



**Interim condensed consolidated
financial statements for the period
ended 30 September 2020**

Bigbank AS

Interim condensed consolidated financial statements for the period ended 30 September 2020

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 2020 – 31 December 2020
Reporting period	1 January 2020 – 30 September 2020
Chairman of the management board	Martin Lääts
Core business line	Provision of consumer loans and acceptance of deposits
Auditor	KPMG Baltics OÜ
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.

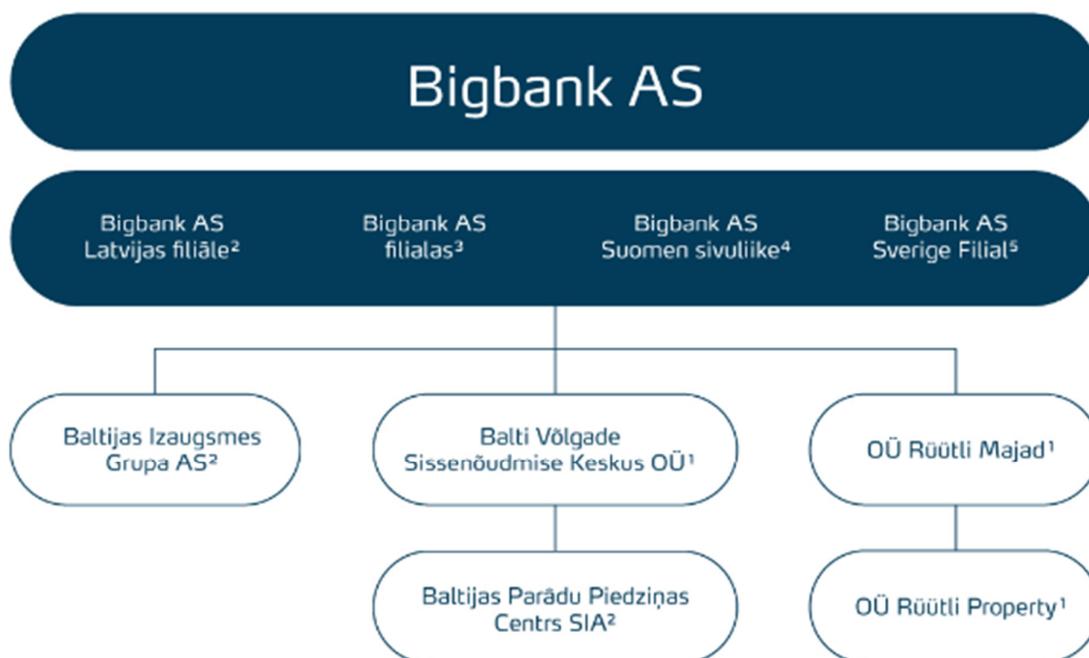
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Bigbank Group structure

Bigbank AS (hereinafter also “Bigbank” and “Group”) 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 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 Sweden

The branches in Latvia, Lithuania, Finland 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. Spanish branch is under liquidation and remaining customers are served cross-border from parent bank.

The core business of OÜ Rūütli Majad is managing the real estate and its subsidiary OÜ Rūütli Property is mainly managing agricultural land. Balti Völgade Sissenõudmise Keskus OÜ and its subsidiary support the parent and its branches in debt collection.

Review of operations

Significant economic events

The first nine months of 2020 were challenging for Bigbank, and for the whole world, due to the COVID-19 crisis. Extensive restrictions imposed in spring to prevent the spread of the virus significantly weakened the economy, triggering a widespread economic downturn in the second quarter that affected all our core markets. Since the outbreak of the pandemic, we have focused on restoring our growth ambition, launching new products, and offering the best solutions to customers in default or arrears. Bigbank's strong performance in the third quarter proves that we have made the right choices: revenue increased by 38% compared to the second quarter and by 20% compared to the same period last year, and net profit grew as well.

Bigbank is continuously working to extend its product range. In the second quarter we started offering leases to corporate customers in Estonia and Lithuania and in the third quarter we launched two home loans: one with a regular annuity schedule and the other with a special schedule that is unique in the Estonian market. The latter is designed for families with children. It allows them to defer the settlement of loan principal for up to 20 years and, thus, to keep their monthly loan payments considerably lower in that period. Customers' interest in home loans has been high and feedback excellent. There has also been a lot of interest in demand deposits which we began to offer from the second quarter in our cross-border markets: their share in total deposits has grown rapidly, rising to 7% by the end of the third quarter. Growth and product development have been supported by the Group's banking software Nest, which was fully implemented by the end of 2019 and enables Bigbank to offer its products more conveniently and efficiently.

At the end of the third quarter, the Group's performing loan portfolio amounted to 533.9 million euros, exceeding the figure at the end of the second quarter by 30.8 million euros (6%) and the figure at the previous year-end by 17%. The share of loans over 90 days past due, which had been growing, dropped back to the level at the end of the first

quarter, accounting for 3.7% of the total portfolio at the reporting date. The share of loans past due has decreased due to effective dealing with customers in default and arrears and the sale of debt claims. Bigbank's long-term goal is still to keep the share of its over 90 days past due portfolio as small as possible.

Bigbank earned a net profit of 6.2 million euros in the third quarter of 2020, which is 12% more than in the same period last year and 35% more than in the second quarter. Third-quarter expenses on credit loss allowances amounted to 2.3 million euros.

