



**Interim condensed consolidated  
financial statements for the  
period ended 30 June 2017**

# Bigbank AS

## Interim condensed consolidated financial statements for the period ended 30 June 2017

<b>Business name</b>	<b>Bigbank AS</b>
<b>Registry</b>	<b>Commercial Register of the Republic of Estonia</b>
<b>Registration number</b>	<b>10183757</b>
<b>Date of entry</b>	<b>30 January 1997</b>
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<b>Financial year</b>	<b>1 January 2017 – 31 December 2017</b>
<b>Reporting period</b>	<b>1 January 2017 – 30 June 2017</b>
<b>Chairman of the management board</b>	<b>Kaido Saar</b>
<b>Core business line</b>	<b>Provision of consumer loans and acceptance of deposits</b>
<b>Auditor</b>	<b>Ernst &amp; Young Baltic AS</b>
<b>Reporting currency</b>	<b>The reporting currency is the euro and numerical financial data is presented in thousands of euros.</b>

Interim report is available on the website of Bigbank AS at [www.bigbank.ee](http://www.bigbank.ee).  
The version in English is located at [www.bigbank.eu](http://www.bigbank.eu).

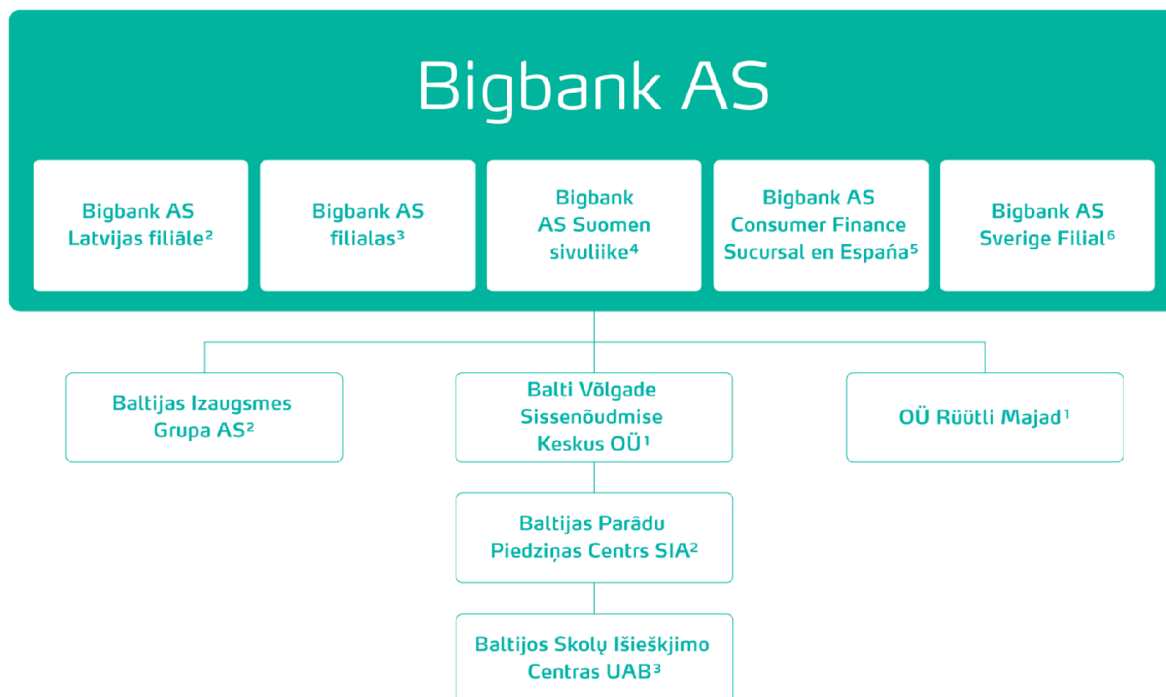
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# Bigbank Group structure

Bigbank AS was founded on 22 September 1992. A licence for operating as a credit institution was issued to Bigbank AS on 27 September 2005. Bigbank is specialised on consumer loans and term deposits.

The Group's structure at the reporting date:



<sup>1</sup> registered in the Republic of Estonia

<sup>2</sup> registered in the Republic of Latvia

<sup>3</sup> registered in the Republic of Lithuania

<sup>4</sup> registered in the Republic of Finland

<sup>5</sup> registered in the Kingdom of Spain

<sup>6</sup> registered in the Kingdom of Sweden

The branches in Latvia, Lithuania, Finland, Spain and Sweden offer lending services similar to those of the parent. In addition, the parent and its Latvian, Finnish and Swedish branches offer deposit services. In addition, Bigbank AS provides cross-border deposit services in Germany, the Netherlands and Austria.

The core business of OÜ Rütli Majad is managing the real estate used in the parent's business operations in Estonia. OÜ Balti Völgade Sissenõudmise Keskus and its subsidiaries support the parent and its branches in debt collection.

# Review of operations

## Significant economic events

Loan portfolio of Bigbank AS (hereinafter also “Bigbank” and the “Group”) increased 38.9 million euros i.e. 10.7% during the six months and 16.9 million euros i.e. 4.4% during the second quarter. The largest contributor to the growth of the loan portfolio was Estonia.

