



2015

Interim report for the
fourth quarter

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Bigbank AS

consolidated interim report for the fourth quarter of 2015

Business name Bigbank AS

Registry Commercial Register of the Republic of Estonia

Registration number 10183757

Date of entry 30 January 1997

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Financial year 1 January 2015 – 31 December 2015

Reporting period 1 January 2015 – 31 December 2015

Chairman of the management board Kaido Saar

Business line Provision of consumer loans and acceptance of deposits

Auditor Ernst & Young Baltic AS

Reporting currency The reporting currency is the euro and numerical financial data is presented in millions of currency units rounded to three digits after the decimal point.

The Public interim report can be accessed on the website of Bigbank AS at www.bigbank.ee.

The version in English can be accessed at www.bigbank.eu.

Review of operations

Significant economic events

Loan portfolio of Bigbank AS (hereinafter also “Bigbank” and the “Group”) grew moderately during the fourth quarter of 2015. Group’s loan portfolio increased 2.7 million euros i.e. 0.8% during the quarter. The largest contributor to the growth of the loan portfolio was the Lithuanian branch.

The Group’s net profit for the fourth quarter of 2015 comprised 2.8 million euros. Profit before impairment allowances totalled 8.3 million euros in the fourth quarter of 2015. The corresponding figure was 10.6 million euros in the fourth quarter of 2014.

The supervisory board of Bigbank AS has five members – the chairman of the supervisory board Parvel Pruunsild and the members Vahur Voll, Juhani Jaeger, Raul Eamets and Andres Koern. The management board has three members - the chairman of the management board Kaido Saar and the members Ingo Pöder and Agur Jõgi.

Bigbank had 423 employees at the end of the fourth quarter of 2015: 193 in Estonia, 87 in Latvia, 61 in Lithuania, 33 in Finland, 29 in Spain and 20 in Sweden.

At the end of the fourth quarter, the Group had 4 branch offices, 1 of them located in Estonia, 2 in Latvia and 1 in Spain.

Bigbank has accepted subordinated term deposits in year 2014 in total volume of 1.797 million euros and included them as second tier own funds in capital adequacy calculations, informing Financial Supervision Authority on 1 October 2014. Estonian Financial Supervision Authority issued a precept to Bigbank on 16 October 2015 requiring to remove these subordinated deposits from second tier own funds. Bigbank has included appropriate corrections to reports, including the comparison data, starting from the previous interim report.

Key performance indicators and ratios

Financial position indicators (in millions of euros)	31 Dec 2015	31 Dec 2014	Change
Total assets	352.947	324.758	8.7%
Loans to customers	299.531	275.101	8.9%
of which loan portfolio	326.037	304.216	7.2%
of which interest receivable	22.974	23.405	-1.8%
of which impairment allowances	-49.480	-52.520	-5.8%
of which impairment allowances for loans	-32.942	-40.832	-19.3%
of which impairment allowances for interest receivables	-9.530	-7.615	25.1%
of which statistical impairment allowances	-7.008	-4.073	72.1%
Deposits from customers	257.181	239.033	7.6%
Equity	91.107	81.259	12.1%

Financial performance indicators (in millions of euros)	Q4 2015	Q4 2014	Change
Interest income	16.168	15.080	7.2%
Interest expense	1.592	1.815	-12.3%
Expenses from impairment allowances	5.513	6.184	-10.9%
Income from debt collection proceedings	1.044	1.702	-38.7%
Profit before impairment allowances	8.294	10.629	-22.0%
Net profit	2.781	4.445	-37.4%

Ratios	4Q 2015	3Q 2015	2Q 2015	1Q 2015	Q4 2014
Return on equity (ROE)	12.4%	20.0%	13.5%	6.5%	22.6%
Equity multiplier (EM)	3.9	3.9	4.0	4.0	4.1
Profit margin (PM)	15.6%	17.0%	15.3%	7.4%	25.6%
Asset utilization ratio (AU)	20.5%	30.0%	22.0%	21.6%	21.7%
Return on assets (ROA)	3.3%	5.1%	3.4%	1.6%	5.6%
Price difference (SPREAD)	15.2%	24.0%	16.0%	15.8%	15.0%

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

The statement of financial position indicators used in calculating the ratios are found as the arithmetic means of respective data as at the end of the month preceding the reporting quarter and as at the end of each month of the reporting quarter. In the case of indicators of the consolidated statement of comprehensive income, the annualized actual data of the reporting quarter are used.

Explanations of ratios:

Return on equity (ROE) – net profit to equity

Equity multiplier (EM) – total assets to total equity

Profit margin (PM) – net profit to total income

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

Return on assets (ROA) – net profit to total assets

SPREAD – ratio of interest income to interest-bearing assets less ratio of interest expense to interest-bearing liabilities

Financial review

Financial position

Total assets As at 31 December 2015, the consolidated assets of Bigbank AS Group totalled 352.9 million euros, having increased by 11.2 million euros (+3.3%) during the quarter.

