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# ABLV Bank, AS in liquidation

## Interim Condensed Non-audited Consolidated and Separate Financial Statements

for the six-month period ended 30 June 2019

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# Liquidation Committee Report

Ladies and Gentlemen, Shareholders, Creditors and Employees of ABLV Bank, AS in liquidation,

During the first six months of 2019, the Liquidation Committee of ABLV Bank, AS in liquidation (hereinafter – the Company) continued the liquidation process and cooperation with all stakeholders, including state institutions and public officials, ensuring ongoing transparency and openness of the solvent liquidation process. Our objective remains unchanged – to satisfy the claims of all creditors of the Company fully, unless there are legal obstacles precluding a payout to a specific creditor, as assets of the Company exceed its liabilities. At the end of the reporting period, the recovered assets held as cash with the *Latvijas Banka* (Central Bank of Latvia) cover 78% of all creditor claims.

During the reporting period, the composition of the Liquidation Committee changed. On 5 February 2019, the Company's shareholders appointed two new liquidators — sworn attorney Lauma Bērziņa and sworn attorney Dr. iur. Ringolds Balodis. Meanwhile liquidator Elvijs Vēbers resigned on 6 February 2019, and liquidator Eva Berlaus – on 31 May 2019. Liquidators Arvīds Kostomārovs and Andris Kovaļčuks remain members of the Liquidation Committee.

The major event during the reporting period was the approval of the Methodology for AML/CFT/IS Compliance Monitoring Process for the independent compliance review of all Company's creditors and related clients. The Methodology developed by international team of Ernst&Young consultants was agreed with Financial Intelligence Unit of Latvia and approved by the Council of the Financial and Capital Market Commission (hereinafter – FCMC) on 6 March 2019. Creditor compliance review requirements set forth in the Methodology correspond to the best international practices and Latvian legislation. It is planned to commence pay-outs to creditors in the third quarter of 2019 by first satisfying claims ranked in the group comprised of depositors that are individuals, as well as micro, small and medium-sized enterprises, whose deposits were not covered by guaranteed compensation (i.e., the deposits exceeded EUR 100,000.00).

Guaranteed compensation payments are made by Citadele banka, AS since 3 March 2018. By the end of June 2019, guaranteed compensations were paid to 13,511 clients in the amount of EUR 434 million, i.e., 90% of the total amount transferred by the Company to the Deposit Guarantee Fund.

The Liquidation Committee has made a substantial progress with asset recovery in the first twelve months of its operations, and by 30 June 2019 the total amount of recovered assets reached EUR 610 million. The amount of Company's assets is sufficient to satisfy all creditor claims in full.

The key financial indicators as of 30 June 2019 are the following:

- total amount of assets: EUR 2.3 billion;
- creditor claims lodged: EUR 2.0 billion;
- available cash: EUR 1.6 billion;
- capital and reserves: EUR 290.0 million;
- total assets recovered: EUR 610 million.

In order to protect the interests of clients and shareholders, as well as due to significant financial losses over extensive period, on 2 July 2019, following the request from *Commission de Surveillance du Secteur Financier* (hereinafter – CSSF), supervisory authority of the Luxembourg financial sector, and ABLV Bank Luxembourg, S.A, the Luxembourg Commercial Court made a decision to lift the protection mechanism imposed on ABLV Bank Luxembourg, S.A and to commence its liquidation. Liquidators appointed by the Luxembourg Commercial Court invited creditors to lodge their claims by 10 January 2020. ABLV Bank Luxembourg, S.A. began its operation in 2013, and number of its employees was about 20.

Further changes in Company's organizational structure were made in the first half of 2019 to reflect termination of employment with persons whose functions are no longer necessary in the liquidation process. At the end of June, the number of the Company's employees was 284.

We note that legal proceedings and consultations with the US attorneys on revocation of FinCEN proposed rulemaking continue considering that the Company is in the liquidation process.

We thank Company's creditors, employees and shareholders for their understanding and support during the liquidation process.



**Arvīds Kostomārovs**  
Liquidator of ABLV Bank, AS in liquidation



**Andris Kovaļčuks**  
Liquidator of ABLV Bank, AS in liquidation

Riga, 29 August 2019

# Information about the Management

## Structure of the Liquidation Committee

### Liquidators

	<b>term of office:</b>
Arvīds Kostomārovs	since 13.06.2018.
Andris Kovalčuks	since 13.06.2018.
Lauma Bērziņa	since 06.02.2019.
Ringolds Balodis	since 06.02.2019.

### **Term of office from 13.06.2018 to 06.02.2019:**

Elvijs Vēbers

### **Term of office from 13.06.2018 to 31.05.2019:**

Eva Berlaus

On 5 February 2019, shareholders of the Company at their extraordinary meeting decided to remove from office liquidator Elvijs Vēbers as of 6 February 2019 and to appoint Lauma Bērziņa and Ringolds Balodis as liquidators of the Company.

On 28 May 2019, shareholders of the Company at their extraordinary meeting decided to remove from office liquidator Eva Berlaus after 31 May 2019 - last day in position.

## Statement of the Management's (Liquidators) Responsibility

The liquidators of ABLV Bank, AS in liquidation are responsible for preparation of the interim condensed financial statements for the six-month period of the Company as well as for preparation of the consolidated interim condensed financial statements of the Company and its subsidiaries (hereinafter – the Group).

The liquidators are responsible for ensuring of an appropriate accounting system, maintenance, preservation and protection of the Company's and the Group's assets and property, the development of policies for the Company's and the Group's operations, personnel, asset recovery as well as detection and prevention of violations committed within the Company and the Group. The liquidators are also responsible for supervision of compliance with the Credit Institutions Law of the Republic of Latvia and other legislation of the Republic of Latvia applicable to the credit institution in liquidation, as well as binding European Union legislation.

The interim condensed financial statements for the six-month period and notes thereto set out on pages 11 to 32 are prepared in accordance with the source documents: they present truly and fairly the financial position of the Group and the Company as of 30 June 2019 and 31 December 2018, and the results of operations of the Group and the Company, changes in the shareholder's equity and cash flows for the six-month periods ended 30 June 2019 and 30 June 2018.

These interim condensed financial statements for the six-month period are prepared in conformity with IAS 34 International Financial Reporting Standards as adopted by the European Union, with the assumptions that the Company and accordingly the Group will not continue their operations in the future. The gone concern principle is applied due to the Company's liquidation approved by the FCMC on 12 June 2018. Meanwhile many Company's subsidiaries which are a part of the Group continue their operations and are included in these consolidated financial statements based on going concern principle. Explanatory information on recognition principles for all subsidiaries is provided in Note 7. Decisions taken by the liquidators in the preparation of these financial statements and estimates made to determine the financial position as of 30 June 2019 have been made to be prudent and reasonable.



**Arvīds Kostomārovs**  
Liquidator of ABLV Bank, AS in liquidation



**Andris Kovaļčuks**  
Liquidator of ABLV Bank, AS in liquidation

Rīga, 29 August 2019

# Interim Condensed Statements of Comprehensive Income

EUR'000

	Group		Company		Company		
	Note	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018. (restated)	01.01.2018.– 30.06.2018.	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018. (restated)	01.01.2018.– 30.06.2018.
Interest income		13,252	28,523	28,523	12,559	26,771	26,771
Interest expense		(590)	(8,288)	(8,288)	-	(6,929)	(6,929)
<b>Net interest income</b>		<b>12,662</b>	<b>20,235</b>	<b>20,235</b>	<b>12,559</b>	<b>19,842</b>	<b>19,842</b>
Commission and fee income		1,739	7,147	7,147	733	4,452	4,452
Commission and fee expense		(171)	(1,187)	(1,187)	(47)	(1,697)	(1,697)
<b>Net commission and fee income</b>		<b>1,568</b>	<b>5,960</b>	<b>5,960</b>	<b>686</b>	<b>2,755</b>	<b>2,755</b>
Net gain from transactions with financial instruments		2,946	(9,946)	(12,385)	2,502	(9,003)	(11,442)
Net result from transaction with repossessed real estate		(1,464)	(187)	(187)	-	-	-
Other income		5,463	5,748	11,786	565	1,598	11,397
Other expenses		(5,897)	(9,829)	(9,206)	-	(738)	(738)
Dividend income		29	54	54	157	54	54
Impairment allowance for loans	3	822	(135)	(135)	824	(107)	(107)
Impairment allowance for investments in subsidiaries	7	-	-	-	(6,482)	(4,789)	(22,694)
Other impairment		63	176	174	62	175	174
Impairment allowance for financial instruments		10	3,229	2,001	-	3,091	1,863
Personnel expense		(10,926)	(18,988)	(23,936)	(7,911)	(15,212)	(19,260)
Other administrative expense		(10,039)	(10,639)	(10,966)	(8,354)	(8,812)	(9,140)
Amortisation and depreciation		(1,164)	(1,922)	(2,015)	(700)	(1,523)	(1,616)
<b>(Loss)/profit before corporate income tax</b>		<b>(5,927)</b>	<b>(16,244)</b>	<b>(18,620)</b>	<b>(6,092)</b>	<b>(12,669)</b>	<b>(28,912)</b>
Corporate income tax		(8)	(26)	(26)	(5)	(25)	(25)
<b>Net (loss)/profit for the reporting period</b>		<b>(5,935)</b>	<b>(16,270)</b>	<b>(18,646)</b>	<b>(6,097)</b>	<b>(12,694)</b>	<b>(28,937)</b>
Attributable to:							
Shareholders of the Company		(6,089)	(16,452)	(18,820)			
Non-controlling interests		154	182	174			
<b>Other comprehensive income which has been or is to be reclassified to profit or loss</b>							
Changes in revaluation reserve of financial assets at fair value through other comprehensive income		4	136	(6,022)	-	-	(6,022)
Reclassification result of financial assets at fair value through other comprehensive income		(23)	-	-	-	-	-
Change to income statement as a result of sale of financial assets at fair value through other comprehensive income		19	102	8,857	-	-	8,755
<b>Other comprehensive income which has been or is to be reclassified to profit or loss, total</b>		<b>-</b>	<b>238</b>	<b>2,835</b>	<b>-</b>	<b>-</b>	<b>2,733</b>
<b>Other comprehensive income in the reporting period not recognized through profit / loss</b>							
Changes in revaluation reserve of capital securities measured at fair value through other comprehensive income		309	6	6	259	6	6
<b>Total other comprehensive income in the reporting period not recognized through profit / loss</b>		<b>309</b>	<b>6</b>	<b>6</b>	<b>259</b>	<b>6</b>	<b>6</b>
<b>Total amount of other comprehensive income</b>		<b>309</b>	<b>244</b>	<b>2,841</b>	<b>259</b>	<b>6</b>	<b>2,739</b>
<b>Total amount of comprehensive income</b>		<b>(5,626)</b>	<b>(16,026)</b>	<b>(15,805)</b>	<b>(5,838)</b>	<b>(12,688)</b>	<b>(26,198)</b>
Attributable to:							
Shareholders of the Company		(5,780)	(16,208)	(15,979)			
Non-controlling interests		154	182	174			