The Group’s net profit for the second quarter of 2017 comprised 5.1 million euros, the corresponding figure was 2.9 million euros in the second quarter of 2016. Profitability of the Group has increased supported by the increase of the working loan portfolio, strongly seconded by smaller loan losses. As the Group follows the strategy concentrating on lower credit risk customers than before, the loan interest rates have been lowered which has in turn affected interest income. Concentration on lower credit risk customers has on the other hand resulted in lower credit losses than planned.

The supervisory board of Bigbank AS has five members – the chairman of the supervisory board Parvel Pruunsild and the members Vahur Voll, Juhani Jaeger, Raul Eamets and Andres Koern. The management board of the bank has five members - the chairman of the management board Kaido

Saar and the members Sven Raba, Pāvels Gilodo, Martin Lānts and Mart Veskimägi. The chairman of the management board Kaido Saar has announced his wish to leave the position from the 1<sup>st</sup> September 2017, whereby the management board continues initially with four members.

Bank is developing new information system Nest for supporting Bigbank’s development and growth, as well as to ensure the compliance of solutions with all the new regulatory and reporting requirements. Finnish branch of the bank was the first where the core was implemented in full in June 2017.

Bigbank had 431 employees at the end of the second quarter of 2017: 212 in Estonia, 76 in Latvia, 74 in Lithuania, 24 in Finland, 30 in Spain and 15 in Sweden.

At the end of the second quarter, the Group had 3 branch offices, 1 of them located in Estonia, 1 in Latvia and 1 in Spain.

**Key performance indicators and ratios**

Financial position indicators (in thousands of euros)	30 June 2017	31 Dec 2016	Change
Total assets	424,262	394,128	7.6%
Loans to customers	364,496	332,725	9.5%
of which loan portfolio	401,985	363,130	10.7%
of which interest receivable	17,595	16,916	4.0%
of which impairment allowances	-55,084	-47,321	16.4%
of which impairment allowances for loans	-30,841	-27,699	11.3%
of which impairment allowances for interest receivables	-9,027	-8,298	8.8%
of which statistical impairment allowance	-15,216	-11,324	34.4%
Deposits from customers	312,311	285,575	9.4%
Equity	104,116	100,836	3.3%

Financial performance indicators (in thousands of euros)	Q2 2017	Q2 2016	Change	6M 2017	6M 2016	Change
Interest income	17,998	16,774	7.3%	35,068	34,070	2.9%
Interest expense	1,459	1,502	-2.9%	2,919	3,058	-4.5%
Expenses from impairment allowances	3,851	6,309	-39.0%	9,632	13,039	-26.1%
Income from debt collection proceedings	573	933	-38.6%	1,250	1,804	-30.7%
Profit before impairment allowances	8,961	9,228	-2.9%	17,856	19,178	-6.9%
Net profit	5,110	2,919	75.1%	8,224	6,139	34.0%

Ratios	Q2 2017	Q2 2016	6M 2017	6M 2016
Return on equity (ROE)	20.1%	12.4%	16.0%	13.2%
Equity multiplier (EM)	4.1	3.8	4.0	3.8
Profit margin (PM)	26.4%	15.9%	43.5%	33.0%
Asset utilization ratio (AU)	18.6%	20.7%	18.5%	21.1%
Return on assets (ROA)	4.9%	3.3%	4.0%	3.5%
Price difference (SPREAD)	14.6%	15.4%	14.8%	16.2%

Ratios are presented on an annual basis (i.e. annualised).

The statement of financial position indicators used in calculating the ratios are found as the arithmetic means of respective data as at the end of the month preceding the reporting quarter and as at the end of each month of the reporting quarter. In the case of indicators of the consolidated statement of comprehensive income, the annualized actual data of the reporting quarter are used.

**Explanations of ratios:**

**Return on equity (ROE)** – net profit to equity

**Equity multiplier (EM)** – total assets to total equity

**Profit margin (PM)** – net profit to total income

**Asset utilisation (AU)** – total income (incl. interest income, fee income, dividend income and other operating income) to total assets

**Return on assets (ROA)** – net profit to total assets

**Price difference (SPREAD)** – ratio of interest income to interest-bearing assets less ratio of interest expense to interest-bearing liabilities

## Financial review

### Financial position

As at 30 June 2017, the consolidated assets of Bigbank AS Group totalled 424.3 million euros, having increased by 17.7 million euros (4.4%) during the quarter.

As at 30 June 2017, loans to customers accounted for 85.9% of total assets, the proportion of liquid assets (amounts due from banks and financial assets held for trading) was 11.1%.

At the end of the second quarter, liquid assets totalled 46.9 million euros.

Part of bank's liquidity buffer has been placed in a trading portfolio of debt securities, which are highly liquid, hold investment grade credit ratings, and can be sold at any moment. Financial assets held for trading totalled 14.9 million euros as at 30 June 2017.

At the end of the second quarter, the Group had 162 thousand loan agreements, 69 thousand of them in Latvia, 37 thousand in Estonia, 27 thousand in Lithuania, 12 thousand in Finland, 8 thousand in Spain and 7 thousand in Sweden.

Geographical distribution of loans to customers:

- 24.3% Lithuania,
- 23.8% Latvia,
- 19.1% Finland,
- 17.3% Estonia,
- 8.7% Sweden,
- 6.8% Spain.

