

ABLV Bank, AS

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Final Terms of Offer of the First Bond Issue Series in USD ABLV SUB USD 270623 for the sake of raising funds for subordinated capital increase under the Third Bond Offer Programme

Securities:	Bonds
Issue face value / total amount:	USD 20 000 000.00 (twenty million US dollars)
Securities face value / currency:	USD 100.00 (one hundred US dollars)
Number of securities:	200 000 (two hundred thousand)
Initial placement price:	81.0362% of the face value
Annual Interest Rate:	<ul style="list-style-type: none"> from 27 June 2013 till 27 June 2018 discount rate: fixed, 4.25%, calculated twice a year; from 28 June 2018 till 27 June 2023 coupon rate: fixed, 6.0%, with coupon payment twice a year
Maturity date:	27 June 2023

16 May 2013
(including changes made on 22 May 2014)

TABLE OF CONTENTS

1.	Explanation of the terms and abbreviations used.....	3
2.	Essential information.....	3
3.	Information about the First Bond Issue Series in USD ABLV SUB USD 270623.....	3
4.	Terms and conditions of the offer.....	4
5.	Plan of securities distribution and allotment.....	5
6.	Pricing.....	5
7.	Placing and Underwriting.....	6
8.	Admission to regulated market and trading arrangements.....	6
9.	Information about previous Bond Issue Series performed under the Programme.....	6
10.	Additional information.....	7

Appendixes include the Bond issue summary and the sample order form to be submitted by the Investor to conclude the financial instruments transaction.

Appendix 1: Bond issue summary.

Appendix 2: "Financial 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. 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

First Bond Issue Series in USD or ABLV SUB USD 270623 – 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 First 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 increase¹;
- 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 2013¹.

3. Information about the First Bond Issue Series in USD ABLV SUB USD 270623 (under the Third Bond Offer Programme)

Issuer:	ABLV Bank, AS
Securities:	Bonds
ISIN:	LV0000801173
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 20 000 000.00 ² (twenty million US dollars)
Bond Face Value:	USD 100.00 (one hundred US dollars)
Number of the Bonds:	200 000 ² (two hundred thousand)
Annual Interest Rate:	<ul style="list-style-type: none"> • From 27 June 2013 till 27 June 2018 discount rate: fixed, 4.25%, calculated twice a year; • From 28 June 2018 till 27 June 2023 coupon rate: fixed, 6.0%, with coupon payment twice a year
Date of the Interest Income calculation:	5 working days before the Interest Income payment date
Frequency and dates of the Interest Income payments:	<ul style="list-style-type: none"> • From 27 June 2013 till 27 June 2018 no interest income is supposed to be paid (no coupon payments); • During the period from 28 June 2018 till 27 June 2023, twice a year: on 27 June and 27 December, starting from 27 December 2018, ending on 27 June 2023
Maturity date of the Bonds:	27 June 2023
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 redeem all Bonds starting from 27 June 2018³.
Early repayment claim (put option):	The Investor shall not be entitled to claim the Face Value and accrued interest to be repaid by the Issuer before maturity.
Arrangements for the amortisation of the loan	N/A
Information on yield	Fixed interest rate is set for the Bonds. The Bond yield does not depend on the changes in the base interest rate in the interbank market.
Yield calculation method	Pursuant to paragraphs 6.9 and 6.10 of the Base Prospectus

Representation of the Investors	Pursuant to paragraph 6.14 of the Base Prospectus
Decisions on the Bond issue	<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 extraordinary meeting of shareholders, dated 08 March 2013 (Minutes No. 2, paragraph 5.4);• 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);• 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);• decision of the Board on approval of ABLV Bank, AS, Final Terms of Offer of the First Bond Issue Series in USD ABLV SUB USD 270623 for the sake of raising funds for subordinated capital increase under the Third Bond Offer Programme, dated 16 May 2013 (Minutes No. V-30, paragraph 3);• 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);• decision of the Board on the amendments to ABLV Bank, AS, Final Terms of the subordinated bond issues (Minutes No. V-31, paragraph 7).
Issue date:	27 June 2013
Public offer start date:	Not later than on 17 May 2013, the information shall be published at the Issuer's home page www.ablv.com The public offer start date is 24 May 2013
Public offer end date:	21 June 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 26 June 2013
Settlement date:	27 June 2013

¹ 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.

² 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.

³ 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 First Bond Issue Series in USD is USD 20 000 000.00 (twenty million US dollars).

The public offer start date is 24 May 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 21 June 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

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+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 26 June 2013.

The settlement date under the First Bond Issue Series in USD shall be 27 June 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 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 **81.0362%** of the Bond's face value.

The Bond's face value is USD 100.00 (one hundred 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 additional payments and shall not be responsible for those additional expenses.

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

7. Placing and Underwriting

7.1. Offer coordinator

N/A

7.2. Depository

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

7.3. Entities agreeing to underwrite the issue

N/A

7.4. Time of reaching the underwriting agreement

N/A

8. Admission to regulated market and trading arrangements

8.1. Term and conditions of admission to regulated market

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

8.2. Regulated market

Stock Exchange NASDAQ OMX Riga list of debt securities.

