



Interim condensed
consolidated financial
statements for the period
ended 31 December 2016

Bigbank AS

Interim condensed consolidated financial statements for the period ended 31 December 2016

Business name	Bigbank AS
Registry	Commercial Register of the Republic of Estonia
Registration number	10183757
Date of entry	30 January 1997
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Corporate website	www.bigbank.ee
Financial year	1 January 2016 – 31 December 2016
Reporting period	1 January 2016 – 31 December 2016
Chairman of the management board	Kaido Saar
Core business line	Provision of consumer loans and acceptance of deposits
Auditor	Ernst & Young Baltic AS
Reporting currency	The reporting currency is the euro and numerical financial data is presented in thousands of euros.

Interim report is available on the website of Bigbank AS at www.bigbank.ee.
The version in English is located at www.bigbank.eu.

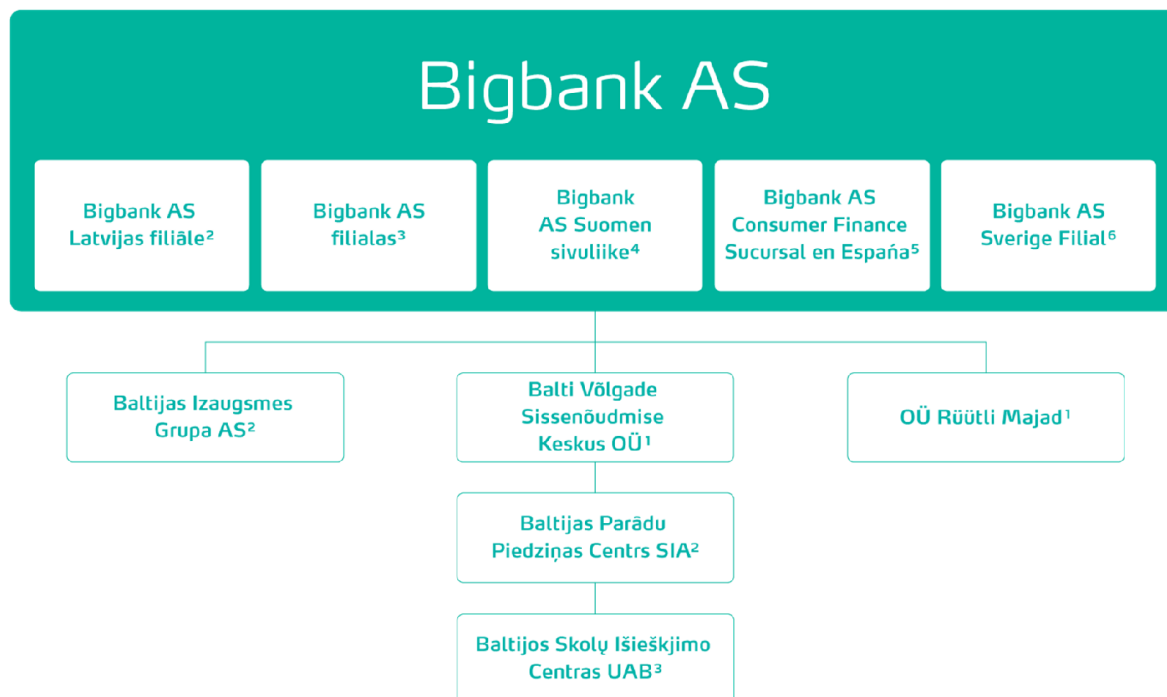
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Bigbank Group structure

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:



¹ registered in the Republic of Estonia

² registered in the Republic of Latvia

³ registered in the Republic of Lithuania

⁴ registered in the Republic of Finland

⁵ registered in the Kingdom of Spain

⁶ 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. OÜ Kaupmehe Järelmaks offered hire purchase products until 1 March 2016 when its active portfolio was sold to Bigbank, after which the subsidiary was merged with OÜ Balti Völgade Sissenõudmise Keskus and OÜ Kaupmehe Järelmaks was deleted from Estonian commercial register on 25 August 2016.

Review of operations

Significant economic events

Loan portfolio of Bigbank AS (hereinafter also “Bigbank” and the “Group”) grew during the twelve months of 2016. Group’s loan portfolio increased 37.1 million euros i.e. 11.4% during the twelve months and 5.4 million euros i.e. 1.5% during the fourth quarter. The largest contributor to the growth of the loan portfolio was the Lithuanian branch.

