



AS BLUEORANGE BANK
IV Quarter
2021 Interim Report
(translated from Latvian)

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Background

AS BlueOrange Bank (hereinafter referred to as BlueOrange Bank or the Bank) is a credit institution registered on 22 June 2001, registration No. 40003551060, and regulated by the Financial and Capital Market Commission (Kungu iela 1, Rīga, LV-1050, Latvia).

The registered office of the Bank is at Smilšu iela 6, Rīga, LV-1050, Latvia.

BlueOrange Bank operates in accordance with the applicable legislation of the Republic of Latvia and a license issued by the Financial and Capital Market Commission.

The Bank's shareholders are legal and natural persons of Latvia. The Bank was founded in Latvia, and is also an international European financial institution. BlueOrange Bank provides financial services to individuals and legal entities in Latvia, the Baltic States and European countries.

The Bank's financial statements for the twelve-months of the year 2020 are prepared in accordance with the International Financial Reporting Standards approved by the European Union, based on the principle of a going concern. The Group's financial statements for the twelve months of the year 2020 are prepared in accordance with the laws and regulations of the Republic of Latvia. The financial reports were audited by PricewaterhouseCoopers SIA, registration No. 40003142793, legal address: Kr. Valdemāra iela 21-21, Rīga, LV-1010, Latvia.

The Quarterly Report is prepared in accordance with the Financial and Capital Market regulations from 01 December 2020 No. 231 Regulations for the Preparation of Public Quarterly Reports for Credit Institutions and, and the goal of the Quarterly Report is to provide information on the Bank's financial position and operating results.

Amounts in financial statements are indicated in thousands of euros (EUR '000), unless specified otherwise.

Share capital of the Bank

The shareholder of BlueOrange Bank is joint stock company "BBG", holding 100% of the Bank's voting shares.

The share capital of BlueOrange Bank is EUR 44,493,513.40.

The Bank's share capital is composed of 31,781,081 shares.

The nominal value per share is EUR 1.4.

The Council

31 December 2021

Name and surname	Position	Effective date of appointment
Aleksandrs Peškovs	Chairman of the Council	22.06.2001
Sergejs Peškovs	Member of the Council	22.06.2001
	Deputy Chairman of the Council	25.07.2002
Andrejs Kočetskovs	Member of the Council	22.06.2001

The Board

31 December 2021

Name and surname	Position	Effective date of appointment
Dmitrijs Latiševs	Member of the Board	01.07.2002
	Deputy Chairman of the Board	25.04.2003
	Chairman of the Board	27.04.2011
Inga Preimane	Member of the Board	11.01.2016
Igors Petrovs	Member of the Board	31.05.2018
Dmitrijs Feldmans	Member of the Board	13.06.2019
Vadims Morozs	Member of the Board	12.08.2019

Information on management measures

1.1. Number of the posts of executives held by members of the management body – 5 (five).

1.2. The Bank has established an internal procedure for the selection of executives, providing for the assessment of their knowledge, experience, competence, skills and compliance prior to the evaluation of the candidate by the Council or at the shareholder meeting. The assessment of their suitability is carried out in accordance with the regulation of the Financial and Capital Market Commission (hereinafter — FCMC) No 94 “Regulation on the Assessment of the Suitability of the Executive and Supervisory Board Members and Key Function Holders”.

1.3. The assessment of executives is carried out based on at least the following criteria:

1.3.1. Reputation, integrity and compliance with the corporate values and standards of professional behaviour and ethics applicable in the institution;

1.3.2. Criteria for academic and professional experience (including knowledge, skills and experience in the area of credit institution operations and the related risks, financial markets, strategic planning, and knowledge in the assessment of the effectiveness of the performance of a financial institution, the establishment of supervision and control considering the specifics of the specifics of respective duties and roles);

1.3.3. Management criteria, etc.

1.4. To facilitate exercising of independent opinions and critical problem assessment, the Bank aims at ensuring adequate diversity of the executives (in particular, in terms of gender, age, geographical origin, education, and professional experience).

1.5. In accordance with the new status of the Bank, which was determined in accordance with the FCMC Council Decision No. 171 “On identifying other systemically important institutions and determining the capital buffer rate of other systemically important institution”, the Bank plans to establish a Risk Committee in 2022, in accordance with the requirements of the FCMC Regulation No. 227 “Regulatory provisions for the establishment of the internal control system”.

