



**Pillar 3
report
2022**

About the report

The report provides additional information on Bigbank Group's (the Group) risk and capital management according to the disclosure requirements as provided in Part Eight of the Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation) and Directive (EU) 2013/36 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive), as amended by subsequent Regulations and Directives. The Group is subject to the disclosure requirements laid down in

Article 433c of the Capital Requirements Regulation.

Detailed information on the risk management strategies and processes is presented in the consolidated Bigbank AS Annual Report 2022 (Annual report). The information provided in the risk and capital management report (Pillar 3) complements the information presented in the Annual report and it is unaudited.

The information is presented as at the reporting date, which is 31 December 2022.

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RISK REPORT

Bigbank AS specializes in issuing loans and taking deposits. Historically, the bank has focused on unsecured consumer loans, but in recent years the main growth has been in secured housing loans and corporate loans. The Bank has two business lines: retail and corporate banking. The Bank mainly operates through digital channels. Bigbank has branches in Latvia, Lithuania, Finland, Sweden and Bulgaria, which all offer similar consumer lending services. In addition, the Estonian, Latvian, Finnish, Swedish and Bulgarian branches offer deposit services. Corporate loans are available in Estonia, Latvia and Lithuania and corporate deposits are available in Estonia. Bigbank also provides cross-border deposit services in Germany, the Netherlands and Austria from Estonia. In order to support the implementation of the new business strategy and to help achieve the expected return on capital, the management board of Bigbank AS decided to suspend issuing new loans in the Swedish branch as of 1 September 2022 and in the Bulgarian branch as of 1 November 2022. The Group continues deposit-taking and servicing the existing loan portfolio in both Sweden and Bulgaria. 99.2% of customers are private individuals as at 31

December 2022. A detailed description of the Group and its operations is given in the Annual report.

Effective risk and capital management is an essential component of the Group's management. It has a crucial impact on the long-term results and sustainability of the business model. Based on its business model, the Group has established risk appetite and target risk profiles for all identified material risks together with processes and measures for assessing and managing the actual risk profile in relation to risk appetite. The risk appetite is the level of aggregated risks that the Group is willing to take according to its business model and within risk tolerance limits, in order to achieve its strategic goals. The target risk profile is based on the defined risk appetite. Bigbank carries out ongoing monitoring and reporting of its risk exposures against the risk limits to ensure that its risk-taking activities remain within the risk appetite. The actual risk profile is reviewed by the Management Board at least quarterly and quarterly summary is presented also to the Supervisory Board. An overview of all material risks is presented in the following table:

Risk type	Risk appetite	Risk strategy in brief
Credit risk	Moderate	<p>Credit risk arises from issuing loans and from investing in debt securities or other assets. The overall risk appetite for credit risk is moderate. The Group accepts knowingly higher credit risk in loan portfolio by giving out uncollateralised consumer loans. In the housing loan segment, the Group accepts only customers whose payment capacity is acceptable based on thorough loan analysis and whose loan is fully secured by real-estate collateral. In the business loan segment, the Group accepts customers with moderate credit risk, and loans are mostly secured by real-estate collaterals. Risks are controlled by maintaining a highly diversified loan portfolio.</p> <p>Credit risk in the loan portfolio is managed in accordance with the following principles:</p> <ul style="list-style-type: none"> • selecting customers based on reliable credit risk rating and scoring models, thus minimising losses and the risk of credit being extended to customers whose credit scores do not meet the standards or who are insolvent. Credit risk models are updated at least twice a year; • the Group focuses only on creditworthy private customers and companies with a proven track record; • the Group has a highly diversified unsecured consumer loans portfolio with small exposures; • home loans and larger corporate loans are fully secured by real-estate collateral. <p>In order to reduce loan losses, a high debt recovery rate is ensured by the use of proactive internal debt collection or by selling debts to debt recovery agencies.</p>

Risk type	Risk appetite	Risk strategy in brief
Liquidity and Funding Risk	Moderate	The Group maintains a conservative liquidity risk profile and sufficient liquidity reserves. Maintaining strong liquidity position is one of the main priorities for the Group. The Group's funding strategy is to ensure sufficient and stable funding of the Group's activities by the Group's own capital and external financing. Diversification is a key part of the Group's overall funding and liquidity management strategy and concentration of funding should be avoided. The Group's liquidity risk appetite is on low and funding risk appetite is moderate.
Market Risk	Moderate	<p>The Group avoids significant market risks and maintains rather conservative market risk profile. The Group does not take any speculative trading positions nor does provide customer-focused trading activities.</p> <p>The market risk strategy is rather conservative and the risk appetite for market risk is moderate.</p> <p>Within the market risk framework, the objective of currency risk management is to minimise net open currency positions so that the Group is not too sensitive to exchange rate movements and the potential risk to profits is minimised. The risk appetite for currency risk is low.</p> <p>The main objective of managing the Group's bond portfolio is to maintain a strong liquidity and funding position. The risk appetite for market risk in the bond portfolios is moderate.</p> <p>The sources of interest rate risk in the banking book (IRRBB) are negative changes in lending and/or deposit rates. The risk appetite for IRRBB is moderate.</p> <p>The main objective of holding investment properties is to support the Group's core business, diversify revenue sources and support the achievement of the Group's profit target. Risk and return considerations are taken into account. The risk appetite for real estate risk is moderate.</p>
Operational Risk	Low	Group keeps a minimal reasonable operational risk level, minimizing potential losses and considering its strategic objectives and the principle of economic efficiency. The Group's compliance risk strategy is to ensure that its operations are compliant with the relevant laws and regulations. The Group's risk appetite for operational risk and compliance risk is low, but at the same time the Group applies the principle of economic efficiency. The Group also takes appropriate measures to address internal and external fraud and breaches of discipline.
Strategic Risk	Moderate	The Group controls and reduces risk by implementing an adequate and suitable strategy, that corresponds to the current economic environment and is based on a comprehensive planning process. The Group responds to changes in an adequate and timely manner. The Group's strategic and business risk appetite is moderate.
Reputational Risk	Low	The Group avoids reputational risks and situations that could potentially lead to a negative impact on the reputation and an accompanying drop in revenue, or loss of confidence. Management of reputational risk is based on the principle that reputation is an important asset. The Group's reputational risk appetite is low.

A more detailed description of the risk management framework and material risks is given in Note 5 (Risk and capital management).

In accordance with its business model, the Group's risk profile is dominated by credit risk arising from the loan portfolio, which is the most

significant driver of the amount of risk weighted assets. 89.8% of the Group's total risk-weighted exposure amount is related to credit risk. The loan portfolio credit risk appetite is moderate and corresponds to the target and actual risk profile as of 31 December 2022. In the consumer lending segment, the Group accepts knowingly

higher credit risk by granting unsecured loans. In the housing loan segment, the Group accepts only customers whose payment capacity is acceptable based on thorough loan analysis and whose loan is fully secured by real-estate collateral. In the business loan segment, the Group accepts customers with moderate credit risk, and loans are mostly secured by real-estate collaterals. The credit risk appetite statement is defined in terms of credit risk concentration (limits for specific client groups, maximum loan size and geographical location), credit quality (expected credit loss) and the ratio of non-performing loans, in line with regulatory definitions and applicable limits. As of 31 December 2022, the Group was within the established credit risk limits.

