

Exhibit 09

The customer's special check result

Case Nr. [REDACTED]

Basic information

Customer [REDACTED]
Customer type Legal entity
Customer code T24 [REDACTED]
Customer code CRM [REDACTED]
Customer servicing employee group [REDACTED]
Person registration CRM 03.10.2006
Accomplished date 30.11.2016
Check result Continue cooperation

Discription of the main activity

NACE

G-Wholesale and retail trade; repair of motor vehicles and motorcycles	46-Wholesale trade, except of motor vehicles and motorcycles	46.72 Wholesale of metals and metal ores
------------------------------------------------------------------------	--------------------------------------------------------------	------------------------------------------

Beneficiaries

Beneficiaries with the control [REDACTED]

At process of review actually found

Beneficiary complies	Yes
Customer's activity complies	Yes
Transactions supporting documents	Yes

Risk assessment

Numerical risk assessment and customer risk level Medium-High-57 57

Risks

F6.2	The client's principal activity is not related to the Republic of Latvia, the client does not belong to a publicly-known group of foreign companies;
I1	The Customer is identified at the Bank's Representation or ABLV Bank Luxembourg, S.A.
L5	Foreign Companies (Restrictions on USD Payment Compliance)
S4.4	Shell company - the company has no physical activity
V4	Partners with low and medium risk countries;

The Process

Process history	Started	Finished	Performer
Starting review	22.10.2016 15:16:30	29.11.2016 19:39:55	[REDACTED]
Manager's decision	29.11.2016 19:39:55	29.11.2016 19:41:23	[REDACTED]
Appointment of an expert	29.11.2016 19:41:23	30.11.2016 12:54:48	[REDACTED]
Expert work	30.11.2016 12:54:48	30.11.2016 17:01:22	[REDACTED]
Post-review and post processing	30.11.2016 17:01:22	30.11.2016 17:01:51	[REDACTED]
Completion	30.11.2016 17:01:51	30.11.2016 17:26:37	[REDACTED]

Account Partner Overview

Monitoring period 01/09/2015 - 17/11/2016
 Preparation date 18/11/2016

Customer code [REDACTED]
 Customer Name [REDACTED]
 Residence Non-resident
 Country of residence code CY
 Group of managers [REDACTED]

Date of registration BIS 03/10/2006
 Customer activation date 30/10/2006
 Last Audit Date 13/10/2008
 Nace code 46.72 Wholesale of metals and metal ores

Beneficiaries and authorized persons

Related party code	Related party names	SPR Name of connections	Connection's reg. date	Connection's prolongation date	Connection's termination date
[REDACTED]	[REDACTED]	Beneficiary	01/01/2010		
[REDACTED]	[REDACTED]	Beneficiary of the last level	01/01/2010		
[REDACTED]	[REDACTED]	Authorized representative	16/03/2016	25/04/2016	02/04/2017

Notes:

A. ACCOUNTS

Account number	Status on 17/11/2016	Opening date	Closing date	Credit turnover, EUR equiv.
LV55 AIZK 000 [REDACTED]	Active	30/10/2006		11 115 932.49
LV55 AIZK 000 [REDACTED]	Closed	30/10/2006	01/01/2014	11 115 932.49
Total credit turnover, EUR equiv.				11 115 932.49

Credit turnover

Transaction currency	EUR equiv.	Percentage
EUR	151 821.85	1.37 %
USD	10 904 107.83	98.09 %
Other	60 002.81	0.54 %
In total	11 115 932.49	100%
On average per month	751 076.52	

Notes:

D. INCOME PAYMENTS

Types	EUR equiv.	Percentage
Internal Banking	273 609.96	2.46 %
External	10 842 272.53	97.54 %

Partners	Percentage
[REDACTED] RUEBECSTRAAT [REDACTED]	50.58 %
[REDACTED] SQUADRON BLVD [REDACTED]	19.18 %
[REDACTED] HALL LANE SHEFF I [REDACTED]	7.78 %
[REDACTED] ESPOO	4.05 %
[REDACTED] FIELD S [REDACTED]	2.97 %
[REDACTED] [REDACTED] CO.,LT	2.41 %
[REDACTED] STE STE325 NEW CIT Y N	2.17 %
[REDACTED]	2.10 %
[REDACTED] BARNEN	1.98 %
[REDACTED] SQUADRON BL [REDACTED]	1.43 %
[REDACTED] RKET,ON,CA	1.36 %
[REDACTED] 180 HELSINKI	0.84 %
[REDACTED] JG	0.73 %
[REDACTED] SUITE 300 OAKVILLE,ON,C	0.71 %
[REDACTED] SUITE [REDACTED]	0.44 %

[REDACTED]	6300 Zug CH	0.43 %
[REDACTED]		0.37 %
[REDACTED]	EL 1, PALM GROVE HOUSE	0.24 %
[REDACTED]	ENTRE BHIKAJI CAMA PL	0.23 %
[REDACTED]	SKOPOU MAKARIOU III 41	0.01 %

E. OUTGOING PAYMENTS

Types	EUR equiv.	Percentage
Internal Banking	8 055 774.73	73.91 %
External	2 844 400.67	26.09 %

Partners	Percentage
[REDACTED]	70.58 %
[REDACTED]	21.81 %
[REDACTED]	3.32 %
[REDACTED]	1.94 %
[REDACTED]	0.59 %
[REDACTED]	0.33 %
[REDACTED]	0.31 %
[REDACTED], PROTEAS HOUSE	0.21 %
[REDACTED]	0.17 %
[REDACTED]stes street	0.12 %
[REDACTED]90013, Saint-Peter	0.10 %
[REDACTED]	0.09 %
[REDACTED]	0.09 %
[REDACTED]ERSBURG, Koj	0.08 %
[REDACTED]	0.08 %
[REDACTED]	0.06 %
[REDACTED]	0.05 %
[REDACTED]	0.03 %
[REDACTED]RVICES LTD	0.01 %
[REDACTED]	0.01 %
[REDACTED]	0.01 %
[REDACTED]	0.01 %
[REDACTED]	0.00 %
[REDACTED]	0.00 %

F. CASH OPERATIONS

EUR equiv. Against credit turnover

Notes:

Specific check result:

1. Beneficiary complies

YES	NO	
X		The Bank has the Declaration of Trust statement (or another document confirming the connection between the PLG and the client)
X		The Bank has information and / or documents on the PLG business experience
X		The Bank has information and / or documents at the disposal of PLG's financial position

2. Economic / personal activity complies

YES	NO
X	

3. Transactions approving documents

YES	NO
X	

Exhibit 10



Report on risk and their management

ABLV Bank, AS and ABLV group

Quarter 2, 2017

	Prepared by	Approved by
Reputation risk	 Head of Risk Management division	 Operations director (substitute - (dCEO))
Compliance risk	 Head of Compliance Experts department	 Compliance director (CCO)
ML/ TF risk	 Head of Compliance division	 Compliance director (CCO)
Credit and concentration risk, Market risk, Operational risk, Liquidity risk, Strategy and business risk, Capital adequacy	 Head of Risk Management division	 Risk director (CRO)

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6 Compliance risk

Assessment of Compliance risk

2017	ABLV group/ Banka	IBAS	IPAS
Q I		Low	Low
Q II		Low	Low

During the reporting period, the Bank identified several individual incidents of compliance risk, for which legal obligations or penalties have not been applied to the Bank and no losses have been incurred. Also in connection with the Administrative case initiated by the FCMC on 24.05.2017, there are no significant fines or legal obligations expected that would limit the operations of the Bank. The deficiencies identified by the Regulator during audits carried out in previous periods are being mitigated in accordance with the recommendation implementation plans approved by the Management Board. As part of Administrative agreement, a number of measures have been taken to improve the internal control system for prevention of ML/TF risk. There have been no compliance risk incidents identified in subsidiaries.

Identification of Compliance risk

- During the reporting period, there were 219 PRIs registered in the database (previously - 243), of which 20 (previous period - 37) were classified by Compliance experts department (CED) as compliance risk incidents and eight (previously - 15) as potential risk incidents with attributes of compliance risk (hereinafter PRI). Compared to the previous reporting period, the number of compliance risk incidents and PRIs has decreased. Compliance risk incidents and PRIs identified during the reporting period refer to the Bank (27) and IBAS (1). There have been no losses incurred as a result of compliance risk incidents.

Q1, 2017		Table No 1 Q2, 2017	
Compliance risk events	PRI with signs of compliance risk	Compliance risk events	PRI with signs of compliance risk
37	15	20	8
Total: 52		Total: 28	

There were 11 compliance risk incidents (CRI) identified in the ECB's audit "Credit and counterparty risk management and risk control system", 2 – in CED audit "Compliance of termination relationship with clients with external regulatory requirements", 2 – in IAD audit "Management of Currency Positions". The other five CRIs are identified in Bank's core business processes, while PRI - in the process of issuing payment cards.

