

A silhouette of a person running on a hill, with arms outstretched, set against a teal background with a faint grid pattern.

**Interim condensed consolidated
financial statements for the period
ended 31 December 2020**

Bigbank AS

Interim condensed consolidated financial statements for the period ended 31 December 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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Corporate website	www.bigbank.ee
Financial year	1 January 2020 – 31 December 2020
Reporting period	1 January 2020 – 31 December 2020
Chairman of the management board	Martin Lääts
Core business line	Provision of loans and acceptance of deposits
Auditor	KPMG Baltics OÜ
Reporting currency	The reporting currency is the euro.

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

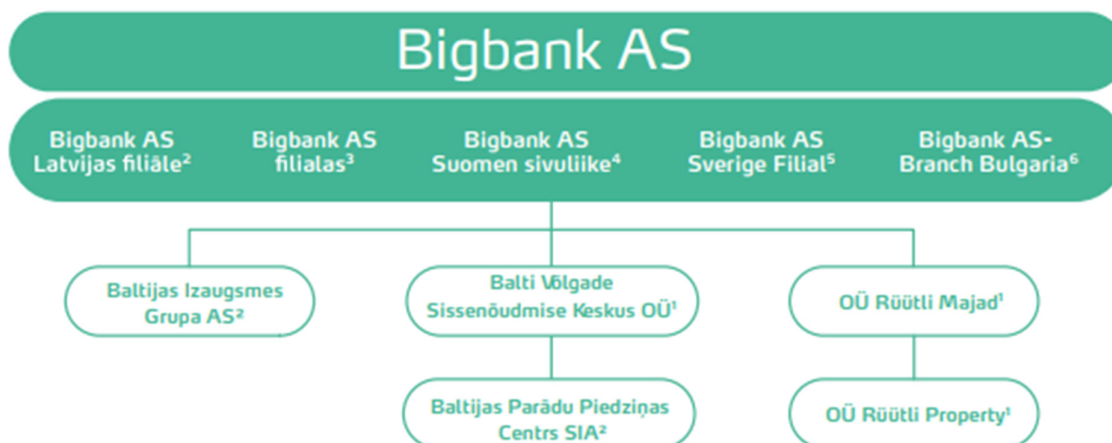
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Bigbank Group structure

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 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

⁶ registered in the Republic of Bulgaria

The branches in Latvia, Lithuania, Finland and Sweden offer lending services similar to those of the parent. The parent and its Latvian, Finnish and Swedish branches offer also deposit services. In addition, Bigbank AS provides cross-border deposit services in Germany, the Netherlands and Austria. At 31 December 2020, the Spanish branch was under liquidation, the liquidation of the branch was registered by Madrid Commercial Register on 8 February 2021 and remaining customers are served on a cross-border bases by the parent bank in Estonia. Bulgarian

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 core business of OÜ Rūütli Majad is managing real estate and its subsidiary OÜ Rūütli Property manages agricultural land. Baltijas Izaugsmes Grupa AS and Balti Völgade Sissenõudmise Keskus along with its subsidiary are not engaged in active business operations.

Review of operations

Significant economic events

The first 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; in the fourth quarter, the loan portfolio continued to grow, reaching 591.6 million euros.

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. In the fourth quarter, we launched a refinancing product in Finland. 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 12% by the end of the fourth 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 fourth quarter, the Group's performing loan portfolio amounted to 572.6 million euros, exceeding the figure at the end of the third quarter by 38.7 million euros (7%) and the figure at the previous year-end by 25%. The share of loans over 90 days past due, which had been growing in the meantime, dropped back to the level at the

end of the previous year, accounting for 3.2% 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 5.5 million euros in the fourth quarter of 2020, which is 20% less than in the same period last year. Fourth-quarter expenses on credit loss allowances amounted to 2.6 million euros.

Interest income continues to grow, underpinned by a successful growth strategy: the figure for the fourth quarter was 0.5 million euros (3%) higher than in the same period of last year.

The Group's capitalisation indicators are strong. Equity has grown by 11% during the year, reaching 156.2 million euros by the end of the third quarter.