**Arvīds Kostomārovs**  
Liquidator of ABLV Bank, AS in liquidation

**Andris Kovaļčuks**  
Liquidator of ABLV Bank, AS in liquidation

Rīga, 29 August 2019

## Interim Condensed Statements of Financial Position

EUR'000

Assets	Note	Group		Company	
		30.06.2019.	31.12.2018.	30.06.2019.	31.12.2018.
Cash on hand		11,826	9,335	11,820	9,332
Balances due from credit institutions	4	1,642,448	1,391,389	1,614,951	1,378,915
Investments in financial instruments	5	162,966	94,996	33,039	107,446
Loans	6	505,635	657,960	508,021	662,037
Investments in subsidiaries and associates	7	9,061	9,180	143,683	160,469
Investment property		105,580	101,289	-	-
Property and equipment		5,645	6,516	1,745	2,398
Intangible assets		2,972	3,386	2,942	3,362
Corporate income tax asset		2,720	3,186	2,606	2,606
Repossessed real estate		23,128	28,436	-	-
Other assets	9	12,329	13,789	28,596	20,911
Non-current investments held for sale	8	1,599	174,378	1,575	9,362
<b>Total assets</b>		<b>2,485,909</b>	<b>2,493,840</b>	<b>2,348,978</b>	<b>2,356,838</b>
<b>Liabilities</b>					
Creditors' claims	10	2,115,967	1,985,708	2,043,933	2,041,512
Balances due to credit institutions		6,211	6,844	-	396
Issued securities	11	9,793	9,850	-	-
Corporate income tax liabilities		-	1	-	-
Other liabilities		45,066	23,539	15,017	19,134
Liabilities directly related to non-current investments held for sale	8	-	153,423	-	-
<b>Total liabilities</b>		<b>2,177,037</b>	<b>2,179,365</b>	<b>2,058,950</b>	<b>2,061,042</b>
<b>Shareholders' equity</b>					
Paid-in share capital	13	42,080	42,080	42,080	42,080
Share premium		179,295	179,295	179,295	179,295
Reserve capital		2,134	2,134	2,134	2,134
Revaluation reserve		3,382	3,073	3,332	3,073
Retained earnings		83,571	112,894	69,284	96,727
(Loss)/profit for the reporting period		(6,089)	(29,346)	(6,097)	(27,513)
<b>Attributable to the shareholders of the Company</b>		<b>304,373</b>	<b>310,130</b>	<b>290,028</b>	<b>295,796</b>
<b>Non-controlling interest</b>		<b>4,499</b>	<b>4,345</b>	<b>-</b>	<b>-</b>
<b>Total shareholders' equity</b>		<b>308,872</b>	<b>314,475</b>	<b>290,028</b>	<b>295,796</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,485,909</b>	<b>2,493,840</b>	<b>2,348,978</b>	<b>2,356,838</b>



**Arvīds Kostomārovs**  
Liquidator of ABLV Bank, AS in liquidation



**Andris Kovaļčuks**  
Liquidator of ABLV Bank, AS in liquidation

Riga, 29 August 2019

## Interim Condensed Statement of Changes in Shareholders' Equity of the Group

	EUR'000							
	Paid-in share capital	Share premium	Reserve capital	Revaluation reserve and other reserves	Retained earnings	Attributable to the shareholders of the Company	Non- controlling interest	Total shareholders' equity
<b>01.01.2018.</b>	<b>42,080</b>	<b>179,295</b>	<b>2,222</b>	<b>2,631</b>	<b>112,862</b>	<b>339,090</b>	<b>4,094</b>	<b>343,184</b>
Net (loss) / profit for the reporting period	-	-	-	-	(16,452)	(16,452)	182	(16,270)
Other comprehensive income/(expense) for reporting period	-	-	-	152	-	152	-	152
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152</b>	<b>(16,452)</b>	<b>(16,300)</b>	<b>182</b>	<b>(16,118)</b>
Reclassification in reserves	-	-	(88)	88	-	-	-	-
Trade result of equity securities measured at fair value through other comprehensive income	-	-	-	(92)	92	-	-	-
<b>30.06.2018.</b>	<b>42,080</b>	<b>179,295</b>	<b>2,134</b>	<b>2,779</b>	<b>96,502</b>	<b>322,790</b>	<b>4,276</b>	<b>327,066</b>
<b>01.01.2019.</b>	<b>42,080</b>	<b>179,295</b>	<b>2,134</b>	<b>3,073</b>	<b>83,547</b>	<b>310,129</b>	<b>4,345</b>	<b>314,474</b>
Net profit/(loss) for the reporting period	-	-	-	-	(6,089)	(6,089)	154	(5,935)
Other comprehensive income/(expense) for the reporting period	-	-	-	333	-	333	-	333
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333</b>	<b>(6,089)</b>	<b>(5,756)</b>	<b>154</b>	<b>(5,602)</b>
Trade result of equity securities measured at fair value through other comprehensive income	-	-	-	(24)	24	-	-	-
<b>30.06.2019.</b>	<b>42,080</b>	<b>179,295</b>	<b>2,134</b>	<b>3,382</b>	<b>77,482</b>	<b>304,373</b>	<b>4,499</b>	<b>308,872</b>



**Arvīds Kostomārovs**  
Liquidator of ABLV Bank, AS in liquidation



**Andris Kovaļčuks**  
Liquidator of ABLV Bank, AS in liquidation

Rīga, 29 August 2019



## Interim Condensed Statement of Changes in Shareholders' Equity of the Company

	EUR'000					
	Paid-in share capital	Share premium	Reserve capital	Revaluation reserve and other reserves	Retained earnings	Total shareholders' equity
<b>01.01.2018.</b>	<b>42,080</b>	<b>179,295</b>	<b>2,134</b>	<b>2,720</b>	<b>96,721</b>	<b>322,950</b>
Net (loss) / profit for the reporting period	-	-	-	-	(12,694)	(12,694)
Other comprehensive income/(expense) for reporting period	-	-	-	98	-	98
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>(12,694)</b>	<b>(12,596)</b>
Trade result of equity securities measured at fair value through other comprehensive income	-	-	-	(92)	92	-
<b>30.06.2018.</b>	<b>42,080</b>	<b>179,295</b>	<b>2,134</b>	<b>2,726</b>	<b>84,119</b>	<b>310,354</b>
<b>01.01.2019.</b>	<b>42,080</b>	<b>179,295</b>	<b>2,134</b>	<b>3,073</b>	<b>69,214</b>	<b>295,796</b>
Net (loss) / profit for the reporting period	-	-	-	-	(6,097)	(6,097)
Other comprehensive income/(expense) for the reporting period	-	-	-	329	-	329
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>329</b>	<b>(6,097)</b>	<b>(5,768)</b>
Trade result for equity securities measured at fair value through other comprehensive income	-	-	-	(70)	70	-
<b>31.12.2019.</b>	<b>42,080</b>	<b>179,295</b>	<b>2,134</b>	<b>3,332</b>	<b>63,187</b>	<b>290,028</b>



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Liquidator of ABLV Bank, AS in liquidation



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Riga, 29 August 2019

# Interim Condensed Statements of Cash Flows

	EUR'000					
	Group	Group	Group	Company	Company	Company
	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018. (restated)	01.01.2018.– 30.06.2018.	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018. (restated)	01.01.2018.– 30.06.2018.
<b>Cash flows from operating activities</b>						
(Loss)/profit before corporate income tax	(5,927)	(16,244)	(18,620)	(6,092)	(12,669)	(28,912)
Dividend income	(29)	(54)	(54)	(157)	(54)	(54)
Amortisation and depreciation	1,164	1,922	2,015	700	1,523	1,616
Revaluation of investment property	3,853	5,848	5,848	-	-	(4,537)
Impairment of assets	(895)	(3,270)	(2,040)	5,596	1,630	20,764
(Income) / expenses on investment based on equity method	(9)	288	288	-	-	-
Realised loss/(profit) on financial assets at fair value through profit or loss	(289)	6,835	11,568	124	6,835	9,268
Interest (income)	(13,252)	(28,523)	(28,523)	(12,559)	(26,771)	(26,771)
Interest expense	590	8,288	8,288	-	6,929	6,929
<b>Net cash flows from operating activities before changes in assets and liabilities</b>	<b>(14,794)</b>	<b>(24,910)</b>	<b>(21,230)</b>	<b>(12,388)</b>	<b>(22,577)</b>	<b>(21,697)</b>
Decrease/(increase) in due from credit institutions	915	4,811	4,811	915	4,812	4,812
Decrease/(increase) in loans	175,044	186,803	194,904	161,946	188,874	188,874
Decrease/(increase) in financial assets at fair value through profit or loss	71,424	1,565,233	(30,408)	71,611	1,564,944	(234)
Decrease/(increase) in other assets	3,956	26,530	(5,293)	(4,093)	(4,441)	(5,032)
Increase/(decrease) in balances due to credit institutions	(633)	(49,886)	(49,886)	(396)	(49,913)	(49,913)
Increase/(decrease) in deposits	(2,110)	(1,131,293)	(1,161,432)	-	(1,128,075)	(1,128,075)
Increase/(decrease) in other liabilities	18,983	(23,285)	7,028	(4,504)	1,332	1,043
<b>Net cash flows from operating activities before corporate income tax</b>	<b>252,785</b>	<b>554,003</b>	<b>(1,061,506)</b>	<b>213,091</b>	<b>554,956</b>	<b>(1,010,222)</b>
Interest received in the reporting year	14,049	40,044	40,044	13,357	36,704	36,704
Interest (paid) in the reporting year	(609)	(10,501)	(10,501)	-	(9,142)	(9,142)
Corporate income tax received/(paid)	628	(1,065)	(1,065)	-	(889)	(889)
<b>Net cash flows from operating activities</b>	<b>266,853</b>	<b>582,481</b>	<b>(1,033,028)</b>	<b>226,448</b>	<b>581,629</b>	<b>(983,549)</b>
<b>Cash flows from investing activities</b>						
(Purchase) of financial assets at amortised cost	-	-	(11,183)	-	-	(5,713)
Redemption of financial assets at amortised cost	-	-	401,754	-	-	339,050
(Purchase) of financial assets at fair value through other comprehensive income	(9,497)	-	(135,900)	-	-	(83,690)
Sale of financial assets at fair value through other comprehensive income	2,502	-	1,385,916	2,502	-	1,315,531
(Purchase) of intangible and tangible assets and investment properties	(7,330)	(9,737)	(9,737)	-	(1,221)	(1,221)
Sale of intangible and tangible assets	239	2,095	2,095	698	1,593	1,593
Dividends received	157	54	54	157	54	54
Decrease in investments in subsidiaries and associated companies	-	-	-	8,094	100	100
(Increase) in investments in subsidiaries and associated companies	-	108	108	-	(11,740)	(11,740)
<b>Net cash flows from investing activities</b>	<b>(13,929)</b>	<b>(7,480)</b>	<b>1,633,107</b>	<b>11,451</b>	<b>(11,214)</b>	<b>1,553,964</b>
<b>Cash flows from financing activities</b>						
(Repurchase) of issued securities	-	(93,429)	(93,429)	-	(107,969)	(107,969)
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>(93,429)</b>	<b>(93,429)</b>	<b>-</b>	<b>(107,969)</b>	<b>(107,969)</b>
(Decrease)/increase in cash and cash equivalents	252,924	481,572	506,650	237,899	462,446	462,446
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,399,809</b>	<b>623,342</b>	<b>623,342</b>	<b>1,387,332</b>	<b>625,863</b>	<b>625,863</b>
Result from revaluation of foreign currency positions	1,541	(30,798)	(30,798)	1,540	(24,846)	(24,846)
<b>Cash and cash equivalents at the end of the year</b>	<b>1,654,274</b>	<b>1,074,116</b>	<b>1,099,194</b>	<b>1,626,771</b>	<b>1,063,463</b>	<b>1,063,463</b>



**Arvīds Kostomārovs**  
Liquidator of ABLV Bank, AS in liquidation



**Andris Kovaļčuks**  
Liquidator of ABLV Bank, AS in liquidation

Rīga, 29 August 2019

## Notes to the Interim Condensed Financial Statements

### Note 1

#### General information

ABLV Bank, AS in liquidation Reg. No. 50003149401 was registered in Aizkraukle, Republic of Latvia, on 17 September 1993, as a joint stock company. In the reporting period the official legal address of the Company is changed from Elizabetes Street 23, Riga, LV-1010, Latvia to Building 1 at 7 Skanstes St., Riga, LV-1013 which is the actual address of the Company as well.

FinCEN announcement of 13 February 2018 that resulted in the Company's operation being hampered. Company received the FCMC Board Decision "On the Unavailability of Deposits" in the Company on 23 February 2018. For protection of clients and creditors, on 26 February 2018 shareholders of the Company made the decision to go into the voluntary liquidation and on 12 June 2018, the FCMC approved the Company's voluntary liquidation.

On 11 July 2018, the ECB adopted a decision to cancel the license of ABLV Bank, AS in liquidation, for the operation of a credit institution. The Bank of Latvia issued a license for the operation of a credit institution on 9 September 1993, later it was re-registered with the FCMC under No.06.01.05.001 / 313. This decision came into force on 12 July 2018.

Information on the Company's business activity is included in the Liquidation Committee Report, as well as on the Company's website <https://www.ablv.com/lv/legal-latest-news/ablv-bank-self-liquidation>.

These interim condensed consolidated and separate financial statements contain the financial information for six month period ended 30 June 2019 about ABLV Bank, AS in liquidation and its subsidiaries. The Company is the parent entity of the Group.

The list of all group's subsidiaries is presented in Note 7.

