



ABLV

Riga, 22 March 2019

Statement of Corporate Governance for 2018

Statement of Corporate Governance for 2018 of ABLV Bank, AS in liquidation (hereinafter – the Company) has been prepared in compliance with the requirements of Part 3 of Section 56.² of the Financial Instrument Market Law.

Information about the main elements of the Company's internal control and risk management system that are applied to financial reporting.

Internal control

The internal control system is aimed to provide confidence that the assets of the Company and its subsidiaries (hereinafter – the Group) are protected properly against loss and unauthorised possession and use, the activity risks are continuously monitored and managed, the capital is adequate for covering risks associated with activity, transactions within liquidation are processed in accordance with the Group's and the Company's procedures and properly recorded, as well as the Group and the Company operate in sensible, prudent and efficient manner, fully complying with requirements of the laws, liquidation plan and other legal acts.

The Group's and the Company's management is responsible for establishment, implementation and use of internal control system with regard to preparation of financial statements and fair representation. The responsibility is carried out by selecting and applying appropriate accounting methods, which are described in internal normative documents.

Until June 12, 2018, the internal control system of the Group and the Company was supervised by the Internal Audit Department, whereas the Council controlled establishment and effective functioning of the internal control system ensured by the Board. On June 12, 2018, the Financial and Capital Market Commission (hereinafter – the FCMC) approved the voluntary liquidation of the Company and applied to the European Central Bank for withdrawal of the license. With this decision of the FCMC, all Board and Council members of the Company lost their power. The functions of the Board and the Council were taken over by the Liquidation Committee. The Company has set up the Audit Committee, the functions of which include monitoring the efficiency of internal control and risk management system. Pursuant to the liquidation plan, the Company continues to comply with all requirements of the laws and regulations on prevention of money laundering and financing of terrorism and sanction violations, which are applicable to credit institutions.

The Group and the Company have developed accounting policy, which is aimed to set the main principles for accounting and documenting the operations (transactions), the flow and existence of financial assets and financial liabilities, as well as business transactions, so that the accounting information provided is true, comparable, timely, relevant, understandable, proper and complete. In addition, the Group and the Company have developed normative documents that set forth the financial reporting procedures.

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The Group's and the Company's financial reports are subject to independent audit, under which the independent auditors prepare statement on whether, in their opinion, the financial reports give a true and fair view of the Group's and the Company's financial position, operating results and cash flow and are prepared in accordance with the International Financial Reporting Standards adopted by the European Union.

Risk management

Information about the elements of risk management system is contained in the Group's consolidated and the Company's separate financial report for the year 2018, as well as in the Statement on Information Disclosure published at the Company's website www.ablv.com.

The Group's consolidated and the Company's separate financial report for the year 2018 is publicly available at the Company's premises at 7 k-1 Skanstes street in Riga, as well as electronically – on the Company's web site www.ablv.com.

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ABLV Bank, AS in liquidation
Liquidator Arvīds Kostomārovs



ABLV Bank, AS in liquidation
Liquidator Andris Kovaļčuks