All eight PRIs are related to deficiencies in issuance and servicing of payment cards:

- Payment cards are activated before the application from the client is received at the Bank;
- The date of signing the application for payment card does not match the customer identification / recognition date;
- Application for receiving payment cards does not contain the necessary information - there is lack of customer passport data, customer signatures or the signature of the agents confirming the identity of the client.

The Deputy Head of PAP [redacted] informed that in order to mitigate errors and optimize the process, the Bank has undertaken the process of electronic payment and automation of payment cards (Change 13597).

Table No 2 reflects allocation of CRIs and PRIs by processes

		Table No 2	
Code	Process	Compliance risk event	PRI
B03.6.	Non-financial institutions credit risk management	9	
A04.1.	Issuing and maintenance of payment cards		8
B04.2.	Due diligence of client, person and its activities	2	
B11.1.	Compliance risk management	2	
A03.1.	Cash transactions	1	
A13.5.	Management of the Bank's currency positions	1	
B01.3.	Internal audit	1	
B03.	Risk management	1	
B03.8.	Country risk analysis and control	1	
B07.	Provision of information to third parties	1	
B08.2.	Preparation of reports	1	
Total:		20	8

Table No 3 reflects allocation of CRIs and PRIs by submitter.

Table No 3

Submitter	Compliance risk event	PRI
Financial Control Department	11	
Risk Transactions Supervision Department	1	8
Compliance Experts Department	2	
Internal Audit Department	2	
Corporate Law and Financial Market Legal Department	2	
Financial Analysis Department	1	
Information Rendering Department	1	
Total:	20	8

Table No 4 reflects allocation of CRIs and PRIs by data source.

Data source	Compliance risk event	PRI
External examination	11	
Risk transactions monitoring data	1	8
Another internal statement	4	
Compliance review	2	
Internal audit review	2	
Total:	20	8

- The main topics of communication with the Regulator are clarifications in the reports submitted by the Bank, fulfilment of the Administrative Agreement and requests for information on individual clients of the Bank. During the reporting period, there was agreement on recommendations completed related to the audit carried out by ECB in the 4th quarter of 2016 - "Credit and counterparty risk management and risk control system" – as well as a report has been received on the results of an off-site audit by the FCMC (see next point). In addition to the reviews by the Regulator, external auditor Ernst & Young Baltic, Ltd., at the request of the Bank, carried out a review on AML/CTF numerical risk assessment model.
- Due to the information available to the FCMC regarding the use of Bank's accounts for settlements in transactions involving a North Korean company subject to international sanctions, on 11.11.2016, FCMC sent a letter to the Bank requiring account statements of some clients, copies of legal files and other documents. The Bank submitted the requested information on 24.11.2016 and 3.05.2017. In order to assess the information available to FCMC and to ascertain whether the Bank has complied with the requirements of the AML Law, FCMC Regulations No 125 "Regulations on Client Due Diligence " and Regulations No 234 "Regulations of Client Due Diligence for Credit Institutions and Licensed electronic money institutions", FCMC conducted an off-site investigation during which the information submitted by the Bank was assessed. On May 13, 2017 FCMC sent a report to the Bank requesting to provide comments to the facts and conclusions mentioned in the report, as well as inform the Commission on the measures taken by the Bank to mitigate the identified deficiencies. After having assessed the results of the investigation, based on Articles 55 (2) and 57 of the Administrative Procedure Law, on 24.05.2017 FCMC initiated an Administrative Case against the Bank. There is an ongoing communication/ correspondence going on between the parties, and it is not expected that the Bank may be subject to significant fines or legal obligations limiting its activities.
- During the reporting period, two breaches of Regulation No 596/2014 (Market Abuse Regulation) were identified. In one case, the company that is affiliated with the Bank's manager performed transactions with Bank's bonds within the period of 30 calendar days prior to the preparation of the interim financial report or annual report; while in the other case, the FCMC and the Stock Exchange did not receive timely notice of the manager's transactions with Bank's bonds. In both cases, Article 19 of Regulation 596/2014 was violated, for which a private person or legal entity may be fined. The Bank was not penalized for these violations.
- During the reporting period, five customer complaints were received. Three complaints were received from individuals or consumers, two from legal entities. Consumer complaints are related to the process of mortgage lending, in one case, the consumer has also filed a complaint with the FCMC and the CRPC at the same time. There was a request from FCMC received to provide explanations, while no request was received from the CRPC. Violations of consumer rights in the situations described in complaints have not been detected. Complaints from both legal entities are related to returning payment commissions.

Table No 5 reflects client complaints by processes

Table No 5

Code	Process	Number	Topic
A05.1	Mortgage loans	3	A person submitted complaint about the fact that she was denied access to the internet bank. The Bank had denied access to internet bank because the person had not changed code device within the specified time period. It turned out that the person is a daughter of a

deceased borrower, and she continues to make loan payments using the deceased parent's internet bank connection. In order to restore access rights to the internet bank, the Bank invited the person to submit the certificate of inheritance and take the necessary steps to register the loan to the successor of title and receive connection to internet bank.

- A client submitted complaint about Latvian Privatization Agency having imposed penalty for late preparation of documents. Preparation of documents was done by the Bank based on the power of attorney. In its reply, the Bank in its reply indicates that the delay is not due to the Bank fault, but other factors and the terms and conditions of the Privatization Agency contract are unfair. A Client submitted a complaint to the Bank, CRPC and FCMC regarding the Bank's actions in determining the sales price of a property. Initially, the Bank had set the price of the collateral property at an amount of EUR 200 000, but when the client had found a buyer for that amount, the Bank raised the sales price to EUR 230 000. In its reply the Bank indicates that the client has not submitted application to the Bank on sale of the property, therefore there has been no decision on sales price taken by the Credit Committee.

A02.1 Payments

2 Clients ask for a refund of incorrectly charged payment fees.

6. On 06.06.2017, The Bank received a decision of the Riga City Latgale Suburb Court according to which there was a fine of EUR 40 imposed to the Chairman of the Management Board [REDACTED]. The decision is based on the fact that the Bank has not complied with the deadline for reply provided for in Section 644²⁵, paragraph four, of the Civil Procedure Law. On June 13, 2017 a letter was sent to the court with an explanation and a request to release from the fine imposed (at the time of the report, information was received that the court had satisfied the request).

The litigation process, which was initiated by the Bank, challenging FCMC Decisions No 04.02.20/2611 and No 04.02.20/771 regarding the coefficient applied to payments to the Deposit Guarantee Fund, is still ongoing.

Management of Compliance risk

2017	ABLV grupa/Banka	IBAS	IPAS
Q I	Satisfactory	Sufficient	Sufficient
Q II	Satisfactory	Sufficient	Sufficient

7. In the course of fulfilment of the Administrative agreement, the Bank continues to improve its internal control system. During the reporting period, the following measures for improving the internal control system have been made:
- Review of the methodology for quantitative ML/TF risk assessment model was done by external audit company Ernst & Young Baltic, Ltd., which has assessed the methodology as satisfactory;
 - Revision of customer base was completed, where 4 515 customers were reviewed in detail. The decision to terminate business relationship was taken for 957 customers;
 - With respect to the internal control system in AML/CTF area, incl., improving IT systems and business processes, the Bank has invested approximately EUR 1.2 million; thus, overall, since 2016, the amount invested is about EUR 6.58 mln.;
 - Based on the recommendations of external consultant [REDACTED] LLC, the Bank has developed draft 3-year strategy.
8. As part of the compliance risk management process, and apart notifying and consulting on changes in legislation, the CED has completed the audit review on "Classification of customer business according to NACE requirements (2017-6)" and has started a review "On Compliance with Regulation No 596/2014 (Market Abuse Regulation)" (2017-8) as well as participated in development of ABLV Group's conflict of interests management policy, ABLV conflict of interest rules and related documents. During the reporting period, the "Compliance Regulations" were updated.
9. During the reporting period, several new internal documents came into force that are related to processes that are subject to compliance risk:

Code	Process	Document
A01.	Establishment and maintenance of relationships with clients	Meeting with High-Risk Clients (INS.328)
B04.2	Due diligence of client, person and its activities	Minimum Requirements for Basic and Complex Review of Client (NOT.112.p.01)
B03.2.	Operational risk management and processing of complaints	Operational Risk Assessment Rules (NOT.177) Operational Risk Indicators (NOT.177.p.01) Operational Risk Control (NOT.177.p.02)

B04.3.	Verification of transactions	Rules for Offline Verification of Client Transactions (NOT.182)
B04.4.	Identification and reporting of unusual and suspicious transactions	Rules for Identification of Unusual and Suspicious Transactions (NOT.255) Indicators of Suspicious Activities (INOT.255.p.01) Indicators of Unusual Transactions and Their Identification (NOT.255.p.02)

7 Risk of Money laundering and terrorism financing (ML/ TF)

Assessment of ML/TF risk

2017	ABLV group/ Bank	IBAS	IPAS
I cet.		Low	Low
II cet.		Low	Low

Bank

The level of ML/ TF risk in the 2nd quarter of 2017 is considered as significant.