Information about creditors and mortgage loans service locations is disclosed on the Company's website <https://www.ablv.com/lv/about/offices>.

The following abbreviations are used in the notes to these financial statements: International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Accounting Standards Board (IASB), International Financial Reporting Interpretations Committee (IFRIC), Financial and Capital Market Commission of the Republic of Latvia (FCMC), European Monetary Union (EMU), European Union (EU), Organisation for Economic Cooperation and Development (OECD), European Central Bank (ECB).

These interim condensed consolidated and separate financial statements for six month period ended 30 June 2019 of the Group have not been audited.

## Note 2

### Information on principal accounting policies

#### a) Basis of Preparation

These interim condensed consolidated and separate financial statements for the six-month period are based on the accounting records made pursuant to the legislative requirements and prepared based on the statutory accounting registers and in accordance with the IAS 34 approved in the European Union. Given that after the commencement of the liquidation of the Company on 12 June 2018 neither the Company, nor the Group is subject to going concern principle, which affects the principles of presentation of the financial data in these interim financial reports for interim period of the Group and the Company for the six-month period ended 30 June 2019.

The financial statements for six-month period ended 30 June 2019 are prepared in accordance with IFRS as adopted by the European Union, as long as upon applying them the information provided in the financial report can be assessed with maximum precision in accordance with the going concern principle, where the financial assets and financial liabilities of the Company are presented in accordance with the IFRS 9 requirement, while other assets and liabilities – in accordance with the historical cost, deducting the recognised impairment losses in order to present the estimated recoverable value of the assets that is planned to be recovered under normal market conditions assuming that the process of sale of the assets is open, transparent and participated by several parties. The value of assets is not recognized as fire sale value.

The financial statements provide a structured overview of the financial position and financial results of the Group and the Company.

Reserve capital is a value of Group's/Company's property to cover according to a procedure previously unexpected accumulated losses and to fund other needs as they arise. There are no legal restrictions on utilisation of the reserves. Decision on the use of reserve capital can be made by a shareholders' meeting.

The comparative financial data included in these interim condensed consolidated and separate financial statements i.e. information in the brackets in the notes as of 31 December 2018 are prepared in accordance with the provisions of report consolidated and separate financial statements as of 31 December 2018, but financial indicators and information in the brackets in the notes for the six-month period ended 30 June 2018 are presented in these financial reports in accordance with the provisions of report interim condensed consolidated and separate financial statements for the six-month period ended 30 June 2018 and are adjusted based on going concern principle, as described in h).

The accounting and functional currency of the Company and its subsidiaries is EUR. The reporting currency of the Group's and the Company's financial statements is EUR.

These condensed consolidated interim financial statements and separate financial statements of the Company for the six-month period are prepared in thousands of euros (EUR'000) unless otherwise stated.

#### b) Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS approved in the EU requires liquidators to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events may impact assumptions that were used as the basis for estimates. Such estimates and assumptions are based on most reliable information available to liquidators in respect of specific events and actions. The effect of any changes in estimates will be recorded in the financial statements when determinable.

The main objective of the liquidators is to ensure in the liquidation process that the claims and interests of all the creditors of ABLV Bank, AS in liquidation are satisfied. In order to ensure the above, liquidators take strategic and operational decisions to sell or hold assets in order to recover them in the best possible way by restructuring or refinancing, depending on the expected recoverable amount of each type of recovery. The amounts actually recovered may not differ materially from the value initially estimated at market conditions at the time of recovery.

The significant areas of estimation and assumptions relate to determining the value of non-current investments held for sale (see paragraph e)), determining the value of assets repossessed for sale, commission income / expenses included in the calculation of the effective interest rate, determining fair value of investment property (see paragraph d)), determining the impairment allowance for financial assets, determining the value of collateral (pledge), estimation of impairment of other assets, including investments in subsidiaries, calculation of the fair value of assets and liabilities (see paragraph d)), assumptions regarding control and material impact on subsidiaries and associations (see paragraph c)), as well as assumptions regarding the power that the Group has over open-end investment funds (see paragraph c)). Taking into account the commenced liquidation of the Company, the assets which the liquidators are planning to sell within upcoming 12 months shall be presented in accordance with IFRS 5 requirements.

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

c) Consolidation

These consolidated financial statements include the financial reports of the Company separately and its subsidiaries listed in Note 7 controlled by the Company (the parent company of the Group), i.e. the Company has the power to govern the financial and operating policies of an entity so as to obtain economic benefits. Subsidiaries are consolidated from the date on which control is transferred to the parent and are no longer consolidated from the date that control ceases.

The Company's and its subsidiaries' financial statements are consolidated in the Group's financial statements using the full consolidation method, by adding together like items of assets and liabilities at the period end, as well as income and expenses.

The Company's subsidiaries must comply with the Company's policies and risk management methods. Investments in subsidiaries that are not subject to sell are presented in the Company's separate financial statements in accordance with the cost method, while the investment in subsidiaries that one is planning to sell is in accordance with IFRS 5 measured as non-current investments held for sale that complies to net sale revenue (see paragraph e)).

Non-controlling interest represents the portion of profit or loss and equity not owned, directly or indirectly, by the Company. Non-controlling interest is measured according to its proportionate interest in net assets.

Associates are the companies over which the Group has significant influence, however, there is no control over their financial and business policies. Investments in associates are presented in the Company's separate financial statements in accordance with the cost method, while the Group's interests in associates are accounted for using the equity method. They are initially recognised at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI in equity-accounted investees, until the date on which significant influence ceases to exist.

Company's investments in open-end investment funds as structured companies established as collective property and not recognized as a company, are presented in the separate financial statements in Note 5 as financial assets at fair value through profit or loss.

However, in the consolidated financial statements of the Group the investments in open-ended investment funds, managed by the Company's subsidiary ABLV Asset Management, IPAS, thus ensuring the Company's ability to exercise significant control over it and in which the Company owns a major part (at least 30% or above) of net assets, are consolidated according to the full consolidation method.

d) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value of financial assets and liabilities is quoted prices in an active market. If the market for a financial asset or liability is inactive, fair value is established by using a valuation technique, including discounted cash flow analysis, recent transactions that are substantially the same, as well as management estimates and assumptions.

Fair value of financial instruments is mostly defined based on quoted prices in an active market. The Group and the Company use other valuation techniques for some financial assets which are not quoted in the market and for which no quoted prices for similar financial assets in active markets are available. Fair value of such assets is estimated based on valuation models which are based on the assumptions and estimates regarding the potential future financials of the investment subject, and the industry and geographical area risks in which investment subject operates.

Fair value of collateral is mainly determined based on publicly available information on prices of possible realization of real estate to third parties in the market.

The most credible market value of investment property was identified based on the evaluations presented by external real estate appraisers and/or Company's real estate experts. Investment properties are valued applying market approach and/ or on the basis of discounted cash flows with a terminal value component at the end of the cash flow forecast period, as well as cost substitution method. According to this approach, fair value is calculated based on assumptions regarding expected future cash flows from income and expense resulting from the holding of real estate during its life cycle, including the value of the property at the date of sale. These cash flows are discounted at a discount rate, which is equal to the market return from similar assets, to determine the present value.

The gross value of investment property is derived by applying market yields to the estimated value of lease. Where the actual lease payment is significantly different from the estimated payment adjustments are made to reflect the actual lease payment. Comparable transaction approaches are based on the estimated market value for which property could be exchanged on the valuation date between a buyer and a seller in conditions of the transaction after proper marketing wherein the parties had each acted knowledgeably. The selling value of the investment properties may differ from the market value as defined, if the market of such kind of properties is not properly developed in Latvia.

## Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019

Fair value of non-current investments held for sale is measured based on the estimated market price of the particular asset.

The fair value of loans, which interest rates are changing in the period of six-month or less, is close to carrying amount, but the fair value of other loans is estimated by discounting the expected cash flows at a discount rate calculated according to the money market rates at the end of the year and loan interest margins.

Fair value of the creditors' claims is the value approved by the Liquidation Committee that shall not be discounted. Regarding other assets and liabilities the Group/the Company assumes the fair value is close to carrying amount.

Hierarchy of input data for determining the fair value of assets and liabilities.

The Group and the Company use the following hierarchy of three levels of input data for determining and disclosing the fair value of assets and liabilities:

Level 1: Quoted prices in active markets;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable;

Level 3: Other techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The comparison of carrying amounts and fair values of the Group's and Company's financial assets and liabilities is presented in Note 17.

### e) Non-current Investments held for sale

The assets are reclassified as non-current investments held for sale only if it is not intended to use them in long-term and there is a decision made about starting the sale process of these assets (see Note 8). Non-current investments are recognized at value below carrying amount or net sale revenue, except the financial assets which in accordance to IFRS 5 should be recognised at value that corresponds to IFRS 9 requirements. Net sale revenue is the estimated sale value/fair value of the asset minus the estimated cost to make the sale. For methods of determining fair values of the non-current investments held for sale see paragraph d).

### f) Creditors' Claims

The principal aim of the liquidators of the Company is to ensure that under the liquidation interests and claims of all creditors of ABLV Bank, AS in liquidation are satisfied to 100%. In accordance with Section 192 and 193 of the Credit Institutions Law (taking into account Clause 78 of Transitional Provisions), the liabilities to credit institutions, deposits, liabilities regarding issued bonds, subordinated liabilities and a part of other liabilities are recognised as creditors' claims, which are categorised in groups in accordance with the Credit Institutions Law as provided on the website of the Company: <https://www.ablv.com/lv/legal-latest-news/ablv-bank-self-liquidation/questions-and-answers-on-voluntary-liquidation-process>.

### g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and balances due from central banks and other credit institutions with a contractual original maturity of three months or less. The cash balance is reduced by the amount of demand deposits from the above institutions. Cash and cash equivalents are highly liquid short term assets that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

h) Restatements in comparable figures for the six-month period ended 30 June 2018 applying gone concern principle:

	EUR'000							
	Group							
	30.06.2018.							
	Total change	Derecognition of deferred long-term employee benefits	Derecognition of accrued long-term employee benefits	Reclassification of financial instruments	Severance pay	Reclassification of property and equipment	Write-offs of intangible assets	Write-offs of accrued expenses
<b>Net profit for the reporting period</b>	<b>2,376</b>	<b>(46)</b>	<b>(5,363)</b>	<b>3,669</b>	<b>4,048</b>	<b>(259)</b>	<b>72</b>	<b>255</b>
incl. net profit from transactions with financial instruments	2,440	-	-	2,440	-	-	-	-
incl. other income	(5,715)	-	(5,363)	-	-	(352)	-	-
incl. Impairment allowances for financial assets and other impairment allowances	1,229	-	-	1,229	-	-	-	-
incl. personnel expenses	3,994	(54)	-	-	4,048	-	-	-
incl. other administrative expenses	255	-	-	-	-	-	-	255
incl. depreciation	165	-	-	-	-	93	72	-
incl. corporate income tax	8	8	-	-	-	-	-	-

	EUR'000							
	Company							
	30.06.2018.							
	Total change	Derecognition of accrued long-term employee benefits	Reclassification of financial instruments	Severance pay	Reclassification of property and equipment	Write-offs of intangible assets	Write-offs of accrued expenses	Impairment allowances for investments in subsidiaries
<b>Net profit for the reporting period</b>	<b>16,243</b>	<b>(5,363)</b>	<b>3,669</b>	<b>4,948</b>	<b>(4,343)</b>	<b>72</b>	<b>255</b>	<b>17,005</b>
incl. net profit from transactions with financial instruments	2,440	-	2,440	-	-	-	-	-
incl. other income	(9,799)	(5,363)	-	-	(4,436)	-	-	-
incl. Impairment allowances for investments in subsidiaries	17,005	-	-	-	-	-	-	17,005
incl. Impairment allowances for financial assets and other impairment allowances	2,129	-	1,229	900	-	-	-	-
incl. personnel expenses	4,048	-	-	4,048	-	-	-	-
incl. other administrative expenses	255	-	-	-	-	-	255	-
incl. depreciation	165	-	-	-	93	72	-	-