Interest income continues to grow, underpinned by a successful growth strategy: the figure for the third quarter was 0.9 million euros (5%) higher than in the same period of last year.

The Group's capitalisation indicators are strong. Equity has grown by 7% during the year, reaching 150.5 million euros by the end of the third quarter.

After the end of the third quarter, Bigbank received permits from both Estonian Financial Supervision and Resolution Authority and Bulgarian National Bank to establish and start operating a branch. As the result, the new branch was registered in the Bulgarian Commercial Register on 19th of November 2020. The active start of operations is planned at the beginning of the next year.

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 four members: the chairman of the management board Martin Länts and the members Sven Raba, Mart Veskimägi and Argo Kiltsmann.

Bigbank had 378 employees at the end of the third quarter of 2020: 228 in Estonia, 63 in Latvia, 66 in Lithuania, 15 in Finland and 6 in Sweden.

Key performance indicators and ratios

Financial position indicators (in thousands of euros)	30 Sep 2020	31 Dec 2019	Change
Total assets	720,880	574,193	25.5%
Loans to customers	538,839	459,656	17.2%
of which loan portfolio	554,343	473,455	17.1%
of which interest receivable	12,862	10,494	22.6%
of which loss allowances	-28,366	-24,293	16.8%
Deposits from customers	516,927	392,838	31.6%
Equity	150,502	141,053	6.7%

Financial performance indicators (in thousands of euros)	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change
Interest income	17,811	16,894	5.4%	52,030	49,743	4.6%
Interest expense	1,856	1,561	18.9%	5,098	4,852	5.1%
Salaries and associated charges	3,476	3,916	-11.2%	10,373	11,300	-8.2%
Other operating expenses	2,903	2,621	10.8%	7,988	8,456	-5.5%
Net loss allowances on loans and financial investments	2,350	2,697	-12.9%	11,456	5,033	127.6%
Profit before impairment loss	8,589	8,270	3.9%	27,271	22,570	20.8%
Net profit	6,239	5,573	12.0%	15,815	17,537	-9.8%

Ratios	Q3 2020	Q3 2019	9M 2020	9M 2019
Return on equity (ROE)	16.9%	17.0%	14.5%	18.3%
Equity multiplier (EM)	4.7	4.1	4.4	4.1
Profit margin (PM)	31.9%	30.5%	27.8%	32.6%
Asset utilization ratio (AU)	11.2%	13.6%	11.7%	13.5%
Return on assets (ROA)	3.6%	4.2%	3.3%	4.4%
Price difference (SPREAD)	9.2%	11.4%	9.7%	11.5%
Cost to income ratio (CIR)	45.3%	48.6%	44.7%	49.8%

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

Explanations of ratios:

Return on equity (ROE, %) – net profit for the period / quarter / average equity * 100

Return on assets (ROA, %) – net profit for the period / average assets * 100

Equity multiplier (EM) – average assets / average equity

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

Profit margin (PM, %) – profit for the period / total income * 100

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

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

Financial review

Financial position

As at 30 September 2020, the consolidated assets of Bigbank AS Group totalled 720.9 million euros, having increased by 47.4 million euros (7.0%) during the third quarter.

As at 30 September 2020, loans to customers accounted for 74.7% of total assets, the proportion of liquid assets (amounts due from banks and financial debt instruments) was 19.3%. At the end of the third quarter, liquid assets totalled 139.4 million euros. Part of the bank's liquidity buffer has been placed in a portfolio of debt securities which are highly liquid, hold investment grade credit ratings, and can be sold at any time, except for debt securities that have been pledged. Debt instruments totalled 46.7 million euros as at 30 September 2020, of which 38.1 million euros was pledged as collateral for a loan from the central bank and 8.6 million euros was part of the liquidity buffer.

At the end of the third quarter, the Group had 113 thousand loan agreements, 35 thousand of them in Lithuania, 33 thousand in Latvia, 25 thousand in Estonia, 11 thousand in Finland and 9 thousand in Sweden.

Geographical distribution of loans to customers:

- 32.5% Lithuania,
- 23.1% Latvia,
- 21.7% Estonia,
- 13.3% Finland,
- 9.4% Sweden.

At 30 September 2020, loans to customers totalled 538.8 million euros, comprising of:

- the loan portfolio of 554.3 million euros. Loans to individuals accounted for 91.0% of the total;
- interest receivable on loans of 12.9 million euros;
- loss allowances for loans and interest receivables of 28.4 million euros (consisting of a loss allowance for

loans of 26.5 million euros and a loss allowance for interest receivables of 1.9 million euros).

Bigbank's loan portfolio is diversified – at the reporting date the average loan was 4,906 euros and as at 30 September 2020, 40 largest loans accounted for 8.4% of the loan portfolio.

Bigbank AS focuses on the provision of consumer loans. In line with the corporate strategy, as at 30 September 2020 loans against income accounted for 86.3%, loans secured with real estate for 12.6% and loans against surety for 1.0% 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 loss allowances. Bank follows in impairment calculations conservative line. 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 2020, the Group's liabilities totalled 570.4 million euros. Most of the debt raised by the Group, i.e. 516.9 million euros (90.6%) consisted of deposits. In 2019, the Group obtained from ECB's third series of targeted longer-term refinancing operations (TLTRO-III) financing of 23.0 million euros, in the first and second quarters of 2020, the Group received additional 13.5 million euros of financing. The liability secured by debt securities reached as at 30 September 2020 36.5 million euros.