1. Strategic Indicators for ML/TF Risk Exposure are not exceeded.

The dynamics of these indicators, or changes compared to the 1st quarter of 2017, are immaterial. The largest of them (a decrease of 8.9%) refer to the "proportion of financial assets held by clients subject to EDD in the total financial assets of the credit institution" decreased due to the clarification of the selection criteria. The second largest change (decrease by 6.9%) in the position "the share of credit turnover as provided by private banking in the amount of total credit turnover of the clients of credit institution" is also mainly due to the clarification of the selection criteria.

The profit that a credit institution wants to reach in the 2nd quarter by taking on the risk exposure as determined by the AML/ CTF risk management strategy is EUR 13'525 mln, while the threshold (STR.012) is determined at EUR 4.8 mln. The profit is set higher than the exposure, because compared to the plan, the costs were lower and the provisions were not made in the level that was planned.

2. In the 2nd quarter, there have been no significant events identified with respect to management of ML/TF risk and sanction risk. The FCMC has initiated an administrative case against the Bank, the content of which can be defined as follows – deficiencies in client due diligence and transaction monitoring, as a result of which the Bank may have been used to circumvent international sanctions against North Korea. The Bank provides the FCMC with the necessary information with respect to this case. There are no significant deviations from the AML/ TF Policy POL.71.
3. Risk management is realized via relevant internal documents. The processes of AML/TF are regularly updated as are the Bank's internal documents with respect to this process. The following are the key documents:
- 3.1. As part of the administrative case, the Bank has concluded an agreement with US company K2 to determine whether the Bank has violated, that is, it has in any way not complied with any requirements related to sanctions against North Korea. K2 has prepared a report "OFAC Sanctions Screening" informing that it has not detected any violations in Bank's activities and has issued recommendations for improving sanction risk management.
- 3.2. As part of the administrative case, the Bank has concluded an agreement with US company Financial Integrity Network to develop and improve risk management in compliance with sanctions. The Bank has set up a working group whose primary task in cooperation with FIN consultants is, in addition to existing Bank procedures, to develop the "North Korea Zero Tolerance policy" and take action to implement it.
- 3.3. External audit firm Ernst & Young has reviewed and positively assessed Bank's numeric risk assessment (scoring) system.
- 3.4. Monitoring department has started applying new methods to customer review and due diligence. Instead of formerly used "monitoring", there have been "basic" and "complex" reviews developed and approved by the Bank, where the need for the specific review for specific client is determined by the system alerts/ reports, not manual reports as before. Also, the content of these reviews has been improved and supplemented (in accordance with FCMC regulations No 234), namely, the methodology for client due diligence/ review as well as the process and requirements for "offline" transaction reviews. There are deadlines for these reviews set and they are linked to additional requirements for clients. These processes significantly change the work of Monitoring department, but in the long run it will allow for more systemic and more efficient risk management.
- 3.5. There has been an internal procedure No 188 "Regulation on Implementation of Requirements of AML/CTF and Sanctions" developed, which clearly defines the responsible decision makers and situations in which decisions are made.
- 3.6. Internal documents on unusual and suspicious transactions have been significantly revised completely replacing the previous documents. The list of characteristics that may indicate suspicious transactions has been supplemented, a completely new document has been developed in which the list is systematically consolidated and ranked. Internal reporting on suspicious transactions has been improved.
- 3.7. The structure of the AML/CTF process is being improved by setting up a systemic and structured framework of internal procedures covering the process as well as developing new procedures and supplementing the existing ones.
- 3.8. As a result of review by Navigant Consulting, Inc. of the internal control systems of ML/ TF risk management, the Bank continued to work on those findings where improvements in the Bank's processes were required; there has been validation of results done for several improvements.
- 3.9. There are changes being made to internal documents, ensuring that they are regularly updated in accordance with external requirements as well as requirements resulting from various audits.
4. Risk management is carried out by doing customer due diligence.
- 4.1. The Bank has completed review of its customer base by terminating relationship with clients that has created a disproportionate risk for the bank, taking into account the increased requirements. As a result of this process, the Bank completed the "special client review" project, during which, based on several ML/TF risk-generating criteria, relationship with clients was terminated. The results of the review were communicated to the FCMC.
- 4.2. There is client due diligence carried out on regular basis, in accordance with the Bank's internal documents. The results of these reviews are presented at the end of this report under "ML/ TF Risk Management, Client Due Diligences in the 2nd Quarter of 2017, Numerical Results".

5. Risk management is done by providing sufficient resources and training.
- 5.1. The required number of employees of the Bank has obtained an international certificate on AML - CAMS. In addition, several employees continue to acquire the CAMS program. A 2-level AML/CTF e-learning course, basic and advanced levels, which is compulsory for all relevant Bank employees in accordance with NOT.091. The course is currently underway. At the same time, there are other trainings provided in this area, in line with the annual training plan and in addition to it.
- 5.2. According to AML/ CTF Policy (POL.071), every quarter the adequacy of resources is assessed. In compliance departments, due to employee rotation and the assignment of additional positions, the necessary vacancies are being filled. There is work ongoing on automation of multiple processes by improving the IT solutions that are used on daily basis by the employees who are required to ensure compliance with NILTFN regulatory requirements. The calculations made for the 2nd quarter of 2017 show that the resources at the disposal of the Division are sufficient to satisfy the NILTFN requirements.

It should be noted that due to the introduction of "Basic" and "Special" reviews as well as the introduction of offline rules in the second half of June 2017, the planning of Monitoring Department's work and methods applied have changed significantly. As a result, switching to the new type of reviews and applying their requirements, there is a significant change in the planning of workload and resources of Monitoring department, which now results in longer reviews than planned. It is planned though that at the end of the transition period and after filling in the vacancies, the workloads will be re-planned and the situation in the 3rd quarter will be within the normal range and the available resources will be sufficient.

The assessment of risk in the Bank and Group is the same.

Management of ML/TF risk

2017	ABLV group/Bank	IBAS	IPAS
Q I	Satisfactory	Satisfactory	Satisfactory
Q II	Satisfactory	Satisfactory	Satisfactory

6. ML/ TF Risk management, 2nd quarter of 2017 in numbers.

6.1. Committees:

- there were 30 Client Control Committee meetings in the 2nd quarter;
- there were 5 Client Monitoring Committee meetings in the 2nd quarter.

6.2. Acceptance department

- There were 822 new client acceptance processes in the 2nd quarter;
- in 695 cases there was a positive decision made in the 2nd quarter,
- for 127 clients the acceptance was refused in the 2nd quarter.

6.3. Monitoring department

- in the 2nd quarter, there were in total 1611 reviews/ monitorings done, from which:
 - 155 – complex reviews,
 - 1152 – basic reviews,
 - 293 transaction reviews.
- 11 monitorings of Loro banks.

6.4. Payment monitoring and analysis department (MUAN)

- in the 2nd quarter, there were 71022 payments processed, that had been stopped by payment monitoring system SironEmbargo;
- in the 2nd quarter, there were 953 reports received for processing on hits against elements with control lists in system SironKYC;
- in the 2nd quarter, there were 331 reports received for processing in system SironAML;
- in the 2nd quarter, there were 10137 transaction monitorings performed;
- in the 2nd quarter, there were 12 reports submitted to FIU Latvia on unusual transactions identified.

6.5. Client control department

- in the 2nd quarter, there were 49 agents reviewed that attract and identify potential clients of the Bank, including 1 new;
- in the 2nd quarter, there were 48 investigations of potentially suspicious transactions performed, out of these cases 32 transactions were recognized as suspicious;
- in the 2nd quarter, there were 38 reports submitted to FIU Latvia on suspicious transactions identified.

6.6. Information rendering department

- in the 2nd quarter, there were 176 requests received from correspondent banks and other banks and 171 answer provided; there were 36 outgoing requests to other banks sent;
- in the 2nd quarter, there were 629 requests received from various state institutions and officials (incl., 26 from FCMC, 41 from SRS on incasso/ termination of operations).

Exhibit 11

BANKING / INVESTMENTS \ ADVISORY



ABLV Bank, AS

Public Quarterly Report
January – June 2017

Bank's Management Report

Ladies and gentlemen, dear shareholders of ABLV Bank, AS,

At the beginning of the year, optimism mostly prevailed in global economy, boosted by published macroeconomic reports as well. The euro area has been developing more rapidly than expected. The growth pace of Latvian national economy has increased, and the Bank of Latvia raised Latvian GDP forecast for 2017 to 3.3% (growth by 3% had been anticipated earlier).

ABLV Bank results in H1 2017 allow expecting achievement of the objectives set for this year. All the bank's major performance indicators remain high, including capital adequacy and liquidity ratios. To ensure further stable development, we gradually decrease the share of settlement business in the bank's income structure, since this line entails higher risks, and we will focus even more on high-quality wealth management with high added value – the services like arrangement of securities issues, lending to businesses, support under complex trade transactions, and investment services. Our employees possess necessary expert qualification and considerable experience, and this is a substantial advantage under rendering those services.

