NOTIFICATION ON UNAVAILABILITY OF DEPOSITS AT BALTIJA CREDIT UNION (UPDATE)

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.

Having determined that the likely dissipation of high-value assets of Baltija credit union may lead to a significant loss (nearly EUR 2 million), and due to threats to the interests of depositors, other creditors and clients, on August 10, 2017 the Supervision Service of the Bank of Lithuania has restricted Baltija credit union’s activities until October 6, 2017, and appointed its temporary administrator. Credit union was not able to provide financial services during the restriction period.

On September 25, 2017 the Supervision Service of the Bank of Lithuania cancelled the license and filed for bankruptcy of Baltija credit union. The direct reason for the determination of unavailability of deposits was the fact that the assets of the credit union were not sufficient to meet its obligations.

On September 28, 2017 the temporary administrator of the Baltija credit union provided data on 967 depositors with the guaranteed deposits amounted to EUR 8,61 million to IID.

The deposits reimbursement started on October 6, 2017 (9th working day). The bank agent (AB Šiaulių bankas) reimburses deposits to the depositors.

According to the fact that the Financial Crime Investigation Service has been carrying out a pre-trial investigation regarding the likely dissipation of high-value assets, 58 depositors rights to the deposits were limited to EUR 2,9 million.

At the end of the investigation, on October 18, 2017 the temporary administrator of the Baltija credit union provided additional data on 58 depositors with the guaranteed deposits amounted to EUR 2,9 million to IID.

The additional deposits reimbursement started on October 19, 2017 (18th working day). The bank agent (AB Šiaulių bankas) reimburses deposits to the depositors.
Altogether the credit union possessed 1025 depositors with the guaranteed deposits amounted to EUR 11,51 million.

According to the size of the property it was the 19th (from 71) Credit Union in Lithuania.

IID will continue the reimbursement process until September 25, 2022.

Sincerely,
Alena Mugenienė
Deputy Director