



KUNGU IELA 1 • RĪGA • LV-1050 • TĀLRUNIS +371 6777 4800 • E-PASTS FKTK@FKTK.LV • WWW.FKTK.LV

Rīga, 17.04.2018.
Our ref.: 07.01.04/1521

Andrea Enria
Chairperson
European Banking Authority
One Canada Square
Canary Wharf
London E14 5AA
UNITED KINGDOM

Notification of unavailability of deposits at ABLV Bank AS

Dear Mr Enria,

The Financial and Capital Market Commission of Latvia (hereinafter – the FCMC), in its capacity as designated authority which administers the Latvian deposit guarantee scheme, in accordance with the Decision of the European Banking Authority on notification relating to Directive 2014/49/EU on deposit guarantee schemes (EBA/DC/2016/173) hereby informs you that on 23 February 2018 the FCMC adopted the decision on unavailability of deposits at ABLV Bank AS (hereinafter also – the Bank).

On 19 February 2018, following the European Central Bank's instruction the FCMC adopted a decision to set temporary payment restriction on ABLV Bank AS, prohibiting debit operations in all currencies in the accounts of Bank's customers. On 23 February 2018 the European Central Bank determined that ABLV Bank AS and its subsidiary in Luxembourg were failing or likely to fail in accordance with the Single Resolution Mechanism Regulation. Following the decision by the European Central Bank, the Single Resolution Board decided that the resolution action was not necessary as it was not in the public interest for these banks.

Taking into account the previously mentioned decisions and the fact that the clients of ABLV Bank AS had not been able to access their deposits since 19 February 2018 the decision on the occurrence of unavailability of deposits at ABLV Bank AS was adopted.

On 27 February 2018 the FCMC took the decision on the pay-out of guaranteed compensations to ABLV Bank AS depositors. According to Article 25 Paragraph 6 of the Deposit Guarantee Law the deposit taker to whom unavailability of deposits has occurred can

disburse the guaranteed compensation in full or in part, if the FCMC has ascertained that the deposit taker has sufficient financial means. In view of the high liquidity position of the Bank and in line with the FCMC's decision the disbursement has been made solely from the assets of ABLV Bank AS. The decision also granted the rights to enter into the contract with the joint stock company "Citadele banka" as an agent bank regarding the pay-out of guaranteed compensations to ABLV Bank AS depositors.

The disbursement of covered deposits was launched on 3 March 2018. ABLV Bank AS has 22 857 depositors with covered amount of EUR 487 million. In general the disbursement process will continue until 22 February 2023 except in specific circumstances when the reasons (if any) of the refusal for the disbursement of guaranteed compensation are no longer existent. In such case the disbursement will continue for the period of 5 years from the day when reasons for the refusal cease.

Yours sincerely,



Pēters Putniņš
Chairman
Financial and Capital Market Commission
Republic of Latvia