Interim condensed consolidated financial statements for the period ended 31 March 2022

Bigbank AS

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Business name	**Bigbank AS**
Registry	**Commercial Register of the Republic of Estonia**
Registration number	**10183757**
Date of entry	**30 January 1997**
LEI code	**5493007SWCCN9S3J2748**
Address	**Riia 2, 51004 Tartu, Estonia**
Phone	**+372 737 7570**
E-mail	**info@bigbank.ee**
Corporate website	**www.bigbank.ee**
Financial year	**1 January 2022 – 31 December 2022**
Reporting period	**1 January 2022 – 31 March 2022**
Chairman of the management board	**Martin Länts**
Core business line	**Provision of loans and acceptance of deposits**
Auditor	**KPMG Baltics OÜ**
Reporting currency	**The reporting currency is the euro.**

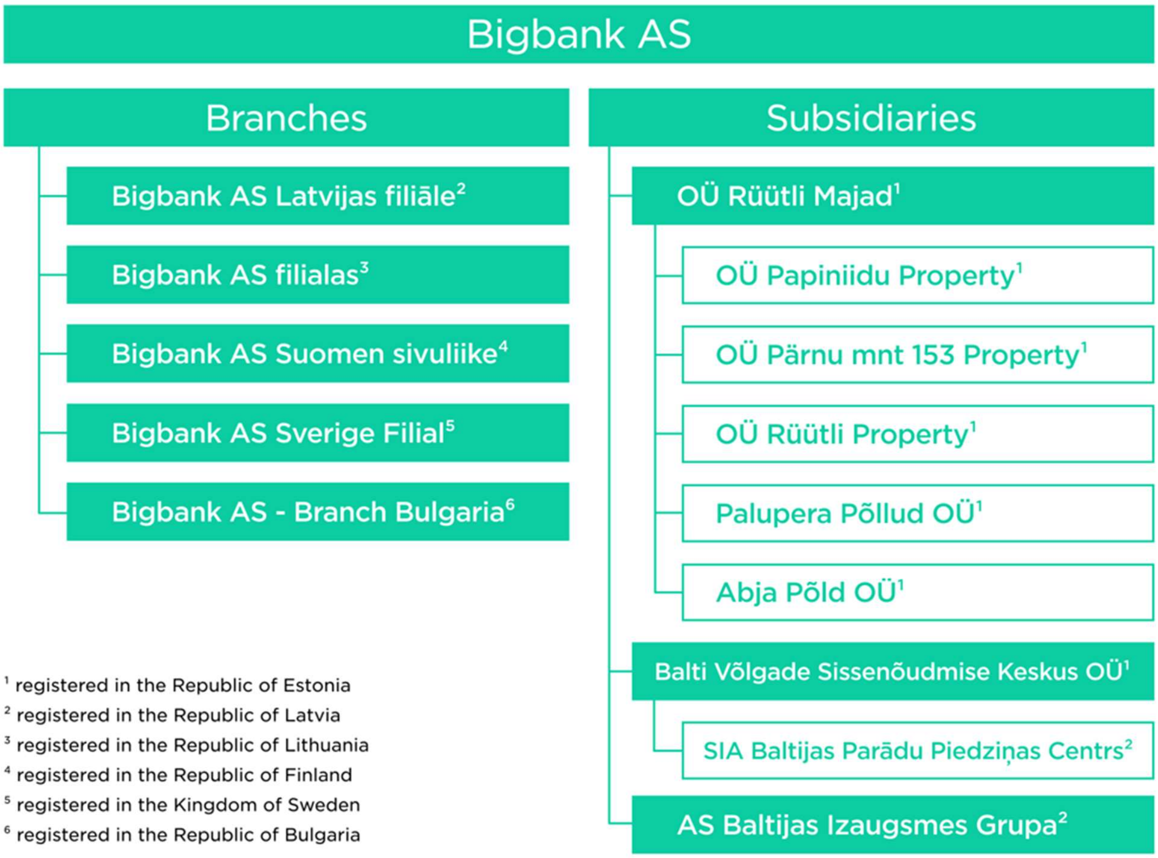
Interim report is available on the website of Bigbank AS at www.bigbank.ee.
The version in English is located at www.bigbank.eu.

Contents

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, Sweden 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 core business of OÜ Rüütli Majad and its subsidiaries OÜ Papiniidu Property and OÜ Pärnu mnt 153 Property is managing real estate, and the subsidiary OÜ Rüütli 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 Võlgade Sissenõudmise Keskus along with its subsidiary are not engaged in active business operations.

Review of operations

Significant economic events

The most significant event affecting the social wellbeing and economic outlook of the region in the first quarter of 2022 was regrettably Russia's aggression and launch of a full-scale war against Ukraine. Bigbank firmly believes that military aggression of any form is unacceptable and every country's sovereignty must be respected. Our people stand with Ukraine, both in their hearts and with their actions, hoping that Ukraine's full sovereignty and territorial integrity will be restored and the war will end as soon as possible.