The Group’s net profit for the fourth quarter of 2016 comprised 3.8 million euros. Profit before impairment allowances totalled 8.5 million euros in the fourth quarter of 2016. The corresponding figure was 8.3 million euros in the fourth quarter of 2015.

Parent company Bigbank AS and daughter company OÜ Kaupmehe Järelmaks concluded a sale of business unit agreement on 22 February 2016, whereby OÜ Kaupmehe Järelmaks sold its loan portfolio to Bigbank AS. Other claims and commitments which were connected with main activities were also transferred to bank. Transfer is effective from 1 March 2016 and the enterprise continues to operate within parent company. Provision of UNO hire purchase products was discontinued from the same date and Bigbank started to offer hire purchase products directly under its own trade mark. OÜ Kaupmehe Järelmaks was merged with another subsidiary of Bigbank – Balti Võlgade Sissenõudmise Keskus OÜ in the third quarter of year 2016, in order to increase the efficiency of operations and OÜ

Kaupmehe Järelmaks was subsequently deleted from Estonian Commercial Register on 25 August 2016.

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. As of 31 December 2016 the management board of the bank had three members - the chairman of the management board Kaido Saar and the members Ingo Pöder and Sven Raba. Agur Jõgi was recalled from the management board in December 2016. Supervisory board decided to recall Ingo Pöder from the management board effective as of 6 February 2017. Also, supervisory board elected Pāvēls Gilodo and Martin Lānts as new management board members as of 1 January 2017 and Mart Veskimägi as of 6 February 2017.

Bigbank had 434 employees at the end of the fourth quarter of 2016: 211 in Estonia, 74 in Latvia, 70 in Lithuania, 31 in Finland, 35 in Spain and 13 in Sweden.

At the end of the fourth 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)	31 Dec 2016	31 Dec 2015	Change
Total assets	394,128	351,952	12.0%
Loans to customers	332,725	299,531	11.1%
of which loan portfolio	363,130	326,037	11.4%
of which interest receivable	16,916	22,974	-26.4%
of which impairment allowances	-47,321	-49,480	-4.4%
of which impairment allowances for loans	-27,699	-32,942	-15.9%
of which impairment allowances for interest receivables	-8,298	-9,530	-12.9%
of which statistical impairment allowance	-11,324	-7,008	61.6%
Deposits from customers	285,575	257,181	11.0%
Equity	100,836	90,112	11.9%

Financial performance indicators (in thousands of euros)	Q4 2016	Q4 2015	Change	12M 2016	12M 2015	Change
Interest income	17,174	16,168	6.2%	69,225	71,959	-3.8%
Interest expense	-1,452	-1,592	-8.8%	-5,940	-6,660	-10.8%
Expenses from impairment allowances	-4,688	-5,513	-15.0%	-25,887	-30,934	-16.3%
Income from debt collection proceedings	655	1,044	-37.3%	3,184	4,486	-29.0%
Profit before impairment allowances	8,524	8,294	2.8%	37,590	42,128	10.8%
Net profit	3,836	2,781	37.9%	11,703	11,194	4.5%

Ratios	Q4 2016	Q4 2015	12M 2016	12M 2015
Return on equity (ROE)	15.6%	12.5%	12.3%	13.1%
Equity multiplier (EM)	3.8	3.9	3.9	4.3
Profit margin (PM)	20.6%	15.6%	15.6%	14.2%
Asset utilization ratio (AU)	19.7%	20.6%	20.1%	23.4%
Return on assets (ROA)	3.8%	3.2%	3.1%	3.3%
Price difference (SPREAD)	15.1%	15.2%	16.3%	18.6%

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 31 December 2016, the consolidated assets of Bigbank AS Group totalled 394.1 million euros, having increased by 33.6 million euros (9.3%) during the quarter.

As at 31 December 2016, loans to customers accounted for 84.4% of total assets, the proportion of liquid assets (amounts due from banks and financial assets held for trading) was 12.6%.

At the end of the fourth quarter, liquid assets totalled 49.8 million euros.

Part of bank's liquidity buffer was 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 31 December 2016.

At the end of the fourth quarter, the Group had 158 thousand loan agreements, 68 thousand of them in Latvia, 38 thousand in Estonia, 27 thousand in Lithuania, 12 thousand in Finland, 8 thousand in Spain and 5 thousand in Sweden.