During the last year and a half, we have considerably reduced the AML and reputational risks associated with the clients' transactions. Consistent review of the client base is performed, and as at 30 June 2017 the client base has been decreased by almost 20%, compared with the end of 2015. We have refrained from cooperation with the clients whose activities might cause unacceptably high risk or the clients unwilling to cooperate in terms of supplying sufficient amount of information on their transactions.

To fulfil the commitments under the administrative agreement made with the Financial and Capital Market Commission (FCMC) on 26 May 2016, investments of EUR 6.6 million have been made in improvement of the IT systems and business processes concerning the client and transaction control since then. Now the resources spent on compliance verification per transaction are on average at least one third higher than in last year. The overall capacity of structural units engaged in risk management and financial crime prevention has been increased considerably: now job duties of one in six employees of the bank, i.e., about 16%, are related to compliance. Special AML training was also held for employees whose everyday work does not involve client servicing and transaction processing directly.

In the reporting period, the bank concluded the agreement with the US company Financial Integrity Network (FIN), engaging it to be a major strategic advisor on compliance matters in the field of anti-money laundering. Financial Integrity Network provides advice on strengthening the risk management and financial crime prevention systems, based on the independent risk assessment.

On 21 April this year, ordinary meeting of shareholders made the decision on paying the profit for 2016 in the form of dividends. The payments per share amounted to EUR 1.91, and their total amount equalled EUR 73.2 million. At the same time, another issue of ABLV Bank shares was performed, so that the bank's shareholders were provided the opportunity to re-invest the profit derived from dividends in the bank's further growth. There were 3 780 000 registered shares issued to the total amount of EUR 50.7 million. The sale price of one share was EUR 13.40. Following the issue, the bank's share capital is comprised of 38 250 000 ordinary voting shares and 3 830 000 employee shares without voting rights. Only current shareholders of the bank participated in the issue of shares. There were 78 applicants in total.

Legal address of ABLV Bank, AS (reg. No. 50003149401) is at 23 Elizabetes Street, Riga, LV-1010, Latvia. The bank's license was issued on 9 September 1993 and is registered with the FCMC licence register under No. 06.01.05.001/313.

On 15 June 2017, the meeting of ABLV Bank shareholders approved new Council of the bank. During the following 5 years, Oļegs Fiļš, Jānis Krīgers, Jānis Butkevičs, and Aivis Ronis will hold the positions of the Members of the Council. Oļegs Fiļš and Jānis Krīgers were the members of the bank's Council previously, and now Oļegs Fiļš will be the Chairman of the Council and Jānis Krīgers will be the Deputy Chairman of the Council again. Whereas two newly elected Members of the Council will strengthen the Council capacity in the field of corporate governance and international relations.

Having received the approval from the European Central Bank, ABLV Bank Council re-elected current members of the bank's Board for the following 5-year term of office. The following persons were re-elected to the bank's Board: Chairman of the Board, Chief Executive Officer (CEO) Ernests Bernis, Deputy Chairman of the Board, Deputy Chief Executive Officer (dCEO) Vadims Reinfelds, Member of the Board, Chief Compliance Officer (CCO) Aleksandrs Pāže, Member of the Board, Chief Information Officer (CIO) Rolands Citajevs, Member of the Board, Chief Risk Officer (CRO) Edgars Pavlovičs, Member of the Board, Chief Financial Officer (CFO) Māris Kannenieks, and Member of the Board, Chief Operating Officer (COO) Romans Surnačovs.

Financial results

ABLV bank's major financial indicators of H1 2017 evidence stable operations in accordance with the previously adopted plan. ABLV Bank, AS is the largest bank in Latvia with local capital and is ranked second in terms of the amount of assets.

- The bank's profit in H1 2017 amounted to EUR 26.3 million.
- The bank's operating income¹ totalled EUR 55.3 million.
- The amount of the clients' deposits equalled EUR 2.81 billion as at the end of the reporting period.
- The amount of issued debt securities reached EUR 459.3 million.
- As at 30 June 2017, the amount of the bank's assets totalled EUR 3.72 billion.
- The bank's loan portfolio equalled EUR 1.00 billion as at the end of June.
- The bank's capital and reserves amounted to EUR 326.9 million.
- As at 30 June 2017, the bank's total capital ratio was 21.96%, whereas liquidity ratio equalled 76.78%.
- ROE reached 16.46%, and ROA – 1.38%, as at 30 June 2017.

Continuing the bond issue programme, this year the bank performed four new issues of coupon bonds: two of them under the Sixth Bond Offer Programme, and two other – under the Seventh Bond Offer Programme. The total size of the bond issues amounted to USD 150.0 million and EUR 40.0 million at face value respectively. The bank initiated gradual replacement of long-term deposits with bonds at the end of 2011. Including new bonds and those already redeemed, we have performed 43 public bond issues so far.

We continue granting the commercial loans. In H1, new loan agreements to the total amount of EUR 62.1 million were made, mostly on lending to the companies in Latvia. As at 30 June 2017, the commercial loan portfolio amounted to EUR 639.9 million.

The total amount of the bank's securities portfolio was equal to EUR 1.59 billion, as at 30 June 2017. Part of the securities, amounting to EUR 7.7 million, are classified as loans and receivables. The bank's securities portfolio is mostly composed of fixed-income debt securities, and 88.5% of the portfolio is constituted by securities having credit rating AA- and higher. In terms of major countries, the securities are allocated as follows: USA – 21.5%, Germany – 17.7%, Latvia – 14.0%, Russia – 11.0%, Canada – 7.4%, Sweden – 5.7%, Netherlands – 3.7%, Austria – 2.4%, and Finland – 2.2%. Whereas 4.4% is constituted by securities issued by international institutions. In the reporting period, annual yield² of the securities portfolio amounted to 2.5%.

From the beginning of this year, we have expanded the lending opportunities offered to individual clients by providing financing for their business secured by mortgage. The individuals having stable income (salary, dividends, business revenues) will be able to obtain loans in EUR or USD for up to 15 years. The loans can be secured by property – apartment or private house.

Expanding our insurance offer and specially designed by us and ABLV insurance products, now besides ABLV Apartment Insurance and ABLV House Insurance we also offer ABLV CASCO and MTPL insurance programmes to the clients. Those insurance policies have been developed together with our cooperation partners – Latvian branches of Seesam Insurance AS and ERGO Insurance SE insurance companies. Our successful long-term cooperation with these insurance companies allows offering advantageous conditions of the insurance services, which are available to our clients only.

Continuing the sequence of Internetbank development projects, in the reporting period we implemented new Internetbank functionality concerning the Internetbank use by the clients having several representatives and the users representing several clients. There were 40 other improvements made to ensure simpler and faster use of Internetbank, including its versions for iPhone and iPad. Those improvements included the opportunity to choose some of previously made incoming or outgoing payments in the account report and easily made a new outgoing payment using the details of the chosen one.

Investments

As at the end of June 2017, total assets under ABLV Asset Management, IPAS management amounted to EUR 123.5 million, of which EUR 122.9 million were the clients' investments in mutual funds managed by the company, and EUR 0.6 million were the clients' funds invested in individual investment programmes.

¹ Operating income is calculated as the total of net interest income, net commission and fee income, net gain from transactions with financial instruments and foreign exchange, dividend income, net other income and expense, minus expenses of impairment of financial assets.

² Yield of the securities portfolio is calculated as the ratio of income gained from the securities to the average securities balance in the reporting period. The result is annualized and expressed as a percentage. The income gained from the securities is constituted by coupon income, securities revaluation reserve, securities trading result, and changes in the allowances.

The first half of 2017 was also successful for ABLV Capital Markets, IBAS, which executes clients' instructions for purchasing and selling all types of financial instruments. In the first half of the year, profit of ABLV Capital Markets, IBAS amounted to EUR 1.4 million. As at 30 June 2017, total assets of the company's clients invested in financial instruments were equal to EUR 1.40 billion.

From 1 February 2017, we offer more attractive possibilities of financing against pledge of investment portfolio to the clients, since we have expanded the range of bond categories that can be pledged, as set forth in the rates and charges 'Financing Against Pledge of Investment Portfolio'. The category 'Government bonds' has been expanded to include the bonds of central banks and supranational organizations. Therefore, the credit limit under these bonds has been increased to 65–96% of their market value. Moreover, new category has been introduced, in which government-guaranteed corporate bonds the issue size of which is USD 100 million and more are included – the financing conditions of government bonds are applied to these instruments.

Developing the range of services intended for children of our clients, from February we offer two new services for making savings for the child's future – investment portfolios and savings accounts for children, allowing savings in the form of financial instruments or funds accordingly. Clients are able to form an investment portfolio for their children by transferring the shares of ABLV mutual funds to the portfolio. The transfers can be performed by the child's parents or guardians, provided they hold a current account and investment portfolio with ABLV Bank. Just like an investment portfolio, the child's (EXTRA) savings account enables protection of the funds intended for the child's future. The child will be able to withdraw funds from the savings account upon reaching the age of 18 years. Before that, the child's parents or guardians will manage the account and deposit funds to the same.

