

A black and white photograph of three business professionals standing in an office. On the left, a woman with short blonde hair, wearing a dark top and a long, patterned cardigan, stands with her arms crossed. In the center, a woman with long blonde hair, wearing a white blouse and a dark skirt, smiles. On the right, a man with short blonde hair, wearing a striped button-down shirt and dark trousers, stands with his hands in his pockets. The background is a bright, modern office space with large windows. A teal line graphic curves across the top and bottom of the image.

**Interim condensed consolidated
financial statements for the period
ended 30 September 2022**

Bigbank AS

Interim condensed consolidated financial statements for the period ended 30 September 2022

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 2022 – 31 December 2022
Reporting period	1 January 2022 – 30 September 2022
Chairman of the management board	Martin Lääts
Core business line	Provision of loans and acceptance of deposits
Auditor	KPMG Baltics OÜ
Reporting currency	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.

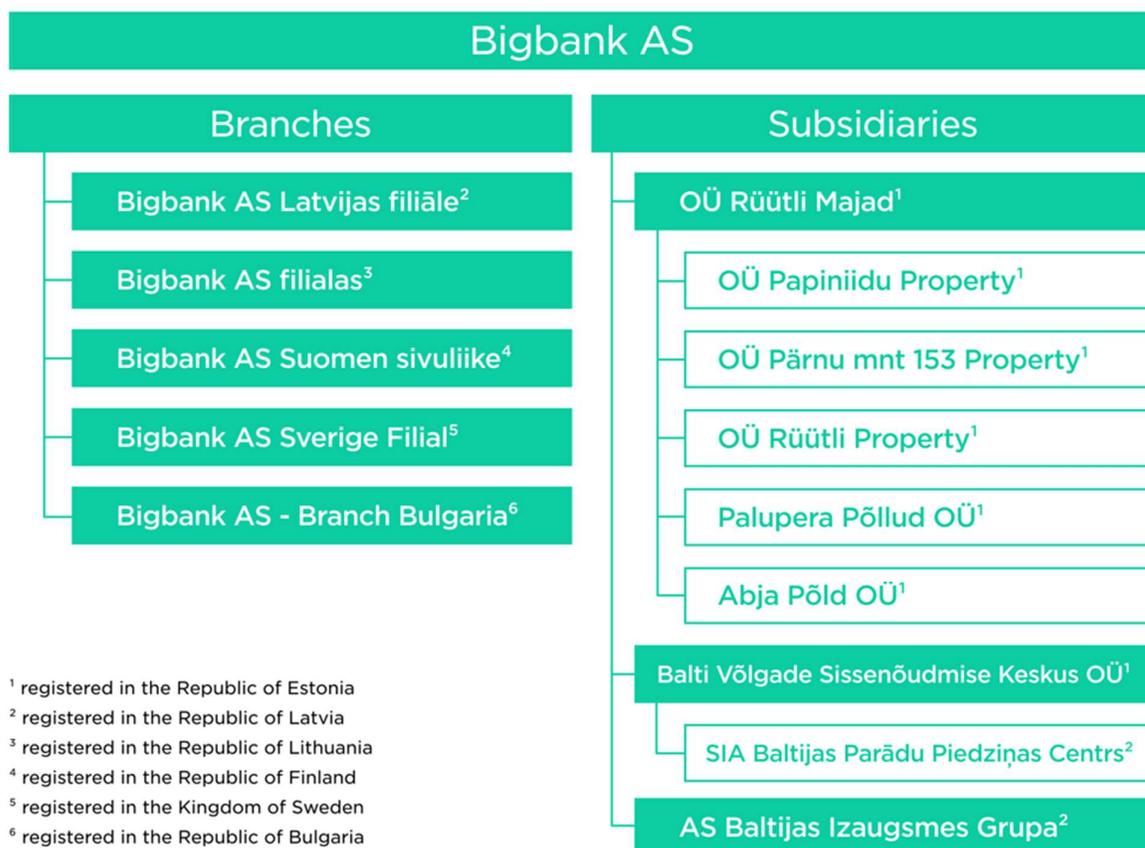
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Bigbank Group structure

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:



The branches in Latvia, Lithuania, Finland and Bulgaria offer lending services similar to those of the parent. The parent and its Latvian, Finnish, Swedish and Bulgarian branches offer also deposit services. In addition, Bigbank AS provides cross-border deposit services in Germany, the Netherlands and Austria. The Swedish branch suspended the issue of new loans from 1 September 2022. The Bulgarian branch will suspend the issue of new loans from 1 November 2022.

The core business of OÜ Rütli Majad and its subsidiaries OÜ Papiniidu Property and OÜ Pärnu mnt 153 Property is managing real estate, and the subsidiary OÜ Rütli Property and Baltijas Izaugsmes Grupa AS manage agricultural land. The subsidiaries Abja Põld OÜ and Palupera Põllud OÜ are agricultural enterprises engaged in grain growing, milk production and dairy farming. Balti Völgade Sissenõudmise Keskus along with its subsidiary are not engaged in active business operations.

Review of operations

Significant economic events

Bigbank earned a net profit of 7.2 million euros in the third quarter and a net profit of 21.3 million euros in the nine months of 2022. Performance met expectations, although both the profits for nine months and the third quarter were lower than a year earlier (-40.8% and -7.8%, respectively). Last year, Bigbank earned a one-off bargain purchase gain on a business combination and the increase in the fair value of investment property was 2.5 million euros larger.

In the economic environment, the factor with the strongest impact was the rise in Euribor, which has both a negative and a positive effect since it increases both interest expense and interest income. On the whole, the overall rise in interest rates has had a favourable impact on the bank's performance. Third quarter net interest income grew by 2.8 million euros (15.2%) year on year, amounting to 21.3 million euros.

The war in Ukraine, the energy crisis and high inflation have not affected the quality of the loan portfolio. At the end of the third quarter, the Group's performing loan portfolio amounted to 1.2 billion euros, exceeding the year-end figure by 353.5 million euros (39.9%). The share of loans over 90 days past due accounted for 1.3% of the total portfolio.

Profit before loss allowances and income tax for the third quarter was 13.3 million euros. Expenses on credit loss allowances amounted to 4.2 million euros.

Both Bigbank's loan portfolio and deposits grew, expanding in the nine months by 38.6% compared with the end of 2021 each, and in the third quarter by 11.9% and 6.5% compared with the end of the second quarter, respectively. Bigbank continued to deliver successfully against the goals of the new strategy period that started in 2022. Business loans and home loans, as the focus products of the new strategy, provided the main share of the growth of the total loan portfolio.

Bigbank's corporate banking segment earned a strong quarterly profit, supported by the high quality and rapid growth of the loan portfolio. The corporate banking segment's third quarter profit before income tax was 2.6 million euros and loan portfolio grew by 68.7 million euros, i.e. by 20.0%, during the quarter. The quarterly profit figure includes net gain of 0.2 million euros on the revaluation of investment loans with special conditions, which is recognised on a straight-line basis over the terms of the underlying loan contracts. Revaluation gains on loans that carry investment risk are calculated annually, based on movements in the market value of customers' investment property and the agreed pattern of profit sharing. Depending on movements in the market value of investment property, the value of underlying assets may

also decrease in subsequent periods, but the bank will not compensate the customers for a fall in the underlying value beyond the gains made in the preceding periods. At the end of the third quarter, the market value of the underlying assets subject to revaluation, consisting mainly of agricultural and forest land, was 29.2 million euros.

The housing loan portfolio grew by 27.7% to 186.9 million euros in the third quarter. Compared with the end of 2021, the portfolio has increased by more than 1.5 times.

In the deposit portfolio, the fastest growth was again shown by savings deposits, which increased by 10.7% to 542.5 million euros in the third quarter, accounting for 43.6% of the deposit portfolio at the end of the quarter.