In the fourth quarter, Bigbank received permits from both Estonian Financial Supervision and Resolution Authority and Bulgarian National Bank to establish and start operating a branch. 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 383 employees at the end of the fourth quarter of 2020: 230 in Estonia, 63 in Latvia, 69 in Lithuania, 14 in Finland and 7 in Sweden.

Key performance indicators and ratios

Financial position indicators (in millions of euros)	31 Dec 2020	31 Dec 2019	Change
Total assets	757.8	574.2	32.0%
Loans to customers	577.7	459.7	25.7%
of which loan portfolio	591.6	473.5	24.9%
of which interest receivable	13.5	10.5	28.7%
of which loss allowances	-27.4	-24.3	12.6%
Deposits from customers	547.5	392.8	39.4%
Equity	156.2	141.1	10.8%

Financial performance indicators (in millions of euros)	Q4 2020	Q4 2019	Change	12M 2020	12M 2019	Change
Interest income	17.7	17.2	3.0%	69.8	67.0	4.2%
Interest expense	1.9	1.5	23.4%	7.0	6.4	9.5%
Salaries and associated charges	3.8	3.6	3.7%	14.1	14.9	-5.3%
Other operating expenses	3.1	3.3	-4.2%	11.1	11.7	-5.2%
Net loss allowances on loans and financial investments	2.6	1.6	57.2%	14.0	6.7	110.3%
Profit before impairment loss	8.1	8.6	-5.3%	35.4	31.1	13.7%
Net profit	5.5	6.9	-20.1%	21.3	24.5	-12.7%

Ratios	Q4 2020	Q4 2019	12M 2020	12M 2019
Return on equity (ROE)	14.4%	20.1%	14.4%	18.7%
Equity multiplier (EM)	4.8	4.0	4.5	4.2
Profit margin (PM)	28.4%	37.1%	27.9%	33.8%
Asset utilization ratio (AU)	10.5%	13.6%	11.5%	13.1%
Return on assets (ROA)	0.7%	5.1%	3.2%	4.4%
Price difference (SPREAD)	8.7%	11.7%	9.8%	11.5%
Cost to income ratio (CIR)	48.5%	48.9%	45.7%	49.6%

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 31 December 2020, the consolidated assets of Bigbank AS Group totalled 757.8 million euros, having increased by 36.9 million euros (5.1%) during the fourth quarter.

As at 31 December 2020, loans to customers accounted for 76.2% of total assets, the proportion of liquid assets (amounts due from banks and financial debt instruments) was 16.0%. At the end of the fourth quarter, liquid assets totalled 121.3 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 45.8 million euros as at 31 December 2020, of which 39.9 million euros was pledged as collateral for a loan from the central bank and 5.9 million euros was part of the liquidity buffer.

At the end of the fourth quarter, the Group had 116 thousand loan agreements, 37 thousand of them in Lithuania, 34 thousand in Latvia, 25 thousand in Estonia, 11 thousand in Finland and 9 thousand in Sweden.

Geographical distribution of loans to customers:

- 31.8% Lithuania,
- 22.8% Estonia,
- 22.1% Latvia,
- 13.0% Finland,
- 10.3% Sweden.

At 31 December 2020, loans to customers totalled 577.7 million euros, comprising of:

- the loan portfolio of 591.6 million euros. Loans to individuals accounted for 90.3% of the total;
- interest receivable on loans of 13.5 million euros;
- loss allowances for loans and interest receivables of 27.4 million euros (consisting of a loss allowance for loans of 25.6 million euros and a loss allowance for interest receivables of 1.8 million euros).

Bigbank's loan portfolio is diversified – at the reporting date the average loan was 5,190 euros and as at 31 December 2020, 100 largest loans accounted for 10.4% of the loan portfolio.

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 fourth quarter of 2020, the Group's liabilities totalled 601.6 million euros. Most of the debt raised by the Group, i.e. 547.5 million euros (91.0%) 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 31 December 2020 36.5 million euros.