### Note 3

#### Impairment allowances for loans

	EUR'000			
	Group		Company	
	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018.	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018.
<b>Category</b>				
Change of individual allowances, net	177	4,672	179	4,672
incl. Stage 1	(412)	247	(410)	247
incl. Stage 2	768	1,943	768	1,943
incl. Stage 3	(179)	2,482	(179)	2,482
Change of portfolio allowances, net	(619)	(3,908)	(623)	(3,936)
incl. Stage 1	(1,139)	310	(1,140)	310
incl. Stage 2	221	1,235	221	1,235
incl. Stage 3	299	(5,453)	296	(5,481)
<b>Increase/ (decrease) in allowances for the reporting period</b>	<b>(442)</b>	<b>764</b>	<b>(444)</b>	<b>736</b>
(Recovery)/loss of write-offs from asset write-off	(380)	(629)	(380)	(629)
<b>Decrease of impairment allowances during the reporting period, net</b>	<b>(822)</b>	<b>135</b>	<b>(824)</b>	<b>107</b>



**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

Changes in impairment allowances of the group for the six-month period ended 30 June 2019:

	EUR'000				
	Mortgage	Business	Other	Consumer	Total
<b>Impairment allowances at the beginning of the reporting period</b>	<b>9,334</b>	<b>18,148</b>	<b>1,265</b>	<b>59</b>	<b>28,806</b>
Increase	2,734	2,348	125	260	5,467
(Decrease)	(3,522)	(2,245)	(135)	(7)	(5,909)
<b>Total changes in impairment allowances for the reporting period</b>	<b>(788)</b>	<b>103</b>	<b>(10)</b>	<b>253</b>	<b>(442)</b>
(Decrease)/ increase in allowances for the reporting period due to currency fluctuations	2	66	-	-	68
(Elimination) in allowances for the year due to asset write-offs	(405)	-	-	(230)	(635)
<b>Impairment allowances at the end of the reporting period</b>	<b>8,143</b>	<b>18,317</b>	<b>1,255</b>	<b>82</b>	<b>27,797</b>
Individual allowances	311	17,711	-	-	18,022
Portfolio allowances	7,832	606	1,255	82	9,775
<b>Total gross assets, on which impairment allowances are attributable</b>	<b>260,566</b>	<b>271,353</b>	<b>1,255</b>	<b>258</b>	<b>533,432</b>

As at 30 June 2019, the impairment allowances for loans represent 5.2% (4.1%) of the Group's/Company's loan portfolio.

Changes in impairment allowances of the group for the six-month period ended 30 June 2018:

	EUR'000				
	Mortgage	Business	Other	Consumer	Total
<b>Impairment allowances at 31.12.2017.</b>	<b>6,004</b>	<b>6,124</b>	<b>1,237</b>	<b>43</b>	<b>13,408</b>
Result of IFRS 9 implementation	3,573	3,586	88	6	7,253
<b>Impairment allowances at 01.01.2018.</b>	<b>9,577</b>	<b>9,710</b>	<b>1,325</b>	<b>49</b>	<b>20,661</b>
Increase	3,218	2,017	36	46	5,317
(Decrease)	(2,690)	(1,792)	(56)	(15)	(4,553)
<b>Total changes in impairment allowances for the period</b>	<b>528</b>	<b>225</b>	<b>(20)</b>	<b>31</b>	<b>764</b>
(Decrease)/ increase in allowances for the period due to currency fluctuations	-	(19)	-	-	(19)
(Elimination) in allowances for the period due to asset write-offs	(1,387)	15	-	(5)	(1,377)
<b>Impairment allowances at the end of the period</b>	<b>8,718</b>	<b>9,931</b>	<b>1,305</b>	<b>75</b>	<b>20,029</b>
Individual allowances	329	9,056	-	-	9,385
Portfolio allowances	8,389	875	1,305	75	10,644
<b>Total gross assets, on which impairment allowances are attributable</b>	<b>290,868</b>	<b>550,527</b>	<b>8,049</b>	<b>380</b>	<b>849,824</b>

Changes in impairment allowances of the Company for the six-month period ended 30 June 2019:

	EUR'000				
	Mortgage	Business	Other	Consumer	Total
<b>Impairment allowances at the beginning of the reporting period</b>	<b>9,334</b>	<b>18,151</b>	<b>1,265</b>	<b>59</b>	<b>28,809</b>
Increase	2,731	2,350	124	260	5,465
(Decrease)	(3,523)	(2,245)	(134)	(7)	(5,909)
<b>Total changes in impairment allowances for the reporting period</b>	<b>(792)</b>	<b>105</b>	<b>(10)</b>	<b>253</b>	<b>(444)</b>
(Decrease)/ increase in allowances for the reporting period due to currency fluctuations	2	52	-	-	54
(Elimination) in allowances for the year due to asset write-offs	(401)	-	-	(238)	(639)
<b>Impairment allowances at the end of the reporting period</b>	<b>8,143</b>	<b>18,308</b>	<b>1,255</b>	<b>74</b>	<b>27,780</b>
Individual allowances	311	17,717	-	-	18,028
Portfolio allowances	7,832	591	1,255	74	9,752
<b>Total gross assets, on which impairment allowances are attributable</b>	<b>260,566</b>	<b>273,769</b>	<b>1,255</b>	<b>211</b>	<b>535,801</b>



**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

Changes in impairment allowances of the Company for the six-month period ended 30 June 2018:

	EUR'000				
	Mortgage	Business	Other	Consumer	Total
<b>Impairment allowances at 31.12.2017.</b>	<b>6,004</b>	<b>6,112</b>	<b>1,237</b>	<b>34</b>	<b>13,387</b>
Result of IFRS 9 implementation	3,573	3,586	88	6	7,253
<b>Impairment allowances at 01.01.2018.</b>	<b>9,577</b>	<b>9,698</b>	<b>1,325</b>	<b>40</b>	<b>20,640</b>
Increase	3,169	2,000	36	31	5,235
(Decrease)	(2,690)	(1,739)	(56)	(15)	(4,500)
<b>Total changes in impairment allowances for the period</b>	<b>479</b>	<b>261</b>	<b>(20)</b>	<b>16</b>	<b>736</b>
(Decrease)/ increase in allowances for the period due to currency fluctuations	-	(19)	-	-	(19)
(Elimination) in allowances for the period due to asset write-offs	(1,338)	(38)	-	(5)	(1,380)
<b>Impairment allowances at the end of the period</b>	<b>8,718</b>	<b>9,902</b>	<b>1,305</b>	<b>51</b>	<b>19,976</b>
Individual allowances	329	9,057	-	-	9,386
Portfolio allowances	8,389	845	1,305	51	10,590
<b>Total gross assets, on which impairment allowances are attributable</b>	<b>290,868</b>	<b>523,222</b>	<b>8,096</b>	<b>335</b>	<b>822,521</b>

## Note 4

### Balances due from credit institutions

	EUR'000			
	Group	Group	Company	Company
	30.06.2019.	31.12.2018.	30.06.2019.	31.12.2018.
Balances held with the Bank of Latvia	1,010,584	1,012,630	1,010,584	1,012,630
Balances held with the Banque Centrale du Luxembourg	3,592	-	-	-
Balances held with other credit institutions registered in Latvia*	602,856	364,858	594,967	352,646
Balances held with other credit institutions registered in the EU	19,858	7,351	3,842	7,351
Balances held with credit institutions registered in other countries	5,558	6,550	5,558	6,288
<b>Total balances held with credit institutions</b>	<b>1,642,448</b>	<b>1,391,389</b>	<b>1,614,951</b>	<b>1,378,915</b>

\* - EUR 587.3 (345.9) millions are in custody with other banks with funds placement in Bank of Latvia.

As of 30 June 2019 a part of Group's cash held with credit institutions in the amount of EUR 9.2 (6.6) million and a part of Company's cash held with credit institutions in the amount of EUR 8.7 (6.6) million were pledged in order to secure operational activities and transactions of financial instruments.

## Note 5

### Financial instruments

	EUR'000			
	Group	Group	Company	Company
	30.06.2019.	31.12.2018.	30.06.2019.	31.12.2018.
<b>Financial assets at fair value through profit or loss</b>				
Fixed-income debt securities	112,265	86,874	13,718	87,161
Equity shares	-	15	-	1
Investments in funds	44,767	-	13,387	12,177
<b>Total financial instruments at fair value through profit or loss</b>	<b>157,032</b>	<b>86,889</b>	<b>27,105</b>	<b>99,339</b>
<b>Financial instruments at fair value through other comprehensive income</b>				
Equity shares	5,934	8,107	5,934	8,107
<b>Total financial instruments at fair value through profit or loss</b>	<b>5,934</b>	<b>8,107</b>	<b>5,934</b>	<b>8,107</b>
<b>Total investments in financial instruments</b>	<b>162,966</b>	<b>94,996</b>	<b>33,039</b>	<b>107,446</b>

Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019

Note 6

Loans

The breakdown of loans by customer profile:

Type of borrower	EUR'000			
	Group		Company	
	30.06.2019.	31.12.2018.	30.06.2019.	31.12.2018.
Private companies	209,578	321,068	211,997	325,146
Private individuals	269,431	286,261	269,381	286,263
Other financial companies	54,423	79,437	54,423	79,437
<b>Total loans, gross</b>	<b>533,432</b>	<b>686,766</b>	<b>535,801</b>	<b>690,846</b>
Impairment allowances	(27,797)	(28,806)	(27,780)	(28,809)
<b>Total loans, net</b>	<b>505,635</b>	<b>657,960</b>	<b>508,021</b>	<b>662,037</b>

Decrease in loans in the reporting period is due to substantial amount of early repayments.

More detailed information about impairment allowances for loans is disclosed in Note 3.

Ten largest exposures of the Group as at 30 June 2019 amounted to 25.6% (26.4%) of the total Group's net loan portfolio, however, those of the Company amounted to 25.5% (26.3%) of the total Company's net loan portfolio. Individual impairment allowances EUR 6.6 (0) million has been established for these loans.

The breakdown of loans issued by five largest countries of borrowers:

Country	EUR'000			
	Group		Company	
	30.06.2019.	31.12.2018.	30.06.2019.	31.12.2018.
Latvia	437,572	578,385	441,596	582,462
Russia	44,882	50,128	44,871	50,128
Ukraine	12,841	14,356	12,838	14,356
Lithuania	7,986	14,365	7,986	14,365
Great Britain	313	270	293	270
Total other countries	2,041	456	437	456
<b>Total net loans</b>	<b>505,635</b>	<b>657,960</b>	<b>508,021</b>	<b>662,037</b>

Credit type structure:

Category	EUR'000									
	30.06.2019.					31.12.2018.				
	Mortgage	Business	Other	Consumer	Total gross loans	Mortgage	Business	Other	Consumer	Total gross loans
Group										
Ordinary loans	260,566	262,844	1,255	154	524,819	275,195	394,703	1,266	210	671,374
Credit lines	-	6,019	-	-	6,019	-	14,393	-	-	14,393
Balances on current accounts	-	2,455	-	84	2,539	-	922	-	32	954
Balances on payments cards	-	35	-	20	55	-	29	-	16	45
<b>Total gross loans</b>	<b>260,566</b>	<b>271,353</b>	<b>1,255</b>	<b>258</b>	<b>533,432</b>	<b>275,195</b>	<b>410,047</b>	<b>1,266</b>	<b>258</b>	<b>686,766</b>
Impairment allowance	(8,143)	(18,317)	(1,255)	(82)	(27,797)	(9,334)	(18,148)	(1,265)	(59)	(28,806)
<b>Total net loans</b>	<b>252,423</b>	<b>253,036</b>	<b>-</b>	<b>176</b>	<b>505,635</b>	<b>265,861</b>	<b>391,899</b>	<b>1</b>	<b>199</b>	<b>657,960</b>
Company										
Ordinary loans	260,566	266,882	1,255	154	528,857	275,195	398,783	1,266	210	675,454
Credit lines	-	6,019	-	-	6,019	-	14,393	-	-	14,393
Balances on current accounts	-	842	-	37	879	-	922	-	32	954
Balances on payments cards	-	35	-	20	55	-	29	-	16	45
<b>Total gross loans</b>	<b>260,566</b>	<b>273,769</b>	<b>1,255</b>	<b>211</b>	<b>535,801</b>	<b>275,195</b>	<b>414,127</b>	<b>1,266</b>	<b>258</b>	<b>690,846</b>
Impairment allowance	(8,143)	(18,308)	(1,255)	(74)	(27,780)	(9,334)	(18,151)	(1,265)	(59)	(28,809)
<b>Total net loans</b>	<b>252,423</b>	<b>255,461</b>	<b>-</b>	<b>137</b>	<b>508,021</b>	<b>265,861</b>	<b>395,976</b>	<b>1</b>	<b>199</b>	<b>662,037</b>

Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019

Collateral analysis for the Group's loans:

	EUR'000				
	Total gross loans	Securities	Real estate	Other collateral	Fair value of collateral, total*
<b>Category</b>					30.06.2019.
<b>Mortgage</b>	<b>260,566</b>	-	<b>233,994</b>	<b>479</b>	<b>234,473</b>
LTV up to 100%	142,493	-	142,014	479	142,493
LTV over 100%	118,073	-	91,980	-	91,980
<b>Business</b>	<b>271,353</b>	<b>4,009</b>	<b>211,578</b>	<b>48,832</b>	<b>264,419</b>
LTV up to 100%	256,928	4,009	204,087	48,832	256,928
LTV over 100%	14,425	-	7,491	-	7,491
<b>Other</b>	<b>1,255</b>	-	-	<b>1</b>	<b>1</b>
LTV up to 100%	-	-	-	-	-
LTV over 100%	1,255	-	-	1	1
<b>Consumer</b>	<b>258</b>	-	-	-	-
LTV up to 100%	-	-	-	-	-
LTV over 100%	258	-	-	-	-
<b>Total gross loans</b>	<b>533,432</b>	<b>4,009</b>	<b>445,572</b>	<b>49,312</b>	<b>498,893</b>
Impairment allowances	(27,797)				
<b>Total net loans</b>	<b>505,635</b>				
<b>Category</b>					31.12.2018.
<b>Mortgage</b>	<b>275,195</b>	-	<b>233,399</b>	<b>515</b>	<b>233,914</b>
LTV up to 100%	127,474	-	126,959	515	127,474
LTV over 100%	147,721	-	106,440	-	106,440
<b>Business</b>	<b>410,047</b>	<b>4,329</b>	<b>331,411</b>	<b>44,836</b>	<b>380,576</b>
LTV up to 100%	358,402	4,329	311,301	42,772	358,402
LTV over 100%	51,645	-	20,110	2,064	22,174
<b>Other</b>	<b>1,266</b>	-	-	<b>1</b>	<b>1</b>
LTV up to 100%	-	-	-	-	-
LTV over 100%	1,266	-	-	1	1
<b>Consumer</b>	<b>258</b>	-	-	-	-
LTV up to 100%	-	-	-	-	-
LTV over 100%	258	-	-	-	-
<b>Total gross loans</b>	<b>686,766</b>	<b>4,329</b>	<b>564,810</b>	<b>45,352</b>	<b>614,491</b>
Impairment allowances	(28,806)				
<b>Total net loans</b>	<b>657,960</b>				

\* - for purpose of these financial statements, for loans whose gross carrying amount is less than fair value of collateral, fair value of collateral is disclosed as the gross value of the loan.

LTV<sup>1</sup> above 100% does not create significant risk as impairment allowances recognised.

For the loans having no substantial increase in credit risk since their initial recognition, impairment allowances are recognised for the expected losses within 12 months, while for the loans having significant increase of credit risk since their initial recognition the allowances are recognised for the expected losses within the life time of the loan. The need for allowances is assessed by taking into account the unsecured portion of a loan and the statistics collected on loan movements to lower quality groups.

<sup>1</sup> LTV- loan carrying amounts to the fair value of collateral, where LTV < 100%, if the carrying amount of the loan is lower than fair value of collateral, but LTV > 100%, if the carrying amount of the loan is higher than the fair value of collateral or loans are unsecured.

Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019

Collateral analysis for the Company's loans:

	EUR'000				
	Total gross loans	Securities	Real estate	Other collateral	Fair value of collateral, total*
<b>Category</b>	30.06.2019.				
<b>Mortgage</b>	<b>260,566</b>	<b>-</b>	<b>233,994</b>	<b>479</b>	<b>234,473</b>
LTV up to 100%	142,493	-	142,014	479	142,493
LTV over 100%	118,073	-	91,980	-	91,980
<b>Business</b>	<b>273,769</b>	<b>2,467</b>	<b>215,616</b>	<b>48,832</b>	<b>266,915</b>
LTV up to 100%	259,424	2,467	208,125	48,832	259,424
LTV over 100%	14,345	-	7,491	-	7,491
<b>Other</b>	<b>1,255</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
LTV up to 100%	-	-	-	-	-
LTV over 100%	1,255	-	-	1	1
<b>Consumer</b>	<b>211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
LTV up to 100%	-	-	-	-	-
LTV over 100%	211	-	-	-	-
<b>Total gross loans</b>	<b>535,801</b>	<b>2,467</b>	<b>449,610</b>	<b>49,312</b>	<b>501,389</b>
Impairment allowances	(27,780)				
<b>Total net loans</b>	<b>508,021</b>				
<b>Category</b>	31.12.2018.				
<b>Mortgage</b>	<b>275,195</b>	<b>-</b>	<b>233,399</b>	<b>515</b>	<b>233,914</b>
LTV up to 100%	127,474	-	126,959	515	127,474
LTV over 100%	147,721	-	106,440	-	106,440
<b>Business</b>	<b>414,127</b>	<b>4,329</b>	<b>335,494</b>	<b>44,836</b>	<b>384,659</b>
LTV up to 100%	362,485	4,329	315,384	42,772	362,485
LTV over 100%	51,642	-	20,110	2,064	22,174
<b>Other</b>	<b>1,266</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
LTV up to 100%	-	-	-	-	-
LTV over 100%	1,266	-	-	1	1
<b>Consumer</b>	<b>258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
LTV up to 100%	-	-	-	-	-
LTV over 100%	258	-	-	-	-
<b>Total gross loans</b>	<b>690,846</b>	<b>4,329</b>	<b>568,893</b>	<b>45,352</b>	<b>618,574</b>
Impairment allowances	(28,809)				
<b>Total net loans</b>	<b>662,037</b>				

\*- for the purpose of these financial statements, for loans whose gross carrying amount is less than fair value of collateral, fair value of collateral is disclosed as the gross value of the loan.

The principles for determining the fair value of collateral are described in Note 2 paragraph d).

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

Note 7

**Investments in subsidiaries and associates**

At the end of the reporting period, the Group had investments in associates amounted to EUR 9.1 (9.2) million. The Company's investments in subsidiaries and associates amounted to EUR 146.3 (160.4) million, including investments in associates of EUR 8.6 (8.6) million and investments in subsidiaries of EUR 137.7 (151.8) million.

Group / Company have investment in associated company AmberStone Group, AS:

	EUR'000			
	Group		Company	
	30.06.2019.	31.12.2018.	30.06.2019.	31.12.2018.
Share capital	35,000	35,000	35,000	35,000
Equity (non-audited)	37,803	38,293	38,293	38,293
Group's / Company's share of total share capital, (%)*	24.28	24.28	24.28	24.28
<b>Carrying amount under cost method</b>	<b>x</b>	<b>x</b>	<b>8,635</b>	<b>8,635</b>
<b>Carrying amount under equity method</b>	<b>9,061</b>	<b>9,180</b>	<b>x</b>	<b>x</b>

\* - referred to the Company's shareholders

Movements in the investments in associates:

	EUR'000			
	Group		Company	
	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018.	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018.
<b>Gross investments at the beginning of the period</b>	<b>9,180</b>	<b>9,528</b>	<b>8,635</b>	<b>8,735</b>
(Dispossessed) shares in associates	-	-	-	(100)
Change in investments in associates under equity method	8	97	-	-
Dividends paid by associates	(127)	-	-	-
Increase/(decrease) in investments in associates as a result of loss of control over subsidiary	-	(445)	-	-
<b>Total investments at the end of the period</b>	<b>9,061</b>	<b>9,180</b>	<b>8,635</b>	<b>8,635</b>

Consolidated assets/liabilities and operating results of associated company Amberstone Group, AS:

	EUR'000	
	30.06.2019.	31.12.2018.
Position	(unaudited)	(audited)
Non-current assets	46,893	42,984
Current assets	13,141	11,170
<b>Total assets</b>	<b>60,034</b>	<b>54,154</b>
Non-current liabilities	9,511	5,546
Current liabilities	10,028	7,668
<b>Total liabilities</b>	<b>19,539</b>	<b>13,214</b>
Capital and reserves	37,803	38,335
incl. profit/(loss) for the reporting period	27	1,036
Non-controlling interest	2,692	2,605
<b>Total liabilities, capital and reserves</b>	<b>60,034</b>	<b>54,154</b>
<b>Net turnover</b>	<b>8,710</b>	<b>19,792</b>

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

Group entities (Company's direct and indirect ownership):

Company	Country of incorporation	Registration number	Business profile	30.06.2019.		31.12.2018.	
				Share in the entity's capital (%)	Share in the entity's capital with voting rights (%)	Share in the entity's capital (%)	Share in the entity's capital with voting rights (%)
ABLV Bank, AS in liquidation*	LV	50003149401	Financial services	100.00	100.00	100.00	100.00
ABLV Bank Luxembourg, S.A.*	LU	B 162048	Financial services	100.00	100.00	100.00	100.00
ABLV Consulting Services, AS*	LV	40003540368	Consulting services	100.00	100.00	100.00	100.00
ABLV Capital Markets, IBAS*	LV	40003814705	Financial services	90.00	100.00	90.00	100.00
ABLV Asset Management, IPAS	LV	40003814724	Financial services	90.00	100.00	90.00	100.00
REDDebitum, SIA	LV	40103964811	Other activities auxiliary to financial services	100.00	100.00	100.00	100.00
PEM, SIA	LV	40103286757	Investment project management	51.00	51.00	51.00	51.00
PEM 1, SIA	LV	40103551353	Wholesale of other machinery and equipment	51.00	51.00	51.00	51.00
New Hanza Capital, AS	LV	50003831571	Holding company	88.00	88.00	88.00	88.00
NHC 1, SIA	LV	50103247681	Investments in real estate	88.00	88.00	88.00	88.00
NHC 2, SIA	LV	40103963977	Investments in real estate	88.00	88.00	88.00	88.00
NHC 3, SIA	LV	50103994841	Investments in real estate	88.00	88.00	88.00	88.00
NHC 4, SIA	LV	40203032424	Investments in real estate	88.00	88.00	88.00	88.00
NHC 5, SIA	LV	50203032411	Investments in real estate	88.00	88.00	99.84	99.84
NHC 6, SIA	LV	40203032439	Investments in real estate	88.00	88.00	88.00	88.00
Hanzas Dārzs, SIA	LV	40203078059	Territory management	99.99	99.99	99.99	99.99
Pillar, SIA	LV	40103554468	Holding company	100.00	100.00	100.00	100.00
Pillar Holding Company, KS**	LV	40103260921	Holding company	100.00	100.00	100.00	100.00
Pillar 3, SIA**	LV	40103193067	Real estate transactions	100.00	100.00	100.00	100.00
Pillar 4 & 6, SIA**	LV	40103210494	Real estate transactions	100.00	100.00	100.00	100.00
Pillar 11, SIA**	LV	40103258310	Real estate transactions	100.00	100.00	100.00	100.00
Pillar 2, 12 & 14, SIA**	LV	50103313991	Real estate transactions	100.00	100.00	100.00	100.00
Pillar Technologies, SIA	LV	40103492079	Real estate transactions	100.00	100.00	100.00	100.00
Pillar 19, SIA**	LV	40103766952	Real estate transactions	100.00	100.00	100.00	100.00
Pillar 20, SIA**	LV	40103903056	Real estate transactions	100.00	100.00	100.00	100.00
Pillar 21, SIA**	LV	40103929286	Real estate transactions	100.00	100.00	100.00	100.00
Pillar 22, SIA**	LV	50103966301	Real estate transactions	100.00	100.00	100.00	100.00
Pillar 23, SIA**	LV	40203107574	Renting and operating of own or leased real estate	100.00	100.00	100.00	100.00
Pillar Management, SIA	LV	40103193211	Real estate management and administration	100.00	100.00	100.00	100.00
Pillar RE Services, SIA	LV	40103731804	Parking management	100.00	100.00	100.00	100.00
Pillar Contractor, SIA	LV	40103929498	Management and coordination of construction processes	100.00	100.00	100.00	100.00
Pillar Architekten, SIA	LV	40103437217	Designing and designer's supervision	100.00	100.00	100.00	100.00
Pillar Development, SIA	LV	40103222826	Infrastructure maintenance	99.97	99.97	99.97	99.97
New Hanza Centre, SIA	LV	40203037667	Investments in real estate	99.97	99.97	99.97	99.97
Pillar Energy, SIA	LV	40103693339	Infrastructure management	-	-	99.97	99.97

\*- gone concern principle is applied; \*\* - principal activity is related to the realization of company's assets; all other subsidiaries are included in these consolidated financial statements are included based on going concern principle.

