



2015

Second quarter interim report

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# Bigbank AS

## consolidated interim report for the second quarter of 2015

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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Financial year 1 January 2015 – 31 December 2015

Reporting period 1 January 2015 – 30 June 2015

Chairman of the management board Kaido Saar

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 millions of currency units rounded to three digits after the decimal point.

The Public interim report can be accessed on the website of Bigbank AS at [www.bigbank.ee](http://www.bigbank.ee).

The version in English can be accessed at [www.bigbank.eu](http://www.bigbank.eu).

# Review of operations

## Significant economic events

Loan portfolio of Bigbank AS (hereinafter also "Bigbank" and the "Group") grew moderately during the second quarter of 2015. Group's loan portfolio increased 0.8 million euros i.e. 0.3% during the quarter. The largest contributor to the growth of the loan portfolio was the Lithuanian branch.

The Group's net profit for the second quarter of 2015 comprised 2.8 million euros. Profit before impairment allowances totalled 9.2 million euros in the second quarter of 2015. The corresponding figure was 8.2 million euros in the second quarter of 2014 (an increase of 12.1%).

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 has three members, new

member – Bigbank's head of technology Agur Jõgi – was elected in May, while Veiko Kandla was recalled from the management board. Kaido Saar continues as the chairman of the management board and Ingo Pöder as a member of the management board.

At the end of the second quarter of 2015, Bigbank had a total of 454 employees: 224 in Estonia, 85 in Latvia, 60 in Lithuania, 33 in Finland, 29 in Spain and 23 in Sweden.

At the end of the second quarter, the Group had 5 branch offices, of which 1 were located in Estonia, 2 in Latvia, 1 in Lithuania and 1 in Spain.

Bigbank AS has signed a merger agreement with its subsidiary OÜ Kaupmehe Järelmaks after the balance sheet date, on 17 August 2015. Merger is intended to increase operational efficiency after it is completed in the fourth quarter 2015.

## Key performance indicators and ratios

Financial position indicators (in millions of euros)	30 June 2015	31 Dec 2014	Change
Total assets	335.531	324.758	3.3%
Loans to customers	282.883	275.101	2.8%
of which loan portfolio	312.674	304.216	2.8%
of which interest receivable	21.356	23.405	-8.8%
of which impairment allowances	-51.147	-52.520	-2.6%
of which impairment allowances for loans	-38.544	-40.832	-5.6%
of which impairment allowances for interest receivables	-7.528	-7.615	-1.1%
of which statistical impairment allowances	-5.075	-4.073	24.6%
Deposits from customers	247.290	239.033	3.5%
Equity	83.932	81.259	3.3%

Financial performance indicators (in millions of euros)	Q2 2015	Q2 2014	Change
Interest income	16.314	13.992	16.6%
Interest expense	1.692	1.925	-12.1%
Expenses from impairment allowances	6.365	6.345	0.3%
Income from debt collection proceedings	1.241	1.661	-25.3%
Profit before impairment allowances	9.158	8.168	12.1%
Net profit	2.793	1.823	53.2%

Ratios	2Q 2015	1Q 2015	Q4 2014	Q3 2014	Q2 2014
Return on equity (ROE)	13.5%	6.5%	22.6%	20.2%	10.1%
Equity multiplier (EM)	4.0	4.0	4.1	4.2	4.3
Profit margin (PM)	15.3%	7.4%	25.6%	20.6%	11.2%
Asset utilization ratio (AU)	22.0%	21.6%	21.7%	23.3%	20.8%
Return on assets (ROA)	3.4%	1.6%	5.6%	4.8%	2.3%
Price difference (SPREAD)	16.0%	15.8%	15.0%	16.1%	13.8%

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

**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 2015, the consolidated assets of Bigbank AS Group totalled 335.5 million euros, having increased by 8.2 million euros (+2.5%) during the quarter.

As at 30 June 2015, loans to customers accounted for 84.3% of total assets, the proportion of liquid

assets (amounts due from banks, financial assets held for trading and held-to-maturity financial assets) was 11.0%.

At the end of the second quarter, liquid assets totalled 36.9 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 11.3 million euros as at 30 June 2015.

Free funds were partly invested also in short-term debt securities with fixed payments and maturities, which the Group intends to and is able to hold until maturity. At 30 June 2015, the Group had 1.7 million euros of such debt securities.

At the end of the second quarter, the Group had 170 thousand loan agreements, 70 thousand of them in Latvia, 39 thousand in Estonia, 30 thousand in Lithuania, 13 thousand in Finland, 11 thousand in Spain and 7 thousand in Sweden.

Geographical distribution of loans to customers:

- 23.5% Latvia,
- 18.0% Finland,
- 17.3% Estonia,
- 15.3% Lithuania,
- 15.2% Sweden,
- 10.7% Spain.

