

JSC DEVELOPMENT FINANCE INSTITUTION ALTUM

Unaudited interim condensed financial report
for the three months ended 31 March 2024

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Altum

MISSION We help Latvia grow!

VISION To be a partner and financial expert in economic development

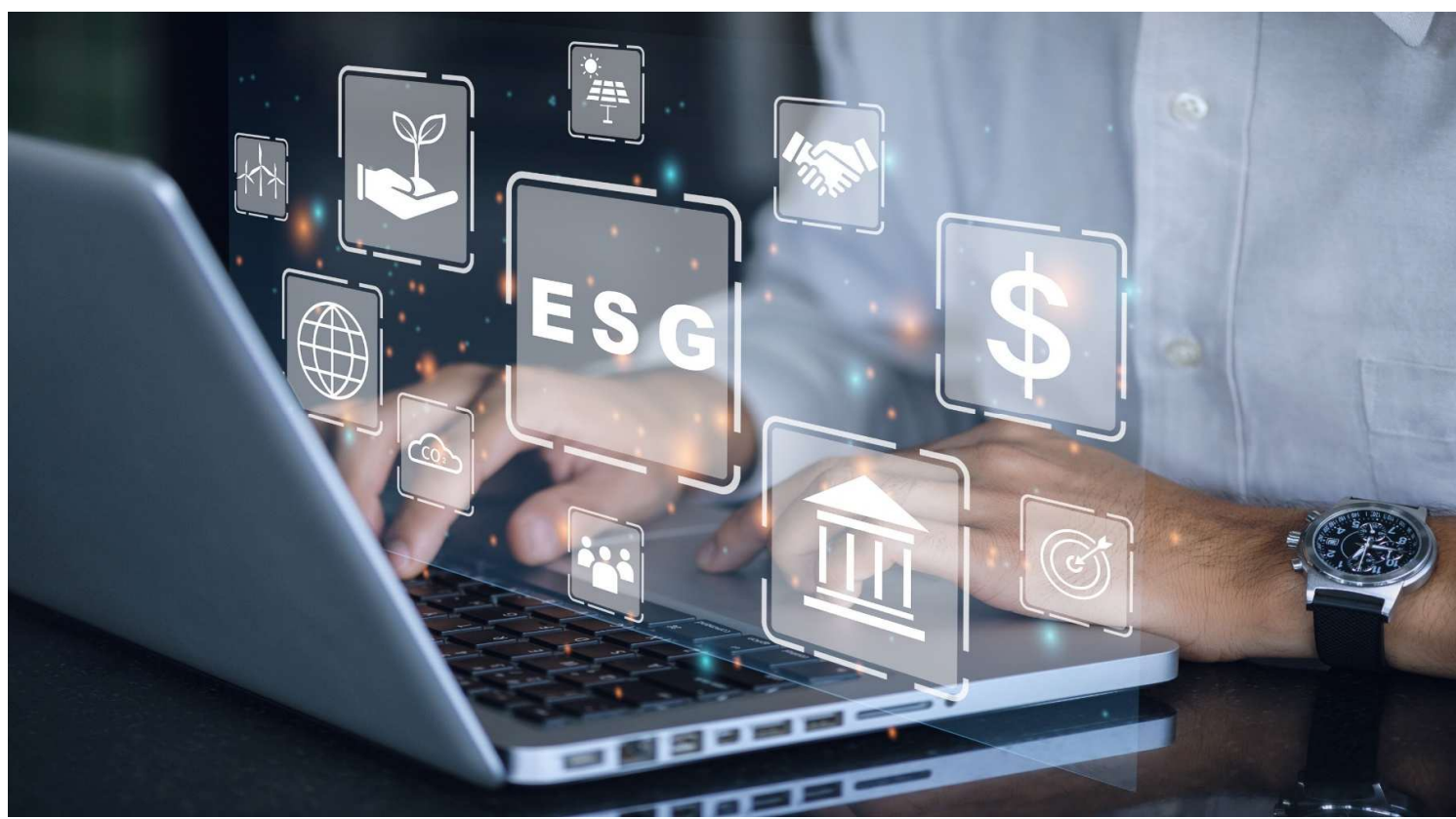
VALUES Excellence / Team / Responsibility

AS Attīstības finanšu institūcija Altum (the joint stock company Development Finance Institution Altum) is a Latvian state-owned company that implements the aid and development programmes by means of financial instruments and grants pursuing the state's policy in the national economy and providing for execution of other government assignments stipulated and delegated by laws and regulations. Eliminating market failures with the help of various support instruments that enhance the development of national economy is the fundamental purpose of Altum's activities.

Strategy 2022-2024

Following strategic development directions and long-term objectives are set according to JSC Development Finance Institution Altum Strategy for the period 2022 – 2024:

- The main financial objective in implementing the state support programmes is to ensure positive return on Altum's capital.
- The main non-financial objective is to support and facilitate availability of finances to businesses and to contribute to national economic development.
- Altum priority areas include issuing and servicing guarantees and loans, venture capital investments, solutions for climate change mitigation including implementation of energy efficiency programmes in both the residential building and corporate segment, initiation of new projects by expanding the range of the financial instruments offered, as well as developing the Latvian Land Fund.
- The main target activities embrace support for entrepreneurs, farmers and certain categories of persons; energy efficiency; the management of the Latvian Land Fund.
- Altum will particularly focus on environmental, social and corporate governance (ESG) considerations, both in financing decisions and in Altum's internal processes.



Management Report

Activity during the reporting period

In the 3 months of 2024, the Development Finance Institution Altum (hereinafter – the Company) have ensured stable financial results and earned a profit of EUR 5.8 million.

Key financial and performance indicators

Based on data from audited financial statements for the respective years

	2024 3M (unaudited)	2023 3M (unaudited)	2023 12M (audited)
Key financial data			
Net interest income (EUR '000)	5 069	4 257	17 964
Profit for the period (EUR '000)	5 808	3 889	17 811
Cos to income ratio (CIR)	34.67%	37.25%	26.17%
Employees	257	244	255
Total assets (EUR '000)	1 343 756	1 183 718	1 316 086
Financial debt (EUR '000)	599 285	643 219	599 305
Tangible common equity (TCE) / Total tangible managed assets (TMA) *	23.6%	26.0%	23.4%
Equity and reserves (EUR '000)	401 150	400 519	389 353
Total risk coverage: (EUR '000)	387 572	287 884	370 211
Risk coverage reserve	333 363	200 651	315 649
Risk coverage reserve used for provisions	(42 994)	(28 375)	(42 078)
Portfolio loss reserve (specific reserve capital)	96 587	126 158	96 587
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	616	(450)	53
Liquidity ratio for 180 days **	382%	378%	430%
Net Cash flows from operating activities (EUR '000)	7 374	42 895	35 723
Net Cash flows from financing activities (EUR '000)	-	-	9 009
Net Cash flow from investing activities (EUR '000)	(64 914)	(5 253)	(18 467)
Support instruments gross value (EUR '000), of which	1 141 335	1 030 503	1 101 797
Grants	67 131	66 456	68 132
Financial instruments gross value (EUR '000) ***			
Loans (excluding sales and leaseback transactions)	384 240	311 719	359 246
Guarantees	482 478	477 154	480 025
Venture capital funds	97 402	92 495	97 456
Land Fund, of which:	110 084	82 679	96 938
- sales and leaseback transactions	35 022	27 228	28 692
- investment properties	75 062	55 451	68 246
Total	1 074 204	964 047	1 033 665
Number of transactions	36 616	34 558	35 260
Volumes issued (EUR '000) (by financial instrument) ***			
Loans (excluding sales and leaseback transactions)	47 451	27 850	141 993
Guarantees	29 180	26 973	99 440
Venture capital funds	3 347	4 470	23 920
Land Fund, of which:	14 933	2 911	17 676
- sales and leaseback transactions	7 386	830	7 916
- investment properties	7 547	2 081	9 760
Total	94 911	63 501	283 029
Number of transactions	2 040	1 566	4 846
Leverage for raised private funding	213%	126%	229%
Volume of support programmes funding per employee (EUR '000)	4 180	3 951	4 054
Long-term rating assigned by Moody's Investors Service	Baa1	Baa1	Baa1

* TMA includes the off-balance sheet item, namely, guarantees at net carrying amount.

** The calculation of liquidity ratio takes into account the previous experience and management estimate of the expected amount and timing of guarantee claims.

*** Taking into account the significance of the volume, the Land Fund portfolio, which consists of leaseback transactions and investment properties, is also presented in the operational volumes for the period. As in compliance with the accounting principles and IFRS the leaseback transactions are accounted for under the loans, the loan volume in this table has been reduced for the volume of the leaseback transactions as it is recorded under the Land Fund portfolio.

The figures are explained in the section 'Key Financial and Performance Indicators' under Other Notes to the Interim condensed report.

Management Report (cont'd)

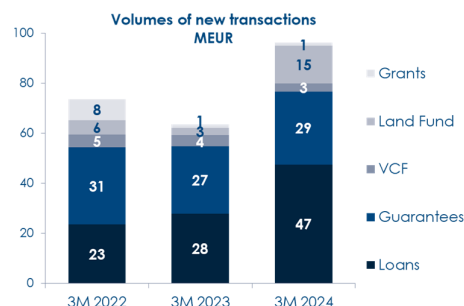
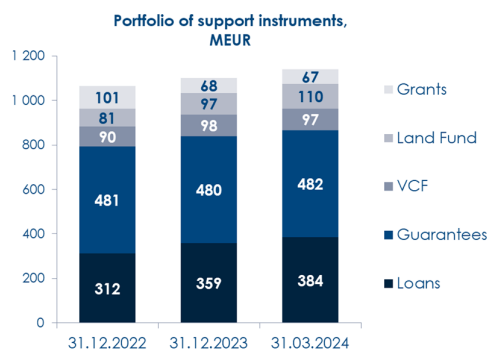
Operational volumes

Altum's operational volumes are characterized by two dimensions: (i) support instruments that include lending, issuing of guarantees, investments in capital instruments, transactions of the Latvian Land Fund (hereinafter - the Land Fund) and servicing of grants, and (ii) segments that include SME and Midcaps, Agriculture, Individuals and Financial intermediaries.

Support instruments

In the first 3 months of 2024, Altum's gross portfolio of support instruments continued to grow, reaching EUR 1,141 million. (31 December 2023: EUR 1,102 million). The gross portfolio of financial instruments (without grants), which is part of the portfolio of support instruments, also increased to EUR 1,074 million (+4% compared to the end of 2023). The largest increase was in the loan portfolio, which increased by EUR 25 million (+7.1%). The portfolio of the Land Fund increased by EUR 13 million (+13.6%). The grant portfolio, in which 96% consists of grants for multi-apartment buildings energy efficiency projects, continues to decrease and is expected to decrease to 1% of the support instruments portfolio by the end of the year. The gross portfolio of support instruments by the number of projects increased by 609 (+1.7%).

In the first 3 months of 2024, the volume of new transactions reached EUR 96 million, which was 51% (+33 million EUR) higher than in the corresponding period in 2023. The rapid increase was provided by loan programmes (+19 million EUR compared to the corresponding period in 2023) - the biggest impact was the working capital loan programme for farmers (+19 million EUR) with an attractive interest rate, starting from 3.5% per year, and the transactions of the Land Fund (+12 million EUR). In 3 months of this year, the first loans and guarantees were also issued under the programmes of the new EU funding period 2021-2027. In addition, it should be noted that the volume of new transactions in the regions (outside of Riga) amounted to 31% of the total volume (in 3 months of 2023: 14%).



Management Report (cont'd)

Operational volumes (cont'd)

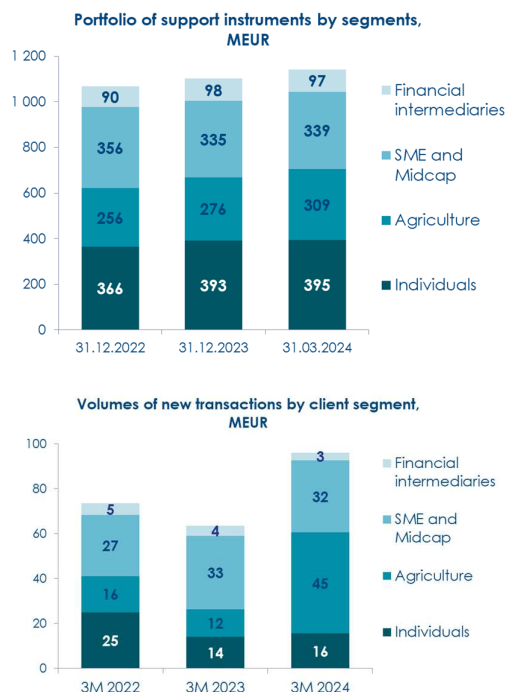
Segments

The Individuals segment accounts for 30.6% of the total portfolio (at the end of 2023: 31.5%). The largest part (86%) of the Individuals segment consists of guarantees' programmes, basically guarantees for multi-apartment buildings' energy efficiency projects and housing guarantees. The volume of new transactions in the 3 months of 2024 increased by 10.5% compared to the corresponding period in 2023, which was mainly influenced by the first guarantees issued for multi-apartment buildings' energy efficiency projects under the Resilience and Recovery Fund (RRF).

The portfolio of the SMEs and Midcaps segment makes up 31.5% (at the end of 2023: 32.3%), the majority of which (55%) is made up of guarantees' programmes - the guarantees' portfolio in this segment continues to decrease (-3 million EUR). In general, the rapid decline of the portfolio of this segment, which was observed in 2023, has stopped - in the 3 months of 2024, the portfolio of this segment increased by EUR 5 million, affected by new volumes under the RRF's programmes and investment loans to Midcaps with a capital rebate. The volume of new transactions, however, were not able to compensate for the rapid increase in the volume of new transactions in programme for mitigating the consequences of the Russian Federation's military aggression against Ukraine at the beginning of 2023, therefore the total volume of new transactions in this segment was approximately at the level of the 1st quarter of 2023.

The portfolio of the Agriculture segment accounts for 27.1% (at the end of 2023: 24.8%) and this segment had the largest increase in the portfolio in the 3 months of 2024 – EUR 33 million (+11.9%). The growth of the portfolio was influenced by the volume of loans and new transactions of the Land Fund in the 1st quarter (EUR 45 million), which is 3 times more (+33 million EUR) than in the 1st quarter of 2023. The Agriculture segment accounted for 46.8% of all new transactions,

Finally, the Financial intermediaries formed by venture capital fund programmes account for 8.5% (31 December 2023: 9.0%) of the segments' total portfolio

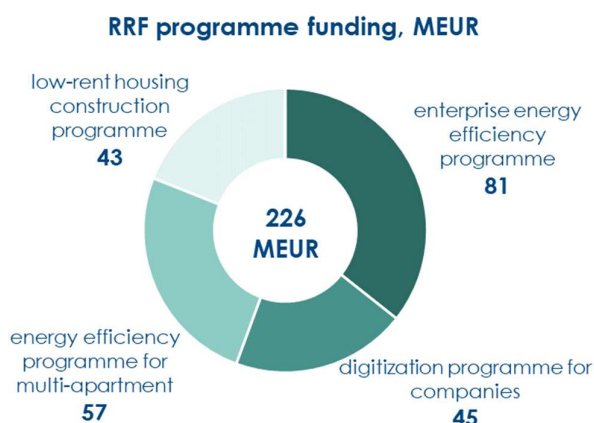


Management Report (cont'd)

New products and increasing operational efficiency

In 2023, Altum started implementing the programme under of the RRF. Until March 31, 2024, a total transactions in amount of EUR 51.3 million under the RRF's programmes have been approved, of which EUR 13.3 million new volumes were issued, including the following:

- in the **enterprise energy efficiency programme**, there have been 127 transactions approved in amount of EUR 19 million, of which 74 transactions in amount of EUR 7.3 million new volumes were issued, including EUR 2.8 million in the first 3 months of 2024. In February 2024, amendments to the regulations of the Cabinet of Ministers were approved, which will significantly improve the volume of new transactions - several consecutive rounds of selection, a shorter application period for a loan after selection, as well as trade sector projects will be able to apply for financing,
- in the **digitization programme for companies**, there have been 33 transactions approved in amount of EUR 19.9 million approved, of which 18 contracts in amount of EUR 5.9 million new volumes were issued, including EUR 3.2 million in the first 3 months of 2024. No further application rounds will take place as all funding for this programme has been reserved, including the amounts applied for,
- in the **energy efficiency programme for multi-apartment buildings**, there have been 2 transactions approved in amount of EUR 0.5 million approved, of which 1 contract in amount of EUR 0.1 million new volumes were issued. The approved transactions, together with the amounts already applied for, reach 37% of the funding allocated for this programme.
- in the **low-rent housing construction programme**, there has been 2 transactions approved in amount of EUR 11.9 million.



In 2024, the review of project applications received under **the Large Investment Loan Programme offering a capital rebate for medium-sized and large enterprises** continued. Until 31 March 2024, 16 applications for granting support to projects for a total project amount of more than EUR 355 million (the amount of the attributable capital EUR 107 million) have been approved, of which contracts have already been concluded for 12 (attributable amount of capital discount EUR 70 million), while 5 applications (attributable amount of capital discount EUR 30 million) are still being evaluated by Altum. The volume of new transactions in this programme in the first 3 months of 2024 was EUR 3.8 million, which accounted for 55% of the volume of new transactions in this programme in 2023. A faster increase in the volume of new transactions in this programme is expected in the following months.

By implementing the EU cohesion policy within the 2021-2027 planning period, EUR 506.4 million will be available for business support in the following years in the form of financial instruments in at least 12 support programmes, of which EUR 69 million are currently available. In the first 3 months of 2024, EUR 2.1 million were issued in direct lending – loan programmes for SMEs, business sustainability and start-ups.

Continuing the implementation of increasing Altum's operational efficiency and the proceeding with the centralised reviewing of the applications for small loans (with the ticket size up to EUR 100 thousand) as part of the automation process, Altum since the beginning of 2024, increased the limit of the loan amount in the centralized remote evaluation from EUR 50 thousand to EUR 100 thousand, while also introducing a scoring system in the small loan segment with the aim of achieving a significant reduction in the terms of application review compared to the average indicators in previous years. In the 3 months of 2024, 262 projects in amount of EUR 8 million were approved in the centralized remote evaluation, which constitutes 9% of all loan transactions approved in this period (in the 3 months of 2023: 1%, in 2023 on average: 3%). The increase in the loan amount limit and the introduction of the scoring system have significantly increased not only the average amount of approved projects from EUR 19 thousand in 12 months of 2023 up to EUR 31 thousand in the 3 months of 2024, but also reduced the application review timing from an average of 11 working days in 2023 to an average of 6 working days by the end of the 1st quarter, the proportion of rejected applications in the 3 months of 2024 amounts to an average of 24% of the received applications.

Management Report (cont'd)

Activity during the reporting period

In the 3 months of 2024, Altum has ensured stable financial results and earned a profit of EUR 5.8 million (in the 3 months of 2023: EUR 3.9 million). The decrease in net cash-flows from operating activities in the first 3 months of 2024 compared to the corresponding period in 2023 is basically related to the receipt of advance funding of the RRF (+68 million euros), the disbursement of which will continue in 2024 as new volumes under the RRF programmes. On the other hand, fluctuations in the net cash-flows from investing activities were affected by the management of support programme funding by temporarily placing free funding in high credit rating fixed income securities in conditions of the high interest rates.

Rating

On 2 February 2024, Moody's Investors Service (Moody's) affirmed Altum's Baa1 long-term issuer rating, with outlook stable, following update of rating methodology. The rating is the same as affirmed on 16 December 2022, along with updated credit opinion published on 4 September 2023. Short-term issuer rating is also affirmed at the same P-2.

At the same time, Moody's has removed the designation of Altum as a government-related issuer and has withdrawn its Baseline Credit Assessment (BCA) of baa3, following the publication of Moody's updated Government-Related Issuers methodology on 25 January 2024. Henceforth, Altum is rated by Moody's Finance Companies Methodology only. As of 2 February 2024, Altum's standalone assessment set at current baa3 replaces the withdrawn Baseline Credit Assessment.

In June 2017 for the first time Moody's assigned to Altum a long-term credit rating Baa1 which is one of the highest credit ratings assigned to a corporate entity in Latvia.

The assigned rating and being a regular participant in the capital market as well as bond issuance makes it possible for Altum to implement more successfully Altum's long-term strategy for fund raising.

Risk Management

To have an adequate risk management, the Company has developed the Risk Management System that provides both preventive risk management and timely implementation of risk mitigation or prevention measures. While assuming risks, the Company retains the long-term capability of implementing the established operational targets and assignments.

To manage risks, the Company applies various risk management methods and instruments as well as establishes risk limits and restrictions. The choice of the risk management methods is based on the materiality of the particular risk and its impact on the Company's operations.

In view of the Company's activities in high-risk areas when implementing the state aid programmes, as of 31 March 2024 the Company has the risk coverage of EUR 388 million (31 December 2023: EUR 370 million) to cover the expected credit loss of the State aid programmes. The expected loss is assessed before implementing the respective aid programme and a portion of the public funding received within this programme is earmarked for the Risk Coverage. The Risk Coverage consists of the sum of the Risk Coverage Reserve and Portfolio Loss Reserve (Special Reserve Capital) less provisions for expected credit losses.

In view of the invasion of Ukraine by the Russian Federation and the continued tension in the geopolitical situation, Altum continues to implement the restrictions on cooperation with the Russian Federation and the Republic of Belarus set in the risk management policies, including by continuously monitoring changes in sanctions. Along with the established restrictions, Altum regularly takes measures to assess the impact of the Russian Federation's invasion of Ukraine and its consequences on the solvency of Altum's customers.

Management Report (cont'd)

Contribution to Sustainability

The financial sector has a crucial role to play in achieving the European Green Deal objectives, including the transition to a climate-neutral, climate-resilient, resource-efficient, and fair economy. Sustainability is a key part of the Altum's business and strategy and has become an important strategic driver for the banking sector as well as for development finance institutions in Europe. Altum takes responsibility for the long-term impact of its day-to-day activities and continuously works to ensure that the investment decisions it makes in building its portfolio contribute to sustainable development, do not adversely impact sustainability factors, and facilitates its clients' transition towards a sustainable economy and encourages responsible business practices.