In the reporting period, ABLV group company operating in the field of investments in commercial properties acquired new name – New Hanza Capital, AS – and began working on achievement of new business goals. The company was established in 2006 for the sake of managing the development of Elizabetes Park House real estate project. In 2015, new goals were set: to invest own funds and funds of third parties in commercial properties, ensuring long-term capital growth, to achieve sustainable increase in income from renting the premises, and to enlarge the value of properties in the long term. At the beginning of 2017, the company acquired new name – New Hanza Capital, AS, and its goal was set to be the composition of long-term commercial property portfolio, engaging a team of professionals for managing the same.

Having started the operations, in February 2017 New Hanza Capital, AS acquired 30% of the shares of capital of alternative mutual fund manager SIA SG Capital Partners AIFP. SIA SG Capital Partners AIFP was registered with the FCMC as alternative mutual fund manager in November 2016, and therefore is entitled to render the fund investment management and risk management services. Its objective is to attract and to invest the funds of institutional clients in real estate.

As early as in May 2017, SIA SG Capital Partners AIFP established a mutual fund worth EUR 80 million to acquire commercial properties in the Baltics. The fund's activity will be focused on office and retail assets in the Baltics generating the cash flow. First close equity commitments of the fund equal EUR 41 million, and ABLV Bank, which plans to invest EUR 10 million, as well as SEB and Swedbank pension funds, and INVL Latvia pension fund are among its investors. The fund is expected to hold subsequent closes in 2017 and 2018.

Real estate

In H1 2017, Pillar group companies continued implementation of large-scale project – development of modern New Hanza area in Riga. Investments in New Hanza development made by Pillar so far exceed EUR 21 million, and those were allocated to placemaking, development of building designs, renovation of existing buildings, construction of Pillar administrative building, infrastructure equipment, construction of roads, as well as other projects under territory development.

The construction of stage 1 of New Hanza infrastructure is nearing completion, which includes construction of water supply, sewage, heating and electricity supply networks, as well as unique large rainwater collection and accumulation system, and street layout development. Due to rapid work progressing, it will be possible to begin construction of ABLV headquarters in the second half of the year.

During the first six months of the year, Pillar group made the transactions on sale of more than 50 properties, and the total amount of transactions reached EUR 4.5 million. Most transactions are still performed with regard to uniform apartments, and those amounted to 22 this year. There were 4 apartments in new projects sold, as well as 9 private houses, 11 land plots, and 5 commercial properties.

Advisory

In the reporting period, new company was added to ABLV group – ABLV Corporate Finance, SIA, which will offer professional support to the group's current and prospective clients by arranging and performing capital raising and company merge and acquisition transactions.

ABLV group has substantial experience in rendering services to corporate clients, including advice on business structuring, arrangement and performance of bond issues, as well as other similar services requiring involvement of highly qualified experts in this field. The Chairman of the Board Arvīds Kostomārovs is experienced advisory manager.

Luxembourg

In the reporting period, subsidiary bank ABLV Bank Luxembourg began offering new service to its clients – fixed-term loan secured by investment portfolio. This is an alternative solution to Lombard loans in the form of current account overdraft, which have been available for several years already. The loan with the repayment term of up to 1 year can be obtained in USD and EUR.

ABLV Bank, AS is the first bank from the Baltic countries to establish subsidiary bank in Luxembourg. The bank in Luxembourg started offering its services to broad range of clients in September 2013. As at 30 June 2017, the assets of ABLV Bank Luxembourg reached EUR 222.8 million, and assets under management amounted to EUR 107.1 million.

For society

In 2017, ABLV Bank, in cooperation with ABLV Charitable Foundation, continued supporting various socially important projects.

In January, the results of charity fund drive timed to coincide with the 10th anniversary of ABLV Charitable Foundation were summarized, and under the same record-high amount of donations was achieved – EUR 1 046 173, including EUR 127 116 donated to the programme 'Help Hear!' (each euro donated to this programme has been doubled by the foundation, and thus the total amount of funds allocated to this programme constituted EUR 254 232); donations to the programme 'Help grow up!' equalled EUR 108 062, and to the programme 'New Riga' – EUR 810 995. The bank's employees, clients, and general public were called to take part in the fund drive. The number of donators constituted 196 individuals and 69 legal entities.

Whereas in February, ABLV Bank gave 300 copies of the art album 'No Walls' to Latvian libraries through the intermediary of the National Library of Latvia Foundation. Art album 'No Walls' was issued in 2013, and the same includes the works of contemporary art then acquired by the bank to form the collection of the future Latvian Museum of Contemporary Art, according to the agreement made with the Republic of Latvia Ministry of Culture. The album also comprises the articles on the collection and work authors written by reputable art experts. One copy of the album 'No Walls' bearing a dedication was placed on the 'People's Bookshelf' at the National Library of Latvia.

Since blood bank shortage is permanent in Latvia and the State Blood Donor Centre regularly appeals to the public to help people, on 8 June second ABLV group Blood Donation Day was held. 63 employees donated blood, thus increasing the blood bank of the State Blood Donor Centre almost by 30 litres, which will enable blood transfusion to more than 180 people.

We express our gratitude to our shareholders and clients for their loyalty and to the employees for their contribution to the bank's and the group's growth!

This public quarterly report is non-audited.



Deputy Chairman of the Board
Vadims Reinfelds



Member of the Board
Aleksandrs Pāže

Riga, 28 August 2017

General Information

ABLV Bank, AS reg. No. 50003149401 (hereinafter - the bank) was registered in Aizkraukle, Republic of Latvia, on 17 September 1993, as a joint stock company. At present, the legal address of the bank is Elizabetes Street 23, Riga, LV - 1010, Latvia.

The bank operates in accordance with the current laws and regulations of the Republic of Latvia and the licence issued by the Financial and Capital Market Commission that allows the bank to render all the financial services specified in the Law on Credit Institutions. The bank was issued licence on 9 September 1993 by the Bank of Latvia, it was later re-registered with the Financial and Capital Market Commission under No. 06.01.05.001/313.

The bank operates the central office and one mortgage lending centre in Riga. The most important subsidiaries of the bank are: ABLV Bank, Luxembourg S.A. (Luxembourg), ABLV Asset Management, IPAS, ABLV Capital Markets, IBAS, Pillar Holding Company, KS.

The Group operates foreign territorial structural units in Azerbaijan (Baku), in Belarus (Minsk), in Kazakhstan (Almaty), in Cyprus (Limassol), in Russia (Moscow, St. Petersburg and Vladivostok), in Ukraine (Kyiv and a separate office in Odessa), in Uzbekistan (Tashkent), United States of America (New York) and Hong Kong.

The organizational structure of the bank is shown on page 7 of this public quarterly report.

This public quarterly report is prepared in accordance with the Regulations No 145 on Preparation of Public Quarterly Reports of Credit Institutions approved by the Financial and Capital Market Commission for providing information on the financial standing and performance indicators of the bank for the period from 1 January 2017 until 30 June 2017.

Financial statements are reported in thousands of euros (EUR'000), unless otherwise stated. Information given herein in brackets represents comparative figures for the period ended 31 December 2016 or for the six-month period ended 30 June 2016 respectively.

Shareholders and Groups of Related Shareholders of the Bank

	30/06/2017		31/12/2016	
	Par value of shares	Voting shares	Par value of shares	Voting shares
	EUR	amount	EUR	amount
Shareholders				
Ernests Bernis and Nika Berne (direct and indirect interest)	1	16,644,999	1	14,918,210
Oļegs Fiļs (indirect interest)	1	16,644,998	1	14,918,210
Other shareholders total	1	4,960,003	1	4,633,580
Total shares with voting rights	x	38,250,000	x	34,470,000
Shares without voting rights (personnel shares)	1	3,830,000	1	3,830,000
Paid-in share capital total	x	42,080,000	x	38,300,000

