



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

Bigbank AS

Interim condensed consolidated financial statements for the period ended 30 September 2017

Business name	Bigbank AS
Registry	Commercial Register of the Republic of Estonia
Registration number	10183757
Date of entry	30 January 1997
LEI code	5493007SWCCN9S3J2748
Address	Riia 2, 51004 Tartu, Estonia
Phone	+372 737 7570
Fax	+372 737 7582
E-mail	info@bigbank.ee
Corporate website	www.bigbank.ee
Financial year	1 January 2017 – 31 December 2017
Reporting period	1 January 2017 – 30 September 2017
Chairman of the management board	Sven Raba
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.

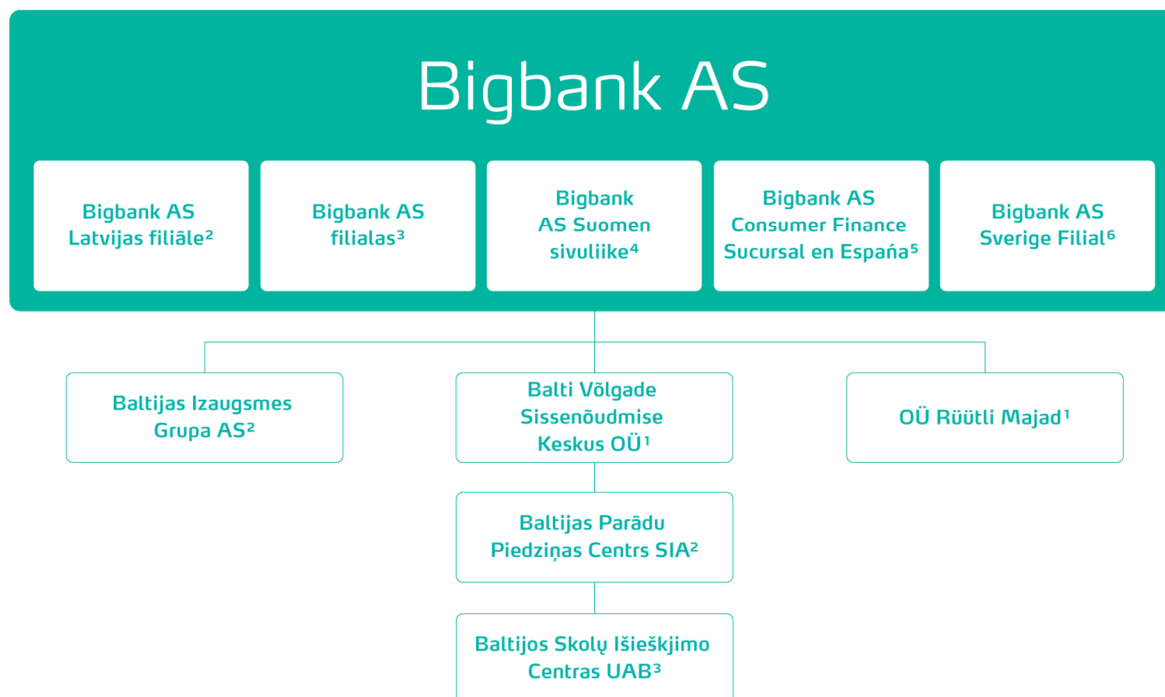
Contents

BIGBANK GROUP STRUCTURE	4
REVIEW OF OPERATIONS	5
Significant economic events	5
Key performance indicators and ratios	6
Financial review	7
Capital ratios	8
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	10
Consolidated statement of financial position	10
Consolidated statement of comprehensive income	11
Consolidated statement of cash flows	12
Consolidated statement of changes in equity	13
Notes to the condensed consolidated interim financial statements	14
Note 1. Basis of preparation and accounting policies	14
Note 2. Cash and bank balances and cash equivalents	14
Note 3. Financial assets held for trading	14
Note 4. Loans to customers.....	15
Note 5. Loan receivables from customers by due dates.....	15
Note 6. Ageing analysis on loan receivables	16
Note 7. Loan receivables from customers by contractual currency	16
Note 8. Impairment allowances by loan assessment category	17
Note 9. Other receivables.....	17
Note 10. Prepayments.....	18
Note 11. Tangible assets.....	18
Note 12. Intangible assets.....	19
Note 13. Deposits from customers	19
Note 14. Other reserves	20
Note 15. Net currency positions	20
Note 16. Fair values of financial assets and financial liabilities	20
Note 17. Contingent liabilities and assets pledged as collateral	21
Note 18. Interest income	22
Note 19. Interest expense	22
Note 20. Other income	22
Note 21. Other operating expenses.....	22
Note 22. Other expenses	22
Note 23. Related parties.....	22
STATEMENT BY THE MANAGEMENT BOARD	23
INDEPENDENT AUDITOR'S REPORT	24

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.