As at 31 December 2015, loans to customers accounted for 84.9% of total assets, the proportion of liquid assets (amounts due from banks, financial assets held for trading and held-to-maturity financial assets) was 12.6%.

Liquid assets At the end of the fourth quarter, liquid assets totalled 44.4 million euros.

Financial assets held for trading	Part of bank's liquidity buffer was placed in a trading portfolio of debt securities, which are highly liquid, hold investment grade credit ratings, and can be sold at any moment. Financial assets held for trading totalled 14.4 million euros as at 31 December 2015.
Held-to-maturity financial assets	Free funds were partly invested also in short-term debt securities with fixed payments and maturities, which the Group intends to and is able to hold until maturity. At 31 December 2015, the Group had 0.6 million euros of such debt securities.
Loans to customers	<p>At the end of the fourth quarter, the Group had 161 thousand loan agreements, 68 thousand of them in Latvia, 38 thousand in Estonia, 27 thousand in Lithuania, 12 thousand in Finland, 10 thousand in Spain and 6 thousand in Sweden.</p> <p>Geographical distribution of loans to customers:</p> <ul style="list-style-type: none"> ▪ 23.9% Latvia, ▪ 19.4% Lithuania, ▪ 18.2% Finland, ▪ 17.4% Estonia, ▪ 12.0% Sweden, ▪ 9.1% Spain. <p>At 31 December 2015, loans to customers totalled 299.5 million euros, comprising of:</p> <ul style="list-style-type: none"> ▪ the loan portfolio of 326.0 million euros, loans to individuals accounting for 92.8% of the total; ▪ interest receivable on loans of 23.0 million euros; ▪ impairment allowances for loans and interest receivables of 49.5 million euros (consisting of an impairment allowance for loans of 33.0 million euros, an impairment allowance for interest receivables of 9.5 million euros and a statistical impairment allowance of 7.0 million euros). <p>Bigbank's loan portfolio is diversified – at the reporting date the average loan was 2,021 euros and as at 31 December 2015, 40 largest loans accounted for 4.7% of the loan portfolio.</p> <p>Bigbank AS focuses on the provision of consumer loans. In line with the corporate strategy, as at 31 December 2015 loans against income accounted for 87.2%, loans against surety for 3.5%, loans secured with real estate for 9.2% and loans granted against other types of collateral for 0.1% of the total loan portfolio.</p>

Past due loans	<p>As regards past due receivables, it is important to note that the collection of non-performing consumer loans differs significantly from the recovery of loans that have physical collateral (for example, mortgage-backed loans). Due to their nature (as a rule, consumer loans are backed with the customer's regular income), claims related to terminated consumer loans are satisfied in smaller instalments over an extended period rather than in a lump sum raised through the sale of the collateral.</p> <p>Past due loans comprise loan principal that has fallen due. Under the terms and conditions of its loan agreements, the Group may terminate an agreement unilaterally if at least three scheduled payments are in arrears. When an agreement is terminated, the customer has to settle any outstanding loan principal, any accrued interest, and any collateral claims resulting from the settlement delay.</p> <p>Loans past due for more than 90 days consist of past due principal payments plus the total amount of loan principal that has fallen due in connection with termination of agreements.</p>
Impairment allowances	<p>To mitigate the risks arising from customers' payment behaviour and to cover potential credit losses, the Group makes impairment allowances, which are created on a conservative basis. At 31 December 2015, impairment allowances totalled 50.1 million euros, consisting of:</p> <ul style="list-style-type: none"> ▪ impairment allowances for loan receivables of 32.9 million euros, ▪ impairment allowances for interest receivables of 9.5 million euros, ▪ statistical impairment allowances of 7.0 million euros, ▪ impairment allowances for other receivables of 0.7 million euros. <p>Where debt recovery proceedings do not yield expected results, the underlying receivable is written off the statement of financial position.</p>
Liabilities	<p>At the end of the fourth quarter of 2015, the Group's liabilities totalled 261.8 million euros. Most of the debt raised by the Group, i.e. 257.2 million euros (98.2%) consisted of term deposits (including subordinated deposits in the amount of 1.8 million euros).</p>
Equity	<p>In the fourth quarter of 2015, the Group's equity was 91.1 million euros. The equity to assets ratio amounted to 25.8%.</p>

