

BACKGROUND INFORMATION ON DEPOSIT PROTECTION

Guaranteed compensation for deposits with a credit institution or credit union (deposit taker)	Safety of your deposits is guaranteed by the deposit guarantee scheme, which has been established pursuant to the Deposit Guarantee Law. In case of unavailability of deposits at a credit institution or credit union (deposit taker), your deposit in the amount of up to EUR 100,000 shall be compensated by the Deposit Guarantee Fund.
Maximum amount of guaranteed compensation and deposits for which guaranteed compensation is not disbursed	The maximum amount of guaranteed compensation is EUR 100,000 for each depositor of a credit institution or credit union (deposit taker). The payment of the guaranteed compensation is made in euro. According to Section 23 of the Deposit Guarantee Law, the guaranteed compensation shall not be disbursed for: 1) deposits of credit institutions and credit unions; 2) deposits of financial institutions; 3) deposits of local governments the annual budget of which exceeds EUR 500,000, and the deposits of direct administration institutions; 4) deposits related to money laundering or recognised as proceeds from crime if a court judgement of conviction has entered into effect; 5) deposits the depositor of which has not been identified as a client in accordance with the provisions of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing; 6) deposits which, in accordance with Article 51 and Article 62 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, constitute own funds of the deposit taker, including the amortised part thereof in accordance with Article 64 of the abovementioned Regulation; 7) deposits of insurance and reinsurance companies; 8) deposits of investment firms; 9) deposits of investment management companies; 10) deposits of private pension funds; 11) deposits of alternative investment fund managers; 12) debt securities issued by a credit institution, and also liabilities arising from promissory notes thereof, including bills of exchange; 13) deposits in which no transactions have been made over the last two years from the day the deposits have become unavailable and the value of which is less than EUR 10.
Maximum amount of additional guaranteed compensation	In addition to the maximum guaranteed compensation in the amount of EUR 100,000, a depositor is entitled to the guaranteed compensation in the amount of up to EUR 200,000 in accordance with the types of deposits and provisions specified in Section 4 of the Deposit Guarantee Law.
Calculation of guaranteed compensation in case of multiple deposits at the same credit institution or credit union (deposit taker)	Total of your deposits at the same credit institution or credit union (deposit taker) shall be aggregated and the maximum amount of guaranteed compensation (EUR 100,000) shall be applied to the total amount.

Calculation of guaranteed compensation in case of a joint deposit with other person(s)	Guaranteed compensation for a joint deposit in the amount of up to EUR 100,000 shall be disbursed to each person who has made the joint deposit. The amount of guaranteed compensation shall be determined taking into account the share of each person who made the joint deposit, which has been specified in the contract entered into with the deposit taker. If the share of each person in the joint deposit has not been specified, the joint deposit shall be divided in equal shares and the amount of compensation guaranteed to each person shall be determined considering this equal share.
Obligations of the depositor in connection with the management of funds due to another person	If a depositor manages the funds due to another person in the deposit taker, guaranteed compensation shall be entitled to a person who can prove their right of claim to the funds managed by the depositor, provided that the deposit taker or, in case specified in Section 5.1, Paragraph two of the Deposit Guarantee Law, the depositor has identified or may identify this person prior to the day the deposits have become unavailable. The depositor who manages the funds due to another person in the deposit taker shall be obliged to inform the deposit taker that it provides management of the funds due to another person, identification of this person, and accounting of the funds due to this person.
Initiation of payment of guaranteed compensation in case of unavailability of deposits	The payment of guaranteed compensation shall be carried out for five years from the date when deposits have become unavailable or from the date when the circumstances that are the basis for the deferral of the payment of guaranteed compensation specified in Section 27, Paragraph one of the Deposit Guarantee Law have ended. The guaranteed compensation shall be available not later than seven working days after the date when deposits have become unavailable. Latvijas Banka shall decide on the type, procedure, time and place of the disbursement of the guaranteed compensation, and shall publish this information in the official gazette "Latvijas Vēstnesis", and also post it on the website created by Latvijas Banka.
Payment of guaranteed compensation to minors	The payment of guaranteed compensation for a deposit of a minor shall take place in accordance with the provisions of Section 5, Paragraph four of the Deposit Guarantee Law.
Information on the offset of claims	When calculating the guaranteed compensation due to a depositor, the depositor's liabilities to the credit institution or credit union (deposit taker), which will fall due by or on the day when the deposits become unavailable, shall be taken into account. Those shall be set off by netting these liabilities and the depositor's rights to guaranteed compensation.
Contacts and website	Deposit Guarantee Fund: Latvijas Banka, Kr. Valdemāra iela 2A, Rīga, LV-1050; phone + 371 67022300; website: www.bank.lv.