Geographical distribution of loans to customers:

- 25.0% Lithuania,
- 23.8% Latvia,
- 18.9% Finland,
- 17.0% Estonia,
- 7.7% Spain,
- 7.6% Sweden.

At 31 December 2016, loans to customers totalled 332.7 million euros, comprising of:

- the loan portfolio of 363.1 million euros. Loans to individuals accounted for 91.9% of the total;
- interest receivable on loans of 16.9 million euros;
- impairment allowances for loans and interest receivables of 47.3 million euros (consisting of an impairment allowance for loans of 27.7 million euros, an impairment allowance for interest receivables of 8.3 million euros and a statistical impairment allowance of 11.3 million euros).

Bigbank's loan portfolio is diversified – at the reporting date the average loan was 2,302 euros and as at 31 December 2016, 40 largest loans accounted for 7.4% of the loan portfolio.

Bigbank AS focuses on the provision of consumer loans. In line with the corporate strategy, as at 31 December 2016

loans against income accounted for 87.5%, loans against surety for 2.5%, loans secured with real estate for 9.9% and loans granted against other types of collateral for 0.1% 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.

Past due loans comprise loan principal that has fallen due. Under the terms and conditions of its loan agreements, the Group may terminate an agreement unilaterally if at least three scheduled payments are in arrears. When an agreement is terminated, the customer has to settle any outstanding loan principal, any accrued interest, and any collateral claims resulting from the settlement delay.

Loans past due for more than 90 days consist of past due principal payments plus the total amount of loan principal that has fallen due in connection with termination of agreements.

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 31 December 2016, impairment allowances totalled 47.8 million euros, consisting of:

- impairment allowances for loan receivables of 27.7 million euros,
- impairment allowances for interest receivables of 8.3 million euros,
- statistical impairment allowances of 11.3 million euros,
- impairment allowances for other receivables of 0.5 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 fourth quarter of 2016, the Group's liabilities totalled 293.3 million euros. Most of the debt raised by the Group, i.e. 285.6 million euros (97.4%) consisted of term deposits (including subordinated deposits in the amount of 1.8 million euros).

As at the end of the fourth quarter of 2016, the Group's equity was 100.8 million euros. The equity to assets ratio amounted to 25.6%.

Financial performance

Interest income for the fourth quarter reached 17.2 million euros, increasing by 1.0 million euros (6.2%) compared to the same period in 2015. The increase in interest income results from growth in the loan portfolio.

The period's ratio of interest income (annualised) to average interest-earning assets was 17.3% and (annualised) return on the loan portfolio accounted for 18.7% of the average loan portfolio.

Interest expense for the fourth quarter of 2016 was 1.5 million euros, decreasing by 0.1 million euros compared to the same period in 2015 (-8.8%).

The ratio of interest expense to interest income was 8.5%. The ratio of interest expense to average interest-bearing liabilities (annualised) was 2.2%.

Other operating expenses for the fourth quarter 2.8 million euros, an increase of 0.6 million euros compared to the same period in 2015.

Salaries and associated charges for the fourth quarter of 2016 amounted to 4.1 million euros, including remuneration of 2.9 million euros. As at the end of the period, the Group had 434 employees.

In the fourth quarter, impairment losses were 4.7 million euros, consisting of:

- impairment losses on loan receivables of 2.9 million euros;
- impairment losses on interest receivables of 1.9 million euros; and
- impairment income on other receivables of 0.1 million euros.

Impairment allowances are made on a conservative basis.

Other income for the fourth quarter of 2016 was 0.7 million euros, the largest proportion of which resulted from debt collection income. In the same period of 2015, other income was 1.1 million euros.

Other expenses for the fourth quarter reached 0.6 million euros, decreasing by 0.3 million euros (-31.5%) compared to the same period in 2015.

The Group's net profit for the fourth quarter of 2016 amounted to 3.8 million euros. In comparison to the fourth quarter of 2015, net profit has increased by 1.1 million euros (37.9%).

Fourth-quarter profit before impairment allowances was 8.5 million euros, the corresponding figure for the fourth quarter of 2015 was 8.3 million euros.