Financial performance

Interest income	<p>Interest income for the fourth quarter reached 16.2 million euros, increasing by 1.1 million euros (7.2%) year over year. The increase in interest income results from growth in the loan portfolio.</p> <p>The period's ratio of interest income (annualised) to average interest-earning assets was 17.8% and (annualised) return on the loan portfolio accounted for 19.7% of the average loan portfolio.</p>
Interest expense	<p>Interest expense for the fourth quarter of 2015 was 1.6 million euros, decreasing by 0.2 million euros year over year (12.3%).</p> <p>The ratio of interest expense to interest income was 9.9 %. The ratio of interest expense to average interest-bearing liabilities (annualised) was 2.6%.</p>
Other operating expenses	<p>Other operating expenses for the fourth quarter totalled 2.3 million euros (a decrease of 0.4 million euros year over year).</p>
Salaries and associated charges	<p>Salaries and associated charges for the fourth quarter of 2015 amounted to 3.4 million euros, including remuneration of 2.1 million euros. As at the end of the period, the Group had 423 employees.</p>
Impairment losses	<p>In the fourth quarter, impairment losses increased by 5.5 million euros, consisting of:</p> <ul style="list-style-type: none"> ▪ impairment losses on loan receivables of 6.1 million euros, ▪ impairment income on interest receivables of 0.6 million euros, ▪ Impairment allowances are made on a conservative basis.
Other income and expenses	<p>Other income for the fourth quarter of 2015 was 1.1 million euros, the largest proportion of which resulted from debt collection income. In the same period of 2014, other income was 1.8 million euros.</p> <p>Other expenses for the fourth quarter reached 0.6 million euros, decreasing by 0.1 million euros year over year.</p>
Profit for the period	<p>The Group's net profit for the fourth quarter of 2015 amounted to 2.8 million euros. In comparison to the fourth quarter of 2014, net profit has decreased by 1.7 million euros (37.4%).</p> <p>Fourth-quarter profit before impairment allowances was 8.2 million euros, the corresponding figure for the fourth quarter of 2014 was 10.6 million euros (a decrease of 22.0%).</p>

Capital ratios

Own funds

As at	Basel III 31 Dec 2015	Basel III 31 Dec 2014
Paid up capital instruments	8.000	8.000
Other reserves	0.800	0.800
Previous years retained earnings	70.065	58.897
Other accumulated comprehensive income	1.047	1.087
Other intangible assets	-1.611	-1.181
Profit or loss eligible	7.381	11.168
Adjustments to CET1 due to prudential filters	-	-0.193
Common equity Tier 1 capital	85.682	78.578
Tier 1 capital	85.682	78.578
Tier 2 capital	-	-
Deductions	-	-
Total own funds	85.682	78.578

Total risk exposure amount

	Basel III 31 Dec 2015	Basel III 31 Dec 2014
Risk weighted exposure amounts for credit and counterparty credit (standardized approach)		
Central governments or central banks	1.214	0.635
Regional governments or local authorities	0.372	-
Institutions	5.423	3.455
Corporates	35.906	13.680
Retail	167.994	146.966
Secured by mortgages on immovable property	5.498	4.488
Exposures in default	42.032	58.279
Other items	8.901	17.290
Total risk weighted exposure amounts for credit and counterparty credit (standardized approach)	267.340	244.793
Total risk exposure amount for foreign exchange risk (standardized approach)	0.084	2.501
Total risk exposure amount for operational risk (standardized approach)	80.860	68.504
Total risk exposure amount for credit valuation adjustment (standardized approach)	-	2.924
Total risk exposure amount	348.284	318.722

Capital ratios

	Basel III 31 Dec 2015	Basel III 31 Dec 2014
CET1 Capital ratio	24.6%	24.7%
T1 Capital ratio	24.6%	24.7%
Total capital ratio	24.6%	24.7%
Leverage ratio	23.7%	22.9%

The comparison data (31 December 2014) of capital ratios has been corrected in accordance with the precept of the Estonian Financial Supervision Authority dd. 16 October 2015 about non-qualification of subordinated deposits as Tier 2 capital. Consequently, no subordinated deposits are included in the calculation of capital ratios in Tier 2 capital of the comparison data and therefore the total capital ratio decreased by 0.5 percentage points.

Net profit for the reporting period that has been verified by an independent external auditor in the review of the financial information (2015: nine

months), less foreseeable dividends and following the permit of the Estonian Financial Supervisory Authority.

Profit for the year 2014 has been adjusted for the dividends.

