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04/03/2024

Finantsinspektsioon issued a precept to Bigbank AS (registry code 10183757) on 29 January requiring the bank to remedy deficiencies in its credit risk management and control that were identified during an on-site inspection.

The deficiencies were found during the inspection in the overall governance of the business, the operation of the compliance control function, the management and control of operating risk, IT risk, credit risk and liquidity risk, and the correctness of reporting. They were also found in the operation of the system for assessing the suitability of managers and other key people. Several of the bank's internal rules did not meet the requirements and the internal rules were not always followed. The precept only covered the shortcomings in credit risk management and control, where deficiencies were found in the methodology for making write-downs.

Finantsinspektsioon has the legal right to publish on its website the contents of precepts issued to credit institutions, covering the type and scope of any breaches of the rules, the details of the person responsible for the breach, and information on appeals against decisions or withdrawals of them. Precepts may be appealed at the Tallinn Administrative Court within 30 days of notification of the administrative decision.