Our first-quarter business operations and financial performance were not directly affected by the war in Ukraine. The Group delivered strong financial results and its loan portfolio did not include any significant exposures to Russia, Belarus or Ukraine.

Bigbank's loan portfolio and deposits from customers grew in the first quarter, rising above 1 billion euros each and expanding by 12.0% and 13.1% compared to the year-end, respectively. Both corporate and housing loan portfolios continued to grow, increasing by 25.0% and 55.5% during the period, respectively. In the provision of housing loans, March was a record month for us in both the Estonian and Latvian markets, while our total first-quarter sales in the three markets where housing loans are provided (Estonia, Latvia and Lithuania) were the highest ever. Corporate loans (the loan and lease portfolios) grew by 219.4 million euros, i.e. 4.3 times, year on year. Growth was broad-based across all sectors and in all three Baltic countries, where Bigbank's corporate loans are currently offered. In the first quarter, the corporate credit portfolio grew by 25.0%, rising to 285.8 million euros by 31 March 2022. Over half of the portfolio has been issued in Estonia and the rest in Lithuania and Latvia. The main sources of first-quarter growth in the credit portfolio were investment loans to the cash flow-generating commercial property, agriculture, and forestry sectors. The number of corporate vehicle and equipment lease customers increased by 32.0% in the first quarter, with Lithuania showing the highest growth rate. The portfolio of loans to private customers grew by 7.5% quarter on quarter and by 29.2% year on year.

Growth in deposits was supported by the launch of deposits in the Bulgarian market in March as well as the adjustment of our deposit interest rates in Estonia, where Bigbank now offers the best rates in the market. Customers continue to be very interested in savings deposits: their share in total deposits has grown rapidly, reaching 38.6% by the end of the quarter.

At the end of the first quarter, the Group's performing loan portfolio amounted to 996.9 million euros, exceeding the figure at the previous year-end by 108.1 million euros (12.2%). The share of loans over 90 days past due accounted for 1.8% of the total portfolio at the reporting date.

The Group's real estate investment portfolio - both agricultural and commercial - reached 46.6 million euros.

Bigbank earned a net profit of 6.4 million euros in the first quarter of 2022, which is 10.6% more than in the same period last year. Profit before loss allowances and income tax amounted to 10.9 million euros. First-quarter expenses on credit loss allowances amounted to 3.8 million euros. Interest income for the first quarter amounted to 21.5 million euros, having increased by 3.9 million euros (21.9%) compared to the same period last year.

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.

While the war in Ukraine has not had any significant impact on the Group's performance, its effects on the Group's target markets are obvious: we see increasing inflationary pressures, supply disruptions and heightened economic uncertainty. There is also an increased risk of cyberattacks against financial institutions and IT infrastructures. We offer banking services to customers mainly through electronic channels. This increases our exposure to attacks on our own systems or the IT infrastructures of the countries where we operate, which may cause reputational damage or additional expenditures. The economic and political uncertainty ensuing from the war may increase the Group's liquidity risk as the Group depends on external sources of financing, including the raising of cross-border deposits from Austria, Germany and the Netherlands. Inflationary pressures, including hikes in the prices of energy carriers and household expenditures as well as supply disruptions that weaken the economic environment, may undermine the solvency of borrowers and the demand for loans, which would cause unfavourable changes in the Group's interest income and 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.

From 15 March 2022, the management board has five members: the chairman of the management board Martin Länts and the members Mart Veskimägi, Argo Kiltsmann, Ingo Põder and Ken Kanarik (the latter two are new members). The term of office of management board member Sven Raba expired on 14 March 2022.

Bigbank had 489 employees at the end of the first quarter of 2022: 296 in Estonia, 81 in Lithuania, 73 in Latvia, 18 in Finland, 11 in Sweden and 10 in Bulgaria.

Key performance indicators and ratios

Financial position indicators *(in millions of euros)*	31 Mar 2022	31 Dec 2021	Change
Total assets	1,269.8	1,151.1	10.3%
Loans to customers	1,005.0	896.2	12.1%
of which loan portfolio	1,015.2	906.7	12.0%
of which interest receivable	17.2	16.2	6.3%
of which loss allowances	-27.4	-26.7	2.8%
Deposits from customers	1,015.8	898.3	13.1%
Equity	186.0	186.1	-0.1%

Financial performance indicators *(in millions of euros)*	3M 2022	3M 2021	Change
Interest income	21.5	17.7	21.9%
Interest expense	2.4	1.9	28.7%
Salaries and associated charges	5.1	3.9	29.3%
Other operating expenses	3.9	3.0	32.0%
Net loss allowances on loans and financial investments	3.8	2.6	43.3%
Profit before impairment loss	10.1	8.4	20.8%
Net profit	6.4	5.8	10.6%