At 30 June 2015, loans to customers totalled 282.9 million euros, comprising of:

- the loan portfolio of 312.7 million euros, loans to individuals accounting for 94.9% of the total;
- interest receivable on loans of 21.3 million euros;
- impairment allowances for loans and interest receivables of 51.1 million euros (consisting of an impairment allowance for loans of 38.5 million euros, an impairment allowance for interest receivables of 7.5 million euros and a statistical impairment allowance of 5.1 million euros).

Bigbank's loan portfolio is diversified – at the reporting date the average loan was 1,835 euros and as at 30 June 2015, 40 largest loans accounted for 4.6% of the loan portfolio.

Bigbank AS focuses on the provision of consu-

mer loans. In line with the corporate strategy, as at 30 June 2015 loans against income accounted for 88.3%, loans against surety for 4.0%, loans secured with real estate for 7.5%, loans with insurance coverage for 0.1% 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 30 June 2015, impairment allowances totalled 52.0 million euros, consisting of:

- impairment allowances for loan receivables of 38.5 million euros,
- impairment allowances for interest receivables

- statistical impairment allowances of 5.1 million euros,
- impairment allowances for other receivables of 0.9 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 2015, the Group's liabilities totalled 251.6 million euros. Most of the debt raised by the Group, i.e. 247.3 million euros (98.3%) consisted of term deposits (including subordinated deposits in the amount of 1.9 million euros).

In the second quarter of 2015, the Group's equity was 83.9 million euros. The equity to assets ratio amounted to 25.0%.

### Financial performance

Interest income for the second quarter reached 16.3 million euros, increasing by 2.3 million euros (16.6%) year over year. 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 18.8% and (annualised) return on the loan portfolio accounted for 20.8% of the average loan portfolio.

Interest expense for the second quarter of 2015 was 1.7 million euros, decreasing by 0.2 million euros year over year (12.1%).

The ratio of interest expense to interest income was 10.4 %. The ratio of interest expense to average interest-bearing liabilities (annualised) was 2.9%.

Other operating expenses for the second quarter totalled 2.2 million euros (an increase of 0.1 million euros year over year).

Salaries and associated charges for the second quarter of 2015 amounted to 3.8 million euros,

including remuneration of 2.3 million euros. As at the end of the period, the Group had 454 employees.

In the second quarter, impairment losses increased by 6.4 million euros, consisting of:

- impairment losses on loan receivables of 5.0 million euros,
- impairment losses on interest receivables of 1.1 million euros,
- impairment losses on other receivables of 0.3 million euros.

Impairment allowances are made on a conservative basis.

Other income for the second quarter of 2015 was 1.3 million euros, the largest proportion of which resulted from debt collection income. In the same period of 2014, other income was 1.7 million euros.

Other expenses for the second quarter reached 0.7 million euros, decreasing by 0.1 million euros year over year.

The Group's net profit for the second quarter of 2015 amounted to 2.8 million euros. In comparison to the second quarter of 2014, net profit has increased by 1.0 million euros (53.2%).

Second-quarter profit before impairment allowances was 9.2 million euros, the corresponding figure for the second quarter of 2014 was 8.2 million euros (an increase of 12.1%).

## Group's capital ratios

### Own funds

As at	Basel III 30 June 2015	Basel III 31 Dec 2014
Paid up capital instruments	8.000	8.000
Other reserves	0.800	0.800
Previous years retained earnings	70.065	58.897
Other accumulated comprehensive income	1.066	1.087
Other intangible assets	-1.423	-1.181
Profit or loss eligible	-	11.168
Adjustments to CET1 due to prudential filters	-0.105	-0.193
<b>Common equity Tier 1 capital</b>	<b>78.404</b>	<b>78.578</b>
<b>Tier 1 capital</b>	<b>78.404</b>	<b>78.578</b>
<b>Tier 2 capital</b>	<b>1.539</b>	<b>1.689</b>
<b>Deductions</b>	<b>-</b>	<b>-</b>
<b>Total own funds</b>	<b>79.943</b>	<b>80.267</b>

### Total risk exposure amount

As at	Basel III 30 June 2015	Basel III 31 Dec 2014
<b>Risk weighted exposure amounts for credit and counterparty credit (standardized approach)</b>		
Central governments or central banks	1.673	0.635
Regional governments or local authorities	0.368	-
Institutions	7.318	3.455
Corporates	17.752	13.680
Retail	158.800	146.966
Secured by mortgages on immovable property	4.966	4.488
Exposures in default	47.004	58.279
Other items	18.240	17.290
<b>Total risk weighted exposure amounts for credit and counterparty credit (standardized approach)</b>	<b>256.121</b>	<b>244.793</b>
<b>Total risk exposure amount for foreign exchange risk (standardized approach)</b>	<b>0.257</b>	<b>2.501</b>
<b>Total risk exposure amount for operational risk (standardized approach)</b>	<b>80.860</b>	<b>68.504</b>
<b>Total risk exposure amount for credit valuation adjustment (standardized approach)</b>	<b>0.749</b>	<b>2.924</b>
<b>Total risk exposure amount</b>	<b>337.987</b>	<b>318.722</b>



