PRESS RELEASE

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ECB instructs national supervisor to impose moratorium on ABLV Bank

- Decision followed significant deterioration of bank’s financial position
- Supervisory intervention necessary to stabilise outflows
- ABLV Bank exploring ways to address funding shortages

The Financial and Capital Markets Commission (FCMC) has imposed a moratorium on ABLV Bank, following a request by the European Central Bank (ECB). This means that temporarily, and until further notice, a prohibition of all payments by ABLV Bank on its financial liabilities has been imposed, and is now in effect.

In recent days, there has been a sharp deterioration of the bank’s financial position. This follows an announcement on 13 February by the U.S. Department of the Treasury’s Financial Crimes Enforcement Network from February to propose a measure naming ABLV bank an institution of primary money laundering concern pursuant to Section 311 of the USA PATRIOT Act.

A moratorium was considered necessary given that the bank is working with the Latvian central bank and authorities to address the current situation.

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Note:
ABLV Bank has been supervised by the ECB since November 2014, by virtue of the bank being one of the three largest
credit institutions in Latvia, as measured by total assets and in accordance with the SSM Regulation.

Powers relating to the imposition of a moratorium accrue to the competent supervisory authority, under Article 113 (1) point 4 of the Latvian Credit Institution Law. As a result, following a decision by the ECB on Sunday, 18 February, the ECB instructed the FCMC to temporarily impose a prohibition of all payments made by ABLV Bank on its financial liabilities.