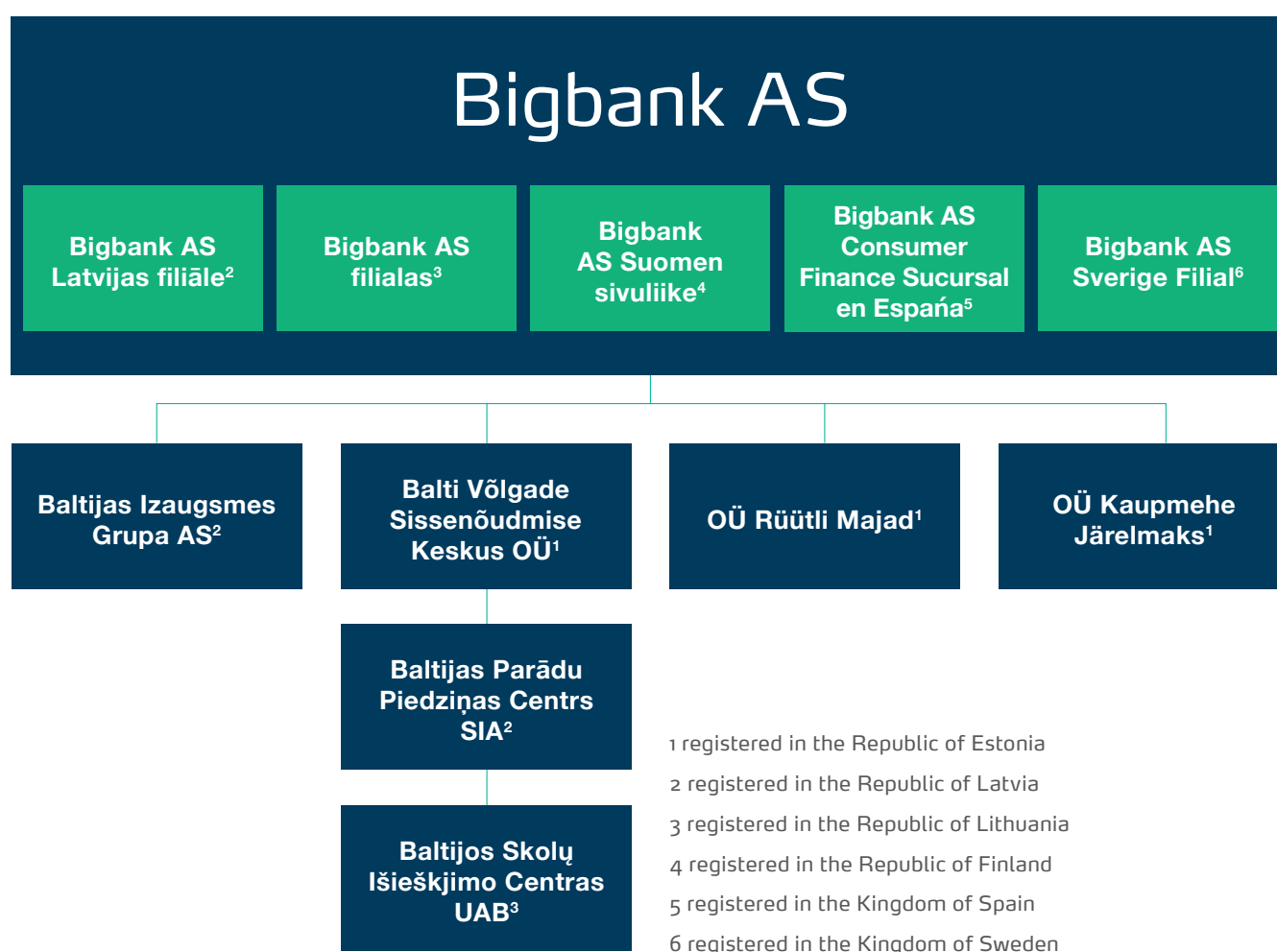
Own funds are calculated on the basis of Regulation (EU) no 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms that incorporate the Basel III framework.

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

Bigbank group structure

Bigbank AS was founded on 22 September 1992. A licence for operating as a credit institution was issued to Bigbank AS on 27 September 2005. Bigbank is specialised on consumer loans and term deposits.

The Group's structure at the reporting date:



The branches in Latvia, Lithuania, Finland, Spain and Sweden offer lending services similar to those of the parent. In addition, the parent and its Latvian, Finnish and Swedish branches offer deposit services. In addition, Bigbank AS provides cross-border deposit services in Germany, the Netherlands and Austria. The core business of OÜ Rütli

Majad is managing the real estate used in the parent's business operations in Estonia. OÜ Balti Völgade Sissenõudmise Keskus and its subsidiaries support the parent and its branches in debt collection and OÜ Kaupmehe Järelmaks offers hire purchase services.

Condensed consolidated interim financial statements

Consolidated statement of financial position

As at	Note	31 Dec 2015	31 Dec 2014
Assets			
Cash and balances at central banks		15.328	20.150
Cash and balances at banks		13.993	13.665
Financial assets held for trading	3	14.464	-
Loans to customers	4,5,6,7,8,9	299.531	275.101
Held-to-maturity financial assets	10	0.633	1.186
Derivatives with positive fair value		-	0.225
Other receivables	11	1.086	2.064
Prepayments	12	1.106	3.967
Property and equipment		3.389	3.426
Investment property	13	0.797	1.100
Intangible assets		1.611	1.181
Total assets		352.947	324.758
Liabilities			
Deposits from customers	14	257.181	239.033
Derivatives with negative fair value		-	0.075
Provisions		-	0.216
Other liabilities		3.000	3.032
Deferred income and tax liabilities		1.659	1.143
Total liabilities		261.840	243.499
Equity			
Share capital		8.000	8.000
Capital reserve		0.800	0.800
Other reserves	15	1.048	0.894
Earnings retained in prior years		81.259	71.565
Total equity		91.107	81.259
Total liabilities and equity		352.947	324.758