Ratios	3M 2022	3M 2021
Return on equity (ROE)	13.7%	14.8%
Equity multiplier (EM)	6.5	5.1
Profit margin (PM)	25.3%	29.5%
Asset utilization ratio (AU)	8.4%	9.9%
Return on assets (ROA)	2.1%	2.9%
Price difference (SPREAD)	6.7%	8.3%
Cost to income ratio (CIR)	56.1%	48.6%
Liquidity coverage ratio (LCR)	471.0%	595.0%
Net stable funding ratio (NSFR)	128.6%	131.0%

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 31 March 2022, the consolidated assets of Bigbank AS Group totalled 1.27 billion euros, having increased by 118.7 million euros (10.3%) during the first quarter.

At 31 March 2022, loans to customers accounted for 79.2% of total assets, amounting to 1.01 billion euros. At the end of the first quarter, the proportion of liquid assets (amounts due from banks and financial debt instruments) was 13.2%, totalling 167.1 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 42.6 million euros at 31 March 2022, of which 37.5 million euros was pledged as collateral for a loan from the central bank and 5.1 million euros was part of the liquidity buffer.

At the end of the first quarter, the Group had 119 thousand loan agreements, 41 thousand of them in Lithuania, 31 thousand in Latvia, 21 thousand in Estonia, 15 thousand in Finland, 10 thousand in Sweden and 1 thousand in Bulgaria.

Geographical distribution of loans to customers:

- 33.6% Estonia,
- 33.4% Lithuania,
- 16.0% Latvia,
- 9.7% Finland,
- 6.9% Sweden,
- 0.4% Bulgaria.

At 31 March 2022, loans to customers totalled 1005.0 million euros, comprising of:

- the loan portfolio of 1015.2 million euros. Loans to individuals accounted for 71.9% of the total;
- interest receivable on loans of 17.2 million euros;
- loss allowances for loans and interest receivables of 27.4 million euros.

Bigbank's loan portfolio is diversified – at the reporting date the average loan balance was 8,534 euros.

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

At the end of the first quarter of 2022, the Group's liabilities totalled 1083.8 million euros. Most of the debt raised by the Group, i.e. 1015.8 million euros (93.7%) consisted of deposits. The liability of the financing received under ECB's third series of targeted longer-term refinancing operations (TLTRO-III) and secured by debt securities reached at 31 March 2022 36.5 million euros.

At the end of the first quarter of 2022, the Group's equity was 186.0 million euros. The equity to assets ratio amounted to 14.6%.

Financial performance

Interest income for the first quarter of 2022 reached 21.5 million euros, increasing by 3.9 million euros (21.9%) compared to the same period in 2021. The first quarter's ratio of interest income (annualised) to average interest-earning assets was 7.5% and (annualised) return on the loan portfolio accounted for 8.9% of the average loan portfolio.

Interest expense for the first quarter of 2022 was 2.4 million euros, having grown by 0.5 million euros (28.7%) year on year. The ratio of interest expense to interest income was 11.3% in the first quarter. The ratio of interest expense to average interest-bearing liabilities (annualised) was 0.9%.

Salaries and associated charges for the first quarter of 2022 totalled 5.1 million euros. At the end of the period, the Group had 489 employees.

Other operating expenses for the first quarter amounted to 3.9 million euros, being higher by 0.9 million euros than in the year-earlier period.

In the first quarter, impairment losses were 3.8 million euros, consisting of:

- impairment losses on loan receivables of 3.4 million euros;
- impairment losses on interest receivables and other receivables of 0.4 million euros.

The Group's net profit for the first quarter of 2022 amounted to 6.4 million euros. In comparison to the first quarter of 2021, net profit has increased by 0.6 million euros.

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.

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.

At *(in thousands of euros)*	**31 Mar 2022**	**31 Dec 2021**
Paid-in share capital	8,000	8,000
Capital reserve	800	800
Prior years retained earnings	170,245	140,363
Other accumulated comprehensive income	527	1,076
Other intangible assets	-18,777	-17,487
Profit eligible	-	17,053
Adjustments to CET1	-363	-383
Common equity Tier 1 capital	**160,432**	**149,422**
Tier 1 capital	**160,432**	**149,422**
Tier 2 capital	**15,000**	**15,000**
Total own funds	**175,432**	**164,422**

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 first quarter of 2022, own funds exclude net profit for the three months of current year.