Capital ratios

Own funds

	As at	Basel III 31 Dec 2016	Basel III 31 Dec 2015	Corrected Basel III 31 Dec 2015
Paid up capital instruments		8,000	8,000	8,000
Other reserves		800	800	800
Previous years retained earnings		78,964	70,065	69,070
Other accumulated comprehensive income		1,369	1,047	1,047
Other intangible assets		-4,037	-1,611	-1,611
Profit or loss eligible		4,117	7,381	7,381
Adjustments to CET1 due to prudential filters		-	-	-
Common equity Tier 1 capital		89,213	85,682	84,687
Tier 1 capital		89,213	85,682	84,687
Tier 2 capital		-	-	-
Deductions		-	-	-
Total own funds		89,213	85,682	84,687

Total risk exposure amount

	Basel III 31 Dec 2016	Basel III 31 Dec 2015	Corrected Basel III 31 Dec 2015
Risk weighted exposure amounts for credit and counterparty credit (standardized approach)			
Central governments or central banks	1,128	1,214	1,214
Regional governments or local authorities	-	372	372
Institutions	5,159	5,423	5,423
Corporates	39,543	35,906	35,906
Retail	202,022	167,994	167,994
Secured by mortgages on immovable property	5,277	5,498	5,498
Exposures in default	26,297	42,032	42,032
Other items	7,558	8,901	6,414
Total risk weighted exposure amounts for credit and counterparty credit (standardized approach)	286,984	267,340	264,853
Total risk exposure amount for foreign exchange risk (standardized approach)	-	84	84
Total risk exposure amount for operational risk (standardized approach)	93,585	80,860	80,860
Total risk exposure amount for credit valuation adjustment (standardized approach)	-	-	-
Total risk exposure amount	380,569	348,284	345,797

Capital ratios

	Basel III 31 Dec 2016	Basel III 31 Dec 2015	Corrected Basel III 31 Dec 2015
CET1 Capital ratio	23.4%	24.6%	24.5%
T1 Capital ratio	23.4%	24.6%	24.5%
Total capital ratio	23.4%	24.6%	24.5%
Leverage ratio	22.4%	23.7%	23.4%

Own funds as of 31 December 2015 include all year 2015 eligible profits less dividends.

Own funds as of 31 December 2016 include nine months eligible profits less dividends.

Net profit for the reporting period that has been verified by an independent external auditor in the review of the financial information (2016: nine months), less foreseeable

dividends proportionally and following the permit of the Estonian Financial Supervision Authority.

The own funds requirement for foreign exchange risk has not been calculated in the fourth quarter of year 2016, as it does not exceed corresponding limit.

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	31 Dec 2016	31 Dec 2015	Restated 1 January 2015
Assets				
Cash and balances at central banks	3	20,551	15,328	20,150
Cash and balances at banks	3	14,382	13,993	13,665
Financial assets held for trading	4	14,891	14,464	-
Loans to customers	5,6,7,8,9	332,725	299,531	275,101
Held-to-maturity financial assets		-	633	1,186
Derivatives with positive fair value		-	-	225
Other receivables	10	1,303	1,086	2,064
Prepayments	11	1,420	1,106	3,967
Property and equipment	13	4,299	3,389	3,426
Investment property		509	797	1,100
Intangible assets	12	4,037	1,611	1,181
Deferred tax assets		11	14	1,698
Total assets		394,128	351,952	323,763
Liabilities				
Deposits from customers	14	285,575	257,181	239,033
Derivatives with negative fair value		-	-	75
Provisions		133	-	216
Other liabilities		4,783	3,000	3,032
Deferred income and tax liabilities		2,801	1,659	1,143
Total liabilities		293,292	261,840	243,499
Equity				
Share capital		8,000	8,000	8,000
Capital reserve		800	800	800
Other reserves	15	1,369	1,048	894
Earnings retained		90,667	80,264	70,570
Total equity		100,836	90,112	80,264
Total liabilities and equity		394,128	351,952	323,763