Review of operations

Significant economic events

Loan portfolio of Bigbank AS (hereinafter also “Bigbank” and the “Group”) increased 54.9. million euros i.e. 15.1% during the nine months and 16.1 million euros i.e. 4.0% during the third quarter. The largest contributor to the growth of the loan portfolio was Latvia.

The Group’s net profit for the third quarter of 2017 comprised 4.5 million euros, the corresponding figure was 1.7 million euros in the third quarter of 2016. Profitability of the Group has increased supported by the increase of the working loan portfolio. 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 four members - the chairman of the management board Sven

Raba and the members Pāvēls Gilodo, Martin Lānts and Mart Veskimägi. Former Chairman of the Management Board Kaido Saar left the post from 1 September 2017, whereby the management board continues 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 435 employees at the end of the third quarter of 2017: 212 in Estonia, 74 in Latvia, 78 in Lithuania, 22 in Finland, 35 in Spain and 14 in Sweden.

At the end of the third 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 Sept 2017	31 Dec 2016	Change
Total assets	443,988	394,128	12.7%
Loans to customers	379,271	332,725	14.0%
of which loan portfolio	418,065	363,130	15.1%
of which interest receivable	17,485	16,916	3.4%
of which impairment allowances	-56,279	-47,321	18.9%
of which impairment allowances for loans	-34,877	-27,699	25.9%
of which impairment allowances for interest receivables	-9,605	-8,298	15.8%
of which statistical impairment allowance	-11,797	-11,324	4.2%
Deposits from customers	326,495	285,575	14.3%
Equity	108,643	100,836	7.7%

Financial performance indicators (in thousands of euros)	Q3 2017	Q3 2016	Change	9M 2017	9M 2016	Change
Interest income	17,265	17,981	-4.0%	52,333	52,051	0.5%
Interest expense	1,432	1,430	0.1%	4,351	4,488	-3.1%
Expenses from impairment allowances	3,735	8,160	-54.2%	13,367	21,199	-36.9%
Income from debt collection proceedings	593	725	-18.2%	1,842	2,529	-27.2%
Profit before impairment allowances	8,252	9,888	-16.5%	26,108	29,066	-10.2%
Net profit	4,517	1,728	161.4%	12,741	7,867	62.0%

Ratios	Q3 2017	Q3 2016	9M 2017	9M 2016
Return on equity (ROE)	17.0%	7.2%	16.2%	11.2%
Equity multiplier (EM)	4.1	3.7	4.0	3.8
Profit margin (PM)	24.1%	8.9%	30.0%	18.5%
Asset utilization ratio (AU)	17.2%	21.8%	18.0%	21.1%
Return on assets (ROA)	4.2%	1.9%	4.1%	2.9%
Price difference (SPREAD)	13.4%	16.7%	14.4%	16.4%
Cost to income ratio (CIR)	48.2%	41.6%	45.7%	41.6%

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

Cost to income ratio (CIR) – total operating costs to net income

Financial review

Financial position

As at 30 September 2017, the consolidated assets of Bigbank AS Group totalled 444.0 million euros, having increased by 19.7 million euros (4.6%) during the quarter.

As at 30 September 2017, loans to customers accounted for 85.4% of total assets, the proportion of liquid assets (amounts due from banks and financial assets held for trading) was 11.6%.

At the end of the third quarter, liquid assets totalled 51.4 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 14.0 million euros as at 30 September 2017.

At the end of the third quarter, the Group had 163 thousand loan agreements, 73 thousand of them in Latvia, 35 thousand in Estonia, 27 thousand in Lithuania, 12 thousand in Finland, 8 thousand in Spain and 8 thousand in Sweden.