The most important event of the reporting period was the listing of the Bigbank unsecured subordinated bonds on Nasdaq Tallinn on 22 September. Bigbank uses these bonds as Tier 2 capital. Despite the challenging macroeconomic environment, Baltic retail investors showed a great interest in the public offering, oversubscribing the base amount of the issue – 10 million euros – by more than twofold. The size of the issue was 20 million euros. 20 thousand bonds were issued with a nominal value of 1,000 euros each, a fixed annual coupon rate of 8%, and a maturity of 10 years. 20 million euros of additional capital helps the bank sustain growth in the corporate banking and housing loan segments.

The Group's investment property portfolio, which includes both agricultural land and commercial real estate, stood at 47.4 million euros at the end of the quarter.

This is the first year of the new strategy period 2022–2026. The new strategy positions us as a growth oriented, customer-focused bank which aims for a 20% return on equity (ROE). The following focus areas, among others, help achieve the goal:

- loan portfolio growth primarily through housing and corporate loans enables us to increase long-term interest income and efficiency;
- good quality of the loan portfolio allows taking the internal risk based (IRB) approach to capital requirements for credit risk;
- real estate investments will support capital increase and create synergy;
- entrance to daily banking will increase customer loyalty, improve marketing efficiency and provide cheaper financing.

In order to support the new business strategy and achieve the expected return on capital, the management board of Bigbank AS has made decisions concerning future

REVIEW OF OPERATIONS

operations of the Swedish and Bulgarian branches.

In August it was decided to suspend the issue of new loans at the Swedish branch from 1 September 2022, and in October it was decided to suspend the issue of new loans at the Bulgarian branch from 1 November 2022. The Group will continue raising deposits and servicing its existing loan portfolio in both Sweden and Bulgaria.

The impact of Russia's war in Ukraine and the resulting geopolitical risks had a limited impact on the Group in the third quarter and related risks, especially liquidity and cyber risks, have not materialised. The Group's financial performance has not been directly affected by inflation, which is accelerating across our home markets, and the surge in energy prices either. However, the high level of inflation and the 6-month Euribor, which has risen to 2%, have begun to undermine consumer confidence. Further

risks are mostly related to the ability of consumers and companies to adapt to the new economic environment.

For the Group, this may involve, above all, an increase in 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 has five members: the chairman of the management board Martin Länts and the members Mart Veskimägi, Argo Kiltmann, Ingo Pöder and Ken Kanarik.

Bigbank's rapid growth has also been supported by an increase in the number of staff. Today the Group employs over 500 people, 13% more than at the previous year-end. At the end of the third quarter of 2022, Bigbank had 509 employees: 316 in Estonia, 80 in Lithuania, 76 in Latvia, 19 in Finland, 8 in Sweden and 10 in Bulgaria.

Key performance indicators and ratios

Financial position indicators (in millions of euros)	30 Sep 2022	31 Dec 2021	Change
Total assets	1,537.9	1,148.4	33.9%
Loans to customers	1,248.2	893.5	39.7%
of which loan portfolio	1,256.5	903.9	39.0%
of which interest receivable	19.3	16.2	18.9%
of which loss allowances	-27.6	-26.6	3.6%
Deposits from customers	1,244.8	898.3	38.6%
Equity	199.2	183.3	8.6%

Financial performance indicators (in millions of euros)	Q3 2022	Q3 2021	Change	9M 2022	9M 2021	Change
Interest income	24.6	20.5	20.0%	69.6	57.0	22.0%
Interest expense	3.3	2.0	64.7%	8.5	5.9	45.6%
Salaries and associated charges	5.3	4.3	22.5%	15.8	12.6	25.1%
Other operating expenses	4.6	3.8	21.3%	12.7	10.2	24.5%
Net loss allowances on loans and financial investments	4.2	1.5	181.3%	10.7	8.0	34.5%
Profit before impairment losses and income tax	13.3	14.6	-8.9%	35.7	33.2	7.5%
Net profit	7.2	12.2	-40.8%	21.3	23.1	-7.8%

Ratios	Q3 2022	Q3 2021	9M 2022	9M 2021
Return on equity (ROE)	14.6%	29.3%	14.7%	18.7%
Equity multiplier (EM)	7.6	5.8	7.0	5.4
Profit margin (PM)	24.9%	52.4%	26.1%	36.2%
Asset utilization ratio (AU)	7.8%	9.6%	8.1%	9.5%
Return on assets (ROA)	1.9%	5.0%	21.1%	3.5%
Price difference (SPREAD)	6.1%	8.1%	6.4%	8.1%
Cost to income ratio (CIR)	43.1%	25.7%	46.3%	38.9%
Liquidity coverage ratio (LCR)	238.3%	452.7%	238.3%	452.7%
Net stable funding ratio (NSFR)	130.1%	129.9%	129.1%	129.9%

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

Equity multiplier (EM) = average assets / average equity

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

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 for the period / average assets * 100

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

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

Liquidity coverage ratio (LCR) = high quality liquid asset amount (HQLA) / net liquidity outflow over a 30 days stress period * 100

Net stable funding ratio (NSFR, %) = available stable funding / required stable funding * 100

Financial review

Financial position

At 30 September 2022, the consolidated assets of Bigbank AS Group totalled 1.54 billion euros, having increased by 102.5 million euros (7.1%) during the third quarter.

Loans to customers accounted for 81.2% of total assets at 30 September 2022, amounting to 1.2 billion euros. At the end of the third quarter, the proportion of liquid assets (amounts due from banks and financial debt instruments) was 12.1%, totalling 186.3 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 45.2 million euros at 30 September 2022, of which 38.9 million euros was pledged as collateral for a loan from the central bank and 6.3 million euros was part of the liquidity buffer.

At the end of the third quarter, the Group had 121 thousand loan agreements: 42 thousand in Lithuania, 31 thousand in Latvia, 23 thousand in Estonia, 15 thousand in Finland, 9 thousand in Sweden and 1 thousand in Bulgaria.

Geographical distribution of loans to customers:

- 38.2% Estonia;
- 33.6% Lithuania;
- 14.9% Latvia;
- 7.8% Finland;
- 4.9% Sweden;
- 0.6% Bulgaria.

Financial performance

Interest income for the third quarter of 2022 was 24.6 million euros, 4.1 million euros (20.0%) higher than in the same period in 2021. The third quarter ratio of interest income (annualised) to average interest-earning assets was 7.1%

At 30 September 2022, loans to customers totalled 1,248.2 million euros, comprising of:

- the loan portfolio of 1,256.6 million euros with loans to individuals accounting for 66.8% of the total;
- interest receivable on loans of 19.3 million euros;
- loss allowances for loans and interest receivables of 27.6 million euros.

Bigbank's loan portfolio is diversified – at the reporting date the average loan balance was 10 thousand euros.

To mitigate the risks arising from customers' payment behaviour and to cover potential credit losses, the Group makes loss allowances. Impairment calculations are made conservatively. Where debt recovery proceedings do not yield expected results, the underlying receivable is written off the statement of financial position.

At the end of the third quarter of 2022, the Group's liabilities totalled 1.34 billion euros. Most of the debt raised by the Group, i.e. 1.24 billion euros (93.0%) consisted of deposits. The liability of the financing received under ECB's third series of targeted longer-term refinancing operations (TLTRO-III) which is secured by debt securities was 36.3 million euros at 30 September 2022. Subordinated bonds totalled 40.0 million euros at 30 September 2022, increasing by 20.0 million euros in the third quarter.

At the end of the third quarter of 2022, the Group's equity amounted to 199.2 million euros. The equity to assets ratio was 12.9%.

and (annualised) interest income on the loan portfolio accounted for 7.3% of the average loan portfolio.

Interest expense for the third quarter of 2022 was 3.3 million euros, 1.3 million euros (64.7%) up year on year. The

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increase in interest expense is attributable to growth in customer deposits, the issue of new subordinated bonds and a rise in deposit rates. The ratio of interest expense to interest income was 13.3% in the third quarter. The ratio of interest expense to average interest-bearing liabilities (annualised) was 1.0%.

Salaries and associated charges for the third quarter of 2022 totalled 5.3 million euros. At the end of the period, the Group had 509 employees.

Administrative expenses for the third quarter amounted to 4.6 million euros, 0.8 million euros up on the same period last year.