Consolidated statement of comprehensive income

	Note	Q4 2016	Q4 2015	12M 2016	12M 2015
Interest income	19	17,174	16,168	69,225	71,959
Interest expense	20	-1,452	-1,592	-5,940	-6,660
Net interest income		15,722	14,576	63,285	65,299
Fee and commission income		663	603	2,510	2,322
Fee and commission expense		-56	-51	-198	-180
Net fee and commission income		607	552	2,312	2,142
Net gain/loss on financial transactions		-96	19	235	-565
Other income	21	749	1,094	3,424	4,798
Total income		16,982	16,241	69,256	71,674
Salaries and associated charges		-4,080	-3,422	-14,762	-13,802
Other operating expenses	22	-2,815	-2,263	-11,073	-9,552
Depreciation and amortisation expense		-200	-174	-764	-661
Impairment losses on loans and financial investments		-4,688	-5,513	-25,887	-30,934
Impairment losses on other assets		-	-144	-70	-144
Other expenses	23	-614	-648	-2,849	-2,710
Total expenses		-12,397	-12,164	-55,405	-57,803
Profit before income tax		4,585	4,077	13,851	13,871
Income tax expense/income		-749	-1,296	-2,148	-2,677
Profit for the period		3,836	2,781	11,703	11,194
Other comprehensive income/expense					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translating foreign operations		-47	-14	98	-39
Net profit on hedges of net investments in foreign operations		-	-3	-	193
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-47	-17	98	154
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Revaluation of land and buildings		223	-	223	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		223	-	223	-
Other comprehensive income for the period		176	-17	321	154
Total comprehensive income for the period		4,012	2,764	12,024	11,348
Basic earnings per share (EUR)		48	35	146	140
Diluted earnings per share (EUR)		48	35	146	140

Consolidated statement of cash flows

	Note	12M 2016	12M 2015
Cash flows from operating activities			
Interest received		58,500	58,628
Interest paid		-5,333	-5,691
Salary and other operating expenses paid		-25,199	-24,233
Other income received		5,362	6,098
Other expenses paid		-4,092	-4,367
Fees received		1,100	1,135
Fees paid		-199	-177
Recoveries of receivables previously written off		18,628	15,100
Received for other assets		495	615
Paid for other assets		-622	-689
Loans provided		-220,578	-177,815
Repayment of loans provided		153,085	125,110
Change in mandatory reserves with central banks		-214	-215
Proceeds from customer deposits		90,659	69,420
Paid on redemption of deposits		-61,018	-53,296
Net acquisition and disposal of trading portfolio		881	-14,625
Income tax paid/received		-1,331	1,970
Effect of movements in exchange rates		-30	-6
Net cash used in operating activities		10,094	-3,038
Cash flows from investing activities			
Acquisition of property and equipment and intangible assets		-3,405	-1,016
Proceeds from sale of property and equipment		74	14
Proceeds from sale of investment properties		32	106
Acquisition of financial instruments		-713	-3,864
Proceeds from redemption of financial instruments		762	4,420
Net cash used in / from investing activities		-3,250	-340
Cash flows from financing activities			
Dividends paid		-1,300	-1,500
Net cash used in financing activities		-1,300	-1,500
Effect of exchange rate fluctuations		-147	170
Decrease in cash and cash equivalents		5,397	-4,708
Cash and cash equivalents at beginning of period		28,894	33,602
Cash and cash equivalents at end of period	3	34,291	28,894

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 2015 (as previously reported)	8,000	800	894	71,566	81,260
Correction of error	-	-	-	-996	-996
Restated total equity at the beginning of period	8,000	800	894	70,570	80,264
Profit for the period	-	-	-	11,194	11,194
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	-39	-	-39
Net profit on hedges of net investments in foreign operations	-	-	193	-	193
Total other comprehensive income	-	-	154	-	154
Total comprehensive income for the period	-	-	154	11,194	11,348
Dividend distribution	-	-	-	-1,500	-1,500
Total transactions with owners	-	-	-	-1,500	-1,500
Balance at 31 December 2015	8,000	800	1,048	80,264	90,112
Balance at 1 January 2016	8,000	800	1,048	80,264	90,112
Profit for the period	-	-	-	11,703	11,703
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	98	-	98
Revaluation of land and buildings	-	-	223	-	223
Total other comprehensive income	-	-	321	-	321
Total comprehensive income for the period	-	-	321	11,703	12,024
Dividend distribution	-	-	-	-1,300	-1,300
Total transactions with owners	-	-	-	-1,300	-1,300
Balance at 31 December 2016	8,000	800	1,369	90,667	100,836

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 twelve months ended 31 December 2016 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 2015, 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 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016. Although these new standards and amendments apply for the first time in 2016, 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 been 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. Correction of an error

In 2010, Bigbank AS Latvian subsidiary Baltijas Izaugsmes Grupa AS sold its portfolio to the branch Bigbank AS Latvijas filiāle and the income tax arising from the intragroup transaction was recognised as deferred tax asset. In subsequent years the income tax asset was reduced against the received interest and other claims of the sold portfolio using the Latvian income tax rate. In

August 2016, the management conducted a detailed review and discovered the error in the tax recording model and as a consequence, the income tax asset was overstated in the prior periods' financial statements. The deferred tax asset has been derecognised and the error has been corrected by restating the earnings retained in prior years in the amount of 996 thousand euros.

