The supervisory board of the Guarantee Fund has decided to compensate the deposits of the clients of Versobank AS

27. March 2018

The supervisory board of the Guarantee Fund decided at the supervisory board meeting held on Tuesday 27th of March 2018, to compensate the deposits of the clients of Versobank AS pursuant to the procedure stipulated in the Guarantee Fund Act. The deposits in Versobank AS have been suspended following the European Central Bank's 26th of March 2018 decision to withdraw Versobank AS' authorisation to operate as a credit institution.

To ensure the smooth liquidation process of Versobank AS the Guarantee Fund shall compensate the deposits and investments of depositors of the bank according to the marginal rate set by law, i.e. up to 100 000 euros per depositor and up to 20 000 euros per investment service client. In addition to the above mentioned 100 000 euros, if the person has sold their residential property within the last 6 months, the funds received from the sale of residential property of the depositor will be compensated up to 70 000 euros.

Information regarding the exact amount subject to compensation shall be made available by the liquidator of Versobank AS who is obliged to allow the depositors to examine their deposit data within two workdays and send to the clients deposit balance notices. Compensation shall be paid out through agent banks AS SEB Pank and Swedbank AS via bank transfer to the bank account of the depositor that has been submitted to the liquidator. Upon application, compensations of deposits may also be received in cash.

The liquidator of Versobank AS shall be appointed by Harju County Court, after which the liquidators shall contact the depositors and investment service clients of the bank. Pending on the court's decision, information on the appointment of the liquidators and the relevant contact information will be made available on the websites of the Guarantee Fund and Finantsinspektsioon on Thursday, 29th of March 2018 at the latest.

The disbursement of compensations of deposits of Versobank AS shall starts from the 5th of April 2018. After the liquidator has received information from the depositor regarding its alternative bank account, the compensation shall be transferred to the depositor within three workdays. The depositors who could not be contacted by the liquidator have the right to receive the compensation up to 20 April 2021.

Deposits exceeding 100 000 euros shall be handled during the liquidation procedure of Versobank AS. The liquidators shall announce information about the collection, handling and satisfying of claims separately.

Answers to key questions related to the liquidation procedure of Versobank AS have been made available on the website of the Guarantee Fund www.tf.ee. For additional information, please contact the Guarantee Fund and Finantsinspektsioon on the info-hotline 6680 580.

The Guarantee Fund is a public entity established in July 2002 that aims to protect the interests of the clients of authorised credit and investment institutions in the event of moratorium, bankruptcy or withdrawal of authorisation, also to protect pension fund unitholders in case of losses caused by the pension management company and to protect the assets of pension contract policyholders. As of 27th March 2018, the assets of the Guarantee Fund the source of which are the instalment payments of credit and investment institutions and mandatory pension fund management and insurance companies, amount to 231 million euros.

The head of the Guarantee Fund is Riin Heinaste.

Additional information regarding the compensation process:
Call centre: +372 6680 580
e-mail: info@fi.ee
www.tf.ee, www.fi.ee

Notice to the depositors and investment services clients of Versobank AS

Credit institution where deposits have been suspended

Deposits held by Versobank AS have been suspended from 26.03.2018 due to withdrawal of authorisation to operate as a credit institution of Versobank AS following the 26.03.2018 decision of the European Central Bank. The deposits in Versobank AS are subject to compensation at the terms and pursuant to the procedure stipulated in the Guarantee Fund Act.

The deposits are guaranteed and compensated up to 100 000 euros per each depositor in Versobank AS including the interest accrued by the date on which the deposits were suspended. In addition to the above mentioned 100 000 euros, if the person has sold their residential property within the last 6 months, the funds received from the sale of residential property of the depositor will be compensated up to 70 000 euros.

Review of the data and presentation of an opinion

The amount subject to compensation shall be notified by the liquidators of Versobank AS who are obliged to allow each depositor to review their deposit data and send a notice on the balance of the deposits within two workdays from the date deposit suspension. We kindly ask to inform the liquidators whether the person requests to receive the compensation via bank transfer to their notified alternative bank account or as cash payment.

For that purpose the person does not have to do anything at first. The liquidators of Versobank AS shall be appointed by the court and thereafter the liquidators of Versobank AS shall contact all depositors. Information on the appointment of the liquidators and the relevant contact information shall be made available on the website of the Guarantee Fund and Finantsinspektsioon on 29.03.2018 at the latest.

The depositors are entitled to submit an opinion on the correctness of their deposit balance to the liquidators of Versobank AS on 04.04.2018 at the latest.