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

The Company's investments in subsidiaries:

Name	Country of incorporation	30.06.2019.				31.12.2018.			
		Share capital	Equity	Company's share of total share capital, (%)	Carrying amount	Share capital	Equity	Company's share of total share capital, (%)	Carrying amount
Pillar Holding Company, KS	LV	65 000	38 279	100.0	65 000	65 000	38 605	100.0	65 000
Pillar Development, SIA	LV	39 550	28 078	99.8	39 450	39 550	30 469	99.8	39 450
New Hanza Centre, SIA	LV	25 300	15 239	99.7	25 228	35 200	27 290	99.7	35 100
ABLV Bank Luxembourg, S.A.*	LU	25 000	9 815	100.0	25 000	-	-	-	-
New Hanza Capital, AS	LV	25 000	29 773	88.0	22 000	25 000	29 603	88.0	22 000
Pillar 23, SIA	LV	21 075	20 792	99.1	20 875	21 075	20 906	99.1	20 875
ABLV Consulting services, AS	LV	1 800	306	100.0	1 800	1 800	312	100.0	1 800
Pillar Management, SIA	LV	1 000	1 147	100.0	1 073	1 000	1 117	100.0	1 073
ABLV Capital Markets, IBAS	LV	1 000	2 336	90.0	900	1 000	3 342	90.0	900
Hanzas Dārzs, SIA	LV	990	964	69.7	690	990	971	69.7	690
ABLV Asset Management, IPAS*	LV	650	1 224	90.0	585	-	-	-	-
PEM, SIA	LV	100	375	51.0	51	100	572	51.0	51
Pillar, SIA	LV	10	3	100.0	13	10	4	100.0	13
REDDebitum SIA	LV	3	(3)	100.0	3	3	(3)	100.0	3
NHC 5, SIA	LV	-	-	-	-	8 200	8 425	98.7	8 094
<b>Total investments in subsidiaries, gross</b>		<b>206 478</b>	<b>148 328</b>	<b>x</b>	<b>202 668</b>	<b>198 928</b>	<b>161 613</b>	<b>x</b>	<b>195 049</b>
Impairment allowances					(67 620)				(43 215)
<b>Total investments in subsidiaries, net</b>					<b>135 048</b>				<b>151 834</b>

\* - at the end of previous reporting period classified as non-current investments held for sale

Based on the request by ABLV Capital Markets, IBAS, on 28 May 2019 the FCMC withdrew its licence on rendering investment services. During the reporting period in April 2019 ABLV Capital Markets, IBAS ceased to provide its services to the customers. Thus, according to the provisions of the Credit Institutions Law on returning property of third parties, ABLV Bank, AS in liquidation is independently executing orders on outgoing transfers of securities that are in its custody. Customers' financial instruments held by Company at the end of reporting period amounted to EUR 555.7 (573.1) million, including bonds issued by Company amounting to EUR 397.7 (377.3) million and ABLV Asset Management, IPAS open investment funds amounting to EUR 30.0 (48.7) million.

Customers' assets of the open investment funds managed by ABLV Asset Management, IPAS at the end of the reporting period amounted to EUR 143.3 (130.9) million.

On 9 March 2018, the Luxembourg Commercial Court ruled to reject the request of Luxembourg regulator on liquidation of ABLV Bank Luxembourg, S.A.; there were protective measures applied to ABLV Bank Luxembourg, S.A. with suspension of payments for six months. Potential sale of shares were assessed and investment in ABLV Bank Luxembourg, S.A. is reclassified as non-current investment held for sale.

However during the reporting period, in order to protect the interests of clients and shareholders and due to substantial financial losses over a longer period of time, there was a decision made by ABLV Bank Luxembourg, S.A. to support commencement of liquidation. According to local regulation, CSSF, the Luxembourg regulator, submitted request to the Luxembourg Commercial Court to commence the liquidation process of the bank.

Having taken into account the above mentioned, investment in ABLV Bank Luxembourg, S.A. is no longer recognize as non-current investment held for sale.

Movements in the impairment allowances for Company's investments in subsidiaries:

	EUR'000	
	01.01.2018.–	01.01.2018.–
	30.06.2019.	30.06.2018.
		(restated)
<b>Impairment allowance at the beginning of the reporting period</b>	<b>43 215</b>	<b>47 785</b>
Increase in impairment allowances	6 482	4 896
incl. Hanzas Dārzs, SIA	148	-
incl. ABLV Bank Luxembourg, S.A.	1 707	-
incl. New Hanza Centre, SIA	2 174	-
incl. Pillar Development, SIA	2 453	4 896
(Decrease) in impairment allowances	-	(107)
incl. New Hanza Centre, SIA	-	(107)
<b>Impairment allowance for investments in subsidiaries</b>	<b>6 482</b>	<b>4 789</b>
Reclassified to non-current assets held for sale	17 923	(13 825)
Reclassified from other liabilities	-	900
<b>Impairment allowance at the end of the reporting period</b>	<b>67 620</b>	<b>39 649</b>

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

Movements in the Company's investments in subsidiaries:

	EUR'000	
	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018. (restated)
<b>Investments at the beginning of period, gross</b>	<b>195 049</b>	<b>184 926</b>
(Decrease) in investments due to the loss of control	(8 094)	-
Reclassified to investments held for sale	25 585	(25 585)
Increase in investments in existing subsidiaries' capital	-	11 739
Increase in investments in existing subsidiaries' capital by tangible investment	-	28 969
(Decrease) in investments in existing subsidiaries' capital	(9 872)	-
<b>Investments at the end of the period, gross</b>	<b>202 668</b>	<b>200 049</b>
Impairment allowances	(67 620)	(39 649)
<b>Investments at the end of the period, net</b>	<b>135 048</b>	<b>160 400</b>

The Company sold investment in NHC 5 SIA amounted EUR 8.1 million during the reporting period.

Changes in non-controlling interest:

	EUR'000	
	Group	Group
	01.01.2019.– 30.06.2019.	01.01.2018.– 30.06.2018.
<b>Non-controlling interest at the beginning of the period</b>	<b>4,345</b>	<b>4,094</b>
Profit share attributable to non-controlling interest	154	174
<b>Non-controlling interest at the end of the period</b>	<b>4,499</b>	<b>4,268</b>

## Note 8

### Non-current investments held for sale and liabilities directly related to non-current investments held for sale

The Group/Company has reclassified non-current assets, which the Group/Company have no intention to use in the long-term, to non-current investments held for sale.

Non-current investments held for sale:

	EUR'000			
Position	Group	Group	Company	Company
	30.06.2019.	31.12.0218.	30.06.2019.	31.12.0218.
Balances due from credit institutions	-	25,267	-	-
Investments in financial instruments	-	132,264	-	-
Investments in subsidiaries	-	-	-	7,661
Loans	-	14,640	-	-
Real estate	2,019	1,819	2,019	1,819
Other tangible assets	57	865	33	359
<b>Total assets, gross</b>	<b>2,076</b>	<b>174,855</b>	<b>2,052</b>	<b>9,839</b>
Impairment allowances	(477)	(477)	(477)	(477)
<b>Total assets, net</b>	<b>1,599</b>	<b>174,378</b>	<b>1,575</b>	<b>9,362</b>
Deposits	-	131,343	-	-
Other liabilities	-	22,080	-	-
<b>Total liabilities</b>	<b>-</b>	<b>153,423</b>	<b>-</b>	<b>-</b>

Additional information of the Company's subsidiaries, which in the reporting period were reclassified from/to non-current investments held for sale, is provided in Note 7.



## Note 9

### Other assets

	EUR'000			
	Group 30.06.2019.	Group 31.12.2018.	Company 30.06.2019.	Company 31.12.2018.
Receivables	1,597	1,705	1,408	1,688
Receivables from subsidiaries	-	-	23,162	9,603
Receivables from financial institutions	798	276	725	276
Settlements for payment card transactions	1,672	7,322	1,672	7,322
Settlements for financial instruments	4,303	282	77	282
<b>Total other financial assets</b>	<b>8,370</b>	<b>9,585</b>	<b>27,044</b>	<b>19,171</b>
Deffered expenses and accrued income	977	455	156	88
Inventory	1,342	2,628	994	994
Precious metals	512	419	512	419
Overpaid tax	106	1,252	37	33
Other assets	1,772	487	391	785
<b>Total other non-financial assets</b>	<b>4,709</b>	<b>5,241</b>	<b>2,090</b>	<b>2,319</b>
Impairment allowances	(750)	(1,037)	(538)	(579)
<b>Total other assets, net</b>	<b>12,329</b>	<b>13,789</b>	<b>28,596</b>	<b>20,911</b>

## Note 10

### Creditors' claims

	EUR'000			
	Group 30.06.2019.	Group 31.12.2018.	Company 30.06.2019.	Company 31.12.2018.
<b>Lodged creditors' claims</b>				
<b>Total lodged creditors' claims</b>	<b>1,952,657</b>	<b>-</b>	<b>2,007,821</b>	<b>-</b>
<b>Other creditors' claims, which previously disclosed as</b>				
as balances due to credit institutions	1	5,859	1	8,734
as deposits	154,025	1,545,953	26,827	1,589,708
as ordinary bonds	2,097	292,158	2,097	301,205
as subordinated liabilities	6,210	140,304	6,210	140,304
as other liabilities	977	1,434	977	1,561
<b>Total other creditors' claims</b>	<b>163,310</b>	<b>1,985,708</b>	<b>36,112</b>	<b>2,041,512</b>
<b>Total creditors' claims</b>	<b>2,115,967</b>	<b>1,985,708</b>	<b>2,043,933</b>	<b>2,041,512</b>

Information on the order of satisfaction of creditors' claims that takes place in accordance with the Company's liquidation plan approved by the FCMC is available on the website of the Company:

<https://www.ablv.com/lv/legal-latest-news/ablv-bank-self-liquidation/questions-and-answers-on-voluntary-liquidation-process>.

Information about ABLV Bank Luxembourg S.A. creditors' statements of claim is available on the website:

<https://www.ablv.lu/ru/legal-latest-news/legal-latest-news-liq>.

## Note 11

### Issued securities

On 12 June 2018, the FCMC approved the decision of ABLV Bank, AS shareholders' meeting on the voluntary liquidation. Consequently, all the Company's securities issues will be subject to redemption at the same time as the claims of the respective creditors and the principal will be paid to all securities holders within the framework of certain groups of creditors, in compliance with the requirements set out in the Credit Institution Law regarding the settlement procedure with creditors.

Thus, no redemption terms set by the Company for issued securities are relevant. The principal information about the bonds issued by the Company is available on the website: <https://www.ablv.com/lv/services/investments/bonds>.

## Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019

In order to successfully settle liabilities with its creditors and satisfy the claims of Company's creditors arising from the securities issued by the Company, the nominal value of each bond issued by the Company was changed to 0.01 EUR per bond during the reporting period, denominated in EUR, and USD 0.01 denominated in USD. The aforementioned change in the nominal value of the bonds issued by the Company was made in accordance with Article 139 of the Law on Credit Institutions, which stipulates that the liquidators shall determine the procedures for the coverage of other costs and debts. The change in the nominal value of the bonds in no way affects the claims made by the creditors and the process for their approval.

Information on changing face value of issued bonds is available on website: <https://www.ablv.com/en/press/2019-07-12-on-changing-face-value-of-ablv-bonds>.

In 2017 New Hanza Capital, AS, the subsidiary of the Group, issued straight bonds ISIN LV0000802312 in the amount of EUR 10.0 million. The annual interest rate of the bonds is fixed: 4.9% with semi-annual interest income payment. The issue date was 16 October 2017, and the maturity date is 16 October 2022. The issuer may redeem the bonds before maturity starting from 16 October 2019.

On 19 October 2017, these bonds were admitted to regulated market — included in the Baltic Bond List of Nasdaq Riga. Their initial placement price is 100% of the face value. The principles of recognition and accounting of these bonds have not changed in the reporting period.