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

N/A

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

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. The information about issues performed under the First and the Second Offer Programmes and their Final Terms is available at ABLV Bank, AS, home page www.ablv.com.

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

- First Bond Issue Series in EUR – ABLV SUB EUR 270623 – subordinated bonds;
- Second Bond Issue Series in USD – ABLV FXD USD 210615 – straight 2-year bonds;
- Second Bond Issue Series in EUR – ABLV FXD EUR 210615 – straight 2-year bonds.

The Final Terms of these issues are available 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 Board session on 16 May 2013.

The changes of the Final Terms were approved at ABLV Bank Board session on 22 May 2014.

Name, surname	Position held	Signature
Ernests 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)	
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 settlement products, investment services, asset management, and lending. The Issuer's place of rendering the services is the Republic of Latvia.																																																																								
B.4a	Description of the most significant recent trends affecting the Issuer and the industries in which it operates	As at the day of producing the Final Terms, there is no information on any detected trends that might have significant negative affect on operations of ABLV Bank or the banking sector 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.																																																																								
B.5	Issuer's position within the group	<p>The information provided in the table below completely matches that presented in ABLV Bank consolidated report for the year 2012.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Company</th> <th>Country of incorporation</th> <th>Registration number</th> <th>Business profile</th> <th>Share in the entity's capital (%)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ABLV Bank, AS</td> <td>LV</td> <td>50003149401</td> <td>Financial services</td> <td>100</td> </tr> <tr> <td>2</td> <td>ABLV Asset Management, IPAS</td> <td>LV</td> <td>40003814724</td> <td>Financial services</td> <td>100</td> </tr> <tr> <td>3</td> <td>ABLV Capital Markets, IBAS</td> <td>LV</td> <td>40003814705</td> <td>Financial services</td> <td>100</td> </tr> <tr> <td>4</td> <td>ABLV Consulting Services, AS</td> <td>LV</td> <td>40003540368</td> <td>Consulting services</td> <td>100</td> </tr> <tr> <td>5</td> <td>ABLV Corporate Services, SIA</td> <td>LV</td> <td>40103283479</td> <td>Consulting services</td> <td>100</td> </tr> <tr> <td>6</td> <td>ABLV Corporate Services, LTD</td> <td>CY</td> <td>HE273600</td> <td>Consulting services</td> <td>100</td> </tr> <tr> <td>7</td> <td>ABLV Bank Luxembourg, S.A.</td> <td>LU</td> <td>B 162048</td> <td>Financial services</td> <td>100</td> </tr> <tr> <td>8</td> <td>Pillar Holding Company, KS (previously – ABLV Transform Partnership, KS)</td> <td>LV</td> <td>40103260921</td> <td>Holding company</td> <td>99.9997</td> </tr> <tr> <td>9</td> <td>Pillar, SIA</td> <td>LV</td> <td>40103554468</td> <td>Real estate transactions</td> <td>100</td> </tr> <tr> <td>10</td> <td>Pillar Management, SIA (previously – Transform 1, SIA)</td> <td>LV</td> <td>40103193211</td> <td>Real estate transactions</td> <td>100</td> </tr> <tr> <td>11</td> <td>Pillar 2, SIA (previously – Transform 2, SIA)</td> <td>LV</td> <td>40103193033</td> <td>Real estate transactions</td> <td>100</td> </tr> </tbody> </table>	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, IPAS	LV	40003814724	Financial services	100	3	ABLV Capital Markets, IBAS	LV	40003814705	Financial services	100	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
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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	Liezezeres Apartment House, SIA (previously – Transform 14, SIA)	LV	50103313991	Real estate transactions	100
23	Pillar 17, SIA (previously – Transform 17, SIA)	LV	40103424617	Real estate transactions	100
24	Pillar 18, SIA (previously – Transform 18, SIA)	LV	40103492079	Real estate transactions	100
25	Elizabetes Park House, SIA	LV	50003831571	Real estate transactions	91.6
26	New Hanza City, SIA	LV	40103222826	Real estate transactions	100
27	ABLV Private Equity Management, SIA	LV	40103286757	Investment project management	100
28	ABLV Private Equity Fund 2010, KS	LV	40103307758	Investment activities	100
29	Vaiņode Agro Holding, SIA	LV	40103503851	Agriculture	70
30	Vaiņodes Agro, SIA	LV	40103484940	Agriculture	70
31	Vaiņodes Bekons, SIA	LV	42103019339	Agriculture	70
32	Gas Stream, SIA	LV	42103047436	Electricity generation	49
33	Bio Future, SIA	LV	42103047421	Electricity generation	49
34	Ortopēdijas, sporta traumatoloģijas un mugurkaula ķirurģijas klīnika ORTO, SIA	LV	40103175305	Medical services	60
35	Orto māja, SIA	LV	40103446845	Medical services	60

Issuer's shareholders Interest in ABLV Bank, in percentage terms of the voting shares, as at 15 May 2013

Ernests Bernis (direct and indirect interest) and Nika Berne	43.00%
Oļegs Fiļs (indirect interest)	43.00%
14 legal entities and 101 individuals	14.00%

B.6

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.