Guided by Methodology for analyses of materiality of ESG risks developed in 2023 the assessment of the sensitivity of Altum's credit exposure portfolio - loan portfolio, collateral portfolio and guarantee portfolio as at year end 2023 of the SME, Midcaps and Agriculture segments towards Transition risk was carried out. The said assessment along applied methodology was disclosed in Risk Management Note of the Annual Report for the year ended 2023.

The work on integration of ESG scoring model developed in 2023 in credit appraisal processes is continued. It will be applied in loan origination process above particular materiality threshold, as well as in monitoring of existing portfolio and collateral valuation in SME/Midcap and Agriculture segments. ESG scoring model will enable to assess the level of Transition risk at individual deal level. The implementation of ESG scoring model is step-by-step as of the year 2024 taking into consideration the customers' ability to fulfil the unified finance sector ESG questionnaire published in April 2024 to obtain information for the assessment of ESG risks and regarding the planned/actual customer sustainability KPI's data.

Taking into consideration the outcome of materiality analyses of ESG risks carried out earlier in the 2023, the Sustainability strategy is under development and is planned to be approved in summer 2024. Among other things, the existing client portfolio will be reviewed, engaging clients to move towards sustainable development as well as phasing out the financing of projects that do not meet Altum's ESG considerations in credit risk management.

The AIF "Altum Capital Fund" investments have been made, paying due attention to the ESG performance of the target company and the expected impact of related economic changes on the company's supply and value chains. In compliance with the requirements of The Sustainable Finance Disclosure Regulation, the Fund's policy was published at the end of 2022, which reflects how the Company assesses the principal adverse effects of the Company's investment decisions on sustainability factors (Principal Adverse Impact report), in accordance with the requirements of Article 4 of SFDR. At the beginning of 2024 principal adverse impact indicators of the Fund portfolio companies were summarised for the year 2023. For note of record the principal adverse impact indicators of the Fund portfolio companies for the year 2023 do not have principal adverse impact, caused by an investment decisions, on sustainability factors.

Management Report (cont'd)

Future Outlook

To prepare for the implementation of the new InvestEU program of the European Union, in the 1st half of 2023, in cooperation with the selected independent auditor, the Company has accomplished the compliance assessment (Pillar Assessment). Pillar assessment is a prerequisite for the Company to be able to apply for the InvestEU implementing partner role and, in the future, also for the role of cooperation partner in the implementation of EU funds thus increasing the scope of new specialized and customized financial instruments to the companies in Latvia. The first stage of the assessment was completed at the end of 2023, by submitting a draft report to the European Commission. Once the draft report has been agreed upon with the European Commission, the key recommendations to be implemented by Altum are identified. The assessment is planned to be completed in 2024 after the European Commission, based on the information provided by the Company and the auditors' opinion, has obtained sufficient confidence in the implementation of the recommendations. The decision on submitting the application for the InvestEU implementing partner role has not yet been made.

Reinis Bērziņš
Chairman of the Management Board

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Supervisory Board and Management Board

Supervisory Council

Name, Surname	Position	Appointment Date	Date of expiry of the term of the mandate
Līga Kļaviņa	Chairperson of the Council	27.12.2022.	26.12.2025.
Ansis Grasmanis	Member of the Council	01.05.2024.	30.04.2027.
Krišjānis Znotiņš	Member of the Council	01.05.2024.	30.04.2027.
Jānis Šnore	Member of the Council	27.12.2022.	30.04.2024.
Ilze Baltābola	Member of the Council	22.03.2022.	30.04.2024.

On 29 April 2024, at the General Meeting of Shareholders, Ansis Grasmanis and Krišjānis Znotiņš were elected to the Supervisory Board as of 1 May 2024. Ilze Baltābola and Jānis Šnore do not continue to serve on the Supervisory Board.

Management Board

Name, Surname	Position	Appointment Date	Date of expiry of the term of the mandate
Reinis Bērziņš	Chairman of the Board	27.05.2021.	26.05.2024.
Jēkabs Krieviņš	Member of the Board	27.05.2021.	26.05.2024.
Inese Zīle	Member of the Board	27.05.2021.	26.05.2024.
Ieva Jansone-Buka	Member of the Board	18.03.2024.	17.03.2027.
Juris Jansons	Member of the Board	09.01.2023	08.01.2026

On 25 January 2024, the Supervisory Board reapproved Ieva Jansoni-Buka as a member of the Board for a new term from 18 March 2024 to 17 March 2027.

On 2 April 2024, the Supervisory Board reapproved Reinis Bērziņš, Jēkabs Krieviņš, Inese Zīle as members of the Board of Altum for a new term of office until 1 April 2027. The Supervisory Board elected Reinis Bērziņš from among the members of the Management Board as Chairman of the Management Board of Development Finance Institution Altum AS.

Statement of Management's responsibility

The Supervisory Board and the Management Board (hereinafter – Management) of the joint stock company Development Finance Institution Altum (hereinafter - Company) are responsible for preparation of the financial statements of the Company as well as for information disclosed in the Other notes to Annual Report.

The interim condensed financial statements and notes thereto set out on pages 16 to 76 are prepared in accordance with the source documents and present truly and fairly the financial position of the Company as of 31 March 2024 and 31 December 2023 and the results of their operations, changes in the shareholders' equity and cash flows for the twelve months periods ended 31 March 2024 and 31 March 2023.

The aforementioned financial statements are prepared on a going concern basis in conformity with International Financial Reporting Standards as adopted by the European Union. Prudent and reasonable judgements and estimates have been made by the Management in the preparation of the financial statements.

The Management are responsible for maintenance of proper accounting records, safeguarding of the Company's assets, and prevention and detection of fraud and other irregularities in the Company. The Management are also responsible for operating the Company in compliance with the Law of the Republic of Latvia on Development Finance Institution and other laws of the Republic of Latvia as well as European Union Regulations applicable to the Company.

Reinis Bērziņš
Chairman of the Management Board

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Statement of Comprehensive Income

All amounts in thousands of euro

	Notes	01.01.2024.- 31.03.2024. (unaudited)	01.01.2023.- 31.03.2023. (unaudited)
Interest income at effective interest rate	4	7 598	5 016
Other interest and similar income	5	1 399	1 557
Interest expense	6	(3 928)	(2 316)
Net interest income		5 069	4 257
Income for implementation of state aid programmes	7	1 356	2 344
Expenses to be compensated for implementation of state aid programmes	8	(1 239)	(988)
Net income for implementation of state aid programmes		117	1 356
Gains / (losses) from trading securities and foreign exchange translation	9	2	(2)
Share of gains / (losses) of investment in associate and other investments	10	(265)	254
Gains/(losses) of investment in associate and other investments less losses from liabilities at fair value through profit or loss	11	450	(246)
Other income	12	690	744
Other expense	13	(268)	(229)
Operating income before operating expenses		5 795	6 134
Staff costs		(1 444)	(1 600)
Administrative expense		(381)	(481)
Amortisation of intangible assets and depreciation of property, plant and equipment		(184)	(204)
Impairment adjustment	14	2 022	40
Profit before corporate income tax		5 808	3 889
Profit for the period		5 808	3 889
Other comprehensive income:		(182)	(36)
Items to be reclassified to profit or loss in subsequent periods		(182)	(36)
Net loss from financial assets measured at fair value through other comprehensive income		(182)	(36)
Total comprehensive income for the period		5 626	3 853

The accompanying notes on pages 16 through 71 form an integral part of these financial statements.

Reinis Bērziņš
Chairman of the Management Board

Olga Alksne
Chief Accountant

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Statement of Financial Position

All amounts in thousands of euro

	Notes	31.03.2024, (unaudited)	31.12.2023, (audited)
Assets			
Due from credit institutions and the State Treasury	15	635 494	702 788
including cash and cash equivalents		508 356	565 896
Financial assets at fair value through other comprehensive income - investment securities	16	66 652	9 743
Financial assets at amortised cost:			
Investment securities	16	39	38
Loans and receivables	17	372 808	349 360
Financial assets at fair value through profit or loss - loans with capital discount	18	21 933	13 088
Grants	19	66 195	67 196
Deferred expense		404	459
Accrued income	24	4 903	3 862
Other investments	20	25 848	25 398
Investments in associates	21	65 577	66 592
Investment property	22	75 062	68 246
Property, plant and equipment		4 440	4 377
Intangible assets		970	1 017
Other assets	23	3 431	3 922
Total assets		1 343 756	1 316 086
Liabilities			
Due to credit institutions	25	30 534	32 038
Due to general government entities	26	180 303	174 656
Financial liabilities at amortised cost - Issued debt securities		85 179	85 533
Deferred income		20	972
Accrued expense		933	856
Liabilities from financial guarantees	27	47 295	47 319
Provisions for off-balance sheet liabilities	28	326	344
Support programme funding	29	593 638	580 649
Other liabilities		4 378	4 366
Total liabilities		942 606	926 733
Equity			
Share capital		211 033	204 862
Reserves	31	166 959	166 959
Revaluation reserve of financial assets measured at fair value through other comprehensive income		(460)	(278)
Retained earnings		23 618	17 810
Total equity		401 150	389 353
Total equity and liabilities		1 343 756	1 316 086

The accompanying notes on pages 16 through 71 form an integral part of these financial statements.

Reinis Bērziņš
Chairman of the Management Board

Olga Alksne
Chief Accountant

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Statement of Changes in Equity

All amounts in thousands of euro

	Share capital	Reserves			Revaluation reserve of financial assets measured at fair value through other comprehensive income	Retained earnings	Total equity
		Specific reserves for support programmes	General reserve capital	Other specific reserves - difference recognised in reorganisation reserve			
As at 1 January 2023 (audited)	204 862	141 707	54 364	(15 935)	(499)	11 484	395 983
Profit for the period	-	-	-	-	-	3 889	3 889
Other comprehensive income	-	-	-	-	(36)	-	(36)
Total comprehensive income	-	-	-	-	(36)	3 889	3 853
Increase of reserve capital (Note 31)	-	683	-	-	-	-	683
As at 31 March 2023 (unaudited)	204 862	142 390	54 364	(15 935)	(535)	15 373	400 519
Profit for the period	-	-	-	-	-	13 921	13 921
Other comprehensive income	-	-	-	-	257	-	257
Total comprehensive income	-	-	-	-	257	13 921	14 178
Increase of reserve capital (Note 31)	-	2 156	-	-	-	-	-
Decrease of reserve capital by increasing financing of support programs	-	(27 500)	-	-	-	-	(27 500)
Distribution of Specific Reserves to General reserve capital at distribution of the profit for year 2022	-	(5 246)	5 246	-	-	-	-
Reallocation of general reserves to specific reserves attributable to support programmes	-	13 829	(13 829)	-	-	-	-
Distribution of 2022 profit	-	-	11 484	-	-	(11 484)	-
As at 1 January 2024 (audited)	204 862	125 629	57 265	(15 935)	(278)	17 810	389 353
Profit for the period	-	-	-	-	-	5 808	5 808
Other comprehensive income	-	-	-	-	(182)	-	(182)
Total comprehensive income	-	-	-	-	(182)	5 808	5 626
Increase of share capital	6 171	-	-	-	-	-	6 171
As at 31 March 2024 (unaudited)	211 033	125 629	57 265	(15 935)	(460)	23 618	401 150

In accordance with the decision of the Shareholders' Meeting of 30 October 2023, and in compliance with the Cabinet of Ministers' Order of 12 December 2023, an increase in Altum's share capital was registered in the Register of Companies on 3 January 2024. The share capital was increased by EUR 6 171 062, setting the amount of the share capital after the increase at EUR 211 033 395 , consisting of 211 033 395 shares.

The accompanying notes on pages 16 through 71 form an integral part of these financial statements.

Statement of Cash Flows

All amounts in thousands of euro

	Notes	01.01.2024.- 31.03.2024. (unaudited)	01.01.2023.- 31.03.2023. (audited)
Cash and cash equivalents at the beginning of period		565 896	539 630
Cash flows from operating activities			
Profit before taxes		5 808	3 889
Amortisation of intangible assets and depreciation of property, plant and equipment		184	204
Increase in allowances for expected credit losses	14	(2 022)	(40)
Revaluation of investment properties		(12)	-
Revaluation of Investments in associates	21	(185)	(8)
Interest income	4, 5	(8 997)	(6 573)
Interest expense	6	3 928	2 316
(Gain) / loss from exchange differences	9	(2)	2
(Decrease) of cash and cash equivalents from operating activities before changes in assets and liabilities		(1 298)	(210)
(Increase) / Decrease of loans		(32 039)	2 046
(Increase) of grants	19	(888)	(17 968)
Increase of due to credit institutions and general government entities		4 064	(1 958)
Term deposits (Increase) / Decrease	15	10 000	(34 000)
Increase / (Decrease) in deferred income and accrued expense		76	64
(Increase) / Decrease in deferred expense and accrued income		(986)	(242)
Increase of support programmes		22 247	95 030
Decrease / (Increase) of other assets		733	566
Increase in other liabilities		(212)	(4 482)
Increase/ (decrease) of cash and cash equivalents from operating activities after changes in operating assets and liabilities		1 697	38 846
Interest received		8 359	5 916
Interest paid		(2 682)	(1 867)
Net cash flows from operating activities		7 374	42 895
Cash flows from investment activities			
Sale of investment securities		(57 185)	-
Acquisition of property, plant and equipment and intangible assets		(120)	(83)
Purchase of investment properties	22	(8 444)	(2 048)
Sale of investment properties	22	1 744	50
Sale of other assets		-	19
Investments in other investment funds	20	(450)	-
Investments in associates		(459)	(3 191)
Net cash flows from investing activities		(64 914)	(5 253)
Cash flows from financing activities			
Increase of reserve capital		-	-
Paid, but not registered share capital increase		-	-
Net cash flows from financing activities		-	-
Increase in cash and cash equivalents		(57 540)	37 642
Cash and cash equivalents at the end of period		508 356	577 272

The accompanying notes on pages 16 through 71 form an integral part of these financial statements.

Approval of the Financial Statements

The Management of the Company has approved these unaudited interim condensed financial statements on 29 May 2024.

1 General Information

(1) Corporate Information

These unaudited interim condensed financial statements contain financial information on the joint stock company "Development Financial Institution Altum" (hereinafter - the Company), as well as comparatives on the Company.

Comparatives on the Company's financial performance for the 3 months of 2024 are included in the Statement of Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement, respectively, as well as in the relevant notes to the financial statements.

JSC Development Finance Institution Altum is a Latvia state-owned company that ensures access of the enterprises and households to the financial resources by means of support financial instruments - loans, guarantees, investments in venture capital funds - in the areas defined as important and to be supported by the state, thus developing the national economy and enhancing mobilization of the private capital and financial resources. On 2 February 2024, the international credit rating agency Moody's Investors Service affirmed the Company's Baa1 long-term credit rating, with outlook stable, following update of rating methodology. The rating is the same as affirmed on 16 December 2022, along with updated credit opinion published on 4 September 2023. Short-term issuer rating is also affirmed at the same P-2. At the same time, Moody's has removed the designation of Altum as a government-related issuer and has withdrawn its Baseline Credit Assessment (BCA) of Baa3, following the publication of Moody's updated Government-Related Issuers methodology on 25 January 2024. Henceforth, Altum is rated by Moody's Finance Companies Methodology only. As of 2 February 2024, the Altum's standalone assessment set at current Baa3 replaces the withdrawn Baseline Credit Assessment. The rating assigned to the Company by Moody's is one of the highest credit ratings assigned to Latvian capital companies.

JSC Development Finance Institution Altum was established on 27 December 2013 by a decision of the Cabinet of Ministers. The mission of the Company's establishment is by merging three prior independently operating companies providing state support into a single institution and further allocate the state funds for implementation of financial instrument state support and development programmes in one place. The Company's operations are governed by its specific law – Development Finance Institution Law. The Company's Article of Association has been approved by the Cabinet of Ministers. All voting shares of the Company are owned by the Republic of Latvia. The holders of the shares are ministries of the Republic of Latvia as stipulated by the Development Finance Institution Law with following split of the shares – the Ministry of Finance 40%, the Ministry of Economics 30% and the Ministry of Agriculture 30% respectively.

The Company does not perform any regulated activities related to the financial and capital markets as financial institution, therefore the Company is not required to comply with capital adequacy requirements. However, the Company operates in accordance with the best financial and capital market practices regarding internal control, risk management and compliance.

The Company holds investment in alternative investment fund "Altum Capital Fund" (the Fund) registered on 31 July 2020. The Fund is created with the aim to support well-managed, perspective Mid-cap companies to overcome the effect of Covid-19 that as a result of the virus impact are ready to adjust their operations by changing their business model, adjusting product development, introducing new technology and expanding to new export markets. The Fund's committed capital was fully subscribed on September 16, 2020, reaching EUR 100 million, of which the majority (EUR 51.1 million or 51.1%) were largest private pension funds and EUR 48.9 million consists of public funding invested by the Company. The Company is also the manager of the Fund registered with the Financial and Capital Market Commission on 26 May 2020. The investment period agreed with the EC ended on 30 June 2022, after its end, new investments were no longer approved, but investments in the portfolio's companies approved until 30 June 2022 continued. The capital investment paid into the Fund on 31 March 2024 amounted to EUR 38.9 million (Company's share EUR 19 million).

1 General Information (cont'd)

The below listed venture capital funds - are treated as associates during the reporting period only for purposes of financial accounting.

Legal Title	Legal Address	Generation	Investment % in share capital
KS Overkill Ventures Fund I	Dzirnavu iela 105, Rīga, Latvija, LV-1011	4	100
KS Buildit Latvia Pre-Seed Fund	Elizabetes iela 20, Rīga, Latvija, LV-1050	4	100
KS Commercialization Reactor Pre-seed Fund	Brīvības gatve 300 -9, Rīga, Latvija, LV-1006	4	100
KS INEC 1	Vilandes iela 3 - 7, Rīga, Latvija, LV-1010	4	75
KS INEC 2	Vilandes iela 3 - 7, Rīga, Latvija, LV-1010	4	90
KS Overkill Ventures Fund II	Dzirnavu iela 105, Rīga, Latvija, LV-1011	4	80
KS Buildit Latvia Seed Fund	Elizabetes iela 20, Rīga, Latvija, LV-1050	4	80
KS Commercialization Reactor Seed Fund	Brīvības gatve 300 -9, Rīga, Latvija, LV-1006	4	80
KS ZGI-4	Roberta Hirša iela 1, Rīga, Latvija, LV-1045	4	60
FlyCap Mezzanine Fund II	Matrožu iela 15A, Rīga, Latvija, LV-1048	4	60
KS Balticap Latvia Venture Capital Fund (fund is in the process of liquidation)	Jaunmoku iela 34, Rīga, Latvija, LV-1046	2	67
KS Imprimatur Capital Technology Venture Fund **	Ščecinas iela 4, Rīga, Latvija, LV-1014	2	67
KS Imprimatur Capital Seed Fund (fund is in the process of liquidation)	Ščecinas iela 4, Rīga, Latvija, LV-1014	2	100
KS ZGI-3 *	Roberta Hirša iela 1, Rīga, Latvija, LV-1045	3	95
KS FlyCap investment Fund *	Matrožu iela 15A, Rīga, Latvija, LV-1048	3	95
KS Expansion Capital fund *	Vilandes iela 3 - 7, Rīga, Latvija, LV-1010	3	95
Baltic Innovation Fund	European Investment Fund, 37B, avenue J.F. Kennedy, L-2968 Luxembourg		20
KS AIF "Altum capital fund"	Doma laukums 4, Rīga, LV-1050		48.9

* The term of venture capital funds' operations is 31 December 2024.

** The term of venture capital fund's operations is on 10 June 2024.

2 Accounting Policies

(1) Basis of presentation

These unaudited interim condensed financial statements for the 3 months ended 31 March 2024 were prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", as adopted in the European Union. These financial statements are to be used together with the complete financial statements for the year 2023 prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union.

Company's financial statements are prepared under the historical cost convention as modified by the fair valuation of financial assets measured at fair value through other comprehensive income, derivative financial instruments and investment properties and support programme financing.

The preparation of financial statements in accordance with International Financial Reporting Standards as adopted by European Union requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

According to IFRS9, interest income includes all interest income, including for programmes where the Company acts as an agent. Such interest income, where the ultimate beneficiary is public funding, is of "a pass-through arrangement" sign and is also reflected in the Note "Interest Expense" under item "Pass-through arrangement – agent interest", thus leaving the overall result under "Net Interest Income" unchanged. In order to ensure transparency and comparability of the information provided, the comparative data for *Interest Income* and *Interest Expense* respectively have been clarified.

All amounts in the interim condensed financial statements are presented in the national currency of Latvia – the euro (EUR).

(2) Application of new and/or amended IFRS and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC)

The adoption of new or amended IFRSs or Interpretations implemented in 2024 had no impact on the disclosures or amounts presented in these financial statements.

Other new or amended IFRSs or interpretations issued and not yet endorsed for use in the EU as at 31 March 2024 are not expected to have an impact on the Company's financial position, performance, cash flows or disclosures.

3 Risk Management

The major risks that the Company is exposed to are credit, liquidity and operational risks. These unaudited interim condensed financial statements do not include all information on risk management and disclosures required in the annual financial statements. They are to be viewed together with the complete financial statements for the year 2023.

