of the Bonds without additional collateral. The Bonds are dematerialized bearer securities without restraint on alienation – transferrable securities.
C.6	Admission of the issued shares to trading on a regulated market	N/A
C.7	Dividend policy	N/A

	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.
	Limitations to the rights attached to the Bonds The Bonds are freely transferrable securities without restraint on their alienation.
	Interest Rate The Annual Interest Rate is fixed, and it is equal to 1.85% (p.a.).
C.8, C.9	Rights attached to the Bonds The date from which interest becomes payable and the due dates for interest The Interest Income shall be accrued starting from 22 February 2016. The Interest Income shall be paid twice a year: on 22 February and 22 August, starting from 22 August 2016, ending on 22 February 2018.
	Bond maturity date and repayment procedures The Investor shall receive the Bond Face Value as a lump-sum payment on 22 February 2018.
	Bond yield Fixed rate is applied to the Bonds, and therefore the yield does not change.
	Representatives of debt security holders Holders of the debt securities may freely determine representatives for exercising the 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 – Baltic Bond List of Nasdaq Riga Stock Exchange.
C.12	Minimum face value of the issue Pursuant to paragraph 8.4 of the Base Prospectus, the Investor may not apply for purchasing less than 1 (one) Bond.
C.13 – C.22	N/A

Section D. Risks

	In carrying out its operating activities, ABLV Bank is subject to various risks. Most significant risks that may decrease the Issuer's ability to perform its obligations.
D.1, D.2	<ol style="list-style-type: none"> 1. Credit risk Credit risk is exposure to potential losses in case of ABLV Bank counterparty or debtor being unable to pay the contractual obligations to ABLV Bank. 2. Liquidity risk Liquidity is ABLV Bank ability to maintain or ensure sufficient cash flow to meet the expected (everyday) or sudden (critical) need for the same in order to provide financing for asset growth or discharge the financial obligations in a due time. This means the ability to turn assets into cash with minimal loss or ensure reasonably priced credit facilities. 3. Currency exchange rate fluctuation risk ABLV Bank is exposed to negative effects of fluctuations in the foreign currency exchange rates on its financial position and cash flow. 4. Interest rate risk Interest rate risk represents the adverse effect of the market interest rate fluctuations on ABLV Bank financial performance. 5. Non-financial risks During the course of its operations, ABLV Bank encounters also non-financial risks (including operational risk, reputational risk, etc.) with exposure to sudden loss. The cause of such risks may be, for instance, clerical errors or fraud, break-downs in information systems, insufficient internal control and procedures, etc.

	6. Competition risk	As at the end of 2014, 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	<ol style="list-style-type: none"> 1. Liquidity risk Listing of the Bonds in the Baltic Bond List of Stock Exchange Nasdaq Riga does not guarantee liquidity of the Bonds, and therefore the Investor should assess potential risk of limited possibilities of selling the Bonds in the secondary market due to insufficient interest of other market players. If there is no sufficient interest in the secondary market (liquidity shortfall), it may be difficult for the Investor to sell the Bonds at adequate market price. 2. Price risk Price of the Bonds in the secondary market may fluctuate in accordance with the Investors' interest, which can be affected by macroeconomic processes, events concerning one or several Investors, and also, inter alia, events concerning the Issuer. The Investors' opportunities of gaining profit may vary accordingly from time to time. 3. Legislative risk The risk related to amendments in legislation, regulations and other legal acts, or to implementation of new legal acts, which may cause additional expenses or reduce return on investment. This risk also covers possible changes in applicable tax assessment and withholding procedures.
D.4 – D.6		N/A
Section E. Offer		
E.1 – E.2a		N/A
E.2b	Reasons for the Bond offer	<p>Objective of offering the Bond Issue Series shall be raising of funds that the Issuer will use for financing its operating activities, including without limitation:</p> <ul style="list-style-type: none"> • improvement of the ABLV Bank assets' and liabilities' distribution into maturity bands; • increase and maintenance of the liquidity level required for activities of ABLV Bank.
		<p>The total amount of the issue is USD 75 000 000.00 (seventy five million US dollars).</p> <p>The public offer start date is 4 January 2016.</p>
E.3	Terms and conditions of the offer	<p>A representative of the Investment Company or the Investor itself, provided it has a financial instruments account opened with ABLV Bank, shall submit an order to the Issuer, using the sample form "Financial Instruments' Trade Order" appended hereto, on working days from 08:30 till 18:30. The order may also be submitted electronically, using a corresponding order form in ABLV Bank Internetbank.</p> <p>The public offer end date shall be 15 February 2016. Orders shall be accepted by ABLV Bank, AS till the end of the working day, i.e., 18:30, or electronically – till the end of the day, i.e., 24:00.</p>
E.4	Possible conflicts of interests	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.