Geographical distribution of loans to customers:

- 24.9% Lithuania,
- 24.2% Latvia,
- 18.4% Finland,
- 17.5% Estonia,
- 9.1% Sweden,
- 5.9% Spain.

At 30 September 2017, loans to customers totalled 379.3 million euros, comprising of:

- the loan portfolio of 418.1 million euros. Loans to individuals accounted for 92.8% of the total;
- interest receivable on loans of 17.5 million euros;
- impairment allowances for loans and interest receivables of 56.3 million euros (consisting of an impairment allowance for loans of 34.9 million euros, an impairment allowance for interest receivables of 9.6 million euros and a statistical impairment allowance of 11.8 million euros).

Bigbank's loan portfolio is diversified – at the reporting date the average loan was 2,571 euros and as at 30 September

2017, 40 largest loans accounted for 6.4% of the loan portfolio.

Bigbank AS focuses on the provision of consumer loans. In line with the corporate strategy, as at 30 September 2017 loans against income accounted for 89.0%, loans against surety for 1.2% and loans secured with real estate for 9.8% 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 based on historical data and are created on a conservative basis. At 30 September 2017, impairment allowances totalled 57.0 million euros, consisting of:

- impairment allowances for loan receivables of 34.9 million euros,
- impairment allowances for interest receivables of 9.6 million euros,
- statistical impairment allowances of 11.8 million euros,
- impairment allowances for other receivables of 0.7 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 third quarter of 2017, the Group's liabilities totalled 335.3 million euros. Most of the debt raised by the Group, i.e. 326.5 million euros (97.4%) consisted of term deposits.

As at the end of the third quarter of 2017, the Group's equity was 108.6 million euros. The equity to assets ratio amounted to 24.5%.

Financial performance

Interest income for the third quarter reached 17.3 million euros, decreasing by 0.7 million euros (-4.0%) compared to the same period in 2016.

The period's ratio of interest income (annualised) to average interest-earning assets was 15.2% and (annualised) return on the loan portfolio accounted for 16.8% of the average loan portfolio.

Interest expense for the third quarter of 2017 was 1.4 million euros, remaining the same level compared to the same period in 2016.

The ratio of interest expense to interest income was 8.3%. The ratio of interest expense to average interest-bearing liabilities (annualised) was 1.8%.

Other operating expenses for the third quarter 2.6 million euros, decreasing by 0.2 million euros compared to the corresponding figure of the same period in 2016.

Salaries and associated charges for the third quarter of 2017 amounted to 4.5 million euros, including remuneration of 3.2 million euros. As at the end of the period, the Group had 435 employees.

In the third quarter, impairment losses were 3.7 million euros, consisting of:

- impairment losses on loan receivables of 2.7 million euros;
- impairment losses on interest receivables of 1.2 million euros; and
- impairment income on other receivables of 0.2 million euros.

Impairment allowances are based on historical data and are made on a conservative basis.

Other income for the third quarter of 2017 was 0.7 million euros, the largest proportion of which resulted from debt collection income. Other income decreased by 0.1 million euros (-13.6%) compared to the same period in 2016

Other expenses for the third quarter reached 0.8 million euros. In the same period of 2016, other income was 0.8 million euros, as well

The Group's net profit for the fo third quarter of 2017 amounted to 4.5 million euros. In comparison to the third quarter of 2016, net profit has increased by 2.8 million euros (161.4%).

Capital ratios

Own funds

As at	Basel III 30 Sept 2017	Basel III 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	1,439	1,369
Other intangible assets	-5,870	-4,037
Profit eligible	-	6,703
Adjustments to CET1 due to prudential filters	-	-
Common equity Tier 1 capital	90,035	91,799
Tier 1 capital	90,035	91,799
Tier 2 capital	-	-
Deductions	-	-
Total own funds	90,035	91,799

Total risk exposure amount

	Basel III 30 Sept 2017	Basel III 31 Dec 2016
Risk weighted exposure amounts for credit and counterparty credit (standardized approach)		
Central governments or central banks	871	1,128
Institutions	6,859	5,159
Corporates	39,057	39,543
Retail	237,785	202,022
Secured by mortgages on immovable property	4,949	5,277
Exposures in default	32,272	26,297
Other items	7,693	7,558
Total risk weighted exposure amounts for credit and counterparty credit (standardized approach)	329,486	286,984
Total risk exposure amount for foreign exchange risk (standardized approach)	-	-
Total risk exposure amount for operational risk (standardized approach)	100,928	93,585
Total risk exposure amount for credit valuation adjustment (standardized approach)	-	-
Total risk exposure amount	430,414	380,569