Total risk exposure amount

At *(in thousands of euros)*	**31 Mar 2022**	**31 Dec 2021**
Risk weighted exposure amounts for credit and counterparty credit (standardised approach)		
Central governments or central banks	727	553
Institutions	13,726	14,587
Corporates	241,790	207,846
Retail	452,756	444,278
Secured by mortgages on immovable property	74,180	46,420
Exposures in default	14,239	13,314
Claims on institutions and corporates with a short-term credit assessment	2,467	711
Equity	4,636	4,780
Other items	73,572	62,073
Total risk weighted exposure amounts for credit and counterparty credit (standardised approach)	**878,093**	**794,562**
Total risk exposure amount for foreign exchange risk (standardised approach)	**1,217**	**-**
Total risk exposure amount for operational risk (standardised approach)	**110,071**	**103,721**
Total risk exposure amount for credit valuation adjustment (standardised approach)	**-**	**-**
Total risk exposure amount	**989,381**	**898,283**

Capital ratios

At	**31 Mar 2022**	**31 Dec 2021**
T1 Capital ratio	16.2%	16.6%
Total capital ratio	17.7%	18.3%
Leverage ratio	12.3%	12.7%
Minimum requirement for own funds and eligible liabilities (MREL)	17.7%	18.3%

Condensed consolidated interim financial statements

Consolidated statement of financial position

At (in thousands of euros)	Note	31 Mar 2022	31 Dec 2021
Assets			
Cash balances at central banks	2	83,250	78,732
Due from other banks	2	41,247	37,216
Debt instruments at fair value through other comprehensive income	3	42,588	45,256
Loans to customers	4, 5, 6, 7, 8	1,005,047	896,238
Other receivables and inventories	9	2,520	2,655
Prepayments	10	1,561	1,465
Property, plant and equipment	11	19,349	20,940
Investment properties	12	46,551	41,590
Intangible assets	13	27,650	27,025
Assets classified as held for sale		11	11
Total assets		**1,269,774**	**1,151,128**
Liabilities			
Loans from central banks	14	36,500	36,500
Deposits from customers	15	1,015,841	898,340
Subordinated notes		15,216	14,976
Lease liabilities		1,624	1,806
Provisions		277	266
Deferred income and tax liabilities		2,736	1,930
Other liabilities	16	11,624	11,189
Total liabilities		**1,083,818**	**965,007**
Equity			
Paid-in share capital		8,000	8,000
Capital reserve		800	800
Other reserves	17	527	1,076
Retained earnings		176,629	176,245
Total equity		**185,956**	**186,121**
Total liabilities and equity		**1,269,774**	**1,151,128**

Consolidated statement of comprehensive income

(in thousands of euros)	Note	3M 2022	3M 2021
Interest income	21	21,545	17,679
Interest expense	22	-2,428	-1,886
Net interest income		**19,117**	**15,793**
Fee and commission income		1,872	1,495
Fee and commission expense		-93	-57
Net fee and commission income		**1,779**	**1,438**
Loss on debt instruments at fair value through other comprehensive income		-64	-57
Net gain (loss) on exchange differences		-46	-143
Net gain (loss) on derecognition of non-financial assets		11	35
Net income (loss) on financial assets		**-99**	**-165**
Other income	23	1,850	400
Other expenses	24	-1,766	-729
Total net operating income		**20,881**	**16,737**
Salaries and associated charges		-5,076	-3,927
Administrative expenses	25	-3,911	-2,962
Depreciation, amortisation and impairment		-968	-864
Provision expenses		-10	30
Total expenses		**-9,965**	**-7,723**
Profit before loss allowances		**10,916**	**9,014**
Net loss allowances on loans and financial investments		-3,763	-2,626
Profit before income tax		**7,153**	**6,388**
Income tax expense		-769	-615
Profit for the period		**6,384**	**5,773**
Other comprehensive income		**-549**	**102**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		-549	102
Exchange differences on translating of foreign operations		*47*	*124*
Changes in the fair value of debt instruments at fair value through other comprehensive income		*-596*	*-22*
Total comprehensive income for the period		**5,835**	**5,875**

Consolidated statement of cash flows

(in thousands of euros)	Note	3M 2022	3M 2021
Cash flows from operating activities			
Interest received		20,090	17,292
Interest paid		-2,071	-1,351
Salary, administrative and other expenses paid		-12,074	-9,229
Other income and fees received		5,000	1,806
Recoveries of receivables previously written off and received for sold portfolios		1,102	998
Received for other assets		-	210
Loans provided		-195,295	-109,307
Repayment of loans provided		83,086	67,984
Change in mandatory reserves with central banks	2	-1,498	-156
Proceeds from customer deposits		310,146	123,024
Paid on redemption of deposits		-192,104	-56,189
Income tax paid/received		-600	-382
Effect of movements in exchange rates		-	2
Net cash from operating activities		**15,782**	**34,702**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	11, 13	-1,312	-1,118
Proceeds from sale of property and equipment		30	8
Acquisition of investment properties	12	-3,394	-28
Acquisition of financial instruments	3	-	-3,023
Proceeds from redemption of financial instruments	3	2,105	761
Net cash used in investing activities		**-2,571**	**-3,400**
Cash flows from financing activities			
Payment of principal portion of lease liabilities		-188	-158
Dividends paid		-6,000	-6,000
Net cash used in financing activities		**-6,188**	**-6,158**
Effect of exchange rate fluctuations		30	-111
Decrease in cash and cash equivalents		**7,053**	**25,033**
Cash and cash equivalents at beginning of period		111,771	73,650
Cash and cash equivalents at end of period	2	**118,824**	**98,683**

