

## ABLV Bank, AS

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## Final Terms of Offer of the Third Bond Issue Series in USD ABLV SUB USD 231023 for the sake of raising funds for subordinated capital increase under the Third Bond Offer Programme

Securities:	Bonds
Issue face value/total amount:	USD 6 267 300.00 (six million two hundred sixty-seven thousand three hundred US dollars)
Securities face value/currency:	USD 0.01 (one US cent)
Number of securities:	626 730 000 (six hundred twenty-six million seven hundred thirty thousand)
Initial placement price:	100% of the face value
Annual Interest Rate:	<ul style="list-style-type: none"> <li>from 23 October 2013 till 22 October 2019 coupon rate: fixed, 4.25%, with coupon payment twice a year</li> <li>from 23 October 2019 till 22 October 2023 coupon rate: fixed, 6.25%, with coupon payment twice a year</li> </ul>
Maturity date:	23 October 2023

05 September 2013  
(including changes made on 22 May 2014)

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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 Instruments Transaction 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 Third Bond Offer Programme and the Amendments. The Base Prospectus and the Amendments are 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 and the Amendments 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 SUB USD 231023** – the Bonds that are issued pursuant to ABLV Bank, AS, Base Prospectus of the Third 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:

- raising of funds for subordinated capital increase<sup>1</sup>;
- provision of the opportunity to participate in the Issuer's subordinated capital for investors of the previous issues of subordinated bonds, which the Issuer may redeem in 2013<sup>1</sup>.

<sup>1</sup> 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 USD ABLV SUB USD 231023 (under the Third Bond Offer Programme)

Issuer:	ABLV Bank, AS
Securities:	Bonds
ISIN:	LV0000801223
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:	USD (US dollars)
Face value/total amount of the Bond issue:	USD 6 267 300.00 <sup>1</sup> (six million two hundred sixty-seven thousand three hundred US dollars)
Bond Face Value:	USD 0.01 (one US cent)
Number of the Bonds:	626 730 000 <sup>1</sup> (six hundred twenty-six million seven hundred thirty thousand)
Annual Interest Rate:	<ul style="list-style-type: none"> <li>• from 23 October 2013 till 22 October 2019 coupon rate: fixed, 4.25%, with coupon payment twice a year</li> <li>• from 23 October 2019 till 22 October 2023 coupon rate: fixed, 6.25%, 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:	Twice a year: on 23 October and 23 April, starting from 23 April 2014, ending on 23 October 2023
Maturity date of the Bonds:	23 October 2023
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 23 October 2018<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 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"><li>• decision on the bond issue of the extraordinary meeting of shareholders, dated 08 March 2013 (Minutes No. 2, paragraph 5.4);</li><li>• decision of the Board on approving the Base Prospectus of the Third Bond Offer Programme, dated 11 April 2013 (Minutes No. V-23, paragraph 3);</li><li>• decision of the Board on the Base Prospectus of the Third Bond Offer Programme including recommendations of the Financial and Capital Market Commission, dated 30 April 2013 (Minutes No. V-29, 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 USD ABLV SUB USD 231023 for the sake of raising funds for subordinated capital increase under the Third Bond Offer Programme, dated 05 September 2013 (Minutes No. V-57, paragraph 2);</li><li>• decision of the Board on the annexes to ABLV Bank, AS, Base Prospectuses of the First, Second and Third Bond Offer programmes, dated 22 May 2014 (Minutes No. V-31, paragraph 6);</li><li>• decision of the Board on the amendments to ABLV Bank, AS, Final Terms of the subordinated bond issues (Minutes No. V-31, paragraph 7).</li></ul>
Issue date:	23 October 2013
Public offer start date:	Not later than on 06 September 2013, 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 2013
Public offer end date:	17 October 2013
Decision on concluding the transactions:	Pursuant to paragraph 8.4 of the Base Prospectus, the decision on concluding the transactions will be made on 21 October 2013.
Settlement date:	23 October 2013

<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 USD is USD 6 267 300.00 (six million two hundred sixty-seven thousand three hundred US dollars).

The public offer start date is 12 September 2013.