Performance Indicators*

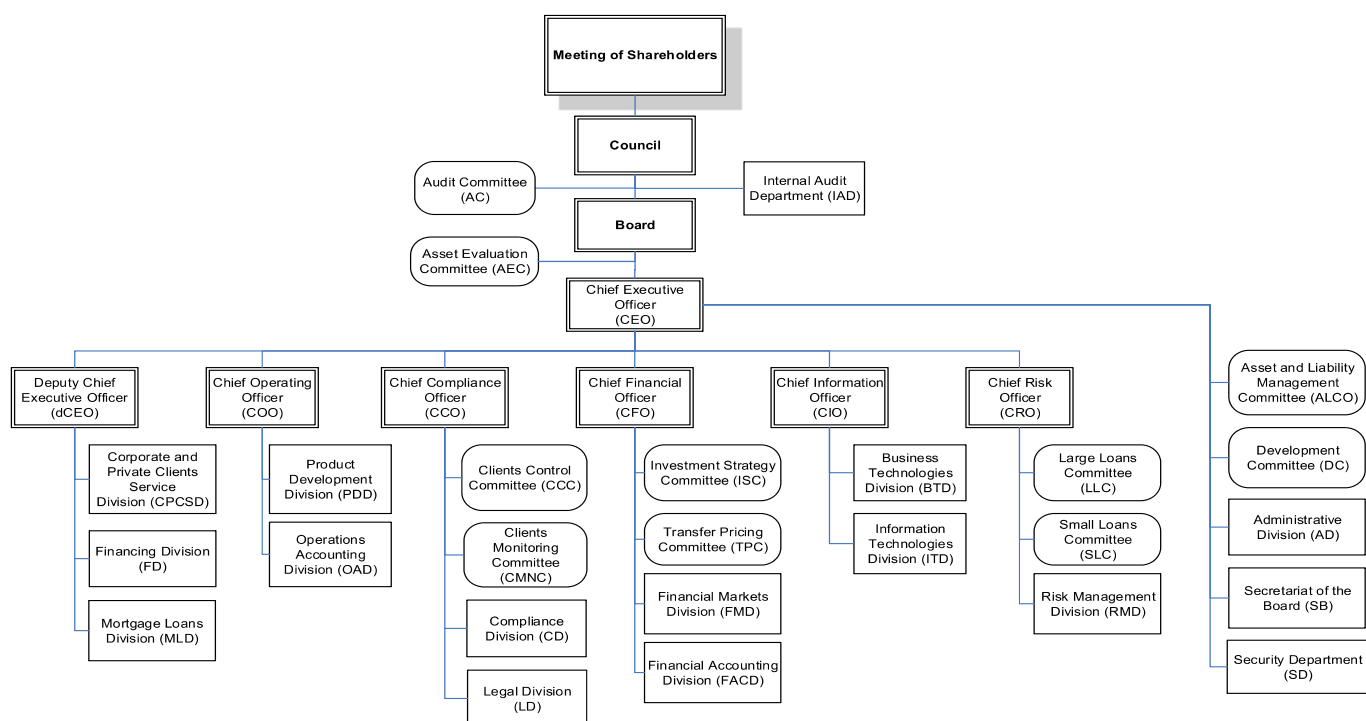
Title of entry	01/01/2017 – 30/06/2017	01/01/2016 – 30/06/2016
	(non-audited)	(non-audited)
Return on equity (ROE) (%)	16.46	33.27
Return on assets (ROA) (%)	1.38	1.97

* - indicators are calculated according to principles of the Regulations on Preparation of Public Quarterly Reports of Credit Institutions approved by the Financial and Capital Market Commission.

Risk Management

The information about Capital and Risk management is available in the 2016 Annual Report from Note 33 to Note 37 on the ABLV Bank, AS website <http://www.ablv.com/en/about/financial-reports>.

Bank's Structure*



* - More detailed information about the customer's service offices are available on the bank's website <http://www.ablv.com/en/about/offices>.

The Council and the Board

The Council of the Bank:	Term of office:
Chairman of the Council: Oļegs Fiļs	15/06/2017 – 14/06/2022
Deputy Chairman of the Council: Jānis Krīgers	15/06/2017 – 14/06/2022
Council Member: Jānis Butkevičs	15/06/2017 – 14/06/2022
Council Member: Aivis Ronis	15/06/2017 – 14/06/2022
	Term of office expired:
Council Member: Igoris Rapoport	02/05/2016 – 15/06/2017

During the reporting period, the Council of the Bank elected anew for the term of office from 15 June 2017 to 14 June 2022. The duties of the members of the Council will be performed by Oļegs Fiļs, Jānis Krīgers, Jānis Butkevičs and Aivis Ronis, whereas Igoris Rapoport ceased his duties on 15 June 2017. Oļegs Fiļs and Jānis Krīgers already acted in the Council of the Bank previously. Oļegs Fiļs has been re-elected as the Chairman of the Council, but Jānis Krīgers - as Deputy Chairman of the Council.

The Board of the Bank:	Term of office:
Chairman of the Board: Ernestis Bernis - Chief Executive Officer (CEO)	02/05/2017 – 01/05/2022
Deputy Chairman of the Board: Vadims Reinfelds – Deputy Chief Executive Officer (dCEO)	02/05/2017 – 01/05/2022
Board Members:	
Aleksandrs Pāže – Chief Compliance Officer (CCO)	02/05/2017 – 01/05/2022
Edgars Pavlovičs – Chief Risk Officer (CRO)	02/05/2017 – 01/05/2022
Māris Kanneniēks – Chief Financial Officer (CFO)	02/05/2017 – 01/05/2022
Rolands Citajevs – Chief IT Officer (CIO)	02/05/2017 – 01/05/2022
Romans Surnačovs – Chief Operating Officer (COO)	02/05/2017 – 01/05/2022

During the reporting period, the Board of the Bank has been elected as mentioned above, setting a new term of office.

Strategy and Aim of the Bank's Activities

The bank's main scope of activity are investment services, settlement products, asset management, financial consultations, and real estate management. The business model is aimed at supplying individual services to wealthy individuals and their businesses.

Bank's Vision

The bank's vision is to become the bank of preferred choice for entrepreneurs in the Baltics and CIS countries, combining traditional banking services, asset management and advisory in a single service offering tailored to the needs of our clients.

Our goal is for the medium large private companies in our target markets as well as their owners and executives to choose us as their primary financial partner and adviser.

We offer a personalized approach to client servicing with our valuable experience in banking services and asset management that is based on a unique understanding of our clients and their changing needs at different stages of life.

Bank's Mission

Our mission is to preserve and increase capital of our clients by providing them financial and advisory services necessary for achieving this.

Bank's Values

Collaborative

We listen attentively and respond intelligently. We are always ready for change. We don't rest, we act.

Intuitive

We know what is important to our clients. We understand the peculiarities of their business, the law and culture of their countries, and offer tailored solutions.

Valued

We work to bring success to our clients. Our key objective is to be useful and add value for our clients.

Consolidation Group

The information disclosed in the report is prepared in accordance with the principles of the Regulations No 145 on Preparation of Public Quarterly Reports of Credit Institutions approved by the Financial and Capital Market Commission. ABLV Bank, AS is the parent entity of the group.

Members of the consolidation group* as at 30 June 2017:

No	Name of the company	Registration number	Code of country of incorporation and address	Type of activities ¹	Interest in share capital (%)	Share of voting rights (%)	Motivation for inclusion in the group ²
1	ABLV Bank, AS	50003149401	LV, Elizabetes iela 23, Rīga, LV-1010	BNK	100	100	MT
2	ABLV Bank Luxembourg, S.A.	B 162048	LU, Boulevard Royal, 26a, L-2449, Luxembourg	BNK	100	100	MS
3	ABLV Capital Markets, IBAS	40003814705	LV, Elizabetes iela 23, Rīga, LV-1010	IBS	90	100	MS
4	ABLV Capital Markets USA LLC**	6399457	US, 52 Vanderbilt Avenue, Suite 1501, New York, NY 10017	IBS	90	100	MMS
5	ABLV Asset Management, IPAS	40003814724	LV, Elizabetes iela 23, Rīga, LV-1010	IPS	90	100	MS
6	PEM, SIA	40103286757	LV, Elizabetes iela 23, Rīga, LV-1010	CFI	51	51	MS
7	PEM 1, SIA	40103551353	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	51	51	MMS
8	New Hanza Capital, AS	50003831571	LV, Pulkveža Brieža iela 28A, Rīga, LV-1045	PLS	88	88	MS
9	ABLV Corporate Services Holding Company, SIA	40103799987	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
10	Pillar, SIA	40103554468	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS
11	Pillar Holding Company, KS	40103260921	LV, Elizabetes iela 23, Rīga, LV-1010	CFI	100	100	MS
12	Pillar 3, SIA	40103193067	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
13	Pillar 4 & 6, SIA	40103210494	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
14	Pillar 7 & 8, SIA	40103240484	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
15	Pillar 9, SIA	40103241210	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
16	Pillar 11, SIA	40103258310	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
17	Pillar 2, 12 & 14, SIA	50103313991	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
18	Pillar 18, SIA	40103492079	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
19	Pillar 19, SIA	40103766952	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
20	Pillar 20, SIA	40103903056	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
21	Pillar 21, SIA	40103929286	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
22	Pillar 22, SIA	50103966301	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MMS
23	Pillar Development, SIA	40103222826	LV, Pulkveža Brieža iela 28A, Rīga, LV-1045	PLS	100	100	MS
24	Pillar Utilities, SIA	40103693339	LV, Pulkveža Brieža iela 28A, Rīga, LV-1045	PLS	100	100	MMS
25	ABLV Building Complex, SIA	40203037667	LV, Elizabetes iela 23, Rīga, LV-1010	PLS	100	100	MS

¹ - BNK – bank, IBS – investment brokerage company, IPS – asset management company, CFI – other financial institution, PLS – ancillary subsidiary company.

² - MS – subsidiary company, MMS – subsidiary company of subsidiary company, MT – parent company.

* - The consolidation group conforms to Regulation (EU) No 575/2013 requirements, differences with IFRS are set out in Statement of Information Disclosure on bank's website www.ablv.com.

