
Deposit guarantee sectoral fund (DGS)

2018

Versobank AS (upon liquidation)

On 26 March 2018, the European Central Bank (ECB), acting on a proposal from the Financial Supervision Authority, revoked the authorization of Versobank AS. The bank's authorization was withdrawn due to significant and long-standing breaches of the law, in particular in the field of money laundering and terrorist financing.

According to the decision of the Management Board of the Financial Supervision Authority of 26 March 2018, all transactions and operations of Versobank AS, as well as payments to depositors and other creditors, were immediately suspended. In addition, the Management Board of the Financial Supervision Authority revoked the identification code of Versobank AS, informed the Guarantee Fund of the revocation of the bank's authorization and filed a petition with the court for the bank's compulsory liquidation and the appointment of a liquidator.

The revocation of the credit institution's authorization was followed by the compulsory liquidation of Versobank AS in accordance with an order of Harju County Court. The court appointed liquidators who, in accordance with the law, took over the management of the bank, fixed the assets, contacted the bank's clients, and proceeded to satisfy the legitimate claims of creditors.

On 27 March 2018, a meeting of the Supervisory Board of the Guarantee Fund was held, at which it was decided to compensate Versobank AS clients for their deposits in accordance with the procedure laid down in the Guarantee Fund Act. The Guarantee Fund compensated the deposits of depositors of Versobank AS according to the limit set by the Guarantee Fund Act, i.e., up to 100,000 euros per depositor, plus accrued interest on the date of suspension. In addition to the 100,000 euros, up to 70,000 euros was reimbursed from the sale of the depositor's residential property if the person had sold the residential property in the last six months.

The payment of Versobank AS deposit compensation started on 5 April 2018. Compensation was paid through the agent banks Swedbank AS and AS SEB Pank on the basis of the depositor's application and, of the depositor's choosing, by transfer to the depositor's bank account or in cash. Deposits exceeding 100,000 euros were dealt with as part of the liquidation proceedings of Versobank AS.

The Guarantee Fund disbursed the compensation within 17 working days of the date of revocation of the authorization of Versobank AS, i.e. from 26 March 2018. Clients who did not receive any compensation from the Guarantee Fund during the above-mentioned period continued to have a right of claim for three years from the date of suspension.

The Guarantee Fund reimbursed a total of 90.2 million euros to 2571 depositors as part of the

1998

In November 1998, the Deposit Guarantee Fund started to pay deposit compensation to the depositors of EVEA Panga AS and ERA Pank AS. The total amount of compensation paid to the depositors of EVEA Panga AS and ERA Pank AS was 132.3 million Estonian kroons (8.46 million euros), or 98.3% of the total amount of compensation paid. The right of claim of the depositors of EVEA Panga AS and ERA Pank AS to unpaid compensation from the Deposit Guarantee Fund expired on 1 November and 5 November 2008, respectively.

Aktsiaselts ERA PANK (deleted on 29 August 2011)

On the evening of 6 October 1998, ERA Pank AS started to experience an active outflow of funds and the liquidity indicators of the credit institution pointed to a rapid deterioration of the situation. In order to ensure equal treatment of all creditors and maximum protection of clients' interests, Eesti Pank decided to react decisively and immediately.

Eesti Pank declared a moratorium of ERA Pank AS on 7 October 1998. The reason for this was a letter from ERA Pank AS to Eesti Pank, in which ERA Pank AS informed of possible temporary insolvencies and the related inability to meet the claims of all clients, and asked for a temporary suspension of its operating license.

The purpose of the moratorium was to ascertain the causes and nature of the payment difficulties of ERA Pank AS. Eesti Pank declared the moratorium based on §§ 65 and 66 of the Credit Institutions Act and § 24 (1) of the Bank of Estonia (Eesti Pank) Act.

Veli Kraav was appointed as the moratorium administrator of ERA Pank AS, whose task was to ascertain the financial situation of ERA Pank AS and the causes and nature of its solvency problems, and to submit a report to Eesti Pank by 15 October 1998 on the future possibilities of the operations of ERA Pank AS. During the moratorium, the moratorium administrator had the right to control ERA Pank AS and to prohibit its Management Board or Supervisory Board from executing decisions.

Depositors of ERA Pank AS were extended the deposit guarantee provided by the Deposit Guarantee Fund Act. The Deposit Guarantee Fund compensated up to 20,000 Estonian kroons (1,278.33 euros), but no more than 90% of the deposit, to designated depositors, including individuals and small and medium-sized companies.

On 7 October 1998, the Supervisory Board of the Deposit Guarantee Fund approved the payment of the deposit compensation to the clients of ERA Pank AS through Eesti Ühispank AS (now AS SEB Pank).

Payment of the compensation started on 6 November 1998 and continued until 5 November 2008. ERA Pank AS had 8,500 depositors, of whom 5,100 withdrew 36 million Estonian kroons (2.3 million euros), or 97.1% of the guaranteed deposits, including approximately 92% of the guaranteed deposits withdrawn in the first three months.

EVEA Panga AS (deleted on 12 May 2006)

On 1 October 1998, Eesti Pank decided to initiate bankruptcy proceedings against EVEA Panga AS and to terminate the activities of EVEA Panga AS from 2 October 1998. In accordance with the Credit Institutions Act, the initiation of bankruptcy proceedings meant that the operating license of EVEA Panga AS was terminated as of 2 October 1998, and EVEA Panga AS was subject to liquidation through bankruptcy proceedings. To this end, Eesti Pank submitted to Tallinn City Court the decision of Eesti Pank to initiate bankruptcy proceedings, together with the necessary information, documents, and explanations. On the basis of the petition, Tallinn City Court opened bankruptcy proceedings against EVEA Pank AS on 2 October 1998.

Depositors of EVEA Panga AS were extended the deposit guarantee provided by the Deposit Guarantee Fund Act. The Deposit Guarantee Fund compensated up to 20,000 Estonian kroons (1,278.33 euros), but no more than 90% of the deposit, to designated depositors, including individuals and small and medium-sized companies.

On 7 October 1998, the Supervisory Board of the Deposit Guarantee Fund approved the payment of the deposit compensation to the clients of EVEA Pank AS through Hansapank AS (now Swedbank AS).

Payment of the compensation started on 2 November 1998 and continued until 1 November 2008. EVEA Panga AS had 15,500 depositors, of whom 11,400 withdrew 96.3 million Estonian kroons (6.15 million euros), or 98.8% of the guaranteed deposits, including *approximately* 96.2% of the guaranteed deposits withdrawn in the first three months.