At 30 June 2017, loans to customers totalled 364.5 million euros, comprising of:

- the loan portfolio of 402.0 million euros. Loans to individuals accounted for 93.0% of the total;
- interest receivable on loans of 17.6 million euros;
- impairment allowances for loans and interest receivables of 55.1 million euros (consisting of an impairment allowance for loans of 30.8 million euros, an impairment allowance for interest receivables of 9.0 million euros and a statistical impairment allowance of 15.2 million euros).

Bigbank's loan portfolio is diversified – at the reporting date the average loan was 2,483 euros and as at 30 June 2017, 40 largest loans accounted for 6.1% of the loan portfolio.

Bigbank AS focuses on the provision of consumer loans. In line with the corporate strategy, as at 30 June 2017 loans against income accounted for 89.8%, loans against surety for 1.5% and loans secured with real estate for 8.7% of the total loan portfolio.

As regards past due receivables, it is important to note that the collection of non-performing consumer loans differs significantly from the recovery of loans that have physical collateral (for example, mortgage-backed loans). Due to their nature (as a rule, consumer loans are backed with the customer's regular income), claims related to terminated consumer loans are satisfied in smaller instalments over an extended period rather than in a lump sum raised through the sale of the collateral.

To mitigate the risks arising from customers' payment behaviour and to cover potential credit losses, the Group makes impairment allowances, which are created on a conservative basis. At 30 June 2017, impairment allowances totalled 55.6 million euros, consisting of:

- impairment allowances for loan receivables of 30.8 million euros,
- impairment allowances for interest receivables of 9.0 million euros,
- statistical impairment allowances of 15.2 million euros,
- impairment allowances for other receivables of 0.6 million euros.

Where debt recovery proceedings do not yield expected results, the underlying receivable is written off the statement of financial position.

At the end of the second quarter of 2017, the Group's liabilities totalled 320.1 million euros. Most of the debt raised by the Group, i.e. 312.3 million euros (97.6%) consisted of term deposits.

As at the end of the second quarter of 2017, the Group's equity was 104.1 million euros. The equity to assets ratio amounted to 24.5%.

## Financial performance

Interest income for the second quarter reached 18.0 million euros, increasing by 1.2 million euros (7.3%) compared to the same period in 2016.

The period's ratio of interest income (annualised) to average interest-earning assets was 16.5% and (annualised) return on the loan portfolio accounted for 18.2% of the average loan portfolio.

Interest expense for the second quarter of 2017 was 1.5 million euros, remaining the same level compared to the same period in 2016.

The ratio of interest expense to interest income was 8.1%. The ratio of interest expense to average interest-bearing liabilities (annualised) was 1.9%.

Other operating expenses for the second quarter 2.7 million euros, the corresponding figure of the same period in 2016 was also 2.7 million euros.

Salaries and associated charges for the second quarter of 2017 amounted to 4.3 million euros, including remuneration of 3.1 million euros. As at the end of the period, the Group had 431 employees.

In the second quarter, impairment losses were 3.9 million euros, consisting of:

- impairment losses on loan receivables of 3.6 million euros;
- impairment losses on interest receivables of 0.6 million euros; and
- impairment income on other receivables of 0.3 million euros.

Impairment allowances are made on a conservative basis.

Other income for the second quarter of 2017 was 0.6 million euros, the largest proportion of which resulted from debt collection income. In the same period of 2016, other income was 1.0 million euros.

Other expenses for the second quarter reached 0.8 million euros, increasing by 0.1 million euros (-9.4%) compared to the same period in 2016.

The Group's net profit for the second quarter of 2017 amounted to 5.1 million euros. In comparison to the second quarter of 2016, net profit has increased by 2.2 million euros (75.1%).

## Capital ratios

### Own funds

	Basel III	Basel III
	As at	31 Dec 2016
	30 June 2017	31 Dec 2016
Paid up capital instruments	8,000	8,000
Other reserves	800	800
Previous years retained earnings	85,666	78,964
Other accumulated comprehensive income	1,426	1,369
Other intangible assets	-5,218	-4,037
Profit or loss eligible	-	6,703
<b>Common equity Tier 1 capital</b>	<b>90,674</b>	<b>91,799</b>
<b>Tier 1 capital</b>	<b>90,674</b>	<b>91,799</b>
<b>Tier 2 capital</b>	-	-
<b>Deductions</b>	-	-
<b>Total own funds</b>	<b>90,674</b>	<b>91,799</b>



**Total risk exposure amount**

	Basel III 30 June 2017	Basel III 31 Dec 2016
<b>Risk weighted exposure amounts for credit and counterparty credit (standardized approach)</b>		
Central governments or central banks	1,169	1,128
Institutions	7,079	5,159
Corporates	41,063	39,543
Retail	226,082	202,022
Secured by mortgages on immovable property	4,853	5,277
Exposures in default	26,657	26,297
Other items	7,683	7,558
<b>Total risk weighted exposure amounts for credit and counterparty credit (standardized approach)</b>	<b>314,586</b>	<b>286,984</b>
<b>Total risk exposure amount for foreign exchange risk (standardized approach)</b>	-	-
<b>Total risk exposure amount for operational risk (standardized approach)</b>	<b>100,928</b>	<b>93,585</b>
<b>Total risk exposure amount for credit valuation adjustment (standardized approach)</b>	-	-
<b>Total risk exposure amount</b>	<b>415,514</b>	<b>380,569</b>

**Capital ratios**

	Basel III 30 June 2017	Basel III 31 Dec 2016
CET1 Capital ratio	21.8%	24.1%
T1 Capital ratio	21.8%	24.1%
Total capital ratio	21.8%	24.1%
Leverage ratio	21.2%	23.1%

Own funds as of 31 December 2016 include include all year 2016 eligible profits less dividends.