At the end of the third quarter of 2020, the Group's equity was 150.5 million euros. The equity to assets ratio amounted to 20.9%.

Financial performance

Interest income for the third quarter of 2020 reached 17.8 million euros, increasing by 0.9 million euros (5.4%) compared to the same period in 2019. The Group's 9-month interest income was 52.0 million euros, exceeding the interest income for the same period of the previous year by 4.6%.

The third quarter's ratio of interest income (annualised) to average interest-earning assets was 10.6% and (annualised) return on the loan portfolio accounted for 13.0% of the average loan portfolio.

Interest expense for the third quarter of 2020 was 1.9 million euros. Interest expense for the first 9 months of 2020 amounted to 5.1 million euros, having grown by 5.1% year on year. The ratio of interest expense to interest income was 10.4% in the third quarter. The ratio of interest expense to average interest-bearing liabilities (annualised) was 1.4%.

Salaries and associated charges for the third quarter of 2020 totalled 3.4 million euros and for the first 9 months of 2020 10.4 million euros. As at the end of the period, the Group had 378 employees.

Other operating expenses for the third quarter amounted to 2.9 million euros, increasing by 0.3 million euros compared to year-earlier period. Other operating expenses for 9 months totalled 8.0 million euros, being lower by 5.5% year on year.

In the third quarter, impairment losses were 2.4 million euros, consisting of:

- impairment losses on loan receivables of 2.3 million euros;
- impairment losses on interest receivables of 0.1 million euros.

Impairment losses for 9 months of 2020 totalled 11.5 million euros, which have more than doubled year on year.

The Group's net profit for the third quarter of 2020 amounted to 6.2 million euros. In comparison to the third quarter of 2019, net profit has increased by 0.7 million euros. Bigbank ended the first 9 months of 2020 with a profit of 15.8 million euros, a decrease by 10% year on year. The decline of profit is mainly attributable to increased impairment losses.

Capital ratios

Own funds

The methods used by the Group for calculating own funds are stipulated in regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms

(CRR) and Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD 4) as transposed into Estonian law.

As at	30 Sep 2020	31 Dec 2019
Paid-in share capital	8,000	8,000
Capital reserve	800	800
Prior years retained earnings	125,021	106,568
Other accumulated comprehensive income	866	1,231
Other intangible assets	-23,091	-19,254
Profit eligible	-	11,537*
Adjustments to CET1 due to prudential filters	-47	-31
Common equity Tier 1 capital	111,549	108,851
Tier 1 capital	111,549	108,851
Tier 2 capital	5,000	5,000
Deductions	-	-
Total own funds	116,549	113,851

* Own funds as at 31 December 2019 include nine months net profit included that has been verified by an independent external auditor in the review of the financial information (2019: nine months), less foreseeable dividends proportionally and following the permit of the Estonian Financial Supervision and Resolution Authority.

Article 26(2) of Regulation (EU) No 575/2013 of the European Parliament and of the Council (2) has introduced a procedure whereby the permission of the competent authority is required for the inclusion of interim profits or year-end profits in Common Equity Tier 1 (CET1) capital before an institution has taken a formal decision confirming the final profit or loss of the institution for the year. Such permission is granted where the following two conditions

are met: profits have been verified by persons independent of the institution that are responsible for the auditing of the accounts of that institution; and the institution has

demonstrated that any foreseeable charge or dividend has been deducted from the amount of those profits.

Total risk exposure amount

	30 Sep 2020	31 Dec 2019
Risk weighted exposure amounts for credit and counterparty credit (standardized approach)		
Institutions	14,947	3,260
Corporates	53,724	22,886
Retail	355,111	312,757
Secured by mortgages on immovable property	9,677	4,586
Exposures in default	17,927	14,926
Claims on institutions and corporates with a short-term credit assessment	2,373	2,393
Other items	19,528	9,910
Total risk weighted exposure amounts for credit and counterparty credit (standardised approach)	473,287	370,718
Total risk exposure amount for position, foreign exchange and commodities risks	-	18,821
Total risk exposure amount for operational risk (standardised approach)	104,404	101,632
Total risk exposure amount for credit valuation adjustment (standardised approach)	-	-
Total risk exposure amount	577,691	491,171

Capital ratios

	30 Sep 2020	31 Dec 2019
CET1 Capital ratio	19.3%	22.2%
T1 Capital ratio	19.3%	22.2%
Total capital ratio	20.2%	23.2%
Leverage ratio	15.5%	19.3%
Minimum requirement for eligible liabilities (MREL)	17.1%	20.9%

Condensed consolidated interim financial statements

Consolidated statement of financial position

As at	Note	30 Sep 2020	31 Dec 2019
Assets			
Cash balances at central banks	2	55,218	32,855
Due from other banks	2	37,477	21,085
Debt instruments at fair value through other comprehensive income	3	46,726	31,390
Loans to customers	4,5,6,7,8	538,839	459,656
Other receivables	9	754	1,738
Prepayments	10	1,438	1,265
Property and equipment	11	4,709	5,157
Investment property	12	11,978	1,781
Intangible assets	13	23,091	19,254
Assets classified as held for sale		650	12
Total assets		720,880	574,193
Liabilities			
Loans from central banks	14	36,500	23,000
Deposits from customers	15	516,927	392,838
Subordinated notes		5,051	4,965
Lease liability		2,253	2,096
Provisions		1,440	2,137
Deferred income and tax liabilities		1,034	986
Other liabilities	16	7,173	7,118
Total liabilities		570,378	433,140
Equity			
Paid-in share capital		8,000	8,000
Capital reserve		800	800
Other reserves	17	866	1,232
Retained earnings		140,836	131,021
Total equity		150,502	141,053
Total liabilities and equity		720,880	574,193

