

ABLV Bank, AS
23 Elizabetes Street
Riga, LV-1010, Latvia

Tel: +371 6777 5222
Fax: +371 6777 5200
Client line: +371 6777 5555
E-mail: info@ablv.com

www.ablv.com



ABLV

BANKING / INVESTMENTS \ ADVISORY

Statement of Corporate Governance for 2012

ABLV Bank, AS (hereinafter referred to as the Bank) Statement of Corporate Governance for 2012 has been prepared in compliance with the requirements of Section 56 of the Financial Instrument Market Law.

The Statement is publicly available at the premises of the Bank in Riga, 23 Elizabetes St., as well as electronically – on the Bank's home page www.ablv.com.

Ernests Bernis
Chairman of the
Board

25 February 2013

Persons who directly or indirectly acquired qualifying interest in the capital company and their ownership interest.

As at 31 December 2012, the Bank's registered and paid-up share capital was LVL 19 740 000. According to the Bank's Articles of Association as at 31 December 2012 the share capital was divided into 120 600 ordinary registered dematerialized shares providing the right to receive dividends, liquidation quotas and voting rights at shareholders' meetings, and 11 000 dematerialized employee shares without voting rights at shareholders' meetings and the right to receive liquidation quota. Nominal value of each share was LVL 150, and they were fully paid. As at 31 December 2012, the Bank had no own shares. The Bank's shareholders having qualifying interest in the Bank do not have employee shares.

As at 31 December 2012, the following shareholders of the Bank acquired qualifying interest:

Shareholder	Ownership interest expressed as percentage of the total paid-up share capital	Ownership interest expressed as percentage of total voting rights
Oļegs Fiļs (indirect interest)	39.41%	43.00%
Ernests Bernis (direct and indirect interest, including Nika Berne's interest of 0.94%)	39.41%	43.01%

Shareholders having special control rights and the description of these rights.

None of the Bank's shareholders has special control rights.

Restrictions on voting rights, where the maximum amount of voting rights is set regardless of the voting shares held, and the shareholders' share in the profits which is not related to the proportion of the shares held, and other similar restrictions.

The Bank's Articles of Association do not impose any restrictions on shareholders' voting rights (excluding owners of employee shares, who do not have voting rights at shareholders' meetings), and no limits on the amount of voting rights are set. According to the Bank's Articles of Association and provisions of the Commercial Law, the Bank's shareholders have rights to the profit part which is proportionately related to the total nominal value of shares held by them.

The rules governing the election of board members, changes in the composition of the Board and the amendment of the Articles of Association.

Election of the members of the Bank's Board, changes in composition of the Board and the amendment of the Articles of Association are performed in accordance with the provisions of the Commercial Law, the Credit Institution Law, and the Bank's Articles of Association. The Bank's Articles of Association are available at the premises of the Bank in Riga, 23 Elizabetes St.

Powers of board members, including the powers to issue or repurchase shares.

Powers of the Bank's members of the board are set in the Commercial Law, the Credit Institution Law, and the Bank's Articles of Association. The Bank's Articles of Association are available at the premises of the Bank in Riga, 23 Elizabetes St. Members of the Board have no powers to issue or repurchase shares.

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

Internal Control

The internal control system is aimed at providing reasonable confidence that the Group's and the Bank's assets are protected against loss and unauthorized possession and use, the risks are continuously monitored and assessed, transactions are processed in accordance with the Group's and the Bank's procedures and properly recorded, as well the Group and the Bank operate in sensible, prudent and efficient manner, fully complying with laws and other legal requirements.

The Group's and the Bank's management is responsible for establishment, implementation and maintenance of internal control system under preparation of financial statements and fair presentation. This responsibility is carried out by selecting and applying appropriate accounting methods, which are described in internal normative documents.

The internal control system of the Group and the Bank is supervised by the Internal Audit Department, whereas the Council controls establishment and effective functioning of the internal control system performed by the Board. The Bank has set up an Audit Committee, which monitors the internal control and risk management system's efficiency.

The Group and the Bank have developed accounting policy, which is aimed at setting the main principles of accounting and representing the flow and existence of operations (transactions), 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 Bank have developed normative documents that set forth the financial reporting procedures.

The Group's and the Bank's annual and semi-annual reports are subject to independent audit, under which the independent auditors confirm that the annual accounts give a true and fair view of the financial position and are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

Risk management

Details of the risk management system elements can be found in the Bank's consolidated annual report for the year 2012. The Bank's consolidated report for the year 2012 is publicly available at the premises of the Bank in Riga, 23 Elizabetes St., as well as electronically – on the Bank's home page www.ablv.com.