Operational risk is present across all the Group's activities. The operational risk exposure represents 9.8% of the Group's total risk weighted exposure amount. During 2022, total actual losses due to operational risk amounted to 149 thousand euros, while the capital requirement amount attributable to operational risk was 10.1 million euros as at 31 December 2022. Around half of the operational risk losses were related to external fraud cases, most of which consisted in using a stolen identity while applying for consumer loans or hire-purchase agreements. The increase in cyber risks due to Russia's war against Ukraine did not lead to significant incidents or an increase in operational risk losses in 2022. The Group's strategy is to keep a minimal reasonable operational risk level and to minimise the level of potential losses, taking into account strategic objectives and the principle of economic efficiency. Risk tolerance is expressed in terms of total actual and potential losses resulting from the operational risk events. The Group's compliance risk strategy is to ensure that its operations are compliant with the respective laws and regulations. The Group's operational risk appetite is low and corresponds to the actual risk profile as at 31 December 2022. The levels of compliance risk, money laundering and terrorist financing risk, and the risk of breach of sanctions were assessed separately. The target risk level of those risks is low and the actual risk levels corresponded to the target levels at 31 December 2022. The Group's risks of money

laundering and terrorist financing and breach of sanctions are limited due to a limited and low-risk product portfolio and the fact that services are mainly offered to customers who are residents of the country of the respective business unit. The risks are growing as the Group starts to offer payment services by issuing credit cards. The Group does not currently offer payment account services.

Market risks predominantly arise from the Group's core business activities and taking market risk is not the Group's main activity. The Group does not take speculative trading positions nor provide customer-focused trading activities. The market risk strategy is to avoid significant market risks and maintain a rather conservative market risk profile. The actual market risk level was moderate at 31 December 2022 and met the target level. The Group treats separately foreign currency risk, interest rate risk arising from the bond portfolio, interest rate risk in the banking book (IRRBB) and real-estate price risk. Market risk contributes 0.4% to the Group's total risk-weighted exposure amount. Risks related to IRRBB and real-estate price are covered separately with Pillar 2 capital requirements which are calculated within the ICAAP and established by the FSA as a SREP capital requirement. Market risk is monitored regularly and controlled by setting limits on bond portfolio risk exposures, net open foreign currency risk exposures, interest rate sensitivity of economic value of equity and net interest income.

The primary risk not mitigated with capital and hence not measured in total risk-weighted exposure terms is liquidity risk. Liquidity risk is a material risk for the Group. The liquidity risk appetite is low, and accordingly the Group maintains a conservative liquidity risk profile and sufficient liquidity reserves. Maintaining a strong liquidity position is one of the main priorities of the Group. Liquidity risk management is based on conservative assumptions. The actual liquidity level corresponded to the target level at 31 December 2022. Liquidity risk limits and key risk indicators are set to ensure that the liquidity risk profile of the Group remains within the liquidity risk appetite. Separate limits are established for

the liquidity coverage ratio (LCR), the survival period, the loan to deposits ratio, the liquidity buffer to total assets ratio, and the net stable funding ratio (NSFR). At 31 December 2022, the Group had a liquidity buffer in size of 11% from the total assets. The Group assesses funding risk separately. The funding risk appetite is moderate – significant funding risks are avoided and a well-balanced funding risk profile is maintained. The actual risk level corresponded to the target level at the year-end.

Other material risks for Bigbank are reputational, business and strategic risks. These risks are an essential part of the business model and addressed as part of the strategic and operational planning. The Group's strategy on reputational risk management is to avoid reputational risks and to avoid situations that could potentially lead to a negative impact on reputation and to an accompanying drop in revenue or loss of confidence. The Group's reputational risk appetite is low and the actual risk profile was also low as of 31 December 2022. The Group's strategy on business and strategic risk management is to control and reduce risk by implementing an adequate and suitable strategy, corresponding to the current economic

environment and based on comprehensive planning process, as well as to respond to changes in an adequate and timely manner. The main risk is related to the rapid growth of the Group. The Group's strategic and business risk appetite is moderate and the actual level was assessed as moderate at 31 December 2022. Reputational, business and strategic risks are covered with Pillar 2 capital requirements which are calculated within the ICAAP.

Information on transactions with related parties, which may have a material impact on the risk profile of the Group are disclosed in the Note 38 (Transactions with related parties). As at the reporting date the Bank's loan claims to subsidiaries were 36.6 million euros and loan liabilities to subsidiaries 1.8 million euros.

The key metrics and ratios as well as the related input components are disclosed in the following table according to the requirements of the Capital Requirements Regulation. These metrics form part of holistic risk management across individual risk types in addition to Bigbank's internally used risk metrics.

Table 1. EU KM1 - Key metrics template

<i>in million EUR</i>		31.12.2022	31.12.2021
Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	184.7	146.6
2	Tier 1 capital	184.7	146.6
3	Total capital	224.7	161.6
Risk-weighted exposure amounts			
4	Total risk exposure amount	1,292.1	896.16
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	14.30%	16.36%
6	Tier 1 ratio (%)	14.30%	16.36%
7	Total capital ratio (%)	17.39%	18.04%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	4.49%	3.44%
EU 7b	of which: to be made up of CET1 capital (percentage points)	252	143
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	337	192
EU 7d	Total SREP own funds requirements (%)	12.49%	11.44%

Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.48%	0.00%
EU 9a	Systemic risk buffer (%)	0.03%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%
11	Combined buffer requirement (%)	3.01%	2.50%
EU 11a	Overall capital requirements (%)	15.50%	13.94%
12	CET1 available after meeting the total SREP own funds requirements (%)	6.78%	7.44%
Leverage ratio			
13	Total exposure measure	1,654.4	1,177.2
14	Leverage ratio (%)	11.17%	12.69%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%
Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	113.4	67.2
EU 16a	Cash outflows - Total weighted value	82.0	59.4
EU 16b	Cash inflows - Total weighted value	53.8	42.9
16	Total net cash outflows (adjusted value)	30.7	19.5
17	Liquidity coverage ratio (%)**	439.95%	403.95%
Net Stable Funding Ratio			
18	Total available stable funding	1,533.1	1,055.4
19	Total required stable funding	1,134.7	830.8
20	NSFR ratio (%)	135.11%	127.03%

*recalculated

**LCR (%) is calculated based on 12 months weighted average value

Common Equity Tier 1 (CET1) ratio decreased from 16.4% at the end of 2021, to 14.3% at end of 2022, total capital ratio decreased from 18.0% to 17.4% respectively. Both ratios exceeded the regulatory requirements. Total risk exposure amount (TREA) increased from 896.2 million euros at the end of 2021 to 1,292.1 million euros at the end of 2022 (44%). Overall capital requirements changed during the year by 1.6% (from 13.9% at the end of 2021 to 15.5% at the end of 2022). The leverage ratio fell to 11.17% at the end of 2022 from 12.7% at the end of 2021. The fall was driven primarily by an increase of

assets that raised the leverage ratio exposure. Long-term liquidity risk ratio NSFR has stayed on a stable level throughout 2022. During 2022 the average LCR decreased in comparison to the year 2021. Decrease was mainly driven by the increase of the volume of non-maturity deposits.

Bigbank AS has disclosed this information in accordance with the requirements under Part Eight of the Capital Requirements Regulation. The internal procedure "Principles of Disclosing Information Related to Risk Management (Pillar

3)” establishes the key internal control elements to ensure compliance with the disclosure requirements. The process, including the related principles, roles and responsibilities is documented, reviewed and regularly updated. Internal controls are implemented in the regulatory reporting process. The Pillar 3 report

is signed off by the members of the Management Board. The Management Board of Bigbank AS approves the adequacy of the risk management arrangements and risk management systems put in place with regard to the Group’s profile and strategy.