Consolidated statement of comprehensive income

	Note	Q3 2020	Q3 2019	9M 2020	9M 2019
Interest income	21	17,811	16,894	52,030	49,743
Interest expense	22	-1,856	-1,561	-5,098	-4,852
Net interest income		15,955	15,333	46,932	44,891
Fee and commission income		1,375	1,063	3,786	3,127
Fee and commission expense		-57	-48	-176	-199
Net fee and commission income		1,318	1,015	3,610	2,928
Net profit/loss on exchange differences		-50	-98	-85	-353
Net profit/loss on derecognition of non-financial assets		-1	3	-33	-7
Other income	23	346	300	1,106	932
Total income		17,568	16,553	51,530	48,391
Salaries and associated charges		-3,476	-3,916	-10,373	-11,300
Other operating expenses	24	-2,903	-2,621	-7,988	-8,456
Depreciation and amortisation expense		-864	-849	-2,590	-2,432
Provision expenses		-29	287	696	-636
Net impairment losses on loans and financial investments		-2,350	-2,697	-11,456	-5,033
Other expenses	25	-716	-665	-2,106	-1,932
Profit/loss from assets classified as held for sale		-	17	-	22
Total expenses		-10,338	-10,444	-33,817	-29,767
Profit before income tax		7,230	6,109	17,713	18,624
Income tax expense		-991	-536	-1,898	-1,087
Profit for the period		6,239	5,573	15,815	17,537
Other comprehensive income/expense					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations		31	82	56	326
Changes in the fair value of debt instruments at FVOCI		530	55	-422	237
Net other comprehensive income to be reclassified to profit or loss		561	137	-366	563
Other comprehensive income for the period		561	137	-366	563
Total comprehensive income for the period		6,800	5,710	15,449	18,100
Basic earnings per share (EUR)		78	70	198	219
Diluted earnings per share (EUR)		78	70	198	219

Consolidated statement of cash flows

	Note	9M 2020	9M 2019
Cash flows from operating activities			
Interest received		48,659	45,096
Interest paid		-3,592	-4,467
Salary and other operating expenses paid		-23,005	-25,313**
Other income and fees received		5,485	5,060
Recoveries of receivables previously written off and received for sold portfolios		8,026	21,004
Loans provided		-259,434	-197,413
Repayment of loans provided		164,832	154,540
Change in mandatory reserves with central banks	2	-402	154
Proceeds from customer deposits		248,677	62,419
Paid on redemption of deposits		-125,155	-74,482
Income tax paid/received		-1,428	-1,606
Effect of movements in exchange rates		-193	-111
Net cash from / used in operating activities		62,470	-15,119**
Cash flows from investing activities			
Acquisition of property and equipment and intangible assets	11,13	-5,426	-6,127
Proceeds from sale of property and equipment		-	74
Acquisition of investment properties	12	-8,340	-
Proceeds from sale of investment properties		141	138
Net cash from acquisition of subsidiary*	26	38	-
Acquisition of financial instruments	3	-15,673	-699
Proceeds from redemption of financial instruments	3	329	1,321
Net cash used in investing activities		-28,931	-5,293
Cash flows from financing activities			
Paid on redemption of subordinated bonds		-165	-
Proceeds from loans from central bank	14	13,516	-
Repayment of loan from shareholders	26	-2,000	-
Payment of principal portion of lease liabilities		-517	-541**
Dividends paid		-6,000	-5,000
Net cash from / used in financing activities		4,834	-5,541**
Effect of exchange rate fluctuations		-19	-171
Increase / decrease in cash and cash equivalents		38,354	-26,124
Cash and cash equivalents at beginning of period		52,980	64,621
Cash and cash equivalents at end of period	2	91,334	38,497

* The outflow of cash to acquire subsidiary was 3 thousand euros, the cash balances at banks of the subsidiary were 41 thousand euros and total cash inflow was 38 thousand euros.

** In the interim report of 2019, the payment of principal portion of lease liabilities of 541 thousand euros was recognised in the row *Salary and other operating expenses paid*, therefore in this report the previous year's cash flow used in operating activities and cash flow used in financing for 9 months differ by 541 thousand euros.

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 2019	8,000	800	806	111,568	121,174
Profit for the period	-	-	-	17,537	17,537
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	326	-	326
Net change in fair value of debt instrument at FVOCI	-	-	237	-	237
Total other comprehensive income	-	-	563	-	563
Total comprehensive income for the period	-	-	563	17,537	18,100
Dividend distribution	-	-	-	-5,000	-5,000
Total transactions with owners	-	-	-	-5,000	-5,000
Balance at 30 September 2019	8,000	800	1,369	124,105	134,274
Balance at 1 January 2020	8,000	800	1,232	131,021	141,053
Profit for the period	-	-	-	15,815	15,815
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	56	-	56
Net change in fair value of debt instrument at FVOCI	-	-	-422	-	-422
Total other comprehensive income	-	-	-366	-	-366
Total comprehensive income for the period	-	-	-366	15,815	15,449
Dividend distribution	-	-	-	-6,000	-6,000
Total transactions with owners	-	-	-	-6,000	-6,000
Balance at 30 September 2020	8,000	800	866	140,836	150,502