Consolidated statement of comprehensive income

	Note	Q4 2015	Q4 2014	12M 2015	12M 2014
Interest income	18	16.168	15.080	71.959	59.680
Interest expense	19	-1.592	-1.815	-6.660	-7.591
Net interest income		14.576	13.265	65.299	52.089
Net fee income		0.552	0.479	2.142	1.946
Net gain/loss on financial transactions		0.019	-0.120	-0.565	-0.358
Other income	20	1.094	1.758	4.798	7.260
Total income		16.241	15.382	71.674	60.937
Salaries and associated charges		-3.422	-3.230	-13.802	-12.267
Other operating expenses	21	-2.263	-2.706	-9.552	-8.741
Depreciation and amortisation expense		-0.174	-0.215	-0.661	-0.603
Impairment losses on loans and financial investments		-5.513	-6.184	-30.934	-24.665
Impairment losses on other assets		-0.144	-0.226	-0.144	-0.226
Other expenses	22	-0.648	-0.753	-2.710	-3.241
Total expenses		-12.164	-13.314	-57.803	-49.743
Profit before income tax		4.077	2.068	13.871	11.194
Income tax expense/income		-1.296	2.377	-2.677	1.474
Profit for the period		2.781	4.445	11.194	12.668
Other comprehensive income/expense					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations		-0.014	0.029	-0.039	0.078
Net profit on hedges of net investments in foreign operations		-0.003	-0.021	0.193	-0.071
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-0.017	0.008	0.154	0.007
Other comprehensive income for the period		-0.017	0.008	0.154	0.007
Total comprehensive income for the period		2.764	4.453	11.348	12.675
Basic earnings per share (EUR)		35	56	140	158
Diluted earnings per share (EUR)		35	56	140	158

Consolidated statement of cash flows

	Note	12M 2015	12M 2014
Cash flows from operating activities			
Interest received		58.628	53.922
Interest paid		-5.691	-7.234
Salary and other operating expenses paid		-24.233	-20.922
Other income received		6.098	7.553
Other expenses paid		-4.367	-4.571
Fees received		1.135	1.550
Fees paid		-0.177	-0.182
Recoveries of receivables previously written off		15.100	3.965
Received for other assets		0.615	0.237
Paid for other assets		-0.689	-0.336
Loans provided		-177.815	-145.190
Repayment of loans provided		125.110	109.825
Change in mandatory reserves with central banks		-0.215	1.542
Proceeds from customer deposits		69.420	58.806
Paid on redemption of deposits		-53.296	-57.299
Net acquisition and disposal of trading portfolio		-14.625	-
Income tax paid/received		1.970	-1.520
Effect of movements in exchange rates		-0.006	0.105
Net cash used/from in operating activities		-3.038	0.251
Cash flows from investing activities			
Acquisition of property and equipment and intangible assets		-1.016	-0.500
Proceeds from sale of property and equipment		0.014	0.006
Proceeds from sale of investment properties		0.106	0.041
Acquisition of financial instruments		-3.864	-11.142
Proceeds from redemption of financial instruments		4.420	17.961
Net cash from investing activities		-0.340	6.366
Cash flows from financing activities			
Dividends paid		-1.500	-1.080
Net cash used in financing activities		-1.500	-1.080
Effect of exchange rate fluctuations		0.170	-0.312
Decrease/increase in cash and cash equivalents		-4.708	5.225
Cash and cash equivalents at beginning of period		33.602	28.377
Cash and cash equivalents at end of period	2	28.894	33.602

Consolidated statement of changes in equity

	Attributable to equity holders of the parent				Total
	Share capital	Statutory capital reserve	Other reserves	Retained earnings	
Balance at 1 January 2014	8.000	0.800	0.887	59.978	69.665
Profit for the period	-	-	-	12.668	12.668
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	0.078	-	0.078
Net loss on hedges of net investments in foreign operations	-	-	-0.071	-	-0.071
Total other comprehensive income	-	-	0.007	-	0.007
Total comprehensive income for the period	-	-	0.007	12.668	12.675
Dividend distribution	-	-	-	-1.080	-1.080
Total transactions with owners	-	-	-	-1.080	-1.080
Balance at 31 December 2014	8.000	0.800	0.894	71.566	81.259
Balance at 1 January 2015	8.000	0.800	0.894	71.565	81.259
Profit for the period	-	-	-	11.194	11.194
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	-0.039	-	-0.039
Net loss on hedges of net investments in foreign operations	-	-	0.193	-	0.193
Total other comprehensive income	-	-	0.154	-	0.154
Total comprehensive income for the period	-	-	0.154	11.194	11.348
Dividend distribution	-	-	-	-1.500	-1.500
Total transactions with owners	-	-	-	-1.500	-1.500
Balance at 31 December 2015	8.000	0.800	1.048	81.259	91.107