At the end of the fourth quarter of 2020, the Group's equity was 156.2 million euros. The equity to assets ratio amounted to 20.6%.

Financial performance

Interest income for the fourth quarter of 2020 reached 17.7 million euros, increasing by 0,5 million euros (3.0%) compared to the same period in 2019. The Group's 12-month interest income was 69.8 million euros, exceeding the interest income for the same period of the previous year by 4.2%.

The fourth quarter's ratio of interest income (annualised) to average interest-earning assets was 10.0% and (annualised) return on the loan portfolio accounted for 13.1% of the average loan portfolio.

Interest expense for the fourth quarter of 2020 was 1.9 million euros. Interest expense for 12 months of 2020 amounted to 7.0 million euros, having grown by 9.5% year on year. The ratio of interest expense to interest income was 10.7% in the fourth quarter. The ratio of interest expense to average interest-bearing liabilities (annualised) was 1.3%.

Salaries and associated charges for the fourth quarter of 2020 totalled 3.8 million euros and for 12 months of 2020 14.1 million euros. As at the end of the period, the Group had 383 employees.

Other operating expenses for the fourth quarter amounted to 3.1 million euros, being more or less the same as in the year-earlier period. Other operating expenses for 12 months totalled 11.1 million euros, being lower by 5.2% year on year.

In the fourth quarter, impairment losses were 2.6 million euros, consisting of:

- impairment losses on loan receivables of 2.2 million euros;
- impairment losses on interest receivables and other receivables of 0.4 million euros.

Impairment losses for 12 months of 2020 totalled 14.0 million euros, which have more than doubled year on year.

The Group's net profit for the fourth quarter of 2020 amounted to 5.5 million euros. In comparison to the fourth quarter of 2019, net profit has decreased by 1.4 million euros. Bigbank ended the year 2020 with a profit of 21.3 million euros. The profit, however, was 12.7% below year-earlier levels, mainly because of additional credit loss allowances recognised due to the public health crisis.

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 (in thousands of euros)	31 Dec 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	1,075	1,231
Other intangible assets	-12,495	-19,254
Profit eligible*	9,815	11,537
Adjustments to CET1 due to prudential filters	-45	-31
Common equity Tier 1 capital	132,171	108,851
Tier 1 capital	132,171	108,851
Tier 2 capital	5,000	5,000
Deductions	-	-
Total own funds	137,171	113,851

* Own funds as at 31 December 2020 and 31 December 2019 include nine months net profit that has been verified by an independent external auditor in the review of the financial information, less foreseeable dividends 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

As at (in thousands of euros)	31 Dec 2020	31 Dec 2019
Risk weighted exposure amounts for credit and counterparty credit (standardized approach)		
Institutions	12,865	3,260
Corporates	52,950	22,886
Retail	375,796	312,757
Secured by mortgages on immovable property	17,525	4,586
Exposures in default	12,835	14,926
Claims on institutions and corporates with a short-term credit assessment	2,499	2,393
Other items	46,327	9,910
Total risk weighted exposure amounts for credit and counterparty credit (standardised approach)	520,797	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	625,201	491,171

Capital ratios

	31 Dec 2020	31 Dec 2019
T1 Capital ratio	21.1%	22.2%
Total capital ratio	21.9%	23.2%
Leverage ratio	17.2%	19.2%
Minimum requirement for eligible liabilities (MREL)	18.7%	21.0%

Condensed consolidated interim financial statements

Consolidated statement of financial position

As at	Note	31 Dec 2020	31 Dec 2019
Assets			
Cash balances at central banks	2	48,336	32,855
Due from other banks	2	27,074	21,085
Debt instruments at fair value through other comprehensive income	3	45,845	31,390
Loans to customers	4, 5, 6, 7, 8	577,712	459,656
Other receivables	9	1,105	1,738
Prepayments	10	1,249	1,265
Property and equipment	11	4,424	5,157
Investment property	12	27,181	1,781
Intangible assets	13	24,213	19,254
Assets classified as held for sale		650	12
Total assets		757,789	574,193
Liabilities			
Loans from central banks	14	36,500	23,000
Deposits from customers	15	547,549	392,838
Subordinated notes		4,970	4,965
Lease liability		2,099	2,096
Provisions		1,516	2,137
Deferred income and tax liabilities		1,023	986
Other liabilities	16	7,894	7,118
Total liabilities		601,551	433,140
Equity			
Paid-in share capital		8,000	8,000
Capital reserve		800	800
Other reserves	17	1,075	1,232
Retained earnings		146,363	131,021
Total equity		156,238	141,053
Total liabilities and equity		757,789	574,193