Date and procedure for disbursement of compensation

Compensations of guaranteed deposits are paid out through AS SEB Pank and Swedbank AS via bank transfer to the bank account indicated by the depositor or, upon application of the depositor, in cash.
Representations of AS SEB Pank:
Tornimäe office (Tornimäe 2, Tallinn)
Lasnamäe Centrumi office (Mustakivi tee 13, Tallinn)
Magistrali office (Sõpruse pst 201/203, Tallinn)
Tartu office (Ülikooli 2, Tartu)

Representations of Swedbank AS:
Rävala office (Rävala pst 5, Tallinn)
Dorpati office (Turu 1, Tartu)

The disbursement of compensations starts on 05.04.2018 and ends on 20.04.2021. Please do not address the bank offices before 05.04.2018, as the banks may not yet have the final depositor compensation information available and therefore are not able to service the depositors of Versobank AS.

Information for investment services clients

Investments covered by investment services contracts are guaranteed and shall be compensated as valued on the date of suspension of deposits up to 20 000 EUR per investment services client of Versobank AS.

Investment services clients are entitled to receive data regarding their investments from Versobank AS' liquidators no later than 45 days from the suspension of deposits. Investment data shall be transmitted by the liquidators to investment services clients via e-mail or mail to the clients' contacts as known to Versobank AS.

Investment services clients are entitled to submit an opinion regarding the correctness of their investment data and its valuation within 5 months from the date of suspension of deposits.

Disbursement of compensation shall be carried out by the above-mentioned offices of Swedbank AS and AS SEB Pank on the basis of documentation listed below.

Disbursement of compensation for investments covered by the guarantee scheme shall begin no later than 1 month after the determination of the value of the compensated investment, but not before the submission of the client's opinion on investment data and valuation as stated in § 57(3) of the Guarantee Fund Act or the expiration of the deadline for its submission. The liquidators of Versobank AS shall be appointed by the court after which the liquidators shall contact investment services clients.

The list of documents required at the disbursement of compensation

In order to receive compensation, the depositor must submit the following documents for establishing his/her identity in the representation of AS SEB Pank and Swedbank AS:

1. Physical person:

1.1 passport of the Republic of Estonia;
1.2 identity document (ID-card/Digi-ID) of the member state of the European Union (incl Estonia), of the member state of the European Economic Area or of the citizen of the Swiss Confederation;
1.3 residence permit card of the Republic of Estonia;
1.4 driving licence of the Republic of Estonia or the member state of the European Economic Area (excl temporary driving licence);
1.5 alien's passport of the Republic of Estonia which should include a valid Estonian residence permit;
1.6 diplomatic passport;
1.7 passport of a foreign state including valid Estonian residence permit or visa (excl the states with the valid visa waiver);
1.8 seafarer's discharge book;
1.9 certificate of record of service on Estonian ships;
1.10 birth certificate by the clients under 7 years of age plus identity document by the clients aged 7-17 or the passport of the Republic of Estonia together with the identity document of the legal representative;
1.11 succession certificate with the identity document;
1.12 the authorized representative should have the notarized or equally confirmed document certifying the authorization which is legalized or confirmed with the certificate substituting the legalization (apostille) with the above mentioned identity document of the authorized representative.

2. Legal person registered in the Republic of Estonia:

2.1 identity document of the legal representative(s) of the legal person;
2.2 the authorized representative should have the notarized or equally confirmed document certifying the authorization which is legalized or confirmed with the certificate substituting the legalization (apostille) with the above mentioned identity document of the authorized representative.

3. Legal person registered in another state:

3.1 registration certificate (if the legal person has been registered within the last six months. If more than six months have passed from registration, please submit the Certificate of Good Standing which should not be older than six months) or excerpt of registry (which should not be older than six months);

3.2 articles of association or partnership agreement;

3.3 documents on the owners;

3.4 document on the choosing or appointing of the managing body (management board of managing director)**.**

Additional information

Please address the following contacts for additional information:

Guarantee Fund:
Call centre: +372 6680 580
e-mail: info@tf.ee
www.tf.ee, www.fi.ee

KPMG Baltics OÜ press release
28 March 2018

Harju County Court appointed liquidators of Versobank

The Harju County Court has published a court order to appoint liquidators of Versobank. An application to the Court for the appointment of liquidators was presented by Estonian Financial Services Authority (EFSA). On 26th of March 2018, the European Central Bank, upon the recommendation of the EFSA, withdrew the authorisation of Versobank AS to operate as a credit institution.

Under the court order, the liquidators are Certified Public Accountant Eero Kaup (Partner at KPMG Baltics OÜ), Internal Auditor Viljar Alnek (Head of Internal Audit Services at KPMG Baltics OÜ) and Attorney-at-Law Ksenia Kravtšenko (Law Office KPMG Law OÜ). In their appointment of the liquidators, EFSA took into consideration their impartiality, qualifications, and their ability to conduct the liquidation process of a credit institution, which by its nature is a complex task demanding top-level competence in various fields.

