NOTIFICATION ON UNAVAILABILITY OF DEPOSITS AT VILNIAUS KREDITAS CREDIT UNION

VĮ “Indėlių ir investicijų draudimas” (“Deposit and Investment Insurance”) (hereinafter referred to as IID) is Lithuanian state company that guarantees the protection of the funds of depositors of financial institutions and thereby increases the reliability and stability of the financial sector.

On November 10, 2017 the Board of the Bank of Lithuania recognised the credit union Vilniaus kreditas as insolvent and revoked its licence of a credit union for good, thus it has no right to provide financial services. The Bank of Lithuania will apply to the Vilnius District Court regarding the initiation of bankruptcy proceedings for this union. Such a decision was taken because this credit union's assets are lower than its liabilities and it has not complied with the major capital related requirements – capital adequacy requirement and maximum exposure to a single borrower requirement. Complying with them was required by the Supervision Service of the Bank of Lithuania in May 2017, when it appointed a temporary representative for supervision of activities; however, this obligation was not discharged. The information provided by this credit union and information available to the Bank of Lithuania provides no grounds to believe that it could resume stable and sound activities. Finding a potential investor, who would help solving financial issues, has also failed.

The credit union possessed 1247 depositors with the deposits compensation amounted to EUR 20.4 million.

According to the size of the property it was the 9th (out of 69) Credit Union in Lithuania.

The deposits reimbursement started on November 28, 2017 (12th working day). The bank agent (AB “Citadele” bank) reimburses deposits to the depositors.

IID will continue the reimbursement process until November 10, 2022.

Sincerely,

Alena Mugeniënė
Deputy Director

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