Own funds are calculated on the basis of Regulation (EU) no 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms that incorporate the Basel III framework.

# Condensed consolidated interim financial statements

## Consolidated statement of financial position

As at	Note	30 June 2017	31 Dec 2016
<b>Assets</b>			
Cash and balances at central banks	2	6,761	20,551
Cash and balances at banks	2	25,260	14,382
Financial assets held for trading	3	14,880	14,891
Loans to customers	4,5,6,7,8	364,496	332,725
Other receivables	9	1,339	1,303
Prepayments	10	894	1,420
Property and equipment	11	4,927	4,299
Investment property		462	509
Intangible assets	12	5,219	4,037
Deferred tax assets	14	24	11
<b>Total assets</b>		<b>424,262</b>	<b>394,128</b>
<b>Liabilities</b>			
Deposits from customers	13	312,311	285,575
Provisions		133	133
Other liabilities		5,878	4,783
Deferred income and tax liabilities		1,824	2,801
<b>Total liabilities</b>		<b>320,146</b>	<b>293,292</b>
<b>Equity</b>			
Share capital		8,000	8,000
Capital reserve		800	800
Other reserves	14	1,426	1,369
Earnings retained		93,890	90,667
<b>Total equity</b>		<b>104,116</b>	<b>100,836</b>
<b>Total liabilities and equity</b>		<b>424,262</b>	<b>394,128</b>

**Consolidated statement of comprehensive income**

	Note	Q2 2017	Q2 2016	6M 2017	6M 2016
Interest income	18	17,998	16,774	35,068	34,070
Interest expense	19	-1,459	-1,502	-2,919	-3,058
<b>Net interest income</b>		<b>16,539</b>	<b>15,272</b>	<b>32,149</b>	<b>31,012</b>
Fee and commission income		731	633	1,421	1,256
Fee and commission expense		-87	-45	-196	-93
<b>Net fee and commission income</b>		<b>644</b>	<b>588</b>	<b>1,225</b>	<b>1,163</b>
Net gain/loss on financial transactions		-113	43	-173	277
Other income	20	630	986	1,364	1,903
<b>Total income</b>		<b>17,700</b>	<b>16,889</b>	<b>34,565</b>	<b>34,355</b>
Salaries and associated charges		-4,293	-3,695	-8,181	-7,059
Other operating expenses	21	-2,661	-2,719	-5,107	-5,406
Depreciation and amortisation expense		-336	-187	-618	-368
Impairment losses on loans and financial investments		-3,851	-6,309	-9,632	-13,039
Impairment losses on other assets		-	-	-	-70
Other expenses	22	-757	-692	-1,474	-1,445
<b>Total expenses</b>		<b>-11,898</b>	<b>-13,602</b>	<b>-25,012</b>	<b>-27,387</b>
<b>Profit before income tax</b>		<b>5,802</b>	<b>3,287</b>	<b>9,553</b>	<b>6,968</b>
Income tax expense		-692	-368	-1,329	-829
<b>Profit for the period</b>		<b>5,110</b>	<b>2,919</b>	<b>8,224</b>	<b>6,139</b>
<b>Other comprehensive income/expense</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translating foreign operations		65	65	57	65
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>65</b>	<b>65</b>	<b>57</b>	<b>65</b>
<b>Other comprehensive income for the period</b>		<b>65</b>	<b>65</b>	<b>57</b>	<b>65</b>
<b>Total comprehensive income for the period</b>		<b>5,175</b>	<b>2,984</b>	<b>8,281</b>	<b>6,204</b>
Basic earnings per share (EUR)		64	36	103	77
Diluted earnings per share (EUR)		64	36	103	77

**Consolidated statement of cash flows**

	Note	6M 2017	6M 2016
<b>Cash flows from operating activities</b>			
Interest received		29,472	29,726
Interest paid		-2,503	-2,217
Salary and other operating expenses paid		-14,823	-13,515
Other income received		2,550	2,957
Other expenses paid		-1,832	-1,746
Fees received		670	546
Fees paid		-202	-94
Recoveries of receivables previously written off		6,345	4,574
Received for other assets		116	279
Paid for other assets		-95	-243
Loans provided		-128,851	-94,439
Repayment of loans provided		89,236	77,296
Change in mandatory reserves with central banks		-249	-97
Proceeds from customer deposits		60,939	25,813
Paid on redemption of deposits		-34,681	-28,266
Net acquisition and disposal of trading portfolio		133	181
Income tax paid/received		-1,876	-803
Effect of movements in exchange rates		-23	-18
<b>Net cash from / used in operating activities</b>		<b>4,326</b>	<b>-66</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment and intangible assets		-2,545	-1,228
Proceeds from sale of property and equipment		58	42
Proceeds from sale of investment properties		49	32
Change in term deposits		-	-120
Acquisition of financial instruments		-600	-
Proceeds from redemption of financial instruments		539	633
<b>Net cash used in investing activities</b>		<b>-2,499</b>	<b>-641</b>
<b>Cash flows from financing activities</b>			
Dividends paid		-5,000	-1,300
<b>Net cash used in financing activities</b>		<b>-5,000</b>	<b>-1,300</b>
Effect of exchange rate fluctuations		12	-173
<b>Decrease in cash and cash equivalents</b>		<b>-3,161</b>	<b>-2,180</b>
Cash and cash equivalents at beginning of period		34,291	28,894
<b>Cash and cash equivalents at end of period</b>	2	<b>31,130</b>	<b>26,714</b>