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.

Impairment losses for the third quarter were 4.2 million euros, consisting of:

- impairment losses on loan receivables of 3.8 million euros;
- impairment losses on interest and other receivables of 0.4 million euros.

The Group's net profit for the third quarter of 2022 was 7.2 million euros. Compared to the third quarter of 2021, net profit decreased by 5.0 million euros.

<i>At (in thousands of euros)</i>	30 Sep 2022	31 Dec 2021 restated
Paid-in share capital	8,000	8,000
Capital reserve	800	800
Prior years retained earnings	167,470	137,588
Other accumulated comprehensive income	1,628	1,076
Other intangible assets	-21,189	-17,487
Profit eligible	10,547	17,053
Adjustments to CET1	-353	-383
Common equity Tier 1 capital	166,903	146,647
Tier 1 capital	166,903	146,647
Tier 2 capital	40,000	15,000
Total own funds	206,903	161,647

Total own funds, capital ratios and total risk exposure are presented at the supervisory reporting group level: the companies Palupera Põllud OÜ and Abja Põld OÜ have been accounted for using the equity method based on the CRR scope of consolidation, not using consolidation according to the IFRS accounting treatment.

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.

At the end of the third quarter of 2022, own funds include net profit for the six months of the current year that has been verified by an independent external auditor during the review of the six-month interim financial information, less foreseeable dividends; permission for this has been obtained from the Estonian Financial Supervision and Resolution Authority.

Total risk exposure amount

<i>At (in thousands of euros)</i>	30 Sep 2022	31 Dec 2021 restated
Risk weighted exposure amounts for credit and counterparty credit (standardised approach)		
Central governments or central banks	582	553
Institutions	10,838	14,587
Corporates	309,973	206,832
Retail	478,034	443,450
Secured by mortgages on immovable property	96,158	46,149
Exposures in default	13,358	13,305
Items associated with particular high risk	107,172	-
Claims on institutions and corporates with a short-term credit assessment	3,859	710
Equity	15,322	4,780
Other items	28,213	62,073
Total risk weighted exposure amounts for credit and counterparty credit (standardised approach)	1,063,509	792,439
Total risk exposure amount for foreign exchange risk (standardised approach)	1,125	-
Total risk exposure amount for operational risk (standardised approach)	110,071	103,721
Total risk exposure amount	1,174,705	896,160

Capital ratios

At	30 Sep 2022	31 Dec 2021 restated
T1 Capital ratio	14.2%	16.4%
Total capital ratio	17.6%	18.0%
Leverage ratio	10.8%	12.5%
Own funds and eligible liabilities to total risk exposure amount (TREA)	17.7%	18.3%
Own funds and eligible liabilities to total leverage ratio exposure (LRE)	13.3%	13.9%

Condensed consolidated interim financial statements

Consolidated statement of financial position

At (in thousands of euros)	Note	30 Sep 2022	31 Dec 2022 restated*
Assets			
Cash balances at central banks	4	108,986	78,732
Due from other banks	4	32,177	37,216
Debt instruments at fair value through other comprehensive income	5	45,171	45,256
Loans to customers	6-10	1,248,194	893,463
Other receivables and inventories	11	2,972	2,655
Prepayments	12	1,562	1,465
Property, plant and equipment	13	22,239	20,940
Investment properties	14	47,388	41,590
Intangible assets	15	29,155	27,025
Assets classified as held for sale		41	11
Total assets	3	1,537,885	1,148,353
Liabilities			
Loans from central banks	16	36,314	36,500
Deposits from customers	17	1,244,847	898,340
Subordinated bonds	18	40,049	14,976
Lease liabilities		1,518	1,806
Provisions		448	266
Deferred income and tax liabilities		2,982	1,930
Other liabilities	19	12,573	11,189
Total liabilities	3	1,338,731	965,007
Equity			
Paid-in share capital		8,000	8,000
Capital reserve		800	800
Other reserves	20	1,628	1,076
Retained earnings		188,726	173,470
Total equity		199,154	183,346
Total liabilities and equity		1,537,885	1,148,353

* Please refer note 2.

Consolidated statement of comprehensive income

<i>(in thousands of euros)</i>	Note	Q3 2022	Q3 2021	9M 2022	9M 2021
Interest income	24	24,567	20,472	69,569	57,014
Interest expense	25	-3,259	-1,979	-8,524	-5,853
Net interest income		21,308	18,493	61,045	51,161
Fee and commission income		1,960	1,737	5,741	4,836
Fee and commission expense		-69	-61	-230	-184
Net fee and commission income		1,891	1,676	5,511	4,652
Net gain on financial assets measured at fair value through profit or loss	6	212	-	212	-
Loss on debt instruments at fair value through other comprehensive income		-15	-18	-97	-75
Net gain (loss) on exchange differences		-62	-41	-300	-96
Net gain (loss) on derecognition of non-financial assets		-84	2	-67	3
Net income (loss) on financial assets		51	-57	-252	-168
Other operating income	26	2,132	914	5,912	1,739
Other operating expenses	27	-1,961	-1,340	-5,668	-3,041
Total net operating income		23,421	19,686	66,548	54,343
Salaries and associated charges		-5,279	-4,308	-15,787	-12,616
Administrative expenses	28	-4,586	-3,780	-12,723	-10,221
Depreciation, amortisation and impairment		-1,034	-842	-3,003	-2,531
Provision expenses		-55	-33	-186	328
Gains resulting from changes in the fair value of investment properties	14	859	3,317	859	3,317
Loss on impairment of goodwill		-	-930	-	-930
Gain on bargain purchase		-	1,519	-	1,519
Total expenses		-10,095	-5,057	-30,840	-21,134
Profit before loss allowances		13,326	14,629	35,708	33,209
Net loss allowances on loans and financial investments		-4,186	-1,488	-10,744	-7,988
Profit before income tax		9,140	13,141	24,964	25,221
Income tax expense		-1,946	-989	-3,708	-2,168
Profit for the period	3	7,194	12,152	21,256	23,053
Other comprehensive income		1,719	-66	552	-74
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		-721	-66	-1,888	-74
<i>Exchange differences on translating of foreign operations</i>		-19	35	253	86
<i>Changes in the fair value of debt instruments at fair value through other comprehensive income</i>		-702	-101	-2,141	-160
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		2,440	-	2,440	-
<i>Revaluation of land and buildings</i>		2,440	-	2,440	-
Total comprehensive income for the period		8,913	12,086	21,808	22,979
Basic earnings per share (EUR)	29	90	152	266	288
Diluted earnings per share (EUR)	29	90	152	266	288

Consolidated statement of cash flows

<i>(in thousands of euros)</i>	Note	9M 2022	9M 2021
Cash flows from operating activities			
Interest received		64,399	54,089
Interest paid		-5,885	-5,161
Salary, administrative and other expenses paid		-38,008	-29,501
Other income and fees received		14,690	6,614
Recoveries of receivables previously written off and received for sold portfolios		5,865	3,186
Received for other assets		311	757
Loans provided		-654,567	-404,330
Repayment of loans provided		293,154	215,029
Change in mandatory reserves with central banks	4	-3,546	-1,574
Proceeds from customer deposits		801,296	477,179
Paid on redemption of deposits		-461,248	-234,305
Income tax paid/received		-2,851	-1,616
Effect of movements in exchange rates		96	-1
Net cash from operating activities		13,706	80,366
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	13, 15	-4,505	-9,678
Proceeds from sale of property and equipment		37	10
Acquisition of investment properties	14	-3,394	-28,353
Investing in term deposits		-8,647	-
Proceeds from sale of investment properties		-	125
Net cash from acquisition of a subsidiary		-	-550
Acquisition of financial instruments	5	-7,705	-3,023
Proceeds from redemption of financial instruments	5	5,735	1,929
Net cash used in investing activities		-18,479	-39,540
Cash flows from financing activities			
Received from issue of notes		25,000	-
Interest paid on subordinated notes		-493	-
Received loans from banks		9,308	-
Repayment of other loan		-85	-1,700
Payment of principal portion of lease liabilities		-545	-454
Dividends paid		-6,000	-6,000
Net cash from / used in financing activities		27,185	-8,154
Effect of exchange rate fluctuations		-743	-122
Increase in cash and cash equivalents		21,669	32,550
Cash and cash equivalents at beginning of period		111,771	73,650
Cash and cash equivalents at end of period	4	133,440	106,200