Consolidated statement of comprehensive income

	Note	Q4 2020	Q4 2019	12M 2020	12M 2019
Interest income	21	17,721	17,207	69,751	66,950
Interest expense	22	-1,898	-1,538	-6,996	-6,390
Net interest income		15,823	15,669	62,755	60,560
Fee and commission income		1,442	1,160	5,228	4,287
Fee and commission expense		-59	-41	-235	-240
Net fee and commission income		1,383	1,119	4,993	4,047
Losses on derecognition of debt instruments at FVOCI		-213	-	-213	-
Net profit/loss on exchange differences		364	159	279	-194
Net profit/loss on derecognition of non-financial assets		-1	-6	-34	-13
Other income	23	295	258	1,401	1,190
Total income		17,651	17,199	69,181	65,590
Salaries and associated charges		-3,752	-3,617	-14,125	-14,917
Other operating expenses	24	-3,128	-3,266	-11,116	-11,722
Depreciation and amortisation expense		-866	-866	-3,456	-3,298
Provision expenses		-74	332	622	-304
Net impairment losses on loans and financial investments		-2,581	-1,642	-14,037	-6,675
Losses resulting from changes in the fair value of investment properties		-364	100	-364	100
Other expenses	25	-817	-659	-2,923	-2,591
Profit/loss from assets classified as held for sale		-	1	-	23
Total expenses		-11,582	-9,617	-45,399	-39,384
Profit before income tax		6,069	7,582	23,782	26,206
Income tax expense		-542	-666	-2,440	-1,753
Profit for the period		5,527	6,916	21,342	24,453
Other comprehensive income/expense					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations		-328	-145	-272	181
Changes in the fair value of debt instruments at FVOCI		473	-233	51	4
Net other comprehensive income to be reclassified to profit or loss		145	-378	-221	185
<i>Items that will not to be reclassified to profit or loss:</i>					
Revaluation of land and buildings		64	241	64	241
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		64	241	64	241
Other comprehensive income for the period		209	-137	-157	426
Total comprehensive income for the period		5,736	6,779	21,185	24,879
Basic earnings per share (EUR)		69	86	267	306
Diluted earnings per share (EUR)		69	86	267	306

Consolidated statement of cash flows

	Note	12M 2020	12M 2019
Cash flows from operating activities			
Interest received		65,592	60,406
Interest paid		-5,137	-5,586
Salary and other operating expenses paid		-31,458	-33,124
Other income and fees received		7,305	6,535
Recoveries of receivables previously written off and received for sold portfolios		10,071	25,479
Received for other assets		112	-
Loans provided		-364,944	-266,377
Repayment of loans provided		231,537	209,155
Change in mandatory reserves with central banks	2	-808	371
Proceeds from customer deposits		340,409	94,327
Paid on redemption of deposits		-190,135	-91,662
Income tax paid/received		-1,682	-2,006
Effect of movements in exchange rates		-186	-112
Net cash from / used in operating activities		60,676	-2,594
Cash flows from investing activities			
Acquisition of property and equipment and intangible assets	11,13	-7,224	-8,624
Proceeds from sale of property and equipment		9	92
Acquisition of investment properties	12	-23,907	-
Proceeds from sale of investment properties		141	138
Net cash from acquisition of subsidiary*	26	38	-
Acquisition of financial instruments	3	-15,784	-21,824
Proceeds from redemption of financial instruments	3	1,868	4,177
Net cash used in investing activities		-44,859	-26,041
Cash flows from financing activities			
Paid on redemption of subordinated bonds		-330	-330
Proceeds from loans from central bank	14	13,500	23,000
Repayment of loan from shareholders	26	-2,000	-
Payment of principal portion of lease liabilities		-680	-723
Dividends paid		-6,000	-5,000
Net cash from financing activities		4,490	16,947
Effect of exchange rate fluctuations		363	47
Increase/decrease in cash and cash equivalents		20,670	-11,641
Cash and cash equivalents at beginning of period		52,980	64,621
Cash and cash equivalents at end of period	2	73,650	52,980