1.6. The Bank has introduced an information-flow system for ensuring adequate risk management by appointing responsible departments and employees for timely reporting on risks to the relevant committees, the Board or the Council of the Bank.

Strategy and mission

BlueOrange is a modern technological bank founded in Latvia in 2001, and it provides financial, lending and investment services for private clients and corporate companies. The Bank provides significant share of financial support to small and medium-sized enterprises in Latvia. BlueOrange ranks among the 6 largest banks in Latvia. At the end of 2021, the Financial and Capital Market Commission identified BlueOrange as “other systemically important financial institution”. The Bank provides its services in Latvia, the Baltic States and European countries.

As a priority, the Bank develops lines of business that help to improve its current business module and core competencies, allowing it to leverage its strengths on highly competitive markets while taking on acceptable levels of risk.

The long-term business priorities of BlueOrange Bank are following: corporate customer service, financing of small and medium-sized enterprises in Latvia, as well as providing financial services to individuals.

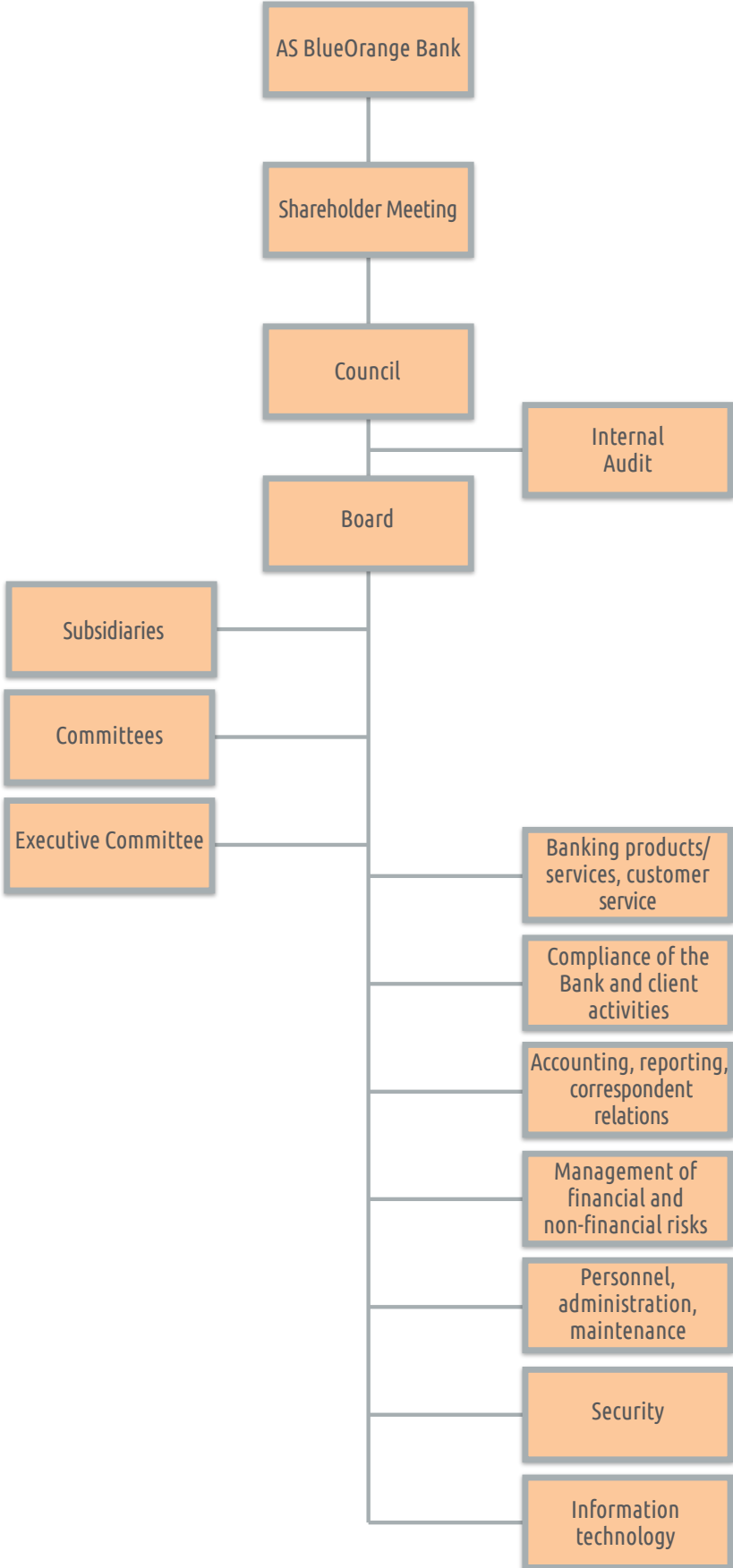
The target client base of the Bank is aligned to its key development goals:

- ✓ Private individuals and entrepreneurs requiring financial;
- ✓ Companies engaged in international trade, transport, logistics, manufacturing, agriculture and industry;
- ✓ Small and medium-sized entities.

In realizing its activities, the Bank follows a customer-oriented approach, by providing fast, efficient and safe financial solutions and at the same time creating sustainable relationship.

The Bank is steadily developing by increasing the customer service levels, developing technological products and following the innovations in the financial sector.

Structure of the Bank



Consolidated group companies

No.	Name of a commercial entity	Registration No.	Registration location code	Registration address	Type of activities*	Interest in share capital / voiting shares of the commercial entity (%)	Basis for inclusion in the group**
1.	"BBG" AS	40003234829	LV	Smilšu iela 6, Rīga, LV-1050, Latvija	JFPS		MT
2.	Thormano Limited	HE 416193	CY	Tenarou, 4a, Agios Dometios, 2360, Nicosia, Cyprus	PLS	100%	MTM
3.	AS BlueOrange Bank	40003551060	LV	Smilšu iela 6, Rīga, LV-1050, Latvija	BNK	100%	MTM
4.	SIA "BlueOrange International"	40003444941	LV	Smilšu iela 6, Rīga, LV-1050, Latvija	PLS	100%	MS
5.	SIA „CityCap Service”	40003816087	LV	Kr. Valdemara 149, Rīga, LV-1013, Latvija	PLS	100%	MS
6.	SIA „ZapDvina Development”	40003716809	LV	Kr. Valdemara 149, Rīga, LV-1013, Latvija	PLS	100%	MS
7.	Kamaly Development EOOD	№ 147093418	BG	Etiera k-s ½B – 18, Sveti Vlas, Burgas obl., Nesebier 8256, Bulgaria	PLS	100%	MMS
8.	Darziems Entity SIA	40103492740	LV	Kr. Valdemāra 149-405, Rīga, LV-1013, Latvija	PLS	100%	MS
9.	Mazirbe Estate SIA	40103492721	LV	Kr. Valdemāra 149-405, Rīga, LV-1013, Latvija	PLS	100%	MS
10.	Lielie Zaķi SIA	40103493765	LV	Kr. Valdemāra 149-405, Rīga, LV-1013, Latvija	PLS	100%	MS
11.	Pulkarne Entity SIA	40103481018	LV	Kr. Valdemāra 149-405, Rīga, LV-1013, Latvija	PLS	100%	MS
12.	Pils Pakalpojumi AS	40103170308	LV	Smilšu iela 6, Rīga LV-1050, Latvija	PLS	100%	MS
13.	Foxtran Management Ltd.	№ 113,276	BZ	Suite 102, Ground Floor, Blake Building, Corner Eyre & Huston Streets, Belize City, Belize	PLS	100%	MMS
14.	Kamaly Development UAB	№300558022	LT	Klaipėdos m. sav. Klaipėdos m., Karklu g. 12, Lithuania	PLS	100%	MS
15.	Jēkaba 2 SIA	№ 40103293621	LV	Jēkaba 2, Rīga, LV-1050, Latvija	PLS	100%	MS

* BNK – credit institution, ENI – electronic money institution, IBS – investment broker company, IPS – investment management company, PFO – pension fund, LIZ – leasing company, CFI – other financial institution, PLS – auxiliary service company, FPS – financial holding company, JFPS – mixed financial holding company.