**Consolidated statement of changes in equity**

	Attributable to equity holders of the parent				Total
	Share capital	Statutory capital reserve	Other reserves	Retained earnings	
Balance at 1 January 2016	8,000	800	1,048	80,264	90,112
Profit for the period	-	-	-	6,139	6,139
<b>Other comprehensive income</b>					
Exchange differences on translating foreign operations	-	-	65	-	65
<b>Total other comprehensive income</b>	-	-	<b>65</b>	-	<b>65</b>
<b>Total comprehensive income for the period</b>	-	-	<b>65</b>	<b>6,139</b>	<b>6,204</b>
Dividend distribution	-	-	-	-1,300	-1,300
<b>Total transactions with owners</b>	-	-	-	<b>-1,300</b>	<b>-1,300</b>
<b>Balance at 30 June 2016</b>	<b>8,000</b>	<b>800</b>	<b>1,113</b>	<b>85,103</b>	<b>95,016</b>
<b>Balance at 1 January 2017</b>	<b>8,000</b>	<b>800</b>	<b>1,369</b>	<b>90,667</b>	<b>100,836</b>
Profit for the period	-	-	-	8,224	8,224
<b>Other comprehensive income</b>					
Exchange differences on translating foreign operations	-	-	57	-	57
<b>Total other comprehensive income</b>	-	-	<b>57</b>	-	<b>57</b>
<b>Total comprehensive income for the period</b>	-	-	<b>57</b>	<b>8,224</b>	<b>8,281</b>
Dividend distribution	-	-	-	-5,000	-5,000
<b>Total transactions with owners</b>	-	-	-	<b>-5,000</b>	<b>-5,000</b>
<b>Balance at 30 June 2017</b>	<b>8,000</b>	<b>800</b>	<b>1,426</b>	<b>93,890</b>	<b>104,116</b>

## Notes to the condensed consolidated interim financial statements

### Note 1. Basis of preparation and accounting policies

The condensed consolidated interim financial statements of Bigbank AS as at and for the six months ended 30 June 2017 have been prepared in accordance with the international financial reporting standard IAS 34 *Interim Financial Reporting* as adopted by the European Union. The interim financial statements do not include all the information required for full annual financial statements and they should be read in conjunction with the Group's latest published annual financial statements as at and for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS EU).

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the

Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017. Although these new standards and amendments apply for the first time in 2017, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

This interim report has not been audited or otherwise reviewed by auditors and only includes the condensed consolidated financial statements of the Group. The financial statements are presented in thousands of euros, unless otherwise indicated.

### Note 2. Cash equivalents

As at	30 June 2017	31 Dec 2016
Demand and overnight deposits with credit institutions*	25,260	14,382
Surplus on mandatory reserves with central banks*	5,870	19,909
Mandatory reserves	891	642
<b>Total cash and balances at banks</b>	<b>32,021</b>	<b>34,933</b>
<b>of which cash and cash equivalents</b>	<b>31,130</b>	<b>34,291</b>

\* Cash equivalents

### Note 3. Financial assets held for trading

As at	30 June 2017	31 Dec 2016
<b>Financial assets held for trading</b>	<b>14,880</b>	<b>14,891</b>
<b>Financial assets held for trading by issuer</b>		
General government bonds	4,839	4,277
Bonds issued by credit institutions	3,565	4,082
Other financial corporations' bonds	1,243	1,241
Non-financial corporations' bonds	5,233	5,291
<b>Financial assets held for trading by currency</b>		
EUR (euro)	13,560	14,165
SEK (Swedish krona)	1,320	726
<b>Financial assets held for trading by rating</b>		
Aaa-Aa3	3,772	3,190
A1-A3	4,328	4,354
Baa1-Baa3	6,780	7,347

**Note 4. Loans to customers****Loans to customers as at 30 June 2017**

	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Finland</b>	<b>Spain</b>	<b>Sweden</b>	<b>Total</b>
Loan receivables from customers	68,156	99,458	92,960	74,357	31,343	35,711	401,985
Impairment allowances for loans	-4,639	-15,344	-3,121	-2,330	-3,889	-1,518	-30,841
Interest receivable from customers	3,568	9,157	847	1,919	1,589	515	17,595
Impairment allowances for interest receivables	-2,424	-5,184	-162	-416	-661	-180	-9,027
Statistical impairment allowance	-1,466	-1,323	-2,037	-4,050	-3,643	-2,697	-15,216
<b>Total loans to customers, incl. interest and allowances</b>	<b>63,195</b>	<b>86,764</b>	<b>88,487</b>	<b>69,480</b>	<b>24,739</b>	<b>31,831</b>	<b>364,496</b>
Share of region	17.3%	23.8%	24.3%	19.1%	6.8%	8.7%	100.0%

