

**Interim condensed consolidated
financial statements for the
period ended 31 March 2017**

Bigbank AS

Interim condensed consolidated financial statements for the period ended 31 March 2017

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 2017 – 31 December 2017
Reporting period	1 January 2017 – 31 March 2017
Chairman of the management board	Kaido Saar
Core business line	Provision of consumer loans and acceptance of deposits
Auditor	Ernst & Young Baltic AS
Reporting currency	The reporting currency is the euro and numerical financial data is presented in thousands of euros.

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

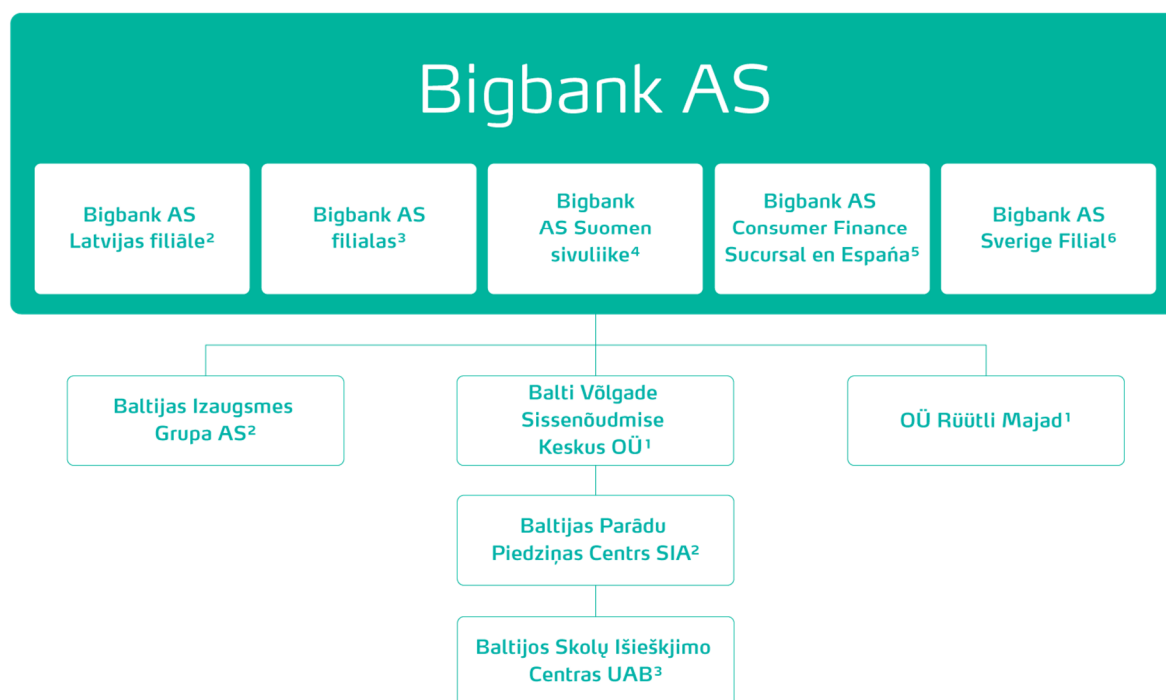
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Bigbank Group structure

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

The Group's structure at the reporting date:



¹ registered in the Republic of Estonia

² registered in the Republic of Latvia

³ registered in the Republic of Lithuania

⁴ registered in the Republic of Finland

⁵ registered in the Kingdom of Spain

⁶ registered in the Kingdom of Sweden

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

The core business of OÜ Rütli Majad is managing the real estate used in the parent's business operations in Estonia. OÜ Balti Völgade Sissenoudmise Keskus and its subsidiaries support the parent and its branches in debt collection.

Review of operations

Significant economic events

Loan portfolio of Bigbank AS (hereinafter also “Bigbank” and the “Group”) grew during the three months of 2017. Group’s loan portfolio increased 21.9 million euros i.e. 6.0% during the three months. The largest contributor to the growth of the loan portfolio was the Finnish branch.