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 09:30 till 17:30. The order may also be submitted electronically, using a corresponding order form in ABLV Bank Internetbank.

The public offer end date shall be 17 October 2013. Orders shall be accepted by ABLV Bank till the end of the working day, i.e., 17:30, 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 21 October 2013.

The settlement date under the Third Bond Issue Series in USD shall be 23 October 2013.

- 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 **100%** of the Bond's face value.  
The Bond's face value is USD 0.01 (one US 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 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 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**

Three issues performed under ABLV Bank, AS, First Offer Programme and nine issues under ABLV Bank, AS, Second Offer Programme have been included in the lists of debt securities of the Stock Exchange NASDAQ OMX Riga regulated markets.

Under ABLV Bank, AS, Third Offer Programme, there were four issues performed and included to securities lists of NASDAQ OMX Riga regulated markets this year:

	<b>Subordinated discount bonds in USD</b>	<b>Subordinated discount bonds in EUR</b>
ISIN	LV0000801173	LV0000801181
Issue size	USD 1 753 000.00	EUR 12 608 900.00
Issue name	ABLV SUB USD 270623	ABLV SUB EUR 270623
Discount rate (p.a.)	Fixed, 4.25% (during first 5 years)	Fixed, 4.25% (during first 5 years)
Coupon rate (p.a.)	Fixed, 6.00% (starting from the 6th year, unless the Bank exercises its premature redemption right)	Fixed, 6.00% (starting from the 6th year, unless the Bank exercises its premature redemption right)
Current interest income period	-	-
Issue date	27.06.2013	27.06.2013
Maturity date	27.06.2023	27.06.2023
	<b>Straight coupon bonds in USD</b>	<b>Straight coupon bonds in EUR</b>
ISIN	LV0000801199	LV0000801207
Issue size	USD 50 000 000.00	EUR 20 000 000.00
Issue name	ABLV FXD USD 210615	ABLV FXD EUR 210615
Discount rate (p.a.)	-	-
Coupon rate (p.a.)	Fixed, 1.725%	Fixed, 1.725%
Current interest income period	21.06.2013 – 20.12.2013	21.06.2013 – 20.12.2013
Issue date	21.06.2013	21.06.2013
Maturity date	21.06.2015	21.06.2015

Simultaneously with the Third Bond Issue Series in USD, the public offering of the Fourth Issue Series in USD ABLV FXD USD 161015 – straight 2-year bonds – is performed under the Third Bond Offer Programme. The Final Terms of this issue are available at ABLV Bank, AS, home page [www.ablv.com](http://www.ablv.com).

The Investors can find the information about issues performed under the First, Second and Third 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 05 September 2013.  
The changes of the Final Terms were approved at ABLV Bank Board session on 22 May 2014.

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



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 distribution of the same, may be held civilly liable only where the summary is misleading, incorrect, or inconsistent with other sections of the Base Prospectus.

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 investment services, settlement products, management of financial resources, financial advisory, and property management. 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 affect on operations of ABLV Bank or the banking sector in the Republic of Latvia in 2013. In 2013, liquidity and capitalization level in the banking sector remain high. ABLV Bank plans gradual natural growth in 2013.
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 affect on further operations of ABLV Bank or the Republic of Latvia credit institution sector.

The information provided in the table below completely matches that presented in ABLV Bank condensed consolidated report for H1 2013.

No.	Company	Country of incorporation	Registration number	Business profile	Share in the
					entity's capital (%)
1	ABLV Bank, AS	LV	50003149401	Financial services	100
2	ABLV Asset Management, IPASLV		40003814724	Financial services	100
3	ABLV Capital Markets, IBAS	LV	40003814705	Financial services	90
4	ABLV Consulting Services, AS	LV	40003540368	Consulting services	100
5	ABLV Corporate Services, SIA	LV	40103283479	Consulting services	100
6	ABLV Corporate Services, LTD	CY	HE273600	Consulting services	100
7	ABLV Bank Luxembourg, S.A.	LU	B 162048	Financial services	100
8	Pillar Holding Company, KS (previously – ABLV Transform Partnership, KS)	LV	40103260921	Holding company	99.9997
9	Pillar, SIA	LV	40103554468	Real estate transactions	100
10	Pillar Management, SIA (previously – Transform 1, SIA)	LV	40103193211	Real estate transactions	100
11	Pillar 2, SIA (previously – Transform 2, SIA)	LV	40103193033	Real estate transactions	100