Martin Länts

/signed digitally/

Mart Veskimägi

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Argo Kiltsmann

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Ken Kanarik

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OWN FUNDS

The information regarding own funds is disclosed according to Article 437 of the Capital Requirements Regulation.

Table 2. EU CC1 - Composition of regulatory own funds

<i>in million EUR</i>		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	8.0	20
	of which: Ishare capital	8.0	20
2	Retained earnings	167.5	23b
3	Accumulated other comprehensive income (and other reserves)	4.2	21.22
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	27.7	23a
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	207.4	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-0.1	
8	Intangible assets (net of related tax liability) (negative amount)	-22.4	10
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-0.3	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	

19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
EU-20a	Exposure amount of the following items which qualify for a RW of 1 250 %, where the institution opts for the deduction alternative	-
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-
EU-20c	of which: securitisation positions (negative amount)	-
EU-20d	of which: free deliveries (negative amount)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-
22	Amount exceeding the 17,65% threshold (negative amount)	-
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-
25	of which: deferred tax assets arising from temporary differences	-
EU-25a	Losses for the current financial year (negative amount)	-
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-
27a	Other regulatory adjustments	-
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-22.7
29	Common Equity Tier 1 (CET1) capital	184.7

Additional Tier 1 (AT1) capital: instruments

30	Capital instruments and the related share premium accounts	-
31	of which: classified as equity under applicable accounting standards	-
32	of which: classified as liabilities under applicable accounting standards	-
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-

Additional Tier 1 (AT1) capital: regulatory adjustments

37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-
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38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	184.7	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	40.0	14
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments		
51	Tier 2 (T2) capital before regulatory adjustments	40.0	14
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	Total regulatory adjustments to Tier 2 (T2) capital	-	

58	Tier 2 (T2) capital	40.0
59	Total capital (TC = T1 + T2)	224.7
60	Total Risk exposure amount	1,292.1

Capital ratios and requirements including buffers

61	Common Equity Tier 1 capital	14.30%
62	Tier 1 capital	14.30%
63	Total capital	224.7
64	Institution CET1 overall capital requirements	10.03%
65	of which: capital conservation buffer requirement	2.50%
66	of which: countercyclical capital buffer requirement	0.50%
67	of which: systemic risk buffer requirement	0.00%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	2.52%
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	7.28%

Amounts below the thresholds for deduction (before risk weighting)

72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-

Applicable caps on the inclusion of provisions in Tier 2

76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)

80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

Own funds are calculated in accordance with the Capital Requirements Regulation. On the row 2 (Retained earnings) undistributed profit from the previous years is included. On the row EU-5a (Independently reviewed interim profits net of any foreseeable charge or dividend) include the audited net profit of 12 months

less expected dividends in amount of 6 million euros. Profit for the reporting period may only be included in Common Equity Tier 1 capital after permission from the financial supervisory authority. In Table 3. EU CC2 profit of the current year includes profit of the full year with no dividends deducted.

SCOPE OF APPLICATION

The information is disclosed according to Article 436 of the Capital Requirements Regulation.

Table 3. EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
<i>in million EUR</i>		31.12.2022	31.12.2022	
1	Cash balances at central banks	151.1	151.1	
2	Due from other banks	22.3	19.9	
3	Debt securities at fair value through other comprehensive income	19.2	19.2	
4	Loans to customers	1,349.8	1,373.2	
5	Investments in subsidiaries	-	20.2	
6	Other receivables	2.4	1.7	
7	Prepayments	2.9	2.9	
8	Property, plant and equipment	18.3	8.8	
9	Investment properties	46.5	8.7	
10	Intangible assets	30.0	30.0	8
11	Assets classified as held for sale	3.9	-	
	Total assets	1,646.4	1,635.7	
12	Deposits from banks	9.2	-	
13	Deposits from customers	1,367.8	1,375.9	
14	Subordinated bonds	40.1	40.1	46
15	Lease liabilities	1.2	1.2	
16	Provisions	0.4	0.4	
17	Deferred income and tax liabilities	1.7	1.7	
18	Other liabilities	11.6	3.0	
19	Liabilities directly associated with the assets held for sale	1.0	-	
	Total liabilities	1,433.0	1,422.3	
20	Paid-in share capital	8.0	8.0	1
21	Capital reserve	0.8	0.8	3
22	Other reserves (accumulated other comprehensive income)	3.4	3.4	3

22a	Exchange differences on translating foreign operations	1.1	1.1	
22b	Revaluation of land and buildings	3.6	3.6	
22c	Net change in fair value of debt instruments at fair value through other comprehensive income	-1.3	-1.3	
23	Retained earnings	201.2	201.2	
23a	Profit for the year	33.7	33.7	EU-5a
23b	Prior periods profit	167.5	167.5	2
	Shareholders' Equity	213.4	213.4	
	Total liabilities and shareholder's equity	1,646.4	1,635.7	

Table 4. EU LI1 - Differences between the accounting scope and the scope of Prudential consolidation and mapping of financial statement categories with regulatory risk categories

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Carrying values of items Not subject to own funds requirements or subject to deduction from own funds
<i>in million EUR</i>							
	Breakdown by asset classes according to the balance sheet in the published financial statements						
1	Cash balances at central banks	151.1	151.1	151.1	-	-	-
2	Due from other banks	22.3	19.9	19.9	-	-	-
3	Debt securities at fair value through other comprehensive income	19.2	19.2	19.1	-	-	0.1
4	Loans to customers	1,349.8	1,373.2	1,372.9	-	-	0.3
5	Investments in subsidiaries	0.0	20.2	20.2	-	-	-
6	Other receivables	2.4	1.7	1.7	-	-	-
7	Prepayments	2.9	2.9	2.9	-	-	-
8	Property, plant and equipment	18.3	8.8	8.8	-	-	-
9	Investment properties	46.5	8.7	8.7	-	-	-
10	Intangible assets	30	30	7.6	-	-	22.4
11	Assets classified as held for sale	3.9	-	-	-	-	-
	Total assets	1,646.4	1,635.7	1,613.0	-	-	22.7
	Breakdown by liability classes according to the balance sheet in the published financial statements						
12	Deposits from banks	9.2	-	-	-	-	-
13	Deposits from customers	1,367.8	1,375.9	-	-	-	-
14	Subordinated bonds	40.1	40.1	-	-	-	-
15	Lease liabilities	1.2	1.2	-	-	-	-
16	Provisions	0.4	0.4	-	-	-	-
17	Deferred income and tax liabilities	1.7	1.7	-	-	-	-
18	Other liabilities	11.6	3.0	-	-	-	-
19	Liabilities directly associated with the assets held for sale	1.0	-	-	-	-	-
	Total liabilities	1,433.0	1,422.3	-	-	-	-

Table 5. EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

<i>in million EUR</i>		a	b	Items subject to			e
		Total	Credit risk framework	Securitisation framework	CCR framework	Market risk framework	
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	1,635.7	1,613.0	-	-	-	
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	1,422.3	-	-	-	-	
3	Total net amount under the scope of prudential consolidation	213.4	-	-	-	-	
4	Off-balance-sheet amounts	113.6	113.6	-	-	-	
5	Differences in valuations	-0.1	-	-	-	-	
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-	
7	Differences due to consideration of provisions	-	-	-	-	-	
8	Differences due to the use of credit risk mitigation techniques (CRMs)	-2.3	-2.3	-	-	-	
9	Differences due to credit conversion factors	-72.6	-72.6	-	-	-	
10	Differences due to Securitisation with risk transfer		-	-	-	-	
11	Other differences	-22.6	-	-	-	-	
12	Exposure amounts considered for regulatory purposes	1,651.7	-	-	-	-	