At the end of the reporting period the value of the securities issued by New Hanza Capital, AS amounted to EUR 10.1 (10.1) million, but in the Group – EUR 9.8 (9.8) million.

### Note 12

#### Subordinated liabilities

On 12 June 2018, the FCMC upheld the decision of ABLV Bank, AS shareholders' meeting on the voluntary liquidation. Consequently, all subordinated liabilities will be disbursed to depositors within the framework of certain groups of creditors, in compliance with the requirements set out in the Credit Institution Law regarding the settlement procedure with creditors. Thus, the maturity dates for all subordinated deposits are not relevant.

### Note 13

#### Paid-in share capital

As at 30 June 2019, the paid-in share capital of the Company amounted to EUR 42.1 million (42.1 million). The par value of each share is EUR 1.0 (1.0).

The Company's share capital consists of 38,250,000 (38,250,000) ordinary registered voting shares and 3,830,000 (3,830,000) registered non-voting shares (personnel shares).

All registered voting shares ensure equal rights to dividends, liquidation quota and voting rights at the shareholders' meeting. All personnel shares ensure equal rights to dividends. Holders of personnel shares have no voting rights and no rights to liquidation quota.

As at 30 June 2019, the Company had 137 (137) voting shareholders.

The major shareholders of the Company are as follows:

Shareholders	30.06.2019.		31.12.2018.	
	Share of capital, EUR'000	Share of voting rights, %	Share of capital, EUR'000	Share of voting rights, %
<b>Ernests Bernis and Nika Berne (indirect ownership)</b>				
ASG Resolution Capital, AS	11,000	28.76	11,000	28.76
Cassandra Holding Company, SIA	5,646	14.76	5,646	14.76
<b>Ernests Bernis and Nika Berne (indirect ownership) total</b>	<b>16,646</b>	<b>43.52</b>	<b>16,646</b>	<b>43.52</b>
<b>Olegs Fijs (indirect ownership)</b>				
OF Holding, SIA	16,646	43.52	16,646	43.52
<b>Olegs Fijs (indirect ownership) total</b>	<b>16,646</b>	<b>43.52</b>	<b>16,646</b>	<b>43.52</b>
Other shareholders, total	4,958	12.96	4,958	12.96
<b>Total voting shares</b>	<b>38,250</b>	<b>100.00</b>	<b>38,250</b>	<b>100.00</b>
Non-voting shares (personnel shares)	3,830		3,830	
<b>Total share capital</b>	<b>42,080</b>		<b>42,080</b>	

Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019

Note 14

Off-balance sheet items

	EUR'000			
	Group 30.06.2019.	Group 31.12.2018.	Company 30.06.2019.	Company 31.12.2018.
Loan commitments	-	10,221	-	10,114
Agreements signed on non-financial asset acquisitions	5,027	5,901	-	-
Guarantees	1,542	2,877	1,620	2,782
<b>Contingent liabilities and other off-balance sheet items, total</b>	<b>6,569</b>	<b>18,999</b>	<b>1,620</b>	<b>12,896</b>

Note 15

Related party disclosures

Related parties of the Group and the Company are defined as shareholders who have a significant ownership share, liquidators, head of Internal Audit Department, spouses, children and other persons of the individuals referred to previously, companies in which abovementioned individuals have a significant ownership share, Company's subsidiaries and entities in which the Group/Company has an interest.

Group's transactions with related parties:

	EUR'000										
	30.06.2019.						31.12.2018.				
	Share-holders	Liquidators	Related companies	Associated companies	Other related individuals	Share-holders	Liquidators	Key management personnel*	Related companies	Associated companies	Other related individuals
<b>Assets</b>											
Loans	-	-	-	7 939	-	-	-	-	-	6 011	-
<b>Liabilities</b>											
Creditors' claims	2 757	-	237	3 879	43	2 757	-	-	237	3 872	43
<b>Memorandum items</b>											
Loan commitments	-	-	-	-	-	-	-	-	-	2 310	-
Guarantees	-	-	-	-	-	-	-	-	-	179	-
<b>Income/expense</b>											
				01.01.2019.–30.06.2019.						01.01.2018.–30.06.2018.	
Interest income	-	-	-	151	-	5	-	6	-	113	1
Interest expense	-	-	-	-	-	(10)	-	(42)	(2)	(11)	(5)
Dividend income	-	-	-	127	-	-	-	-	-	-	-
Commission income	-	-	-	-	1	58	-	6	3	68	-
Other ordinary income	-	1	-	22	-	-	-	-	-	205	-
Other administrative expense	-	-	-	(1)	-	-	-	-	(9)	(1)	-
Impairment allowances, net	-	-	-	(69)	-	-	-	(4)	-	-	-

\* - in the previous reporting period, until the starting of the liquidation process of the Company, the key management personnel that were recognized as related parties of the Company were members of Company's council and board and spouses, children and other persons of the individuals referred to previously, entities in which abovementioned individuals have a significant ownership share.

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

Company's transactions with related parties:

	30.06.2019.						31.12.2018.				
	Share-holders	Liquidators	Related companies	Subsidiaries and associated companies	Other related individuals	Share-holders	Liquidators	Key management personnel*	Related companies	Subsidiaries and associated companies	Other related individuals
<b>Assets</b>											
Investments in financial instruments	-	-	-	13,676	-	-	-	-	-	12,467	-
Loans	-	-	-	11,972	-	-	-	-	-	10,124	-
Other assets	-	-	-	23,162	-	-	-	-	-	9,603	-
<b>Liabilities</b>											
Creditors' claims	2,757	-	237	59,238	43	2,757	-	-	237	65,006	43
<b>Memorandum items</b>											
Loan commitments	-	-	-	-	-	-	-	-	-	2,310	-
Guarantees	-	-	-	180	-	-	-	-	-	179	-
<b>Income/ expense</b>				01.01.2019.–30.06.2019.						01.01.2018.–30.06.2018. (restated)	
Interest income	-	-	-	327	-	5	-	6	-	189	1
Interest expense	-	-	-	-	-	(10)	-	(42)	(2)	(102)	(5)
Dividend income	-	-	-	127	-	-	-	-	-	-	-
Commission income	-	-	-	116	1	-	-	4	-	137	-
Commission expenses	-	-	-	-	-	-	-	-	-	(2,637)	-
Other ordinary income	-	1	-	606	-	-	-	-	-	650	-
Other administrative expense	-	-	-	(72)	-	-	-	-	(9)	(209)	-
Impairment allowances, net	-	-	-	(6,554)	-	-	-	(4)	-	(4,797)	-

\* - in the previous reporting period, until starting the liquidation process of the Company, as key management personnel classified as related parties of the Company were defined members of Company's council and board and spouses, children and other persons of the individuals referred to previously, entities in which abovementioned individuals have a significant ownership share.

In the reporting period remuneration of the Company's liquidators and their assistants was EUR 1.4 million, meanwhile in previous reporting period remuneration of the Group's and the Company's Council and Board until June 13, 2018 was 1.0 million EUR, but remuneration of the Company's liquidators for period from 13 June 2018 till 30 June 2018 was EUR 40.0 thousand.

Information on changes in investments in subsidiaries and associates is disclosed in Note 7.

## Note 16

### Segment information

During the reporting period, the Group/Company's management has changed the classification of the Group's business activities into segments due to the commencement of liquidation of the Company and in order to manage its subsidiaries more effectively.

During the reporting period, ABLV Bank Luxembourg, S.A, ABLV Asset Management, IPAS and open-ended investment funds included in the Group were reclassified from non-current investments held for sale and included in the financial services business segment.

During the reporting period, ABLV Capital Markets, IBAS and REDDebitum, SIA (previously included in the investment management services segment) are also classified in the financial services business segment.

Changed real estate development operating segment to real estate development and management segment, to which reclassified New Hanza Capital, AS, NHC 1, SIA, NHC 2, SIA, NHC 3, SIA, NHC 4, SIA, NHC 5, SIA, NHC 6, SIA, previously included in the investment management services segment.

The activities of ABLV Consulting Services, AS (previously included advisory services), PEM, SIA and PEM 1, SIA (previously included investment management services) are not separately classified and presented as other activities.

The Group defines its operating segments based on its organisational structure. The Company views its operations as one single segment, without making any separate disclosures, while at the Group level the Company and all its subsidiaries are attributed to the Group's operating segments as follows:

- financial services (services was terminated/limited): ABLV Bank, AS in liquidation, ABLV Bank Luxembourg, S.A., AS, REDDebitum, SIA, ABLV Capital Markets, IBAS, ABLV Asset Management, IPAS, open-end investment fund included in the Group consolidation;
- real estate development: New Hanza Centre, SIA, Pillar Holding Company, KS, Pillar, SIA, Pillar 3, SIA, Pillar 4 & 6, SIA, SIA, Pillar 11, SIA, Pillar 2, 12 & 14 SIA, Pillar Technologies, SIA, Pillar 19, SIA, Pillar 20, SIA, Pillar 21, SIA, Pillar 22, SIA, Pillar 23, SIA, Pillar Development, SIA, Hanzas Dārzs, SIA, Pillar Management, SIA, Pillar RE Services, SIA, Pillar Contractor, SIA, Pillar Architekten, SIA and New Hanza Capital, AS, NHC 1, SIA, NHC 2, SIA, NHC 3, SIA, NHC 4, SIA, NHC 5, SIA, NHC 6, SIA;
- other: ABLV Consulting Services AS, PEM, SIA, PEM 1, SIA.

Operating segment information is prepared on the basis of internal reports.

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

Analysis of the operating segments of the Group:

EUR'000

	01.01.2019.-30.06.2019.									
	Financial services	Financial services*	Financial services**	Real estate development and management	Real estate development and management**	Other activities**	Other activities***	Total Group before consolidated adjustments	Eliminated or corrected on consolidation	Group, total
Net interest income	12,559	574	-	(67)	(404)	-	-	12,662	-	12,662
External transactions	12,382	574	-	2	(296)	-	-			
Internal transactions	177	-	-	(69)	(108)	-	-			
Net commission income	688	923	(10)	(13)	(19)	(1)	-	1,568	-	1,568
External transactions	410	1,201	(10)	(13)	(19)	(1)	-			
Internal transactions	278	(278)	-	-	0	-	-			
Net result of transactions with securities and foreign exchange, dividends received	2,660	396	-	-	5	-	5	3,066	(91)	2,975
External transactions	2,569	396	-	-	5	-	5			
Internal transactions	91	-	-	-	-	-	-			
Net other income/expenses	1,773	(1)	41	(3,082)	1,217	6	-	(46)	(1,852)	(1,898)
External transactions	(67)	1,202	34	(4,448)	1,220	161	-			
Internal transactions	1,840	(1,203)	7	1,366	(3)	(155)	-			
Personnel and other administrative expenses	(16,266)	(2,816)	(366)	(2,375)	(449)	(40)	(15)	(22,327)	1,362	(20,965)
Depreciation	(700)	(301)	-	(140)	(23)	-	-	(1,164)	-	(1,164)
Impairment allowance and other provisions	(5,595)	11	-	(406)	(2)	(202)	-	(6,194)	7,089	895
Corporate income tax	(5)	-	-	-	-	(3)	-	(8)	-	(8)
<b>Total segment profit/(loss)</b>	<b>(4,886)</b>	<b>(1,214)</b>	<b>(335)</b>	<b>(6,083)</b>	<b>325</b>	<b>(240)</b>	<b>(10)</b>	<b>(12,443)</b>	<b>6,508</b>	<b>(5,935)</b>

Additions of property and equipment, intangible assets and investment property

	30.06.2019.									
<b>Total segment assets</b>	<b>2,352,578</b>	<b>175,802</b>	<b>3,300</b>	<b>162,669</b>	<b>94,994</b>	<b>644</b>	<b>974</b>	<b>2,790,961</b>	<b>(305,052)</b>	<b>2,485,909</b>
<b>Total segment liabilities</b>	<b>2,058,948</b>	<b>164,295</b>	<b>67</b>	<b>39,790</b>	<b>46,536</b>	<b>354</b>	<b>668</b>	<b>2,310,658</b>	<b>(133,621)</b>	<b>2,177,037</b>

\* - which in the reporting period reclassified from non-current investments held for sale; \*\* - previously classified as investment management; \*\*\* - previously classified as advisory services.

