



ABLV

BANKING / INVESTMENTS \ ADVISORY

## Statement of Corporate Governance for 2014

Riga, 25 February 2015

ABLV Bank, AS (hereinafter referred to as the Bank) Statement of Corporate Governance for 2014 has been prepared in compliance with the requirements of part three of Section 56.<sup>2</sup> of the Financial Instrument Market Law.

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

#### Internal control

The internal control system is aimed at providing well-grounded confidence that the group's and the Bank's assets are protected against loss and unauthorized possession and use, the activity risks are continuously monitored and managed, the capital is adequate for covering risks associated with activity, transactions are processed in accordance with the group's and the Bank's procedures and properly recorded, as well as the group and the Bank operate in sensible, prudent and efficient manner, fully complying with requirements of the laws and other legal acts.

The group's and the Bank's management is responsible for establishment, implementation and use of internal control system with regard to 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 ensured by the Board. The Bank has set up the Audit Committee, the functions of which include monitoring the efficiency of the internal control and risk management system.

The group and the Bank have developed accounting policy, which is aimed at setting the main principles of accounting and representing 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 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 reports 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

Information about the elements of the risk management system can be found in the Bank's consolidated annual report for the year 2014, as well as in the Statement on Information Disclosure published at the Bank's home page [www.ablv.com](http://www.ablv.com).

The Bank's consolidated annual report for the year 2014 is publicly available at the Bank's premises at 23 Elizabetes Street in Riga, as well as electronically – on the Bank's home page [www.ablv.com](http://www.ablv.com).

The Statement is publicly available at the Bank's premises at 23 Elizabetes Street in Riga, as well as electronically – on the Bank's home page [www.ablv.com](http://www.ablv.com).

Ernests Bernis  
Chairman of the Board

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](mailto:info@ablv.com)

[www.ablv.com](http://www.ablv.com)