No.	Company	Country of incorporation	Registration number	Business profile	Share in the entity's capital (%)
12	Pillar 3, SIA (previously – Transform 3, SIA)	LV	40103193067	Real estate transactions	100
13	Pillar 4, SIA (previously – Transform 4, SIA)	LV	40103210494	Real estate transactions	100
14	Pillar 6, SIA (previously – Transform 6, SIA)	LV	40103237323	Real estate transactions	100
15	Pillar 7, SIA (previously – Transform 7, SIA)	LV	40103237304	Real estate transactions	100
16	Pine Breeze, SIA (previously – Transform 8, SIA)	LV	40103240484	Real estate transactions	100
17	Pillar 9, SIA (previously – Transform 9, SIA)	LV	40103241210	Real estate transactions	100
18	Pillar 10, SIA (previously – Transform 10, SIA)	LV	50103247681	Real estate transactions	100
19	Pillar 11, SIA (previously – Transform 11, SIA)	LV	40103258310	Real estate transactions	100
20	Pillar 12, SIA (previously – Transform 12, SIA)	LV	40103290273	Real estate transactions	100
21	Pillar 13, SIA (previously – Transform 13, SIA)	LV	40103300849	Real estate transactions	100
22	Lielezeres Apartment House, SIA (previously – Transform 14, SIA)	LV	50103313991	Real estate transactions	100
23	Pillar 18, SIA (previously – Transform 18, SIA)	LV	40103492079	Real estate transactions	100
24	Elizabetes Park House, SIA	LV	50003831571	Real estate transactions	91.6
25	New Hanza City, SIA	LV	40103222826	Real estate transactions	100
26	ABLV Private Equity Management, SIA	LV	40103286757	Investment project management	100
27	ABLV Private Equity Fund 2010, KS	LV	40103307758	Investment activities	100
28	Vaiņode Agro Holding, SIA	LV	40103503851	Agriculture	70
29	Vaiņodes Agro, SIA	LV	40103484940	Agriculture	70
30	Vaiņodes Bekons, SIA	LV	42103019339	Agriculture	70
31	Gas Stream, SIA	LV	42103047436	Electricity generation	70
32	Bio Future, SIA	LV	42103047421	Electricity generation	70
33	Orto klīnika, SIA	LV	40103175305	Medical services	60
34	Orto māja, SIA	LV	40103446845	Medical services	60

Interest in ABLV Bank, in percentage terms of the voting shares, as at 30 June 2013

Ernests Bernis (direct and indirect interest) and Nika Berne	43.00%
Oļegs Fiļs (indirect interest)	43.00%

B.6 Issuer's shareholders

14 legal entities and 101 individuals	14.00%
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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 2012 and 30 June 2013

	31.12.2012	30.06.2013
<b>Assets</b>	EUR '000	EUR '000
Cash and deposits with the Bank of Latvia	307 446	355 004
Balances due from credit institutions	553 020	633 639
Derivatives	115	760
Financial assets at fair value through profit or loss	4 742	15 420
Shares and other non-fixed income securities	4 742	15 420
Available-for-sale financial assets	779 388	663 773
Debt securities and other fixed income securities	776 191	660 530
Shares and other non-fixed income securities	3 197	3 243
Loans	716 574	716 918
Held-to-maturity investments	500 612	622 294
Debt securities and other fixed income securities	500 612	622 294
Investments in subsidiaries and associates	127 457	127 492
Investment properties	24 620	24 614
Tangible fixed assets	6 981	8 665
Intangible fixed assets	4 815	4 962
Current corporate income tax receivables	–	–
Deferred corporate income tax	105	–
Other assets	17 954	3 782
<b>Total assets</b>	<b>3 043 829</b>	<b>3 177 323</b>
	<b>31.12.2012</b>	<b>30.06.2013.</b>
<b>Liabilities</b>	EUR '000	EUR '000
Derivatives	6 515	1 272
Demand deposits from credit institutions	3 423	10 703
Term deposits from credit institutions	11 959	1 756
Deposits	2 659 191	2 653 394
Current corporate income tax liabilities	1 504	1 847
Other liabilities	12 816	13 199
Deferred corporate income tax	–	329
Provisions	481	470
Issued securities	177 601	309 513
Subordinated deposits	18 372	20 792
<b>Total liabilities</b>	<b>2 891 862</b>	<b>3 013 275</b>
<b>Shareholders' equity</b>		
Paid-in share capital	28 088	30 003
Share premium	26 481	41 485
Reserve capital and other reserves	2 134	2 134
Fair value revaluation reserve of available-for-sale financial assets	2 639	107
Retained earnings brought forward	69 213	68 757
Retained earnings for the period	23 412	21 562
Attributable to the equity holders of the Bank	151 967	164 048
Non-controlling interests	–	–
<b>Total shareholders' equity</b>	<b>151 967</b>	<b>164 048</b>
<b>Total liabilities and shareholders' equity</b>	<b>3 043 829</b>	<b>3 177 323</b>