EUR'000

	01.01.2018.-30.06.2018. (restated)									
	Banking	Investment management	Advisory services	Real estate development	Total group before consolidated adjustments	Eliminated or corrected on consolidation	Group, total			
Net interest income	20,717	(234)	-	-	20,483	(248)	20,235			
External transactions	20,469	(234)	-	-						
Internal transactions	248	-	-	-						
Net commission income	3,371	1,728	(8)	(10)	5,081	879	5,960			
External transactions	4,250	1,728	(8)	(10)						
Internal transactions	(879)	-	-	-						
Net result of transactions with securities and foreign exchange, and dividends received	(8,949)	4,092	(17)	-	(4,874)	(5,018)	(9,892)			
External transactions	(9,859)	(16)	(17)	-						
Internal transactions	910	4,108	-	-						
Net other income/expenses	860	2,203	(459)	(4,459)	(1,855)	(2,413)	(4,268)			
External transactions	3,651	2,335	(797)	(9,457)						
Internal transactions	(2,791)	(132)	338	4,998						
Personnel and other administrative expenses	(30,554)	(1,144)	(1,513)	(2,371)	(35,582)	5,955	(29,627)			
Depreciation	(1,642)	(46)	(43)	(284)	(2,015)	93	(1,922)			
Impairment allowance and other provisions	(1,629)	-	-	-	(1,629)	4,899	3,270			
Corporate income tax	(25)	(1)	-	-	(26)	-	(26)			
<b>Total segment profit/(loss)</b>	<b>(17,851)</b>	<b>6,598</b>	<b>(2,040)</b>	<b>(7,124)</b>	<b>(20,417)</b>	<b>4,147</b>	<b>(16,270)</b>			

Additions of property and equipment, intangible assets and investment property

	31.12.2018.						
<b>Total segment assets</b>	<b>2,506,896</b>	<b>121,481</b>	<b>988</b>	<b>174,637</b>	<b>2,804,002</b>	<b>(310,162)</b>	<b>2,493,840</b>
<b>Total segment liabilities</b>	<b>2,199,595</b>	<b>67,933</b>	<b>675</b>	<b>27,868</b>	<b>2,296,071</b>	<b>(116,706)</b>	<b>2,179,365</b>

Information on geographical segments of Group's issued loans is provided in Note 6, major part (90%) of other Group's assets are located in Latvia.

Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019

Note 17

Fair value

The carrying amounts and fair values of the Group's assets and liabilities are as follows:

	30.06.2019.		31.12.2018.	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets at fair value</b>				
Investment property	105 580	105 580	101 289	101 289
Financial assets at fair value through profit or loss	157 032	157 032	86 889	86 889
Financial assets at fair value through other comprehensive income	5 934	5 934	8 107	8 107
<b>Total assets at fair value</b>	<b>268 546</b>	<b>268 546</b>	<b>196 285</b>	<b>196 285</b>
<b>Assets not measured at fair value</b>				
Cash	11 826	11 826	9 335	9 335
Balances due from credit institutions	1 642 448	1 642 448	1 391 389	1 391 389
Loans	505 635	505 755	657 960	658 026
Other financial assets	8 370	8 370	9 585	9 585
<b>Total assets not measured at fair value</b>	<b>2 168 279</b>	<b>2 168 399</b>	<b>2 068 269</b>	<b>2 068 335</b>
<b>Liabilities at fair value</b>				
Derivatives	328	328	-	-
Group's consolidated fund shares owned by 3rd parties	14 485	14 485	-	-
<b>Total liabilities at fair value</b>	<b>14 813</b>	<b>14 813</b>	<b>-</b>	<b>-</b>
<b>Liabilities not valued at fair value</b>				
Liabilities not valued at fair value	2 149 190	2 149 190	2 167 363	2 167 363
<b>Total liabilities not valued at fair value</b>	<b>2 149 190</b>	<b>2 149 190</b>	<b>2 167 363</b>	<b>2 167 363</b>

The carrying amounts and fair values of the Company's assets and liabilities are as follows:

	30.06.2019.		31.12.2018.	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets at fair value</b>				
Financial assets at fair value through profit or loss	27 105	27 105	99 339	99 339
Financial assets at fair value through other comprehensive income	5 934	5 934	8 107	8 107
<b>Total assets at fair value</b>	<b>33 039</b>	<b>33 039</b>	<b>107 446</b>	<b>107 446</b>
<b>Assets not measured at fair value</b>				
Cash and demand deposits with central banks	11 820	11 820	9 332	9 332
Balances due from credit institutions	1 614 951	1 614 951	1 378 915	1 378 915
Loans	508 021	508 141	662 037	662 103
Other financial assets	27 044	27 044	19 171	19 171
<b>Total assets not measured at fair value</b>	<b>2 161 836</b>	<b>2 161 956</b>	<b>2 069 455</b>	<b>2 069 521</b>
<b>Liabilities at fair value</b>				
Derivatives	328	328	-	-
<b>Total liabilities at fair value</b>	<b>328</b>	<b>328</b>	<b>-</b>	<b>-</b>
<b>Liabilities not valued at fair value</b>				
Liabilities not valued at fair value	2 050 126	2 050 126	2 049 859	2 049 859
<b>Total liabilities not valued at fair value</b>	<b>2 050 126</b>	<b>2 050 126</b>	<b>2 049 859</b>	<b>2 049 859</b>

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

The Group's assets and liabilities according to the hierarchy of input data for determining the fair value:

	30.06.2019.				31.12.2018.			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>								
Financial assets at fair value through profit or loss	110 583	46 380	69	157 032	76 088	10 732	69	86 889
Financial assets at fair value through other comprehensive income	-	-	5 934	5 934	-	2 173	5 934	8 107
Investment property	-	-	105 580	105 580	-	-	101 289	101 289
<b>Total assets at fair value</b>	<b>110 583</b>	<b>46 380</b>	<b>111 583</b>	<b>268 546</b>	<b>76 088</b>	<b>12 905</b>	<b>107 292</b>	<b>196 285</b>
<b>Assets not measured at fair value</b>								
Loans	-	-	505 635	505 635	-	-	657 960	657 960
<b>Total assets not measured at fair value</b>	<b>-</b>	<b>-</b>	<b>505 635</b>	<b>505 635</b>	<b>-</b>	<b>-</b>	<b>657 960</b>	<b>657 960</b>
<b>Liabilities at fair value</b>								
Derivatives	-	328	-	328	-	-	-	-
Group's consolidated fund shares owned by third parties	14 485	-	-	14 485	-	-	-	-
<b>Total liabilities at fair value</b>	<b>14 485</b>	<b>328</b>	<b>-</b>	<b>14 813</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities not valued at fair value</b>								
Liabilities not valued at fair value	-	-	2 149 190	2 149 190	-	-	2 167 363	2 167 363
<b>Total liabilities not valued at fair value</b>	<b>-</b>	<b>-</b>	<b>2 149 190</b>	<b>2 149 190</b>	<b>-</b>	<b>-</b>	<b>2 167 363</b>	<b>2 167 363</b>

This analysis of input data hierarchy for determining the fair value does not include cash on hand, balances due from credit institutions and other financial assets, because of the short residual maturity no difference exists between the carrying amount and fair value for these assets.

The Company's assets and liabilities according to the hierarchy of input data for determining the fair value:

	30.06.2019.				31.12.2018.			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>								
Financial assets at fair value through profit or loss	2 701	24 046	358	27 105	88 249	10 732	358	99 339
Financial assets at fair value through other comprehensive income	-	-	5 934	5 934	-	2 173	5 934	8 107
<b>Total assets at fair value</b>	<b>2 701</b>	<b>24 046</b>	<b>6 292</b>	<b>33 039</b>	<b>88 249</b>	<b>12 905</b>	<b>6 292</b>	<b>107 446</b>
<b>Assets not measured at fair value</b>								
Loans	-	-	508 021	508 021	-	-	662 037	662 037
<b>Total assets not measured at fair value</b>	<b>-</b>	<b>-</b>	<b>508 021</b>	<b>508 021</b>	<b>-</b>	<b>-</b>	<b>662 037</b>	<b>662 037</b>
<b>Liabilities at fair value</b>								
Derivatives	-	328	-	328	-	-	-	-
<b>Total liabilities at fair value</b>	<b>-</b>	<b>328</b>	<b>-</b>	<b>328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities not valued at fair value</b>								
Liabilities not valued at fair value	-	-	2 050 126	2 050 126	-	-	2 049 859	2 049 859
<b>Total liabilities not valued at fair value</b>	<b>-</b>	<b>-</b>	<b>2 050 126</b>	<b>2 050 126</b>	<b>-</b>	<b>-</b>	<b>2 049 859</b>	<b>2 049 859</b>

Reclassifications of financial instruments between Level 1 and 2 of the hierarchy for sources of determining the fair value in the reporting period and previous reporting period was insignificant.

Analysis of changes in the Group's/Company's financial instruments of hierarchy Level 3:

	30.06.2019.	Derecognition	Recognition	Change in revaluation reserve	Reclassification	EUR'000
						31.12.2018.
<b>Assets at fair value</b>						
<b>Group</b>						
Financial assets at fair value through profit or loss	69	-	-	-	-	69
Financial assets at fair value through other comprehensive income	5,934	-	-	-	-	5,934
Investment property	105,580	-	7,154	(3,853)	990	101,289
<b>Total assets at fair value</b>	<b>111,583</b>	<b>-</b>	<b>7,154</b>	<b>(3,853)</b>	<b>990</b>	<b>107,292</b>
<b>Company</b>						
Financial assets at fair value through profit or loss	358	-	-	-	-	358
Financial assets at fair value through other comprehensive income	5,934	-	-	-	-	5,934
<b>Total assets at fair value</b>	<b>6,292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,292</b>

**Notes to the interim condensed consolidated and separate financial statements of ABLV Bank, AS in liquidation for the six-month period ended 30 June 2019**

	EUR'000					
Assets at fair value	30.06.2018.	Derecognition	Recognition	Change in revaluation reserve	Reclassification	31.12.2017.
<b>Group</b>						
Financial assets at fair value through profit or loss	1,054	-	574	23	(7,336)	7,793
Financial assets at fair value through other comprehensive income	5,014	(158)	-	-	-	5,172
Investment property	67,728	-	2,076	580	1,121	63,951
<b>Total assets at fair value</b>	<b>73,796</b>	<b>(158)</b>	<b>2,650</b>	<b>603</b>	<b>(6,215)</b>	<b>76,916</b>
<b>Company</b>						
Financial assets at fair value through profit or loss	1,054	-	574	23	(7,336)	7,793
Financial assets at fair value through other comprehensive income	5,014	(158)	-	-	-	5,172
Investment property	-	-	-	-	(28,969)	28,969
<b>Total assets at fair value</b>	<b>6,068</b>	<b>(158)</b>	<b>574</b>	<b>23</b>	<b>(36,305)</b>	<b>41,934</b>

The Company did not conduct a sensitivity analysis for securities portfolio, because investments in securities comprised insignificant part of Group's/Company's total assets at the end of the reporting period. Sensitivity of investment property value against market fluctuations was assessed by the discounted cash flow method and it matches changes in lease payments, i.e., when income from lease payments decrease by 5.0% (5.0%), the asset value decrease by 5.53% (5.53%).

## Note 18

### Litigation and claims

In the ordinary course of business, the Company has been involved in a number of legal proceedings to recover outstanding credit balances and maintain collateral in specific loan agreements. The management believes that any legal proceedings pending as at 30 June 2019 will not result in material losses for the Company and/or the Group.

## Note 19

### Subsequent events

Between the last day of the reporting period and the date of signing of these consolidated and separate financial statements there have been no events requiring adjustment or disclosure of in these consolidated and separate financial statements or notes thereto, except for the ones mentioned below.

On 2 July 2019, the Luxembourg Commercial Court made decision to start liquidation process of ABLV Bank Luxembourg, S.A. Attorney Alain Rukavina from the law firm Rukavina Avocats and Éric Collard from DELOITTE Tax & Consulting SARL have been appointed as the liquidators of ABLV Bank Luxembourg. Creditors' claims of ABLV Bank Luxembourg, S.A. will be accepted till 10 January 2020.

On July 3 2019, the Register of Enterprises of the Republic of Latvia made entry to the Commercial Register about commencement of liquidation process of ABLV Bank Markets, AS, the subsidiary of ABLV Bank, AS in liquidation.