The Group’s net profit for the first quarter of 2017 comprised 3.1 million euros, the corresponding figure was 3.2 million euros in the first quarter of 2016. Profitability has remained at the same level despite of the increase of loan portfolio, as the Group concentrates on lower credit risk customers than before, following the strategy, where loan interest rates have been lowered which has in turn affected interest income. Concentration on lower credit risk customers has on the other hand resulted in lower credit losses.

The supervisory board of Bigbank AS has five members – the chairman of the supervisory board Parvel Pruunsild and the members Vahur Voll, Juhani Jaeger, Raul Eamets and Andres Koern. The management board of the bank has five members - the chairman of the management board Kaido Saar and the members Sven Raba, Pāvels Gilodo, Martin Lānts and from 6 February 2017 Mart Veskimägi.

Bigbank had 431 employees at the end of the first quarter of 2017: 211 in Estonia, 73 in Latvia, 71 in Lithuania, 32 in Finland, 30 in Spain and 14 in Sweden.

At the end of the first quarter, the Group had 3 branch offices, 1 of them located in Estonia, 1 in Latvia and 1 in Spain.

Key performance indicators and ratios

Financial position indicators <i>(in thousands of euros)</i>	31 March 2017	31 Dec 2016	Change
Total assets	406,608	394,128	3.2%
Loans to customers	349,721	332,725	5.1%
of which loan portfolio	385,078	363,130	6.0%
of which interest receivable	17,094	16,916	1.1%
of which impairment allowances	-52,451	-47,321	10.8%
<i>of which impairment allowances for loans</i>	-29,885	-27,699	7.9%
<i>of which impairment allowances for interest receivables</i>	-8,760	-8,298	5.6%
<i>of which statistical impairment allowance</i>	-13,806	-11,324	21.9%
Deposits from customers	300,295	285,575	5.2%
Equity	98,942	100,836	-1.9%

Financial performance indicators <i>(in thousands of euros)</i>	3M 2017	3M 2016	Change
Interest income	17,070	17,296	-1.3%
Interest expense	1,460	1,556	-6.2%
Expenses from impairment allowances	5,781	6,730	-14.1%
Income from debt collection proceedings	677	871	-22.3%
Profit before impairment allowances	8,895	9,950	-10.6%
Net profit	3,114	3,220	-3.3%

Ratios	3M 2017	3M 2016
Return on equity (ROE)	12.3%	14.0%
Equity multiplier (EM)	4.0	3.8
Profit margin (PM)	16.9%	17.1%
Asset utilization ratio (AU)	18.5%	21.2%
Return on assets (ROA)	3.1%	3.6%
Price difference (SPREAD)	14.5%	16.2%

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

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

Explanations of ratios:

Return on equity (ROE) – net profit to equity

Equity multiplier (EM) – total assets to total equity

Profit margin (PM) – net profit to total income

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

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

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

Financial review

Financial position

As at 31 March 2017, the consolidated assets of Bigbank AS Group totalled 406.6 million euros, having increased by 12.5 million euros (3.2%) during the quarter.

As at 31 March 2017, loans to customers accounted for 86.0% of total assets, the proportion of liquid assets (amounts due from banks and financial assets held for trading) was 11.0%.

At the end of the first quarter, liquid assets totalled 44.7 million euros.

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 14.8 million euros as at 31 March 2017.

At the end of the first quarter, the Group had 161 thousand loan agreements, 69 thousand of them in Latvia, 38 thousand in Estonia, 27 thousand in Lithuania, 12 thousand in Finland, 8 thousand in Spain and 7 thousand in Sweden.

Geographical distribution of loans to customers:

- 24.7% Latvia,
- 22.9% Lithuania,
- 19.0% Finland,
- 16.6% Estonia,
- 8.5% Sweden,
- 8.3% Spain.

At 31 March 2017, loans to customers totalled 349.7 million euros, comprising of:

- the loan portfolio of 385.1 million euros. Loans to individuals accounted for 92.8% of the total;
- interest receivable on loans of 17.1 million euros;
- impairment allowances for loans and interest receivables of 52.5 million euros (consisting of an impairment allowance for loans of 29.9 million euros, an impairment allowance for interest receivables of 8.8 million euros and a statistical impairment allowance of 13.8 million euros).