Consolidated statement of changes in equity

<i>(in thousands of euros)</i>	Attributable to equity holders of the parent				Total
	Share capital	Statutory capital reserve	Other reserves	Retained earnings	
Balance at 1 January 2021	8,000	800	1,075	146,363	156,238
Profit for the period	-	-	-	23,053	23,053
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	86	-	86
Net change in fair value of debt instruments at fair value through other comprehensive income	-	-	-160	-	-160
Revaluation of land and buildings	-	-	-	-	-
Total other comprehensive income	-	-	-74	-	-74
Total comprehensive income for the period	-	-	-74	23,053	22,979
Dividend distribution	-	-	-	-6,000	-6,000
Total transactions with owners	-	-	-	-6,000	-6,000
Balance at 30 September 2021	8,000	800	1,001	163,416	173,217
Profit for the period 1 October - 31 December 2021	-	-	-	12,829	12,829
Other comprehensive income for the period 1 October - 31 December 2021	-	-	75	-	75
Balance at 31 December 2021	8,000	800	1,076	176,245	186,121
Correction of error*	-	-	-	-2,775	-2,775
Restated total equity at the beginning of period	8,000	800	1,076	173,470	183,346
Balance at 1 January 2022	8,000	800	1,076	173,470	183,346
Profit for the period	-	-	-	21,256	21,256
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	253	-	253
Net change in fair value of debt instruments at fair value through other comprehensive income	-	-	-2,141	-	-2,141
Revaluation of land and buildings	-	-	2,440	-	2,440
Total other comprehensive income	-	-	552	-	552
Total comprehensive income for the period	-	-	552	21,256	21,808
Dividend distribution	-	-	-	-6,000	-6,000
Total transactions with owners	-	-	-	-6,000	-6,000
Balance at 30 September 2022	8,000	800	1,628	188,726	199,154

* Please refer note 2.

Notes to the condensed consolidated interim financial statements

Note 1. Basis of preparation, significant accounting policies, estimates and assumptions and risk management

Basis of preparation

The condensed consolidated interim financial statements of Bigbank AS at and for the nine months ended 30 September 2022 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 2021, 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 2021, except for the adoption of new standards and interpretations effective as of 1 January 2022. 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.

New standards and amendments

A number of amended standards (IFRS 3, IAS 16, IAS 37, IFRS 9, IFRS 16, IAS 41) became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Significant accounting estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making estimates about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The impact of management's estimates is most critical regarding loss allowances for loans and interest receivables. The measurement of expected credit loss

(ECL) allowance for financial assets measured at amortised cost and FVOCI is a significant estimate that involves determination of methodology, models and data inputs. The loss allowances are disclosed in notes 6, 8 and 10. The following components have a major impact on credit loss allowance: definition of default, determining criteria for significant increase in credit risk, probability of default (PD), exposure at default (EAD), and loss given default (LGD), establishing groups of similar financial assets for the purpose of measuring ECL, as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience. The Group used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. There have been no significant changes in either methodology or models during the current reporting period.

Risk management

The primary objectives of risk management are to protect the Group's financial strength and limit the impact of potential adverse events on the Group's capital, liquidity and financial results, and to ensure that the outcomes of risk-taking activities are consistent with the Group's strategies and risk appetite, and that there is an appropriate balance between risk and reward. Effective risk and capital management is an essential component of the Group's management. It has a crucial impact on the long-term results and sustainability of the business model.

Risk taking is an unavoidable part of the Group's business activities and risk management supports business activities and decision making, ensuring that there is as clear information as possible about the risk and reward of different choices. Risk management is an integral part of the strategic decision making and daily business decision making process.

The following principles are followed in risk and capital management:

- Well-balanced portfolio. The Group maintains a well-diversified credit portfolio and takes limited risk in financial markets. Since uncertain changes in any individual position may seriously affect Group's overall risk position, over-reliance on single counterparties and concentrations of risk are avoided.
- Risk profile by significant countries of operation and significant product groups. The credit portfolio is reasonably balanced between different countries of operation and products. The management board determines at least annually the maximum exposure limits for individual countries of operation and

significant product groups. Any target risk profile change must take into account established limits and potential effects. The actual risk profile is regularly measured against such limits.

- Quality of assets. Any changes in the target risk profile that may significantly affect the quality of assets are properly analysed and assessed before the changes are made.
- Strong liquidity position. The Group maintains a conservative liquidity risk profile and a sufficient portfolio of liquid assets at all times. Concentrations of funding and liquid assets are avoided.
- Adequate capital. The Group maintains a strong and rather conservative capitalisation level (capital adequacy). The Group makes sure that it has adequate capital to cover its risks and comply with regulatory and internal capital requirements.
- Reasonable risk level. The Group does not accept unreasonably high risk even when there is potential for exceptionally high profit as a result of risk taking. Risks which the Group cannot assess or manage adequately or for which it does not have sufficient experience or knowledge are avoided.
- Low risk appetite to specified types of risks. The Group has low risk appetite to certain risk types as specified in the policies for individual risks.

- Reliable structure of the statement of financial position. The Group is not required to maintain a specific structure of the statement of financial position but risk appetite that may have a significant impact on the structure of the statement of financial position is carefully assessed (the impacts of the changes in the structure of the statement of financial position are analysed) and changed, where necessary, before it is approved.

The main risk the Group has identified in its operations is credit risk, which arises in lending to customers. Other material risks are market risk (including IRRBB, i.e. interest rate risk in the banking book), liquidity risk, operational risk, reputational risk, business and strategic risk. In order to cover these risks Group holds a capital buffer and liquidity reserves for unforeseen events. Risks are assessed and identified regularly, as a part of its internal capital adequacy assessment process (ICAAP) and internal liquidity assessment process (ILAAP).

Risk and capital management principles for the Group are established in the risk and capital management policy approved by the supervisory board of Bigbank AS.

There have been no significant changes in risk management neither risk profile during the current reporting period.

Note 2. Correction of an error

The recognition of contract fees and contract issuance costs (the costs of obtaining contracts) was reviewed in the fourth quarter of this year. The review indicated that the previously applied simplified recognition policy according to which both the contract fee and the costs directly attributable to obtaining the contract were recognised in profit or loss immediately at the date of signature of a contract no longer provided a sufficiently accurate result.

After the correction, contract fees are recognised using the effective interest method as appropriate for interest-like revenue and the costs directly attributable to obtaining contracts are capitalised and amortised over the terms of the underlying contracts. As a result of the correction, retained earnings and loans to customers were reduced by 2,775 thousand euros.

The following table reflects the effects of the correction:

At	31 Dec 2021	31 Dec 2021 restated	Reconciliation
Assets			
Loans to customers	896,238	893,463	-2,775
Total assets	1,151,128	1,148,353	-2,775
Equity			
Retained earnings	176,245	173,470	-2,775
Total equity	186,121	183,346	-2,775
Total liabilities and equity	1,151,128	1,148,353	-2,775

Note 3. Operating segments

Segment reporting is based on internal reports to the Group's executive management. The Group's chief operating decision maker is the management board of Bigbank AS, which monitors the Group's internally

generated financial information on a regular basis to better assess the results of operations, including the performance of operating segments, and to allocate resources efficiently. The Group's banking operations are

divided into two operating segments, identified by reference to customer categories: retail banking and corporate banking. Both segments offer loan products to customers and raise deposits. Group entities that are involved in investment property and agriculture and units that support banking operations (incl. the treasury) form the segment of other operations. Intersegment loans and services as well as receivables and payables are presented in the table below as eliminations.