**Loans to customers as at 31 December 2016**

	<b>Estonia</b>	<b>Latvia</b>	<b>Lithuania</b>	<b>Finland</b>	<b>Spain</b>	<b>Sweden</b>	<b>Total</b>
Loan receivables from customers	61,044	90,433	86,949	66,933	29,970	27,801	363,130
Impairment allowances for loans	-4,484	-14,343	-2,727	-1,906	-3,063	-1,176	-27,699
Interest receivable from customers	3,861	8,838	979	1,202	1,479	557	16,916
Impairment allowances for interest receivables	-2,324	-4,820	-191	-176	-635	-152	-8,298
Statistical impairment allowance	-1,504	-958	-1,692	-3,144	-2,115	-1,911	-11,324
<b>Total loans to customers, incl. interest and allowances</b>	<b>56,593</b>	<b>79,150</b>	<b>83,318</b>	<b>62,909</b>	<b>25,636</b>	<b>25,119</b>	<b>332,725</b>
Share of region	17.0%	23.8%	25.0%	18.9%	7.7%	7.6%	100.0%

**Note 5. Loan receivables from customers by due dates**

<b>As at</b>	<b>30 June 2017</b>	<b>31 Dec 2016</b>
Past due	48,415	44,930
Less than 1 month	11,214	10,500
1-12 months	95,646	91,806
1-2 years	78,974	71,354
2-5 years	140,020	121,870
More than 5 years	27,716	22,670
<b>Total</b>	<b>401,985</b>	<b>363,130</b>

**Note 6. Ageing analysis on loan receivables****Ageing analysis as at 30 June 2017**

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
<b>Loans against income</b>						
Loan portfolio	267,758	29,741	10,301	6,112	46,931	360,843
Impairment allowance	-13,081	-1,802	-805	-559	-26,296	-42,543
<b>Surety loans</b>						
Loan portfolio	3,594	536	79	36	1,771	6,016
Impairment allowance	-246	-37	-16	-9	-1,385	-1,693
<b>Loans secured with real estate</b>						
Loan portfolio	28,372	3,020	488	535	2,647	35,062
Impairment allowance	-645	-83	-10	-12	-1,061	-1,811
<b>Loans against other collaterals</b>						
Loan portfolio	48	4	-	-	12	64
Impairment allowance	-1	-	-	-	-9	-10
<b>Total loan portfolio</b>	<b>299,772</b>	<b>33,301</b>	<b>10,868</b>	<b>6,683</b>	<b>51,361</b>	<b>401,985</b>
Total impairment allowance	-13,973	-1,922	-831	-580	-28,751	-46,057

**Ageing analysis as at 31 December 2016**

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
<b>Loans against income</b>						
Loan portfolio	239,726	24,486	7,420	4,297	41,892	317,821
Impairment allowance	-10,257	-1,289	-619	-425	-22,846	-35,436
<b>Surety loans</b>						
Loan portfolio	4,508	1,804	529	235	2,164	9,240
Impairment allowance	-3,11	-85	-24	-9	-1,499	-1,928
<b>Loans secured with real estate</b>						
Loan portfolio	27,725	3 941	493	762	2,863	35,784
Impairment allowance	-633	-99	-16	-16	-876	-1,640
<b>Loans against other collaterals</b>						
Loan portfolio	248	23	-	-	14	285
Impairment allowance	-8	-1	-	-	-10	-19
<b>Total loan portfolio</b>	<b>272,207</b>	<b>30,254</b>	<b>8,442</b>	<b>5,294</b>	<b>46,933</b>	<b>363,130</b>
Total impairment allowance	-11,209	-1,474	-659	-450	-25,231	-39,023

**Note 7. Loan receivables from customers by contractual currency**

As at	30 June 2017	31 Dec 2016
EUR (euro)	366,274	335,329
SEK (Swedish krona)	35,711	27,801
<b>Total loan receivables from customers</b>	<b>401,985</b>	<b>363,130</b>



**Note 8. Impairment allowances by loan assessment category****Impairment allowances as at 30 June 2017**

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	356,324	-14,698	11,639	-3,361	-18,059
Individually assessed items	45,661	-16,143	5,956	-5,666	-21,809
Statistical impairment allowance	-	-15,216	-	-	-15,216
<b>Total</b>	<b>401,985</b>	<b>-46,057</b>	<b>17,595</b>	<b>-9,027</b>	<b>-55,084</b>

**Impairment allowances as at 31 December 2016**

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	317,230	-13,315	11,602	-3,324	-16,639
Individually assessed items	45,900	-14,384	5,314	-4,974	-19,358
Statistical impairment allowance	-	-11,324	-	-	-11,324
<b>Total</b>	<b>363,130</b>	<b>-39,023</b>	<b>16,916</b>	<b>-8,298</b>	<b>-47,321</b>

**Change in impairment of loans, receivables and financial investments**

As at	30 June 2017	31 Dec 2016
Balance at beginning of period	-47,321	-49,480
Write-off of fully impaired loan and interest receivables	5,652	47,152
Increase in allowances for loan and interest receivables	-13,450	-45,391
Effect of movements in exchange rates	35	398
<b>Balance at end of period</b>	<b>-55,084</b>	<b>-47,321</b>