* 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.

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	-	-	-	24,453	24,453
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	181	-	181
Revaluation of land and buildings	-	-	241	-	241
Net change in fair value of debt instrument at FVOCI	-	-	4	-	4
Total other comprehensive income	-	-	426	-	426
Total comprehensive income for the period	-	-	426	24,453	24,879
Dividend distribution	-	-	-	-5,000	-5,000
Total transactions with owners	-	-	-	-5,000	-5,000
Balance at 31 December 2019	8,000	800	1,232	131,021	141,053
Balance at 1 January 2020	8,000	800	1,232	131,021	141,053
Profit for the period	-	-	-	21,342	21,342
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	-272	-	-272
Net change in fair value of debt instrument at FVOCI	-	-	51	-	51
Revaluation of land and buildings	-	-	64	-	64
Total other comprehensive income	-	-	-157	-	-157
Total comprehensive income for the period	-	-	-157	21,342	21,185
Dividend distribution	-	-	-	-6,000	-6,000
Total transactions with owners	-	-	-	-6,000	-6,000
Balance at 31 December 2020	8,000	800	1,075	146,363	156,238

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 amortization at and for the twelve months ended 31 December 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 not been audited or otherwise reviewed by auditors and only includes the condensed consolidated financial statements of the Group. The financial statements are presented in thousands of euros, unless otherwise indicated.

Note 2. Cash and bank balances and cash equivalents

As at	31 Dec 2020	31 Dec 2019
Cash balances at central banks	48,336	32,855
Of which mandatory reserve deposits	1,767	959
Of which surplus on mandatory reserves*	46,576	31,896
Of which interest receivable from central banks	-7	-
Cash balances at banks	27,074	21,085
Of which cash demand and overnight deposits*	23,074	18,384
Of which term deposits with maturity of less than 3 months*	4,000	2,700
Of which interest receivable	-	1
Total cash and balances at banks	75,410	53,940
of which cash and cash equivalents	73,650	52,980

* Cash equivalents

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

As at	31 Dec 2020	31 Dec 2019
Debt instruments	45,845	31,390
Debt instruments by issuer		
General government bonds	4,197	4,759
Bonds issued by credit institutions	16,432	6,583
Other financial corporations' bonds	2,065	2,083
Non-financial corporations' bonds	23,151	17,965
Debt instruments by currency		
EUR (euro)	43,181	28,841
SEK (Swedish krona)	2,664	2,549
Debt instruments by rating		
Aaa-Aa3	7,589	5,754
A1-A3	23,729	11,966
Baa1-Baa3	10,518	13,670
Ba1-Ba3	4,009	-

Debt securities in amount of 39,883 thousand euros were pledged as collateral at 31 December 2020 (see note 14).

Note 4. Loans to customers

Loans to customers as at 31 December 2020

	Estonia	Latvia	Lithuania	Finland	Sweden	Total
Loan receivables from customers	135,985	133,097	179,507	79,850	63,120	591,559
Loss allowances for loans	-5,968	-7,065	-3,735	-5,176	-3,634	-25,578
Interest receivable from customers	2,367	1,986	8,045	788	318	13,504
Loss allowances for interest receivables	-784	-643	-121	-141	-84	-1,773
Total	131,600	127,375	183,696	75,321	59,720	577,712
Share of region	22.8%	22.1%	31.8%	13.0%	10.3%	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	31 Dec 2020	31 Dec 2019
Past due	16,196	11,409
Less than 1 month	9,450	10,886
1-12 months	122,372	111,248
1-2 years	120,016	99,079
2-5 years	216,562	179,130
More than 5 years	106,963	61,703
Total	591,559	473,455