The result of an operating segment is the segment's net profit, which comprises financial items directly attributable to the segment. The retail and corporate banking

segments also include financial items (other income and expenses, operating expenses and income tax expense), which are allocated to segments consistent with their nature based on the size of the loan portfolio, the number of loans or the number of staff associated with the segment. The allocation is based on internal transfer prices. The prices applied in intersegment transactions (incl. providing loans and services to Group companies) do not differ significantly from market prices. Segment assets and liabilities comprise assets and liabilities which are directly attributed to the segment as well as assets and liabilities allocated to the segment on the basis of the size of the loan portfolio.

Segment profit for Q3 2022

	Retail banking	Corporate banking	Other activities	Elimination	Total
Interest income	19,453	5,328	145	-359	24,567
Interest expense	-2,372	-884	-362	359	-3,259
Net interest income	17,081	4,444	-217	-	21,308
Fee and commission income	1,960	-	-	-	1,960
Fee and commission expense	-49	-20	-	-	-69
Net fee and commission income	1,911	-20	-	-	1,891
Net income (loss) on financial assets	-	212	-161	-	51
Other income	205	2	2,107	-182	2,132
Other expenses	-918	-95	-948	-	-1,961
Total net operating income	18,280	4,542	781	-182	23,421
Expenses	-8,682	-2,092	-362	182	-10,954
Gains (losses) resulting from changes in the fair value of investment properties	-	-	859	-	859
Profit before loss allowances	9,598	2,450	1,278	-	13,326
Net loss allowances on loans and financial investments	-4,313	127	-	-	-4,186
Profit before income tax	5,285	2,577	1,278	-	9,140
Income tax expense	-644	-1,302	-	-	-1,946
Profit for the period	4,641	1,275	1,278	-	7,194

Segment profit for 9M 2022

	Retail banking	Corporate banking	Other activities	Elimination	Total
Interest income	56,407	13,723	607	-1,168	69,569
Interest expense	-6,428	-2,046	-1,218	1,168	-8,524
Net interest income	49,979	11,677	-611	-	61,045
Fee and commission income	5,736	5	-	-	5,741
Fee and commission expense	-173	-57	-	-	-230
Net fee and commission income	5,563	-52	-	-	5,511
Net income (loss) on financial assets	-	212	-464	-	-252
Other income	608	10	5,836	-542	5,912
Other expenses	-2,443	-174	-3,051	-	-5,668
Total net operating income	53,707	11,673	1,710	-542	66,548
Expenses	-25,294	-5,829	-1,118	542	-31,699
Gains (losses) resulting from changes in the fair value of investment properties	-	-	859	-	859
Profit before loss allowances	28,413	5,844	1,451	-	35,708
Net loss allowances on loans and financial investments	-10,837	93	-	-	-10,744
Profit before income tax	17,576	5,937	1,451	-	24,964
Income tax expense	-1,807	-1,901	-	-	-3,708
Profit for the period	15,769	4,036	1,451	-	21,256

Assets and liabilities of segments at 30 September 2022

	Retail banking	Corporate banking	Other activities	Elimination	Total
Total assets	974,894	487,714	121,640	-46,363	1,537,885
Total liabilities	1,253,461	30,831	101,045	-46,606	1,338,731

Segment profit for Q3 2021

	Retail banking	Corporate banking	Other activities	Elimination	Total
Interest income	18,128	1,930	592	-178	20,472
Interest expense	-1,787	-187	-152	147	-1,979
Net interest income	16,341	1,743	440	-31	18,493
Fee and commission income	1,737	-	-	-	1,737
Fee and commission expense	-46	-15	-	-	-61
Net fee and commission income	1,691	-15	-	-	1,676
Net income (loss) on financial assets	-	-	-57	-	-57
Other income	228	-	730	-44	914
Other expenses	-707	-19	-614	-	-1,340
Total net operating income	17,553	1,709	499	-75	19,686
Expenses	-7,883	-1,011	-113	44	-8,963
Gains resulting from changes in the fair value of investment properties	-	-	-	3,317	3,317
Loss on impairment of goodwill	-	-	-	-930	-930
Gain on bargain purchase	-	-	-	1,519	1,519
Profit before loss allowances	9,670	698	386	3,875	14,629
Net loss allowances on loans and financial investments	-1,473	-15	-	-	-1,488
Profit before income tax	8,197	683	386	3,875	13,141
Income tax expense	-780	-209	-	-	-989
Profit for the period	7,417	474	386	3,875	12,152

Segment profit for 9M 2021

	Retail banking	Corporate banking	Other activities	Elimination	Total
Interest income	51,321	5,162	891	-360	57,014
Interest expense	-5,247	-589	-346	329	-5,853
Net interest income	46,074	4,573	545	-31	51,161
Fee and commission income	4,835	1	-	-	4,836
Fee and commission expense	-145	-39	-	-	-184
Net fee and commission income	4,690	-38	-	-	4,652
Net income (loss) on financial assets	-	-	-168	-	-168
Other income	610	2	1,175	-48	1,739
Other expenses	-2,118	-52	-871	-	-3,041
Total net operating income	49,256	4,485	681	-79	54,343
Expenses	-22,302	-2,642	-144	48	-25,040
Gains resulting from changes in the fair value of investment properties	-	-	-	3,317	3,317
Loss on impairment of goodwill	-	-	-	-930	-930
Gain on bargain purchase	-	-	-	1,519	1,519
Profit before loss allowances	26,954	1,843	537	3,875	33,209
Net loss allowances on loans and financial investments	-7,880	-108	-	-	-7,988
Profit before income tax	19,074	1,735	537	3,875	25,221
Income tax expense	-1,829	-339	-	-	-2,168
Profit for the period	17,245	1,396	537	3,875	23,053

Assets and liabilities of segments at 30 September 2021

	Retail banking	Corporate banking	Other activities	Elimination	Total
Total assets	161,251	803,273	125,335	-70,538	1,019,321
Total liabilities	709,306	52,756	152,628	-68,586	846,104

Note 4. Cash and bank balances and cash equivalents

	30 Sep 2022	31 Dec 2021
Cash balances at central banks	108,986	78,732
Of which mandatory reserve deposits	7,719	4,181
Of which surplus on mandatory reserves*	101,263	74,555
Of which interest receivable from central banks	4	-4
Cash balances at banks	32,177	37,216
Of which cash demand and overnight deposits*	32,177	37,216
Total cash and balances at banks	141,163	115,948
of which cash and cash equivalents	133,440	111,771

* Cash equivalents

Note 5. Debt instruments at fair value through other comprehensive income

At	30 Sep 2022	31 Dec 2021
Debt instruments	45,171	45,256
Debt instruments by issuer		
General government bonds	9,660	3,383
Bonds issued by credit institutions	12,087	14,404
Other financial corporations' bonds	-	2,038
Non-financial corporations' bonds	23,424	25,431
Debt instruments by currency		
EUR (euro)	41,862	42,713
SEK (Swedish krona)	3,309	2,543
Debt instruments by rating		
Aaa-Aa3	5,268	6,754
A1-A3	30,283	25,636
Baa1-Baa3	9,620	12,866

Debt securities in the amount of 38,897 thousand euros were pledged as collateral at 30 September 2022 (see note 16).

Note 6. Loans to customers

At	30 Sep 2022	31 Dec 2021 restated
Loans to customers	1,248,194	893,463
Loans to customers at amortised cost	1,227,605	893,463
Loans to customers designated at fair value through profit or loss*	20,589	-

* Loans to customers designated at fair value through profit or loss include the revaluation of the underlying assets of investment loans with special conditions in the amount of 212 thousand euros. The gain from the revaluation of the underlying asset is recognised in the income statement line *Net gain on financial assets measured at fair value through profit or loss*.