Capital ratios

	Basel III 30 Sept 2017	Basel III 31 Dec 2016
CET1 Capital ratio	20.9%	24.1%
T1 Capital ratio	20.9%	24.1%
Total capital ratio	20.9%	24.1%
Leverage ratio	19.9%	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 Sept 2017	31 Dec 2016
Assets			
Cash and balances at central banks	2	11,014	20,551
Cash and balances at banks	2	26,378	14,382
Financial assets held for trading	3	13,966	14,891
Loans to customers	4,5,6,7,8	379,271	332,725
Other receivables	9	1,273	1,303
Prepayments	10	933	1,420
Property and equipment	11	4,797	4,299
Investment property		461	509
Intangible assets	12	5,870	4,037
Deferred tax assets	14	25	11
Total assets		443,988	394,128
Liabilities			
Deposits from customers	13	326,495	285,575
Provisions		133	133
Other liabilities		6,818	4,783
Deferred income and tax liabilities		1,899	2,801
Total liabilities		335,345	293,292
Equity			
Share capital		8,000	8,000
Capital reserve		800	800
Other reserves	14	1,436	1,369
Earnings retained		98,407	90,667
Total equity		108,643	100,836
Total liabilities and equity		443,988	394,128

Consolidated statement of comprehensive income

	Note	Q3 2017	Q3 2016	9M 2017	9M 2016
Interest income	18	17,265	17,981	52,333	52,051
Interest expense	19	-1,432	-1,430	-4,351	-4,488
Net interest income		15,833	16,551	47,982	47,563
Fee and commission income		792	591	2,213	1,847
Fee and commission expense		-67	-49	-263	-142
Net fee and commission income		725	542	1,950	1,705
Net gain/loss on financial transactions		2	54	-171	331
Other income	20	667	772	2,031	2,675
Total income		17,227	17,919	51,792	52,274
Salaries and associated charges		-4,518	-3,623	-12,699	-10,682
Other operating expenses	21	-2,648	-2,852	-7,755	-8,258
Depreciation and amortisation expense		-356	-196	-974	-564
Impairment losses on loans and financial investments		-3,735	-8,160	-13,367	-21,199
Impairment losses on other assets		-	-	-	-70
Other expenses	22	-782	-790	-2,256	-2,235
Total expenses		-12,039	-15,621	-37,051	-43,008
Profit before income tax		5,188	2,298	14,741	9,266
Income tax expense		-671	-570	-2,000	-1,399
Profit for the period		4,517	1,728	12,741	7,867
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		10	80	67	145
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		10	80	67	145
Other comprehensive income for the period		10	80	67	145
Total comprehensive income for the period		4,527	1,808	12,808	8,012
Basic earnings per share (EUR)		56	22	159	98
Diluted earnings per share (EUR)		56	22	159	98

Consolidated statement of cash flows

	Note	9M 2017	9M 2016
Cash flows from operating activities			
Interest received		44,933	43,874
Interest paid		-3,869	-3,659
Salary and other operating expenses paid		-22,506	-19,620
Other income received		3,960	4,161
Other expenses paid		-2,891	-2,674
Fees received		1,047	818
Fees paid		-279	-144
Recoveries of receivables previously written off		12,130	9,065
Received for other assets		116	454
Paid for other assets		-95	-537
Loans provided		-192,498	-156,049
Repayment of loans provided		132,793	112,729
Change in mandatory reserves with central banks		-296	-84
Proceeds from customer deposits		92,244	49,467
Paid on redemption of deposits		-52,853	-47,448
Net acquisition and disposal of trading portfolio		1,147	881
Income tax paid/received		-2,453	-1,046
Effect of movements in exchange rates		-31	-49
Net cash from / used in operating activities		10,599	-9,861
Cash flows from investing activities			
Acquisition of property and equipment and intangible assets		-3,478	-1,896
Proceeds from sale of property and equipment		72	63
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
Net cash used in investing activities		-3,418	-1,288
Cash flows from financing activities			
Dividends paid		-5,000	-1,300
Net cash used in financing activities		-5,000	-1,300
Effect of exchange rate fluctuations		-17	-249
Decrease in cash and cash equivalents		2,164	-12,698
Cash and cash equivalents at beginning of period		34,291	28,894
Cash and cash equivalents at end of period	2	36,455	16,196