** MS – subsidiary company; MMS – subsidiary of the subsidiary company; MT – parent company, MTM – subsidiary of the parent company, CT – other entity.

Risk management

BlueOrange Bank pays particular attention to the identification and management of risks in its activities. The Bank considers the following risks as significant to its activities:

- ✓ Credit risk, including Concentration risk and Country risk;
- ✓ Market risk (securities price risk, interest rate risk for non-trading portfolio, foreign currency risk);
- ✓ Liquidity risk;
- ✓ Operational risk;
- ✓ Compliance risk, including Money Laundering and Terrorism and Proliferation Financing risk and Sanction risk;
- ✓ Reputation, Strategical and Business risk.

The Bank's principles of risk management are established in its risk management strategies and policies, approved and supervised by the Board of the Bank. Risk management strategies and policies identify the qualitative and quantitative criteria for identification of risks related with the activities of the Bank, as well as the elements of risk management and control, including the procedure for decision making with respect of risk exposures, limits and other risk mitigation and minimization measures, as well as the responsibilities of respective structural units for ensuring control over exposures. The Bank's Board is responsible for the establishment, implementation, management and improvement of internal control in implementing the risk management strategies and policies set by the Bank's Council.

The Bank has designated the responsible employee for risk management — the Chief Risk Officer, who is responsible for performing the risk control function at the institution, monitoring of risk management system and coordinating activities all the Bank's structural units that are involved in risk management. The implementation of strategies and policies is controlled by the Bank's internal control structures:

- ✓ Internal Audit Department;
- ✓ Financial Analysis and Financial Risks Management Department;
- ✓ Operational Risk Management Department;
- ✓ Client Activity Compliance Department;
- ✓ Compliance Department.

No significant changes in management of risks of BlueOrange Bank were observed during the reporting period. Information on risk management is available in the [Bank's Annual Reports](#) and the [Capital Adequacy Assessment Report](#) on the Bank's website.

Statement of profit and loss and other comprehensive income

EUR'000

No.	Item	Credit institution in the reporting period 31.12.2021 Non-audited	Consolidated group in the reporting period 31.12.2021 Non-audited	Credit institution in the corresponding period of the previous reporting year 31.12.2020 Audited	Consolidated group in the corresponding period of the previous reporting year 31.12.2020 Audited
1	Interest income	24 698	24 619	19 969	19 904
2	Interest expenses (-)	-7 304	-6 960	-8 179	-7 834
3	Dividend income	138	138	267	267
4	Fee and commission income	7 299	7 296	5 987	5 982
5	Fee and commission expenses (-)	-1 989	-1 990	-1 991	-1 991
6	Net profit/loss from derecognition of financial assets and financial liabilities not measured at fair value through profit or loss (+/-)	123	123	5	5
7	Net profit/loss from financial assets and financial liabilities measured at fair value through profit or loss (+/-)	3 269	3 269	3 518	3 518
8	Net profit/loss from risk mitigation accounting (+/-)	0	0	0	
9	Net profit/loss from difference in foreign currency rates (+/-)	-65	-65	-283	-284
10	Net profit/loss from derecognition of non-financial assets (+/-)	0		0	
11	Other income	966	963	835	1 464
12	Other expenses (-)	-1 849	-1 888	-1 636	-1 702
13	Administrative expenses (-)	-11 792	-11 823	-11 451	-12 006
14	Depreciation (-)	-1 406	-1 707	-1 512	-1 813
15	Profit or loss recognised as the result of changes to contractual cash flows of the financial asset (+/-)	0		0	
16	Provisions or reversal of provisions (-/+)	105	105	-92	-92
17	Impairment or reversal of impairment (-/+)	-5 040	-4 933	-1 724	-1 510
18	Negative goodwill recognised in profit or loss	0	0	0	
19	Profit/loss from investment in subsidiaries, associate and joint ventures, recognised using the equity method (+/-)	0	0	0	
20	Profit/loss from non-current assets and disposal groups classified as held for sale (+/-)	-27	-26	0	
21	Profit/loss before corporate income tax (+/-)	7 126	7 121	3 713	3 908
22	Corporate income tax	-9	-10	-8	-8
23	Profit/loss for reporting period (+/-)	7 117	7 111	3 705	3 900
24	Other comprehensive income for reporting period (+/-)*	-592	-592	419	328

* Reflects changes in fair value of securities (fair value revaluation reserve).