Notes to the condensed consolidated interim financial statements

Note 1. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The condensed consolidated interim financial statements of Bigbank AS as at and for the nine months ended 30 September 2020 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 2019, 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 2019, except for the adoption of new standards and interpretations effective as of 1 January 2020. The Group has not early adopted any 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 Sep 2020	31 Dec 2019
Cash balances at central banks	55,218	32,855
Of which mandatory reserve deposits	1,360	959
Of which surplus on mandatory reserves*	53,858	31,896
Cash balances at banks	37,477	21,085
Of which cash demand and overnight deposits*	34,776	18,384
Of which term deposits with maturity of less than 3 months*	2,700	2,700
Of which interest receivable	1	1
Total cash and balances at banks	92,695	53,940
of which cash and cash equivalents	91,334	52,980

* Cash equivalents

Note 3. Debt instruments at fair value through other comprehensive income

As at	30 Sep 2020	31 Dec 2019
Debt instruments	46,726	31,390
Debt instruments by issuer		
General government bonds	4,705	4,759
Bonds issued by credit institutions	16,373	6,583
Other financial corporations' bonds	2,039	2,083
Non-financial corporations' bonds	23,609	17,965
Debt instruments by currency		
EUR (euro)	44,198	28,841
SEK (Swedish krona)	2,528	2,549
Debt instruments by rating		
Aaa-Aa3	7,454	5,754
A1-A3	24,233	11,966
Baa1-Baa3	11,107	13,670
Ba1-Ba3	3,932	-

Debt securities in amount of 40,044 thousand euros were pledged as collateral at 30 September 2020 (see note 14).

Note 4. Loans to customers**Loans to customers as at 30 September 2020**

	Estonia	Latvia	Lithuania	Finland	Sweden	Total
Loan receivables from customers	121,151	131,228	171,370	76,981	53,613	554,343
Loss allowances for loans	-5,373	-8,394	-3,780	-5,841	-3,097	-26,485
Interest receivable from customers	2,135	2,153	7,349	966	259	12,862
Loss allowances for interest receivables	-744	-718	-76	-264	-79	-1,881
Total	117,169	124,269	174,863	71,842	50,696	538,839
Share of region	21.7%	23.1%	32.5%	13.3%	9.4%	100.0%

Loans to customers as at 31 December 2019

	Estonia	Latvia	Lithuania	Finland	Sweden	Total
Loan receivables from customers	102,257	115,495	135,956	76,076	43,671	473,455
Loss allowances for loans	-5,181	-6,419	-2,802	-5,169	-2,729	-22,300
Interest receivable from customers	2,215	2,417	4,789	824	249	10,494
Loss allowances for interest receivables	-901	-865	-43	-139	-45	-1,993
Total	98,390	110,628	137,900	71,592	41,146	459,656
Share of region	21.4%	24.1%	30.0%	15.6%	8.9%	100.0%

Note 5. Loan receivables from customers by due dates

As at	30 Sep 2020	31 Dec 2019
Past due	17,284	11,409
Less than 1 month	9,301	10,886
1-12 months	117,768	111,248
1-2 years	119,646	99,079
2-5 years	201,335	179,130
More than 5 years	89,009	61,703
Total	554,343	473,455

Note 6. Ageing analysis on loan receivables**Ageing analysis as at 30 September 2020**

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Income-based loans						
Loan portfolio	443,523	24,327	5,845	2,895	1,707	478,297
Loss allowance	-11,697	-1,466	-1,363	-1,074	-440	-16,040
Surety loans						
Loan portfolio	5,479	49	19	6	159	5,712
Loss allowance	-253	-3	-1	-2	-120	-379
Loans secured with real estate						
Loan portfolio	49,660	1,496	159	120	18,547	69,982
Loss allowance	-541	-4	-5	0	-9,515	-10,065
Loans against other collaterals						
Loan portfolio	353	-	-	-	-	353
Loss allowance	-1	-	-	-	-	-1
Total loan portfolio	499,015	25,872	6,023	3,021	20,413	554,344
Total loss allowance	-12,492	-1,473	-1,369	-1,076	-10,075	-26,485

Ageing analysis as at 31 December 2019

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Income-based loans						
Loan portfolio	365,629	42,818	9,038	4,219	14,584	436,288
Loss allowance	-7,928	-1,640	-2,034	-1,334	-8,687	-21,623
Surety loans						
Loan portfolio	1,854	188	109	2	225	2,378
Loss allowance	-8	-3	-10	-1	-160	-182
Loans secured with real estate						
Loan portfolio	30,964	2,648	366	235	565	34,778
Loss allowance	-269	-87	-10	-	-129	-495
Loans against other collaterals						
Loan portfolio	10	1	-	-	-	11
Total loan portfolio	398,457	45,655	9,513	4,456	15,374	473,455
Total loss allowance	-8,205	-1,730	-2,054	-1,335	-8,976	-22,300

Note 7. Loan receivables from customers by contractual currency

As at	30 Sep 2020	31 Dec 2019
EUR (euro)	500,730	429,784
SEK (Swedish krona)	53,613	43,671
Total loan receivables from customers	554,343	473,455

Note 8. Loss allowances for loan receivables from customers**Loss allowances as at 30 September 2020**