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	-	-	-	7,867	7,867
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	145	-	145
Total other comprehensive income	-	-	145	-	145
Total comprehensive income for the period	-	-	145	7,867	8,012
Dividend distribution	-	-	-	-1,300	-1,300
Total transactions with owners	-	-	-	-1,300	-1,300
Balance at 30 September 2016	8,000	800	1,193	86,831	96,824
Balance at 1 January 2017	8,000	800	1,369	90,666	100,835
Profit for the period	-	-	-	12,741	12,741
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	67	-	67
Total other comprehensive income	-	-	67	-	67
Total comprehensive income for the period	-	-	67	12,741	12,808
Dividend distribution	-	-	-	-5,000	-5,000
Total transactions with owners	-	-	-	-5,000	-5,000
Balance at 30 September 2017	8,000	800	1,436	98,407	108,643

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 nine months ended 30 September 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 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. Cash and bank balances and cash equivalents

As at	30 Sept 2017	31 Dec 2016
Demand and overnight deposits with credit institutions*	26,378	14,382
Surplus on mandatory reserves with central banks*	10,077	19,909
Mandatory reserves	937	642
Total cash and balances at banks	37,392	34,933
of which cash and cash equivalents	36,455	34,291

* Cash equivalents

Note 3. Financial assets held for trading

As at	30 Sept 2017	31 Dec 2016
Financial assets held for trading	13,966	14,891
Financial assets held for trading by issuer		
General government bonds	4,211	4,277
Bonds issued by credit institutions	2,756	4,082
Other financial corporations' bonds	1,214	1,241
Non-financial corporations' bonds	5,785	5,291
Financial assets held for trading by currency		
EUR (euro)	12,645	14,165
SEK (Swedish krona)	1,321	726
Financial assets held for trading by rating		
Aaa-Aa3	3,847	3,190
A1-A3	3,946	4,354
Baa1-Baa3	6,173	7,347

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

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Loan receivables from customers	70,888	105,761	99,074	75,218	30,159	36,965	418,065
Impairment allowances for loans	-4,220	-16,378	-3,272	-3,304	-7,116	-587	-34,877
Interest receivable from customers	3,320	9,252	847	2,185	1,581	300	17,485
Impairment allowances for interest receivables	-2,220	-5,560	-147	-576	-1,014	-88	-9,605
Statistical impairment allowance	-1,259	-1,379	-1,892	-3,771	-1,427	-2,069	-11,797
Total loans to customers, incl. interest and allowances	66,509	91,696	94,610	69,752	22,183	34,521	379,271
Share of region	17.5%	24.2%	24.9%	18.4%	5.9%	9.1%	100.0%

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%

Note 5. Loan receivables from customers by due dates

As at	30 Sept 2017	31 Dec 2016
Past due	49,452	44,930
Less than 1 month	10,365	10,500
1-12 months	97,863	91,806
1-2 years	82,844	71,354
2-5 years	147,999	121,870
More than 5 years	29,542	22,670
Total	418,065	363,130

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

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Loans against income						
Loan portfolio	282,974	26,460	8,798	5,018	48,855	372,105
Impairment allowance	-10,660	-1,431	-598	-474	-30,490	-43,653
Surety loans						
Loan portfolio	2,980	206	83	32	1,667	4,968
Impairment allowance	-232	-25	-13	-6	-1,337	-1,613
Loans secured with real estate						
Loan portfolio	29,607	6,867	2,106	130	2,232	40,942
Impairment allowance	-578	-136	-41	-2	-646	-1,403
Loans against other collaterals						
Loan portfolio	35	4	2	2	7	50
Impairment allowance	-1	-	-	-	-4	-5
Total loan portfolio	315,596	33,537	10,989	5,182	52,761	418,065
Total impairment allowance	-11,471	-1,592	-652	-482	-32,477	-46,674