Balance overview

EUR'000

No.	Item	Credit institution in the reporting period 31.12.2021 Non-audited	Consolidated group in the reporting period 31.12.2021 Non-audited	Credit institution in the previous reporting year 31.12.2020 Audited	Consolidated group in the previous reporting year 31.12.2020 Audited
1	Cash and on-demand claims on central banks	270 118	270 118	113 003	113 003
2	On-demand claims on credit institutions	34 285	34 303	24 528	24 560
3	Financial assets measured at fair value through profit or loss	2 234	2 234	3 412	3 412
3.1.	Incl. loans	0	0	0	0
4	Financial assets measured at fair value through other comprehensive income	39 618	36 483	59 523	56 388
5	Financial assets measured at amortised cost	486 630	494 900	467 750	477 715
5.1.	Incl. loans	341 672	354 932	303 190	318 145
6	Derivatives – hedge accounting	0	0	0	0
7	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	0	0
8	Investment in subsidiaries, associate and joint ventures	31 256	827	31 099	827
9	Tangible assets	15 783	26 967	16 853	28 398
10	Intangible assets	351	1 528	550	551
11	Tax assets	2	3	4	8
12	Other assets	9 617	9 694	9 113	9 143
13	Non-current assets and disposal groups classified as held for sale	0	0	278	278
14	Total assets (1+....+13)	889 894	877 057	726 113	714 283
15	Liabilities to central banks	81 861	81 681	74 900	74 900
16	Liabilities on-demand to credit institutions	2 958	2 958	8 681	8 681
17	Financial liabilities measured at fair value through profit or loss	1	1	80	80
17.1.	Incl. deposits	0	0	0	0
18	Financial liabilities measured at amortised cost	714 967	712 086	558 590	557 076
18.1.	Incl. deposits	713 554	710 672	547 272	544 701
19	Derivatives – hedge accounting	0	0	0	0
20	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	0	0
21	Provisions	92	91	197	196
22	Tax liabilities	0	0	0	0
23	Other liabilities	13 252	2 322	13 428	1 949
24	Liabilities in disposal groups classified as held for sale	0	0	0	0
25	Total liabilities (15+...+24)	813 131	799 139	655 876	642 882
26	Capital and reserves	76 763	77 918	70 237	71 401
27	Total capital and reserves and liabilities (25+26)	889 894	877 057	726 113	714 283
28	Off-balance items	40 742	40 740	73 774	73 768
29	Potential liabilities	1 815	1 815	1 442	1 442
30	Off-balance liabilities to clients	38 927	38 925	72 332	72 326

I. Equity and capital adequacy calculation overview

EUR'000

No.	Item	At an individual level in the reporting period	At a consolidated group or sub-consolidated level in the reporting period
1	Equity (1.1.+1.2.)	71 528	71 689
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	71 207	71 369
1.1.1.	Common Equity Tier 1	70 107	70 269
1.1.2.	Additional Tier 1	1 100	1 100
1.2.	Tier 2 capital	321	320
2.	Total risk exposure amount	484 792	472 476
2.1.	Risk-weighted exposure amount for credit risk, counterparty credit risk, dilution risk and free deliveries	440 899	427 512
2.2.	Total risk exposure amount for settlement/delivery risks	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodity risks	1 411	1 411
2.4.	Total risk exposure amount for operational risks	42 482	43 553
2.5.	Total risk exposure amount for credit valuation adjustment	-	-
2.6.	Total risk exposure amount related to large exposures in the trading portfolio	-	-
2.7.	Other risk exposure amounts	-	-
3.	Capital ratios and capital tiers		
3.1.	Common Equity Tier 1 capital ratio (1.1.1./2.*100)	14.46%	14.87%
3.2.	Common Equity Tier 1 surplus (+)/ deficit (-) (1.1.1.-2.*4.5%)	48 292	49 007
3.3.	Tier 1 capital ratio (1.1./2.*100)	14.69%	15.11%
3.4.	Tier 1 capital surplus (+)/ deficit (-) (1.1.-2.*6%)	42 120	43 020
3.5.	Total capital ratio (1./2.*100)	14.75%	15.17%
3.6.	Total capital surplus (+)/ deficit (-) (1.-2.*8%)	32 744	33 891
4.	Total capital reserve requirement (4.1.+4.2.+4.3.+4.4.+4.5.+4.6.)	12 120	11 812
4.1.	Capital preservation reserve	12 120	11 812
4.2.	Preservation reserve due to macro-prudential or systemic risk identified at the level of a member state	-	-
4.3.	Institution-specific countercyclical capital reserve	-	-
4.4.	Systemic risk capital reserve	-	-
4.5.	Other systemically important institution's capital reserve	-	-
5.	Capital ratios with adjustments		
5.1.	Asset value adjustment amount applied for prudential purposes	-	-
5.2.	Common Equity Tier 1 capital ratio with an adjustment amount specified in row 5.1.	14.46%	14.87%
5.3.	Tier 1 capital ratio with an adjustment amount specified in row 5.1.	14.69%	15.11%
5.4.	Total capital ratio with an adjustment amount specified in row 5.1.	14.75%	15.17%