(1) Credit Risk

Breakdown of financial assets, off-balance sheet items and contingent liabilities by their qualitative assessment, in thousands of euro:

	Stage 1		Stage 2		Stage 3		POCI		Total	
	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.
Financial assets at AC										
Due from credit institutions and the Treasury	635 592	702 885	-	-	-	-	-	-	635 592	702 885
Allowances for expected credit losses	(98)	(97)	-	-	-	-	-	-	(98)	(97)
Total net due from credit institutions and the Treasury	635 494	702 788	-	-	-	-	-	-	635 494	702 788
Investment securities	-	-	-	-	3 872	3 788	-	-	3 872	3 788
Allowances for expected credit losses	-	-	-	-	(3 833)	(3 750)	-	-	(3 833)	(3 750)
Total net investment securities	-	-	-	-	39	38	-	-	39	38
Loans and receivables	323 074	300 035	43 934	43 965	30 256	30 779	65	71	397 329	374 850
Allowances for expected credit losses*	(8 191)	(8 644)	(5 507)	(5 559)	(10 758)	(11 217)	(65)	(70)	(24 521)	(25 490)
Total net loans and receivables	314 883	291 391	38 427	38 406	19 498	19 562	-	-	372 808	349 360
Other financial assets	3 348	3 957	-	-	1 217	1 128	-	-	4 565	5 085
Allowances for expected credit losses	(21)	(22)	-	-	(1 113)	(1 141)	-	-	(1 134)	(1 163)
Total net other financial assets	3 327	3 935	-	-	104	(13)	-	-	3 431	3 922
Total financial assets at AC	962 014	1 006 877	43 934	43 965	35 345	35 695	65	71	1 041 358	1 086 608
Allowances for expected credit losses	(8 310)	(8 763)	(5 507)	(5 559)	(15 704)	(16 108)	(65)	(70)	(29 586)	(30 500)
Total net financial assets at AC	953 704	998 114	38 427	38 406	19 641	19 587	-	1	1 011 772	1 056 108

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Breakdown of financial assets, off-balance sheet items and contingent liabilities by their qualitative assessment, in thousands of euro: (cont'd)

	Stage 1		Stage 2		Stage 3		POCI		Total	
	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.
Financial assets at FVOCI										
Investment securities	66 652	9 743	-	-	-	-	-	-	66 652	9 743
Allowances for expected credit losses	-	-	-	-	-	-	-	-	-	-
Total net investment securities	66 652	9 743	-	-	-	-	-	-	66 652	9 743
Total financial assets at FVOCI	66 652	9 743	-	-	-	-	-	-	66 652	9 743
Allowances for expected credit losses	-	-	-	-	-	-	-	-	-	-
Total net financial assets at FVOCI	66 652	9 743	-	-	-	-	-	-	66 652	9 743
Off-balance sheet items and contingent liabilities										
Outstanding guarantees	456 896	455 628	20 286	19 015	5 296	5 382	-	-	482 478	480 025
Allowances for expected credit losses *	(36 985)	(37 076)	(3 229)	(3 006)	(3 517)	(3 478)	-	-	(43 731)	(43 560)
Total net outstanding guarantees	419 911	418 552	17 057	16 009	1 779	1 904	-	-	438 747	436 465
Loan commitments	105 856	88 730	154	88	2	28	-	-	106 012	88 846
Allowances for expected credit losses *	(296)	(309)	(5)	(4)	-	(6)	-	-	(301)	(319)
Total net loan commitments	105 560	88 421	149	84	2	22	-	-	105 711	88 527
Total off-balance items and contingent liabilities	562 752	544 358	20 440	19 103	5 298	5 410	-	-	588 490	568 871
Allowances for expected credit losses	(37 281)	(37 385)	(3 234)	(3 010)	(3 517)	(3 484)	-	-	(44 032)	(43 879)
Total net off-balance items and contingent liabilities	525 471	506 973	17 206	16 093	1 781	1 926	-	-	544 458	524 992

* Includes a net impairment allowances of EUR 644 thousand covered by Portfolio Loss Reserve (Special Reserve Capital) upon approval of the 2024 annual report. Additional information available in Note 31.

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Changes in credit loss allowance and gross carrying amount for loans, in thousands of euro:

	Credit loss allowance					Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
As at 31 December 2023	8 644	5 559	11 217	70	25 490	300 035	43 965	30 779	71	374 850
Transfers between stages:										
from Stage 1 to Stage 2	(220)	753	-	-	533	(8 357)	8 271	-	-	(86)
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(21)	(84)	777	-	672	(1 726)	(1 802)	3 409	-	(119)
from Stage 3 to Stage 2	-	2	(62)	-	(60)	-	191	(205)	-	(14)
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	26	(67)	-	-	(41)	2 759	(2 951)	-	-	(192)
New originated or purchased	186	-	-	-	186	31 749	-	-	-	31 749
Derecognised during the period	(19)	(97)	(793)	-	(909)	(4 288)	(1 531)	(2 196)	-	(8 015)
Changes to ECL measurement model assumptions (PD, LGD)	-	-	-	-	-	-	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	-	-	-	-	-	-	-	-	-	-
Changes in impairment overlay	(175)	(390)	(10)	-	(575)	-	-	-	-	-
ECL for interest rate discounts	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Change of outstanding balance **	(230)	(169)	(371)	(5)	(775)	2 902	(2 209)	(1 531)	(6)	(844)
As at 31 March 2024	8 191	5 507	10 758	65	24 521*	323 074	43 934	30 256	65	397 329

* Includes the impairment provision of EUR 3,442 thousand (31 December 2023: EUR 4,018 thousand) for the Small, Medium and Medium-Sized Enterprises (SME and Large) portfolio to take into account the ongoing high uncertainty stemming from the consequences of the Russian invasion of Ukraine as well as the impact of rising interest rates on borrowers' credit risk and a provision of EUR 3,877 thousand (31 December 2023: EUR 3,877 thousand) for interest rate discounts.

** Change of outstanding balance includes cash flows from repayment of principal

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Changes in credit loss allowance and gross carrying amount for outstanding guarantees, in thousands of euro:

	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2023	37 076	3 006	3 478	43 560	455 628	19 015	5 382	480 025
Transfers between stages:								
from Stage 1 to Stage 2	(225)	304	-	79	(1 810)	2 148	-	338
to credit impaired (from Stage 1 and Stage 2 to Stage 3)	(75)	(35)	280	170	(240)	(172)	406	(6)
from Stage 3 to Stage 2	-	11	(80)	(69)	-	150	(150)	-
to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	1	(1)	-	-	40	(40)	-	-
New originated or purchased	1 427	-	-	1 427	22 904	-	-	22 904
Derecognised during the period	(470)	(108)	(26)	(604)	(12 859)	(705)	(45)	(13 609)
Changes to ECL measurement model assumptions (PD, LGD)	-	-	-	-	-	-	-	-
Changes to ECL measurement model assumptions (macroeconomic factors)	-	-	-	-	-	-	-	-
Changes in impairment overlay	-	-	-	-	-	-	-	-
ECL for interest rate discounts	-	-	-	-	-	-	-	-
Paid-out guarantees	-	-	(68)	(68)	-	-	(122)	(122)
Write-offs	-	-	-	-	-	-	-	-
Change of outstanding balance *	(749)	52	(67)	(764)	(6 767)	(110)	(175)	(7 052)
As at 31 March 2024	36 985	3 229	3 517	43 731	456 896	20 286	5 296	482 478

* Change of outstanding balance includes cash flows from repayment of principal of underlying loan

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Breakdown of issued loans by overdue terms, including accrued interest on loans, in thousands of euro:

	31.03.2024.	31.12.2023.
Performing	363 205	339 826
Past due up to 30 days	20 351	20 618
Past due from 31 to 60 days	4 239	5 432
Past due from 61 to 90 days	1 521	421
Past due over 90 days	8 013	8 553
Total gross loans, without interest accrued on the loans	397 329	374 850
Impairment allowances	(24 521)	(25 490)
Total net loans	372 808	349 360

In calculating the ECL due to default on loan principal or interest payments or other loss events the following is taken into account collateral, including real estate and commercial pledges measured at market value. The value of collateral is based on the valuations performed by independent valuers.

Information on the value of collateral assessed at fair value and position against net loan portfolio, in thousands of euro:

	31.03.2024.	31.12.2023.
Real estate (loans)	213 077	198 677
Real estate (leaseback)	35 022	28 692
Movable property	61 310	61 868
Guarantees	2 903	2 632
Total collateral	312 312	291 869
Loan portfolio, gross	397 329	374 850
Impairment allowances	(24 521)	(25 490)
Loan portfolio, net *	372 808	349 360
Exposed	16.23%	16.46%

* The item Loan portfolio net includes loans for which, under the terms of the support programme, no pledge of immovable or movable property is required, such as the energy efficiency programme for multi-apartment buildings and the renovation loan programme. The balance of these programmes as of 31 March 2024 amounts to EUR 42,049 thousand (31 December 2023: EUR 42,225 thousand).

3 Risk Management (cont'd)

(1) Credit Risk (cont'd)

Maximum credit risk exposures of the balance and off-balance sheet items (not including collateral held or other security), in thousands of euro:

	31.03.2024.	31.12.2023.
Assets exposed to credit risk		
Due from credit institutions and the Treasury	635 494	702 788
Financial assets at fair value through other comprehensive income - investment securities	66 652	9 743
Financial assets at amortised cost:		
Investment securities	39	38
Loans	372 808	349 360
Financial assets at fair value through profit or loss - Loans with capital discount	21 933	13 088
Other investments	25 848	25 398
Investments in associates	65 577	66 592
Other assets	3 431	3 922
Total	1 191 782	1 170 929
Off-balance sheet items exposed to credit risk		
Contingent liabilities	482 478	480 025
Financial commitments	187 911	173 102
Total	670 389	653 127

Part of subitem "Loans and receivables" are loans to agriculture segment (see Note 18) that are secured by agricultural land with a cautious valuation. Loans to other segments are secured mostly by real estate, to a lesser extent – by other types of assets or commercial pledges. The expected cash flows from collateral are taken into account when estimating impairment allowances for expected credit losses. Risk Coverage Reserve and Specific Reserve Capital is available to the Company to cover expected credit losses arising from deterioration of quality of loan portfolio. For more detailed information on Risk Coverage Reserve and Specific Reserve Capital see Note 29 and Note 31.

As of 31 March 2024, part of the Company's assets in amount of EUR 244,111 thousand (31 December 2023: EUR 209,544 thousand) were pledged. Detailed information on the Company's outstanding loan agreement as of 31 March 2024 is provided in Note 25 and Note 26.

Article 49 of the Law on State Budget 2024 provides that guarantees issued by the Company in amount of EUR 260 000 thousand is backed by the state according to the Agriculture and Rural Development Law and the Development Finance Institution Law. Actual amount of guarantees issued under these conditions as at 31 March 2024 was EUR 228,911 thousand (31 December 2023: EUR 226,839 thousand).

3 Risk Management (cont'd)

(2) Liquidity Risk

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets as at 31 March 2024, in thousands of euro:

	Up to 1 year *	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	16 677	14 631	-	-	-	31 308
Due to general governments	19 060	76 438	65 534	41 696	57 685	260 413
Issued debt securities	65 199	65 304	-	-	-	130 503
Support programme funding **	73 528	36 650	119 517	132 388	231 555	593 638
Other liabilities	3 763	615	-	-	-	4 378
Total financial liabilities	178 227	193 638	185 051	174 084	289 240	1 020 240
Off-balance sheet items and contingent liabilities	457 873	65 054	147 462	-	-	670 389
Total financial liabilities, off-balance items and contingent liabilities ***	636 100	258 692	332 513	174 084	289 240	1 690 629
Due from credit institutions and the Treasury	635 494	-	-	-	-	635 494
Investment securities	436	56 044	10 211	-	-	66 691
Liquid assets	635 930	56 044	10 211	-	-	702 185

* According to IAS 7 "Financial Instruments: Disclosures" requirements the major part of the guarantee portfolio issued by the Company has been classified within maturity "Up to 1 year". The exception is the housing guarantees for families with children and housing guarantees for young specialists – these guarantees with remaining contractual maturity exceeding 3 years, counting from the reporting date, are classified within maturity "1 to 5 years", because the compensation mechanism for housing guarantee for families with children and housing guarantee for young specialists stipulates that compensation for the declared guarantee cases is paid within 3 years from the date the guarantee case is declared. In turn, the housing guarantees for families with children and housing guarantees for young specialists with remaining contractual maturity shorter than 1 year, counting from the reporting date, are presented in accordance with the remaining contractual maturity.

Maturity profile of the Company's expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets "Up to 1 year" as at 31 March 2024 and supporting analysis is presented in table below.

** After expiring of the support programme its funding remains on the Company's balance sheet since any repayment from the existing support programme accumulates and are used to finance new support programmes.

*** Since part of off-balance sheet items and contingent liabilities is backed by funding recognized as financial liabilities, EUR 187,331 thousand are included in both the Company's financial liabilities and the Company's off-balance sheet items and contingent liabilities.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets "Up to 1 year" as at 31 March 2024, in thousands of euro:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total up to 1 year
Due to credit institutions	1 325	5 625	2 837	6 890	16 677
Due to general governments	-	3 662	5 826	9 572	19 060
Issued debt securities	-	-	-	65 199	65 199
Support programme funding	1 074	5 730	-	66 724	73 528
Other liabilities	3 592	-	-	171	3 763
Total financial liabilities	5 991	15 017	8 663	148 556	178 227
Off-balance sheet items and contingent liabilities *	401 480	18 084	14 905	23 404	457 873
Total financial liabilities, off-balance items and contingent liabilities	407 471	33 101	23 568	171 960	636 100
Due from credit institutions and the Treasury	508 257	11 359	13 367	102 511	635 494
Investment securities	-	278	158	-	436
Liquid assets	508 257	11 637	13 525	102 511	635 930

* Split of off-balance sheet items and contingent liabilities by type of financial instrument – outstanding financial guarantees, loan commitments and grant commitments as well as commitments to AIF "Altum capital fund", investments in associates and other investments, are presented in Note 20 and Note 21.

Contingent liabilities and financial commitments are funded from various funding sources available to the Company.

Outstanding financial guarantees in amount of EUR 293,050 thousand (up to 1 year) – from respective guarantee support programme funding (see Note 29) and Specific reserve capital (see Note 31). Track records of claimed guarantee compensations presents that the volume of guarantees claimed within such terms are considerably less than the amount of the commitment disclosed in the above maturity analyses.

Loan commitments in amount of EUR 106,012 thousand (up to 1 year) – from financial facilities (either received by the Company or available to the Company upon request) concluded with financial institutions and the Treasury (see Notes 25 and 26) and respective loan support programme funding (see Note 29).

Grant commitments in amount of EUR 1,592 thousand (up to 1 year) – from respective grant support programme funding (see Note 29).

Commitments to investments in associates in amount of EUR 25,045 thousand (up to 1 year) – from respective venture capital fund support programme funding (see Note 29).

Commitments to AIF "Altum capital fund" in amount of EUR 29,866 thousand (up to 1 year) – from specific reserve capital (see Note 31).

Commitments to other investments in amount of EUR 3,900 thousand (up to 1 year) – for Baltic Innovation Fund 2 from support programme funding and repayments on different support programmes (see Note 29) and the Company's own funding for Three Seas Initiatives Investment Fund.

As a consequence, the liquidity of the Company is not deteriorated.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets as at 31 December 2023, in thousands of euro:

	Up to 1 year *	1 to 5 years	5 to 10 years	10 to 15 years	Over 15 years and w/o maturity	Total
Due to credit institutions	17 157	15 919	-	-	-	33 076
Due to general governments	17 918	74 553	64 567	40 688	52 807	250 533
Issued debt securities	20 550	65 304	-	-	-	85 854
Support programme funding **	77 796	37 343	100 712	122 544	242 246	580 641
Other liabilities	3 645	720	-	-	-	4 365
Total financial liabilities	137 066	193 839	165 279	163 232	295 053	954 469
Off-balance sheet items and contingent liabilities	416 889	89 329	148 484	-	-	654 702
Total financial liabilities, off-balance items and contingent liabilities ***	553 955	283 168	313 763	163 232	295 053	1 609 171
Due from credit institutions and the Treasury	702 788	-	-	-	-	702 788
Investment securities	75	9 706	-	-	-	9 781
Liquid assets	702 863	9 706	-	-	-	712 569

* According to IAS 7 "Financial Instruments: Disclosures" requirements the major part of the guarantee portfolio issued by the Company has been classified within maturity "Up to 1 year". The exception is the housing guarantees for families with children and housing guarantees for young specialists – these guarantees with remaining contractual maturity exceeding 3 years, counting from the reporting date, are classified within maturity "1 to 5 years", because the compensation mechanism for housing guarantee for families with children and housing guarantee for young specialists stipulates that compensation for the declared guarantee cases is paid within 3 years from the date the guarantee case is declared. In turn, the housing guarantees for families with children and housing guarantees for young specialists with remaining contractual maturity shorter than 1 year, counting from the reporting date, are presented in accordance with the remaining contractual maturity.

Maturity profile of the Company's expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets "Up to 1 year" as at 31 December 2023 and supporting analysis is presented in table below.

** After expiring of the support programme its funding remains on the Company's balance sheet since any repayment from the existing support programme accumulates and are used to finance new support programmes.

*** Since part of off-balance sheet items and contingent liabilities is backed by funding recognized as financial liabilities, EUR 165,804 thousand are included in both the Company's financial liabilities and the Company's off-balance sheet items and contingent liabilities.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Maturity profile of expected undiscounted future cash flows of financial liabilities, off-balance liabilities and liquid assets "Up to 1 year" as at 31 December 2023, in thousands of euro:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total up to 1 year
Due to credit institutions	1	3 045	5 627	8 484	17 157
Due to general governments	4 585	354	3 638	9 341	17 918
Issued debt securities	-	-	498	20 052	20 550
Support programme funding	1 074	8 976	-	67 746	77 796
Other liabilities	3 604	32	-	9	3 645
Total financial liabilities	9 264	12 407	9 763	105 632	137 066
Off-balance sheet items and contingent liabilities *	385 161	11 361	8 540	10 252	415 314
Total financial liabilities, off-balance items and contingent liabilities	394 425	23 768	18 303	115 884	552 380
Due from credit institutions and the Treasury	565 798	34 835	11 250	90 905	702 788
Investment securities	38	37	-	-	75
Liquid assets	565 836	34 872	11 250	90 905	702 863

* Split of off-balance sheet items and contingent liabilities by type of financial instrument – outstanding financial guarantees, loan commitments and grant commitments as well as commitments to AIF "Altum capital fund", investments in associates and other investments, are presented in Note 25.

Contingent liabilities and financial commitments are funded from various funding sources available to the Company.

Outstanding financial guarantees in amount of EUR 293,471 thousand (up to 1 year) – from respective guarantee support programme funding (see Note 21) and Specific reserve capital (see Note 24). Track records of claimed guarantee compensations presents that the volume of guarantees claimed within such terms are considerably less than the amount of the commitment disclosed in the above maturity analyses.

Loan commitments in amount of EUR 88,846 thousand (up to 1 year) – from financial facilities (either received by the Company or available to the Company upon request) concluded with financial institutions and the Treasury (see Notes 19 and 20) and respective loan support programme funding (see Note 21).

Grant commitments in amount of EUR 1,575 thousand (up to 1 year) – from respective grant support programme funding (see Note 21).

Commitments to investments in associates in amount of EUR 25,662 thousand (up to 1 year) – from respective venture capital fund support programme funding (see Note 21).

Commitments to AIF "Altum capital fund" in amount of EUR 3,343 thousand (up to 1 year) – from specific reserve capital (see Note 24).

Commitments to other investments in amount of EUR 3,992 thousand (up to 1 year) – for Baltic Innovation Fund 2 from support programme funding and repayments on different support programmes (see Note 21) and the Company's own funding for Three Seas Initiatives Investment Fund.

As a consequence, the liquidity of the Company is not deteriorated.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Breakdown of assets and liabilities by maturity profile as at 31 March 2024 based on the time remaining from the reporting date to their contractual maturity, in thousands of euro:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Assets							
Due from credit institutions and the Treasury	508 257	11 359	13 367	102 511	-	-	635 494
Investment securities	-	278	158	-	56 044	10 211	66 691
Loans *	11 369	8 462	14 699	50 498	166 419	143 294	394 741
Grants	587	576	63 178	1 497	357	-	66 195
Deferred expense and accrued income	-	432	-	4 875	-	-	5 307
Other investments	-	-	-	-	-	25 848	25 848
Investments in associates	2 935	-	3 267	-	37 443	21 932	65 577
Investment property	-	-	-	-	-	75 062	75 062
Property, plant and equipment	-	-	-	-	-	4 440	4 440
Intangible assets	-	-	-	-	-	970	970
Other assets	998	4	6	9	2 399	15	3 431
Total assets	524 146	21 111	94 675	159 390	262 662	281 772	1 343 756
Liabilities							
Due to credit institutions	1 325	5 625	2 682	6 736	14 166	-	30 534
Due to general governments	-	1 794	3 852	5 712	50 495	118 450	180 303
Issued debt securities	-	-	-	65 199	19 980	-	85 179
Deferred income and accrued expense	-	281	-	672	-	-	953
Provisions	44 200	273	312	410	1 664	762	47 621
Support programme funding	1 074	5 730	-	66 724	36 650	483 460	593 638
Other liabilities	3 592	-	-	171	615	-	4 378
Total liabilities	50 191	13 703	6 846	145 624	123 570	602 672	942 606
Net liquidity	473 955	7 408	87 829	13 766	139 092	(320 900)	401 150

* With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the effective interest rate. Investments in securities reflect their contractual coupon amortisations.

3 Risk Management (cont'd)

(2) Liquidity Risk (cont'd)

Breakdown of assets and liabilities by maturity profile as at 31 December 2023 based on the time remaining from the reporting date to their contractual maturity, in thousands of euro:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Assets							
Due from credit institutions and the Treasury	565 798	34 835	11 250	90 905	-	-	702 788
Investment securities	38	37	-	-	9 706	-	9 781
Loans *	11 780	12 198	13 258	29 759	147 420	148 033	362 448
Grants	1 237	64 146	155	230	1 428	-	67 196
Deferred expense and accrued income	451	8	-	3 862	-	-	4 321
Other investments	-	-	-	-	-	25 398	25 398
Investments in associates	3 018	-	3 517	-	37 940	22 117	66 592
Investment property	-	-	-	-	-	68 246	68 246
Property, plant and equipment	-	-	-	-	-	4 377	4 377
Intangible assets	-	-	-	-	-	1 017	1 017
Other assets	1 219	79	111	17	2 481	15	3 922
Total assets	583 541	111 303	28 291	124 773	198 975	269 203	1 316 086
Liabilities							
Due to credit institutions	-	2 837	5 625	8 299	15 277	-	32 038
Due to general governments	2 730	354	1 773	5 625	49 552	114 622	174 656
Issued debt securities	-	-	498	20 052	64 983	-	85 533
Deferred income and accrued expense	63	951	126	688	-	-	1 828
Provisions	43 380	302	714	804	1 679	784	47 663
Support programme funding	1 074	8 976	-	67 746	37 213	465 640	580 649
Other liabilities	3 604	32	-	9	721	-	4 366
Total liabilities	50 851	13 452	8 736	103 223	169 425	581 046	926 733
Net liquidity	532 690	97 851	19 555	21 550	29 550	(311 843)	389 353

* With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the effective interest rate. Investments in securities reflect their contractual coupon amortisations.