		31.12.2012	30.06.2013.
		EUR '000	EUR '000
<b>Memorandum items</b>			
	Funds under trust management	141 815	140 746
	Contingent liabilities	10 034	8 036
	Financial commitments	43 079	61 965
B.8	Key pro forma financial information	<p>Planning growth, increase of profitability and overall income in 2013, 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.</p> <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. Therefore, operating income of ABLV Group is planned to rise by at least 19% in 2013. The amount of granted commercial loans is planned to be significantly increased, mainly focusing on Latvian and Russian markets.</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 condensed consolidated financial report for H1 2013 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 2013, ABLV Bank equity equals LVL 144.74 million (EUR 205.95 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	
<b>Section C. Securities</b>			
C.1	Bond details	Bonds issued under the Third Bond Issue Series in USD ABLV SUB USD 231023 (ISIN LV0000801223) 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
C.8, C.9	Rights attached to the Bonds	<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 23 October 2013 till 22 October 2019: coupon rate: fixed, 4.25%, with coupon payment twice a year</li> <li>from 23 October 2019 till 22 October 2023: coupon rate: fixed, 6.25%, with coupon payment twice a year</li> </ul> <p>The date from which interest becomes payable and the due dates for interest                      The Interest Income shall be accrued starting from 23 October 2013. The Interest Income shall be paid twice a year: on 23 October and 23 April, starting from 23 April 2014, ending on 23 October 2023.</p> <p>Bond maturity date and repayment procedures                      The Investor shall receive the Bond Face Value as a lump-sum payment on 23 October 2023.</p> <p>Bond yield                      Fixed rate is applied to the Bonds, and therefore the yield does not change.</p> <p>Representatives of debt security holders                      Holders of the debt securities may freely determine representatives for exercising the rights attached to the Bonds.</p>
C.10	Interest payments under securities involving derivative components	N/A
C.11	Admission of the Bonds to the regulated market	The Bonds are supposed to be admitted to the regulated market – the list of debt securities of NASDAQ OMX Riga Stock Exchange.
C.12 – C.22		N/A

#### Section D. Risks

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>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>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>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>
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	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 More than 85% of total deposits with ABLV Bank are 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 that the Issuer will use for financing its operating activities, including without limitation: <ul style="list-style-type: none"> <li>raising of funds for formation and increase of the ABLV Bank subordinated capital<sup>1</sup>;</li> <li>provision of the opportunity to participate in the Issuer's subordinated capital for investors of the previous issues of subordinated bonds, which the Issuer may redeem in 2013<sup>1</sup>.</li> </ul> <sup>1</sup> 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.
	The total amount of the issue is USD 6 267 300.00 (six million two hundred sixty-seven thousand three hundred US dollars).
	The public offer start date is 12 September 2013.
E.3	Terms and conditions of the offer
	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 09:30 till 17:30. The order may also be submitted electronically, using a corresponding order form in ABLV Bank Internetbank.
	The public offer end date shall be 17 October 2013. Orders shall be accepted by ABLV Bank, AS, till the end of the working day, i.e., 17:30, 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.