Table 6. EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c					d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Neither consolidated nor deducted	Deducted	Description of the entity		
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted					
Bigbank AS	Full consolidation								Credit institution		
Balti Võlgade Sissenõudmise Keskus OÜ	Full consolidation	X							Administrative and support service activities		
SIA Baltijas Parādu Piedziņas Centrs	Full consolidation	X							Administrative and support service activities		
OÜ Rütli Majad	Full consolidation	X							Real estate activities		
OÜ Rütli Property	Full consolidation					X			Agriculture, forestry and fishing		
OÜ Papiniidu Property	Full consolidation					X			Real estate activities		
OÜ Pärnu mnt 153 Property	Full consolidation					X			Real estate activities		
Palupera Põllud OÜ	Full consolidation					X			Agriculture, forestry and fishing		
Abja Põld OÜ	Full consolidation					X			Agriculture, forestry and fishing		
AS Baltijas Izaugsmes Grupa	Full consolidation					X			Real estate activities		

Group consolidated in the prudential scope consists of the Estonian parent company, its foreign branches and subsidiaries in Estonia and Latvia. Subsidiary companies OÜ Rütli Property, OÜ Papiniidu Property, OÜ Pärnu mnt 153 Property, Palupera Põllud OÜ, Abja Põld OÜ and AS Baltijas Izaugsmes Grupa do not provide ancillary services according to the Credit Institutions Act and Capital Requirements Regulation and are therefore consolidated using the equity method according to the scope of prudential consolidation, i.e. not applying full consolidation according to IFRS accounting

treatment. The Group's management board has decided to start the winding up of the two subsidiaries, Palupera Põllud OÜ and Abja Põld OÜ, and the necessary procedures will be completed by the end of 2023 at the latest. Companies consolidated under IFRS include all companies controlled by the parent company. The total difference between the Prudential scope of consolidation and consolidation according to IFRS accounting treatment is 10.7 million euros. For details, see Note 2 (Basis of preparation and statement of compliance) of the Annual report.

Table 7. EU PV1 - Prudent valuation adjustments (PVA)

		a	b	c	d	e	EU e1	EU e2	f	g	h
<i>in million EUR</i>		Risk category					Category level AVA - Valuation uncertainty				
	Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA	Total category level post-diversification	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1	Market price uncertainty	0.0	-	-	0.0	-	-	-0.1	-0.1		-0.1
3	Close-out cost	-	-	-	-	-	-	-	-	-	-
4	Concentrated positions	-	-	-	-	-	-	-	-	-	-
5	Early termination	-	-	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-	-	-
7	Operational risk	-	-	-	-	-	-	-	-	-	-
10	Future administrative costs	-	-	-	-	-	-	-	-	-	-
12	Total Additional Valuation Adjustments (AVAs)	0.0	-	-	0.0	-	-	-0.1	-0.1	-	-0.1

The group uses a simplified method for determining additional value adjustments in accordance with delegated regulation EU 2016/101.

Table 8. EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

1	Issuer	Bigbank AS	Bigbank AS	Bigbank AS	Bigbank AS	Bigbank AS
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	EE3100016015	EE3300111400	EE3300002526	EE3300002583	EE3300002690
2a	Public or private placement	Private	Private	Private	Private	Public
3	Governing law(s) of the instrument	Estonian	Estonian	Estonian	Estonian	Estonian/ Latvian / Lithuanian
3a	Contractual recognition of write down and conversion powers of resolution authorities	No	Yes	Yes	Yes	Yes
Regulatory treatment						
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo&(sub-) consolidated	Solo & (Sub-) consolidated	Solo & (Sub-) consolidated	Solo & (Sub-) consolidated	Solo & (Sub-) consolidated	Solo & (Sub-) consolidated
7	Instrument type (types to be specified by each jurisdiction)	Common shares	Tier 2 subordinated notes	Tier 2 subordinated notes	Tier 2 subordinated notes	Tier 2 subordinated notes
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 8	EUR 5	10 EUR	5 EUR	20 EUR
9	Nominal amount of instrument	100 EUR	1,000 EUR	1,000 EUR	1,000 EUR	1,000 EUR
EU-9a	Issue price	Face value changed on 2011 from EEK 1,000 to EUR 100	1,000 EUR	1,000 EUR	1,000 EUR	1,000 EUR
EU-9b	Redemption price	N/A	1,000 EUR	1,000 EUR	1,000 EUR	1,000 EUR
10	Accounting classification	Shareholders' equity	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	22.09.1992	28.12.2017	30.12.2021	16.05.2022	21.09.2022
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	No maturity	28.12.2027	30.12.2031	16.05.2032	21.09.2032
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes

15	Optional call date, contingent call dates and redemption amount	N/A	28.12.2022, redemption amount is the aggregate of the nominal value, accrued but unpaid interests, any other amount due and payable by the Issuer to the Investor	30.12.2026, redemption amount is the aggregate of the nominal value, accrued but unpaid interests, any other amount due and payable by the Issuer to the Investor	16.05.2027, redemption amount is the aggregate of the nominal value, accrued but unpaid interests, any other amount due and payable by the Issuer to the Investor	21.09.2027, redemption amount is the aggregate of the nominal value, accrued but unpaid interests.
16	Subsequent call dates, if applicable	N/A	On each interest payment date after 28.12.2022	On each interest payment date after 30.12.2026	On each interest payment date after 16.05.2027	N/A

Coupons / dividends

17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	N/A	6.5%	6.5%	7.5%	8.0%
19	Existence of a dividend stopper	N/A	N/A	N/A	N/A	N/A
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	N/A	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A

34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	2	2	2	2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	All unsubordinated claims of creditors of the Issuer	All unsubordinated claims of creditors of the Issuer	All unsubordinated claims of creditors of the Issuer	All unsubordinated claims of creditors of the Issuer
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A	N/A	https://static.big-bank.eu/investor/assets/2022/09/Bigbank-AS-T2-Final-Terms-First-tranche.pdf

LEVERAGE RATIO

The information on leverage ratio is disclosed according to Article 451 of the Capital Requirements Regulation.