Bigbank's loan portfolio is diversified – at the reporting date the average loan was 2,396 euros and as at 31 March 2017, 40 largest loans accounted for 6.4% of the loan portfolio.

Bigbank AS focuses on the provision of consumer loans. In line with the corporate strategy, as at 31 March 2017 loans against income accounted for 89.5%, loans against surety for 2.0% and loans secured with real estate for 8.5% of the total loan portfolio.

As regards past due receivables, it is important to note that the collection of non-performing consumer loans differs significantly from the recovery of loans that have physical collateral (for example, mortgage-backed loans). Due to their nature (as a rule, consumer loans are backed with the customer's regular income), claims related to terminated consumer loans are satisfied in smaller instalments over an extended period rather than in a lump sum raised through the sale of the collateral.

To mitigate the risks arising from customers' payment behaviour and to cover potential credit losses, the Group makes impairment allowances, which are created on a conservative basis. At 31 March 2017, impairment allowances totalled 53.0 million euros, consisting of:

- impairment allowances for loan receivables of 29.9 million euros,
- impairment allowances for interest receivables of 8.8 million euros,
- statistical impairment allowances of 13.8 million euros,
- impairment allowances for other receivables of 0.5 million euros.

Where debt recovery proceedings do not yield expected results, the underlying receivable is written off the statement of financial position.

At the end of the first quarter of 2017, the Group's liabilities totalled 307.7 million euros. Most of the debt raised by the Group, i.e. 300.3 million euros (97.6%) consisted of term deposits.

As at the end of the first quarter of 2017, the Group's equity was 98.9 million euros. The equity to assets ratio amounted to 24.3%.

Financial performance

Interest income for the first quarter reached 17.1 million euros, decreasing by 0.2 million euros (-1.3%) compared to the same period in 2016. Decrease of interest income when the loan portfolio has increased is caused by lowered interest rates, as a part of the new strategy concentrating on lower credit risk customers.

The period's ratio of interest income (annualised) to average interest-earning assets was 16.6% and (annualised) return on the loan portfolio accounted for 18.1% of the average loan portfolio.

Interest expense for the first quarter of 2017 was 1.5 million euros, decreasing by 0.1 million euros compared to the same period in 2016 (-6.2%).

The ratio of interest expense to interest income was 8.6 %. The ratio of interest expense to average interest-bearing liabilities (annualised) was 2.1%.

Other operating expenses for the first quarter 2.4 million euros, a decrease of 0.3 million euros compared to the same period in 2016.

Salaries and associated charges for the first quarter of 2017 amounted to 3.9 million euros, including remuneration of

2.8 million euros. As at the end of the period, the Group had 431 employees.

In the first quarter, impairment losses were 5.8 million euros, consisting of:

- impairment losses on loan receivables of 5.4 million euros;
- impairment losses on interest receivables of 0.6 million euros; and
- impairment income on other receivables of 0.2 million euros.

Impairment allowances are made on a conservative basis.

Other income for the first quarter of 2017 was 0.7 million euros, the largest proportion of which resulted from debt collection income. In the same period of 2016, other income was 0.9 million euros.

Other expenses for the first quarter reached 0.7 million euros, decreasing by 0.1 million euros (-4.8%) compared to the same period in 2016.

The Group's net profit for the first quarter of 2017 amounted to 3.1 million euros. In comparison to the first quarter of 2016, net profit has decreased by 0.1 million euros (-3.3%).

Capital ratios

Own funds

	As at	Basel III 31 March 2017	Basel III 31 Dec 2016
Paid up capital instruments		8,000	8,000
Other reserves		800	800
Previous years retained earnings		85,666	78,964
Other accumulated comprehensive income		1,361	1,369
Other intangible assets		-4,511	-4,037
Profit or loss eligible		-	6,703
Adjustments to CET1 due to prudential filters		-	-
Common equity Tier 1 capital		91,316	91,799
Tier 1 capital		91,316	91,799
Tier 2 capital		-	-
Deductions		-	-
Total own funds		91,316	91,799