## Capital ratios

	Basel III 30 June 2015	Basel III 31 Dec 2014
CET1 Capital ratio	23.2%	24.7%
T1 Capital ratio	23.2%	24.7%
Total capital ratio	23.7%	25.2%
Leverage ratio	23.6%	22.9%

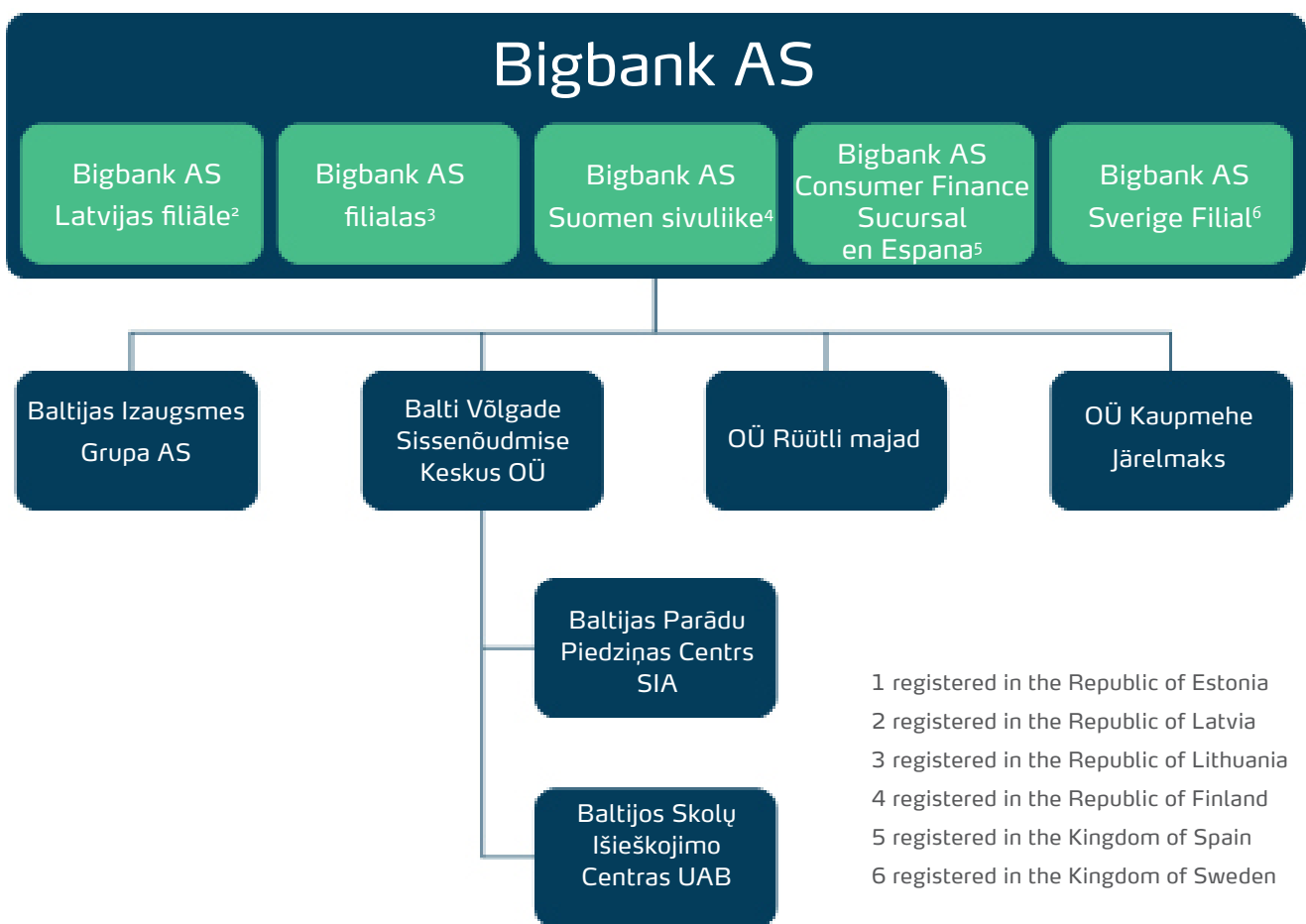
Own Funds are calculated on the basis of Regulation (EU) no 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms that incorporate the Basel III framework.

Leverage ratio is calculated by dividing the capital measure (Tier 1 capital) by total exposure measure and is expressed as a percentage.

# Bigbank group structure

Bigbank AS was founded on 22 September 1992. A licence for operating as a credit institution was obtained on 27 September 2005. Bigbank’s core services are term deposits and consumer loans.

The Group’s structure at the reporting date:



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 and OÜ Kaupmehe Järelmaks offers hire purchase services.