3 Risk Management (cont'd)

(3) Russian military incursion into Ukraine and the impact of related sanctions

The ongoing war in Ukraine and the related sanctions against the Russian Federation and Belarus continue to affect the Company, which may result in adjustments to the carrying amounts of assets and liabilities. We describe below how we have assessed the direct and indirect impact of these events.

The Company does not issue loans directly to companies in Ukraine, the Russian Federation and Belarus. Contracts with business partners for the execution of settlements with clients, as well as for concluding financial transactions to ensure the Company's liquidity and asset and liability management, are concluded only with financial institutions registered in the Republic of Latvia.

The Company may be directly affected by the military invasion of Ukraine only for export credit guarantees issued in the Guarantee Portfolio to cover political and buyer risk losses in trade transactions where the counterparties of the Company's customers are residents of Ukraine. As at 31 March 2024, the Company's exposure where the customers' counterparties are located in Ukraine amounted to EUR 153 thousand. The Company has already stopped issuing new export guarantees to the Russian Federation and Belarus since 25 February 2022.

The Company has invested EUR 19.0 million in AIF Altum Capital Fund. In the context of the Russian Federation war in Ukraine, the Altum Capital Fund's investment portfolio is diversified both by sectors and by the regions where the portfolio companies generate revenues, which is seen as a loss mitigating factor. The impact of the Russian Federation war in Ukraine on each of the six portfolio companies is therefore different.

The companies most affected by the direct and indirect consequences of the war and the related sanctions took timely action to stop cooperating with the aggressor countries and the volume lost in Russia has now largely been replaced by new markets, but financial results have not fully returned to prewar levels. Overall, the impact of the war on the value of the Fund's portfolio at the end of the reporting period is assessed to have been insignificant. The cumulative direct impact of the war of the Russian Federation in Ukraine as at 31 March 2024 was EUR 42.7 thousand. EUR (Company's share).

3 Risk Management (cont'd)

(3) Russian military incursion into Ukraine and the impact of related sanctions (cont'd)

To assess the indirect impact of the invasion of Ukraine by the Russian Federation, the Company analyses and, in case of significant changes, revises the forward-looking macroeconomic forecasts used to calculate expected losses on a quarterly basis, setting out three economic scenarios, including a downside scenario and an upside scenario:

- baseline scenario, which forecasts the most likely future economic development, taking into account the impact of the Russian Federation invasion of Ukraine, high inflation, rising interest rates, as well as the impact on Latvia's economic growth rates of sanctions imposed against Russian Federation and Belarus;
- the downside scenario, which envisages a less likely but potentially negative change, reflecting a larger and more persistent impact of the geopolitical crisis and sanctions, a slower inflation retreat compared to the baseline scenario;
- the optimistic scenario, which foresees a less likely but possibly more favourable change compared to the baseline scenario.

The Latvian economy is expected to remain stagnant until mid-2024, due to prolonged high inflation, weak external demand and high interest rates. A recovery in growth rates, together with a slowdown in price growth and projected interest rate reductions, as well as EU fund inflows, is expected in the second half of 2024. However, it should be noted that there is still considerable uncertainty and risks related to the further development and consequences of the geopolitical situation, fluctuations in energy prices and their limited availability, as well as central banks' decisions to start reducing interest rates, which will affect the future prospects for Latvian export markets and private investment.

Macroeconomic forecasts to 31 March 2024:

	2024	2025	2026
GDP annual growth rate, in %			
Base case scenario *	1.6	3.3	3.2
Adverse scenario	0.3	1.8	2.9
Optimistic scenario	2.8	4.5	3.4
Weighted average **	1.5	3.1	3.1

* The baseline scenario combines two external scenarios:

(i) Ministry of Finance's macroeconomic scenario (published on 15 February 2024), which forecasts slow GDP growth of 1.4% in Latvia in 2024 (the December 2023 forecast was 2.5%). Economic growth is forecast to accelerate to 2.9% (December: 2.9%) from 2025 and to remain at 2.5% in 2026 (December: 2.9%).

(ii) The Bank of Latvia's macroeconomic scenario (published on 27 March 2024), which forecasts weak growth of 1.8% in 2024 (December 2023 forecast: 2.0%), with growth remaining at 3.6% and 3.8% in 2025 and 2026 (December: 3.6% and 3.8%). For each of the external scenarios - the Ministry of Finance and the Bank of Latvia - a 50% probability of the scenario occurring was applied.

** A weight of 70% was applied to the baseline scenario, 20% to the negative scenario and 10% to the optimistic scenario.

Macroeconomic forecasts to 31 December 2023:

	2024	2025	2026
GDP annual growth rate, in %			
Base case scenario *	2.3	3.3	3.4
Adverse scenario	0.3	1.8	2.9
Optimistic scenario	4.0	4.5	3.8
Weighted average *	2.0	3.1	3.1

* A weight of 70% was applied to the baseline scenario, 20% to the adverse scenario and 10% to the optimistic scenario.

3 Risk Management (cont'd)

(3) Russian military incursion into Ukraine and the impact of related sanctions (cont'd)

As the average changes in the macroeconomic scenarios over the next three years are insignificant, the provision for expected credit losses on loans and guarantees in Q1 2024 was calculated using the scenarios revised in Q4 2023, resulting in no impact on the provision from changes in the macroeconomic scenarios.

In order to better assess the direct and indirect impact of the geopolitical situation as well as to identify potential distressed clients and provide a roadmap for further action and appropriate risk mitigation techniques, the Company closely monitors and analyses key loan and credit guarantee exposures on a quarterly basis. An assessment is made of whether the increase in energy prices and the sanctions imposed against the Russian Federation and Belarus have had, or are likely to have, a significant direct or indirect impact on client's ability to pay.

In addition to the above, the decision-making procedure and the internal information accounting system were improved during the 2022 to ensure the identification and assessment of these impacts on the loan portfolio at the transaction level.

The Company has carried out an assessment to determine how the loan and guarantee portfolio has been or could be affected directly and indirectly by the high level of energy prices and the sanctions imposed against the Russian Federation and Belarus. For the loan portfolio, the assessment was carried out on a sectoral basis, based on individual customer assessment data. For the assessment of the impact of energy prices, the sectors were divided into 3 groups (severely affected sectors, moderately affected sectors and less affected sectors), while for the assessment of the sanctions against the Russian Federation and Belarus they were divided into 2 groups (affected, not affected). For the guarantees portfolio, the potential impact was assessed based on the Company's expert assessment of energy-intensive sectors and sectors most affected by cost increases, as well as an assessment of the financial data of the largest customers in the portfolio of sectors. The potential impact of the sanctions imposed against the Russian Federation and the Republic of Belarus was assessed by taking into account the business specificities of the clients in the sector portfolio (including but not limited to analysis of raw material and product markets, supply chains, opportunities for reorientation, etc.). For the assessment of the guarantee portfolio, all sectors were divided into 3 groups: severely affected sectors, moderately affected sectors and less affected sectors. According to the assessment, as of 31 December 2024, a general provisioning reserve of EUR 1,955 thousand was established for loans, while for guarantees the impact is assessed as immaterial as no severely affected sectors were identified in the portfolio and no provisions are required. In Q1 2024, the general provisioning reserve for loans was reduced to EUR 1,603 thousand to compensate provisioning expenses for loans reclassified to Stage 2 or 3 (see Note 3 (1)).

The potential impact on the loan portfolio of rising interest rates due to a sharp increase in euribor rates includes the impact of changes in macroeconomic indicators, and changes in the payment schedules of financial instruments as interest rates rise are taken into account in the estimation of expected losses. For more significant exposures to loans and guarantees, the Company analyses on a quarterly basis its ability to meet its commitments as interest rates rise, in particular assessing those exposures where there are concerns about the ability to meet the obligations when due and in full, given the performance of the customers, as the burden of the obligations increases. In 2023, in view of the sharp increase in interest rates, the Company made an additional assessment of the impact of interest rate increases on the ability of customers to service their debts as costs increase and established a general overlay of EUR 2,063 thousand. The overlay was established for individually significant positions with low servicing ratios as well as for floating rate loans by calculating the expected increase in credit losses when euribor rates increase. In Q1 2024, the general provisioning reserve was reduced to EUR 1,840 thousand to compensate provisioning expenses for loans reclassified to Stage 2 or Stage 3 (see Note 3 (1)).

3 Risk Management (cont'd)

(3) Russian military incursion into Ukraine and the impact of related sanctions (cont'd)

In previous periods, household spending rose due to high inflation as well as high interest rates. As from the first quarter of this year, mortgage borrowers are supported by the compensation of calculated interest payments, and in view of the macroeconomic forecasts, including decrease in interest rates, no significant increase in defaults in the housing guarantee portfolio is expected.

Altum co-financed venture capital funds operate in accordance with the current sanctions framework and actively monitor changes in the relevant legislation. On a quarterly basis, Altum organises quarterly discussions with fund managers and carries out an assessment of the investments of the venture capital funds, assessing all investments of the venture capital funds individually and taking into account the specific situation of each investment. Altum's assessment of the investments of the VCFs is based on Altum's conservative approach. Altum takes into account future prospects when valuing investments and the fair value of companies is adjusted in a timely manner. The fair value of the portfolio of venture capital funds decreased by EUR 159 thousand in the 1st quarter 2024.

The discussions with fund managers and the reassessment of the value of investments in Altum's portfolio companies in the first quarter of 2024 did not re-identify companies exposed to the impact of the war. The fair value of companies that have been able to adapt successfully to market changes is starting to grow again. However, for some companies that have been affected for a longer period of time, the decrease in fair value is higher than initially estimated.

The cumulative impact of the war of the Russian Federation in Ukraine as of 31 March 2024 was EUR 6.0 million (31 December 2023: EUR 6.5 million), of which the direct impact was EUR 1.8 million (31 December 2023: EUR 1.7 million) and the indirect impact EUR 4.2 million (31 December 2023: EUR 4.8 million).

4 Interest income at effective interest rate

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Interest income at effective interest rate on loans *	6 299	4 858
Interest income on deposits	1 299	158
Total interest income	7 598	5 016

* Item *Interest income at effective interest rate on loans* includes path-through arrangement for the agent programmes, which amounted to EUR 1,103 thousand in 3 months 2024 (EUR 481 thousand in 3 months 2023).

Includes interest income on loans compensated by the Ministry of Agriculture, in accordance with Paragraph 22 of the Regulation of the Cabinet of Ministers of the Republic of Latvia No.295 of 22 May 2018 "Procedures for Granting State Aid for Purchase of Agricultural Land for Production of Agricultural Products", interest rate difference compensated by the Ministry of Agriculture in 3 months of 2024 amounted to EUR 53 thousand (EUR 37 thousand in 3 months 2023).

5 Other interest and similar income

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Interest on loans *	500	457
Interest on guarantees **	761	1 052
Income from investment securities revalued in other comprehensive income	125	36
Income from securities issued	13	12
Total interest income	1 399	1 557

* Item *Interest income on loans* includes path-through arrangement for the agent programmes, which amounted to EUR 122 thousand in 3 months 2024 (EUR 93 thousand in 3 months 2023).

** Item *Income on guarantees* includes path-through arrangement for the agent programmes, which amounted to EUR 224 thousand in 3 months 2024 (EUR 296 thousand in 3 months 2023).

6 Interest expense

All amounts in thousands of euro

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Interest expense on liabilities to General Governments	1 890	1 089
Interest on balances due to credit institutions	153	47
Interest on issued debt securities	238	231
Allocation of state support programmes profit to support programme funding *	197	78
Path-through arrangement - agent interest	1 449	870
Other commission expense	1	1
Total interest expense	3 928	2 316

* For state support programmes according to respective agreements concluded with the Ministry of Economics the net profit of the programme should be split between the Company and the Ministry of Economics by increasing public funding given by the Ministry of Economics (recognised as Support programme funding in the Balance sheet).

7 Income for implementation of state support programmes

All amounts in thousands of euro

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Compensated staff costs	1 074	1 761
Compensated administrative expense	165	445
Compensated venture capital fund management fees	117	138
Total income from implementation of state support programmes	1 356	2 344

8 Expenses to be compensated for implementation of state support programmes

All amounts in thousands of euro

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Compensated staff costs	837	454
Compensated administrative expense	237	89
Compensated venture capital fund management fees	165	445
Total compensated expense for implementation of state support programmes	1 239	988

9 Gains/(losses) on transactions in securities and foreign currencies

All amounts in thousands of euro

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Gains/(losses) on revaluation of securities	1	(1)
Gains/(losses) on revaluation of foreign currencies	1	(1)
Total gains/(losses) on transactions in securities and foreign currencies	2	(2)

10 Share of gain / loss of investment in associate and other investments

All amounts in thousands of euro

	Investments in venture capital funds		Investments in AIF "Altum capital fund"		Investments in Three Seas Initiatives Investment Fund		Total	
	31.03.2024	31.12.2023.	31.03.2024	31.12.2023.	31.03.2024	31.12.2023.	31.03.2024	31.12.2023.
Share of net gain / (loss) of investment in associate	(708)	247	185	7	-	-	(523)	254
Net income / (expense), excluding revaluation gain / (loss)	258	-	-	-	-	-	258	-
Share of net gain / (loss) of investment in associate and other investments	(450)	247	185	7	-	-	(265)	254

11 Gain/(loss) less losses from liabilities at fair value through profit or loss

All amounts in thousands of euro

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Revaluation (loss) on investments in 2nd and 3rd generation venture capital funds, net	(195)	-
Realised gain on investments in 2nd and 3rd generation venture capital funds, net	12	-
Mezzanine interest received from investments in 2nd and 3rd generation venture capital funds	13	31
Revaluation (loss) on investments in 4th generation venture capital funds, net	(513)	-
Mezzanine interest received from investments in 4th generation venture capital funds	233	215
Total gain/(loss) less losses from liabilities at fair value through profit or loss	(450)	246

12 Other income

All amounts in thousands of euro

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Income from lease payments for land operating leases	578	550
Income from payments for financial leases	-	97
Profit from investment property revaluation	12	-
Profit from sale of investment property	46	22
Profit from sale of repossessed collateral	1	17
Other commission income	1	6
Income from management of the AIF "Altum capital fund"	51	51
Other operating income	1	1
Total other income	690	744

13 Other expense

All amounts in thousands of euro

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Maintenance and service costs of Land Fund	113	98
Debt collection costs	21	14
Depreciation of right-of-use assets	45	43
Commission expense on investments in securities	20	22
AIF "Altum capital fund" management costs	67	51
Other commission expense	2	1
Total other expense	268	229

14 Impairment losses, net

All amounts in thousands of euro

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Impairment losses on:	1 005	2 019
Loans, net	745	1 492
impairment losses	1 514	1 457
impairment losses covered by Portfolio Loss Reserve	143	933
impairment losses covered by Risk Coverage Reserve	(842)	(898)
a reduction in the provision for revenue recognised over 90 days	(70)	
Guarantees, net	251	475
impairment losses	2 196	2 643
impairment losses covered by Portfolio Loss Reserve	171	427
impairment losses covered by Risk Coverage Reserve	(2 116)	(2 595)
Loan commitments, net	9	52
impairment losses	147	138
impairment losses covered by Portfolio Loss Reserve	-	34
impairment losses covered by Risk Coverage Reserve	(138)	(120)
Reversal of impairment on:	(2 832)	(1 906)
Loans, net	(2 162)	(1 099)
reversal of impairment	(2 226)	(856)
reversal of impairment covered by Portfolio Loss Reserve	(456)	(782)
reversal of impairment covered by Risk Coverage Reserve	520	539
Disbursed guarantee compensations	(150)	(13)
reversal of impairment	(1)	(49)
reversal of impairment covered by Portfolio Loss Reserve	(150)	-
reversal of impairment covered by Risk Coverage Reserve	1	36
Guarantees, net	(505)	(741)
reversal of impairment	(1 723)	(2 613)
reversal of impairment covered by Portfolio Loss Reserve	(351)	(601)
reversal of impairment covered by Risk Coverage Reserve	1 569	2 473
Loan commitments, net	(15)	(53)
reversal of impairment	(107)	(149)
reversal of impairment covered by Portfolio Loss Reserve	(1)	(31)
reversal of impairment covered by Risk Coverage Reserve	93	127
Total impairment losses / (reversal), net	(1 827)	113
Recovery of loans written off in previous periods	(195)	(153)
Total impairment losses and (income) from recovery of loans written-off	(2 022)	(40)

15 Due from credit institutions and the Treasury

All amounts in thousands of euro

	31.03.2024.	31.12.2023.
Due from credit institutions and State Treasury	635 592	702 886
<i>cash and cash equivalent</i>	508 356	565 896
<i>term deposits</i>	125 000	135 000
Impairment allowances	(98)	(98)
Net due from credit institutions and State Treasury	635 494	702 788

The increase in the Company's Due from credit institutions and the Treasury is due to the placement of funds in Latvian government securities.

Breakdown of due from credit institutions and the Treasury by credit rating categories based on Moody's ratings or their equivalent, in thousands of euro:

Ratings	Aaa	Aa1-Aa3	A1-A3	Baa1-Baa3	Ba1-Ba3	B1-B3	Caa-C	Withdrawn rating (WR)	Total
Due from credit institutions registered in the Republic of Latvia and the Treasury	-	33 706	654 307	14 775	-	-	-	-	702 788
Total gross as at 31 December 2023	-	33 706	654 307	14 775	-	-	-	-	702 788
Due from credit institutions registered in the Republic of Latvia and the Treasury	-	16 991	603 974	14 529	-	-	-	-	635 494
Total gross as at 31 March 2024	-	16 991	603 974	14 529	-	-	-	-	635 494

As at 31 March 2024, the Company held accounts with 5 banks and the Treasury of the Republic of Latvia. The average interest rate on balances of position *Due from credit institutions and the Treasury* as at 31 March 2024 was 4.03% (31 December 2023: 3.83%).

16 Investment securities

All amounts in thousands of euro:

	31.03.2024.	31.12.2023
<i>Investment securities valued at amortised cost</i>		
OECD corporate bonds	3 872	3 788
Total investment securities valued at amortised cost	3 872	3 788
Impairment allowances	(3 833)	(3 750)
Net investment securities valued at amortised cost	39	38
<i>Investment securities valued at fair value through other comprehensive income</i>		
Latvian Treasury bills and government bonds	66 652	9 743
Total investment securities valued at fair value through other comprehensive income	66 652	9 743
Total gross investment securities	70 524	13 531
Total net investment securities	66 691	9 781

17 Loans

The loans granted constitute the Company's balances due from residents of Latvia.

(1) Loans by the borrower profile, in thousands of euro:

	31.03.2024.	31.12.2023.
SME and Midcaps	130 881	132 379
Agriculture	185 891	167 620
Private individuals	45 505	46 126
Financial Intermediaries	30	33
Land Fund	35 022	28 692
Total gross loans	397 329	374 850
Impairment allowances	(24 521)	(25 490)
Total net loans	372 808	349 360

(2) Breakdown of loans by industries, in thousands of euro:

	31.03.2024.	31.12.2023.
Agriculture and forestry	214 165	189 424
Manufacturing	50 019	51 330
Electricity, gas and water utilities	28 266	27 646
Retail and wholesale	12 440	12 368
Health and social care	8 932	9 168
Construction	6 369	6 750
Real estate	6 047	5 838
Professional, science and technical services	5 792	5 832
Hotels and restaurants	4 478	4 555
Transport, warehousing and communications	4 434	4 364
Municipal authorities	2 549	3 134
Fishing	1 674	1 675
Information technologies and communication	781	810
Other industries	5 879	5 831
Private individuals	45 504	46 125
Total gross loans	397 329	374 850
Impairment allowances	(24 521)	(25 490)
Total net loans	372 808	349 360

(3) Analysis of the loan amount, equalling to or exceeding EUR 1,000 thousand, issued to one customer:

	31.03.2024.	31.12.2023.
Number of customers	51	49
Total credit exposure of customers (EUR '000)	85 888	81 703
Percentage of total gross portfolio of loans	21.6%	21.8%

17 Loans (cont'd)

(4) Analysis of loan portfolio by client segments as at 31 March 2024, in thousands of euro:

	Stage 1		Stage 2		Stage 3		POCI		Total gross loans	Total impairment allowance
	Gross loans	Impairment allowance	Gross loans	Impairment allowance	Gross loans	Impairment allowance	Gross loans	Impairment allowance		
Financial Intermediaries	30	-	-	-	-	-	-	-	30	-
Agriculture	164 941	(504)	14 992	(243)	5 958	(1 493)	-	-	185 891	(2 240)
SME and Midcaps	83 462	(2 254)	24 198	(2 943)	23 156	(9 038)	65	(65)	130 881	(14 300)
Private individuals	39 923	(213)	4 655	(219)	927	(225)	-	-	45 505	(657)
Land Fund	34 719	(3)	89	-	214	(1)	-	-	35 022	(4)
Total segments, gross	323 075	(2 974)	43 934	(3 405)	30 255	(10 757)	65	(65)	397 329	(17 201)
Impairment overlay	-	(1 603)	-	(1 840)	-	-	-	-	-	(3 443)
Additional provision for increased interest rates	-	(3 877)	-	-	-	-	-	-	-	(3 877)
Total segments, net	323 075	(8 454)	43 934	(5 245)	30 255	(10 757)	65	(65)	397 329	(24 521)

(5) Movement in impairment allowances, in thousands of euro:

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Impairment allowances at the beginning of the period	25 490	21 074
Increase in impairment allowances (Note 14: the sum of impairment losses and impairment losses covered by Portfolio Loss Reserve)	1 587	2 390
Decrease in impairment allowances (Note 14: the sum of reversal of impairment and reversal impairment losses covered by Portfolio Loss Reserve)	(2 682)	(1 638)
Loan interest overdue for more than 90 days	70	28
Increase of impairment allowances due to changes in off-balance sheet and balance sheet	56	341
Impairment allowances at the end of the period ended 31 March	24 521	22 195
Company's share of impairment allowances	14 693	10 716
Impairment allowances covered by Portfolio Loss Reserve	3 290	6 450
Impairment allowances covered by Risk Coverage Reserve	6 538	5 029
Impairment allowances at the beginning of the period		22 195
Increase in impairment allowances (Note 13: the sum of impairment losses and impairment losses covered by Portfolio Loss Reserve)		12 766
Decrease in impairment allowances (Note 13: the sum of reversal of impairment and reversal impairment losses covered by Portfolio Loss Reserve)		(6 084)
Write-off of loans covered by Portfolio Loss Reserve		(2 305)
Write-off of loans covered by Risk Coverage Reserve		(396)
Write-off of loans Company's share of impairment allowances		(1 455)
Loan interest overdue for more than 90 days		171
Increase of impairment allowances due to changes in off-balance sheet and balance sheet		598
Impairment allowances at the end of the period ended 31 December (audited)		25 490
Company's share of impairment allowances		15 719
Impairment allowances covered by Portfolio Loss Reserve		3 582
Impairment allowances covered by Risk Coverage Reserve		6 189

As at 31 March 2024 the average annual interest rate for the loan portfolio of the Company was 6.22% (31 December 2023: 6.40%).

