Bigbank

Interim condensed consolidated financial statements

for the period ended
31 December 2024

Bigbank AS

Interim condensed consolidated financial statements for the period ended 31 December 2024

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 2024 – 31 December 2024
Reporting period	1 January 2024 – 31 December 2024
Chairman of the management board	Martin Länts
Core business line	Provision of loans and acceptance of deposits
Auditor	Ernst & Young Baltic AS
Reporting currency	The euro

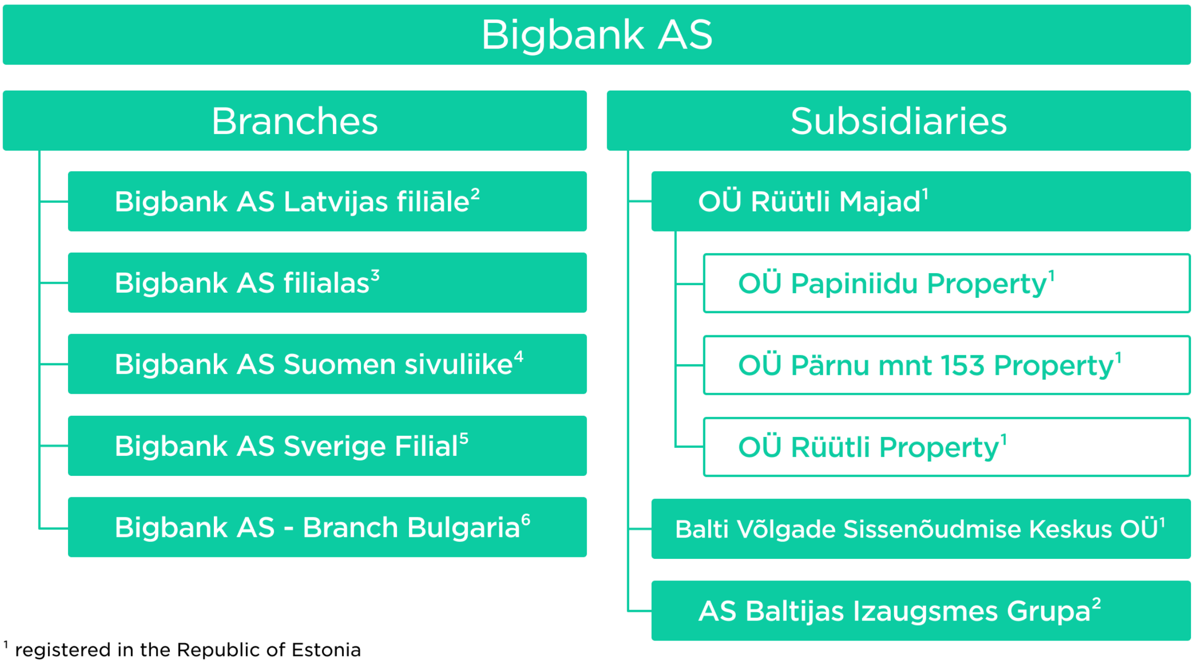
Interim report is available on the website of Bigbank AS at www.bigbank.ee. The version in English is located at www.bigbank.eu.

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:



[1] registered in the Republic of Estonia
[2] registered in the Republic of Latvia
[3] registered in the Republic of Lithuania
[4] registered in the Republic of Finland
[5] registered in the Kingdom of Sweden
[6] registered in the Republic of Bulgaria

The branches in Latvia, Lithuania, Finland, Bulgaria and Sweden offer lending and deposit services similar to those of the parent, except the Swedish branch that has not been issuing new loans since 2022 but continues to serve the existing loan customers. 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 property management, and the subsidiaries OÜ Rüütli Property and Baltijas Izaugsmes Grupa AS are involved in agricultural land management. Balti Võlgade Sissenõudmise Keskus OÜ is not engaged in active operations.

Management report

Significant events

In the fourth quarter of 2024, Bigbank earned a net profit of 4.6 million euros. Net profit for the 12 months of 2024 was 32.3 million euros. Compared to the restated results for 2023, fourth-quarter net profit decreased by 6.6 million euros and 12-month net profit by 8.3 million euros.