# Condensed consolidated interim financial statements

## Consolidated statement of financial position

As at	Note	30 June 2015	31 Dec 2014
<b>Assets</b>			
Cash and balances at central banks		1.075	20.150
Cash and balances at banks		22.930	13.665
Financial assets held for trading	3	11.264	-
Loans to customers	4,5,6,7,8,9	282.883	275.101
Held-to-maturity financial assets	10	1.672	1.186
Derivatives with positive fair value		0.055	0.225
Other receivables	11	3.843	2.064
Prepayments	12	3.287	3.967
Property and equipment		3.439	3.426
Investment property	13	0.986	1.100
Intangible assets		1.423	1.181
Deferred tax assets		2.674	2.693
<b>Total assets</b>		<b>335.531</b>	<b>324.758</b>
<b>Liabilities</b>			
Deposits from customers	14	247.290	239.033
Derivatives with negative fair value		0.122	0.075
Provisions		0.215	0.216
Other liabilities		2.972	3.032
Deferred income and tax liabilities		1.000	1.143
<b>Total liabilities</b>		<b>251.599</b>	<b>243.499</b>
<b>Equity</b>			
Share capital		8.000	8.000
Capital reserve		0.800	0.800
Other reserves	15	0.961	0.894
Earnings retained in prior years		74.171	71.565
<b>Total equity</b>		<b>83.932</b>	<b>81.259</b>
<b>Total liabilities and equity</b>		<b>335.531</b>	<b>324.758</b>

## Consolidated statement of comprehensive income

	Note	Q2 2015	Q2 2014	6M 2015	6M 2014
Interest income	18	16.314	13.992	32.193	28.553
Interest expense	19	-1.692	-1.925	-3.440	-3.883
<b>Net interest income</b>		<b>14.622</b>	<b>12.067</b>	<b>28.753</b>	<b>24.670</b>
Net fee income		0.530	0.485	1.038	0.982
Net gain/loss on financial transactions		-0.316	-0.117	-0.406	-0.184
Other income	20	1.319	1.725	2.591	3.650
<b>Total income</b>		<b>16.155</b>	<b>14.160</b>	<b>31.976</b>	<b>29.118</b>
Salaries and associated charges		-3.793	-3.172	-7.094	-6.210
Other operating expenses	21	-2.222	-2.090	-5.144	-3.975
Depreciation and amortisation expense		-0.166	-0.122	-0.321	-0.241
Impairment losses on loans and financial investments		-6.365	-6.345	-13.606	-12.225
Other expenses	22	-0.660	-0.741	-1.403	-1.748
<b>Total expenses</b>		<b>-13.206</b>	<b>-12.470</b>	<b>-27.568</b>	<b>-24.399</b>
<b>Profit before income tax</b>		<b>2.949</b>	<b>1.690</b>	<b>4.408</b>	<b>4.719</b>
<b>Income tax expense/income</b>		<b>-0.156</b>	<b>0.133</b>	<b>-0.302</b>	<b>-0.290</b>
Profit for the period		<b>2.793</b>	<b>1.823</b>	<b>4.106</b>	<b>4.429</b>
<b>Other comprehensive income</b>					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations		-0.007	0.036	-0.021	0.050
Net profit on hedges of net investments in foreign operations		0.008	-0.007	0.088	-0.061
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>0.001</b>	<b>0.029</b>	<b>0.067</b>	<b>-0.011</b>
<b>Other comprehensive income for the period</b>		<b>0.001</b>	<b>0.029</b>	<b>0.067</b>	<b>-0.011</b>
<b>Total comprehensive income for the period</b>		<b>2.794</b>	<b>1.852</b>	<b>4.173</b>	<b>4.418</b>
Basic earnings per share (EUR)		35	23	51	55
Diluted earnings per share (EUR)		35	23	51	55