Total risk exposure amount

	Basel III 31 March 2017	Basel III 31 Dec 2016
Risk weighted exposure amounts for credit and counterparty credit (standardized approach)		
Central governments or central banks	1,139	1,128
Institutions	5,505	5,159
Corporates	37,741	39,543
Retail	215,581	202,022
Secured by mortgages on immovable property	4,897	5,277
Exposures in default	26,264	26,297
Other items	7,715	7,558
Total risk weighted exposure amounts for credit and counterparty credit (standardized approach)	298,842	286,984
Total risk exposure amount for foreign exchange risk (standardized approach)	-	-
Total risk exposure amount for operational risk (standardized approach)	100,928	93,585
Total risk exposure amount for credit valuation adjustment (standardized approach)	-	-
Total risk exposure amount	399,770	380,569

Capital ratios

	Basel III 31 March 2017	Basel III 31 Dec 2016
CET1 Capital ratio	22.8%	24.1%
T1 Capital ratio	22.8%	24.1%
Total capital ratio	22.8%	24.1%
Leverage ratio	22.3%	23.1%

Own funds as of 31 December 2016 include all year 2016 eligible profits less dividends.

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

Condensed consolidated interim financial statements

Consolidated statement of financial position

As at	Note	31 March 2017	31 Dec 2016
Assets			
Cash and balances at central banks	2	13,773	20,551
Cash and balances at banks	2	16,136	14,382
Financial assets held for trading	3	14,787	14,891
Loans to customers	4,5,6,7,8	349,721	332,725
Other receivables	9	1,259	1,303
Prepayments	10	1,027	1,420
Property and equipment	12	4,881	4,299
Investment property		489	509
Intangible assets	11	4,511	4,037
Deferred tax assets	14	24	11
Total assets		406,608	394,128
Liabilities			
Deposits from customers	13	300,295	285,575
Provisions		133	133
Other liabilities		4,671	4,783
Deferred income and tax liabilities		2,567	2,801
Total liabilities		307,666	293,292
Equity			
Share capital		8,000	8,000
Capital reserve		800	800
Other reserves	14	1,361	1,369
Earnings retained		88,781	90,667
Total equity		98,942	100,836
Total liabilities and equity		406,608	394,128

Consolidated statement of comprehensive income

	Note	3M 2017	3M 2016
Interest income	18	17,070	17,296
Interest expense	19	-1,460	-1,556
Net interest income		15,610	15,740
Fee and commission income		690	623
Fee and commission expense		-109	-48
Net fee and commission income		581	575
Net gain/loss on financial transactions		-60	234
Other income	20	734	917
Total income		16,865	17,466
Salaries and associated charges		-3,888	-3,364
Other operating expenses	21	-2,446	-2,687
Depreciation and amortisation expense		-282	-181
Impairment losses on loans and financial investments		-5,781	-6,730
Impairment losses on other assets		-	-70
Other expenses	22	-717	-753
Total expenses		-13,114	-13,785
Profit before income tax		3,751	3,681
Income tax expense/income		-637	-461
Profit for the period		3,114	3,220
Other comprehensive expense			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translating foreign operations		-8	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-8	-
Other comprehensive income for the period		-8	-
Total comprehensive income for the period		3,106	3,220
Basic earnings per share (EUR)		39	40
Diluted earnings per share (EUR)		39	40

Consolidated statement of cash flows

	Note	3M 2017	3M 2016
Cash flows from operating activities			
Interest received		14,390	14,725
Interest paid		-1,242	-1,112
Salary and other operating expenses paid		-7,330	-6,922
Other income received		1,211	1,339
Other expenses paid		-853	-668
Fees received		307	273
Fees paid		-109	-49
Recoveries of receivables previously written off		2,449	2,111
Received for other assets		66	60
Paid for other assets		-59	-62
Loans provided		-68,086	-45,007
Repayment of loans provided		46,219	38,186
Change in mandatory reserves with central banks		-138	-62
Proceeds from customer deposits		30,930	15,049
Paid on redemption of deposits		-16,135	-13,598
Net acquisition and disposal of trading portfolio		135	144
Income tax paid/received		-583	-147
Effect of movements in exchange rates		-4	1
Net cash from operating activities		1,168	4,261
Cash flows from investing activities			
Acquisition of property and equipment and intangible assets		-1,435	-359
Proceeds from sale of property and equipment		50	17
Proceeds from sale of investment properties		30	32
Change in term deposits		-	-120
Proceeds from redemption of financial instruments		-	633
Net cash used in / from investing activities		-1,355	203
Cash flows from financing activities			
Dividends paid		-5,000	-1,300
Net cash used in financing activities		-5,000	-1,300
Effect of exchange rate fluctuations		25	-70
Decrease in cash and cash equivalents		-5,162	3,094
Cash and cash equivalents at beginning of period		34,291	28,894
Cash and cash equivalents at end of period	2	29,129	31,988

