



Financing Against Pledge of Investment Portfolio

Rates and Charges

General provisions

1. During the first two days, minimum interest rate on the capital use (p.a.) is applied to financing, and it is calculated as follows:

$$\text{Minimum interest rate on the capital use (p.a.)} = \text{floating interest rate}^1 + 2.25\%$$

Minimum interest rate on the capital use is not applied in case previous financing is repaid and new financing is granted on the same day.

2. Starting from the third day, the interest rate on the capital use calculated according to the following formula is applied to the financing:

$$\text{Interest rate on the capital use (p.a.)}^2 = \text{floating interest rate}^1 + \text{gross margin}$$

3. Currencies allowed for financing: USD, EUR, RUB.

Financing conditions³

Investment assets' category	Currency	Available loan limit ⁴	Collateral conditions ⁴			Gross margin
			INITL ⁵	MAINT ⁶	SL ⁷	
Government bonds ⁸						
US government bonds with the maturity term up to 5 years (including)	USD	96%	4%	3%	2%	2.75%
US government bonds with the maturity term over 5 years	USD	94%	6%	4%	2%	3.00%
Other countries' government bonds with the credit rating:						
AA- and higher, with the maturity term up to 5 years (including)	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	95%	5%	4%	2%	3.00%
AA- and higher, with the maturity term over 5 years	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	94%	6%	4%	2%	3.00%
BBB – and higher with the maturity term up to 5 years (including)	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	90%	10%	8%	6%	4.00%
BBB – and higher with the maturity term over 5 years	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	85%	15%	10%	8%	4.00%
BB+, BB and BB-, with the maturity term up to 5 years (including)	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	80%	20%	15%	10%	4.50%
BB+, BB and BB- (neutral outlook), with the maturity term over 5 years	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	75%	25%	20%	15%	4.50%
B+, B and B- (neutral outlook)	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	65%	35%	30%	25%	4.75%

¹ The respective interest rate: USD – Federal Funds rate, EUR – ECB refinancing rate, RUB – CBR key rate.

² Interest rate on the capital use is calculated in accordance with provisions of section B14 of "ABLV Bank, AS, General Terms of Business" (NOT.001).

³ Bank is entitled to unilaterally amend the financing conditions of the financial instrument included in a particular investment asset category, giving a separate notification to the customer. The amendments shall also apply to the transactions of financing against pledge of investment portfolio that are entered into as at the moment of amendments becoming effective. If such amendments result into collateral appearing to be insufficient, the future transactions of financing against pledge of investment portfolio shall be executed in accordance with provisions of section B14 of "ABLV Bank, AS, General Terms of Business" (NOT.001).

⁴ In percentage terms of investment assets' market value.

⁵ Initial Margin – initial margin which determines allowed loan limit.

⁶ Maintenance Margin – margin amount upon reaching which the Bank is entitled to demand increasing collateral or decreasing loan amount.

⁷ Stop Loss – margin amount upon reaching which the customer's position is closed without acceptance in order to decrease the loan amount.

⁸ According to ratings of Standard & Poor's or respective ratings of other credit rating agencies. Based on a separate customer's application, the Bank can grant the customer financing against the pledge of investment portfolio, which will be secured by bonds that were not assigned a credit rating in terms of initial offering, but that were included by the Bank into one of investment assets categories, indicated in the rates and charges, and the customer was informed about that.

Investment assets' category	Currency	Available loan limit	Collateral conditions			Gross margin
			INITL	MAINT	SL	
Corporate bonds ¹ (except bonds issued by ABLV Bank, AS)						
Corporate bonds with the credit rating:						
BBB – and higher	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	75%	25%	20%	15%	4.40%
BB+, BB and BB-	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	60%	40%	35%	30%	5.25%
B+, B and B-	USD, EUR, GBP, CAD, SEK, CHF, RUB, LTL	50%	50%	45%	40%	6.00%
Bonds issued by ABLV Bank, AS						
Bonds issued by ABLV Bank, AS (except subordinated ² bonds)	USD, EUR	90%	10%	7%	4%	3.00%
Stocks						
Stocks and ETFs traded on stock exchanges with capitalization:						
over USD 1 billion (including)	USD, EUR, GBP, CAD, SEK, CHF, RUB	70%	30%	25%	20%	9.75%
over USD 300 million (including), but less than USD 1 billion	USD, EUR, GBP, CAD, SEK, CHF, RUB	60%	40%	35%	30%	10.25%
over USD 100 million (including), but less than USD 300 million	USD, EUR, GBP, CAD, SEK, CHF, RUB	50%	50%	45%	40%	10.75%
Government and corporate bonds, stocks that are not included in the above groups of investment assets' categories						
Government and corporate bonds, stocks and ETFs that are considered valid for financing (except defaulted issuers) ³	USD, EUR, , GBP, CAD, SEK, CHF, RUB, LTL	10%	90%	85%	80%	15.00%
Investment funds managed by ABLV Asset Management, IPAS						
ABLV Emerging Markets Bond Fund	USD, EUR	80%	20%	15%	10%	4.25%
ABLV Global Corporate USD Bond Fund	USD	75%	25%	20%	15%	5.25%
ABLV European Corporate EUR Bond Fund	EUR	75%	25%	20%	15%	5.25%
ABLV High Yield CIS Bond Fund	USD, RUB	75%	25%	20%	15%	5.25%
ABLV Global Stock Index fund	USD, EUR					
ABLV US Industry USD Equity Fund	USD	70%	30%	20%	15%	9.75%
ABLV European Industry EUR Equity Fund	EUR					
Balances on precious metals' accounts	XAU, XPT, XPD, XAG	70%	30%	25%	20%	5.00%
Cash account balances		90%	10%	0%	0%	5.00%

Fixed overdue interest rate⁴ used on the following instances:

loan limit exceeded ⁵	24% p.a.
use of currencies not allowed for financing	36% p.a.

¹ According to ratings of Standard & Poor's or respective ratings of other credit rating agencies. Based on a separate customer's application, the Bank can grant the customer financing against the pledge of investment portfolio, which will be secured by bonds that were not assigned a credit rating in terms of initial offering, but that were included by the Bank into one of investment assets categories, indicated in the rates and charges, and the customer was informed about that.

² Bonds issued for the sake of raising funds to increase subordinated capital.

³ Additional information on these instruments is available on request.

⁴ As set forth in section B14 of "ABLV Bank, AS, General Terms of Business" (NOT.001), part of the total interest rate.

⁵ The loan limit, as set forth in section B14 of "ABLV Bank, AS, General Terms of Business" (NOT.001).