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

Note 7. Loan receivables from customers by contractual currency

As at	30 Sept 2017	31 Dec 2016
EUR (euro)	381,100	335,329
SEK (Swedish krona)	36,965	27,801
Total loan receivables from customers	418,065	363,130

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

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	363,647	-12,172	10,270	-2,727	-14,899
Individually assessed items	54,418	-22,705	7,215	-6,878	-29,583
Statistical impairment allowance	-	-11,797	-	-	-11,797
Total	418,065	-46,674	17,485	-9,605	-56,279

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

Change in impairment of loans, receivables and financial investments

As at	30 Sept 2017	31 Dec 2016
Balance at beginning of period	-47,321	-49,480
Write-off of fully impaired loan and interest receivables	12,597	47,152
Increase in allowances for loan and interest receivables	-21,585	-45,391
Effect of movements in exchange rates	30	398
Balance at end of period	-56,279	-47,321

Impairment losses on loans, receivables and financial investments

	Q3 2017	Q3 2016	9M 2017	9M 2016
Recovery of written-off loan and interest receivables	4,223	2,780	7,449	8,338
Increase in allowances for loan and interest receivables	-8,135	-11,055	-21,585	-29,855
Impairment losses on other receivables	177	115	769	318
Total impairment losses	-3,735	-8,160	-13,367	-21,199

Note 9. Other receivables

As at	30 Sept 2017	31 Dec 2016
Collection, recovery and other charges receivable	904	805
Miscellaneous receivables	1,039	1,001
Impairment allowance for other receivables	-670	-503
Total	1,273	1,303

Note 10. Prepayments

As at	30 Sept 2017	31 Dec 2016
Prepaid taxes	441	436
Other prepayments	492	984
Total	933	1,420

Note 11. Tangible assets

	Land and buildings	Other items	Total
Cost			
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
Balance at 1 January 2017	3,014	3,458	6,472
Purchases	-	1,161	1,161
Sales	-	-159	-159
Write-off	-	-1,139	-1,139
Transfer	-	5	5
Balance at 30 September 2017	3,014	3,326	6,340
Depreciation			
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
Balance at 1 January 2017	-	-2,173	-2,173
Depreciation charge for the year	-60	-519	-579
Sales	-	83	83
Write-off	-	1,131	1,131
Transfer	-	-5	-5
Balance at 30 September 2017	-60	-1,483	-1,543
Carrying amount			
Balance at 1 January 2016	2,870	519	3,389
Balance at 31 December 2016	3,014	1,285	4,299
Balance at 30 September 2017	2,954	1,843	4,797

Note 12. Intangible assets

	30 Sept 2017	31 Dec 2016
Cost at beginning of year	5,701	2,919
Purchases	2,226	2,782
Write-off	-9	-
Reclassification	-5	-
Cost at end of period	7,913	5,701
Amortisation at beginning of year	-1,664	-1,308
Amortisation charge for the period	-393	-356
Write-off	9	-
Reclassification	5	-
Amortisation at end of period	-2,043	-1,664
Carrying amount at beginning of year	4,037	1,611
Carrying amount at end of period	5,870	4,037

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 Sept 2017	31 Dec 2016
Term deposits	326,495	285,575
Term deposits by customer type		
Individuals	314,786	274,281
Legal persons	11,709	11,294
Term deposits by currency		
EUR (euro)	276,829	251,289
SEK (Swedish krona)	49,666	34,286
Term deposits by maturity		
Maturing within 6 months	86,145	64,764
Maturing between 6 and 12 months	76,701	75,610
Maturing between 12 and 18 months	41,027	26,909
Maturing between 18 and 24 months	41,224	39,349
Maturing between 24 and 36 months	33,462	35,312
Maturing between 36 and 48 months	15,770	14,101
Maturing in over 48 months	32,166	29,530
Average deposit amount	23	22
Weighted average interest rate	1.8%	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 Sept 2017	Change	31 Dec 2016
Exchange differences on translating foreign operations	234	67	167
Asset revaluation reserve	1,202	-	1,202
Total other reserves	1,436	67	1,369

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

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	387,560	285,182	-	10,318	92,060
SEK (Swedish krona)	50,603	50,163	-	-	440
GBP (British pound)	23	-	-	-	23