18 Loans with capital discount

All amounts in thousands of euro

	The component of the loan		The planned capital rebate		Total	
	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.
Investment loans with capital rebate	-	-	10 562	6 773	10 562	6 773
RRF energy efficiency loans	1 113	827	3 932	2 289	5 045	3 116
RRF digitization loans	231	155	5 443	2 455	5 674	2 610
RRF Energy Efficiency Programme for Multi-apartment Buildings loans	12	-	51	-	63	-
Loans with capital rebate, gross	1 356	982	19 988	11 517	21 344	12 499
Fair value correction	2 314	2 314	(1 725)	(1 725)	589	589
Loans with capital rebate, net	3 670	3 296	18 263	9 792	21 933	13 088

19 Grants

All amounts in thousands of euro

	31.03.2024.	31.12.2023.
Energy Efficiency Programme for Multi-apartment Buildings	64 198	65 060
Housing grant programme "Balsts"	1 574	1 438
Grants for development of energy efficiency projects	319	692
Social Entrepreneurship Programme	511	511
Grants for energy efficiency improvement of family buildings	529	431
Total grants, gross	67 131	68 132
Impairment allowances	(936)	(936)
Total grants, net	66 195	67 196

Movement in net book value of grants in 3 months of 2024, in thousands of euro:

	31.03.2024.	31.12.2023.
Carrying amount		
Carrying amount at the beginning of period	68 132	58 716
Grants paid to clients	888	17 969
Repayment of approved grants from the funding	(1 889)	(10 229)
Carrying amount at the end of period	67 131	66 456
Impairment allowances		
At the beginning of period	(936)	(436)
Carrying amount at the end of period	(936)	(436)
Grants net book at the beginning of the period	67 696	58 280
Grants net book value at the end of the period ended 31 March	66 195	66 020
Grants paid to clients		29 963
Repayment of approved grants from the funding		(28 287)
Carrying amount at the end of period		68 132
(Increase) of provisions		(261)
(Increase) of impairment allowances due to changes in off-balance sheet and balance sheet		(239)
Carrying amount at the end of period		(936)
Grants net book at the beginning of the period		66 020
Grants net book value at the end of the period		67 196

20 Other Investments

Total cost of other investments on 31 March 2024 was EUR 24,216 thousand (31 December 2023: EUR 23,766 thousand). The initial cost of the investment of the Three Seas Initiative Investment Fund also includes the management fees. Baltic Innovation Fund 2 management fee, which is later recognized as an expense, and thus is not included in the investment's book value at the end of the reporting period.

All amounts in thousands of euro

	Investments in Baltic Innovation Fund 2		Three Seas Initiatives Investment Fund		Total	
	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.
Carrying amount at the beginning of period	7 739	4 478	17 659	11 263	25 398	15 741
Invested	450	-	-	-	450	-
Refunded	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Net carrying amount at the period ended at 31 March	8 189	4 478	17 659	11 263	25 848	15 741
Invested		3 428		5 086		8 514
Refunded		(167)		-		(167)
Revaluation		-		1 310		1 310
Net carrying amount at the period		7 739		17 659		25 398

Baltic Innovation Fund 2 (BIF 2) is a EUR 156 million Fund-of-Funds initiative launched by the European Investment Fund (EIF) in co-operation with the Baltic national promotional institutions – KredEx (Estonia), Altum (Latvia) and Invega (Lithuania). BIF 2 continues to sustain investments into private equity and venture capital funds focused on the Baltic States to boost equity investments into SMEs with high growth potential. The Company signed agreement on BIF 2 on 16 August 2019. The total capital committed by the Company to the BIF2 is EUR 26.5 million thus arriving at the ownership rate 16.99% of the total committed capital of the BIF 2 (EUR 156 million).

The Three Seas Initiative Investment Fund is a new financial instrument for financing and developing infrastructure projects in 12 countries, including Latvia, aimed at reducing infrastructure development gaps between different European regions. The Three Seas Initiative Investment Fund is a new financial instrument to support transport, energy and digitalization infrastructure projects in Central and Eastern Europe. The Company signed the subscription agreement on 16 September 2020. The total capital committed by the Company to the Three Seas Initiative Investment Fund is EUR 20 million thus arriving at the ownership rate of 2.15% on 31 March 2024 (31 December 2023: 2.15%) of the total committed capital the Three Seas Initiative Investment Fund (31 March 2024: EUR 928.1 million, 31 December 2023: EUR 928.1 million). The amount of capital investment paid by the Company to the Three Seas Initiative Investment Fund on 31 March 2024 was EUR 16.03 million (31 December 2023: EUR 16.03 million).

21 Investments in VCF

(1) Investments in associates based on information provided by venture capital fund managers, in thousands of euro:

Company or venture capital fund generation	Country of incorporation	Net asset value, VCF		Net asset value, Altum	
		31.03.2024.	31.12.2023	31.03.2024.	31.12.2023
The 2nd generation VCFs	LV	8 873	9 328	6 202	6 534
The 3rd generation VCFs	LV	5 099	5 023	3 741	3 668
The 4th generation VCFs	LV	35 577	35 230	24 805	24 562
AIF "Altum capital fund"	LV	32 547	33 381	15 919	16 327
Baltic Innovation Fund	LU	97 104	92 147	14 910	15 501
Total investments in associates		179 200	175 109	65 577	66 592

(2) Movement in investments in associates, in thousands of euro:

	Investments in venture capital funds		Investments in AIF "Altum capital fund"		Investments in Baltic Innovation Fund		Total	
	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.
Carrying amount at the beginning of period	34 764	33 525	16 327	16 888	15 501	14 232	66 592	64 645
Invested	756	3 660	712	59	360	-	1 828	3 719
Refunded	(64)	(27)	(1 305)	(246)	(951)	-	(2 320)	(273)
Revaluation	(708)	-	185	7	-	-	(523)	7
Net carrying amount at the period ended at 31 March	34 748	37 158	15 919	16 708	14 910	14 232	65 577	68 098
Invested		4 725		572		1 381		6 678
Refunded		(7 265)		(1 359)		(423)		(9 047)
Revaluation		146		406		311		863
Net carrying amount at the end of the period		34 764		16 327		15 501		66 592

As at 31 March 2024 the total venture capital fund's portfolio value at cost value was EUR 73,186 thousand (31 December 2023: EUR 73,690 thousand).

(3) Venture capital funds management fees in the 3 months of 2024, expenses included:

- Management fees for the 4th generation venture capital funds amounted to EUR 165 thousand (3 months of 2023: EUR 445 thousand) which were 100% compensated by public funding (see Note 29 (2));
- Management fees for the AIF "Altum capital fund" amounted to EUR 28 thousand (3 months of 2023: EUR 59 thousand).

22 Investment Properties

All amounts in thousands of euro

	31.03.2024.	31.12.2023.
Carrying amount at the beginning of period	68 246	53 453
Acquired during the reporting period *	8 444	8 879
Recognized on termination of reverse rent	104	-
Sold during the reporting period	(1 744)	(202)
Revaluation gains	12	6 487
Revaluation losses	-	(371)
Carrying amount at the end of the period	75 062	68 246

* All acquisitions of investment properties made were related to the activities of the Land Fund programme.

The Land Fund was established on 1 July 2015. According to the Cabinet of Ministers decree dated March 11, 2015, the Company is the manager of the Land Fund. The Law "On Land Privatisation in Rural Areas" stipulated establishment of the Land Fund. The Land Fund of Latvia is one of the tools used to ensure that agricultural land is preserved and used for agricultural purposes.

Real estate (including investment property) owned by Altum is revalued annually in accordance with accounting requirements.

The revaluation of Altum's real estate in 2023 was carried out by certified real estate appraisers on the basis of an outsourcing contract resulting from a procurement.

23 Other Assets

All amounts in thousands of euro

	31.03.2024.	31.12.2023.
Other financial assets	4 565	5 085
Total other assets, gross	4 565	5 085
Impairment allowances for financial assets	(1 134)	(1 163)
<i>Company's share of provisions</i>	<i>(319)</i>	<i>(319)</i>
<i>Impairment allowances covered by Portfolio Loss Reserve</i>	<i>(41)</i>	<i>(191)</i>
<i>Provisions covered by risk coverage</i>	<i>(774)</i>	<i>(653)</i>
Total other financial assets, net	3 431	3 922

Movement in the net book value of other financial assets in 3 months of 2024, in thousands of euro:

	Disbursed guarantee compensations	Financial assets related to loan agreements	Other financial assets	Total
Financial assets				
At the beginning of period	1 023	190	3 872	5 085
Increase (decrease)	(29)	20	(511)	(520)
As at 31 March	994	210	3 361	4 565
Impairment provision				
At the beginning of period	(1 023)	(116)	(24)	(1 163)
Increase (decrease)	29	-	-	29
As at 31 March	(994)	(116)	(24)	(1 134)
Net book value at the beginning of period	-	74	3 848	3 922
Net book value as the end of period	-	94	3 337	3 431

Movement in the net book value of other financial assets in 2023, in thousands of euro:

	Disbursed guarantee compensations	Financial assets related to loan agreements	Other financial assets	Total
Financial assets				
At the beginning of period	1 869	248	1 414	3 531
Increase (decrease)	(846)	(58)	2 458	1 554
As at 31 December	1 023	190	3 872	5 085
Impairment provision				
At the beginning of period	1 869	(151)	(9)	1 709
Increase (decrease)	(2 892)	35	(15)	(2 872)
As at 31 December	(1 023)	(116)	(24)	(1 163)
Net book value at the beginning of period	-	97	1 405	1 502
Net book value as at 31 December	-	74	3 848	3 922

24 Accrued Income

All amounts in thousands of euro

	31.03.2024.	31.12.2023.
Compensation for management expenses of state support programs	4 146	3 222
Other accrued income	757	640
Total accrued income	4 903	3 862

25 Due to Credit Institutions

All amounts in thousands of euro

	31.03.2024.	31.12.2023.
Due to credit institutions registered in OECD countries	30 534	32 038
Total due to credit institutions	30 534	32 038

Balances due to credit institutions registered in the OECD countries include loan received by the Company from the European Investment Bank (EIB) of EUR 30,536 thousand (31 December 2023: EUR 32,038 thousand), of which EUR 223 thousand constitutes accrued interest expenses (31 December 2023: EUR 164 thousand).

On October 2, 2009, an agreement was signed with the EIB for a loan of EUR 100,000 thousand to finance projects under the SMEs Growth Loan Programme. As at 31 March 2024 the principal amount of the loan EUR 1,563 thousand (31 December 2023: EUR 3,125 thousand), the accrued interest on the loan amounts to EUR 9 thousand (31 December 2023: EUR 58 thousand), the final repayment date 20 August 2024. The Ministry of Finance of the Republic of Latvia has issued a guarantee for the loan, as a collateral serves the commercial pledge to the right of the Company's claims. As at 31 March 2024, the amount of the secured claim was EUR 1,572 thousand (31 December 2023: EUR 3,182 thousand).

On July 8, 2020, the Company signed an agreement with the EIB for a loan of EUR 80,000 thousand to finance working capital and investment loans to small and medium-sized enterprises, including those affected by the Covid-19 pandemic. As at 31 March 2024 the principal amount of the loan was EUR 28,750 thousand (31 December 2023: EUR 28,750 thousand), the final repayment date 3 April 2028. On 10 December 2021, the Company signed an agreement with the EIB for an additional loan of EUR 40,000 thousand to finance working capital and investment loans to small and medium-sized enterprises, the final availability date of which is 10 December 2024 and which had not been started until 31 March 2024. The volume and pace of drawdown under this agreement is subordinated to the further volume of new lending transactions. Both loans are unsecured.

The average interest rate for the balances Due to credit institutions as of 31 March 2024 was 1.57% (31 December 2023: 1.82%).

26 Due to General Governments

All amounts in thousands of euro

	31.03.2024.	31.12.2023.
Loans received from Rural Support Service	3 310	3 311
Loans received from the Treasury	176 993	171 345
Total due to general governments	180 303	174 656

Item *Loans from Rural Support Service* includes the financing to the Loan Fund, which was established in 2010 for the purpose to issue the loans to the agricultural and fisheries beneficiaries via financial intermediaries. As of 31 March 2024, the Company liabilities to Rural Support Service consist of the principal amount of EUR 3,072 thousand (31 December 2023: EUR 3,072 thousand) and accrued interest – EUR 238 thousand (31 December 2023: EUR 240 thousand). The final repayment date is 31 December 2025. The loan from Rural Support Service is unsecured.

Item *Loans received from the Treasury* includes the loans received by the Company for the implementation the following loan programmes:

- Loan programme for acquisition of agricultural land: as of 31 March 2024, the principal amount of the loan EUR 95,852 thousand (31 December 2023: EUR 87,636 thousand), the final repayment date 20 January 2058. As a collateral serves the commercial pledge to the right of the Company's claims resulting from loans granted by the Company under the programme. As of 31 March 2024, according to the loan agreement the Company is available the financing in the amount of EUR 4,148 thousand, the size and pace of its drawdown relates to the further volume of new loan transactions. As of 31 March 2024, the amount of the secured claim was EUR 115,035 thousand (31 December 2023: EUR 105,175 thousand).

26 Due to General Governments (cont'd)

- Loan programme for SME development: as of 31 March 2024, the principal amount of the loan EUR 62,575 thousand (31 December 2023: EUR 64,617 thousand), the final repayment date 20 December 2043. As a collateral serves the commercial pledge to the right of the Company's claims resulting from loans granted by the Company under the programme. As of 31 March 2024, according to the loan agreement the Company still is available the financing in the amount of EUR 47,425 thousand, the size and pace of its drawdown relates to the further volume of new loan transactions. As of 31 March 2024, the amount of the secured claim was EUR 75,097 thousand (31 December 2023: EUR 77,547 thousand).
- Parallel loan programme: as of 31 March 2024, the principal amount of the loan EUR 4,600 thousand (31 December 2023: EUR 4,600 thousand), the final repayment date 20 January 2039. As a collateral serves the commercial pledge to the right of the Company's claims resulting from loans granted by the Company under the programme. As of 31 March 2024, according to the loan agreement the Company still is available the financing in the amount of EUR 15,400 thousand, the size and pace of its drawdown relates to the further volume of new loan transactions. As of 31 March 2024, the amount of the secured claim was EUR 5,524 thousand (31 December 2023: EUR 5,524 thousand).
- Micro Loans Programme for Rural Areas: as of 31 March 2024, the principal amount of the loan EUR 1,560 thousand (31 December 2023: EUR 1,733 thousand), the final repayment date 31 January 2039. As a collateral serves the commercial pledge to the right of the Company's claims resulting from loans granted by the Company under the programme. As of 31 March 2024, according to the loan agreement the Company still is available the financing in the amount of EUR 4,440 thousand, the size and pace of the drawdown the loan relates to the further volume of new loan transactions. As of 31 March 2024, the amount of the secured claim was EUR 1,872 thousand (31 December 2023: EUR 2,080 thousand).
- Latvian Land Fund (the financing for the Fund's transactions): the loan amount has been used in 2020 and as of 31 March 2024 the principal amount of the loan EUR 6,731 thousand (31 December 2023: EUR 7,085 thousand), the final repayment date 29 December 2028. As a collateral serves the mortgage on the real estate purchased with the financing received under the loan. As of 31 March 2024, the amount of registered mortgage was EUR 9,261 thousand (31 December 2023: EUR 9,261 thousand).
- Loan programme for reconstruction works of multi-apartment buildings and improvement of their territories: as of 31 March 2024, the principal amount of the loan EUR 5,654 thousand (31 December 2023: EUR 5,654 thousand), the final repayment date 20 January 2044. As a collateral serves the commercial pledge to the right of the Company's claims resulting from loans granted by the Company under the programme. As of 31 March 2024, according to the loan agreement the Company still is available the financing in the amount of EUR 24,346 thousand, the size and pace of the drawdown the loan relates to the further volume of new loan transactions. As of 31 March 2024, the amount of the secured claim was EUR 6,786 thousand (31 December 2023: EUR 6,786 thousand).

As of 31 March 2024, the accrued interest on the loans received from the Treasury amounts to EUR 20 thousand (31 December 2023: EUR 20 thousand).

The Company has also concluded the following loan agreements with the Treasury, the absorption of which has not been started until 31 March 2024:

- Micro Loans and Star-up Loans programme: the amount of the loan agreement EUR 23,000 thousand, the final repayment date 20 January 2039, commercial pledge on the Company's claims for the loans under the programme. The size and pace of the drawdown the loan relates to the further volume of new loan transactions. The maximum amount of the secured claim is EUR 27,600 thousand.
- Working capital loan programme for farmers: the amount of the loan agreement EUR 25,612 thousand, the final repayment date 30 June 2031, commercial pledge on the Company's claims for the loans under the programme. The size and pace of the drawdown the loan relates to the further volume of new loan transactions. The maximum secured claim is EUR 30,734 thousand.

27 Liabilities from financial guarantees

Movement of Liabilities from financial guarantees, in thousands of euro:

	31.03.2024.	31.12.2023.
Provisions at the beginning of the period	47 319	45 852
Increase in provisions (Note 14: the sum of impairment losses and impairment losses covered by Portfolio Loss Reserve)	2 367	3 070
Decrease in provisions (Note 14: the sum of reversal of impairment and reversal impairment losses covered by Portfolio Loss Reserve)	(2 074)	(3 215)
Reclassification (Disbursed guarantee)	(122)	(2)
Fair value component - guarantee premiums	(195)	(109)
Provisions at the end of the period ended 31 March	47 295	45 596
Fair value component - guarantee premiums	3 564	3 925
Company's share of provisions	1 575	2 590
Provisions covered by Portfolio Loss Reserve	6 727	7 306
Provisions covered by Risk Coverage Reserve	35 429	31 775
Increase in provisions (Note 14: the sum of impairment losses and impairment losses covered by Portfolio Loss Reserve)		15 460
Decrease in provisions (Note 14: the sum of reversal of impairment and reversal impairment losses covered by Portfolio Loss Reserve)		(12 555)
Reclassification (Disbursed guarantee)		(1 016)
Fair value component - guarantee premiums		(166)
Provisions at the end of the period ended 31 December		47 319
Fair value component - guarantee premiums		3 759
Company's share of provisions		1 649
Provisions covered by Portfolio Loss Reserve		6 907
Provisions covered by Risk Coverage Reserve		35 004

28 Provisions for off-balance sheet liabilities

Provisions for impairment of off-balance sheet liabilities, in thousands of euro:

	31.03.2024.	31.12.2023.
Provisions for loan commitments	301	319
Company's share of provisions	27	43
Provisions covered by Portfolio Loss Reserve	8	29
Provisions covered by Risk Coverage Reserve	266	247
Provisions for grant commitments	25	25
Company's share of provisions	25	25
Total provisions	326	344
Company's share of provisions	52	68
Provisions covered by Portfolio Loss Reserve	8	29
Provisions covered by Risk Coverage Reserve	266	247

29 Support programme funding

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 31 March 2024, in thousands of euro:

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Fair Value Correction	Provisions covered by risk coverage	Net programme funding
Loans					
ERDF II	8 301	69	-	-	8 301
ESF II	860	-	-	-	860
Microcredits of Swiss programme (closed programme)	565	6	-	(2)	563
ERDF I	234	-	-	-	234
ESF I	236	-	-	-	236
ERDF II (second round)	2 252	24	-	(5)	2 247
Incubators (from ESF II)	82	-	-	-	82
ERDF II 2 Public fund	226	-	-	-	226
Fund of Funds programme – Start-up loans	2 632	891	(47)	(65)	2 520
Fund of Funds programme – Microcredits	291	14	(2)	(1)	288
Fund of Funds programme – Parallel loans	4 012	3 590	(116)	(848)	3 048
Energy Efficiency Loans for Multi-apartment Buildings (I)	15 950	-	(140)	(219)	15 591
Start-up State Aid Cumulation Lending Programme	1 840	1 840	(564)	(262)	1 014
Other loans to start-ups	1 764	19	-	(1)	1 763
Mezzanine Programme – Loans	3 625	3 556	-	(577)	3 048
Guarantees and interest grants programme	4 287	4 287	(1 175)	-	3 112
SME energy efficiency loans	3 723	3 723	(109)	(1 254)	2 360
SME growth loans	3 000	3 000	-	(88)	2 912
ERAF SME growth loans	26 668	1 568	-	(671)	25 997
ERAF loans for business sustainability	18 520	3 984	-	(1 023)	17 497
Parallel loans	2 000	2 000	(43)	(516)	1 441
Parallel loans 2	3 614	1 315	-	(521)	3 093
Loans for enterprises in rural territories	7 803	7 803	(595)	(136)	7 072
Start-up loans to innovative entrepreneurs	7 759	1 532	-	(242)	7 517
Multi-apartment building improvement loans	1 000	1 000	(97)	(70)	833
Energy Efficiency Loans for Multi-apartment Buildings (II)	13 698	798	-	(57)	13 641
Cultural industry support programme **	408	-	-	-	408
ELFLA Agricultural and rural development loans	12 059	2 874	-	(105)	11 954
RRF energy efficiency loans*	20 529	15 268	-	-	20 529
RRF digitization loans*	13 511	10 853	-	-	13 511
RRF Energy Efficiency Loans for Multi-apartment Buildings*	8 300	5 395	-	-	8 300
RRF housing construction loans*	12 791	4 652	-	-	12 791
Investment Loans with capital rebate *	127 739	103 266	-	-	127 739
PF1 Start-up and Micro ERDF loans	4 703	583	-	(48)	4 655
PF1 Productivity growth loans	2 354	349	-	(23)	2 331
PF1 Business sustainability loans	2 349	349	-	(30)	2 319
PF1 Innovation loans	20 471	3 040	-	-	20 471
Total loans	360 156	187 648	(2 888)	(6 764)	350 504