	Loan receivables	Interest receivables	Total receivables subject to impairment	Total loss allowances
Stage 1	505,309	8,860	514,169	-10,917
Stage 2	24,202	690	24,892	-4,041
Stage 3	24,832	3,312	28,144	-13,408
Total	554,343	12,862	567,205	-28,366

Loss allowances as at 31 December 2019

	Loan receivables	Interest receivables	Total receivables subject to impairment	Total loss allowances
Stage 1	417,390	6,215	423,605	-7,721
Stage 2	34,363	1,073	35,436	-5,070
Stage 3	21,702	3,206	24,908	-11,502
Total	473,455	10,494	483,949	-24,293

Development of allowances for 9 months 2020

	Opening balance as at 1 Jan 2020	Increases due to origination	Decrease due to derecognition repayments and disposals	Changes due to change in credit risk (net)	Decrease in allowance account due to write-offs	Closing balance
Stage 1	-7,721	-4,972	1,034	640	101	-10,918
Stage 2	-5,070	-611	375	77	1,187	-4,042
Stage 3	-11,502	-946	556	-6,875	5,361	-13,406
Total	-24,293	-6,529	1,965	-6,158	6,649	-28,366

Development of allowances for 12 months 2019

	Opening balance as at 1 Jan 2019	Increases due to origination	Decrease due to derecognition repayments and disposals	Changes due to change in credit risk (net)	Decrease in allowance account due to write-offs	Closing balance
Stage 1	-8,514	-3,892	1,826	2,544	315	-7,721
Stage 2	-5,639	-1,274	581	-815	2,077	-5,070
Stage 3	-9,684	-1,514	1,412	-5,694	3,978	-11,502
Total	-23,837	-6,680	3,819	-3,965	6,370	-24,293

Note 9. Other receivables

As at	30 Sep 2020	31 Dec 2019
Customer receivables and other miscellaneous receivables	463	1,625
Collection, recovery and other charges receivable	531	358
Loss allowance for other receivables	-240	-245
Total	754	1,738

Note 10. Prepayments

As at	30 Sep 2020	31 Dec 2019
Tax receivables	428	620
Prepaid other taxes	64	5
Prepayments to suppliers and prepaid expenses	946	640
Total	1,438	1,265

Note 11. Tangible assets

	Land and buildings	Right-of-use assets: commercial premises	Other items	Total
Cost				
IFRS 16 initial adoption	-	2,776	-	2,776
Balance at 1 January 2019	1,514	2,776	4,426	8,716
Purchases	-	-	430	430
Sales	-	-	-271	-271
Write-off	-	-	-354	-354
Revaluation and price adjustment	-	46	-	46
Revaluation recognised in other comprehensive income	76	-	-	76
Effect of movements in exchange rates	-	-2	-1	-3
Balance at 31 December 2019	1,590	2,820	4,230	8,640
Balance at 1 January 2020	1,590	2,820	4,230	8,640
Purchases and additions to the right-of-use assets	-	213	69	282
Sales	-	-	-32	-32
Write-off	-	-346	-36	-382
Revaluation and price adjustment	-	555	-	555
Balance at 30 September 2020	1,590	3,242	4,231	9,063
Depreciation				
Balance at 1 January 2019	-117	-	-2,198	-2,315
Depreciation charge for the year	-59	-733	-1,091	-1,883
Sales	-	-	214	214
Write-off	-	-	335	335
Transfer	166	-	-	166
Balance at 31 December 2019	-10	-733	-2,740	-3,483

	Land and buildings	Right-of-use assets: commercial premises	Other items	Total
Balance at 1 January 2020	-10	-733	-2,740	-3,483
Depreciation charge for the period	-46	-530	-613	-1,189
Sales	-	-	23	23
Write-off	-	261	34	295
Balance at 30 September 2020	-56	-1,002	-3,296	-4,354
Carrying amount				
Balance at 1 January 2019	1,397	-	2,228	3,625
Balance at 31 December 2019	1,580	2,087	1,490	5,157
Balance at 30 September 2020	1,534	2,240	935	4,709

Note 12. Investment properties

	30 Sep 2020	31 Dec 2019
Opening balance at 1 January	1,781	1,866
Additions	10,282	-
Sales	-85	-185
Net profit from fair value adjustment	-	100
Closing balance at end of period	11,978	1,781

In March 2020, Bigbank AS's subsidiary OÜ Rüütli Majad acquired a subsidiary, OÜ Rüütli Property, which invests in agricultural land (see note 26).

Note 13. Intangible assets

	30 Sep 2020	31 Dec 2019
Cost at beginning of year	23,268	15,002
Purchases	5,297	8,288
Of which purchased intangible assets	3,141	4,113
Of which capitalised payroll	2,156	4,175
Write-off	-245	-22
Cost at end of period	28,320	23,268
Amortisation at beginning of year	-4,014	-2,621
Amortisation charge for the period	-1,402	-1,415
Write-off	187	22
Amortisation at end of period	-5,229	-4,014
Carrying amount at beginning of year	19,254	12,381
Carrying amount at end of period	23,091	19,254

The Group continues its investments in the information and banking technology solution called Nest, the first stage of which was implemented in 2017 in Finland and which has been deployed in all branches by the end of 2019. The

purchases also include the capitalised payroll and payroll-related costs for employees who were directly associated with the Nest development.