Table 9. EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

<i>in million EUR</i>		a Applicable amount
1	Total assets as per published financial statements	1,646.4
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-10.6
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	-
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	41.3
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-22.7
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	-
13	Total exposure measure	1,654.4

Table 10. EU LR2 – LRCom: leverage ratio common disclosure

		CRR leverage ratio exposures
<i>in million EUR</i>		31.12.2022
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	1,635.7
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-
5	(General credit risk adjustments to on-balance sheet items)	-
6	(Asset amounts deducted in determining Tier 1 capital)	-22.7
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	1,613.0
Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	-
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	-
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-
EU-9b	Exposure determined under Original Exposure Method	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-
11	Adjusted effective notional amount of written credit derivatives	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
13	Total derivatives exposures	-
Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
16	Counterparty credit risk exposure for SFT assets	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-
17	Agent transaction exposures	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-
18	Total securities financing transaction exposures	-
Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	113.6
20	(Adjustments for conversion to credit equivalent amounts)	-72.3
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-

22	Off-balance sheet exposures	41.3
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Excluded exposures

EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-
EU-22k	(Total exempted exposures)	-

Capital and total exposure measure

23	Tier 1 capital	184.7
24	Total exposure measure	1,654.4

Leverage ratio

25	Leverage ratio (%)	11.17%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	11.17%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	11.17%
26	Regulatory minimum leverage ratio requirement (%)	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%
EU-26b	of which: to be made up of CET1 capital	0.00%
27	Leverage ratio buffer requirement (%)	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%

Choice on transitional arrangements and relevant exposures

EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased in
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Disclosure of mean values

28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-

30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-

Table 11. EU LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

<i>in million EUR</i>		^a CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	1,635.7
EU-2	Trading book exposures	-
EU-3	Banking book exposures. of which:	1,635.7
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	161.2
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	0.0
EU-7	Institutions	21.4
EU-8	Secured by mortgages of immovable properties	510.2
EU-9	Retail exposures	645.7
EU-10	Corporates	211.1
EU-11	Exposures in default	13.4
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	72.7

The management of excessive leverage risk is integrated into the Bigbank's risk management framework (including procedures, limits, planning, etc.). Bigbank uses the leverage ratio according to Regulation (EU) No 575/2013 as a main indicator for monitoring excessive leverage risk as well other indicators based on the balance sheet structure. The risk of excessive leverage is taken into account in strategic planning and shall be assessed and forecasted as a part of capital planning process. The funding shall be arranged in such a way that the necessary funding is reasonably balanced between proportion of external funding sources and Tier1 capital. The aim is to have stable and conservative balance sheet structure. The Finance Area is responsible for managing the risk of excessive leverage as a first line of defence. The excessive leverage risk and balance sheet developments is regularly

monitored and reported to the Management Board and Supervisory Board. Management board shall, if necessary, approve an action plan to address changes in the leverage ratio.

The leverage ratio was 11.17% as at 31 December 2022 (12.69% as at 31 December 2021). The leverage ratio is calculated as the ratio of Tier 1 capital to total assets. During the disclosing period the decrease in the leverage ratio was affected by the increase in credit risk exposures resulting from increasing business volumes and the resulting increase in the total risk exposure amount.

OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS

The information regarding own funds requirements and risk-weighted exposure amounts is disclosed according to Article 438 of the Capital Requirements Regulation.

Table 12. EU OV1 - Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
<i>in million EUR</i>		31.12.2022	31.12.2021	31.12.2022
1	Credit risk (excluding CCR)	1,160.8	792.4	92.9
2	Of which the standardised approach	1,160.8	792.4	92.9
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	Counterparty credit risk - CCR	-	-	-
7	Of which the standardised approach	-	-	-
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	-	-	-
9	Of which other CCR	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	5.1	-	0.4
21	Of which the standardised approach	5.1	-	0.4
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	126.3	103.7	10.1
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	126.3	103.7	10.1
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
29	Total	1,292.1	896.2	103.4

*recalculated

Bigbank's total risk exposure amount (TREA) was 1,292.1 million euros at the end of 2022, in comparison to 896.2 million euros at the end of 2021. The TREA increase was driven by the increase of credit risk exposure amount

due to increased lending volumes (by 368.4 million euros during 2022). Bigbank uses the standardised approach for calculating credit, market and operational risk own funds requirements.

COUNTERCYCLICAL CAPITAL BUFFERS

Information on the countercyclical buffers is disclosed according to Articles 440 of the Capital Requirements Regulation.

Table 13. EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		a	b	c	d	e	f	g	h	i	j	k	l	m	
		General credit exposures		Relevant credit exposures - Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)		
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book				Total	
<i>in million EUR</i>															
010	Estonia	505.8	-	-	-	-	505.8	40.5	-	-	40.5	505.8	0.44	1.0%	
011	Finland	76.0	-	-	-	-	76.0	6.1	-	-	6.1	76.0	0.07	0.0%	
012	Bulgaria	4.9	-	-	-	-	4.9	0.4	-	-	0.4	4.9	0.00	1.0%	
013	Germany	1.5	-	-	-	-	1.5	0.1	-	-	0.1	1.5	0.00	0.0%	
014	Latvia	166.8	-	-	-	-	166.8	13.3	-	-	13.3	166.8	0.14	0.0%	
015	Lithuania	359.9	-	-	-	-	359.9	28.8	-	-	28.8	359.8	0.31	0.0%	
016	Norway	0.4	-	-	-	-	0.4	0.0	-	-	0.0	0.4	0.00	2.0%	
017	Spain	0.2	-	-	-	-	0.2	0.0	-	-	0.0	0.2	0.00	0.0%	
018	Sweden	40.4	-	-	-	-	40.4	3.2	-	-	3.2	40.4	0.03	1.0%	
020	Total	1,155.7	-	-	-	-	1,155.7	92.4	-	-	92.4	1,155.7	1.00		

Table 14. EU CCyB2 - Amount of institution-specific countercyclical capital buffer

<i>in million EUR</i>		31.12.22
1	Total risk exposure amount	1,292.1
2	Institution specific countercyclical capital buffer rate	0.48%
3	Institution specific countercyclical capital buffer requirement	6.2

CREDIT RISK

Information on the credit risk is disclosed according to Articles 442, 444, 453 of the Capital Requirements Regulation.

Table 15. EU CR1 - Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received		
		Performing exposures		Non-performing exposures		Performing exposures - accumulated impairment and provisions		Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						On non-performing exposures		
<i>in million EUR</i>		Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Of which stage 1	Of which stage 2	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures		
5	Cash balances at central banks and other demand deposits	171.0	171.0	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans and advances	1,374.1	1,343.0	31.1	26.1	-	26.1	-14.6	-8.6	-6.0	-12.4	-	-12.4	-	733.7	1.7
20	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Other financial corporations	2.9	2.9	-	-	-	-	-	-	-	-	-	-	-	2.9	-

60	Non-financial corporations	494.6	493.7	0.9	0.5	-	0.5	-0.1	-0.1	-	-0.1	-	-0.1	-	464.2	0.4
70	Of which SMEs	462.1	461.2	0.9	0.5	-	0.5	-0.1	-0.1	-	-0.1	-	-0.1	-	455.2	0.4
80	Households	876.6	846.4	30.2	25.6	-	25.6	-14.5	-8.5	-6.0	-12.3	-	-12.3	-	266.7	1.3
90	Debt securities	19.2	19.2	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	9.6	9.6	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	1.5	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	8.0	8.0	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	113.6	113.6	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200	Non-financial corporations	100.1	100.1	-	-	-	-	-	-	-	-	-	-	-	-	-
210	Households	13.5	13.5	-	-	-	-	-	-	-	-	-	-	-	-	-
220	Total	1,677.9	1,646.8	31.1	26.1	-1.0	26.1	-14.6	-8.6	-6.0	-12.4	-	-12.4	-	733.7	1.7

Table 16. EU CR1-A - Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
<i>in million EUR</i>		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	-	70.4	665.6	637.1	-	1,373.1
2	Debt securities	-	4.2	13.9	1.1	-	19.2
3	Total	-	74.6	679.5	638.2	-	1,392.3

Table 17. EU CR2 - Changes in the stock of non-performing loans and advances

<i>in million EUR</i>		a
		Gross carrying amount
10	Initial stock of non-performing loans and advances	26.5
20	Inflows to non-performing portfolios	18.4
30	Outflows from non-performing portfolios	-3.1
40	Outflows due to write-offs	-13.7
50	Outflow due to other situations	-2
60	Final stock of non-performing loans and advances	26.1