Consolidated statement of changes in equity

	Attributable to equity holders of the parent				
(in thousands of euros)	Share capital	Statutory capital reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2021	**8,000**	**800**	**1,075**	**146,363**	**156,238**
Profit for the period	-	-	-	5,773	5,773
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	124	-	124
Net change in fair value of debt instruments at fair value through other comprehensive income	-	-	-22	-	-22
Total other comprehensive income	**-**	**-**	**102**	**-**	**102**
Total comprehensive income for the period	**-**	**-**	**102**	**5,773**	**5,875**
Dividend distribution	-	-	-	-6,000	-6,000
Total transactions with owners	**-**	**-**	**-**	**-6,000**	**-6,000**
Balance at 31 March 2021	**8,000**	**800**	**1,177**	**146,136**	**156,113**
Balance at 1 January 2022	**8,000**	**800**	**1,076**	**176,245**	**186,121**
Profit for the period	-	-	-	6,384	6,384
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	47	-	47
Net change in fair value of debt instruments at fair value through other comprehensive income	-	-	-596	-	-596
Total other comprehensive income	**-**	**-**	**-549**	**-**	**-549**
Total comprehensive income for the period	**-**	**-**	**-549**	**6,384**	**5,835**
Dividend distribution	-	-	-	-6,000	-6,000
Total transactions with owners	**-**	**-**	**-**	**-6,000**	**-6,000**
Balance at 31 March 2022	**8,000**	**800**	**527**	**176,629**	**185,956**

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 three months ended 31 March 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 (muudatused (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 4, 6 and 8. 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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

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. Cash and bank balances and cash equivalents

At	31 Mar 2022	31 Dec 2021
Cash balances at central banks	**83,250**	**78,732**
Of which mandatory reserve deposits	5,681	4,181
Of which surplus on mandatory reserves*	77,577	74,555
Of which interest receivable from central banks	-8	-4
Cash balances at banks	**41,247**	**37,216**
Of which cash demand and overnight deposits*	41,247	37,216
Total cash and balances at banks	**124,497**	**115,948**
of which cash and cash equivalents	**118,824**	**111,771**

* Cash equivalents

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

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

At	31 Mar 2022	31 Dec 2021
Debt instruments	**42,588**	**45,256**
Debt instruments by issuer		
General government bonds	3,278	3,383
Bonds issued by credit institutions	14,339	14,404
Other financial corporations' bonds	-	2,038
Non-financial corporations' bonds	24,971	25,431
Debt instruments by currency		
EUR (euro)	40,165	42,713
SEK (Swedish krona)	2,423	2,543
Debt instruments by rating		
Aaa-Aa3	6,564	6,754
A1-A3	25,376	25,636
Baa1-Baa3	10,648	12,866

Debt securities in amount of 37,455 thousand euros were pledged as collateral at 31 March 2022 (see note 14).

Note 4. Loans to customers

Loans to customers at 31 March 2022

	Estonia	Lithuania	Latvia	Finland	Sweden	Bulgaria	Total
Loan receivables from customers	340,947	328,275	163,972	103,417	74,155	4,432	1,015,198
Loss allowances for loans	-5,220	-4,062	-5,266	-6,243	-4,734	-109	-25,634
Interest receivable from customers	2,402	11,838	1,589	801	564	26	17,220
Loss allowances for interest receivables	-693	-266	-455	-120	-202	-1	-1,737
Total loans to customers, incl. interest and allowances	**337,436**	**335,785**	**159,840**	**97,855**	**69,783**	**4,348**	**1,005,047**
Share of region	33.6%	33.4%	16.0%	9.7%	6.9%	0.4%	100.0%

Loans to customers at 31 December 2021

	Estonia	Latvia	Lithuania	Finland	Sweden	Bulgaria	Total
Loan receivables from customers	287,705	152,870	283,025	105,588	75,838	1,645	906,671
Loss allowances for loans	-5,318	-5,491	-3,785	-6,028	-4,337	-47	-25,006
Interest receivable from customers	2,201	1,653	11,031	794	514	8	16,201
Loss allowances for interest receivables	-673	-491	-213	-100	-151	-	-1,628
Total loans to customers, incl. interest and allowances	**283,915**	**148,541**	**290,058**	**100,254**	**71,864**	**1,606**	**896,238**
Share of region	31.7%	16.5%	32.4%	11.2%	8.0%	0.2%	100.0%