Financial information Statements of financial position as at 31 December 2012 and 31 December 2011:

	31.12.2012	31.12.2011
	LVL '000	LVL '000
Assets		
Cash and deposits with the Bank of Latvia	216 074	143 663
Balances due from credit institutions	388 665	518 472
Derivatives	81	8 169
Financial assets at fair value through profit or loss	3 333	753
Shares and other non-fixed income securities	3 333	753
Available-for-sale financial assets	547 757	373 006
Debt securities and other fixed income securities	545 510	370 744
Shares and other non-fixed income securities	2 247	2 262
Loans	503 611	470 603
Held-to-maturity investments	351 832	166 778
Debt securities and other fixed income securities	351 832	166 778
Investments in subsidiaries and associates	89 577	71 286
Investment properties	17 303	16 662
Tangible fixed assets	4 906	4 954
Intangible fixed assets	3 384	3 368
Current corporate income tax receivables	–	–
Deferred corporate income tax	74	3 359
Other assets	12 619	8 088
Total assets	2 139 216	1 789 161
	31.12.2012	31.12.2011
Liabilities	LVL '000	LVL '000
Derivatives	4 579	141
Demand deposits from credit institutions	2 406	1 779
Term deposits from credit institutions	8 405	6 699
Deposits	1 868 890	1 603 143
Current corporate income tax liabilities	1 057	–
Other liabilities	9 007	9 305
Deferred corporate income tax	–	–
Provisions	338	–
Issued securities	124 819	56 258
Subordinated deposits	12 912	21 662
Total liabilities	2 032 413	1 698 987
	31.12.2012	31.12.2011
Shareholders' equity		
Paid-in share capital	19 740	16 500
Share premium	18 611	5 255
Reserve capital and other reserves	1 500	1 500
Fair value revaluation reserve of available-for-sale financial assets	1 855	(2 480)
Retained earnings brought forward	48 643	50 293
Retained earnings for the period	16 454	19 106
Attributable to the equity holders of the Bank	106 803	90 174
Non-controlling interests	–	–
Total shareholders' equity	106 803	90 174
Total liabilities and shareholders' equity	2 139 216	1 789 161

B.7

		31.12.2012	31.12.2011
Memorandum items			
	Funds under trust management	99 668	87 492
	Contingent liabilities	7 052	12 055
	Financial commitments	30 276	20 940
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 financial report for the year 2012 contains no auditors' qualifications or disclaimers.	
B.11	Issuer's equity	ABLV Bank meets equity requirements set forth in the legal acts. As at 15 May 2013, ABLV Bank equity equals LVL 144.88 million.	
B.12	Forecasts regarding the Issuer	ABLV Bank forecasts contain no adverse changes since the date of its last published audited financial statements.	
B.13	Events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	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.	
B.14	Issuer's position within the group	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.15	Issuer's principal activities	ABLV Bank is not dependent upon other entities within the ABLV Bank group.	
B.16	Control over the Issuer	ABLV Bank principal activities are rendering of financial services.	
B.17	Credit ratings assigned to the Issuer's debt securities	N/A	
B.18 – B.50		No credit ratings are assigned to ABLV Bank.	
Section C. Securities			
C.1	Bond details	N/A	
C.2	Currency of the Bond issue	Bonds issued under the First Bond Issue Series in USD – ABLV SUB USD 270623 (ISIN LV0000801173) are dematerialized bearer securities without restraint on alienation.	
C.3	Information about shares issued	USD (US dollars).	
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</p> <p>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</p> <p>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"> from 27 June 2013 till 27 June 2018, discount rate is set: fixed, 4.25% (p.a.), calculated twice a year; from 28 June 2018 till 27 June 2023, coupon rate is set: fixed, 6.0%, with coupon payment twice a year. <p>The date from which interest becomes payable and the due dates for interest</p> <ul style="list-style-type: none"> from 27 June 2013 till 27 June 2018, no interest income is supposed to be paid (no coupon payments); during the period from 28 June 2018 till 27 June 2023, interest will be paid twice a year: on 27 June and 27 December, starting from 27 December 2018, ending on 27 June 2023. <p>Bond maturity date and repayment procedures</p> <p>The Investor shall receive the Bond Face Value as a lump-sum payment on 27 June 2023.</p> <p>Bond yield</p> <p>The Bond yield depends on the changes in the base interest rate in the interbank market.</p> <p>Representatives of debt security holders</p> <p>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"> 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. 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.
	<ol style="list-style-type: none"> 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 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	<p>Information on the risks specific to the Bonds</p> <ol style="list-style-type: none"> 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	<p>Reasons for the Bond offer</p> <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"> • raising of funds for formation and increase of the ABLV Bank subordinated capital¹; • 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 2013¹. <p>¹ 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	The total amount of the issue is USD 20 000 000.00 (twenty million US dollars).
Terms and conditions of the offer	<p>The public offer start date is 24 May 2013.</p> <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</p>

		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 21 June 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.