Consolidated statement of changes in equity

	Attributable to equity holders of the parent				Total
	Share capital	Statutory capital reserve	Other reserves	Retained earnings	
Balance at 1 January 2016	8,000	800	1,048	80,264	90,112
Profit for the period	-	-	-	3,220	3,220
Total comprehensive income for the period	-	-	-	3,220	3,220
Dividend distribution	-	-	-	-1,300	-1,300
Total transactions with owners	-	-	-	-1,300	-1,300
Balance at 31 March 2016	8,000	800	1,048	82,184	92,032
Balance at 1 January 2017	8,000	800	1,369	90,667	100,836
Profit for the period	-	-	-	3,114	3,114
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	-8	-	-8
Total other comprehensive income	-	-	-8	-	-8
Total comprehensive income for the period	-	-	-8	3,114	3,106
Dividend distribution	-	-	-	-5,000	-5,000
Total transactions with owners	-	-	-	-5,000	-5,000
Balance at 31 March 2017	8,000	800	1,361	88,781	98,942

Notes to the condensed consolidated interim financial statements

Note 1. Basis of preparation and accounting policies

The condensed consolidated interim financial statements of Bigbank AS as at and for the three months ended 31 March 2017 have been prepared in accordance with the international financial reporting standard IAS 34 *Interim Financial Reporting* as adopted by the European Union. The interim financial statements do not include all the information required for full annual financial statements and they should be read in conjunction with the Group's latest published annual financial statements as at and for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS EU).

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the

Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017. Although these new standards and amendments apply for the first time in 2017, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

This interim report has 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 equivalents

As at	31 March 2017	31 Dec 2016
Demand and overnight deposits with credit institutions*	16,136	14,382
Surplus on mandatory reserves with central banks*	12,993	19,909
Mandatory reserves	780	642
Total cash and balances at banks	29,909	34,933
of which cash and cash equivalents	29,129	34,291

* Cash equivalents

Note 3. Financial assets held for trading

As at	31 March 2017	31 Dec 2016
Financial assets held for trading	14,787	14,891
Financial assets held for trading by issuer		
General government bonds	4,235	4,277
Bonds issued by credit institutions	4,067	4,082
Other financial corporations' bonds	1,242	1,241
Non-financial corporations' bonds	5,243	5,291
Financial assets held for trading by currency		
EUR (euro)	14,059	14,165
SEK (Swedish krona)	728	726
Financial assets held for trading by rating		
Aaa-Aa3	3,183	3,190
A1-A3	4,935	4,354
Baa1-Baa3	6,669	7,347

Note 4. Loans to customers**Loans to customers as at 31 March 2017**

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Loan receivables from customers	64,003	95,054	88,108	73,010	32,019	32,884	385,078
Impairment allowances for loans	-5,070	-14,901	-2,920	-2,046	-3,574	-1,374	-29,885
Interest receivable from customers	3,789	8,986	937	1,242	1,578	562	17,094
Impairment allowances for interest receivables	-2,546	-5,042	-179	-189	-628	-176	-8,760
Statistical impairment allowance	-1,497	-1,303	-1,856	-3,790	-2,993	-2,367	-13,806
Total loans to customers, incl. interest and allowances	58,679	82,794	84,090	68,227	26,402	29,529	349,721
Share of region	16.8%	23.7%	24.0%	19.5%	7.6%	8.4%	100.0%