Notes to the condensed consolidated interim financial statements

Note 1. Accounting policies

The condensed consolidated interim financial statements of Bigbank AS as at and for the fourth quarter ended 31 December 2015 have been prepared in accordance with the international financial reporting standard IAS 34 Interim Financial Reporting as adopted by the European Union. The interim financial statements do not include all the information required for full annual financial statements and they should be read in conjunction with the Group's latest published annual financial statements as at and for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS EU). The condensed interim financial statements have been prepared using the same accounting policies and measurement bases that were applied in preparing the latest annual financial statements as at and for the ended 31 December 2014, except the transition to IFRS on interest income recognition from non-performing claims. Recognition of the accrued interest on non-performing claims was earlier based on the Bank of Estonia Governor's

decree No. 9 Servicing of loans of credit institutions and entering of uncollectible claims in expenses clauses 8.4 and 8.5 according to which the calculation of accrued interest on non-performing claims – claims of which the party to transaction delays the payment of interest or principal over 90 calendar days – was suspended. The Group applied IFRS for interest income on non-performing claims from the third quarter of 2015 according to which the revenue recognition of accrued interest is not suspended. The new and revised standards and interpretations effective from 1 January 2015 do not have a significant impact on the Group's financial statements as at the preparation of the interim report.

This interim report has not been audited or otherwise reviewed by auditors and only includes the condensed consolidated financial statements of the Group. The financial statements are presented in millions of euros, unless otherwise indicated and numerical data has been rounded to three digits after the decimal point.

Note 2. Cash equivalents

As at	31 Dec 2015	31 Dec 2014
Demand and overnight deposits with credit institutions*	13.823	11.079
Term deposits with credit institutions with maturity of less than 1 year*	0.170	2.585
Surplus on mandatory reserves with central banks*	14.901	19.938
Mandatory reserves	0.427	0.212
Interest receivable from central banks	-	0.001
Total cash and balances at banks	29.321	33.815
of which cash and cash equivalents	28.894	33.602

* Cash equivalents

Note 3. Financial assets held for trading

As at	31 Dec 2015	31 Dec 2014
Financial assets held for trading	14.464	-
Financial assets held for trading by issuer		
Government bonds	3.544	-
Bonds issued by credit institutions	4.661	-
Other financial corporations' bonds	1.229	-
Non-financial corporations' bonds	5.030	-
Financial assets held for trading by currency		
EUR (euro)	14.464	-
Financial assets held for trading by rating		
Aa1-Aa3	2.446	-
A1-A3	4.926	-
Baa1-Baa3	7.092	-

Note 4. Loans to customers**Loans to customers as at 31 December 2015**

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Loan receivables from customers	55.657	79.673	62.022	55.867	32.516	40.302	326.037
Impairment allowances for loans	-5.235	-11.150	-4.161	-1.819	-6.018	-4.559	-32.942
Interest receivable from customers	5.260	10.141	1.629	1.313	3.021	1.610	22.974
Impairment allowances for interest receivables	-2.269	-4.103	-0.702	-0.203	-1.766	-0.487	-9.530
Statistical impairment allowance	-1.311	-3.097	-0.594	-0.654	-0.572	-0.78	-7.008
Total loans to customers, incl. interest and allowances	52.102	71.464	58.194	54.504	27.181	36.086	299.531
Share of region	17.4%	23.9%	19.4%	18.2%	9.1%	12.0%	100.0%

Loans to customers as at 31 December 2014

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

Note 5. Loan receivables from customers by due dates

As at	31 Dec 2015	31 Dec 2014
Up to 1 year	147.045	158.722
1-2 years	61.128	51.482
2-5 years	98.916	80.481
More than 5 years	18.948	13.531
Total	326.037	304.216

Note 6. Ageing analysis of loan receivables**Ageing analysis as at 31 December 2015**

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Loans against income						
Loan portfolio	193.421	21.649	6.782	2.970	59.546	284.368
Impairment allowance	-6.726	-0.801	-0.442	-0.195	-28.104	-36.268
Surety loans						
Loan portfolio	6.775	0.932	0.557	0.122	2.974	11.360
Impairment allowance	-0.403	-0.064	-0.033	-0.008	-1.648	-2.156
Loans secured with real estate						
Loan portfolio	24.677	2.393	0.399	0.728	1.955	30.152
Impairment allowance	-0.659	-0.099	-0.013	-0.024	-0.702	-1.497
Loans with insurance cover						
Loan portfolio	0.056	0.021	0.004	-	0.042	0.123
Impairment allowance	-0.002	-0.001	-	-	-0.023	-0.026
Loans against other collaterals						
Loan portfolio	0.026	0.002	-	-	0.006	0.034
Impairment allowance	-0.001	-	-	-	-0.002	-0.003
Total loan portfolio	224.955	24.997	7.742	3.820	64.523	326.037
Total impairment allowance	-7.791	-0.965	-0.488	-0.227	-30.479	-39.950