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

Note 5. Loan receivables from customers by due dates

At	31 Mar 2022	31 Dec 2021
Past due loan payments	17,017	16,086
Contractual principal payments cash flows of loans		
Less than 1 month	11,072	11,002
1-12 months	163,423	146,540
1-2 years	177,361	156,726
2-5 years	384,937	356,591
More than 5 years	261,388	219,726
Total	**1,015,198**	**906,671**

Note 6. Ageing analysis on loan receivables

Ageing analysis at 31 March 2022

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Unsecured loans						
Loan portfolio	537,924	26,081	7,650	3,570	17,568	592,793
Loss allowance	-9,384	-2,488	-2,629	-1,516	-9,127	-25,144
Surety loans						
Loan portfolio	702	77	41	-	103	923
Loss allowance	-7	-6	-6	-	-100	-119
Loans secured with real estate						
Loan portfolio	386,177	1,252	313	115	254	388,111
Loss allowance	-196	-6	-6	-	-35	-243
Loans against other collaterals						
Loan portfolio	30,718	1,728	399	196	330	33,371
Loss allowance	-71	-12	-15	-10	-20	-128
Total loan portfolio	**955,521**	**29,138**	**8,403**	**3,881**	**18,255**	**1,015,198**
Total loss allowance	-9,658	-2,512	-2,656	-1,526	-9,282	-25,634

Ageing analysis at 31 December 2021

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Unsecured loans						
Loan portfolio	529,954	27,565	6,913	3,438	17,083	584,953
Loss allowance	-9,677	-2,338	-2,333	-1,401	-8,820	-24,569
Surety loans						
Loan portfolio	45,336	86	31	-	95	45,548
Loss allowance	-11	-5	-13	-	-91	-120
Loans secured with real estate						
Loan portfolio	266,653	1,944	313	211	638	269,759
Loss allowance	-179	-29	-12	-5	-79	-304
Loans against other collaterals						
Loan portfolio	5,981	430	-	-	-	6,411
Loss allowance	-12	-1	-	-	-	-13
Total loan portfolio	**847,924**	**30,025**	**7,257**	**3,649**	**17,816**	**906,671**
Total loss allowance	-9,879	-2,373	-2,358	-1,406	-8,990	-25,006

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

Note 7. Loan receivables from customers by contractual currency

At	31 Mar 2022	31 Dec 2021
EUR (euro)	936,611	829,188
SEK (Swedish krona)	74,155	75,838
BGN (Bulgarian lev)	4,432	1,645
Total loan receivables from customers	**1,015,198**	**906,671**

Note 8. Loss allowances for loan receivables from customers

Loss allowances at 31 March 2022

	Loan receivables	Interest receivables	Total receivables subject to impairment	Total loss allowances
Stage 1	965,220	13,343	978,563	-8,150
Stage 2	25,089	635	25,724	-5,309
Stage 3	24,889	3,242	28,131	-13,912
Total	**1,015,198**	**17,220**	**1,032,418**	**-27,371**

Loss allowances at 31 December 2021

	Loan receivables	Interest receivables	Total receivables subject to impairment	Total loss allowances
Stage 1	858,069	12,571	870,640	-8,438
Stage 2	25,063	622	25,685	-5,044
Stage 3	23,539	3,008	26,547	-13,152
Total	**906,671**	**16,201**	**922,872**	**-26,634**

Development of allowances for 3 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	-1,165	394	1,054	5	-8,150
Stage 2	-5,044	-60	97	-1,097	795	-5,309
Stage 3	-13,152	-41	130	-2,770	1,921	-13,912
Total	**-26,634**	**-1,266**	**621**	**-2,813**	**2,721**	**-27,371**

Development of allowances for 12 months 2021

	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**

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

Note 9. Other receivables

At	31 Mar 2022	31 Dec 2021
Receivables	**1,841**	**1,887**
Customer receivables and other miscellaneous receivables	1,588	1,648
Collection, recovery and other charges receivable	434	425
Loss allowance for other receivables	-181	-186
Inventories	**679**	**768**
Total	**2,520**	**2,655**

Note 10. Prepayments

At	31 Mar 2022	31 Dec 2021
Tax receivables	400	400
Prepaid other taxes	9	-
Prepayments to suppliers and prepaid expenses	1,152	1,065
Total	**1,561**	**1,465**

Note 11. Tangible assets

At	31 Mar 2022	31 Dec 2021
Land	7,444	9,012
Buildings	7,581	7,672
Right-of-use assets: office premises	1,269	1,409
Right-of-use assets: agricultural equipment and machinery	590	621
Other items - computers, office equipment, furniture, other fixtures, fittings	1,443	1,188
Biological assets	1,022	1,038
Total	**19,349**	**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**