“The liquidators have started with their tasks and are getting up to speed on the accounting data of the bank. We are working in close cooperation with the Guarantee Fund, so that the Fund can start with compensations of up to €100,000 for deposits by private and business clients of Versobank on 5 April, 2018“, said Eero Kaup in on KPMG’s announcement.

Kaup added that, according to the law, the liquidation process of the credit institution will last at least 6 months and liquidators are aiming for clear cooperation with all parties involved.

For a smooth liquidation process of Versobank AS, the Guarantee Fund has decided to launch from 5 April 2018 compensation of the client deposits and investments, according to the limits set by the law, which are up to €100,000 per depositor and up to €20,000 per investment service client. Deposits by non-residents are also guaranteed and will be compensated according to legislation.

The exact amounts to be compensated will be communicated to clients and the Guarantee Fund by the liquidator of Versobank AS, which is obliged to ensure that every client has the opportunity to become acquainted with the accounting data relevant to their deposits and receive a balance notice within two working days.

Deposits that will not be refunded by the Guarantee Fund are listed in section 30 of the Guarantee Fund Act, and these include deposits by the Estonian state, foreign states or institutions related to them, credit institutions, insurance companies, fund management companies or other financial institutions. Claims not compensated by the Guarantee Fund will be handled in the general liquidation process. The Guarantee Fund will not compensate deposits that are confiscated due to convictions under legislation dealing with money laundering or terrorism financing. If the use of the deposit is restricted by RAB (the Estonian Financial Intelligence Unit), or if the deposit is seized due to an ongoing criminal procedure related to money laundering or terrorism financing, the compensation of the deposit will be halted until the cancellation of the relevant order or the enactment of a court order. The liquidators will provide details about the collection, handling and compensation of claims under the law.

Depositors could check their account balance via Versobank's Internet bank at www.versobank.com. For receiving compensation from the Guarantee Fund, depositors have to submit an application that will be available in Versobank's Internet Bank as of 29 March 2018. If a depositor does not have access to Versobank's Internet Bank, the bank office at Versobank's location (Hallivanamehe 4, 11317 Tallinn) will be open in the weekdays from 09:00 a.m. to 5:00 p.m. from 29 March 2018. For additional information, the liquidators can be contacted by phone +372 5679 8500 (on weekdays from 09:00 a.m. to 5:00 p.m.) or by email versobank@kpmg.ee.

According to the Credit Institution Act, liquidators must conduct a full inventory of all assets of the credit institution as of the day of enactment of the liquidation decision; publish the announcement regarding the liquidation of the credit institution in at least two daily national newspapers twice with a week-long interval; and inform all known creditors of the liquidation process in writing, also announcing the credit institution through which the compensation will be paid. Liquidators must also request all known creditors to present the balance confirmation of their financial claims within two months of the day of the first publication of the liquidation announcement in newspaper.

Additional information for the media only:

Eero Kaup
Certified Public Accountant
KPMG Baltics OÜ
Tel: 6268 700
eerokaup@kpmg.com
www.kpmg.ee

The Guarantee Fund has commenced disbursing compensation payments to Versobank AS depositors

5th April 2018

Today, on the 5th of April 2018, the Guarantee Fund has commenced disbursing compensation payments to the depositors of under the liquidation Versobank AS.

The Guarantee Fund disburses compensation gradually as relevant information is received from the bank's liquidators. As of today the Guarantee Fund has ordered agent banks to transfer compensation payments to 1200 depositors, who should receive the funds within a few days. Applications for compensation payments to be received in cash may be submitted in representation offices of agent banks already today, however cash disbursements will not commence before next week.

All depositors who have promptly submitted their alternative bank account details to the liquidators shall receive compensation within 17 working days from the date of the withdrawal of Versobank AS' banking activity authorisation, as per the Guarantee Fund Act.

Director of the Guarantee Fund Ms Riin Heinaste stated: "We beseech clients of Versobank AS to react promptly to e-mails received from the liquidators and submit alternative bank account details as quickly as possible, otherwise the Guarantee Fund is unable to transfer compensation payments."

Versobank AS' liquidator and sworn auditor Mr Eero Kaup added: "Cooperation with the bank's personnel has been excellent and we have intensively engaged in verifying deposit balances. Before the deposit balance verification could be completed the bank's infosystems needed to be worked on, however, these issues are being resolved and the Guarantee Fund can now commence compensating the deposits. Disbursements will be made gradually and all clients of Versobank shall receive their compensation for deposits under EUR 100,000 within 17 working days."