The most important external factor in the fourth quarter, as throughout 2024, was the continued rapid decline in interest rates. By the end of the year, the six-month Euribor had fallen to 2.6%, a level last seen at the end of 2022. The rapid fall in interest rates had a significant impact on both Bigbank's customers and the Group's financial results. On the one hand, all home loan customers and the majority of business loan customers whose interest rates are linked to the Euribor have benefited from lower interest payments and consequently improved their financial situation. On the other hand, depositors have had to accept increasingly lower interest income, as the deposit rates offered in the market a quarter earlier were no longer available at the end of the year. For Bigbank, this means pressure on interest income, which can be countered by increasing the loan portfolio. Declining interest expenses also help offset the decrease in interest income, but in an environment of falling interest rates, the fall in the Euribor is somewhat faster and therefore has a stronger impact than the fall in deposit rates.

As to other macroeconomic developments, the fourth quarter was fairly stable, with no significant positive changes. The Estonian economy continues to contract and the outlook is weak. Inflation remains high and consumer confidence is low. Latvia's economic growth indicators and outlook have also weakened. The macroeconomic environment in Bigbank's other markets is better. The situation is best in Lithuania, where consumer confidence is the highest and outlook the brightest. A positive factor common to all countries where Bigbank operates is the continued strength of the labour market, which is critical for banks as the quality of the loan portfolio depends on the steady income of borrowers.

Bigbank's growth continued in the fourth quarter. The Group's gross loan portfolio reached a record 2.2 billion euros at the end of the year, increasing by 137 million euros (+7%) quarter on quarter and by 535 million euros (+32%) year on year. The focus product lines showed solid quarter-on-quarter growth. The business loan portfolio grew by 61 million euros (+9%) to 764 million euros and the home loan portfolio by 79 million euros (+15%) to 613 million euros. The consumer loan portfolio decreased by 9 million euros (-1%) quarter on quarter to 828 million euros.

Bigbank's deposit portfolio grew in the fourth quarter mainly through term deposits. Customers continued to favour short-term deposits, locking in their income for 3–12 months in a falling interest rate environment. Interest rates on longer term deposits were not as attractive for customers. During the quarter, the term deposit portfolio grew by 118 million euros to 1.36 billion euros (+10%) and the savings deposit portfolio by 8 million euros to 1.03 billion euros (+1%). The Group's total deposit portfolio grew by 127 million euros (+6%) quarter on quarter and by 456 million euros (+24%) year on year to 2.39 billion euros.

In December, Bigbank also started offering current accounts to existing retail customers in Estonia, which will further diversify the deposit portfolio, but the balance of current accounts was still marginal at the end of 2024.

In the fourth quarter, the increase in the loan portfolio was sufficient to offset the fall in interest rates. Compared to the fourth quarter of 2023, interest income grew by 5.7 million euros to 43.4 million euros (+15%). Due to the growth of the deposit portfolio, interest expense grew by 5.3 million euros to 20.1 million euros (+36%). Bigbank's net interest income for the fourth quarter was 23.3 million euros, up 0.4 million euros year on year, and net interest income for the year was 102.4 million euros, up 6.7 million euros (+7%) year on year.

The credit quality of the loan portfolio remained stable in the fourth quarter, but changed significantly during the year. The decline in the quality of the consumer loan portfolio, which started in the last quarter of 2023, continued in the first quarter, but the situation stabilised in the following quarters. During the year, there was also some deterioration in the business loan portfolio, where the share of past due loans increased, but due to strong collateral positions this did not have a significant impact on loss allowances. The credit quality of home loans remained very good throughout the year.

In the fourth quarter, loss allowances for loans decreased by 0.3 million euros year on year to 4.6 million euros, but during the year loss allowances grew by 5.0 million euros to 23.9 million euros. Compared to the end of 2023, the share of stage 3 (non-performing) loans grew by 59.5 million euros and accounted for 4.9% of the total loan portfolio at the end of 2024 (+1.9 pp from end-2023). Compared to the end of the third quarter, the share of stage 3 loans in the total loan portfolio remained stable.

The Group's investment property portfolio increased to 66.4 million euros by the end of the fourth quarter (+35% from end-2023). Changes in the fair value of investment properties resulted in a loss of 1.6 million euros for both the fourth quarter and the full year. The result for the 12 months of 2023 included a gain of 3.4 million euros, with a 4.4 million euros gain recorded in the fourth quarter. This decline in valuation was the primary reason why net profit in the fourth quarter of 2024 was 6.6 million euros lower than in the same period of 2023.