29 Support programme funding (cont'd)

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 31 March 2024, in thousands of euro (cont'd):

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Fair Value Correction	Provisions covered by risk coverage	Net programme funding
Guarantees					
Fund of Funds programme – Guarantees	48 530	48 363	-	(9 415)	39 115
Energy Efficiency Guarantees for Multi-apartment Buildings	11 942	11 202	-	(1 362)	10 580
Housing Guarantee Programme	26 134	26 134	(2 472)	(18 228)	5 434
Housing Guarantee Programme for NAF soldiers	512	512	(105)	(364)	43
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	8 753	8 753	(2 529)	(874)	5 350
Mezzanine Programme – Guarantees	1 086	1 014	-	(197)	889
Portfolio Guarantee Fund	9 721	9 145	(1 789)	(3 772)	4 160
Export credit guarantees	5 474	5 168	(990)	(442)	4 042
Study and student portfolio guarantees ***	729	-	-	-	729
Agricultural Guarantees	1 388	1 388	(309)	(985)	94
ELFLA Agricultural and rural development guarantees	2 998	2 998	-	(203)	2 795
RRM energy car guarantees	1 500	1 500	-	-	1 500
RRM Energy efficiency guarantees for multi-apartment buildings	8 885	7 286	-	(39)	8 846
PF1 Individual guarantees for digitalisation and automation	1 480	669	-	(5)	1 475
PF1 Guarantees for full-cycle business	7 404	3 346	-	(304)	7 100
PF1 Portfolio guarantees for full-cycle business	2 961	1 339	-	-	2 961
Total guarantees	139 497	128 817	(8 194)	(36 190)	95 113
Grants					
Energy Efficiency Grants for Multi-apartment Buildings	64 327	-	-	-	64 327
Housing grant programme "Balsts"	4 262	-	-	-	4 262
Grants for energy efficiency improvement of family buildings	1 391	-	-	-	1 391
Social Entrepreneurship Programme	511	-	-	-	511
Energy efficiency project grant	445	-	-	-	445
Grants for improving energy efficiency of family buildings	968	-	-	-	968
PF1 Multi-apartment buildings grants with consecutive grant payments	381	-	-	-	381
Total grants	72 285	-	-	-	72 285
Venture Capital Funds					
Fund of Funds and venture capital funds	33 922	-	-	-	33 922
Investment Fund Activity	5 813	5 232	-	(40)	5 773
Baltic Innovation Fund	2 000	600	(440)	-	1 560
Baltic Innovation Fund II	1 628	489	(451)	-	1 177
PF1 Contingent equity investments (5G)	27 536	10 577	-	-	27 536
Total venture capital funds	70 899	16 898	(891)	(40)	69 968
Other Activities					
Energy Efficiency Fund	38	-	-	-	38
Total other activities	38	-	-	-	38
Funding allocated to increase reserve capital	5 730	-	-	-	5 730
Total support programme funding	648 605 ****	333 363	(11 973)	(42 994)	593 638

* Combined financial instrument.

** Combined financial instrument. On 5 July 2021, risk coverage (Portfolio Loss Reserve) of EUR 788 thousand has been included in the reserve for mitigation of the consequences of Covid-19, which is part of the specific reserves attributable to support programs.

*** Risk coverage (Portfolio Loss Reserve) of EUR 1,402 thousand has been included in the reserve, which is part of the specific reserves attributable to support programs (see Note 31 (2))

**** Support programme funding contains EUR 17,644 thousand allocated for management costs of the Company to be compensated from support programme funding.

29 Support programme funding (cont'd)

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 31 December 2023, in thousands of euro:

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Fair Value Correction	Provisions covered by risk coverage	Net programme funding
Loans					
ERDF II	8 301	69	-	-	8 301
ESF II	860	-	-	-	860
Microcredits of Swiss programme (closed programme)	565	6	-	(2)	563
ERDF I	234	-	-	-	234
ESF I	236	-	-	-	236
ERDF II (second round)	2 252	24	-	(7)	2 245
Incubators (from ESF II)	82	-	-	-	82
ERDF II 2 Public fund	226	-	-	-	226
Fund of Funds programme – Start-up loans	2 632	891	(47)	(75)	2 510
Fund of Funds programme – Microcredits	291	14	(2)	(1)	288
Fund of Funds programme – Parallel loans	4 012	3 590	(116)	(931)	2 965
Energy Efficiency Loans for Multi-apartment Buildings (I)	19 401	-	(140)	(206)	19 055
Start-up State Aid Cumulation Lending Programme	1 840	1 840	(564)	(272)	1 004
Other loans to start-ups	1 758	19	-	(1)	1 757
Mezzanine Programme – Loans	3 629	3 556	-	(594)	3 035
Guarantees and interest grants programme	4 287	4 287	(1 175)	-	3 112
SME energy efficiency loans	3 723	3 723	(109)	(1 351)	2 263
ERAF SME growth loans	22 000	1 320	-	(509)	21 491
ERAF loans for business sustainability	25 864	5 625	-	(1 125)	24 739
Parallel loans	2 000	2 000	(43)	(200)	1 757
Parallel loans 2	3 553	1 315	-	(538)	3 015
Loans for enterprises in rural territories	7 803	7 803	(595)	(128)	7 080
Start-up loans to innovative entrepreneurs	8 017	1 603	-	(258)	7 759
Multi-apartment building improvement loans	1 000	1 000	(97)	(49)	854
Energy Efficiency Loans for Multi-apartment Buildings (II)	13 939	818	-	(57)	13 882
Cultural industry support programme **	300	-	-	-	300
ELFLA Agricultural and rural development loans	11 975	2 874	-	(84)	11 891
RRF energy efficiency loans*	21 340	15 404	-	-	21 340
RRF digitization loans*	13 573	10 970	-	-	13 573
RRF Energy Efficiency Loans for Multi-apartment Buildings*	17 185	11 170	-	-	17 185
RRF housing construction loans*	12 791	4 652	-	-	12 791
Investment Loans with capital rebate *	127 739	103 266	-	-	127 739
PF1 Start-up and Micro ERDF loans	4 699	583	-	-	4 699
Advance payment 2021-2027 in the Participation Fund No 1 loan segment	15 424	-	-	-	15 424
Total loans	363 531	188 422	(2 888)	(6 388)	354 255

29 Support programme funding (cont'd)

(1) The Company's information on the risk coverage reserve included in the support programme funding and state aid, which can be used for covering the Company's credit risk losses as at 31 December 2023, in thousands of euro (cont'd):

Financial Instrument / Programme	Programme funding	Of which, Risk Coverage Reserve	Fair Value Correction	Provisions covered by risk coverage	Net programme funding
Guarantees					
Fund of Funds programme – Guarantees	48 363	48 363	-	(9 941)	38 422
Energy Efficiency Guarantees for Multi-apartment Buildings	8 227	7 539	-	(1 419)	6 808
Housing Guarantee Programme	26 134	26 134	(2 472)	(18 017)	5 645
Housing Guarantee Programme for NAF soldiers	512	512	(105)	(315)	92
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	8 753	8 753	(2 529)	(794)	5 430
Mezzanine Programme – Guarantees	1 034	1 014	-	(200)	834
Portfolio Guarantee Fund	9 721	9 145	(1 789)	(3 403)	4 529
Export credit guarantees	5 474	5 168	(990)	(452)	4 032
Study and student portfolio guarantees ***	729	-	-	-	729
Agricultural Guarantees	1 388	1 388	(309)	(938)	141
ELFLA Agricultural and rural development guarantees	2 997	2 997	-	(165)	2 832
RRM energy car guarantees	1 500	1 500	-	-	1 500
PF1 Individual guarantees for digitalisation and automation	1 480	669	-	-	1 480
PF1 Guarantees for full-cycle business	402	182	-	-	402
PF1 Portfolio guarantees for full-cycle business	2 961	1 339	-	-	2 961
Advance payment 2021-2027 in the Participation Fund No 1 guarantee segment	9 961	-	-	-	9 961
Total guarantees	129 636	114 703	(8 194)	(35 644)	85 798
Grants					
Energy Efficiency Grants for Multi-apartment Buildings	65 094	-	-	-	65 094
Housing grant programme “Balsts”	4 828	-	-	-	4 828
Grants for energy efficiency improvement of family buildings	1 450	-	-	-	1 450
Social Entrepreneurship Programme	511	-	-	-	511
Grants for development of energy efficiency project	1 164	-	-	-	1 164
Grants for improving energy efficiency of family buildings	503	-	-	-	503
Grants for Cultural industry support *	108	-	-	-	108
Total grants	73 658	-	-	-	73 658
Venture Capital Funds					
Fund of Funds and venture capital funds	33 597	-	-	-	33 597
Investment Fund Activity	5 982	5 545	-	(46)	5 936
Baltic Innovation Fund	2 000	477	(440)	-	1 560
Baltic Innovation Fund II	1 629	489	(452)	-	1 177
Advance payment 2021-2027 in the Participation fund No 1 venture capital funds segment	15 654	6 013	-	-	15 654
Total venture capital funds	58 862	12 524	(892)	(46)	57 924
Other Activities					
Energy Efficiency Fund	38	-	-	-	38
Regional Creative Industries Alliance	-	-	-	-	-
Total other activities	38	-	-	-	38
Funding allocated to increase reserve capital	8 976	-	-	-	8 976
Total support programme funding	634 701 ****	315 649	(11 974)	(42 078)	580 649

* Combined financial instrument.

** Combined financial instrument. On 5 July 2021, risk coverage (Portfolio Loss Reserve) of EUR 788 thousand has been included in the reserve for mitigation of the consequences of Covid-19, which is part of the specific reserves attributable to support programs.

*** Risk coverage (Portfolio Loss Reserve) of EUR 1,402 thousand has been included in the reserve, which is part of the specific reserves attributable to support programs (see Note 31 (2))

**** Support programme funding contains EUR 14,336 thousand allocated for management costs of the Company to be compensated from support programme funding.

29 Support programme funding (cont'd)

Based on the concluded programme implementation contracts, the funding received could be reduced by the outstanding principal amount of the loans classified as lost, non-repaid loan principal amount and / or disbursements of guarantee compensations. The Company need not have to repay the reductions of funding to the funding provider.

(2) Movement in the Company's support programme funding in 3 months of 2024, in thousands of euro:

Financial Instrument / Programme	Financing, net	Financing received	Reallocated funding between programmes	Compensated grants/capital rebate	Compensated income and expense	Revaluation of liabilities	Programmes' income/profit distribution	Other changes	Changes in provisions covered by risk coverage	Financing, net
	31.12.2023.									31.03.2024.
Loans										
ERDF II	8 301	-	-	-	-	-	-	-	-	8 301
ESF II	860	-	-	-	-	-	-	-	-	860
Microcredits of Swiss programme (closed programme)	563	-	-	-	-	-	-	-	-	563
ERDF I	234	-	-	-	-	-	-	-	-	234
ESF I	236	-	-	-	-	-	-	-	-	236
ERDF II (second round)	2 245	-	-	-	-	-	-	-	2	2 247
Incubators (from ESF II)	82	-	-	-	-	-	-	-	-	82
ERDF II 2 Public fund	226	-	-	-	-	-	-	-	-	226
Fund of Funds programme – Start-up loans	2 510	-	-	-	-	-	-	-	10	2 520
Fund of Funds programme – Microcredits	288	-	-	-	-	-	-	-	-	288
Fund of Funds programme – Parallel loans	2 965	-	-	-	-	-	-	-	83	3 048
Energy Efficiency Loans for Multi-apartment Buildings (I)	19 055	-	(3 451)	-	-	-	-	-	(13)	15 591
Start-up State Aid Cumulation Lending Programme	1 004	-	-	-	-	-	-	-	10	1 014
Other loans to start-ups	1 757	-	-	-	-	-	6	-	-	1 763
Mezzanine Programme – Loans	3 035	-	(49)	-	-	-	45	-	17	3 048
Guarantees and interest grants programme	3 112	-	-	-	-	-	-	-	-	3 112
SME energy efficiency loans	2 263	-	-	-	-	-	-	-	97	2 360
SME growth loans	-	-	3 000	-	-	-	-	-	(88)	2 912
ERDF SME growth loans	21 491	-	4 135	-	-	-	533	-	(162)	25 997
ERDF loans for business sustainability	24 739	-	(7 547)	-	-	-	203	-	102	17 497
Parallel loans	1 757	-	-	-	-	-	-	-	(316)	1 441
Parallel loans 2	3 015	-	-	-	-	-	61	-	17	3 093
Loans for enterprises in rural territories	7 080	-	-	-	-	-	-	-	(8)	7 072
Start-up loans to innovative entrepreneurs	7 759	-	(358)	-	-	-	100	-	16	7 517
Multi-apartment building improvement loans	854	-	-	-	-	-	-	-	(21)	833

29 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 3 months of 2024, in thousands of euro: (cont'd)

Financial Instrument / Programme	Financing, net	Financing received	Reallocated funding between programmes	Compensated grants/ capital rebate	Compensated income and expense	Revaluation of liabilities	Programmes income / profit distribution	Other changes	Changes in provisions covered by risk coverage	Financing, net
	31.12.2023.									31.03.2024.
Energy Efficiency Loans for Multi-apartment Buildings (II)	13 882	-	(197)	-	(133)	-	89	-	-	13 641
Cultural industry support programme *	300	-	108	-	-	-	-	-	-	408
ELFLA Agricultural and rural development loans	11 891	-	-	-	-	-	84	-	(21)	11 954
RRF energy efficiency loans*	21 340	-	-	(858)	-	-	47	-	-	20 529
RRF digitization loans*	13 573	-	-	(117)	-	-	55	-	-	13 511
RRF Energy Efficiency Loans for Multi-apartment Buildings*	17 185	-	(8 885)	-	-	-	-	-	-	8 300
RRF housing construction loans*	12 791	-	-	-	-	-	-	-	-	12 791
Investment Loans with capital rebate *****	127 739	-	-	-	-	-	-	-	-	127 739
PF1 Start-up and Micro ERDF loans	4 699	-	-	-	-	-	4	-	(48)	4 655
PF1 Productivity growth loans	-	-	2 349	-	-	-	5	-	(23)	2 331
PF1 Business sustainability loans	-	-	2 349	-	-	-	-	-	(30)	2 319
PF1 Innovation loans	-	-	20 471	-	-	-	-	-	-	20 471
Advance payment 2021-2027 in the Participation Fund No 1 loan segment	15 424	9 746	(25 170)	-	-	-	-	-	-	-
Kopā aizdevumi	354 255 **	9 746	(13 245)	(975)	(133)	-	1 232	-	(376)	350 504
Guarantees										
Fund of Funds programme - Guarantees	38 422	-	-	-	-	-	167	-	526	39 115
Energy Efficiency Guarantees for Multi-apartment Buildings	6 808	-	3 649	-	-	-	51	15	57	10 580
Housing Guarantee Programme	5 645	-	-	-	-	-	-	-	(211)	5 434
Housing Guarantee Programme for NAF soldiers	92	-	-	-	-	-	-	-	(49)	43
Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	5 430	-	-	-	-	-	-	-	(80)	5 350
Mezzanine Programme - Guarantees	834	-	49	-	-	-	3	-	3	889
Portfolio Guarantee Fund	4 529	-	-	-	-	-	-	-	(369)	4 160
Export credit guarantees	4 032	-	-	-	-	-	-	-	10	4 042
Study and student portfolio guarantees	729	-	-	-	-	-	-	-	-	729
Agricultural Guarantees	141	-	-	-	-	-	-	-	(47)	94
ELFLA Agricultural and rural development guarantees	2 832	-	-	-	-	-	1	-	(38)	2 795
RRM energy car guarantees	1 500	-	-	-	-	-	-	-	-	1 500
RRM Multi-apartment building energy efficiency guarantees	-	-	8 885	-	-	-	-	-	(39)	8 846
PF1 Individual guarantees for digitalisation and automation	1 480	-	-	-	-	-	-	-	(5)	1 475
PF1 Guarantees for full-cycle business	402	-	7 000	-	-	-	2	-	(304)	7 100
PF1 Portfolio guarantees for full-cycle business	2 961	-	-	-	-	-	-	-	-	2 961
Advance payment 2021-2027 in the Participation Fund No 1 guarantee segment	9 961	7 000	(16 961)	-	-	-	-	-	-	-
Total guarantees	85 798	7 000	2 622	-	-	-	224	15	(546)	95 113

29 Support programme funding (cont'd)

(2) Movement in the Company's support programme funding in 3 months of 2024, in thousands of euro: (cont'd)

Financial Instrument / Programme	Financing, net	Financing received	Reallo- cated funding between program- mes	Compen- sated grants/ capital rebate	Compen- sated income and expense	Revalua- tion of liabilities	Program- mes income / profit distri- bution	Other changes	Changes in provi- sions covered by risk coverage	Financing, net
	31.12.2023.									31.03.2024.
Grants										
Energy Efficiency Grants for Multi-apartment Buildings	65 094	-	-	(767)	-	-	-	-	-	64 327
Housing grant programme "Balsts"	4 828	-	-	(566)	-	-	-	-	-	4 262
Grants for energy efficiency improvement of family buildings *	1 450	-	-	(59)	-	-	-	-	-	1 391
Social Entrepreneurship Programme	511	-	-	-	-	-	-	-	-	511
Energy efficiency grants for enterprises 2 RRM	503	-	-	(58)	-	-	-	-	-	445
Grants for improving energy efficiency of family buildings	1 164	274	-	(439)	(31)	-	-	-	-	968
Grants for Cultural industry support *	108	-	(108)	-	-	-	-	-	-	-
PF1 Multi-apartment Buildings grants with consecutive grant payments	-	381	-	-	-	-	-	-	-	381
Total grants	73 658	655	(108)	(1 889)	(31)	-	-	-	-	72 285
Venture Capital Funds										
Fund of Funds and venture capital funds	33 597	-	770	-	(165)***	(513)	233 ****	-	-	33 922
Investment Fund Activity	5 936	-	-	-	-	(195)	26 *****	-	6	5 773
Baltic Innovation Fund	1 560	-	-	-	-	-	-	-	-	1 560
Baltic Innovation Fund II	1 177	-	-	-	-	-	-	-	-	1 177
	-	-	27 536	-	-	-	-	-	-	27 536
Advance payment 2021-2027 in the Participation fund No 1 venture capital funds segment	15 654	1 921	(17 575)	-	-	-	-	-	-	-
Total venture capital funds	57 924	1 921	10 731	-	(165)	(708)	259	-	6	69 968
Other Activities										
Energy Efficiency Fund	38	-	-	-	-	-	-	-	-	38
Total other activities	38	-	-	-	-	-	-	-	-	38
Funding allocated to increase reserve capital	8 976	2 925	-	-	-	-	-	(6 171)	-	5 730
Total support programme funding	580 649	22 247	-	(2 864)	(329)	(708)	1 715	(6 156)	(916)	593 638

* Combined financial instrument.

** Support programme funding includes funding that had to be reallocated between the programmes, partly done in 2023, and to be continued in 2024

*** include EUR 165 thousand management fees for the 4th generation venture capital funds.

**** include EUR 233 thousand mezzanine interest received in 3 months of 2024.

***** include EUR 13 thousand mezzanine interest received and EUR 13 thousand net profit on investments in 2nd and 3rd generation venture capital funds in 3 months of 2024.

30 Issued Debt Securities

All bonds are listed on the Baltic bond list by Nasdaq Riga.

All amounts in thousands of euro

ISIN	Currency	Number of initially issued securities	Par Value	Date of issuance	Maturity Date	Discount / Coupon Rate	31.03.2024.	31.12.2023.
LV0000802353	EUR	20 000	1 000	17.10.2017	17.10.2024	1.37%	20 104	20 031
LV0000880037	EUR	10 000	1 000	07.03.2018	07.03.2025	1.30%	10 001	10 098
LV0000880037	EUR	15 000	1 000	05.06.2019	07.03.2025	1.30%	15 063	15 224
LV0000880037	EUR	20 000	1 000	15.04.2020	07.03.2025	1.30%	19 998	20 192
LV0000870095	EUR	20 000	1 000	08.10.2021	08.10.2026	0.44%	20 013	19 988
Total issued debt securities at the end of period ended 31 December							85 179	85 533

So called "Green bonds" are financial instruments used to support sustainability projects in Latvia, while providing the Company with an opportunity to diversify the Company's funding base and support development of the Baltic Bond market.

Currently the Company has made 5 bond issues totalling EUR 85 million. The entry in regulated capital markets was made back in October 2017 by issue of Green bonds with tenor of 7 years. EUR 20 million Green Bond was issued under Green Bond Framework 2017 which received a Medium Green shading from CICERO. Revised Green Bond Framework 2021 follows the recommendations outlined in the 2021 edition of the Green Bond Principles by ICMA (International Capital Markets Association) and received CICERO Medium Green in December 2021. The proceeds raised by Green bond issue are eligible for the following segments – Energy efficiency, Renewables, Sustainable transportation and Passive housing. There are no KPI's nor covenants linked to Green bonds issue.

For further details on Green Bond Framework 2017 and 2021 and respective second party opinions from CICERO see <https://www.altum.lv/investoriem/obligacijas/programma-17-7-gadu-zalas-obligacijas/par-zalajam-obligacijam/>. For Investor report on Altum Green Bonds see https://www.altum.lv/wp-content/uploads/2023/09/ALTUM_GB-Investor-report_30-June-2023.pdf.

For details on the recognition and measurement for these liabilities, refer Note 2 (4) item (xix).