Loans to customers at 30 September 2022

	Estonia	Lithuania	Latvia	Finland	Sweden	Bulgaria	Total
Loan receivables from customers	479,186	411,795	189,546	102,797	65,888	7,309	1,256,521
Loss allowances for loans	-5,176	-4,934	-4,661	-5,710	-4,843	-638	-25,962
Interest receivable from customers	3,009	13,452	1,349	700	653	96	19,259
Loss allowances for interest receivables	-566	-407	-297	-76	-256	-22	-1,624
Total loans to customers, incl. interest and allowances	476,453	419,906	185,937	97,711	61,442	6,745	1,248,194
Share of region	38.2%	33.6%	14.9%	7.8%	4.9%	0.6%	100.0%

Loans to customers at 31 December 2021, restated

	Estonia	Lithuania	Latvia	Finland	Sweden	Bulgaria	Total
Loan receivables from customers	286,866	151,156	280,213	106,594	77,456	1,611	903,896
Loss allowances for loans	-5,318	-3,785	-5,491	-6,028	-4,337	-47	-25,006
Interest receivable from customers	2,201	11,031	1,653	794	514	8	16,201
Loss allowances for interest receivables	-673	-213	-491	-100	-151	-	-1,628
Total loans to customers, incl. interest and allowances	283,076	158,189	275,884	101,260	73,482	1,572	893,463
Share of region	31.7%	17.7%	30.9%	11.3%	8.2%	0.2%	100.0%

Note 7. Loan receivables from customers by due dates

At	30 Sep 2022	31 Dec 2021
Past due loan payments	15,382	16,081
Contractual principal payments cash flows of loans		
Less than 1 month	14,924	10,965
1-12 months	183,700	145,972
1-2 years	208,295	155,912
2-5 years	484,803	357,400
More than 5 years	349,417	217,566
Total	1,256,521	903,896

Note 8. Ageing analysis on loan receivables**Ageing analysis at 30 September 2022**

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Unsecured loans						
Loan portfolio	564,251	28,852	8,020	4,589	16,083	621,795
Loss allowance	-9,518	-2,593	-2,782	-1,985	-8,661	-25,539
Surety loans						
Loan portfolio	523	40	12	29	81	685
Loss allowance	-7	-3	-2	-10	-74	-96
Loans secured with real estate						
Loan portfolio	575,531	4,367	63	281	313	580,555
Loss allowance	-75	-10	-	-	-32	-117
Loans against other collaterals						
Loan portfolio	49,341	3,137	409	185	414	53,486
Loss allowance	-121	-42	-14	-8	-25	-210
Total loan portfolio	1,189,646	36,396	8,504	5,084	16,891	1,256,521
Total loss allowance	-9,721	-2,648	-2,798	-2,003	-8,792	-25,962

Ageing analysis at 31 December 2021, restated

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Unsecured loans						
Loan portfolio	528,707	27,669	6,927	3,442	17,074	583,819
Loss allowance	-9,677	-2,338	-2,333	-1,401	-8,820	-24,569
Surety loans						
Loan portfolio	44,933	86	31	-	94	45,144
Loss allowance	-11	-5	-13	-	-91	-120
Loans secured with real estate						
Loan portfolio	265,441	1,952	316	211	639	268,559
Loss allowance	-179	-29	-12	-5	-79	-304
Loans against other collaterals						
Loan portfolio	5,946	428	-	-	-	6,374
Loss allowance	-12	-1	-	-	-	-13
Total loan portfolio	845,027	30,135	7,274	3,653	17,807	903,896
Total loss allowance	-9,879	-2,373	-2,358	-1,406	-8,990	-25,006

Note 9. Loan receivables from customers by contractual currency

At	30 Sep 2022	31 Dec 2021
EUR (euro)	1,183,324	824,829
SEK (Swedish krona)	65,888	77,456
BGN (Bulgarian lev)	7,309	1,611
Total loan receivables from customers	1,256,521	903,896

Note 10. Loss allowances for loan receivables from customers**Loss allowances at 30 September 2022**

	Loan receivables	Interest receivables	Total receivables subject to impairment	Total loss allowances
Stage 1	1,204,032	15,569	1,219,601	-8,279
Stage 2	29,120	756	29,876	-6,045
Stage 3	23,369	2,934	26,303	-13,262
Total	1,256,521	19,259	1,275,780	-27,586

Loss allowances at 31 December 2021, restated

	Loan receivables	Interest receivables	Total receivables subject to impairment	Total loss allowances
Stage 1	855,265	12,571	867,836	-8,438
Stage 2	25,104	622	25,726	-5,044
Stage 3	23,527	3,008	26,535	-13,152
Total	903,896	16,201	920,097	-26,634

Development of allowances for 9 months 2022

	Opening balance at 1 Jan 2022	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	-8,438	-3,237	1,258	1,955	183	-8,279
Stage 2	-5,044	-990	268	-1,711	1,432	-6,045
Stage 3	-13,152	-1,010	516	-4,768	5,152	-13,262
Total	-26,634	-5,237	2,042	-4,524	6,767	-27,586

Development of allowances for 12 months 2021, restated

	Opening balance at 1 Jan 2021	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	-10,397	-4,332	1,852	4,262	177	-8,438
Stage 2	-3,965	-1,736	313	-527	871	-5,044
Stage 3	-12,989	-1,419	1,068	-6,434	6,622	-13,152
Total	-27,351	-7,487	3,233	-2,699	7,670	-26,634

Note 11. Other receivables and inventories

At	30 Sep 2022	31 Dec 2021
Receivables	1,852	1,887
Customer receivables and other miscellaneous receivables	1,615	1,648
Collection, recovery and other charges receivable	383	425
Loss allowance for other receivables	-146	-186
Inventories	1,119	768
Total	2,971	2,655

Note 12. Prepayments

At	30 Sep 2022	31 Dec 2021
Tax receivables	400	400
Prepaid other taxes	42	-
Prepayments to suppliers and prepaid expenses	1,120	1,065
Total	1,562	1,465

Note 13. Tangible assets

At	30 Sep 2022	31 Dec 2021
Land	9,907	9,012
Buildings	7,434	7,672
Right-of-use assets: office premises	1,223	1,409
Right-of-use assets: agricultural equipment and machinery	513	621
Other items - computers, office equipment, furniture, other fixtures, fittings	2,138	1,188
Biological assets	1,024	1,038
Total	22,239	20,940

Other items comprise computers, office equipment and furniture and other fixtures and fittings. Leased agricultural machinery and leased office premises are recognized as

right-of-use assets. Biological assets include dairy herds and grasslands.

Land and buildings, other items and biological assets

	Land and buildings	Other items	Biological assets	Total
Cost				
Balance at 1 January 2021	1,582	4,211	-	5,793
Purchases	35	453	62	550
Sales	-	-108	-	-108
Write-off	-	-44	-	-44
Revaluation recognised in other comprehensive income	113	-	-	113
Additions from business combinations	10,680	860	976	12,516
Transfer from investment property	4,338	-	-	4,338
Balance at 31 December 2021	16,748	5,372	1,038	23,158
Balance at 1 January 2022	16,748	5,372	1,038	23,158
Purchases	26	1,333	-	1,359
Sales	-3	-230	-14	-247
Write-off	-	-123	-	-123
Revaluation and price adjustment	2,440	-	-	2,440
Transfer into investment property	-1,546	-	-	-1,546
Transfer from right-of-use assets	-	79	-	79
Effect of movements in exchange rates	-	-3	-	-3
Balance at 30 September 2022	17,665	6,428	1,024	25,117

	Land and buildings	Other items	Biological assets	Total
Depreciation				
Balance at 1 January 2021	-	-3,453	-	-3,453
Depreciation charge for the year	-90	-492	-	-582
Sales	-	98	-	98
Write-off	-	43	-	43
Additions from business combinations	-58	-379	-	-437
Transfer*	84	-	-	84
Effect of movements in exchange rates	-	-1	-	-1
Balance at 31 December 2021	-64	-4,184	-	-4,248
Balance at 1 January 2022	-64	-4,184	-	-4,248
Depreciation charge for the period	-260	-366	-	-626
Sales	-	197	-	197
Write-off	-	122	-	122
Transfer	-	-61	-	-61
Effect of movements in exchange rates	-	2	-	2
Balance at 30 September 2022	-324	-4,290	-	-4,614
Carrying amount				
Balance at 1 January 2021	1,582	758	-	2,340
Balance at 31 December 2021	16,684	1,188	-	17,872
Balance at 30 September 2022	17,341	2,138	1,024	20,503

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

Right-of-use assets

At	30 Sep 2022	31 Dec 2021
Carrying amount at 1 January	2,030	2,084
Adjustment*	-	-299
Additions	223	130
Termination of lease	-18	-
Depreciation charge	-558	-595
Price adjustment	59	53
Additions from acquisitions of business combinations	-	657
Carrying amount at end of period	1,736	2,030

* Both right-of-use assets and lease liabilities were reduced by non-recoverable value-added tax charged on rental services.