Note 6. Ageing analysis on loan receivables**Ageing analysis as at 31 December 2020**

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Unsecured loans						
Loan portfolio	463,463	24,808	6,161	3,265	17,696	515,393
Loss allowance	-10,935	-1,695	-1,870	-1,305	-8,908	-24,713
Surety loans						
Loan portfolio	2,619	76	36	2	284	3,017
Loss allowance	-253	-4	-2	-1	-195	-456
Loans secured with real estate						
Loan portfolio	66,300	3,951	61	133	967	71,412
Loss allowance	-7	-3	-3	-	-395	-408
Loans against other collaterals						
Loan portfolio	1,680	57	-	-	-	1,737
Loss allowance	-2	-	-	-	-	-2
Total loan portfolio	534,062	28,892	6,258	3,400	18,947	591,559
Total loss allowance	-11,197	-1,702	-1,875	-1,306	-9,498	-25,578

Ageing analysis as at 31 December 2019

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Unsecured 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	31 Dec 2020	31 Dec 2019
EUR (euro)	528,439	429,784
SEK (Swedish krona)	63,120	43,671
Total loan receivables from customers	591,559	473,455

Note 8. Loss allowances for loan receivables from customers**Loss allowances as at 31 December 2020**

	Loan receivables	Interest receivables	Total receivables subject to impairment	Total loss allowances
Stage 1	545,266	9,666	554,932	-10,397
Stage 2	23,667	642	24,309	-3,965
Stage 3	22,626	3,196	25,822	-12,989
Total	591,559	13,504	605,063	-27,351

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 12 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	-5,793	1,340	1,594	183	-10,397
Stage 2	-5,070	-1,142	497	310	1,440	-3,965
Stage 3	-11,502	-1,500	747	-7,475	6,741	-12,989
Total	-24,293	-8,435	2,584	-5,571	8,364	-27,351

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	31 Dec 2020	31 Dec 2019
Customer receivables and other miscellaneous receivables	849	1,625
Collection, recovery and other charges receivable	468	358
Loss allowance for other receivables	-212	-245
Total	1,105	1,738

Note 10. Prepayments

As at	31 Dec 2020	31 Dec 2019
Tax receivables	439	620
Prepaid other taxes	16	5
Prepayments to suppliers and prepaid expenses	794	640
Total	1,249	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	83	296
Sales	-	-	-49	-49
Write-off	-	-306	-54	-360
Revaluation and price adjustment	-	519	-	519
Revaluation recognised in other comprehensive income	-8	-	-	-8
Effect of movements in exchange rates	-	-	1	1
Balance at 31 December 2020	1,582	3,246	4,211	9,039
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
Balance at 1 January 2020	-10	-733	-2,740	-3,483
Depreciation charge for the period	-62	-689	-796	-1,547
Sales	-	-	31	31
Write-off	-	260	53	313
Transfer**	72	-	-	72
Effect of movements in exchange rates	-	-	-1	-1
Balance at 31 December 2020	-	-1,162	-3,453	-4,615

	Land and buildings	Right-of-use assets: commercial premises	Other items*	Total
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 31 December 2020	1,582	2,084	758	4,424

* Other items of property and equipment comprise computers, office equipment and furniture and other fixtures and fittings.

** Land and buildings are measured using the revaluation model. Accumulated depreciation as at the revaluation date was eliminated against the gross carrying amount of the revalued assets, see note 19.

Note 12. Investment properties

	31 Dec 2020	31 Dec 2019
Opening balance at 1 January	1,781	1,866
Additions	25,849	-
Sales	-85	-185
Net profit/loss from fair value adjustment	-364	100

In 2020, the Group made several significant investments in investment properties: a building in Tallinn, at Narva mnt 11, was acquired in October and OÜ Rütli Property, a subsidiary of OÜ Rütli Majad acquired in the reporting period, invested in agricultural land. In addition, investment

properties include a building in Tartu and some plots, houses and apartments originally pledged by customers as loan collateral and later acquired by the Group through auctions (see note 26).