Movements in issued debt securities, in thousands of euro:

	31.03.2024.	31.12.2023.
At the beginning of period	85 533	85 513
Accrued coupon	226	933
Coupon pay-out	(585)	(933)
Discount amortisation	(7)	(30)
Commission amortisation	12	50
Total issued debt securities at the end of period	85 179	85 533

31 Reserves

(1) Analysis of the Company's reserves movements, in thousands of euro:

	Specific reserves for support programmes	Other specific reserves-difference recognised in reorganisation reserve	General reserve capital	Total reserves
Reserves as of 1 January 2022	141 707	(15 935)	54 364	180 136
Increase of reserve capital	683	-	-	683
Reserves as of 31 March 2023	142 390	(15 935)	54 364	180 819
Increase of reserve capital	2 156	-	-	2 156
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2022	64	-	(64)	-
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2022	(5 310)	-	5 310	-
2022 profit of the Company	-	-	11 484	11 484
Reallocation of general reserves to specific reserves attributable to support programmes	13 829	-	(13 829)	-
Decrease of reserve capital	(27 500)	-	-	(27 500)
Reserves as of 31 December 2023	125 629	(15 935)	57 265	166 959
Reserves as of 31 March 2024	125 629	(15 935)	57 265	166 959

31 Reserves (cont'd)

(2) Breakdown of the Company's "Specific reserves for support programmes":

	Reserve capital for non-Covid-19 guarantees programmes							Reserve capital for mitigating of impact of Covid-19		Reserve capital for AIF "Altum capital fund"	Total specific reserves for support programmes
	Housing Guarantee Programme	Study and student portfolio guarantees	Guarantees for agriculture, fisheries and rural development	Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	Loans for mitigating the consequences of the Ukrainian war	Guarantees for mitigating the consequences of the Ukrainian war	Baltic SME Initial Public Offering Fund	Working capital loans	Loan holiday guarantees		
Specific reserves as of 1 January 2023	19 138	3 308	5 788	4 500	-	-	-	56 465	28 130	24 378	141 707
of which:											
Portfolio Loss Reserve (Specific Reserves)	19 138	3 308	5 788	4 500	-	-	-	40 702	28 130	8 413	109 979
Increase of specific reserves	683	-	-	-	-	-	-	-	-	-	683
Reserve capital redistribution	-	-	-	-	21 500	12 500	-	(21 500)	(12 500)	-	-
Specific reserves as of 31 March 2023	19 821	3 308	5 788	4 500	21 500	12 500	-	34 965	15 630	24 378	142 390
of which:											
Portfolio Loss Reserve (Specific Reserves)	19 821	3 308	5 788	4 500	21 234	12 500	-	34 964	15 630	8 413	126 158
Increase of specific reserves	2 156	-	-	-	-	-	-	-	-	-	2 156
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2022	-	-	-	-	-	-	-	-	64	-	64
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2022	-	(1 906)	-	(482)	-	-	-	(1 914)	(537)	(471)	(5 310)
Reallocation of general reserves to specific reserves attributable to support programmes	-	-	-	-	-	-	13 829	-	-	-	13 829
Decrease of reserve capital	-	-	-	-	-	-	-	(17 500)	(10 000)	-	(27 500)
Specific reserves as of 31 December 2023	21 977	1 402	5 788	4 018	21 500	12 500	13 829	15 551	5 157	23 907	125 629
of which:											
Portfolio Loss Reserve (Specific Reserves)	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587
Specific reserves as of 31 March 2024	21 977	1 402	5 788	4 018	21 500	12 500	13 829	15 551	5 157	23 907	125 629
of which:											
Portfolio Loss Reserve (Specific Reserves)	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587

31 Reserves (cont'd)

The funding included in the Specific Reserves will be used to cover the expected credit losses of the programmes at full extent as well as such are disclosed separately as Portfolio Loss Reserve within respective reserve capital.

According to the Cabinet of Ministers Regulation No 628 of 31 October 2023 "Amendments to Cabinet of Ministers Regulation No 503 of 6 July 2021 " Regulations Regarding Loans with Capital Discount for Investment Projects of Merchants for Facilitating Competitiveness " (effective from 4 November 2023), additional funding of up to EUR 30.5 million for the loans with capital discount programme for large and medium-sized enterprises is envisaged:

- Reallocation from the Ukraine Guarantee Programme (EUR 12.5 million) in accordance with Cabinet of Ministers Regulation No 377 of 21 June 2022 "Regulations on the guarantee program for mitigating the economic consequences of Russia Federation's military aggression against Ukraine "";
- Reallocated from the Ukraine Loan Programme (EUR 5 million) in accordance with Cabinet of Ministers Regulation No 349 of 14 June 2022 "Regulations on the loan program for mitigating the economic consequences of Russia Federation's military aggression against Ukraine";
- Reallocation of the reimbursed funding under the Covid-19 loan programme (up to EUR 13 million) in accordance with Cabinet of Ministers Regulation No 149 of 19 March 2020 "Regulations on loans of working capital to economic operators whose operations have been affected by the spread of Covid-19".

31 Reserves (cont'd)

(3) Analysis of portfolio loss reserve movements, in thousands of euro:

	Portfolio loss reserve for non-Covid-19 guarantees programmes							Portfolio loss reserve for mitigating of impact of Covid-19		Reserve capital for AIF "Altum capital fund"	Total portfolio loss reserve
	Housing Guarantee Programme	Study and student portfolio guarantees	Guarantees for agriculture, fisheries and rural development	Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	Loans for mitigating the consequences of the Ukrainian war	Guarantees for mitigating the consequences of the Ukrainian war	Baltic SME Initial Public Offering Fund	Working capital loans	Loan holiday guarantees		
Portfolio Loss Reserve as of 1 January 2023	19 138	3 308	5 788	4 500	-	-	-	40 702	28 130	8 413	109 979
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2022 annual report	-	(1 906)	-	(482)	-	-	-	(1 914)	(473)	(471)	(5 246)
Increase of specific reserves	683	-	-	-	-	-	-	-	-	-	683
Reserve capital redistribution	-	-	-	-	21 234	12 500	-	(5 737)	(12 500)	-	15 497
Portfolio Loss Reserve as of 31 March 2023	19 821	3 308	5 788	4 500	21 234	12 500	-	34 965	15 630	8 413	126 159
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2022 annual report	-	(1 906)	-	(482)	-	-	-	(1 914)	(473)	(471)	(5 246)
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2023 annual report	-	(73)	-	(240)	(719)	-	-	115	492	(25)	(450)

31 Reserves (cont'd)

(3) Analysis of portfolio loss reserve movements, in thousands of euro (cont'd):

	Portfolio loss reserve for non-Covid-19 guarantees programmes							Portfolio loss reserve for mitigating of impact of Covid-19		Reserve capital for AIF "Altum capital fund"	Total portfolio loss reserve
	Housing Guarantee Programme	Study and student portfolio guarantees	Guarantees for agriculture, fisheries and rural development	Guarantee Programme for Clients of State Aid Accumulation, Grace Period and Large Economic Operators	Loans for mitigating the consequences of the Ukrainian war*	Guarantees for mitigating the consequences of the Ukrainian war	Baltic SME Initial Public Offering Fund	Working capital loans	Loan holiday guarantees		
Increase of reserve capital	2 156	-	-	-	-	-	-	-	-	-	2 156
Increase of Specific Reserves from General reserve capital at distribution of the profit for year 2022	-	-	-	-	-	-	-	-	64	-	64
Reduction of Specific Reserves from General reserve capital at distribution of the profit for year 2022	-	(1 906)	-	(482)	-	-	-	(1 914)	(537)	(471)	(5 310)
Decrease of reserve capital, directing funds to risk coverage of program Loans with capital discount	-	-	-	-	-	-	1 018	-	-	-	1 018
Decrease of reserve capital	-	-	-	-	-	-	-	(17 500)	(10 000)	-	(27 500)
Portfolio Loss Reserve as of 31 December 2023	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2023 annual report	-	(1 402)	-	(718)	(647)	-	-	717	2 030	73	53
Portfolio Loss Reserve as of 31 March 2024	21 977	1 402	5 788	4 018	21 234	12 500	1 018	15 551	5 157	7 942	96 587
of which:											
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2023 annual report	-	(1 402)	-	(718)	(647)	-	-	717	2 030	73	53
Portfolio Loss Reserve (Specific Reserves) to be used to cover credit loss upon approval of the 2024 annual report	-	129	-	(38)	25	-	-	289	239	(28)	616

32 Off-balance sheet items and contingent liabilities

All amounts in thousands of euro

	31.03.2024.	31.12.2023.
Contingent liabilities:		
Outstanding guarantees	482 478	480 025
Financial commitments:		
Loan commitments	106 012	88 846
Grant commitments	29 866	30 578
Commitments to AIF "Altum capital fund" *	31 360	32 555
Commitments to investments in associates **	20 673	21 123
Commitments to other investments	1 592	1 575
Total contingent liabilities and financial commitments	671 981	654 702

* Considering the investments made by AIF Altum capital fund as of 31 December 2022 (EUR 34.4 million) and the planned investments of EUR 7.4 million for existing portfolio companies, as well as scheduled contributions to cover management fee, the position "Commitments to AIF Altum capital fund" could decrease by EUR 28.6 million.

** Considering the investments are realized in the 2nd and 3rd generation venture capital funds and the subsequent liquidation of the funds, the position "Commitments to investments in associates" could decrease by EUR 5.7 million.

Impairment allowances for loan commitments, in thousands of euro:

	31.03.2024.	31.12.2023.
Unutilised loan facilities	106 012	88 846
Impairment allowances	(301)	(319)
Total unutilized loan facilities, net	105 711	88 527

Impairment allowances for grant commitments, in thousands of euro:

	31.03.2024.	31.12.2023.
Grant commitments	1 592	1 575
Impairment allowances	(25)	(25)
Total grant commitments, net	1 567	1 550

Analysis of the guarantee portfolio by client segments as at 31 March 2024, in thousands of euro:

	Stage 1		Stage 2		Stage 3		Total outstanding guarantees	Total impairment allowance
	Outstanding guarantees	Impairment allowance	Outstanding guarantees	Impairment allowance	Outstanding guarantees	Impairment allowance		
Agriculture	12 677	(1 395)	646	(39)	-	-	13 323	(1 434)
SME and Midcaps	163 455	(10 461)	17 712	(2 930)	4 738	(2 988)	185 905	(16 379)
Private individuals	280 764	(24 449)	1 928	(260)	558	(529)	283 250	(25 238)
Total segments, gross	456 896	(36 305)	20 286	(3 229)	5 296	(3 517)	482 478	(43 051)
Additional provision for increased interest rates	-	(680)	-	-	-	-	-	(680)
Total segments, net	456 896	(36 985)	20 286	(3 229)	5 296	(3 517)	482 478	(43 731)

32 Off-balance sheet items and contingent liabilities (cont'd)

Breakdown of off-balance sheet assets and contingent liabilities by remaining contractual maturities as at 31 March 2024, in thousands of euro:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Contingent liabilities							
Outstanding guarantees	292 978 *	-	-	72	48 779	140 649	482 478
Financial commitments							
Loan commitments	106 012	-	-	-	-	-	106 012
Commitments to AIF "Altum capital fund"***	28	7 490	7 518	14 830	-	-	29 866
Commitments to investments in associates***	2 137	9 944	6 412	6 552	6 209	106	31 360
Commitments to other investments	325	650	975	1 950	10 066	6 707	20 673
Total financial commitments	108 502	18 084	14 905	23 332	16 275	6 813	187 911
Grant commitments	1 592	-	-	-	-	-	1 592
Total contingent liabilities and financial commitments	403 072	18 084	14 905	23 404	65 054	147 462	671 981

* Outstanding financial guarantees are presented "Up to 1 month" as these guarantees can be claimed on demand and the Company has to make a decision on payment of guarantee claim within one month.

** Considering the investments made by AIF Altum capital fund as of 31 December 2022 (EUR 34.4 million) and the planned investments of EUR 7.4 million for existing portfolio companies, as well as scheduled contributions to cover management fee, the position "Commitments to AIF Altum capital fund" could decrease by EUR 22.5 million.

*** Considering the investments are realized in the 2nd and 3rd generation venture capital funds and the subsequent liquidation of the funds, the position "Commitments to investments in associates" could decrease by EUR 5.7 million.

Breakdown of off-balance sheet assets and contingent liabilities by remaining contractual maturities as at 31 December 2023, in thousands of euro:

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years and w/o maturity	Total
Contingent liabilities							
Outstanding guarantees	293 468 *	-	-	3	45 121	141 433	480 025
Financial commitments							
Loan commitments	88 846	-	-	-	-	-	88 846
Commitments to AIF "Altum capital fund"***	279	557	836	1 671	27 235	-	30 578
Commitments to investments in associates***	2 235	10 139	6 706	6 582	6 723	170	32 555
Commitments to other investments	333	665	998	1 996	10 250	6 881	21 123
Total financial commitments	93 268	11 361	8 540	10 249	44 208	7 051	174 677
Grant commitments	1 575	-	-	-	-	-	1 575
Total contingent liabilities and financial commitments	386 736	11 361	8 540	10 252	89 329	148 484	654 702

* Outstanding financial guarantees are presented "Up to 1 month" as these guarantees can be claimed on demand and the Company has to make a decision on payment of guarantee claim within one month.

Subitem *Commitments to AIF "Altum capital fund"* are contingent liabilities based on a limited partnership agreement between the Company as a general partner and the members of the AIF "Altum capital fund" as limited partners which put an obligation on the Company to allocate financial resources to the fund.

Subitem *Commitments to venture capital funds* are contingent liabilities, which are based on agreements between the Company and the venture capital fund which put an obligation on the Company to allocate financial resources to the fund.

33 Related party transactions

Related parties include members of the Supervisory Council and the Management Board of the Company, their close family members, as well as companies under their control.

In accordance with [International Accounting Standard \(IAS\) 24](#) "Related Party Disclosures", the key management personnel, directly or indirectly authorised and responsible for planning, management and control of the Company's operations are treated as related parties to the Company. The powers granted to the heads of the structural units of the Company do not entitle them to manage the operations of the Company and decide on material transactions that could affect the Company's operations and/or result in legal consequences.

The Company has entered into a number of transactions with other public authorities. The most significant were obtaining financing from the Investment and Development Agency of Latvia, Ministry of Finance, Ministry of Economics, Rural Support Service and Central Finance and Contracting Agency, which co-finance the development programmes of the Company.

Balances from transactions with related parties, including off-balance sheet financial liabilities, in thousands of euro:

	Transactions with shareholders		Associates		Other companies owned by the shareholders	
	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.
Investments in venture capital funds	-	-	49 658	47 680	-	-
Investments in AIF "Altum capital fund"	-	-	15 919	17 701	-	-
Due to general governments	-	-	-	-	3 310	3 318
Support programme funding	414 624	228 737	-	-	177 565	86 327
Off-balance sheet financial liabilities for venture capital funds	-	-	31 360	44 130	-	-
Off-balance sheet financial liabilities for AIF "Altum capital fund"	-	-	29 866	31 209	-	-

Transactions with related parties, in thousands of euro:

	Received State aid funding		Issued State aid funding or funding paid back	
	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Transactions with shareholders				
Ministry of Finance of the Republic of Latvia	8 712	1 281	(4 828)	-
Ministry of Agriculture of the Republic of Latvia	-	-	-	-
Ministry of Economics of the Republic of Latvia	-	67 773	-	(1 792)
Associates				
Venture capital funds	1 555	3 719	(1 547)	(520)
Other companies owned by the shareholders				
Rural Support Service	-	-	-	-
Central Finance and Contracting Agency of the Republic of Latvia	19 048	26 515	-	-
Ministry of Education and Science of the Republic of Latvia	2 925	-	-	-
Ministry of Culture of the Republic of Latvia	-	-	-	-
Ministry of Defence of the Republic of Latvia	-	-	-	-
Ministry of Wealth Fair of the Republic of Latvia	-	242	-	(500)

The remuneration of the members of the Supervisory Council, Audit Committee and the Management Board of the Company in the 3 months of 2024 amounted to EUR 169 thousand (3 months of 2023: EUR 189 thousand), incl. social insurance contributions.

	01.01.2024.- 31.03.2024.	01.01.2023.- 31.03.2023.
Remuneration to the Supervisory Council and the Management Board	137	153
to the Supervisory Council	23	23
to the Management Board	103	119
to the Audit Committee	11	11
Social insurance tax	32	36
Total	169	189

34 Fair values of assets and liabilities

The fair values of financial assets and financial liabilities and their differences to their carrying amount are presented below, in thousands of euro:

	Total carrying amount		Total fair value incl.		Level 2		Level 3	
	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.	31.12.2023.
Assets measured at fair value								
Financial assets at fair value through other comprehensive income - investment securities	66 652	9 743	66 652	9 743	66 652	9 743	-	-
Other investments	25 848	25 398	25 848	25 398	-	-	25 848	25 398
Investments in associates	65 577	66 592	65 577	66 592	-	-	65 577	66 592
Investment properties	75 062	68 246	75 062	68 246	-	-	75 062	68 246
Loans with capital rebate	21 933	13 088	21 933	13 088	-	-	21 933	13 088
Assets with fair values disclosed								
Due from credit institutions and the Treasury	635 494	702 788	702 122	702 765	702 122	702 765	-	-
Financial assets at amortised cost:								
Investment securities	39	38	39	38	-	-	39	38
Loans	372 808	349 360	356 250	335 975	-	-	356 250	335 975
Other financial assets	3 431	3 922	3 431	3 922	-	-	3 431	3 922
Total assets	1 266 844	1 239 175	1 316 914	1 225 767	768 774	712 508	548 140	513 259
Liabilities measured at fair value								
Support programme funding	593 638	580 649	593 638	580 649	-	-	593 638	580 649
Liabilities with fair value disclosed								
Due to credit institutions	30 534	32 038	30 534	32 038	-	-	30 534	32 038
Due to general governments	180 303	174 656	180 303	174 656	-	-	180 303	174 656
Liabilities from financial guarantees	47 295	47 319	47 295	47 319	-	-	47 295	47 319
Financial liabilities at amortised cost - Issued debt securities	85 179	85 533	81 469	82 127	-	-	81 469	82 127
Total liabilities	936 949	920 195	933 239	916 789	-	-	933 239	916 789

Loans with rebate

The fair value of loans with capital rebate is determined separately for (a) the planned capital rebate and (b) the component of the loan for which no capital rebate will be applied. The fair value is determined based on a discounted cash flow method using inputs that are primarily unobservable in an active market, which are based on the Company's assumptions and estimates and are regularly reviewed and adjusted based on the most recent information available.

The maximum amount of the capital rebate is determined at the time the loan is granted, but the actual amount of the capital rebate will depend on the performance of the financed project in the post-monitoring phase, taking into account the degree of achievement of the project's stated objectives, so the fair value calculation estimates the expected amount of the capital rebate based on assumptions about the timing and probability of the capital rebate being applied, allowing for the possibility that not all borrowers will achieve the stated project objectives to qualify for the capital rebate. The probability of the capital allowance being applied is determined by assessing the likelihood of each major project financed achieving its stated objectives or by using historical data on the amount of capital rebate applied. The expected amount of the capital rebate is discounted at a risk-free interest rate determined using the yield curve for AAA-rated euro area government bonds published by the European Central Bank.

The fair value measurement of the component of the loan to which the capital rebate will not be applied is based on assumptions about the expected future cash flows of the loan until maturity. The cash flows include the expected repayments of principal, reduced by the expected capital rebate at the date of application of the capital rebate, as well as interest payments and related costs (e.g. applicable administrative costs). To determine the fair value of future cash flows, the cash flows are reduced by the expected loss given default of the borrower's probability of default (PD) and loss given default (LGD) measures and discounted by the WACC (Weighted Average Cost of Capital). The WACC is determined using publicly available data (Aswath Damodaran database) on the average cost of capital in the banking sector.

34 Fair values of assets and liabilities (cont'd)

Assets

Where possible, the fair value of securities is estimated on the basis of quoted market prices. For determining the fair value of other securities, the Management has applied the discounted cash flow method where the cash flow forecasts are based on assumptions and up-to-date market information available at the time of measurement. The fair value of loans with interest payable at fixed rates by specified dates was determined by applying the discounted cash flow method, whilst in regard to the fair value of loans with their basic interest rate tied to variable market rates, the Company have assumed that the carrying amount of such loans corresponds to their fair value.

Liabilities

The fair value of financial liabilities stated at amortised cost, for example, the fair value of balances due to credit institutions, is estimated using the discounted cash flow method and the interest rates applied to similar products at the end of the year. The fair value of financial liabilities (for example, balances due to credit institutions) repayable on demand or subject to a variable interest rate, approximately corresponds to their carrying amount.

Fair value hierarchy of financial assets and liabilities

The Company classify the fair value measurements based on the fair value hierarchy, reflecting the significance of the input data. The fair value hierarchy of the Company has 3 levels:

- Level 1 includes listed financial instruments for which an active market exists, if in determining their fair value the Company use unadjusted quoted market prices, obtained from a stock-exchange or reliable information systems;
- Level 2 includes balances due from other credit institutions and the Treasury as well as financial instruments traded over the counter (OTC) and financial instruments having no active market or a declining active market whose fair value measurement are based to a significant extent on observable market inputs (e.g., rates applied to similar instruments, benchmark financial instruments, credit risk insurance transactions, etc.);
- Level 3 includes financial instruments whose fair value measurements rely on observable market inputs requiring significant adjustment and have to be supported by unobservable market inputs, and financial instruments whose fair value measurements are based to a significant extent on data that cannot be observed on the active market and assumptions and estimates of the Company that enable a credible measurement of the financial instrument's value.

Investment securities

Investment securities are measured applying quoted prices or valuation techniques using observable or unobservable market inputs or combination of both. The majority of investment securities recognised at fair value are the Latvian treasury bills with a quoted price, but not traded on the active market. The Management has estimated that it is reasonable to presume the fair value of these securities to be equal to their quoted price.

Investments in venture capital funds

The Company have a number of investments in venture capital funds. The Company's investments in venture capital funds are classified as Associates or Investments in subsidiaries depending on existence of significant influence or control.