## Consolidated statement of cash flows

	Note	6M 2015	6M 2014
<b>Cash flows from operating activities</b>			
Interest received		29.061	26.323
Interest paid		-3.136	-3.440
Salary and other operating expenses paid		-13.531	-10.970
Other income received		3.124	3.706
Other expenses paid		-2.154	-1.756
Fees received		0.569	0.869
Fees paid		-0.083	-0.093
Recoveries of receivables previously written off		5.479	1.846
Received for other assets		0.317	0.108
Paid for other assets		-0.241	-0.087
Loans provided		-82.512	-66.041
Repayment of loans provided		59.633	51.139
Change in mandatory reserves with central banks		-0.035	1.553
Proceeds from customer deposits		31.653	24.659
Paid on redemption of deposits		-24.899	-24.740
Net acquisition and disposal of trading portfolio		-11.528	-
Income tax paid/received		0.136	-0.961
Effect of movements in exchange rates		0.005	0.109
<b>Net cash used in operating activities</b>		<b>-8.142</b>	<b>2.224</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment and intangible assets		-0.207	-0.152
Proceeds from sale of property and equipment		0.001	0.007
Proceeds from sale of investment properties		0.132	-
Change in term deposits		0.100	-
Acquisition of financial instruments		-3.864	-7.694
Proceeds from redemption of financial instruments		3.380	11.342
<b>Net cash used in/from investing activities</b>		<b>-0.458</b>	<b>3.503</b>
<b>Cash flows from financing activities</b>			
Dividends paid		-1.500	-1.080
<b>Net cash used in financing activities</b>		<b>-1.500</b>	<b>-1.080</b>
Effect of exchange rate fluctuations		0.168	-0.185
<b>Decrease in cash and cash equivalents</b>		<b>-9.932</b>	<b>4.462</b>
Cash and cash equivalents at beginning of period		33.602	28.377
<b>Cash and cash equivalents at end of period</b>	2	<b>23.670</b>	<b>32.839</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 2014	8.000	0.800	0.887	59.978	69.665
Profit for the period	-	-	-	4.429	4.429
<b>Other comprehensive income</b>					
Exchange differences on translating foreign operations	-	-	0.050	-	0.050
Net loss on hedges of net investments in foreign operations	-	-	-0.061	-	-0.061
Total other comprehensive income	-	-	-0.011	-	-0.011
<b>Total comprehensive income for the period</b>	-	-	<b>-0.011</b>	<b>4.429</b>	<b>4.418</b>
Dividend distribution	-	-	-	-1.080	-1.080
<b>Total transactions with owners</b>	-	-	-	<b>-1.080</b>	<b>-1.080</b>
<b>Balance at 30 June 2014</b>	<b>8.000</b>	<b>0.800</b>	<b>0.876</b>	<b>63.327</b>	<b>73.003</b>
<b>Balance at 1 January 2015</b>	<b>8.000</b>	<b>0.800</b>	<b>0.894</b>	<b>71.565</b>	<b>81.259</b>
Profit for the period	-	-	-	4.106	4.106
<b>Other comprehensive income</b>					
Exchange differences on translating foreign operations	-	-	-0.021	-	-0.021
Net loss on hedges of net investments in foreign operations	-	-	0.088	-	0.088
Total other comprehensive income	-	-	<b>0.067</b>	-	<b>0.067</b>
<b>Total comprehensive income for the period</b>	-	-	<b>0.067</b>	<b>4.106</b>	<b>4.173</b>
Dividend distribution	-	-	-	-1.500	-1.500
<b>Total transactions with owners</b>	-	-	-	<b>-1.500</b>	<b>-1.500</b>
<b>Balance at 30 June 2015</b>	<b>8.000</b>	<b>0.800</b>	<b>0.961</b>	<b>74.171</b>	<b>83.932</b>

## Notes to the condensed consolidated interim financial statements

### Note 1. Accounting policies

The condensed consolidated interim financial statements of Bigbank AS as at and for the second quarter ended 30 June 2015 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 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS EU). The condensed interim financial statements have been prepared using the same accounting policies and measurement bases

that were applied in preparing the latest annual financial statements as at and for the ended 31 December 2014. The new and revised standards and interpretations effective from 1 January 2015 do not have a significant impact on the Group's financial statements as at the preparation of the interim report.

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 millions of euros, unless otherwise indicated and numerical data has been rounded to three digits after the decimal point.

### Note 2. Cash equivalents

As at	30 June 2015	31 Dec 2014	30 June 2014
Demand and overnight deposits with credit institutions*	11.999	11.079	17.260
Term deposits with credit institutions with maturity of less than 1 year*	10.877	2.585	14.788
Surplus on mandatory reserves with central banks*	0.794	19.938	0.791
Term deposits with credit institutions with maturity of over one year	0.050	-	-
Mandatory reserves	0.281	0.212	0.200
Interest receivable from central banks	0.004	0.001	0.012
<b>Total cash and balances at banks</b>	<b>24.005</b>	<b>33.815</b>	<b>33.051</b>
<b>of which cash and cash equivalents</b>	<b>23.670</b>	<b>33.602</b>	<b>32.839</b>

\* Cash equivalents

**Note 3. Financial assets held for trading**

As at	30 June 2015	31 Dec 2014
<b>Total Financial assets held for trading</b>	<b>11.264</b>	-
<b>Financial assets held for trading by issuer</b>		
Government bonds	3.474	-
Credit institutions	4.381	-
Corporate bonds	3.409	-
<b>Financial assets held for trading by currency</b>		
EUR (euro)	11.264	-
<b>Financial assets held for trading by rating</b>		
Aa1-Aa3	1.741	-
A1-A3	3.607	-
Baa1-Baa3	5.916	-

**Note 4. Loans to customers****Loans to customers as at 30 June 2015**

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Loan receivables from customers	54.418	76.865	48.099	52.831	34.513	45.948	312.674
Impairment allowances for loans	-7.779	-13.886	-5.499	-2.491	-5.140	-3.749	-38.544
Interest receivable from customers	6.276	9.286	1.674	1.114	1.667	1.339	21.356
Impairment allowances for interest receivables	-2.623	-3.327	-0.717	-0.145	-0.491	-0.225	-7.528
Statistical impairment allowance	-1.233	-2.636	-0.399	-0.301	-0.287	-0.219	-5.075
<b>Total loans to customers, incl. interest and allowances</b>	<b>49.059</b>	<b>66.302</b>	<b>43.158</b>	<b>51.008</b>	<b>30.262</b>	<b>43.094</b>	<b>282.883</b>
Share of region	17.3%	23.5%	15.3%	18.0%	10.7%	15.2%	100.0%