Loans to customers as at 31 December 2016

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Loan receivables from customers	61,044	90,433	86,949	66,933	29,970	27,801	363,130
Impairment allowances for loans	-4,484	-14,343	-2,727	-1,906	-3,063	-1,176	-27,699
Interest receivable from customers	3,861	8,838	979	1,202	1,479	557	16,916
Impairment allowances for interest receivables	-2,324	-4,820	-191	-176	-635	-152	-8,298
Statistical impairment allowance	-1,504	-958	-1,692	-3,144	-2,115	-1,911	-11,324
Total loans to customers, incl. interest and allowances	56,593	79,150	83,318	62,909	25,636	25,119	332,725
Share of region	17.0%	23.8%	25.0%	18.9%	7.7%	7.6%	100.0%

Note 5. Loan receivables from customers by due dates

As at	31 March 2017	31 Dec 2016
Past due	45,747	44,930
Less than 1 month	10,040	10,500
1-12 months	94,234	91,806
1-2 years	76,379	71,354
2-5 years	132,610	121,870
More than 5 years	26,068	22,670
Total	385,078	363,130

Note 6. Ageing analysis on loan receivables**Ageing analysis as at 31 March 2017**

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Loans against income						
Loan portfolio	263,648	24,410	6,934	3,995	45,484	344,471
Impairment allowance	-12,588	-1,375	-533	-441	-25,003	-39,940
Surety loans						
Loan portfolio	5,303	332	99	63	2,020	7,817
Impairment allowance	-299	-34	-32	-18	-1,518	-1,901
Loans secured with real estate						
Loan portfolio	25,132	4,122	551	626	2,286	32,717
Impairment allowance	-622	-102	-12	-109	-994	-1,839
Loans against other collaterals						
Loan portfolio	42	16	-	3	12	73
Impairment allowance	-1	-	-	-1	-9	-11
Total loan portfolio	294,125	28,880	7,584	4,687	49,802	385,078
Total impairment allowance	-13,510	-1,511	-577	-569	-27,524	-43,691

Ageing analysis as at 31 December 2016

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Loans against income						
Loan portfolio	239,726	24,486	7,420	4,297	41,892	317,821
Impairment allowance	-10,257	-1,289	-619	-425	-22,846	-35,436
Surety loans						
Loan portfolio	4,508	1,804	529	235	2,164	9,240
Impairment allowance	-3,11	-85	-24	-9	-1,499	-1,928
Loans secured with real estate						
Loan portfolio	27,725	3 941	493	762	2,863	35,784
Impairment allowance	-633	-99	-16	-16	-876	-1,640
Loans against other collaterals						
Loan portfolio	248	23	-	-	14	285
Impairment allowance	-8	-1	-	-	-10	-19
Total loan portfolio	272,207	30,254	8,442	5,294	46,933	363,130
Total impairment allowance	-11,209	-1,474	-659	-450	-25,231	-39,023

Note 7. Loan receivables from customers by contractual currency

As at	31 March 2017	31 Dec 2016
EUR (euro)	352,195	335,329
SEK (Swedish krona)	32,883	27,801
Total loan receivables from customers	385,078	363,130

Note 8. Impairment allowances by loan assessment category**Impairment allowances as at 31 March 2017**

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	340,334	-14,407	11,398	-3,383	-17,790
Individually assessed items	44,744	-15,478	5,696	-5,377	-20,855
Statistical impairment allowance	-	-13,806	-	-	-13,806
Total	385,078	-43,691	17,094	-8,760	-52,451

Impairment allowances as at 31 December 2016

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	317,230	-13,315	11,602	-3,324	-16,639
Individually assessed items	45,900	-14,384	5,314	-4,974	-19,358
Statistical impairment allowance	-	-11,324	-	-	-11,324
Total	363,130	-39,023	16,916	-8,298	-47,321

Change in impairment of loans, receivables and financial investments

As at	31 March 2017	31 Dec 2016
Balance at beginning of period	-47,321	-49,480
Write-off of fully impaired loan and interest receivables	3,151	47,152
Increase in allowances for loan and interest receivables	-8,276	-45,391
Effect of movements in exchange rates	-5	398
Balance at end of period	-52,451	-47,321