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

	Land and buildings	Other items	Biological assets	Total
Balance at 1 January 2022	16,748	5,372	1,038	23,158
Purchases	0	395	-	395
Sales	-3	-137	-16	-156
Write-off	-	-97	-	-97
Transfer into investment property	-1,568-	-	-	-1,568
Balance at 31 March 2022	**15,177**	**5,533**	**1,022**	**21,732**
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	-88	-105	-	-193
Sales	-	85	-	85
Write-off	-	115	-	115
Effect of movements in exchange rates	-	-1	-	-1
Balance at 31 March 2022	**-152**	**-4,090**	**-**	**-4,242**
Carrying amount				
Balance at 1 January 2021	1,582	758	-	2,340
Balance at 31 March 2021	16,684	1,188	-	17,872
Balance at 31 March 2022	**15,025**	**1,443**	**1,022**	**17,490**

* 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	31 Mar 2022	31 Dec 2021
Carrying amount at 1 January	2,030	2,084
Adjustment*	-	-299
Additions	-	130
Depreciation charge	-179	-595
Price adjustment	8	53
Additions from acquisitions of business combinations	-	657
Carrying amount at end of period	**1,859**	**2,030**

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

Note 12. Investment properties

At	31 Mar 2022	31 Dec 2021
Opening balance at 1 January	41,590	27,181
Additions	3,399	29,274
Sales	-	-16,968
Reclassification as office premises*	-	-4,338
Reclassification from land	1,568	-
Net profit/loss from fair value adjustment	-	6,441
Closing balance at end of period	**46,557**	**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 13. Intangible assets

	31 Mar 2022	31 Dec 2021
Cost at beginning of year	**34,966**	**29,948**
Purchased and developed software	1,220	5,018
Of which purchases	699	2,221
Of which capitalised payroll costs	521	2,797
Cost at end of period	**36,186**	**34,966**
Amortisation at beginning of year	**-7,941**	**-5,735**
Amortisation charge for the period	-595	-2,206
Amortisation at end of period	**-8,536**	**-7,941**
Carrying amount at beginning of year	27,025	24,213
Carrying amount at end of period	**27,650**	**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 14. 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 31 March 2022, loans from central banks amounted to 36.5 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.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

Note 15. Deposits from customers

At	31 Mar 2022	31 Dec 2021
Deposits from customers	**1,015,841**	**898,340**
Deposits by customer type		
Individuals	1,001,780	881,099
Legal persons	14,061	17,241
Deposits by currency		
EUR (euro)	926,522	815,783
SEK (Swedish krona)	89,237	82,557
BGN (Bulgarian lev)	82	-
Deposits by maturity		
Savings deposits (on demand)	392,111	343,782
Maturing within 1 months	22,163	20,343
Maturing between 1 and 6 months	103,231	102,546
Maturing between 6 and 12 months	137,597	109,273
Maturing between 12 and 18 months	65,300	60,309
Maturing between 18 and 24 months	71,403	64,227
Maturing between 24 and 36 months	104,658	80,110
Maturing between 36 and 48 months	42,521	42,027
Maturing between 48 and 60 months	33,850	32,728
Maturing in over 60 months	43,007	42,995

The median amount of customer deposits was 41 thousand euros.

Note 16. Other liabilities

At	31 Mar 2022	31 Dec 2021
Received surplus payments	7,097	5,516
Payables to employees	1,875	2,530
Supplier payables	781	1,792
Other payables	1,871	1,351
Total	**11,624**	**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 17. Other reserves

At	31 Mar 2022	Change	31 Dec 2021
Exchange differences on translation of foreign operations	774	47	727
Asset revaluation reserve	783	-	783
Fair value changes of debt instruments measured at FVOCI	-1,030	-596	-434
Total other reserves	**527**	**-549**	**1,076**

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

Note 18. Net currency positions

Net currency positions at 31 March 2022

	Assets bearing currency risk	Liabilities bearing currency risk	Net position
SEK (Swedish krona)	89,328	89,939	-611
BGN (Bulgarian lev)	4,639	266	4,373
USD (American dollar)	-	74	-74

Net currency positions at 31 December 2021

	Assets bearing currency risk	Liabilities bearing currency risk	Net position
SEK (Swedish krona)	82,750	82,941	-191
BGN (Bulgarian lev)	1,902	160	1,742

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

Note 19. Fair values of assets and liabilities

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

According to management's estimates the fair values of the assets and liabilities reported in the statement of financial position at 31 March 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.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