**Impairment losses on loans, receivables and financial investments**

	Q2 2017	Q2 2016	6M 2017	6M 2016
Recovery of written-off loan and interest receivables	960	3,569	3,226	5,558
Increase in allowances for loan and interest receivables	-5,174	-9,989	-13,450	-18,800
Impairment losses on other receivables	363	111	592	203
<b>Total impairment losses</b>	<b>-3,851</b>	<b>-6,309</b>	<b>-9,632</b>	<b>-13,039</b>

**Note 9. Other receivables**

As at	30 June 2017	31 Dec 2016
Collection, recovery and other charges receivable	928	805
Miscellaneous receivables	996	1,001
Impairment allowance for other receivables	-585	-503
<b>Total</b>	<b>1,339</b>	<b>1,303</b>

**Note 10. Prepayments**

As at	30 June 2017	31 Dec 2016
Prepaid taxes	438	436
Other prepayments	456	984
<b>Total</b>	<b>894</b>	<b>1,420</b>

**Note 11. Tangible assets**

	Land and buildings	Other items	Total
<b>Cost</b>			
Balance at 1 January 2016	3,051	2,709	5,760
Purchases	-	1,144	1,144
Sales	-	-84	-84
Write-off	-	-309	-309
Revaluation	7	-	7
Revaluation recognised in other comprehensive income	223	-	223
Transfer	-267	-	-267
Effect of movements in exchange rates	-	-2	-2
<b>Balance at 31 December 2016</b>	<b>3,014</b>	<b>3,458</b>	<b>6,472</b>
Balance at 1 January 2017	3,014	3,458	6,472
Purchases	-	1,022	1,022
Sales	-	-77	-77
Write-off	-	-81	-81
<b>Balance at 30 June 2017</b>	<b>3,014</b>	<b>4,322</b>	<b>7,336</b>
<b>Depreciation</b>			
Balance at 1 January 2016	-181	-2,190	-2,371
Depreciation charge for the year	-86	-329	-415
Sales	-	40	40
Write-off	-	306	306
Transfer	267	-	267
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>-2,173</b>	<b>-2,173</b>
Balance at 1 January 2017	-	-2,173	-2,173
Depreciation charge for the year	-40	-335	-375
Sales	-	65	65
Write-off	-	74	74
<b>Balance at 30 June 2017</b>	<b>-40</b>	<b>-2,369</b>	<b>-2,409</b>
<b>Carrying amount</b>			
Balance at 1 January 2016	2,870	519	3,389
Balance at 31 December 2016	3,014	1,285	4,299
<b>Balance at 30 June 2017</b>	<b>2,974</b>	<b>1,953</b>	<b>4,927</b>

**Note 12. Intangible assets**

	30 June 2017	31 Dec 2016
<b>Cost at beginning of year</b>	<b>5,701</b>	<b>2,919</b>
Purchases	1,425	2,782
Write-off	-9	-
<b>Cost at end of period</b>	<b>7,117</b>	<b>5,701</b>
<b>Amortisation at beginning of year</b>	<b>-1,664</b>	<b>-1,308</b>
Amortisation charge for the period	-243	-356
Write-off	9	-
<b>Amortisation at end of period</b>	<b>-1,898</b>	<b>-1,664</b>
Carrying amount at beginning of year	4,037	1,611
<b>Carrying amount at end of period</b>	<b>5,219</b>	<b>4,037</b>

The Group has substantially increased its investments into intangible assets, mainly the new banking system Nest, which was taken into live use in the second quarter of year 2017.

**Note 13. Deposits from customers**

As at	30 June 2017	31 Dec 2016
<b>Term deposits</b>	<b>312,311</b>	<b>285,575</b>
<b>Term deposits by customer type</b>		
Individuals	302,496	274,281
Legal persons	9,815	11,294
<b>Term deposits by currency</b>		
EUR (euro)	267,696	251,289
SEK (Swedish krona)	44,615	34,286
<b>Term deposits by maturity</b>		
Maturing within 6 months	84,835	64,764
Maturing between 6 and 12 months	69,890	75,610
Maturing between 12 and 18 months	39,916	26,909
Maturing between 18 and 24 months	35,400	39,349
Maturing between 24 and 36 months	35,505	35,312
Maturing between 36 and 48 months	13,310	14,101
Maturing in over 48 months	33,455	29,530
Average deposit amount	23	22
Weighted average interest rate	2.0%	2.1%
Weighted average duration until maturity (months)	20	21
Weighted average total contract term (months)	37	40

**Note 14. Other reserves**

As at	30 June 2017	Change	31 Dec 2016
Exchange differences on translating foreign operations	224	57	167
Asset revaluation reserve	1,202	-	1,202
<b>Total other reserves</b>	<b>1,426</b>	<b>57</b>	<b>1,369</b>

**Note 15. Net currency positions****Net currency positions as at 30 June 2017**

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	373,710	275,155	-	10,220	88,335
SEK (Swedish krona)	45,289	44,991	-	-	298
GBP (British pound)	45	-	-	-	45

**Net currency positions as at 31 December 2016**

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	355,469	258,271	-	8,013	89,184
SEK (Swedish krona)	34,596	35,021	-	-	-425
GBP (British pound)	26	-	-	-	26

The loans provided by the Group are denominated in the currency of the corresponding region or in euros.