Table 18. EU CQ1 - Credit quality of forborne exposures

		a	b	c	d	e		f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
		Non-performing forborne				On performing forborne exposures	On non-performing forborne exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures		
		Performing forborne	Of which defaulted	Of which impaired						
<i>in million EUR</i>										
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-
010	Loans and advances	2.6	1.7	1.7	1.7	-0.4	-0.9	0.2	-	-
20	Central banks	-	-	-	-	-	-	-	-	-
30	General governments	-	-	-	-	-	-	-	-	-
40	Credit institutions	-	-	-	-	-	-	-	-	-
50	Other financial corporations	-	-	-	-	-	-	-	-	-
60	Non-financial corporations	0.2	-	-	-	-	0.0	0.2	-	-
70	Households	2.4	1.7	1.7	1.7	-0.4	-0.8	-	-	-
80	Debt Securities	-	-	-	-	-	-	-	-	-
90	Loan commitments given	-	-	-	-	-	-	-	-	-
100	Total	2.6	1.7	1.7	1.7	-0.4	-0.9	0.2		-

Table 19. EU CQ3 - Credit quality of performing and non-performing exposures by past-due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures					Non-performing exposures						
		Not past due or past due ≤30 days	Past due >30 days ≤90 days	Unlikely to pay that are not past due or are past due ≤90 days	Past due >90 days ≤180 days	Past due >180 days ≤1 year	Past due >1 year ≤2 years	Past due >2 years ≤5 years	Past due >5 years ≤7 years	Past due >7 years	Of which defaulted		
<i>in million EUR</i>													
005	Cash balances at central banks and other demand deposits	171.0	171.0	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	1,374.1	1,364.2	9.9	26.1	9.5	6.5	4.7	3.8	1.5	0.1	-	26.1
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	2.9	2.9	-	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	494.6	494.3	0.3	0.5	0.4	0.0	0.0	0.1	0.0	0.0	-	0.5
070	Of which SMEs	462.1	461.8	0.3	0.5	0.4	0.0	0.0	0.1	0.0	0.0	-	0.5
080	Households	876.6	867.0	9.6	25.6	9.1	6.5	4.7	3.7	1.5	0.1	-	25.6
090	Debt securities	19.2	19.2	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	9.6	9.6	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	1.5	1.5	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	8.0	8.0	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	113.6	113.6	-	-	-	-	-	-	-	-	-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-

190	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
200	Non-financial corporations	100.1	100.1	-	-	-	-	-	-	-	-	-	-
210	Households	13.5	13.5	-	-	-	-	-	-	-	-	-	-
220	Total	1,677.9	1,668.0	9.9	26.1	9.5	6.5	4.7	3.8	1.5	0.1	-	26.1

Table 20. EU CQ4 - Quality of non-performing exposures by geography

		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment				
		Of which defaulted						
<i>in million EUR</i>								
010	On-balance-sheet exposures	1,400.2		26.1		27.0	-	-
020	Estonia	563.1		6.8		6.3	-	-
030	Lithuania	454.9		6.1		4.7	-	-
040	Latvia	214.4		4.6		5.1	-	-
050	Finland	104.7		5.8		5.9	-	-
060	Sweden	55.4		1.2		3.9	-	-
070	Other countries	7.7		1.6		1.1	-	-
080	Off-balance-sheet exposures	113.6		-		-	-	-
090	Estonia	49.5		-		-	-	-
100	Lithuania	49.5		-		-	-	-
110	Latvia	11.9		-		-	-	-
120	Sweden	2.7		-		-	-	-
150	Total	1,513.8		26.1		27.0	-	-

Table 21. EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment			
		Of which defaulted					
<i>in million EUR</i>							
10	Agriculture, forestry and fishing	50.3	0.0	0.0	18.5	0.0	-
20	Mining and quarrying	0.4	0.3	0.3	0.4	0.0	-
30	Manufacturing	11.7	0.1	0.1	11.7	-0.1	-
40	Electricity, gas, steam and air conditioning supply	3.0	0.0	0.0	3.0	0.0	-
50	Water supply	0.9	0.0	0.0	0.9	0.0	-
60	Construction	50.3	0.0	0.0	50.3	0.0	-
70	Wholesale and retail trade	14.4	0.1	0.1	14.3	0.0	-
80	Transport and storage	2.0	0.0	0.0	2.0	0.0	-
90	Accommodation and food service activities	2.1	0.0	0.0	2.1	0.0	-
100	Information and communication	0.5	0.0	0.0	0.5	0.0	-
110	Financial and insurance activities	0.0	0.0	0.0	0.0	0.0	-
120	Real estate activities	338.6	0.0	0.0	331.4	-0.1	-
130	Professional, scientific and technical activities	3.7	0.0	0.0	3.4	0.0	-
140	Administrative and support service activities	2.6	0.0	0.0	2.6	0.0	-
150	Public administration and defense. compulsory social security	0.0	0.0	0.0	0.0	0.0	-
160	Education	0.2	0.0	0.0	0.2	0.0	-
170	Human health services and social work activities	4.8	0.0	0.0	4.8	0.0	-
180	Arts, entertainment and recreation	2.5	0.0	0.0	2.5	0.0	-
190	Other services	7.1	0.0	0.0	7.1	0.0	-
200	Total	495.1	0.5	0.5	455.7	-0.2	-

Table 22. EU CQ7 - Collateral obtained by taking possession and execution processes

		a	b
		Collateral obtained by taking possession	
<i>in million EUR</i>		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	-	-
020	Other than PP&E	-	-
030	Residential immovable property	-	-
040	Commercial Immovable property	-	-
050	Movable property (auto, shipping, etc.)	-	-
060	Equity and debt instruments	-	-
070	Other collateral	-	-
080	Total	-	-

Table 23. EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Secured carrying amount				
		Unsecured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives	
<i>in million EUR</i>		a	b	c	d	e
1	Loans and advances	649.4	750.8	748.1	2.7	-
2	Debt securities	19.2	-	-	-	-
3	Total	668.6	750.8	748.1	2.7	-
4	Of which non-performing exposures	23.9	2.2	2.0	0.2	-
EU-5	Of which defaulted	23.9	2.2	2.0	0.2	-

A description of the main types of collateral taken to mitigate credit risk and the main features of the policies and processes for the valuation and management of eligible collateral are set out in note 5 (Risk and capital management) of the Annual report.

Table 24. EU CR4 - Standardised approach. Credit risk exposure and CRM effects

Exposure classes		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
<i>in million EUR</i>		a	b	c	d	e	f
1	Central governments or central banks	158.4	0.0	158.4	0.0	0.8	0.5%
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	0.5	-	0.5	-	0.0	0.0%
4	Multilateral development banks	2.3	-	2.3	-	0.0	0.0%
5	International organisations	-	-	-	-	-	-
6	Institutions	18.8	-	18.8	-	4.2	22.3%
7	Corporates	38.7	0.7	38.7	0.1	33.0	85.1%
8	Retail	660.2	3.8	645.7	0.3	480.8	74.4%
9	Secured by mortgages on immovable property	510.3	35.9	507.8	11.0	274.0	52.8%
10	Exposures in default	26.1	-	13.4	-	14.1	105.2%
11	Exposures associated with particularly high risk	172.4	73.2	172.4	29.5	302.8	150.0%
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	2.6	-	2.6	-	1.1	42.3%
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	20.2	-	20.2	-	20.2	100.0%
16	Other items	30.0	-	29.8	-	29.8	100.0%
17	TOTAL	1,640.5	113.6	1,610.6	40.9	1,160.8	

The Group uses credit assessments by Moody's to calculate risk-weighted exposure amounts for credit exposures to central governments, central banks, public sector entities, multilateral development banks, credit institutions and corporates under the standardised approach. No changes have been made to the corresponding assignments during the disclosure period.