** - Subsidiary company is registered, but license for rendering investment services has not been received yet, as well as payment of paid-in share capital has not been made, that being compliant with the registration country legislative requirements.

Income Statements

Title of entry	EUR'000	
	01/01/2017 – 30/06/2017 (non-audited)	01/01/2016 – 30/06/2016 (non-audited)
Interest income	39,998	42,758
Interest expense	(9,595)	(12,190)
Dividends received	3,274	5,293
Commission and fee income	18,270	24,067
Commission and fee expense	(5,927)	(6,797)
Net realised gain/ (loss) from financial assets and liabilities at amortised cost	(10)	-
Net realised gain/ (loss) from available-for-sale financial assets	422	19,657
Net realised gain/ (loss) from financial assets and liabilities held for trading	726	279
Net gain/ (loss) from financial assets and liabilities at fair value through profit or loss	-	-
Changes in fair value hedge accounting	-	-
Net result from foreign exchange trading and revaluation	7,761	10,300
Gain/ (loss) from sale of tangible and intangible fixed assets	16	7
Other income	1,906	1,871
Other expense	(758)	(770)
Administrative expense	(26,401)	(29,400)
Depreciation	(1,554)	(1,609)
Provisions	-	-
Impairment on financial assets	(783)	(6,791)
Profit/ (loss) before corporate income tax	27,345	46,675
Corporate income tax	(1,002)	(1,374)
Net profit/ (loss) for the period	26,343	45,301

Balance Sheet

	EUR'000	
	30/06/2017	31/12/2016
Assets	(non-audited)	(audited)*
Cash and demand deposits with central banks	433,785	413,047
Demand deposits from credit institutions	332,522	191,551
Financial assets held for trading	15,110	21,090
Financial assets at fair value through profit or loss	-	-
Available-for-sale financial assets	755,562	957,094
Loans and receivables	1,195,735	1,102,099
<i>Loans</i>	1,001,329	1,001,929
<i>Loans to credit institutions</i>	186,673	89,953
<i>Debt securities</i>	7,733	10,217
Held to maturity investments	809,136	989,710
Change of fair value of hedge portfolio	-	-
Prepaid expense and accrued income	2,665	1,636
Tangible fixed assets	9,235	9,461
Investment properties	25,052	25,058
Intangible fixed assets	5,328	5,826
Investments in subsidiaries	135,749	128,580
Tax assets	2,159	2,360
Other assets	2,051	2,074
Total assets	3,724,089	3,849,586
Liabilities		
Liabilities due to central banks	50,000	50,000
Demand deposits from credit institutions	46,586	20,375
Financial liabilities held for trading	239	441
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities at amortised cost	3,284,031	3,444,938
<i>Deposits</i>	2,812,004	2,901,824
<i>Issued ordinary bonds</i>	342,877	398,385
<i>Issued subordinated bonds</i>	116,458	129,919
<i>Subordinated deposits</i>	12,692	14,810
Financial liabilities arising from financial asset transfer	-	-
Change of fair value of hedge portfolio	-	-
Deferred income and accrued expense	10,021	7,068
Provisions	-	-
Tax liabilities	1,387	1,346
Other liabilities	4,916	3,615
Total liabilities	3,397,180	3,527,783
Total shareholders' equity	326,909	321,803
Total liabilities and shareholders' equity	3,724,089	3,849,586
Memorandum items		
Contingent liabilities	11,346	9,928
Financial commitments	140,580	126,632

* - Information has been prepared based on data that are available in the annual report for the year ended 31 December 2016 audited by SIA KPMG Baltics (No 40003235171).

Own Funds and Capital Adequacy Ratios Summary

		EUR'000	
		30/06/2017	31/12/2016
Code	Position description	(non-audited)	(audited)*
1.	Own funds	400,162	366,651
1.1	Tier 1 capital	294,113	241,588
1.1.1.	Common equity Tier 1 capital	294,113	241,588
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	106,049	125,063
2.	Total risk exposure amount	1,822,237	1,872,174
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1,518,546	1,561,043
2.2.	Total risk exposure amount for settlement/ delivery	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	75,303	91,111
2.4.	Total risk exposure amount for operational risk	228,308	220,011
2.5.	Total risk exposure amount for credit valuation adjustment	80	9
2.6.	Total risk exposure amount related to large exposures in the trading book	-	-
2.7.	Other risk exposure amounts	-	-
3.	Capital ratio and capital levels		
3.1.	CET1 Capital ratio	16.14%	12.90%
3.2.	Surplus(+)/Deficit(-) of CET1 capital	212,113	157,341
3.3.	T1 Capital ratio	16.14%	12.90%
3.4.	Surplus(+)/Deficit(-) of T1 capital	184,779	129,258
3.5.	Total capital ratio	21.96%	19.58%
3.6.	Surplus(+)/Deficit(-) of total capital	254,383	216,877
4.	Total capital buffers	2.50	2.50
4.1.	Capital conservation buffer (%)	2.50	2.50
4.2.	Institution specific countercyclical capital buffer (%)	0.00	0.00
4.3.	Systemic risk buffer (%)	-	-
4.4.	Systemically important institution buffer (%)	-	-
4.5.	Other Systemically Important Institution buffer (%)	-	-
5.	Capital ratio including adjustments		
5.1.	Own funds adjustments related to Pillar II	-	-
5.2.	Common equity Tier 1 capital ratio including Pillar II adjustments mentioned in line 5.1.	16.14%	12.90%
5.3.	Tier 1 capital ratio including Pillar II adjustments mentioned in line 5.1.	16.14%	12.90%
5.4.	Total capital ratio including Pillar II adjustments mentioned in line 5.1.	21.96%	19.58%

* - Information has been prepared based on data that are available in the annual report for the year ended 31 December 2016 audited by SIA KPMG Baltics (No 40003235171).

Liquidity Ratio Calculation

	EUR'000	
	30/06/2017	31/12/2016
	(non-audited)	(audited)*
Liquid assets		
Cash	13,703	14,328
Deposits with central banks	390,962	365,041
Deposits with credit institutions	499,338	260,342
Liquid securities	1,302,949	1,630,479
Total liquid assets	2,206,952	2,270,190
Current liabilities (with maturity no more than 30 days)		
Deposits from credit institutions	46,428	20,271
Deposits	2,759,578	2,843,435
Issued debt securities	37,952	-
Cash in transit	694	5,920
Other current liabilities	23,217	18,660
Off-balance liabilities	6,584	7,499
Total current liabilities	2,874,453	2,895,785
Liquidity ratio (%)	76.78	78.40
Minimum liquidity ratio (%)	30.00	30.00

* - Information has been prepared based on data that are available in the annual report for the year ended 31 December 2016 audited by SIA KPMG Baltics (No 40003235171).

The Bank's Investments in Financial Instruments, Except Derivatives

The bank's investments in financial instruments break downs by countries and types of issuers as at 30 June 2017, except derivatives:

	EUR'000			
Issuer state	Securities of central governments	Securities of other issuers	Total	% of shareholders' equity
United States of America	329,557	11,817	341,374	85.3
Germany	278,750	2,627	281,377	70.3
Latvia	187,399	35,205	222,604	55.6
Russia	23,557	150,405	173,962	43.5
Canada	48,275	68,445	116,720	29.2
Sweden	63,146	26,691	89,837	22.5
Netherlands	-	58,884	58,884	14.7
Austria	38,417	-	38,417	9.6
Finland	21,856	13,114	34,970	8.7
China	-	28,287	28,287	7.1
Norway	21,880	-	21,880	5.5
Securities of other countries*	83,921	24,726	108,647	27.2
Securities of international organizations	-	70,464	70,464	17.6
Total securities, net	1,096,758	490,665	1,587,423	

* - Each country's issuers' total exposure is less than 10% from the own funds used for capital adequacy ratio calculation purposes.

As at 30 June 2017, the securities portfolio weighted average modified duration³ was 2.5 (2.5).

For available-for-sale financial instruments, an impairment has not been recognized during the reporting period, but during the first half a year of 2016 an impairment of available-for-sale financial instruments was recognized at EUR 96.4 thousand.

³ Average weighted modified duration of the securities portfolio is calculated as the total of modified duration of each security multiplied by this security position and divided by total amount of the whole securities portfolio. Modified duration is only calculated for securities sensitive to interest rate risk. Modified duration represents changes in the securities market value in case of market interest rates decreasing by one percentage point.

In the reporting period, collective impairment made for the financial instruments measured at amortized cost were decreased by EUR 144.3 thousand, whereas in H1 2016 were made collective impairment for EUR 980.6 thousand. In the reporting period, individual impairment for the financial instruments measured at amortized cost were increased by EUR 16.3 thousand, whereas in H1 2016 – decreased by EUR 192.9 thousand.