Note 14. Investment properties

At	30 Sep 2022	31 Dec 2021
Opening balance at 1 January	41,590	27,181
Additions	3,393	29,274
Sales	-	-16,968
Reclassification as office premises*	-	-4,338
Reclassification from land	1,546	-
Net profit from fair value adjustment	859	6,441
Closing balance at end of period	47,388	41,590

* A part of a building initially acquired as investment property was reclassified to property, plant and equipment as the Group is going to use this part of the building as office premises.

Investment properties include buildings in Tallinn, Tartu and Pärnu and agricultural land.

Note 15. Intangible assets

	30 Sep 2022	31 Dec 2021
Cost at beginning of year	34,966	29,948
Purchased and developed software	4,034	5,018
Of which purchases	1,650	2,221
Of which capitalised payroll costs	2,384	2,797
Write-off	-1,884	-
Cost at end of period	37,116	34,966
Amortisation at beginning of year	-7,941	-5,735
Amortisation charge for the period	-1,817	-2,206
Write-off	1,797	-
Amortisation at end of period	-7,961	-7,941
Carrying amount at beginning of year	27,025	24,213
Carrying amount at end of period	29,155	27,025

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 16. Loans from central banks

In 2019 and 2020, the Group obtained from the ECB's third series of targeted longer-term refinancing operations (TLTRO-III) financing in the total value of 36.5 million euros. The initial maturity of the liability was 3 years with an early repayment option starting on 29 September 2021. The basic interest rate on TLTRO-III borrowing has been -0.5%. The interest rate is linked to a reference rate which may change in the future. For banks meeting the ECB's specified lending criteria, which the Group met for the first reference period, the interest rate can be as low as -1.0% and is applicable retrospectively. The ECB's financing is

secured by debt securities. At 30 September 2022, loans from central banks amounted to 36.3 million 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 ten targeted longer-term refinancing operations, each with a maturity of three years, starting in September 2019 at a quarterly frequency.

Note 17. Deposits from customers

At	30 Sep 2022	31 Dec 2021
Deposits from customers	1,244,847	898,340
Deposits by customer type		
Individuals	1,221,014	881,099
Legal persons	23,833	17,241
Deposits by currency		
EUR (euro)	1,168,931	815,783
SEK (Swedish krona)	74,680	82,557
BGN (Bulgarian lev)	1,236	-
Deposits by maturity		
Savings deposits (on demand)	542,548	343,782
Maturing within 1 month	29,712	20,343
Maturing between 1 and 6 months	144,691	102,546
Maturing between 6 and 12 months	160,564	109,273
Maturing between 12 and 18 months	72,776	60,309
Maturing between 18 and 24 months	68,066	64,227
Maturing between 24 and 36 months	112,426	80,110
Maturing between 36 and 48 months	42,668	42,027
Maturing between 48 and 60 months	30,809	32,728
Maturing in over 60 months	40,587	42,995

The median amount of customer deposits was 40 thousand euros.

Note 18. Subordinated bonds

In the third quarter, Bigbank issued Tier 2 subordinated bonds in the amount of 20 million euros, with a coupon rate of 8% and a term of 10 years, maturing in 2032. The bonds are publicly traded on the Nasdaq Tallinn Stock Exchange.

Previously, in the second quarter, Bigbank had issued 10-year Tier 2 subordinated bonds of 5 million euros maturing in 2032. Subject to approval by the Estonian Financial Supervision and Resolution Authority, both bonds may be called early at any time after 5 years have passed.

Changes in bonds

At	30 Sep 2022	31 Dec 2021
Opening balance	14,976	4,970
Cash flow items:		
Receipts	25,000	10,000
Payments	-493	-330
Non-cash flow items:		
Movement in accrued interest	930	336
Bond issuance transaction costs	-364	-
Closing balance	40,049	14,976

Notes at 30 September 2022

	Nominal value	Interest rate	Issue date	Maturing date
Note EE3300111400	5,000	6.5%	28.12.2017	28.12.2027
Note EE3300002526	10,000	6.5%	30.12.2021	30.12.2031
Note EE3300002583	5,000	7.5%	16.05.2022	16.05.2032
Note EE3300002690	20,000	8.0%	21.09.2022	21.09.2032

Note 19. Other liabilities

At	30 Sep 2022	31 Dec 2021
Received surplus payments	7,105	5,516
Payables to employees	1,952	2,530
Supplier payables	1,005	1,792
Other payables	2,511	1,351
Total	12,573	11,189

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 20. Other reserves

At	30 Sep 2022	Change	31 Dec 2021
Exchange differences on translation of foreign operations	1,081	354	727
Asset revaluation reserve	3,223	2,440	783
Fair value changes of debt instruments measured at FVOCI	-2,575	-2,141	-434
Total other reserves	1,729	653	1,076

Note 21. Net currency positions**Net currency positions at 30 September 2022**

	Assets bearing currency risk	Liabilities bearing currency risk	Net position
SEK (Swedish krona)	76,115	75,241	874
BGN (Bulgarian lev)	7,040	1,416	5,624

Net currency positions at 31 December 2021, restated

	Assets bearing currency risk	Liabilities bearing currency risk	Net position
SEK (Swedish krona)	84,368	82,941	1,427
BGN (Bulgarian lev)	1,868	160	1,708

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

Note 22. 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.

According to management's estimates the fair values of the assets and liabilities reported in the statement of financial position at 30 September 2022 do not differ significantly from their carrying amounts.

The different levels have been defined as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical instruments.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for instruments, either directly (that is, as prices) or indirectly (that is, derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Inputs that are not based on observable market data (that is, unobservable inputs). This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value hierarchy at 30 September 2022

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt instruments at fair value through other comprehensive income (note 5)	45,171	-	-	45,171
Land and buildings (note 13)	-	-	18,365	18,365
Investment properties (note 14)	-	-	47,388	47,388
Assets for which fair values are disclosed				
Loans to customers (note 6-10)	-	-	1,248,194	1,248,194
Other financial receivables (note 11)	-	-	2,972	2,972
Total assets	45,171	-	1,316,919	1,362,090
Liabilities for which fair values are disclosed				
Loans from central banks (note 16)	-	-	36,314	36,314
Deposits from customers (note 17)	-	-	1,244,847	1,244,847
Subordinated notes (note 18)	-	-	40,049	40,049
Lease liabilities	-	-	1,518	1,518
Other financial liabilities (note 19)	-	-	12,573	12,573
Total liabilities	-	-	1,335,301	1,335,301

Fair value hierarchy at 31 December 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt instruments at fair value through other comprehensive income (note 5)	45,256	-	-	45,256
Land and buildings (note 13)	-	-	17,722	17,722
Investment properties (note 14)	-	-	41,590	41,590
Assets for which fair values are disclosed				
Loans to customers (note 6-10)	-	-	893,463	893,463
Other financial receivables (note 11)	-	-	2,655	2,655
Total assets	45,256	-	955,430	1,000,686
Liabilities for which fair values are disclosed				
Loans from central banks (note 16)	-	-	36,500	36,500
Deposits from customers (note 17)	-	-	898,340	898,340
Subordinated notes (note 18)	-	-	14,976	14,976
Lease liabilities	-	-	1,806	1,806
Other financial liabilities (note 19)	-	-	11,189	11,189
Total liabilities	-	-	962,811	962,811

There were no transfers between level 1 and level 2 in 2022 or 2021.