Note 14. Loans from central banks

In the first and second quarters of 2020, the Group received 12,000 thousand and 1,500 thousand euros of financing under TLTRO-III, respectively. Previously, in December 2019, the Group had obtained from ECB's third series of targeted longer-term refinancing operations (TLTRO-III) financing of 23,000 thousand euros. The initial maturity of the liability was 3 years. ECB's financing is secured by debt securities.

The targeted longer-term refinancing operations (TLTROs) are Eurosystem operations that provide financing to credit

institutions. By offering banks long-term funding on attractive terms they preserve favourable borrowing conditions for banks and stimulate bank lending to the real economy. The third TLTRO programme consists of a series of seven targeted longer-term refinancing operations, each with a maturity of three years, starting in September 2019 at a quarterly frequency. Borrowing rates in these operations can be as low as the average interest rate on the deposit facility prevailing over the life of the operation.

Note 15. Deposits from customers

As at	30 Sep 2020	31 Dec 2019
Deposits from customers	516,927	392,838
Deposits by customer type		
Individuals	507,784	380,321
Legal persons	9,143	12,517
Deposits by currency		
EUR (euro)	447,602	339,857
SEK (Swedish krona)	69,325	52,981
Deposits by maturity		
On demand	39,987	-
Maturing within 1 months	17,935	20,658
Maturing between 1 and 6 months	78,734	58,158
Maturing between 6 and 12 months	118,712	92,137
Maturing between 12 and 18 months	59,040	34,535
Maturing between 18 and 24 months	46,965	59,481
Maturing between 24 and 36 months	67,307	57,909
Maturing between 36 and 48 months	27,418	27,319
Maturing between 48 and 60 months	21,467	12,278
Maturing in over 60 months	39,362	30,363
Average deposit amount	24	24
Weighted average interest rate	1.4%	1.5%
Weighted average duration until maturity (months)	21.9	21.2
Weighted average total contract term (months)	36.7	40.7

Note 16. Other liabilities

As at	30 Sep 2020	31 Dec 2019
Received surplus payments	3,993	4,188
Payables to employees	1,352	1,619
Supplier payables	686	778
Other payables	1,142	533
Total	7,173	7,118

Received surplus payments include surplus repayments of loans by customers that are paid prematurely and not yet

matched to particular loan contracts due to uncertainty of nature of these payments.

Note 17. Other reserves

As at	30 Sep 2020	Change	31 Dec 2019
Exchange differences on translation of foreign operations	930	56	874
Asset revaluation reserve	545	-	545
Fair value changes of debt instruments measured at FVOCI	-609	-422	-187
Total other reserves	866	-366	1,232

Note 18. Net currency positions**Net currency positions as at 30 September 2020**

	Position in the statement of financial position		Off-balance sheet position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	627,106	500,505	-	33,306	93,295
SEK (Swedish krona)	70,683	69,873	-	280	530

Net currency positions as at 31 December 2019

	Position in the statement of financial position		Off-balance sheet position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	500,771	379,646	-	21,001	100,124
SEK (Swedish krona)	54,168	53,494	-	-	674

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

Note 19. Fair values of assets and 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 at 30 September 2020 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 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt instruments at fair value through other comprehensive income (note 3)	46,726	-	-	46,726
Land and buildings (note 11)	-	-	1,534	1,534
Investment properties (note 12)	-	-	11,978	11,978
Assets for which fair values are disclosed				
Loans to customers (note 4-8)	-	-	538,839	538,839
Other financial receivables (note 9)	-	-	754	754
Total assets	46,726	-	553,105	599,831

	Level 1	Level 2	Level 3	Total
Liabilities for which fair values are disclosed				
Loans from central banks (note 14)	-	-	36,500	36,500
Deposits from customers (note 15)	-	-	516,927	516,927
Subordinated notes	-	-	5,051	5,051
Lease liability	-	-	2,253	2,253
Other financial liabilities (note 16)	-	-	7,173	7,173
Total liabilities	-	-	567,904	567,904

Fair value hierarchy as at 31 December 2019

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt instruments at fair value through other comprehensive income (note 3)	31,390	-	-	31,390
Land and buildings (note 11)	-	-	1,580	1,580
Investment properties (note 12)	-	-	1,781	1,781
Assets for which fair values are disclosed				
Loans to customers (note 4-8)	-	-	459,656	459,656
Other financial receivables (note 9)	-	-	1,738	1,738
Total assets	31,390	-	464,755	496,145
Liabilities for which fair values are disclosed				
Loans from central banks (note 14)	-	-	23,000	23,000
Deposits from customers (note 15)	-	-	392,838	392,838
Subordinated notes	-	-	4,965	4,965
Lease liability	-	-	2,096	2,096
Other financial liabilities (note 16)	-	-	7,118	7,118
Total liabilities	-	-	430,017	430,017

There have been no transfers between Level 1 and Level 2 during 9 months of 2020 and during 12 months of 2019.

The Level 3 *loans to customers* that amounts to 538,839 thousand euros are measured at amortised cost using the effective interest rate method less any loss allowances. For fair valuation purpose the estimated cash-flows have been discounted at the prevailing market interest rates, the result being not materially different from that recognised under the amortised cost method using effective interest rate.

The Level 3 *land and buildings* that amounts to 1,534 thousand euros consists of real estate used by the Group in Tallinn. The properties in Tallinn are revalued using the income approach and market approach. The market approach means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property. For valuation of property in Tallinn, for prior year the valuer has taken as basis the prices per square metre of residential space in Tallinn city that were in the range of 3,020 – 3,102 euros.