Note 3. Cash equivalents

As at	31 Dec 2016	31 Dec 2015
Demand and overnight deposits with credit institutions*	14,382	13,823
Term deposits with credit institutions with maturity of less than 1 year*	-	170
Surplus on mandatory reserves with central banks*	19,909	14,901
Mandatory reserves	642	427
Total cash and balances at banks	34,933	29,321
of which cash and cash equivalents	34,291	28,894

* Cash equivalents

Note 4. Financial assets held for trading

As at	31 Dec 2016	31 Dec 2015
Financial assets held for trading	14,891	14,464
Financial assets held for trading by issuer		
General government bonds	4,277	3,544
Bonds issued by credit institutions	4,082	4,661
Other financial corporations' bonds	1,241	1,229
Non-financial corporations' bonds	5,291	5,030
Financial assets held for trading by currency		
EUR (euro)	14,165	14,464
SEK (Swedish krona)	726	-
Financial assets held for trading by rating		
Aaa-Aa3	3,190	2,446
A1-A3	4,354	4,926
Baa1-Baa3	7,347	7,092

Note 5. Loans to customers**Loans to customers as at 31 December 2016**

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
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
Total loans to customers, incl. interest and allowances	56,593	79,150	83,318	62,909	25,636	25,119	332,725
Share of region	17.0%	23.8%	25.0%	18.9%	7.7%	7.6%	100.0%

Loans to customers as at 31 December 2015

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Loan receivables from customers	55,657	79,673	62,022	55,867	32,516	40,302	326,037
Impairment allowance for loans	-5,235	-11,150	-4,161	-1,819	-6,018	-4,559	-32,942
Interest receivable from customers	5,260	10,141	1,629	1,313	3,021	1,610	22,974
Impairment allowances for interest receivables	-2,269	-4,103	-702	-203	-1,766	-487	-9,530
Statistical impairment allowance	-1,311	-3,097	-594	-654	-572	-780	-7,008
Total loans to customers, incl. interest and allowances	52,102	71,464	58,194	54,504	27,181	36,086	299,531
Share of region	17.4%	23.9%	19.4%	18.2%	9.1%	12.0%	100.0%

Note 6. Loan receivables from customers by due dates

As at	31 Dec 2016	31 Dec 2015
Up to 1 year	147,236	147,045
1-2 years	71,354	61,128
2-5 years	121,870	98,916
More than 5 years	22,670	18,948
Total	363,130	326,037

Note 7. Ageing analysis on loan receivables**Ageing analysis as at 31 December 2016**

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

Ageing analysis as at 31 December 2015

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Loans against income						
Loan portfolio	193,421	21,649	6,782	2,970	59,546	284,368
Impairment allowance	-6,726	-801	-442	-195	-28,104	-36,268
Surety loans						
Loan portfolio	6,775	932	557	122	2,974	11,360
Impairment allowance	-403	-64	-33	-8	-1,648	-2,156
Loans secured with real estate						
Loan portfolio	24,677	2,393	399	728	1,955	30,152
Impairment allowance	-659	-99	-13	-24	-702	-1,497
Loans against other collaterals						
Loan portfolio	82	23	4	-	48	157
Impairment allowance	-3	-1	-	-	-25	-29
Total loan portfolio	224,955	24,997	7,742	3,820	64,523	326,037
Total impairment allowance	-7,791	-965	-488	-227	-30,479	-39,950

Note 8. Loan receivables from customers by contractual currency

As at	31 Dec 2016	31 Dec 2015
EUR (euro)	335,329	285,735
SEK (Swedish krona)	27,801	40,302
Total loan receivables from customers	363,130	326,037

Note 9. Impairment allowances by loan assessment category**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
Total	363,130	-39,023	16,916	-8,298	-47,321