Fair value hierarchy at 31 March 2022

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt instruments at fair value through other comprehensive income (note 3)	42,588	-	-	42,588
Land and buildings (note 11)	-	-	16,047	16,047
Investment properties (note 12)	-	-	46,551	46,551
Assets for which fair values are disclosed				
Loans to customers (note 4-8)	-	-	1,005,047	1,005,047
Other financial receivables (note 9)			2,520	2,520
Total assets	**42,588**	**-**	**1,070,165**	**1,112,753**
Liabilities for which fair values are disclosed				
Loans from central banks (note 14)	-	-	36,500	36,500
Deposits from customers (note 15)	-	-	1,015,841	1,015,841
Subordinated notes	-	-	15,216	15,216
Lease liabilities	-	-	1,624	1,624
Other financial liabilities (note 16)	-	-	11,624	11,624
Total liabilities	**-**	**-**	**1,080,805**	**1,080,805**

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 3)	45,256	-	-	45,256
Land and buildings (note 11)	-	-	17,722	17,722
Investment properties (note 12)	-	-	41,590	41,590
Assets for which fair values are disclosed				
Loans to customers (note 4-8)	-	-	896,238	896,238
Other financial receivables (note 9)			2,655	2,655
Total assets	**45,256**	**-**	**958,205**	**1,003,461**
Liabilities for which fair values are disclosed				
Loans from central banks (note 14)	-	-	36,500	36,500
Deposits from customers (note 15)	-	-	898,340	898,340
Subordinated notes	-	-	14,976	14,976
Lease liability	-	-	1,806	1,806
Other financial liabilities (note 16)	-	-	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 amounts to 1,005,047 thousand euros are measured at amortised cost using the effective interest rate method less any loss allowances. For fair valuation purpose the estimated cash-flows have been discounted at the prevailing market interest rates, the result being not materially different from that recognised under the amortised cost method using effective interest rate.

The Level 3 land and buildings that amounts to 16,047 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.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

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 5,200-7,600 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 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 (see note 1, the section *Biological assets)*. 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 53,70 thousand euros consist of office buildings and retail space in Tartu, Tallinn and Pärnu 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 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 values of investmenet 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 4th quarter of 2021.

Note 20. Contingent liabilities

At 31 March 2022, the unused portions of the credit lines and loans totalled 108,776 thousand euros (31 December 2021: 93,825 thousand euros), guarantees issued totalled 5 thousand euros (31 December 2021: 5 thousand euros).

Note 21. Interest income

	3M 2022	3M 2021
Interest income on loans to customers	21,417	17,536
Interest income on debt instruments	127	142
Interest income on deposits	1	1
Total interest income	**21,545**	**17,679**

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

Note 22. Interest expense

	3M 2022	3M 2021
Interest expense on deposits	2,082	1,746
Interest expense on notes	240	83
Interest expense on lease liabilities	7	6
Other interest expense	99	51
Total interest expense	**2,428**	**1,886**

Note 23. Other income

	3M 2022	3M 2021
Income from debt recovery proceedings	124	142
Rental income	843	179
Revenue from sales of agricultural products	650	-
Miscellaneous income	233	79
Total other income	**1,850**	**400**

Note 24. Other expenses

	3M 2022	3M 2021
Expenses related to registry inquires	267	252
Expenses related to enforcement proceedings	143	131
Legal regulation charges	196	160
Expenses from investment properties	379	81
Costs of sold agricultural products and change in fair value of biological assets	576	-
Miscellaneous expenses	205	105
Total other expenses	**1,766**	**729**

Note 25. Administrative expenses

	3M 2022	3M 2021
Marketing expenses	2,617	2,043
Short-term leases	-4	45
Office and other similar administrative expenses	199	109
Other personnel-related expenses	371	113
Software licensing and other information technology costs	361	341
Other services	87	94
Postal supplies and charges	46	65
Telephone and other communications expenses	180	123
Miscellaneous operating expenses	54	29
Total other operating expenses	**3,911**	**2,962**

Note 26. Related parties

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

- shareholders of Bigbank AS;
- members of Group companies' management and supervisory boards;
- close family members of the above;

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In thousands of euros, unaudited)

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

At 31 March 2022, the Group had a claim to related parties of 5,120 thousand euros (Loans to customer) (31 December 2021: 4,310 thousand euros), the interest income on that claim amounted to 49 thousand euros for 3 months of 2022 (for 3 months of 2021: 0.5 thousand euros). Loans granted to related parties are issued at market conditions.

Claim to related parties

At	31 Mar 2022	31 Dec 2021
Loans to customers	**5,120**	**4,310**
Of which to members of management and supervisory boards	549	102
Of which to companies connected related parties	4,571	4,208

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 three months of 2022 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 at 31 March 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.
- Financial statements have been prepared on a going concern basis.

Martin Länts	**Mart Veskimägi**	**Argo Kiltsmann**	**Ingo Põder**	**Ken Kanarik**
Chairman of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board
31 May 2022	31 May 2022	31 May 2022	31 May 2022	31 May 2022
signed digitally	signed digitally	signed digitally	signed digitally	signed digitally