Note 13. Intangible assets

	31 Dec 2020	31 Dec 2019
Cost at beginning of year	23,268	15,002
Purchased and developed software*	6,926	8,288
Of which purchases	3,846	4,113
Of which capitalised payroll costs	3,080	4,175
Write-off	-246	-22
Reclassification	-	-
Cost at end of period	29,948	23,268
Amortisation at beginning of year	-4,014	-2,621
Amortisation charge for the period	-1,909	-1,415
Write-off	188	22
Amortisation at end of period	-5,735	-4,014
Carrying amount at beginning of year	19,254	12,381
Carrying amount at end of period	24,213	19,254

* The Group's intangible assets comprise various software.

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. As at 31 December 2020, loans from central banks amounted to 36,500 thousand euros.

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	31 Dec 2020	31 Dec 2019
Deposits from customers	547,549	392,838
Deposits by customer type		
Individuals	540,592	380,321
Legal persons	6,957	12,517
Deposits by currency		
EUR (euro)	476,789	339,857
SEK (Swedish krona)	70,760	52,981
Deposits by maturity		
Save deposits (on demand)	68,643	-
Maturing within 1 months	16,078	20,658
Maturing between 1 and 6 months	96,084	58,158
Maturing between 6 and 12 months	108,713	92,137
Maturing between 12 and 18 months	54,047	34,535
Maturing between 18 and 24 months	48,689	59,481
Maturing between 24 and 36 months	63,196	57,909
Maturing between 36 and 48 months	27,365	27,319
Maturing between 48 and 60 months	24,178	12,278
Maturing in over 60 months	40,556	30,363

The median amount of customer deposits was 39 thousand euros.

Note 16. Other liabilities

As at	31 Dec 2020	31 Dec 2019
Received surplus payments	4,785	4,188
Payables to employees	1,709	1,619
Supplier payables	405	778
Other payables	995	533
Total	7,894	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	31 Dec 2020	Change	31 Dec 2019
Exchange differences on translation of foreign operations	602	-272	874
Asset revaluation reserve	609	64	545
Fair value changes of debt instruments measured at FVOCI	-136	51	-187
Total other reserves	1,075	-157	1,232

Note 18. Net currency positions**Net currency positions as at 31 December 2020**

	Position in the statement of financial position		Off-balance sheet position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	673,299	530,173	-	42,892	100,234
SEK (Swedish krona)	71,995	71,354	-	1,825	-1,184
BGN (Bulgarian lev)	-	5	-	5	-10
USD (American dollar)	-	19	-	-	-19

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 31 December 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 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt instruments at fair value through other comprehensive income (note 3)	45,845	-	-	45,845
Land and buildings (note 11)	-	-	1,582	1,582
Investment properties (note 12)	-	-	27,181	27,181
Assets for which fair values are disclosed				
Loans to customers (note 4-8)	-	-	577,712	577,712
Other financial receivables (note 9)	-	-	1,105	1,105
Total assets	45,845	-	607,580	653,425
Liabilities for which fair values are disclosed				
Loans from central banks (note 14)	-	-	36,500	36,500
Deposits from customers (note 15)	-	-	547,549	547,549
Subordinated notes	-	-	4,970	4,970
Lease liability	-	-	2,099	2,099
Other financial liabilities (note 16)	-	-	7,894	7,894
Total liabilities	-	-	599,012	599,012

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 12 months of 2020 and of 2019.

The Level 3 *loans to customers* that amounts to 577,712 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 1,582 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. The valuer based the valuation of the property in Tallinn on the prices per square metre of residential space in Tallinn that were in the range of 2,995 – 3,147 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 1%, long-term vacancy rate 5%, and vacancy rate for the first year 40% and discount rate 8% for commercial property in Tallinn.