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The estimated rental value per square meter per month is 11 euros, the rent growth 2%, long-term vacancy rate 5%, and vacancy rate for the first year 30% and discount rate 9% for commercial property in Tallinn.

The Level 3 *investment properties* that amount to 11,978 thousand euros consist of real estate in Tartu, agricultural land and also plots, houses and apartments originally pledged by customers as loan collateral and later bought by the Group through auctions are measured at the fair value in the financial statements and valuations are performed by the management using market approach.

The investment property in Tartu is valued using the cost model (residual value method) based on the highest and best use of the property. The residual value method takes

into account the profit that can be achieved on a development if the existing property would be developed and sold as private flats. Following inputs were used for prior year valuation of the properties in Tartu: price per square metre of flats in Tartu old town 2,500 euros and development costs per square metre 865 euros.

Valuations of investment property are performed at each reporting date to make sure that the assets are measured at fair value at the reporting date.

Note 20. Contingent liabilities

At 30 September 2020, the unused portions of the Group's credit lines totalled 33,586 thousand euros (31 December 2019: 21,001 thousand euros).

Note 21. Interest income

	Q3 2020	Q3 2019	9M 2020	9M 2019
Interest income on loans to customers	17,648	16,808	51,553	49,487
Interest income on debt instruments	160	65	453	198
Interest income on deposits	3	5	7	11
Other interest income	-	16	17	47
Total interest income	17,811	16,894	52,030	49,743

Note 22. Interest expense

	Q3 2020	Q3 2019	9M 2020	9M 2019
Interest expense on deposits	1,722	1,450	4,742	4,531
Interest expense on bonds	84	84	251	250
Interest expense on lease liabilities	7	7	20	23
Other interest expense	43	20	85	48
Total interest expense	1,856	1,561	5,098	4,852

Note 23. Other income

	Q3 2020	Q3 2019	9M 2020	9M 2019
Income from debt recovery proceedings	156	225	437	639
Miscellaneous income	190	75	669	293
Total other income	346	300	1,106	932

Note 24. Other operating expenses

	Q3 2020	Q3 2019	9M 2020	9M 2019
Marketing expenses	1,995	1,599	5,090	4,922
Short-term leases	17	31	24	109
Office and other similar administrative expenses	94	116	272	357
Other personnel-related expenses	69	259	391	802
Software licensing and other information technology costs	356	333	1,019	1,010
Other services	97	68	357	287
Postal supplies and charges	95	121	302	331
Telephone and other communications expenses	130	108	343	369
Miscellaneous operating expenses	50	-14	190	269
Total other operating expenses	2,903	2,621	7,988	8,456

Note 25. Other expenses

	Q3 2020	Q3 2019	9M 2020	9M 2019
Expenses related to registry inquires	252	304	836	820
Expenses related to enforcement proceedings	151	104	422	333
Legal regulation charges	173	159	480	465
Expenses from investment properties	29	11	67	35
Miscellaneous expenses	111	87	301	279
Total other expenses	716	665	2,106	1,932

Note 26. 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.

On 26 March 2020, the Group acquired from the shareholders of Bigbank a subsidiary, OÜ Rüütli Property, which invests in agricultural land. At the acquisition date the assets of OÜ Rüütli Property amounted to 1,991 thousand euros and the liabilities to 2,017 thousand euros. The Group paid the shareholders 3 thousand euros for the acquisition of the subsidiary. As a result of the acquisition, the Group's assets increased by 1,988 thousand euros and liabilities increased by 2,029 thousand euros.

Note 27. Events occurring after the reporting period

In November, the establishment of the Bulgarian Branch and starting of operations has been authorised by both Estonian Financial Supervision and Resolution Authority and Bulgarian National Bank. The new branch was registered in the Bulgarian Commercial register on 19th

The assets and liabilities recognised as a result of the acquisition are as follows:

Assets

- Cash balances at banks 38
- Prepayments 8
- Investment property 1,942

Liabilities

- Liabilities to shareholders 2,000
- Deferred income and tax liabilities 29

As at 30 September 2020, the Group had a claim to related parties of 40 thousand euros (*Loans to customer*) (31 December 2019: 44 thousand euros), the interest income on that claim amounted to 1 thousand euros in 9 months of 2020 (in 12 months of 2019: 2 thousand euros).

Loans granted to related parties are issued at market conditions.

of November 2020. The active start of operations is planned at the beginning of the next year.

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 2020 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 2020 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.

Martin Länts

Chairman of the Management Board

25 November 2020

[digitally signed]

Sven Raba

Member of the Management Board

25 November 2020

[digitally signed]

Mart Veskimägi

Member of the Management Board

25 November 2020

[digitally signed]

Argo Kiltsmann

Member of the Management Board

25 November 2020

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Independent Auditors' Report on Review of Interim Financial Statements

To the shareholders of AS Bigbank

We have reviewed the accompanying condensed consolidated statement of financial position of Bigbank AS as at 30 September 2020, the condensed consolidated statement of comprehensive income, changes in equity and cash flows for the 9 month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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 condensed consolidated interim financial information as at 30 September 2020 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Baltics OÜ
Licence No 17

(digitally signed)

Eero Kaup

Certified Public Accountant, Licence No 459

Tallinn, 27 November 2020