**Note 16. Fair values of financial assets and financial liabilities**

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

The fair values of the assets and liabilities reported in the consolidated statement of financial position as at 30 June 2017 do not differ significantly from their carrying amounts.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

**Fair value hierarchy as at 30 June 2017**

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets held for trading (note 3)	14,880	-	-	14,880
Land and buildings (note 12)	-	-	2,974	2,974
Investment properties	-	-	462	462
<b>Assets for which fair values are disclosed</b>				
Loans to customers (note 4-8)	-	-	364,496	364,496
Other financial receivables (note 9)	-	-	1,339	1,339
<b>Total assets</b>	<b>14,880</b>	<b>-</b>	<b>369,271</b>	<b>384,151</b>
<b>Liabilities for which fair values are disclosed</b>				
Deposits from customers (note 13)	-	-	312,311	312,311
Other financial liabilities	-	-	5,878	5,878
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>318,189</b>	<b>318,189</b>

**Fair value hierarchy as at 31 December 2016**

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets held for trading (note 3)	14,891	-	-	14,891
Land and buildings (note 12)	-	-	3,014	3,014
Investment properties	-	-	509	509
<b>Assets for which fair values are disclosed</b>				
Loans to customers (note 4-8)	-	-	332,725	332,725
Other financial receivables (note 9)	-	-	1,303	1,303
<b>Total assets</b>	<b>14,891</b>	<b>-</b>	<b>337,551</b>	<b>352,442</b>
<b>Liabilities for which fair values are disclosed</b>				
Deposits from customers (note 13)	-	-	285,575	285,575
Other financial liabilities	-	-	4,783	4,783
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>290,358</b>	<b>290,358</b>

**Note 17. Contingent liabilities and assets pledged as collateral**

As at	30 June 2017	31 Dec 2016
<b>Irrevocable transactions, of which</b>	<b>10,220</b>	<b>8,013</b>
Issued bank guarantees	90	90
Credit lines and overdrafts	10,130	7,923
<b>Assets pledged and encumbered with usufruct*</b>	<b>2,449</b>	<b>2,449</b>

\* The liabilities related to mortgages have been settled by the date of release of this report.

**Note 18. Interest income**

	Q2 2017	Q2 2016	6M 2017	6M 2016
Interest income on loans to customers	17,904	16,668	34,880	33,862
Interest income on financial assets held for trading	91	92	182	185
Interest income on deposits	-	10	-	15
Other assets	3	4	6	8
<b>Total interest income</b>	<b>17,998</b>	<b>16,774</b>	<b>35,068</b>	<b>34,070</b>

**Note 19. Interest expense**

	Q2 2017	Q2 2016	6M 2017	6M 2016
Interest expense on deposits	1,459	1,502	2,919	3,058

**Note 20. Other income**

	Q2 2017	Q2 2016	6M 2017	6M 2016
Income from debt recovery proceedings	573	933	1,250	1,804
Miscellaneous income	57	53	114	99
<b>Total other income</b>	<b>630</b>	<b>986</b>	<b>1,364</b>	<b>1,903</b>

**Note 21. Other operating expenses**

	Q2 2017	Q2 2016	6M 2017	6M 2016
Marketing expenses	1,499	1,607	2,542	3,128
Office, rental and similar expenses	360	304	882	618
Miscellaneous operating expenses	802	808	1,683	1,660
<b>Total other operating expenses</b>	<b>2,661</b>	<b>2,719</b>	<b>5,107</b>	<b>5,406</b>

**Note 22. Other expenses**

	Q2 2017	Q2 2016	6M 2017	6M 2016
Expenses related to enforcement proceedings	295	310	578	545
Expenses related to registry inquiries	297	233	546	452
Legal regulation charges	99	102	219	226
Expenses from investment properties	2	-	6	5
Onerous contracts provisions	-	-	-	128
Miscellaneous expenses	64	47	125	89
<b>Total other expenses</b>	<b>757</b>	<b>692</b>	<b>1,474</b>	<b>1,445</b>

**Note 23. Related parties**

For the purposes of these financial statements, parties are related if one controls the other or exerts significant influence on the other's business decisions. Related parties include:

- shareholders of Bigbank AS;
- members of Group companies' management and supervisory boards;

- close family members of the above;
- companies connected with the above persons, except where the persons cannot exert significant influence on the company's business decisions.

As at 30 June 2017, the Group had no interest and deposit liabilities to related parties.

# Statement by the Management Board

According to the knowledge and belief of the Management Board of Bigbank AS, as at the date of publication:

- the figures and additional information presented in the condensed consolidated interim report for the six months of 2017 are true and complete; and
- the condensed consolidated financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows.
- The condensed consolidated interim report as at 30 June 2017 has been prepared in accordance with the international financial reporting standard IAS 34 *Interim Financial Reporting* as adopted by the European Union and with the information disclosure requirements established by the Bank of Estonia.
- Financial statements have been prepared on a going concern basis.

**Kaido Saar**

Chairman of the Management Board

21 August 2017

[digitally signed]

**Pāvels Gilodo**

Member of the Management Board

21 August 2017

[digitally signed]

**Martin Länts**

Member of the Management Board

21 August 2017

[digitally signed]

**Sven Raba**

Member of the Management Board

21 August 2017

[digitally signed]

**Mart Veskimägi**

Member of the Management Board

21 August 2017

[digitally signed]