Impairment losses on loans, receivables and financial investments

	3M 2017	3M 2016
Recovery of written-off loan and interest receivables	2,266	1,989
Increase in allowances for loan and interest receivables	-8,276	-8,811
Impairment losses on other receivables	229	92
Total impairment losses	-5,781	-6,730

Note 9. Other receivables

As at	31 March 2017	31 Dec 2016
Collection, recovery and other charges receivable	877	805
Miscellaneous receivables	937	1,001
Impairment allowance for other receivables	-555	-503
Total	1,259	1,303

Note 10. Prepayments

As at	31 March 2017	31 Dec 2016
Prepaid taxes	440	436
Other prepayments	587	984
Total	1,027	1,420

Note 11. Intangible assets

	31 March 2017	31 Dec 2016
Cost at beginning of year	5,701	2,919
Purchases	571	2,782
Cost at end of period	6,272	5,701
Amortisation at beginning of year	-1,664	-1,308
Amortisation charge for the period	-97	-356
Amortisation at end of period	-1,761	-1,664
Carrying amount at beginning of year	4,037	1,611
Carrying amount at end of period	4,511	4,037

The Group has substantially increased its investments into intangible assets, mainly the new banking system, which will be gradually implemented to live use in next reporting periods. Related prepayments to vendors totalling 2,877 thousand euros as at 31 March 2017 have been recognised under intangible assets.

Note 12. Tangible assets

	Land and buildings	Other items	Total
Cost			
Balance at 1 January 2016	3,051	2,709	5,760
Purchases	-	1,144	1,144
Sales	-	-84	-84
Write-off	-	-309	-309
Revaluation	7	-	7
Revaluation recognised in other comprehensive income	223	-	223
Transfer	-267	-	-267
Effect of movements in exchange rates	-	-2	-2
Balance at 31 December 2016	3,014	3,458	6,472
Balance at 1 January 2017	3,014	3,458	6,472
Purchases	-	780	780
Sales	-	-73	-73
Write-off	-	-53	-53
Balance at 31 March 2017	3,014	4,112	7,126
Depreciation			
Balance at 1 January 2016	-181	-2,190	-2,371
Depreciation charge for the year	-86	-329	-415
Sales	-	40	40
Write-off	-	306	306
Transfer	267	-	267
Balance at 31 December 2016	0	-2,173	-2,173
Balance at 1 January 2017	0	-2,173	-2,173
Depreciation charge for the year	-20	-165	-185
Sales	-	61	61
Write-off	-	52	52
Balance at 31 March 2017	-20	-2,225	-2,245
Carrying amount			
Balance at 1 January 2016	2,870	519	3,389
Balance at 31 December 2016	3,014	1,285	4,299
Balance at 31 March 2017	2,994	1,887	4,881

Note 13. Deposits from customers

As at	31 March 2017	31 Dec 2016
Term deposits	300,295	285,575
Term deposits by customer type		
Individuals	288,531	274,281
Legal persons	11,764	11,294
Term deposits by currency		
EUR (euro)	263,683	251,289
SEK (Swedish krona)	36,612	34,286
Term deposits by maturity		
Maturing within 6 months	75,330	64,764
Maturing between 6 and 12 months	73,908	75,610
Maturing between 12 and 18 months	30,332	26,909
Maturing between 18 and 24 months	40,389	39,349
Maturing between 24 and 36 months	35,101	35,312
Maturing between 36 and 48 months	13,575	14,101
Maturing in over 48 months	31,660	29,530
Average deposit amount	23	22
Weighted average interest rate	2.0%	2.1%
Weighted average duration until maturity (months)	20	21
Weighted average total contract term (months)	39	40

Note 14. Other reserves

As at	31 March 2017	Change	31 Dec 2016
Exchange differences on translating foreign operations	159	-8	167
Asset revaluation reserve	1,202	-	1,202
Total other reserves	1,361	-8	1,369