Kaup reminded that Versobank's clients must have an alternative bank account opened in another bank, because after the closure of Versobank's accounts on the 26th of March 2018 no payments can any longer be received. Versobank clients who are pensioners or recipients of state benefits should inform the Social Insurance Board immediately that hereinafter they wish to receive their pension or benefits to an alternative bank account. Should an alternative bank account not yet exist, one must be opened beforehand in any other Estonian commercial credit institution. Deposits of pensioners and all other clients shall be guaranteed and compensated up to the limit of EUR 100,000.

Compensation payments shall be made by agent banks Swedbank AS and AS SEB Pank via bank transfer to the alternative bank account of the depositor that has been submitted to the liquidator of Versobank AS. Upon application, compensation payments may be received in cash in the following representation offices of AS SEB Pank: Tornimäe Office, Lasnamäe Centrum Office, Magistral Office and Tartu Office. Swedbank AS pays out cash compensation in their Tallinn Rävala Office and Tartu Dorpat Office. Starting from the 5th of April 2018 compensation applications can also be submitted in all the above-mentioned Swedbank AS and AS SEB Pank representation offices. Information regarding the deposit balance in Versobank AS is, however, still available only from the liquidator.

Internet banking clients of Versobank can also verify their deposit balance at www.versobank.com. In order to receive compensation from the Guarantee Fund, the depositor must fill the application available on Versobank's internet banking website. Should the depositors not have internet banking access, service desks are open every working day from 9AM to 5PM at Versobank's offices on Hallivanamehe street 4, 11317, Tallinn, Estonia. For further information please contact Versobank

AS' liquidators (phone: 5679 8500 (working days 9AM–5PM); e-mail: versobank@kpmg.ee).

On the 26th of March 2018, the European Central Bank, as proposed by Finantsinspektsioon, withdrew the authorisation of Versobank AS to operate as a credit institution. The authorisation was withdrawn due to serious and long-lasting breaches of legal requirements, particularly concerning the prevention of money laundering and combating the financing of terrorism.

The head of the Guarantee Fund is Riin Heinaste.

The Guarantee Fund has compensated 84 million euros of deposits to Versobank clients
20.04.2018

As at 19 April the Guarantee Fund had dispersed a total of 84 million euros to 2400 Versobank AS clients to compensate their deposits. The Guarantee Fund started disbursing compensations on 5 April.

"The disbursement of compensation payments to the clients of Versobank has gone quite smoothly. At the start of the process some clients had difficulties in seeing and confirming the balance of their bank account, but the liquidators of the bank have managed to solve these problems quite quickly. So far the Guarantee Fund has made compensation payments to clients that have contacted the liquidator and indicated they want their deposits in Versobank to be compensated", said Riin Heinaste, Director of the Guarantee Fund.

The legally defined period for payouts of compensation by the Guarantee Fund of 17 days after the start of liquidation ended on Thursday 19 April. So far some 70% of the clients of Versobank submitted their data to the liquidator during this period, and so the Guarantee Fund is extending the compensation period.

"We would ask Versobank clients sincerely to answer emails from the liquidators and send the details of alternative bank accounts, so that the Guarantee Fund can transfer the compensation", said Ms Heinaste. She also thanked the liquidators and agent banks for their excellent cooperation and assistance.

Eero Kaup, the liquidator of Versobank that 95% of all the applications have been submitted correctly and have been forwarded to the Guarantee Fund for compensation, while additional checks have been carried out on the remainder. "It is quite a good result and we would like to thank the clients of the bank for their understanding and patience. We would also like to thank the staff of the Guarantee Fund and the bank for their kind cooperation", said Mr Kaup, adding that the law gives clients who have yet to present their applications for deposit compensation three years to do so, and their applications will be processed in due course.

In the process of liquidation, liquidators will continue collecting claims from creditors, including claims for deposits that were not covered in full by Guarantee Fund. At the same time, the inventory of assets and obligations will continue as will the compilation of the liquidation balance.
Clients of Versobank's online bank can still see the balance of their deposits at www.versobank.com. To get compensation from the Guarantee Fund, depositors should fill in an application form that can equally be found in the online bank. Depositors who do not have access to the Versobank online bank can come to the Versobank office on Hallivanamehe 4, 11317 Tallinn, where service desks are

open every working day from 09.00-17.00.

Compensation will be paid out through Swedbank and SEB Pank by transfer to a bank account that the depositor has nominated to the liquidator. Compensation for deposits can also be received in cash if this is applied for.

Further information is available from the liquidators on working days from 09.00-17.00 by telephone on +372 5679 8500 or by email at versobank@kpmg.ee. The call centre number +372 6680 580 for the Guarantee Fund and the Financial Supervision Authority is still open.

The European Central Bank withdrew the licence of Versobank AS to operate as a credit institution at the proposal of the Estonian Financial Supervision Authority on 26 March 2018. The operating licence was cancelled because of serious and long-lasting breaches of legal requirements, particularly concerning the prevention of money laundering and terrorist financing.