Ageing analysis as at 31 December 2014

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

Note 7. Loan receivables from customers by contractual currency

As at	31 Dec 2015	31 Dec 2014
EUR (euro)	285.735	261.417
LTL (Lithuanian litas)	-	0.508
SEK (Swedish krona)	40.302	42.291
Total loan receivables from customers	326.037	304.216

Note 8. Impairment allowances by loan assessment category**Impairment allowances as at 31 December 2015**

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	287.092	-19.651	19.144	-6.129	-25.780
Individually assessed items	38.945	-13.291	3.830	-3.401	-16.692
Statistical impairment allowance	-	-7.008	-	-	-7.008
Total	326.037	-39.950	22.974	-9.530	-49.480

Impairment allowances as at 31 December 2014

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

Change in impairment of loans, receivables and financial investments

	31 Dec 2015	31 Dec 2014
Balance at beginning of year	-52.520	-44.815
Loan and interest receivables written off the statement of financial position	47.649	20.281
Increase in allowances for loan and interest receivables	-44.475	-28.117
Effect of movements in exchange rates	-0.134	0.131
Balance at end of period	-49.480	-52.520

Impairment losses on loans, receivables and financial investments

	Q4 2015	Q4 2014	12M 2015	12M 2014
Recovery of loan and interest receivables written off the statement of financial position	2.779	1.629	14.157	4.102
Increase in allowances for loan and interest receivables	-8.274	-7.651	-44.475	-28.117
Impairment losses on other receivables	-0.018	-0.162	-0.616	-0.650
Total impairment losses	-5.513	-6.184	-30.934	-24.665

Note 9. Past due loans**Past due loans as at 31 December 2015**

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Up to 30 days	0.439	0.490	0.317	0.152	0.122	0.077	1.597
31 - 60 days	0.071	0.377	0.188	0.067	0.105	0.057	0.865
61-90 days	0.640	0.150	0.177	0.066	0.038	0.013	1.084
Over 90 days	9.514	17.779	6.942	4.147	9.034	10.097	57.513
Total	10.664	18.796	7.624	4.432	9.299	10.244	61.059

Past due loans as at 31 December 2014

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

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

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

Note 10. Held-to-maturity financial assets

As at	31 Dec 2015	31 Dec 2014
Acquisition cost of the debt securities portfolio	0.633	1.186
Held-to-maturity financial assets by issuer		
Government bonds	0.633	1.186
Held-to-maturity financial assets by currency		
EUR (euro)	0.633	-
LTL (Lithuanian litas)	-	1.186
Held-to-maturity financial assets by rating		
A1-A3	0.633	-
Baa1-Baa3	-	1.186

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

Note 11. Other receivables

As at	31 Dec 2015	31 Dec 2014
Late payment interest and penalty payments receivable	-	0.010
Fees receivable	0.346	0.375
Collection, recovery and other charges receivable	1.275	2.454
Guarantee and deposit payments made	0.127	0.140
Miscellaneous receivables	0.039	0.266
Impairment allowance for other receivables	-0.701	-1.181
Total	1.086	2.064

Note 12. Prepayments

As at	31 Dec 2015	31 Dec 2014
Prepaid taxes	0.435	3.238
Other prepayments	0.671	0.729
Total	1.106	3.967

Note 13. Investment properties

As at	31 Dec 2015	31 Dec 2014
Opening balance at 1 January	1.100	1.382
Additions	0.013	-
Sales	-0.172	-0.056
Net loss from fair value adjustment	-0.144	-0.226
Closing balance at end of period	0.797	1.100

Note 14. Deposits from customers

As at	31 Dec 2015	31 Dec 2014
Term deposits	257.181	239.033
Term deposits by customer type		
Individuals	247.033	233.489
Legal persons	10.148	5.544
Term deposits by currency		
EUR (euro)	212.508	202.239
SEK (Swedish krona)	44.673	36.794
Term deposits by maturity		
Maturing within 6 months	57.428	42.111
Maturing between 6 and 12 months	63.021	48.149
Maturing between 12 and 18 months	34.437	22.125
Maturing between 18 and 24 months	32.540	28.402
Maturing between 24 and 36 months	30.330	44.688
Maturing between 36 and 48 months	17.794	20.346
Maturing in over 48 months	21.631	33.212
Average deposit amount	0.021	0.019
Weighted average interest rate	2.5%	3.1%
Weighted average duration until maturity (months)	20.5	25.5
Weighted average total contract term (months)	40.5	45.3