Note 15. Net currency positions**Net currency positions as at 31 March 2017**

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	365,264	270,609	-	7,131	87,524
SEK (Swedish krona)	36,815	37,057	-	-	-242
GBP (British pound)	18	-	-	-	18

Net currency positions as at 31 December 2016

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	355,469	258,271	-	8,013	89,184
SEK (Swedish krona)	34,596	35,021	-	-	-425
GBP (British pound)	26	-	-	-	26

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

Note 16. Fair values of financial assets and financial liabilities

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

The fair values of the assets and liabilities reported in the consolidated statement of financial position as at 31 March 2017 do not differ significantly from their carrying amounts.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair value hierarchy as at 31 March 2017

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets held for trading (note 3)	14,787	-	-	14,787
Land and buildings (note 12)	-	-	2,994	2,994
Investment properties	-	-	489	489
Assets for which fair values are disclosed				
Loans to customers (note 4-8)	-	-	349,721	349,721
Other financial receivables (note 9)	-	-	1,259	1,259
Total assets	14,787	-	354,463	369,250
Liabilities for which fair values are disclosed				
Deposits from customers (note 13)	-	-	300,295	300,295
Other financial liabilities	-	-	4,671	4,671
Total liabilities	-	-	304,966	304,966

Fair value hierarchy as at 31 December 2016

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets held for trading (note 3)	14,891	-	-	14,891
Land and buildings (note 12)	-	-	3,014	3,014
Investment properties	-	-	509	509
Assets for which fair values are disclosed				
Loans to customers (note 4-8)	-	-	332,725	332,725
Other financial receivables (note 9)	-	-	1,303	1,303
Total assets	14,891	-	337,551	352,442
Liabilities for which fair values are disclosed				
Deposits from customers (note 13)	-	-	285,575	285,575
Other financial liabilities	-	-	4,783	4,783
Total liabilities	-	-	290,358	290,358

Note 17. Contingent liabilities and assets pledged as collateral

As at	31 March 2017	31 Dec 2016
Irrevocable transactions, of which	7,131	8,013
Issued bank guarantees	90	90
Credit lines and overdrafts	7,041	7,923
Assets pledged and encumbered with usufruct*	2,449	2,449

Note 18. Interest income

	3M 2017	3M 2016
Interest income on loans to customers	16,976	17,194
Interest income on financial assets held for trading	91	93
Interest income on deposits	-	5
Other assets	3	4
Total interest income	17,070	17,296

Note 19. Interest expense

	3M 2017	3M 2016
Interest expense on deposits	1,460	1,556

Note 20. Other income

	3M 2017	3M 2016
Income from debt recovery proceedings	677	871
Miscellaneous income	57	46
Total other income	734	917

Note 21. Other operating expenses

	3M 2017	3M 2016
Marketing expenses	1,043	1,521
Office, rental and similar expenses	522	314
Miscellaneous operating expenses	881	852
Total other operating expenses	2,446	2,687

Note 22. Other expenses

	3M 2017	3M 2016
Expenses related to enforcement proceedings	283	235
Expenses related to registry inquiries	249	219
Legal regulation charges	120	124
Expenses from investment properties	4	5
Onerous contracts provisions	-	128
Miscellaneous expenses	61	42
Total other expenses	717	753

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 March 2017, the Group had no interest and deposit liabilities to related parties.

Statement by the Management Board

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

- the figures and additional information presented in the condensed consolidated interim report for the three months of 2017 are true and complete; and
- the condensed consolidated financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows.
- The condensed consolidated interim report as at 31 March 2017 has been prepared in accordance with the international financial reporting standard IAS 34 *Interim Financial Reporting* as adopted by the European Union and with the information disclosure requirements established by the Bank of Estonia.
- Financial statements have been prepared on a going concern basis.

Kaido Saar

Chairman of the Management Board
29 May 2017

[digitally signed]

Pāvels Gilodo

Member of the Management Board
29 May 2017

[digitally signed]

Martin Lānts

Member of the Management Board
29 May 2017

[digitally signed]

Sven Raba

Member of the Management Board
29 May 2017

[digitally signed]

Mart Veskimägi

Member of the Management Board
29 May 2017

[digitally signed]