II. Information on equity and capital adequacy indicators if the credit institution applies the transitional period for mitigating the impact of IFRS 9 on own funds

EUR'000

No.	Item	At an individual level in the reporting period	At a consolidated group or sub-consolidated level in the reporting period
1.A	Equity as if IFRS 9 transitional arrangements were not applied	70 419	70 412
1.1.A	Tier 1 capital as if IFRS 9 transitional arrangements were not applied	70 098	70 091
1.1.1.A	Common Equity Tier 1 as if IFRS 9 transitional arrangements were not applied	68 998	68 991
2.A	Total risk exposure amount as if IFRS 9 transitional arrangements were not applied	483 620	471 098
3.1.A	Common Equity Tier 1 capital ratio as if IFRS 9 transitional arrangements were not applied	14.27%	14.64%
3.3.A	Tier 1 capital ratio as if IFRS 9 transitional arrangements were not applied	14.49%	14.88%
3.5.A	Total capital ratio as if IFRS 9 transitional arrangements were not applied	14.56%	14.95%

III. Information on the equity and capital adequacy ratios where a credit institution applies a temporary regime for the treatment of unrealized profits or losses on financial assets measured at fair value presented with other comprehensive income in accordance with Article 468 of Regulation No 575/2013

The Bank chooses not to apply the temporary regime provided for in Article 468 of the Regulation (EU) No 575/2013.

Liquidity coverage ratio

EUR'000

No.	Item	At an individual level in the reporting period	At a consolidated group or sub-consolidated level in the reporting period
1	Liquidity reserve	319 562	319 562
2	Net cash outflows	191 455	189 760
3	Liquidity coverage ratio (%)	167%	168%

Expected credit losses for financial instruments

EUR'000

	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at fair value through other comprehensive income	111			111
Financial assets measured at amortised cost	739	364	6 175	7 278
Potential liabilities	8			8
Off-balance liabilities to clients	60	2	21	83
Total	918	366	6 196	7 480

Performance indicators of the credit institution

Item	Credit institution in the reporting period 31.12.2021	Consolidated group in the reporting period 31.12.2021	Credit institution in the corresponding period of the previous reporting year 31.12.2020	Consolidated group in the corresponding period of the previous reporting year 31.12.2020
Return on equity (ROE) (%)	9.94%	9.82%	7.30%	7.50%
Return on assets (ROA) (%)	0.87%	0.91%	0.80%	0.80%

Credit quality of forborne exposures (group)

EUR'000

	Gross carrying amount/nominal amount of exposures with forbearance measures			Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
	Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Of which defaulted	Of which impaired					
Loans and advances	59 100	14 573	14 573	14 573	-382	-564	71 215	14 010
Central banks								
General governments								
Credit institutions								
Other financial corporations	4 253						4 253	
Non-financial corporations	53 291	14 573	14 573	14 573	-381	-564	65 408	14 010
Households	1 556				-1		1 554	
Debt Securities								
Loan commitments given	831	831	11	11	-2			
Total	59 931	15 404	14 584	14 584	-384	-564	71 215	14 010