Valuations are performed with sufficient frequency to ensure that the fair value of an asset does not differ materially from its carrying amount. Management

assessed, based on an expert's opinion, that fair value had changed and therefore a new valuation was performed in the fourth quarter of 2020.

The Level 3 *investment properties* that amount to 27,181 thousand euros consist of office buildings in Tartu and Tallinn as well as land plots, houses, apartments and agricultural land originally pledged by customers as loan collateral and later acquired by the Group through auctions. Investment properties 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 2,761 euros and development costs per square metre 906 euros.

Management measured the value of the investment property which was acquired in Tallinn in October 2020 as at the reporting date and, based on the fact that the asset was exchanged in an arm's length transaction between independent parties and that the time between the date of acquisition and the reporting date was very short, management concluded that the property was reported at fair value at the reporting date.

Valuations of agricultural land are performed using the market comparison approach. Based on valuation reports, the best use of the land is the existing use for agricultural purposes. The valuer based the valuation on the weighted average prices per hectare of agricultural land that were in the range of 3,015 – 4,555 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 31 December 2020, the unused portions of the credit lines and loans totalled 44,717 thousand euros (31 December 2019: 21,001 thousand euros), guarantees issued totalled 5 thousand euros (31 December 2019: -).

Note 21. Interest income

	Q4 2020	Q4 2019	12M 2020	12M 2019
Interest income on loans to customers	17,569	17,106	69,122	66,593
Interest income on debt instruments	152	79	605	277
Interest income on deposits	1	6	8	17
Other interest income	-1	16	16	63
Total interest income	17,721	17,207	69,751	66,950

Note 22. Interest expense

	Q4 2020	Q4 2019	12M 2020	12M 2019
Interest expense on deposits	1,753	1,425	6,495	5,956
Interest expense on bonds	84	84	335	334
Interest expense on lease liabilities	6	7	26	30
Other interest expense	55	22	140	70
Total interest expense	1,898	1,538	6,996	6,390

Note 23. Other income

	Q4 2020	Q4 2019	12M 2020	12M 2019
Income from debt recovery proceedings	136	132	573	771
Miscellaneous income	159	126	828	419
Total other income	295	258	1,401	1,190

Note 24. Other operating expenses

	Q4 2020	Q4 2019	12M 2020	12M 2019
Marketing expenses	2,178	2,016	7,268	6,938
Short-term leases	26	9	50	118
Office and other similar administrative expenses	138	115	410	472
Other personnel-related expenses	59	317	450	1,119
Software licensing and other information technology costs	327	326	1,346	1,336
Other services	203	99	560	386
Postal supplies and charges	101	136	403	467
Telephone and other communications expenses	100	130	443	499
Miscellaneous operating expenses	57	118	247	387
Total other operating expenses	3,189	3,266	11,177	11,722

Note 25. Other expenses

	Q4 2020	Q4 2019	12M 2020	12M 2019
Expenses related to registry inquires	297	296	1,133	1,116
Expenses related to enforcement proceedings	156	73	578	406
Legal regulation charges	160	164	640	629
Expenses from investment properties	35	18	102	53
Miscellaneous expenses	108	108	409	387
Total other expenses	756	659	2,862	2,591

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 Rūütli Property, which invests in agricultural land. At the acquisition date the assets of OÜ Rūütli 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.

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 31 December 2020, the Group had a claim to related parties of 39 thousand euros (*Loans to customer*) (31 December 2019: 44 thousand euros), the interest income on that claim amounted to 2 thousand euros in 12 months of 2020 (in 12 months of 2019: 2 thousand euros).

Loans granted to related parties are issued at market conditions.

Statement by the Management Board

According to the knowledge and belief of the Management Board of Bigbank AS, as at the date of publication:

- the figures and additional information presented in the condensed consolidated interim report for the twelve months of 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 31 December 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

26 February 2021

[digitally signed]

Sven Raba

Member of the Management Board

26 February 2021

[digitally signed]

Mart Veskimägi

Member of the Management Board

26 February 2021

[digitally signed]

Argo Kiltsmann

Member of the Management Board

26 February 2021

[digitally signed]