Risk weights are determined using the standard association published by the EBA.

Table 25. EU CR5 - Standardised approach

Exposure classes	Risk weight															Total	Of which unrat	
	0 %	2 %	4 %	10 %	20 %	35 %	50 %	70 %	75 %	100 %	150 %	250 %	370 %	1 250 %	Others			
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o			p
<i>in million EUR</i>																		
1 Central governments or central banks	156.8	-	-	-	-	-	1.6	-	-	-	-	-	-	-	-	-	158.4	0.0
2 Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Public sector entities	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5	-
4 Multilateral development banks	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.3	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	-	17.2	-	1.6	-	-	-	-	-	-	-	-	-	18.8	0.0
7 Corporates	-	-	-	-	2.0	-	5.6	-	-	31.3	-	-	-	-	-	-	38.9	29.8
8 Retail exposures	-	-	-	-	-	-	-	-	646.0	-	-	-	-	-	-	-	646.0	480.8
9 Exposures secured by mortgages on immovable property	-	-	-	-	-	229.8	107.6	-	-	181.4	-	-	-	-	-	-	518.8	274.0
10 Exposures in default	-	-	-	-	-	-	-	-	-	12.1	1.3	-	-	-	-	-	13.4	14.1
11 Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	201.9	-	-	-	-	-	201.9	302.8
12 Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	0.8	-	1.9	-	-	-	-	-	-	-	-	-	2.7	0.0
14 Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity exposures	-	-	-	-	-	-	-	-	-	20.2	-	-	-	-	-	-	20.2	20.2
16 Other items	-	-	-	-	-	-	-	-	-	29.8	-	-	-	-	-	-	29.8	29.8
17 TOTAL	159.6	-	-	-	20.0	229.8	118.3	-	646.0	274.8	203.2	-	-	-	-	-	1,651.7	1,151.5

MARKET RISK

Information on the market risk is disclosed according to Article 445 of the Capital Requirements Regulation.

Table 26. EU MR1 - Market risk under the standardised approach

<i>in millions EUR</i>		a
		RWEAs
	Outright products	5.1
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	5.1
4	Commodity risk	-
	Options	-
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	Total	5.1

INTEREST RATE RISK ON POSITIONS NOT HELD IN THE TRADING BOOK

Information on the interest rate risks of non-trading book activities (IRRBB) is disclosed according to Article 448 of the Capital Requirements Regulation. Additional information on the management of IRRBB is disclosed in

Note 5 (Risk and capital management) of the Annual report. Table EU IRRBB1 complements the information disclosed in the Annual report.

Table 27. EU IRRBB1 - Interest rate risks of non-trading book activities

Supervisory shock scenarios		a		b		c		d	
		Changes of the economic value of equity		Changes of the net interest income					
<i>in million EUR</i>		31.12.2022	31.12.2021	31.12.2022	31.12.2021				
1	Parallel up	3.9	0.7	1.7	-0.3				
2	Parallel down	-11.7	-0.7	-2.6	0.2				
3	Steeper	2.7	0.9						
4	Flattener	-4.2	-3.5						
5	Short rates up	-1.3	-2.8						
6	Short rates down	0.6	-0.4						

The increase in interest rate risk in 2022 compared to the end of last year is mainly due to the

increase in interest rates and structural changes in interest-sensitive assets and liabilities..

OPERATIONAL RISK

Information on the operational risk is disclosed according to Article 446 of the Capital Requirements Regulation. Operational risk management is described in the Note 5 (Risk and capital management) of the Annual report.

Table 28. EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
<i>in million EUR</i>		31.12.2020	31.12.2021	31.12.2022		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	-	-	-	-	-
3	Subject to TSA:	69.4	78.6	93.4	10.1	126.3
4	Subject to ASA:	-	-	-	-	-
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

ENCUMBERED AND UNENCUMBERED ASSETS

Information on the encumbered and unencumbered assets is disclosed according to Article 443 of the Capital Requirements Regulation.

Table 29. EU AE1 - Encumbered and unencumbered assetsd

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA	
<i>in million EUR</i>		010	030	040	050	060	080	090	100
010	Assets of the disclosing institution	37.7		37.7		1,437.5		1,437.5	
030	Equity instruments	-		-		-		-	
040	Debt securities	37.7		37.7		7.2		7.2	
050	of which: covered bonds	-		-		-		-	
060	of which: securitisations	-		-		-		-	
070	of which: issued by general governments	2.3		2.3		4.0		4.0	
080	of which: issued by financial corporations	10.4		10.4		2.7		2.7	
090	of which: issued by non-financial corporations	23.1		23.1		0.5		0.5	
120	Other assets	-		-		1,428.3		1,428.3	

Table 30. EU AE2 - Collateral received and own debt securities issued

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA	
<i>in million EUR</i>		010	030	040	060
130	Collateral received by the disclosing institution	-		-	
140	Loans on demand	-		-	
150	Equity instruments	-		-	
160	Debt securities	-		-	
170	of which: covered bonds	-		-	
180	of which: securitisations	-		-	
190	of which: issued by general governments	-		-	
200	of which: issued by financial corporations	-		-	
210	of which: issued by non-financial corporations	-		-	
220	Loans and advances other than loans on demand	-		-	
230	Other collateral received	-		-	
240	Own debt securities issued other than own covered bonds or securitisations	-		-	
241	Own covered bonds and securitisations issued and not yet pledged	-		-	
250	TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	-		-	

Table 31. EU AE3 - Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
<i>in million EUR</i>			
010	Carrying amount of selected financial liabilities	-	-

The data is presented as the median of the amounts to be recognized as at the end of the four quarters of the previous twelve months.

As at the reporting date, the Group's assets were largely unencumbered, but during the year bonds were pledged by the European Central Bank to participate in targeted long-term refinancing operations.

LIQUIDITY RISK

Information on the liquidity risk is disclosed according to Article 451a of the Capital Requirements Regulation. Additional information is provided in the Note 5 (Risk and capital management) of the Annual report.