Credit quality of performing and non-performing exposures by past due days (group)

EUR'000

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Loans and advances	332 331	332 001	330	29 700	14 627	15	2 049	11 570	1 439			29 700
Central banks												
General governments												
Credit institutions	141	141										
Other financial corporations	9 944	9 944										
Non-financial corporations	307 601	307 428	173	29 559	14 596		2 009	11 561	1 393			29 559
Of which SMEs	272 734	272 561	173	29 559	14 596		2 009	11 561	1 393			29 559
Households	14 645	14 488	157	141	31	15	40	9	46			141
Debt securities	140 333	140 333										
Central banks												
General governments	84 575	84 575										
Credit institutions	23 029	23 029										
Other financial corporations	3 276	3 276										
Non-financial corporations	29 453	29 453										
Off-balance-sheet exposures	40 094			646								646
Central banks												
General governments												
Credit institutions												
Other financial corporations	2 204											
Non-financial corporations	36 608			613								613
Households	1 282			33								33
Total	512 758	472 334	330	30 346	14 627	15	2 049	11 570	1 439			30 346

Performing and non-performing exposures and related provisions (group)

EUR'000

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2		Of which stage 1	Of which stage 2		Of which stage 1	Of which stage 2		Of which stage 1	Of which stage 2				
Loans and advances	332 331	261 481	70 850	29 700	29 700		-1 169	-701	-468	-3 283	-3 283		296 200	26 328	
Central banks															
General governments															
Credit institutions	141	141													
Other financial corporations	9 944	5 691	4 253				-13	-13					7 059		
Non-financial corporations	307 601	243 470	64 131	29 559	29 559		-985	-565	-420	-3 197	-3 197		277 007	26 321	
Of which SMEs	272 734	223 294	49 440	29 559	29 559		-791	-457	-334	-3 197	-3 197		243 602	26 321	
Households	14 645	12 179	2 466	141	141		-171	-123	-48	-86	-86		12 134	7	
Debt securities	140 333	131 823	8 510				-365	-226	-139						
Central banks															
General governments	84 575	84 575					-37	-37							
Credit institutions	23 029	22 588	441				-28	-20	-8						
Other financial corporations	3 276	1 455	1 821				-33	-11	-22						
Non-financial corporations	29 453	23 205	6 248				-267	-158	-109						
Off-balance-sheet exposures	40 094	38 883	1 211	646	646		-71	-69	-2	-21	-21				
Central banks															
General governments															
Credit institutions															
Other financial corporations	2 204	2 204					-1	-1							
Non-financial corporations	36 608	35 713	895	613	613		-49	-48	-1	-8	-8				
Households	1 282	966	316	33	33		-21	-20	-1	-13	-13				
Total	512 758	432 187	80 571	30 346	30 346		-1 605	-996	-609	-3 304	-3 304		296 200	26 328	

Quality of non-performing exposures by geography (group)

EUR'000

	Gross carrying/nominal amount			Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Of which non-performing		Of which defaulted				
On-balance-sheet exposures	348 292	29 700	29 700	29 700	-4 114		
Latvia	258 798	12 626	12 626	12 626	-2 393		
Liberia	17 576				-125		
Lithuania	20 647				-130		
Switzerland	13 026				-13		
Estonia	16 085	13 667	13 667	13 667	-454		
Other	22 160	3 407	3 407	3 407	-999		
Off-balance-sheet exposures	38 814	646	646			84	
Latvia	22 673	29	29			62	
Germany	11 766					7	
Great Britain	2 086					1	
Other	2 289	617	617			14	
Total	387 106	30 346	30 346	29 700	-4 114	84	

Credit quality of loans and advances by industry (group)