## Loans to customers as at 31 December 2014

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Loan receivables from customers	57.137	75.336	43.159	53.088	33.205	42.291	304.216
Impairment allowances for loans	-8.690	-14.411	-5.663	-4.982	-4.508	-2.578	-40.832
Interest receivable from customers	7.180	9.689	2.158	1.421	1.573	1.384	23.405
Impairment allowances for interest receivables	-2.584	-3.279	-0.876	-0.239	-0.442	-0.195	-7.615
Statistical impairment allowance	-1.200	-2.035	-0.660	-0.065	-0.029	-0.084	-4.073
<b>Total loans to customers, incl. interest and allowances</b>	<b>51.843</b>	<b>65.300</b>	<b>38.118</b>	<b>49.223</b>	<b>29.799</b>	<b>40.818</b>	<b>275.101</b>
Share of region	18.9%	23.7%	13.9%	17.9%	10.8%	14.8%	100.0%

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

As at	30 June 2015	31 Dec 2014
Up to 1 year	151.845	158.722
1-2 years	51.691	51.482
2-5 years	92.738	80.481
More than 5 years	16.400	13.531
<b>Total</b>	<b>312.674</b>	<b>304.216</b>

## Note 6. Ageing analysis of loan receivables

### Ageing analysis as at 30 June 2015

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
<b>Loans against income</b>						
Loan portfolio	174.502	23.173	6.529	4.644	67.232	276.080
Impairment allowance	-4.870	-0.752	-0.392	-0.367	-32.263	-38.644
<b>Surety loans</b>						
Loan portfolio	5.406	1.037	0.993	0.086	5.073	12.595
Impairment allowance	-0.386	-0.100	-0.038	-0.020	-2.821	-3.365
<b>Loans secured with real estate</b>						
Loan portfolio	18.138	1.868	0.413	0.445	2.454	23.318
Impairment allowance	-0.586	-0.094	-0.007	-0.007	-0.802	-1.496
<b>Loans with insurance cover</b>						
Loan portfolio	0.199	0.061	0.006	0.005	0.175	0.446
Impairment allowance	-0.011	-0.006	-	-0.001	-0.088	-0.106
<b>Loans against other collaterals</b>						
Loan portfolio	0.037	0.192	0.004	-	0.002	0.235
Impairment allowance	-0.001	-0.006	-	-	-0.001	-0.008
<b>Total loan portfolio</b>	<b>198.282</b>	<b>26.331</b>	<b>7.945</b>	<b>5.180</b>	<b>74.936</b>	<b>312.674</b>
Total impairment allowance	-5.854	-0.958	-0.437	-0.395	-35.975	-43.619

**Ageing analysis as at 31 December 2014**

	Not past due	30 days	31-60 days	61-90 days	Over 90 days	Total
<b>Loans against income</b>						
Loan portfolio	160.959	18.546	6.342	2.939	77.173	265.959
Impairment allowance	-3.916	-0.630	-0.426	-0.344	-34.195	-39.511
<b>Surety loans</b>						
Loan portfolio	6.003	1.224	0.301	0.471	5.865	13.864
Impairment allowance	-0.387	-0.089	-0.060	-0.096	-2.960	-3.592
<b>Loans secured with real estate</b>						
Loan portfolio	15.838	3.801	0.265	0.186	3.406	23.496
Impairment allowance	-0.403	-0.122	-0.017	-0.005	-1.114	-1.661
<b>Loans with insurance cover</b>						
Loan portfolio	0.374	0.075	0.010	0.013	0.269	0.741
Impairment allowance	-0.020	-0.005	-0.001	-0.002	-0.107	-0.135
<b>Loans against other collaterals</b>						
Loan portfolio	0.148	-	0.005	-	0.003	0.156
Impairment allowance	-0.004	-	-	-	-0.001	-0.005
<b>Total loan portfolio</b>	<b>183.322</b>	<b>23.646</b>	<b>6.923</b>	<b>3.609</b>	<b>86.716</b>	<b>304.216</b>
<b>Total impairment allowance</b>	<b>-4.730</b>	<b>-0.846</b>	<b>-0.504</b>	<b>-0.447</b>	<b>-38.377</b>	<b>-44.904</b>

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

As at	30 June 2015	31 Dec 2014
EUR (euro)	266.726	261.417
LTL (Lithuanian litas)	-	0.508
SEK (Swedish krona)	45.948	42.291
<b>Total loan receivables from customers</b>	<b>312.674</b>	<b>304.216</b>

**Note 8. Impairment allowances by loan assessment category****Impairment allowances as at 30 June 2015**

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	276.885	-21.602	17.913	-4.492	-26.094
Individually assessed items	35.789	-16.942	3.443	-3.036	-19.978
Statistical impairment allowance	-	-5.075	-	-	-5.075
<b>Total</b>	<b>312.674</b>	<b>-43.619</b>	<b>21.356</b>	<b>-7.528</b>	<b>-51.147</b>