Table 32. EU LIQ1 - Quantitative information of LCR

<i>in million EUR</i>		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2022	30.09.2022	30.06.2022	31.03.2022
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					113.4	98.8	88.1	79.4
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	518.4	444.3	377.8	311.4	72.2	67.3	64.4	60.8
3	Stable deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Less stable deposits	518.4	444.3	377.8	311.4	72.2	67.3	64.4	60.8
5	Unsecured wholesale funding	1.2	1.0	1.0	1.0	1.1	0.9	0.9	0.9
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	Non-operational deposits (all counterparties)	1.2	1.0	1.0	1.0	1.1	0.9	0.9	0.9
8	Unsecured debt	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
9	Secured wholesale funding					0.0	0.0	0.0	0.0
10	Additional requirements	105.3	99.6	93.2	87.2	8.7	7.8	7.1	6.5
11	Outflows related to derivative exposures and other collateral requirements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	Outflows related to loss of funding on debt products	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Credit and liquidity facilities	105.3	99.6	93.2	87.2	8.7	7.8	7.1	6.5
14	Other contractual funding obligations	2.2	3.3	4.7	5.8	0.0	0.0	0.0	0.0
15	Other contingent funding obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	TOTAL CASH OUTFLOWS					82.0	76.0	72.4	68.2

CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Inflows from fully performing exposures	59.9	59.4	57.1	51.1	53.8	53.2	51.2	45.4
19	Other cash inflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0.0	0.0	0.0	0.0
EU-19b	(Excess inflows from a related specialised credit institution)					0.0	0.0	0.0	0.0
20	TOTAL CASH INFLOWS	59.9	59.4	57.1	51.1	53.8	53.2	51.2	45.4
EU-20a	Fully exempt inflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU-20b	Inflows subject to 90% cap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU-20c	Inflows subject to 75% cap	59.9	59.4	57.1	51.1	53.8	53.2	51.2	45.4
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					113.4	98.8	88.1	79.4
22	TOTAL NET CASH OUTFLOWS					30.7	25.4	23.8	22.9
23	LIQUIDITY COVERAGE RATIO					439.95%	433.47%	405.22%	376.27%

The level of the liquidity coverage ratio (LCR) depends on the dynamics of the liquidity buffer and net cash outflows. In 2022, the LCR remained stable at a high level, exceeding both regulatory and internal thresholds. The last 12 months' weighted average LCR stood at 439.95% at 31 December 2022 (31 December 2021: 404.0%). Over the year, the weighted average liquidity buffer increased from 67.2 million euros to 113.4 million euros, with a smaller increase in the net cash outflow (weighted average value of 22.7 million euros at 31 December 2021 and 30.7 million euros at 31 December 2022). The Group's funding is primarily based on retail deposits. In addition to retail deposits, the Bank has raised funds through the issuance of subordinated bonds.

The concentration of funding sources by counterparty is low. The liquidity buffer consisted largely of funds held with central banks and high credit quality bonds. During the reporting period, the funds borrowed through the European Central Bank's targeted longer-term refinancing operations (TLTRO-III) were repaid and, consequently, the debt securities that had been used as collateral for the loan were transferred to the liquidity buffer. The level of the LCR is monitored in all major currencies (liabilities equal to or greater than 5% of total liabilities). At 31 December 2022, such currencies included the euro and the Swedish krona.

Table 33. EU LIQ2 - Net Stable Funding Ratio

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<i>in million EUR</i>						
Available stable funding (ASF) Items						
1	Capital items and instruments	0.0	0.0	0.0	247.4	247.4
2	Own funds	0.0	0.0	0.0	247.4	247.4
3	Other capital instruments	0.0	0.0	0.0	0.0	0.0
4	Retail deposits	0.0	823.4	178.6	356.6	1,266.8
5	Stable deposits	0.0	91.8	76.2	141.3	300.9
6	Less stable deposits	0.0	731.6	102.4	215.3	965.9
7	Wholesale funding:	0.0	3.7	5.5	0.0	4.5
8	Operational deposits	0.0	0.0	0.0	0.0	0.0
9	Other wholesale funding	0.0	3.7	5.5	0.0	4.5
10	Interdependent liabilities	0.0	0.0	0.0	0.0	0.0
11	Other liabilities:	0.0	0.0	0.0	14.4	14.4
12	NSFR derivative liabilities	0.0	0.0	0.0	0.0	0.0
13	All other liabilities and capital instruments not included in the above categories	0.0	0.0	0.0	14.4	14.4
14	Total available stable funding (ASF)	0.0	827.1	184.1	618.4	1,533.1
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)	157.3	8.6	0.0	0.0	1.6
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool	0.0	0.0	0.0	0.0	0.0
16	Deposits held at other financial institutions for operational purposes	0.0	0.0	0.0	0.0	0.0
17	Performing loans and securities:	0.0	134.3	102.0	1,147.5	1,041.3
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut	0.0	0.0	0.0	0.0	0.0
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions	0.0	0.0	0.0	0.0	0.0

20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:	0.0	109.8	99.2	918.4	885.1
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.0	0.0	0.0	0.0	0.0
22	Performing residential mortgages, of which:	0.0	3.1	2.8	223.3	148.1
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.0	3.1	2.8	223.3	148.1
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products	0.0	21.4	0.0	5.8	8.1
25	Interdependent assets	0.0	0.0	0.0	0.0	0.0
26	Other assets:	0.0	9.1	0.5	76.4	86.1
27	Physical traded commodities	0.0	0.0	0.0	0.0	0.0
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0.0				0.0
29	NSFR derivative assets	0.0				0.0
30	NSFR derivative liabilities before deduction of variation margin posted	0.0				0.0
31	All other assets not included in the above categories	0.0	9.1	0.5	76.4	86.1
32	Off-balance sheet items	0.0	4.1	8.1	101.5	5.7
33	Total RSF	157.3	156.1	110.6	1,325.4	1,134.7
34	Net Stable Funding Ratio (%)	0.00%	529.70%	166.44%	46.66%	135.11%

REMUNERATION

Information on remuneration principles according to Article 450 of the Capital Requirements Regulation is disclosed in the Annual report.

Table 34. EU REM1 amends the information according to the disclosure requirements. Table 36. EU REM5 gives the breakdown of the remuneration of other identified staff by business areas. The MB Management function includes members of the management board of Bigbank AS and the MB Supervisory function includes members of the supervisory board of Bigbank AS.

Table EU REM3 (Deferred Remuneration) is not published as the deferral of remuneration is not implemented in the group. Table EU REM4 (Remuneration of 1 million euros or more per year) is not published, as in 2022 there were no employees in the group whose remuneration would meet the criteria.

Table 34. EU REM1 - Remuneration awarded for the financial year

			a	b	c	d
<i>in million EUR</i>			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	5	6	-	20
2		Total fixed remuneration	0.1	0.8	-	1.7
3		Of which: cash-based	0.1	0.8	-	1.7
4		(Not applicable in the EU)			-	
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)	-	-	-	-
7		Of which: other forms	-	-	-	-
8		(Not applicable in the EU)	-	-	-	-
9	Variable remuneration	Number of identified staff	-	6	-	18
10		Total variable remuneration	-	1.1	-	0.3
11		Of which: cash-based	-	1.1		0.3
12		Of which: deferred	-	-	-	-
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	Total remuneration (2 + 10)		0.1	1.9	-	2.0

The amounts of remuneration provided are gross numbers, including contributions to social security, fixed salaries, variable remuneration and vacation pay.

Table 35. EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d
<i>in million EUR</i>		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	1	-	1
7	Severance payments awarded during the financial year - Total amount	-	0.1	-	0.0
8	Of which paid during the financial year	-	0.1	-	0.0
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	0.1	-	0.0
11	Of which highest payment that has been awarded to a single person	-	0.1	-	0.0

Table 36. EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
<i>in million EUR</i>											
1	Total number of identified staff	5	6	11	-	7	-	-	4	5	27
2	Of which: members of the MB	5	6	11	-	-	-	-	-	-	11
3	Of which: other senior management	-	-	-	-	-	-	-	-	-	-
4	Of which: other identified staff	-	-	-	-	7	-	-	4	5	16
5	Total remuneration of identified staff	0.1	1.9	2	-	0.9	-	-	0.5	0.6	4
6	Of which: variable remuneration	0.0	1.1	1.1	-	0.1	-	-	0.1	0.1	1.4
7	Of which: fixed remuneration	0.1	0.8	0.9	-	0.8	-	-	0.4	0.5	2.6