Investments in venture capital funds, except for investment in Baltic Innovation Funds, are measured using the equity method at the Company level. Investments in Baltic Innovation Funds are measured at fair value through profit or loss.

34 Fair values of assets and liabilities (cont'd)

Investment properties

The fair value of the Company's investment property is determined based on reports of independent appraisers, who hold a recognised and relevant professional qualification, and who have had recent experience of the valuation of property in similar locations and of similar category. Investment properties are measured at fair value applying one or complex of the following three methods: (a) market approach, (b) income approach and (c) cost approach.

Support programme funding

Support programme funding are liabilities used to ensure the liquidity of the support programme and to cover expected credit losses, as well as to compensate the costs of managing the support programme. Expected credit losses of the support programme throughout the life of the programme are covered by the Risk Coverage Reserve, which is part of the support programme funding. The Company determines the fair value of the support programme funding once a year using the discounted cash flow method. The discounted cash flow method is used to determine the present value of the estimated expected credit losses in the next three years after the end of the reporting period in those support programme in which the Company is a principal and new volumes are issued. The Company uses internal information to estimate the expected credit losses, which are included in the cash flows in an amount that does not exceed the amount of the Risk Coverage Reserve at the end of the reporting period. On the other hand, the discount rate used in the calculations reflects the Company's current financial market borrowing rate at the end of the reporting period. The discount rate is an unobservable input, therefore the Company performed its sensitivity analysis.

35 Segment Information

The Company's management considers that the Company's operations are performed in 7 operational segments:

- Loan,
- Guarantee,
- Venture capital fund,
- Grant,
- Land Fund,
- Management of AIF "Altum capital fund"
- Other services.

Other services include transactions with repossessed collaterals taken over in the debt collection process and development of new support programmes as well as transactions, which cannot be attributed to support programmes.

Segment information is prepared in a manner consistent with the internal management information provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Management board of the Company is the chief operating decision maker. The Company doesn't provide detailed information on the type of transaction since all the transactions are external.

35 Segment Information (cont'd)

Analysis of the operating segments for the period from 1 January 2024 till 31 March 2024, in thousands of euro:

	Loans *	Guarantees *	Venture capital funds	Grants	Land Fund	Management of AIF "Altum capital fund"	Other services	Total
Interest income at effective interest rate (Note 4)	6 316	679	-	-	603	-	-	7 598
Other interest and similar income:	534	854	-	-	11	-	-	1 399
of which, interest on loans (Note 5)	489	-	-	-	11	-	-	500
of which, interest on guarantees (Note 5)	-	761	-	-	-	-	-	761
Interest expense	(3 461)	(225)	-	-	(242)	-	-	(3 928)
Income for implementation of state aid programmes	612	320	255	145	-	-	24	1 356
Expenses to be compensated for implementation of state aid programmes	(593)	(231)	(246)	(145)	-	-	(24)	(1 239)
Gains from debt securities and foreign exchange translation	1	-	-	-	-	-	1	2
Share of profit/(losses) of investment in associates	-	-	(265)	-	-	-	-	(265)
Gains less losses from liabilities at fair value through profit or loss	-	-	450	-	-	-	-	450
Other income	-	-	-	1	636	51	2	690
Other expense	(54)	(9)	(2)	(6)	(126)	(67)	(4)	(268)
Staff costs	(858)	(203)	(67)	(155)	(66)	-	(95)	(1 444)
Administrative expense	(197)	(82)	(13)	(41)	(25)	-	(23)	(381)
Amortisation of intangible assets and depreciation of property, plant and equipment	(81)	(38)	(19)	(25)	(11)	-	(10)	(184)
Allowance for expected credit-losses, net	1 510	475	14	-	-	-	23	2 022
Profit or (loss) from assets held for sale revaluation	-	-	-	-	-	-	-	-
Total segment profit/(loss)	3 729	1 540	107	(226)	780	(16)	(106)	5 808
Financial assets at fair value through profit or loss	-	-	-	65 577	-	-	-	65 577
Other investments	-	-	-	25 848	-	-	-	25 848
Additions of property and equipment, intangible assets and investment property	69	21	6	13	8 448	-	7	8 564
Total segment assets	774 623	153 910	202 579	81 450	112 013	-	19 181	1 343 756
Total segment liabilities	576 487	128 615	42 502	70 719	89 319	-	34 964	942 606
Total off-balance	103 296	482 478	52 033	1 592	2 716	29 866	-	671 981

* The financial result of the segment also includes the financial result of the combined financial instruments, which are not disclosed separately in the segment analysis, but which include the component of financial instrument (such as a loan or guarantee) and the component of the capital rebate.

35 Segment Information (cont'd)

Analysis of the operating segments for the period from 1 January 2023 till 31 March 2023, in thousands of euro:

	Loans *	Guarantees *	Venture capital funds	Grants	Land Fund	Management of AIF "Altum capital fund"	Other services	Total
Interest income at effective interest rate (Note 4)	4 551	-	-	-	465	-	-	5 016
Other interest and similar income:	495	1 053	-	-	7	-	2	1 557
of which, interest on loans (Note 5)	450	-	-	-	7	-	-	457
of which, interest on guarantees (Note 5)	-	1 052	-	-	-	-	-	1 052
Interest expense	(1 845)	(296)	(4)	-	(171)	-	-	(2 316)
Income for implementation of state aid programmes	203	303	528	1 300	-	-	10	2 344
Expenses to be compensated for implementation of state aid programmes	(144)	(60)	(500)	(274)	-	-	(10)	(988)
Gains from debt securities and foreign exchange translation	(1)	(1)	-	-	-	-	-	(2)
Share of profit/(losses) of investment in associates	-	-	254	-	-	-	-	254
Gains less losses from liabilities at fair value through profit or loss	-	-	(246)	-	-	-	-	(246)
Other income	-	-	-	6	573	51	114	744
Other expense	(44)	(10)	1	(9)	(112)	(51)	(4)	(229)
Staff costs	(941)	(275)	(53)	(198)	(56)	-	(77)	(1 600)
Administrative expense	(249)	(97)	(18)	(82)	(20)	-	(15)	(481)
Amortisation of intangible assets and depreciation of property, plant and equipment	(83)	(40)	(19)	(40)	(12)	-	(10)	(204)
Allowance for expected credit-losses, net	(256)	296	-	-	-	-	-	40
Profit or (loss) from assets held for sale revaluation	-	-	-	-	-	-	-	-
Total segment profit/(loss)	1 686	873	(57)	703	674	-	10	3 889
Financial assets at fair value through profit or loss	-	-	53 866	-	-	-	-	53 866
Other investments	-	-	15 741	-	-	-	-	15 741
Additions of property and equipment, intangible assets and investment property	43	14	3	18	2 051	-	3	2 132
Total segment assets	676 478	172 689	157 408	84 709	89 694	-	2 740	1 183 718
Total segment liabilities	438 518	169 197	35 689	66 251	73 326	-	218	783 199
Total off-balance	67 030	477 154	69 818	29 666	-	31 150	-	674 818

36 Events after the reporting date

There are no other subsequent events since the last day of the reporting year, which would have a significant effect on the financial position of the Company.

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OTHER NOTES TO THE INTERIM CONDENSED REPORT

KEY FINANCIAL AND PERFORMANCE INDICATORS

Based on data from financial statements for the respective reporting period

	2024 3M	2023 12M	2023 9M
Key financial data			
Net interest income (EUR '000)	5 069	17 964	12 894
Profit for the period (EUR '000)	5 808	17 811	13 806
Cos to income ratio (CIR)	34.67%	26.17%	33.15%
Employees	257	255	254
Total assets (EUR '000)	1 343 756	1 316 086	1 246 138
Financial debt (EUR '000)	599 285	599 305	756 959
Tangible common equity (TCE) / Total tangible managed assets (TMA) *	23.6%	23.4%	23.92%
Equity and reserves (EUR '000)	401 150	389 353	382 939
Total risk coverage: (EUR '000)	387 572	370 211	358 834
Risk coverage reserve	333 363	315 649	306 615
Risk coverage reserve used for provisions	(42 994)	(42 078)	(40 943)
Portfolio loss reserve (specific reserve capital)	96 587	96 587	93 413
Portfolio loss reserve used to compensate provisions in the distribution of annual profit	616	53	(251)
Liquidity ratio for 180 days **	382%	430%	484%
Net Cash flows from operating activities (EUR '000)	7 374	35 723	43 574
Net Cash flows from financing activities (EUR '000)	-	9 009	-
Net Cash flow from investing activities (EUR '000)	(64 914)	(18 467)	(6 440)
Support instruments gross value (EUR '000), of which	1 141 335	1 101 797	1 069 303
Grants	67 131	68 132	70 620
Financial instruments gross value (EUR '000) ***			
Loans (excluding sales and leaseback transactions)	384 240	359 246	338 374
Guarantees	482 478	480 025	486 464
Venture capital funds	97 402	97 456	90 403
Land Fund, of which:	110 084	96 938	83 442
- sales and leaseback transactions	35 022	28 692	26 060
- investment properties	75 062	68 246	57 382
Total	1 074 204	1 033 665	998 683
Number of transactions	36 616	35 260	36 198
Volumes issued (EUR '000) (by financial instrument) ***			
Loans (excluding sales and leaseback transactions)	47 451	141 993	93 361
Guarantees	29 180	99 440	82 199
Venture capital funds	3 347	23 920	14 676
Land Fund, of which:	14 933	17 676	7 580
- sales and leaseback transactions	7 386	7 916	3 405
- investment properties	7 547	9 760	4 175
Total	94 911	283 029	197 816
Number of transactions	2 040	4 846	3 709
Leverage for raised private funding	213%	229%	122%
Volume of support programmes funding per employee (EUR '000)	4 180	4 054	3 932
Long-term rating assigned by Moody's Investors Service	Baa1	Baa1	Baa1

* TMA includes the off-balance sheet item, namely, guarantees at net carrying amount.

** The calculation of liquidity ratio takes into account the previous experience and management estimate of the expected amount and timing of guarantee claims.

*** Taking into account the significance of the volume, the Land Fund portfolio, which consists of leaseback transactions and investment properties, is also presented in the operational volumes for the period. As in compliance with the accounting principles and IFRS the leaseback transactions are accounted for under the loans, the loan volume in this table has been reduced for the volume of the leaseback transactions as it is recorded under the Land Fund portfolio.

OTHER NOTES TO THE INTERIM CONDENSED REPORT

(cont'd)

KEY FINANCIAL AND PERFORMANCE INDICATORS (cont'd)

Based on data from audited financial statements for the respective years

	2022	2021	2020	2019	2018	2017 (corrected) *
Key financial data						
Net interest income (EUR '000) **	16 974	16 717	14 572	11 569	11 302	11 602
Operating profit (EUR '000)	11 484	13 829	5 539	8 131	4 092	8 709
Profit for the period (EUR '000)	11 484	13 829	5 539	8 131	4 092	8 709
Cos to income ratio (CIR) ***	38.26%	39.46%	47.51%	52.58%	74.84%	50.30%
Employees	234	226	211	203	222	230
Total assets (EUR '000)	1 099 588	976 204	850 704	560 061	495 939	453 668
Financial debt (EUR '000)	458 382	360 909	342 490	217 943	177 249	146 157
Tangible common equity (TCE) / Total tangible managed assets (TMA) ****	27.01%	33.82%	33.56%	29.40%	31.70%	35.10%
Equity and reserves (EUR '000)	395 983	440 736	382 594	232 738	221 590	222 848
Total risk coverage: (EUR '000)	297 218	285 954	180 205	87 456	77 815	67 593
Risk coverage reserve	230 524	159 196	112 567	99 778	85 276	62 651
Risk coverage reserve used for provisions	(38 039)	(29 496)	(28 197)	(27 829)	(19 268)	(4 753)
Portfolio loss reserve (specific reserve capital)	109 979	159 700	102 264	15 507	11 807	9 695
Portfolio loss reserve used to compensate provisions upon approval of the annual report	(5 246)	(3 446)	(6 429)	-	-	-
Liquidity ratio for 180 days *****	366%	518%	464%	582%	227%	482%
Net Cash flows from operating activities (EUR '000)	89 534	49 555	21 966	39 813	7 997	(10 146)
Net Cash flows from financing activities (EUR '000)	3 526	43 768	165 800	18 700	12 013	22 299
Net Cash flow from investing activities (EUR '000)	(8 437)	4 553	(4 016)	(11 230)	8 307	3 891
Support instruments gross value (EUR '000), of which	1 064 821	979 130	872 302	667 649	553 628	465 724
Financial instruments gross value (EUR '000) ***						
Loans (excluding sales and leaseback transactions)	311 844	315 674	302 481	225 144	210 208	207 065
Guarantees	481 013	414 978	359 605	284 232	236 895	182 376
Venture capital funds	90 277	85 973	73 165	68 331	59 698	62 299
Land Fund, of which:	80 542	79 163	68 258	39 634	21 717	11 328
- sales and leaseback transactions	27 089	32 999	31 500	15 268	6 923	520
- investment properties	53 453	46 164	36 758	24 366	14 794	10 808
Total	963 676	895 788	803 509	617 341	528 518	463 068
Number of transactions	33 976	30 978	26 578	22 437	18 603	14 655
Volumes issued (EUR '000) (by financial instrument) *****						
Loans (excluding sales and leaseback transactions)	95 820	100 966	138 238	64 320	59 608	51 349
Guarantees	153 067	126 997	137 425	98 240	88 765	68 615
Venture capital funds	18 526	29 158	14 014	9 022	4 149	2 638
Land Fund, of which	7 414	10 595	28 191	16 384	10 823	6 359
- sales and leaseback transactions	3 105	3 254	16 796	7 239	6 835	520
- investment properties	4 309	7 341	11 395	9 145	3 988	5 839
Total	274 827	267 716	317 868	187 966	163 345	128 961
Number of transactions	6 539	6 579	6 147	5 559	5 590	4 839
Leverage for raised private funding	123%	177%	114%	142%	162%	185%
Volume of support programmes funding per employee (EUR '000)	4 118	3 964	3 808	3 041	2 381	2 013
Long-term rating assigned by Moody's Investors Service	Baa1	Baa1	Baa1	Baa1	Baa1	Baa1

* Due to change of accounting policy on investments in venture capital funds and adoption of IFRS 9 requirements that effects the accounting of public funding risk coverage the comparatives for 2017 have been restated.

** Due to reclassification of fees and commission related to lending activities following the industry practise, excludes fees and commission not related to lending activities, the comparatives for 2018 have been reclassified with subsequent ratio recalculation.

*** Due to reclassification of staff and administrative costs to be compensated as well as respective income on compensation, the comparatives for 2018 have been reclassified with subsequent ratio recalculation.

**** TMA includes off-balance sheet item outstanding guarantees.

***** Liquidity ratio calculation takes into account the previous experience and management estimate of expected amount and timing of guarantees claims

***** Taking into account the significance of the volume, the Land Fund portfolio, which consists of sales and leaseback transactions and investment properties, is also presented in the outstanding volumes and in volumes issued in the period. Since according to the accounting principles and IFRS the sales and leaseback transactions are accounted for under the loans, the volume of loans presented in this table has been reduced for the volume of the sales and leaseback transactions as it is recorded under the Land Fund portfolio.

Definitions of ratios

<i>Net income from interest</i>	<p>"Net income from interest, fees and commission" is equal to the item "Net interest income" in the Statement of Comprehensive Income. Until 2018 this ratio included the following items of the Statement of Comprehensive Income: "Net interest income" and "Net income from fees and commissions". In 2019 following the industry practise Fee and commission income from lending activities is reclassified to Interest income from "Net income from fees and commissions". Subsequently the fee and commission income not related to lending activities is reclassified within Other income and as such is not included in this ratio. The item "Net income from fees and commissions" is not applicable in The Statement of Comprehensive Income anymore. The comparatives have been reclassified accordingly. Altum uses this indicator as the key financial metric for profitability by evaluating Altum net income amount generated by the portfolio of financial instruments and recognised in the Statement of Comprehensive income. Altum management measures and monitors the actual performance of this indicator on a quarterly basis compared to the approved level in Altum budget.</p>
<i>Operating profit</i>	<p>"Operating profit" is calculated by deducting "Operating expenses" from "Operating income before operating expenses" included in the Statement of Comprehensive Income. "Operating expenses" is calculated as the sum of "Staff costs", "Administrative expense", "Amortisation of intangible assets and depreciation of property, plant and equipment" and "Impairment gain / (loss), net" included in the Statement of Comprehensive Income.</p>
<i>Cost to income ratio (CIR)</i>	<p>"Cost to income ratio" (CIR) is calculated by dividing the amount of "Staff costs", "Administrative expense", "Amortisation of intangible assets and depreciation of property, plant and equipment" by "Operating income before operating expenses" included in the Statement of Comprehensive Income. Altum uses CIR to evaluate the operational efficiency. This is one of the measures of operational efficiency which Altum management assesses on a quarterly basis in the management reports to evaluate the outputs from different operational activities and efficiency improving measures.</p>
<i>Financial debt</i>	<p>"Financial debt" is calculated as the sum of "Due to credit institutions", "Due to general government entities", "Financial liabilities at amortised cost – issued debt securities" and "Support programme funding" included in the Statement of Financial Position less difference between "Risk Coverage Reserve" and "Risk Coverage Reserve Used for Provisions".</p> <p>"Risk Coverage Reserve" is disclosed in the Note on Support Programme Funding to the Financial statements of Altum. "Risk Coverage Reserve Used for Provisions" is the amount of "Risk Coverage Reserve" allocated to and used for provisioning for impairment loss on loan portfolio and guarantees which in its turn is disclosed in the Note on Support Programme Funding to the Financial statements of Altum.</p>
<i>Tangible common equity (TCE) / Tangible managed assets (TMA)</i>	<p>"Tangible Common Equity" (TCE) is calculated by subtracting the revaluation reserve of available for sale investments from total equity.</p> <p>The amount of "Total managed assets" (TMA) is calculated by adding the guarantees shown as off-balance sheet items to the total assets of Altum taking into account provisions for these guarantees and subtracting "Deferred expense", "Accrued income", "Property, plant and equipment", "Intangible assets", "Other assets" and "Assets held for sale".</p> <p>Data for the calculation of both indicators (TCE, TMA) are obtained from Altum Financial statements: Statement of Financial Position and Consolidated Statement of Changes in Equity, notes - Off balance sheet items and contingent liabilities and Provisions. ALTUM uses the ratio "TCE/TMA" to evaluate Altum capital position adequacy and to measure Altum tangible common equity in terms of Altum tangible managed assets including the off-balance sheet item Guarantee portfolio. The Risk and Liquidity Management Committee of Altum monitors its level on a quarterly basis.</p>
<i>Total risk coverage</i>	<p>"Total Risk Coverage" is the net funding available for covering the expected credit losses of the State aid programmes implemented by Altum. "Total Risk Coverage" is calculated as the total of "Risk Coverage Reserve" and "Portfolio Loss Reserve" (Specific Capital Reserves) less "Risk Coverage Reserve Used for Provisions" and "Portfolio loss reserve used to compensate provisions upon approval of the annual report". The expected losses are estimated before implementation of the respective State aid programme and part of the public funding received under respective State aid programme for coverage of expected losses on credit risk is transferred either to "Portfolio Loss Reserve" as Altum specific capital reserve or accounted separately as provisions for risk coverage under liabilities item "Risk Coverage Reserve". "Portfolio Loss Reserve" (specific capital reserve) is disclosed in the Note on Reserves to the Financial statements of the Altum. "Risk Coverage Reserve" is disclosed in the Note on Support Programme Funding to the Financial statements of Altum. "Risk Coverage Reserve Used for Provisions" is the amount of "Risk Coverage Reserve" allocated to and used for provisioning for impairment loss on loan portfolio and guarantees which in its turn is disclosed in the Note on Support Programme Funding to the Financial statements of Altum. "Portfolio loss reserve used to compensate provisions upon approval of the annual report" is disclosed in the Note on Reserves to the Financial statements of the Altum.</p> <p>"Total Risk Coverage" is key indicator to be used for assessment of Altum risk coverage on implemented programmes and long-term financial stability.</p>

Definition of ratios (cont'd)

180-day liquidity ratio	<p>"180-days-liquidity ratio" is calculated by dividing the amount of the balances "Due from other credit institutions and the Treasury" with a maturity of up to 1 month and "Financial assets at fair value through other comprehensive income and Investment securities" by the amount of the total liabilities maturing within 6 months and total financial commitments maturing within 6 months (off-balance sheet items). The data required for the calculation of the "180-days liquidity ratio" is disclosed in the following Altum Financial statements: Statement of Financial Position and notes – Maturity profile of assets and liabilities under the section of Risk Management, Off-balance sheet items and contingent liabilities. Altum uses the "180-days-liquidity ratio" to assess and monitor Altum ability to fulfil Altum contractual and/or contingent liabilities during 6 (six) month with the currently available liquidity resources. "180-days-liquidity ratio" helps to manage Altum's liquidity risk in line with Altum funding management objectives and risk framework. Risk and Liquidity Management Committee of Altum monitors its level on a quarterly basis.</p>
Support instruments gross value	<p>"Support instruments gross value" is calculated as the sum of the gross values of the portfolios of grants, loans, guarantees, venture capital funds and Land Fund</p>
Total contribution to the economy, including the participation of the final recipients, by volumes issued in the period	<p>The 'Total contribution to the economy, including the participation of the final recipients, by volumes issued in the period' is calculated by adding to the volumes issued by Altum the financing provided by the private co-financier and the project promoter.</p>
Leverage for raised private funding	<p>"Leverage for raised private funding" indicates the amount of additional private funds invested in a project in addition to Altum financing. "Leverage for raised private funding" is determined considering the financing invested by a private co-financier and a project's implementer, which, on average, makes up to 50 per cent for loans, up to 70 per cent for guarantees and venture capital (except for housing loan guarantees' programme for the first instalment with a ratio of 795 per cent) in addition to Altum funding.</p>
Employees	<p>Average number of employees in the report period excluding members of the Council and the Audit Committee.</p>
Volume of support programmes funding per employee	<p>"Support programmes funding per employee" is calculated by dividing the gross value of the Financial Instruments Portfolio by the average number of employees during the period, excluding members of the Supervisory Council and the Audit Committee.</p>
Venture capital	<p>The Venture Capital Funds presented at their gross value.</p>