Impairment allowances as at 31 December 2015

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	287,092	-19,651	19,144	-6,129	-25,780
Individually assessed items	38,945	-13,291	3,830	-3,401	-16,692
Statistical impairment allowance	-	-7,008	-	-	-7,008
Total	326,037	-39,950	22,974	-9,530	-49,480

Change in impairment of loans, receivables and financial investments

As at	31 Dec 2016	31 Dec 2015
Balance at beginning of period	-49,480	-52,520
Write-off of fully impaired loan and interest receivables	47,152	47,649
Increase in allowances for loan and interest receivables	-45,391	-44,475
Effect of movements in exchange rates	398	-134
Balance at end of period	-47,321	-49,480

Impairment losses on loans, receivables and financial investments

	Q4 2016	Q4 2015	12M 2016	12M 2015
Recovery of written-off loan and interest receivables	10,704	2,779	19,042	14,157
Increase in allowances for loan and interest receivables	-15,536	-8,274	-45,391	-44,475
Impairment losses on other receivables	144	-18	462	-616
Total impairment losses	-4,688	-5,513	-25,887	-30,934

Note 10. Other receivables

As at	31 Dec 2016	31 Dec 2015
Collection, recovery and other charges receivable	805	1,275
Miscellaneous receivables	1,001	512
Impairment allowance for other receivables	-503	-701
Total	1,303	1,086

Note 11. Prepayments

As at	31 Dec 2016	31 Dec 2015
Prepaid taxes	436	435
Other prepayments	984	671
Total	1,420	1,106

Note 12. Intangible assets

	31 Dec 2016	31 Dec 2015
Cost at beginning of year	2,919	2,243
Purchases	2,782	677
Write-off	-	-1
Reclassification	-	-
Cost at end of year	5,701	2,919
Amortisation at beginning of year	-1,308	-1,062
Amortisation charge for the period	-356	-247
Write-off	-	1
Reclassification	-	-
Amortisation at end of year	-1,664	-1,308
Carrying amount at beginning of year	1,611	1,181
Carrying amount at end of period	4,037	1,611

The Group has substantially increased its investments into intangible assets, mainly the new banking system, which will be gradually implemented to live use in next reporting periods. Related prepayments to vendors totalling 2,315 thousand euros as at 31 December 2016 have been recognised under intangible assets.

Note 13. Tangible assets

	Land and buildings	Other items	Total
Cost			
Balance at 1 January 2015	2,992	2,872	5,864
Purchases	21	335	356
Improvements	38	-	38
Sales	-	-81	-81
Write-off	-	-418	-418
Effect of movements in exchange rates	-	1	1
Balance at 31 December 2015	3,051	2,709	5,760
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
Balance at 31 December 2016	3,014	3,458	6,472
Depreciation			
Balance at 1 January 2015	-87	-2,351	-2,438
Depreciation charge for the year	-94	-320	-414
Sales	-	66	66
Write-off	-	415	415
Balance at 31 December 2015	-181	-2,190	-2,371
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
Balance at 31 December 2016	-	-2,173	-2,173
Carrying amount			
Balance at 1 January 2015	2,905	521	3,426
Balance at 31 December 2015	2,870	519	3,389
Balance at 31 December 2016	3,014	1,285	4,299

Note 14. Deposits from customers

As at	31 Dec 2016	31 Dec 2015
Term deposits	285,575	257,181
Term deposits by customer type		
Individuals	274,281	247,033
Legal persons	11,294	10,148
Term deposits by currency		
EUR (euro)	251,289	212,508
SEK (Swedish krona)	34,286	44,673
Term deposits by maturity		
Maturing within 6 months	64,764	57,428
Maturing between 6 and 12 months	75,610	63,021
Maturing between 12 and 18 months	26,909	34,437
Maturing between 18 and 24 months	39,349	32,540
Maturing between 24 and 36 months	35,312	30,330
Maturing between 36 and 48 months	14,101	17,794
Maturing in over 48 months	29,530	21,631
Average deposit amount	22	21
Weighted average interest rate	2.1%	2.5%
Weighted average duration until maturity (months)	21	21
Weighted average total contract term (months)	40	41

Note 15. Other reserves

As at	31 Dec 2016	Change	31 Dec 2015	Change	31 Dec 2014
Exchange differences on translating foreign operations	167	98	69	-39	108
Net gain/loss on hedges of net investments in foreign operations	-	-	-	193	-193
Asset revaluation reserve	1,202	-	979	-	979
Total other reserves	1,369	321	1,048	154	894

Note 16. Net currency positions**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

Net currency positions as at 31 December 2015

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	306,030	216,618	-	9,761	79,651
SEK (Swedish krona)	45,270	45,222	-	-	48
GBP (British pound)	36	-	-	-	36

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

Note 17. 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 31 December 2016 do not differ significantly from their carrying amounts.