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 September 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 September 2017

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets held for trading (note 3)	13,966	-	-	13,966
Land and buildings (note 12)	-	-	2,954	2,954
Investment properties	-	-	461	461
Assets for which fair values are disclosed				
Loans to customers (note 4-8)	-	-	379,271	379,271
Other financial receivables (note 9)	-	-	1,273	1,273
Total assets	13,966	-	383,959	397,925
Liabilities for which fair values are disclosed				
Deposits from customers (note 13)	-	-	326,495	326,495
Other financial liabilities	-	-	6,818	6,818
Total liabilities	-	-	333,313	333,313

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 3)	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 4-8)	-	-	332,725	332,725
Other financial receivables (note 9)	-	-	1,303	1,303
Total assets	14,891	-	337,551	352,442
Liabilities for which fair values are disclosed				
Deposits from customers (note 13)	-	-	285,575	285,575
Other financial liabilities	-	-	4,783	4,783
Total liabilities	-	-	290,358	290,358

Note 17. Contingent liabilities and assets pledged as collateral

As at	30 Sept 2017	31 Dec 2016
Irrevocable transactions, of which	10,318	8,013
Issued bank guarantees	90	90
Credit lines and overdrafts	10,228	7,923
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 18. Interest income

	Q3 2017	Q3 2016	9M 2017	9M 2016
Interest income on loans to customers	17,175	17,877	52,055	51,739
Interest income on financial assets held for trading	88	94	270	279
Interest income on deposits	-	7	-	22
Other assets	2	3	8	11
Total interest income	17,265	17,981	52,333	52,051

Note 19. Interest expense

	Q3 2017	Q3 2016	9M 2017	9M 2016
Interest expense on deposits	1,432	1,430	4,351	4,488

Note 20. Other income

	Q3 2017	Q3 2016	9M 2017	9M 2016
Income from debt recovery proceedings	593	725	1,842	2,529
Miscellaneous income	74	47	189	146
Total other income	667	772	2,031	2,675

Note 21. Other operating expenses

	Q3 2017	Q3 2016	9M 2017	9M 2016
Marketing expenses	1,378	1,787	3,920	4,915
Office, rental and similar expenses	349	345	1,231	963
Miscellaneous operating expenses	921	720	2,604	2,380
Total other operating expenses	2,648	2,852	7,755	8,258

Note 22. Other expenses

	Q3 2017	Q3 2016	9M 2017	9M 2016
Expenses related to enforcement proceedings	263	238	841	783
Expenses related to registry inquires	257	242	803	694
Legal regulation charges	194	126	413	352
Expenses from investment properties	4	47	9	52
Onerous contracts provisions	-	82	-	210
Miscellaneous expenses	64	55	190	144
Total other expenses	782	790	2,256	2,235

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 September 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 nine 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 September 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.

Sven Raba

Chairman
of the Management Board
17 November 2017

[digitally signed]

Pāvels Gilodo

Member
of the Management Board
17 November 2017

[digitally signed]

Martin Länts

Member
of the Management Board
17 November 2017

[digitally signed]

Mart Veskimägi

Member
of the Management Board
17 November 2017

[digitally signed]



Ernst & Young Baltic AS
Rävala 4
10143 Tallinn
Eesti
Tel.: +372 611 4610
Faks.: +372 611 4611
Tallinn@ee.ey.com
www.ey.com

Äriregistri kood 10877299
KMKR: EE 100770654

Ernst & Young Baltic AS
Rävala 4
10143 Tallinn
Estonia
Phone.: +372 611 4610
Fax.: +372 611 4611
Tallinn@ee.ey.com
www.ey.com

Code of legal entity 10877299
VAT payer code EE 100770654

Translation of the Estonian Original

Report on review of interim condensed consolidated financial statements

To the Shareholders of Bigbank AS

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Bigbank AS as at September 30, 2017, which comprise the interim statement of financial position as at September 30, 2017 and the related interim statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Tallinn, 17 November 2017

/signed digitally/
Olesia Abramova
Authorised Auditor's number 561
Ernst & Young Baltic AS
Audit Company's Registration number 58

/signed digitally/
Tiina Leif
Authorised Auditor's number 441