**Impairment allowances as at 31 December 2014**

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	268.955	-24.065	20.380	-5.015	-29.080
Individually assessed items	35.261	-16.767	3.025	-2.600	-19.367
Statistical impairment allowance	-	-4.073	-	-	-4.073
<b>Total</b>	<b>304.216</b>	<b>-44.905</b>	<b>23.405</b>	<b>-7.615</b>	<b>-52.520</b>

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

	30 June 2015	31 Dec 2014	30 June 2014
Balance at beginning of year	-52.520	-44.815	-44.815
Loan and interest receivables written off the statement of financial position	21.993	20.281	8.582
Increase in allowances for loan and interest receivables	-20.548	-28.117	-14.050
Effect of movements in exchange rates	-0.072	0.131	0.071
<b>Balance at end of period</b>	<b>-51.147</b>	<b>-52.520</b>	<b>-50.212</b>

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

	Q2 2015	Q2 2014	6M 2015	6M 2014
Recovery of loan and interest receivables written off the statement of financial position	5.838	1.793	7.367	2.133
Increase in allowances for loan and interest receivables	-11.897	-7.974	-20.548	-14.050
Impairment losses on other receivables	-0.306	-0.164	-0.425	-0.308
<b>Total impairment losses</b>	<b>-6.365</b>	<b>-6.345</b>	<b>-13.606</b>	<b>-12.225</b>

**Note 9. Past due loans****Past due loans as at 30 June 2015**

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Up to 30 days	0.184	0.703	0.301	0.158	0.077	0.258	1.681
31 - 60 days	0.211	0.430	0.175	0.085	0.064	0.091	1.056
61-90 days	0.313	0.323	0.165	0.090	0.070	0.150	1.111
Over 90 days	14.535	22.825	8.872	5.710	7.586	9.845	69.373
<b>Total</b>	<b>15.243</b>	<b>24.281</b>	<b>9.513</b>	<b>6.043</b>	<b>7.797</b>	<b>10.344</b>	<b>73.221</b>

**Past due loans as at 31 December 2014**

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Up to 30 days	0.547	0.658	0.282	0.146	0.088	0.099	1.820
31 - 60 days	0.557	0.410	0.131	0.126	0.090	0.029	1.343
61-90 days	0.798	0.236	0.097	0.103	0.059	0.001	1.294
Over 90 days	17.351	25.833	10.046	12.195	6.951	7.260	79.636
<b>Total</b>	<b>19.253</b>	<b>27.137</b>	<b>10.556</b>	<b>12.570</b>	<b>7.188</b>	<b>7.389</b>	<b>84.093</b>

The table above shows only loan principal that is past due. In accordance with the terms of the loan agreements, the Group may terminate the agreement unilaterally if at least three scheduled

payments are in arrears. When an agreement is terminated, the customer has to settle the entire loan amount.

## Note 10. Held-to-maturity financial assets

As at	30 June 2015	31 Dec 2014
Acquisition cost of the debt securities portfolio	1.671	1.186
Accrued interest	0.001	-
<b>Total held-to-maturity financial assets</b>	<b>1.672</b>	<b>1.186</b>
<b>Held-to-maturity financial assets by issuer</b>		
Government bonds	1.672	1.186
<b>Held-to-maturity financial assets by currency</b>		
EUR (euro)	1.672	-
LTL (Lithuanian litas)	-	1.186
<b>Held-to-maturity financial assets by rating</b>		
A1-A3	0.632	-
Baa1-Baa3	1.040	1.186

Held-to-maturity financial assets include acquired bonds that the Group has the intention and ability to hold until maturity.

## Note 11. Other receivables

As at	30 June 2015	31 Dec 2014
Late payment interest and penalty payments receivable	-	0.010
Fees receivable	0.342	0.375
Collection, recovery and other charges receivable	1.733	2.454
Guarantee and deposit payments made	0.107	0.140
Miscellaneous receivables	2.545	0.266
Impairment allowance for other receivables	-0.884	-1.181
<b>Total</b>	<b>3.843</b>	<b>2.064</b>

## Note 12. Prepayments

As at	30 June 2015	31 Dec 2014
Prepaid taxes	2.627	3.238
Other prepayments	0.660	0.729
<b>Total</b>	<b>3.287</b>	<b>3.967</b>

**Note 13. Investment properties**

	30 June 2015	31 Dec 2014	30 June 2014
Opening balance at 1 January	1.100	1.382	1.382
Additions	0.013	-	-
Sales	-0.127	-0.050	-0.019
Net loss from fair value adjustment	-	-0.232	-
Closing balance at end of period	0.986	1.100	1.363

The investment properties comprise plots, houses and apartments originally pledged by customers as loan collateral and later bought by the Group

through auctions. In prior interim reports these items were recognised under other assets, reclassification was performed in the 4th quarter 2014.