- 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).

The different levels have been defined as follows:

Fair value hierarchy as at 31 December 2016

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets held for trading (note 4)	14,891	-	-	14,891
Land and buildings(note 12)	-	-	3,014	3,014
Investment properties	-	-	509	509
Assets for which fair values are disclosed				
Loans to customers (note 5-9)	-	-	332,725	332,725
Other financial receivables (note 10)	-	-	1,303	1,303
Total assets	14,891	-	337,551	352,442
Liabilities for which fair values are disclosed				
Deposits from customers (note 14)	-	-	285,575	285,575
Other financial liabilities	-	-	4,783	4,783
Total liabilities	-	-	290,358	290,358

Fair value hierarchy as at 31 December 2016

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets held for trading (note 4)	14,464	-	-	14,464
Investment properties	-	-	797	797
Assets for which fair values are disclosed				
Loans to customers (note 5-6)	-	-	299,531	299,531
Held-to-maturity financial assets	633	-	-	633
Land and buildings(note 12)	-	-	2,870	2,870
Other financial receivables (note 10)	-	-	1,086	1,086
Total assets	15,097	-	304,284	319,381
Liabilities for which fair values are disclosed				
Deposits from customers (note 14)	-	-	257,181	257,181
Other financial liabilities	-	-	3,000	3,000
Total liabilities	-	-	260,181	260,181

Note 18. Contingent liabilities and assets pledged as collateral

As at	31 Dec 2016	31 Dec 2015
Irrevocable transactions, of which	8,013	9,760
Issued bank guarantees	90	90
Credit lines and overdrafts	7,923	9,670
Assets pledged and encumbered with usufruct*	2,449	2,449

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

Note 19. Interest income

	Q4 2016	Q4 2015	12M 2016	12M 2015
Interest income on loans to customers	17,073	16,070	68,812	71,710
Interest income on financial assets held for trading	92	89	371	213
Interest income on deposits	5	2	27	16
Interest income on held-to-maturity financial assets	-	1	-	3
Other assets	4	6	15	17
Total interest income	17,174	16,168	69,225	71,959

Note 20. Interest expense

	Q4 2016	Q4 2015	12M 2016	12M 2015
Interest expense on deposits	1,452	1,592	5,940	6,660

Note 21. Other income

	Q4 2016	Q4 2015	12M 2016	12M 2015
Income from debt recovery proceedings	655	1,044	3,184	4,486
Gains on derecognition of non financial assets	9	36	9	36
Miscellaneous income	85	14	231	276
Total other income	749	1,094	3,424	4,798

Note 22. Other operating expenses

	Q4 2016	Q4 2015	12M 2016	12M 2015
Marketing expenses	1,484	1,225	6,399	5,315
Office, rental and similar expenses	385	272	1,348	1,272
Miscellaneous operating expenses	946	766	3,326	2,965
Total other operating expenses	2,815	2,263	11,073	9,552

Note 23. Other expenses

	Q4 2016	Q4 2015	12M 2016	12M 2015
Expenses related to enforcement proceedings	254	251	1,037	1,149
Expenses related to registry inquires	265	216	959	832
Legal regulation charges	65	120	417	445
Expenses from investment properties	44	2	96	20
Onerous contracts provisions	-77	-	133	58
Miscellaneous expenses	63	59	207	206
Total other expenses	614	648	2,849	2,710

Note 24. 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 31 December 2016, 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 twelve months of 2016 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 31 December 2016 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
27 February 2017

[digitally signed]

Pāvels Gilodo

Member of the Management Board
27 February 2017

[digitally signed]

Martin Lānts

Member of the Management Board
27 February 2017

[digitally signed]

Sven Raba

Member of the Management Board
27 February 2017

[digitally signed]

Mart Veskimägi

Member of the Management Board
27 February 2017

[digitally signed]