

FCMC adopts decision on unavailability of deposits at ABLV Bank AS

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The Board of the Financial and Capital Market Commission (hereinafter – the FCMC) during an extraordinary meeting today 23 February 2018 adopted a decision on the occurrence of unavailability of deposits at ABLV Bank AS.

In view that the European Central Bank (ECB) has not instructed to revoke payment restrictions imposed on ABLV Bank on 18 February 2018 the FCMC Board decided on unavailability of deposits, in order to ensure starting pay-out of guaranteed deposits to ABLV Bank AS clients.

Unavailability of deposits occurs in case the FCMC has established that a deposit-taker (bank) is unable to pay out assets or deposits held in the accounts of clients to their clients, and the FCMC Board adopts a decision on the occurrence of unavailability of deposits.

Pēters Putniņš Chairman of the FCMC: "This is the procedure under the Single Supervisory Mechanism of EU banking union framework. The bank failed to duly implement the tasks imposed on it by the European Central Bank to stabilize the activities of the bank, so that payment restrictions applied to the bank on 18 February 2018 could be removed. Given such circumstance, FCMC as a national regulator acts in accordance with the situation, as we have to ensure that the bank's clients may receive the guaranteed compensation of up to EUR 100 000. Our further decisions will be aimed at organising the pay-out of compensations and we will duly inform about it in near future."

Such a decision ensures attaining the FCMC objective – facilitate protection of the interests of depositors, since thus it will be possible to start reimbursement of guaranteed deposits in accordance with the Deposit Guarantee Law. The FCMC will decide on the type and procedure for disbursement of guaranteed compensation within timeframe laid down in the Deposit Guarantee Law. Pay-out of guaranteed compensation shall be started not later than the eighth working day from the date of the occurrence of

unavailability of deposits (i.e. no later than on 7 March 2018).

For the purpose to protect legal rights of ABLV Bank AS depositors and avoid potential losses the FCMC had prohibited ABLV Bank AS credit transactions (incoming payments) in the accounts of clients – depositors on the date of adoption of this decision. Above restriction would apply also to the payments between the client accounts at ABLV Bank AS.

Deposit guarantee scheme provides for guaranteed compensation up to EUR 100 000 per each ABLV Bank AS client.

Guaranteed compensation of up to EUR 100 000 has been paid out both to natural and legal persons for all types of deposits in any currency. Guaranteed compensation covers deposits of the bank's clients, interest on deposits accrued until the date of unavailability of deposits, current account and salary account balances and savings accounts. Guaranteed compensation applies also to the client deposits in the bank's subsidiaries. The guarantee fund of Luxembourg (Fonds de garantie des dépôts Luxembourg) will disburse guaranteed compensation to the clients of ABLV Bank AS subsidiary, ABLV Bank Luxembourg.

NB In this case of guaranteed compensation pay-out Latvia's Deposit Guarantee Fund (DGF) assets will not be used, as ABLV Bank AS has sufficient amount of liquid assets. According to preliminary estimates about 470 million euro are required for pay-out of guaranteed compensation to the clients of Latvia's ABLV Bank AS and ABLV Bank AS may provide for this amount.

Further information for clients and media on the FCMC website: www.fktk.lv

Help over the phone for ABLV Bank AS clients: <http://bit.ly/2F4cinO> Q&A regarding procedure for pay-out of guaranteed compensations.

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