The level 3 loans to customers that amount to 1,227,605 thousand euros are measured at amortised cost using the effective interest method less any loss allowances. For fair valuation, 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 the effective interest rate. Loans to customers include receivables measured at fair value through profit or loss in the amount of 20,589 euros.

The level 3 land and buildings that amount to 18,365 thousand euros consists of real estate used by the Group as office premises in Tallinn, other buildings (agricultural production and storage buildings) and agricultural land. The biological assets include livestock – dairy cattle and young stock –, planted perennial grasslands and growing crops.

The office premises in Tallinn were valued using the income approach and the following inputs: the estimated rental income per square metre per month for commercial space in Tallinn is 11 euros, the rental growth rate is 1.5%, the long-term vacancy rate is 5% and the discount rate is 8.5%. Part of the office premises have been rebuilt from residential space and they were valued using the market comparison approach, whereby the valuation was based on the prices per square metre of residential space in Tallinn city centre of 3,497-3,675 euros less the costs of transforming the office space back into apartments.

The agricultural land's fair value is based on a valuer's appraisal according to which the average price per hectare of agricultural land at the date of valuation was 5,800-8,800 euros. The fair values of agricultural production and storage buildings is based on a valuer's appraisal.

Biological assets are measured at fair value less costs to sell. The value of livestock is based on local Estonian market prices for livestock of similar age, breed and genetic merit, with adjustments, where necessary, to reflect the differences. Management determined the fair values of heifers transferred to dairy cattle based on the animal's pregnancy status and the month of first calving, setting the values of the animals in the range of 1,000 and 1,500 euros. At the values determined this way, the animals are carried in the statement of financial position until the end of the first lactation, after which the value of the animal begins to decrease with each lactation (the value is 900 euros during the second lactation, 500 euros during the third lactation and 200 euros during further lactations). The fair value of

Note 23. Contingent liabilities

At 30 September 2022, the unused portions of the credit lines and loans totalled 106,522 thousand euros (31 December 2021: 93,825 thousand euros), guarantees

newborn calves and young animals is determined by reference to the increase in weight – the value of each kilogram of live weight is approximately 2 euros.

Unlike other biological assets, perennial grasslands and growing crops have been measured at cost. The deemed cost is based on the cost of high-quality grassland in public sources of 300 euros per hectare.

The level 3 investment properties that amount to 47,388 thousand euros consist of office buildings and retail space in Tartu, Tallinn and Pärnu, forest and agricultural land leased to farmers. Investment properties are measured at the fair value in the financial statements.

The office building in Tartu was valued using the residual method based on the highest and best use of the property. The residual method takes into account the profit that could be earned if the existing property were developed and sold as an apartment building. The following inputs were used in the valuation of the property: the sales price per square metre for flats in Tartu old town of 3,500 euros and development costs per square metre of 1,588 euros.

The fair values of other office buildings in Tallinn and Pärnu were estimated using the income approach based on rental prices of 11-13 euros per square metre in Tallinn and 4-12 euros per square metre in Pärnu.

Agricultural land was valued using the market comparison approach. Based on valuation reports, the best use of the land is the existing use for agricultural purposes. According to the valuation reports, the average price per hectare of agricultural land was 7,300 euros (2021: 5,600 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.

The agricultural land recognised in the line item 'Land and buildings' and a part of the forest and agricultural lands recognised in the line item 'Investment property' were revalued in the third quarter of 2022. The values of other investment properties – commercial buildings and agricultural land – and real estate used by the Group have not been revalued during the reporting period as management estimates that the carrying amount of these assets corresponds to their fair value. The assumptions used described above are based on expert estimates obtained in the fourth quarter of 2021 and in the third quarter of 2022.

issued totalled 5 thousand euros (31 December 2021: 5 thousand euros).

Note 24. Interest income

	Q3 2022	Q3 2021	9M 2022	9M 2021
Interest income on loans to customers	24,861	19,899	69,427	56,155
Gain from financial assets measured in fair value	7,678	-	7,678	-
Interest income on debt instruments	127	144	376	429
Interest income on deposits	41	-	42	1
Interest income on liabilities	-1	429	185	429
Total interest income	32,706	20,472	77,708	57,014

Note 25. Interest expense

	Q3 2022	Q3 2021	9M 2022	9M 2021
Interest expense on deposits	2,830	1,818	7,345	5,381
Interest expense on bonds	391	84	930	250
Loss from discounting financial assets measured in fair value	820	-	820	-
Interest expense on lease liabilities	5	6	18	17
Other interest expense	33	71	231	205
Total interest expense	4,079	1,979	9,344	5,853

Note 26. Other income

	Q3 2022	Q3 2021	9M 2022	9M 2021
Income from debt recovery proceedings	113	120	360	395
Rental income	907	517	2,633	954
Revenue from sales of agricultural products	602	169	1,790	169
Miscellaneous income	510	108	1,129	221
Total other income	2,132	914	5,912	1,739

Note 27. Other expenses

	Q3 2022	Q3 2021	9M 2022	9M 2021
Expenses related to registry inquires	286	292	862	871
Expenses related to enforcement proceedings	122	219	379	511
Legal regulation charges	427	164	830	492
Expenses from investment properties	358	467	1,083	739
Costs of sold agricultural products and change in fair value of biological assets	590	80	1,960	80
Miscellaneous expenses	179	118	555	348
Total other expenses	1,962	1,340	5,669	3,041

Note 28. Administrative expenses

	Q3 2022	Q3 2021	9M 2022	9M 2021
Marketing expenses	3,182	2,578	8,700	7,162
Short-term leases	28	29	117	84
Office and other similar administrative expenses	147	92	433	292
Other personnel-related expenses	421	290	1,088	501
Software licensing and other information technology costs	399	366	1,117	1,075
Other services	111	185	361	378
Postal supplies and charges	49	48	144	160
Telephone and other communications expenses	182	147	537	415
Miscellaneous operating expenses	67	45	226	154
Total other operating expenses	4,586	3,780	12,723	10,221

Note 29. Earnings per share

	9M 2022	9M 2021
Net profit for the period, in thousands of euros	21,256	23,053
Number of shares at beginning of year	80,000	80,000
Number of shares at end of period	80,000	80,000
Weighted average number of ordinary shares outstanding	80,000	80,000
Earnings per share, in euros	266	288

At 30 September 2022 and at 30 September 2021 the Group did not have any potential dilutive ordinary shares.

Therefore, diluted earnings per share equal basic earnings per share.

Note 30. 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.

At 30 September 2022, the Group had a claim to related parties of 8,226 thousand euros (Loans to customer) (31 December 2021: 4,310 thousand euros), the interest income on that claim amounted to 189 thousand euros for nine months of 2022 (for nine months of 2021: 66 thousand euros). Loans granted to related parties are issued at market conditions.

Claim to related parties

At	30 Sep 2022	31 Dec 2021
Loans to customers	8,226	4,310
Of which to members of management and supervisory boards	583	102
Of which to companies and persons connected related parties	7,643	4,208
Subordinated notes	260	0
Of which to members of management and supervisory boards	245	-
Of which to companies and persons connected related parties	15	-

Note 31. Events occurring after the reporting period

On December 7, 2022, the management board of Bigbank AS decided to start with the termination of the economic activities of the two subsidiaries Palupera Põllud OÜ and Abja Põld OÜ, as the activities of these

companies do not support the bank's core activities and, accordingly, agricultural production is not part of the Group's long-term strategic plans.

Statement by the Management Board

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

- The figures and additional information presented in the condensed consolidated interim report for the nine months of 2022 are true and complete.
- 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 at 30 September 2022 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.

The financial statements have been prepared on a going concern basis.

Martin Länts

Chairman of the Management Board

22 December 2022

signed digitally

Mart Veskimägi

Member of the Management Board

22 December 2022

signed digitally

Argo Kiltsmann

Member of the Management Board

22 December 2022

signed digitally

Ingo Pöder

Member of the Management Board

22 December 2022

signed digitally

Ken Kanarik

Member of the Management Board

22 December 2022

signed digitally