EUR'000

	Gross carrying amount			Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Of which non-performing	Of which loans and advances subject to impairment			
		Of which defaulted			
Agriculture, forestry and fishing	8 130	19	19	8 130	-49
Mining and quarrying					
Manufacturing	35 289			35 289	-34
Electricity, gas, steam and air conditioning supply	117			117	
Water supply	913	913	913	913	-126
Construction	4 094			4 094	-2
Wholesale and retail trade	89 793	3 017	3 017	89 793	-1 129
Transport and storage	42 090	15 053	15 053	42 090	-1 196
Accommodation and food service activities	21 170			21 170	-202
Information and communication	7			7	
Financial and insurance activities					
Real estate activities	98 221	10 550	10 550	98 221	-963
Professional, scientific and technical activities	5 948			5 948	-154
Administrative and support service activities	31 381			31 381	-321
Public administration and defense, compulsory social security					
Education					
Human health services and social work activities					
Arts, entertainment and recreation	7	7	7	7	-6
Other services					
Total	337 160	29 559	29 559	337 160	-4 182

Changes in the stock of non-performing loans and advances (group)

EUR'000

	Gross carrying amount	Related net accumulated recoveries
Initial stock of non-performing loans and advances	11 716	
Inflows to non-performing portfolios	32 548	
Outflows from non-performing portfolios	-14 564	
Outflow to performing portfolio	-210	
Outflow due to loan repayment, partial or total	-10 639	
Outflow due to collateral liquidations		
Outflow due to taking possession of collateral		
Outflow due to sale of instruments		
Outflow due to risk transfers		
Outflows due to write-offs	-3 715	
Outflow due to other situations		
Outflow due to reclassification as held for sale		
Final stock of non-performing loans and advances	29 700	

Collateral obtained by taking possession and execution processes (group)

EUR'000

Collateral obtained by taking possession		
	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)		
Other than PP&E	2 814	-1 607
Residential immovable property	95	
Commercial Immovable property	2 719	-1 607
Movable property (auto, shipping, etc.)		
Equity and debt instruments		
Other		
Total	2 814	-1 607

Collateral obtained by taking possession and execution processes – vintage breakdown (group)

EUR'000

	Debt balance reduction		Total collateral obtained by taking possession									
			Foreclosed ≤ 2 years				Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
	Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
Collateral obtained by taking possession classified as PP&E												
Collateral obtained by taking possession other than that classified as PP&E			2 814	-1 606					2 814	-1 606		
<i>Residential immovable property</i>			95						95			
<i>Commercial immovable property</i>			2 719	-1 606					2 719	-1 606		
<i>Movable property (auto, shipping, etc.)</i>												
<i>Equity and debt instruments</i>												
<i>Other</i>												
Total			2 814	-1 606					2 814	-1 606		

Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria, group

EUR'000

	Number of obligors	Gross carrying amount	Residual maturity of moratoria						
			Of which: legislative moratoria	Of which: expired	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
Loans and advances for which moratorium was offered	14	7 250							
Loans and advances subject to moratorium (granted)	14	7 250		7 250					
of which: Households		307		307					
of which: Collateralised by residential immovable property		268		268					
of which: Non-financial corporations		6 943		6 943					
of which: Small and Medium-sized Enterprises		6 943		6 943					
of which: Collateralised by commercial immovable property		5 929		5 929					

Security investments

EUR'000

Issuer's country*	Value	Coupon	Provisions	Sum	Market value of financial instruments measured at amortised cost, without a coupon
Latvia	13 156.00	268.00	-189.00	13 235.00	7 516.00
<i>incl. central governments</i>	<i>1 036.00</i>	<i>0.00</i>	<i>0.00</i>	<i>1 036.00</i>	<i>1 031.00</i>
Lithuania	98 463.00	107.00	-25.00	98 545.00	78 898.00
<i>incl. central governments</i>	<i>96 363.00</i>	<i>72.00</i>	<i>-20.00</i>	<i>96 415.00</i>	<i>76 950.00</i>
Germany	10 439.00	80.00	0.00	10 519.00	0.00
<i>incl. central governments</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Norway	10 140.00	6.00	-3.00	10 143.00	10 151.00
<i>incl. central governments</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Belgium	9 038.00	9.00	0.00	9 047.00	5 032.00
<i>incl. central governments</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Other countries	45 030.00	512.00	-298.00	45 244.00	42 850.00
<i>incl. central governments</i>	<i>6 257.00</i>	<i>72.00</i>	<i>-17.00</i>	<i>6 312.00</i>	<i>6 285.00</i>
TOTAL	186 266.00	982.00	-515.00	186 733.00	144 447.00

* Investments in securities by country (exceeding 10% of equity).



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