Note 15. Other reserves

As at	31 Dec 2015	Change	31 Dec 2014	Change	31 Dec 2013
Exchange differences on translating foreign operations	0.069	-0.039	0.108	0.078	0.030
Net gain/loss on hedges of net investments in foreign operations	-	0.193	-0.193	-0.071	-0.122
Asset revaluation reserve	0.979	-	0.979	-	0.979
Total other reserves	1.048	0.154	0.894	0.007	0.887

Note 16. Net currency positions**Net currency positions as at 31 December 2015**

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	306.030	216.618	-	9.761	79.651
SEK (Swedish krona)	45.270	45.222	-	-	0.048
GBP (British pound)	0.036	-	-	-	0.036

Net currency positions as at 31 December 2014

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

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

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

Note 17. Contingent liabilities and assets pledged as collateral

As at	31 Dec 2015	31 Dec 2014
Irrevocable transactions, of which	9.760	1.076
Issued bank guarantees	0.090	0.090
Credit lines and overdrafts	9.670	0.986
Assets pledged and encumbered with usufruct, of which	2.449	3.619
Mortgages*	2.449	2.449
Bonds and deposits encumbered with collateral	-	1.170

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

Note 18. Interest income

	Q4 2015	Q4 2014	12M 2015	12M 2014
Interest income on loans to customers*	16.070	15.070	71.710	59.578
Interest income on financial assets held for trading	0.089	-	0.213	-
Interest income on deposits	0.002	0.005	0.016	0.049
Interest income on held-to-maturity financial assets	0.001	0.002	0.003	0.031
Other interest income	0.006	0.003	0.017	0.022
Total interest income	16.168	15.080	71.959	59.680

* Accruing interest of loans that are past due more than 90 days were suspended according to the Decree No. 9, 27.06.2000 (officially published: 10.07.2000 RTL 2000, 76, 1146) of Governor of Bank of Estonia until year 2015. The Group applied IFRS for interest income on non-performing claims from the third quarter of 2015 according to which the revenue recognition of accrued interest is not suspended resulting in recognition of 5.159 million euros of interest income and appropriate provision expense in the amount of 3.475 million euros.

Note 19. Interest expense

	Q4 2015	Q4 2014	12M 2015	12M 2014
Interest expense on deposits	1.592	1.815	6.660	7.591

Note 20. Other income

	Q4 2015	Q4 2014	12M 2015	12M 2014
Income from debt recovery proceedings	1.044	1.702	4.486	7.019
Gains on derecognition of non-financial assets	0.036	-	0.036	-
Miscellaneous income	0.014	0.056	0.276	0.241
Total other income	1.094	1.758	4.798	7.260

Note 21. Other operating expenses

	Q4 2015	Q4 2014	12M 2015	12M 2014
Marketing expenses	1.225	1.051	5.315	4.066
Office, rental and similar expenses	0.272	0.413	1.272	1.428
Miscellaneous operating expenses	0.766	1.242	2.965	3.247
Total other operating expenses	2.263	2.706	9.552	8.741

Note 22. Other expenses

	Q4 2015	Q4 2014	12M 2015	12M 2014
Expenses related to enforcement proceedings	0.251	0.469	1.149	1.572
Expenses related to registry inquiries	0.216	0.182	0.832	0.690
Legal regulation charges	0.120	0.128	0.445	0.548
Expenses from investment properties	0.002	0.004	0.020	0.024
Onerous contracts provisions	-	-0.085	0.058	0.215
Miscellaneous expenses	0.059	-0.453	0.206	0.192
Total other expenses	0.648	0.245	2.710	3.241

Note 23. Related parties

For the purposes of these financial statements, parties are related if one controls the other or exerts significant influence on the other's business decisions. Related parties include:

- shareholders of Bigbank AS;
- members of Group companies' management and supervisory boards;

- close family members of the above;
- companies connected with the above persons, except where the persons cannot exert significant influence on the company's business decisions.

As at 31 December 2015, the Group had no interest and deposit liabilities to related parties.

Statement by the management board

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

- the figures and additional information presented in the condensed consolidated interim report for the fourth quarter of 2015 are true and complete; and
- the condensed consolidated financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows.

The condensed consolidated interim report as at 31 December 2015 has been prepared in accordance with the international financial reporting standard IAS 34 Interim Financial Reporting as adopted by the European Union and with the information disclosure requirements established by the Bank of Estonia.

Bigbank AS is a going concern.

Kaido Saar
Chairman of the
Management Board
29 February 2016
[digitally signed]

Ingo Pöder
Member of the
Management Board
29 February 2016
[digitally signed]

Agur Jõgi
Member of the
Management Board
29 February 2016
[digitally signed]