**Note 14. Deposits from customers**

As at	30 June 2015	31 Dec 2014
<b>Term deposits</b>	<b>247.290</b>	<b>239.033</b>
<b>Term deposits by customer type</b>		
Individuals	239.656	233.489
Legal persons	7.634	5.544
<b>Term deposits by currency</b>		
EUR (euro)	200.469	202.239
SEK (Swedish krona)	46.821	36.794
<b>Term deposits by maturity</b>		
Maturing within 6 months	51.165	42.111
Maturing between 6 and 12 months	45.541	48.149
Maturing between 12 and 18 months	28.836	22.125
Maturing between 18 and 24 months	34.833	28.402
Maturing between 24 and 36 months	37.931	44.688
Maturing between 36 and 48 months	20.909	20.346
Maturing in over 48 months	28.075	33.212
Average deposit amount	0.020	0.019
Weighted average interest rate	2.8%	3.1%
Weighted average duration until maturity (months)	23.1	25.5
Weighted average total contract term (months)	42.9	45.3

**Note 15. Other reserves**

	30 June 2015	Change	31 Dec 2014	Change	31 Dec 2013
Exchange differences on translating foreign operations	0.087	-0.021	0.108	0.078	0.030
Net gain/loss on hedges of net investments in foreign operations	-0.105	0.088	-0.193	-0.071	-0.122
Asset revaluation reserve	0.979	-	0.979	-	0.979
<b>Total other reserves</b>	<b>0.961</b>	<b>0.067</b>	<b>0.894</b>	<b>0.007</b>	<b>0.887</b>

**Note 16. Net currency positions****Net currency positions as at 30 June 2015**

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	282.071	204.373	4.558	0.829	81.427
SEK (Swedish krona)	51.949	47.103	-	4.622	0.224
GBP (British pound)	0.033	-	-	-	0.033

**Net currency positions as at 31 December 2014**

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	275.379	206.059	8.208	1.076	76.452
LTL (Lithuanian litas)*	1.755	0.256	-	-	1.499
SEK (Swedish krona)	46.086	37.108	-	8.107	0.871
GBP (British pound)	0.131	-	-	-	0.131

\* On 1 January 2015, the Republic of Lithuania joined the euro area and all currency positions in Lithuanian litas were converted to euros on that date.

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

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

As at	30 June 2015	31 Dec 2014
<b>Irrevocable transactions, of which</b>	<b>0.829</b>	<b>1.076</b>
Issued bank guarantees	0.090	0.090
Credit lines and overdrafts	0.739	0.986
<b>Assets pledged and encumbered with usufruct, of which</b>	<b>3.081</b>	<b>3.619</b>
Mortgages*	2.449	2.449
Bonds and deposits encumbered with collateral	0.632	1.170

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

**Note 18. Interest income**

	Q2 2015	Q2 2014	6M 2015	6M 2014
Interest income on loans to customers	16.263	13.956	32.128	28.488
Interest income on financial assets held for trading	0.046	-	0.052	-
Interest income on deposits	0.004	0.018	0.011	0.032
Interest income on held-to-maturity financial assets	0.001	0.018	0.002	0.033
<b>Total interest income</b>	<b>16.314</b>	<b>13.992</b>	<b>32.193</b>	<b>28.553</b>

**Note 19. Interest expense**

	Q2 2015	Q2 2014	6M 2015	6M 2014
Interest expense on deposits	1.692	1.925	3.440	3.883

**Note 20. Other income**

	Q2 2015	Q2 2014	6M 2015	6M 2014
Income from debt recovery proceedings	1.241	1.661	2.434	3.536
Miscellaneous income	0.078	0.064	0.157	0.114
<b>Total other income</b>	<b>1.319</b>	<b>1.725</b>	<b>2.591</b>	<b>3.650</b>

**Note 21. Other operating expenses**

	Q2 2015	Q2 2014	6M 2015	6M 2014
Marketing expenses	1.414	1.099	2.932	2.015
Office, rental and similar expenses	0.305	0.321	0.735	0.674
Miscellaneous operating expenses	0.503	0.670	1.477	1.286
<b>Total other operating expenses</b>	<b>2.222</b>	<b>2.090</b>	<b>5.144</b>	<b>3.975</b>

**Note 22. Other expenses**

	Q2 2015	Q2 2014	6M 2015	6M 2014
Expenses related to enforcement proceedings	0.282	0.355	0.653	0.683
Legal regulation charges	0.107	0.136	0.214	0.291
Expenses from investment properties	0.004	0.007	0.012	0.018
Onerous contracts provisions	-	-	-	0.300
Miscellaneous expenses	0.267	0.243	0.524	0.456
<b>Total other expenses</b>	<b>0.660</b>	<b>0.741</b>	<b>1.403</b>	<b>1.748</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 2015, 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 second quarter of 2015 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 2015 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.

Bigbank AS is a going concern.

**Kaido Saar**  
Chairman of the  
Management Board  
31 August 2015  
[digitally signed]

**Ingo Pöder**  
Member of the  
Management Board  
31 August 2015  
[digitally signed]

**Agur Jõgi**  
Member of the  
Management Board  
31 August 2015  
[digitally signed]