As at the end of the reporting period, the collective impairment made for the financial instruments at amortized cost amounted to EUR 401.2 (545.5) thousand and the market value of these financial instruments was EUR 131.8 (177.8) million as at 30 June 2017. Whereas the individual impairment for the financial instruments at amortized cost amounted to EUR 742.1 thousand (786.5) as at the end of the reporting period, and the market value of these financial instruments was EUR 795.2 thousand (912.7) as at 30 June 2017.

The bank's investments in financial instruments break downs by countries and types of issuers as at 31 December 2016, except derivatives:

	EUR'000			
Issuer state	Securities of central governments	Securities of other issuers	Total	% of shareholders' equity
United States of America	309,550	14,767	324,317	88.5
Germany	4,924	294,829	299,753	81.8
Latvia	227,400	42,556	269,956	73.6
Russia	26,081	198,292	224,373	61.2
Canada	99,770	119,533	219,303	59.8
Sweden	87,253	46,391	133,644	36.4
Netherlands	-	73,750	73,750	20.1
Finland	37,878	14,155	52,033	14.2
Norway	33,154	9,566	42,720	11.7
Austria	-	41,497	41,497	11.3
Securities of other countries*	112,879	88,047	200,926	54.8
Securities of international organizations	-	95,759	95,759	26.1
Total securities, net	938,889	1,039,142	1,978,031	

* - Each country's issuers' total exposure is less than 10% from the own funds used for capital adequacy ratio calculation purposes.

Litigation and Claims

In the ordinary course of business, the bank has been involved in a number of legal proceedings to recover outstanding credit balances and maintain collateral, as well as other proceedings related to specific transactions. The management believes that any legal proceedings pending as at 30 June 2017 will not result in material losses for the bank and/ or the group.

Events after the Reporting Date

As of the signing date of these statements, there have been no events since the last day of the reporting period requiring adjustment of or disclosure in this Public Quarterly Report.

Exhibit 12



Rules for Control of Money Laundering/ Terrorism Financing (ML/TF) Indicators

I Purpose

The purpose of the document is to establish control for ML/TF risk exposure indicators and threshold values thereof pursuant to “ABLV Group’s Risk Management Strategy” (STR.012).

II Responsible Officers

AMN employee	Employee of the AML/CFT Compliance Methodology Department.
Head of AP	Head of the Compliance Division.
Deputy Head of AP	Deputy Head of the Compliance Division.
CCO	Chief Compliance Officer (CCO).
CRO	Chief Risk Officer (CRO).
dCEO	Deputy Chief Executive Officer (dCEO).
Head of FUP	Head of the Financial Accounting Division.
REAN employee	Employee of the Regulatory Relations Department.
Head of RVP	Head of the Risk Management Division.

III Abbreviations and Terminology

Report Repository	see “List of IS and Resources Owners” (NOT.061.p.01).
Significant deviation	Significant deviation above the determined ML/TF risk exposure indicator (10% above the threshold value set in “ABLV Group’s Risk Management Strategy” (STR.012)).
Consolidation Group	ABLV Group companies, which data is used for calculation of ML/TF risk exposure ratio pursuant to “ABLV Group’s Risk Management Strategy” (STR.012).
ML/TF	Money laundering and terrorism financing.
AML/CTF	Anti-Money Laundering and Counter-Terrorism Financing.
STR.012	“ABLV Group’s Risk Management Strategy” (STR.012).

IV Basic Provisions

1. These Rules are drawn up in accordance with the FCMC Regulations No. 154 “Regulations for Management of Money Laundering and Terrorism Financing Risk”.
2. AML/CFT methods are defined in the “AML/CFT and Sanctions Policy” (POL.071).

3. These Rules are binding upon all responsible executors. All employees who are involved in the ML/TF improvement measures, are responsible for the non-disclosure of information to the persons, which are not mentioned in these Rules.
4. Cases, when the information must be provided to the European Central Bank and FCMC, are defined in the "Rules for Providing Significant Information to the European Central Bank and Financial and Capital Market Commission" (NOT.092).

V The Body

5. General description

- 5.1. The duty of REAN employee is to:
 - 5.1.1. Prepare "Overview of ML/TF Risk Exposure Characteristics", including therein the ML/TF risk indicators mentioned in STR.012, at the individual Bank and Bank's Consolidation Group level:
 - 5.1.1.1. Once a month, sending it from the Report Repository to Head of AP, Deputy Head of AP, AMN employee, CRO, CCO and dCEO;
 - 5.1.1.2. Once a quarter, sending it from the Report Repository to the Chairman of the Council, Members of the Board, Head of RVP, Head of FUP, Head/ Deputy Head of AP and AMN employee;
 - 5.1.2. Submit to the FCMC the overview pursuant to Clause 5.1.1.2 in accordance with the instruction "Calculation and Control of Anti-Money Laundering and Counter-Terrorist Financing Risk Indicators" (INS.324).
- 5.2. The duty of AMN employee is to:
 - 5.2.1. Supervise the indicators included in the "Overview of ML/TF Risk Exposure Characteristics" and the compliance thereof with the thresholds pursuant to STR.012 and to inform Head/ Deputy Head of AP, CRO, CCO and dCEO:
 - 5.2.1.1. If in the monthly "Overview of ML/TF Risk Exposure Characteristics" detected an excess of threshold values set in STR.012 regardless of the excess amount;
 - 5.2.1.2. If in the quarterly "Overview of ML/TF Risk Exposure Characteristics" detected an excess of threshold values set in STR.012 up to 5%;
 - 5.2.2. Inform immediately Head/ Deputy Head of AP, CRO, CCO and dCEO, as well as jointly with Head/ Deputy Head of AP and dCEO within 10 Bank working days shall prepare and submit a report for revision to CRO and CCO, in which is included analysis of indicators, reasons for excess and action plan to reach the threshold values:
 - 5.2.2.1. If in the quarterly "Overview of ML/TF Risk Exposure Characteristics" detected that for the indicator set in STR.012 "Proportion of financial assets of the clients, who meet the requirements of Clause 24.8 of the FCMC Regulations No. 234 "Regulations for Client Enhanced Due Diligence for Credit Institutions and Licensed Payment and Electronic Money Institutions", in the total financial assets of the credit institution" to the threshold value 3% or less;
 - 5.2.2.2. If in the quarterly "Overview of ML/TF Risk Exposure Characteristics" detected that for the indicator set in STR.012 "Proportion of financial assets of the clients, who meet the requirements of Clause 24.8 of the FCMC Regulations No. 234 "Regulations for Client Enhanced Due Diligence for Credit Institutions and Licensed Payment and Electronic Money Institutions", in the total financial assets of the credit institution" excess of threshold values and/or other ML/TF risk indicators set in STR.012 is above 7%;
 - 5.2.2.3. If in the quarterly "Overview of ML/TF Risk Exposure Characteristics" detected an excess of threshold values set in STR.012 from 5% to 7%.
- 5.3. The duty of Head/ Deputy Head of AP is to:
 - 5.3.1. Evaluate the dynamics of ML/TF risk exposure indicators set in STR.012;
 - 5.3.2. Receiving information from AMN employee on the non-compliances in STR.012 in the monthly "Overview of ML/TF Risk Exposure Characteristics", take note of it and consider the need for additional measures;
 - 5.3.3. On receipt of the reports about the cases pursuant to Clauses 5.2.2.1., 5.2.2.2. and 5.2.2.3, jointly with AMN employee and dCEO within 10 Bank working days prepare and submit a report for revision to CRO and CCO, in which is included analysis of indicators, reasons for excess and action plan to reach the threshold values;
 - 5.3.4. on receipt of the reports about the situation pursuant to Clause 5.2.1.2, take note of it and consider the need for additional measures.
- 5.4. The duty of dCEO is to develop jointly with Head/ Deputy Head of AP and AMN employee the action plan to reach the threshold values.
- 5.5. The duty of CRO and CCO is to:
 - 5.5.1. on receipt of the report about the cases pursuant to Clauses 5.2.1.2., 5.2.2.1. and 5.2.2.3, take note of it and consider the need for additional measures, incl. whether to inform the Board/ Council;

- 5.5.2. On receipt of the report about the case pursuant to Clause 5.2.2.2, to review within 5 Bank working days the report drawn up by AMN employee, Head/ Deputy Head of AP and dCEO, reconcile the action plan and submit to the Board for taking the decision.
- 5.6. The Board:
 - 5.6.1. Approves the action plan drawn up by Head/ Deputy Head of AP, AMN employee and dCEO to reach the threshold values, assigns the respective Bank structural units to take measures for improvement of the indicators specified in STR.012;
 - 5.6.2. Supervises the compliance with indicators and taking measures to prevent the breaches.
6. **Information subject to inclusion in the report**
 - 6.1. "Overview of ML/TF Risk Exposure Characteristics" shall be drawn up in accordance with the instruction "Calculation and Control of Anti-Money Laundering and Counter-Terrorist Financing Risk Indicators" (INS.324).
7. **Necessity to inform FCMC**
 - 7.1. In case of significant deviation, initiators and coordinators of the FCMC notification are defined in the "Rules for Providing Significant Information to the European Central Bank and Financial and Capital Market Commission" (NOT.092).