There were no changes in the supervisory board and management board of Bigbank AS in the fourth quarter. The supervisory board has six members: Sven Raba (chairman), Vahur Voll, Juhani Jaeger, Andres Koern, Jaan Liitmäe and Alari Aho. The management board has five members: Martin Länts (chairman), Mart Veskimägi, Argo Kiltsmann, Ingo Põder and Ken Kanarik.

At the end of 2024, Bigbank had 560 employees, including 334 in Estonia, 103 in Lithuania, 87 in Latvia, 21 in Finland, 5 in Sweden and 10 in Bulgaria.

Key performance indicators and ratios

Financial position indicators *(in millions of euros)*	31 Dec 2024	31 Dec 2023 restated*	Change
Total assets	2,778.4	2,287.4	21.5%
Loans to customers	2,196.5	1,662.0	32.2%
of which loan portfolio	2,219.0	1,674.8	32.5%
of which interest receivable	29.4	24.7	19.0%
of which loss allowances	-51.9	-37.5	38.4%
Deposits from customers	2,393.3	1,937.4	23.5%
Equity	269.8	244.8	10.2%

Financial performance indicators *(in millions of euros)*	Q4 2024	Q4 2023	Change	12M 2024	12M 2023	Change
Interest income	43.4	37.7	15.1%	177.9	138.6	28.3%
Interest expense	20.1	14.8	36.4%	75.5	42.9	75.8%
Salaries and associated charges	8.3	6.3	29.3%	27.9	24.0	15.6%
Other operating expenses	2.8	4.1	-31.3%	11.5	15.2	-23.9%
Net loss allowances on loans and financial investments	4.6	4.9	-5.9%	23.9	18.9	26.6%
Profit before impairment losses and income tax	10.7	19.6	-45.1%	63.2	67.7	-6.7%
Net profit	4.6	11.2	-58.6%	32.3	40.6	-20.6%

Ratios	Q4 2024	Q4 2023	12M 2024	12M 2023
Return on equity (ROE)	7.0%	18.9%	12.5%	17.9%
Equity multiplier (EM)	10.2	9.3	9.8	8.2
Profit margin (PM)	9.0%	23.8%	16.3%	25.2%
Asset utilization ratio (AU)	7.7%	8.5%	7.8%	8.2%
Return on assets (ROA)	0.7%	2.0%	1.3%	2.1%
Price difference (SPREAD)	3.7%	4.9%	3.9%	4.8%
Cost to income ratio (CIR)	50.9%	45.3%	42.3%	41.6%
Liquidity coverage ratio (LCR)	195.0%	349.8%	195.0%	349.8%
Net stable funding ratio (NSFR)	145.8%	156.6%	145.8%	156.6%

* Some prior period figures have been restated. For further information, please refer to the notes to the condensed consolidated interim financial statements.

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 December 2024, the Group's total assets exceeded 2.8 billion euros, having increased by 141.4 million euros (+5.4%) during the quarter. Loans to customers accounted for 79.1% of total assets, exceeding 2.2 billion euros. The proportion of liquid assets (amounts due from banks and debt instruments) was 17.0%, extending to 471.0 million euros. Part of the bank's liquidity buffer has been placed in a portfolio of debt securities which are highly liquid, have investment grade credit ratings, and can be sold at any time. Debt instruments totalled 22.3 million euros at 31 December 2024.

At the end of the fourth quarter, the Group had 136 thousand loan agreements: 43 thousand in Lithuania, 35 thousand in Latvia, 33 thousand in Estonia, 19 thousand in Finland, 5 thousand in Sweden and 1 thousand in Bulgaria.

Geographical distribution of loans to customers:

- 42.2% Estonia;
- 35.6% Lithuania;
- 15.2% Latvia:
- 5.9% Finland;
- 0.9% Sweden;
- 0.2% Bulgaria.

At 31 December 2024, loans to customers exceeded 2.2 billion euros, comprising of:

- the loan portfolio of 2.2 billion euros with loans to individuals accounting for 65.5% of the total;
- interest receivable on loans of 29.4 million euros;
- loss allowances for loans and interest receivables of 51.9 million euros.

Bigbank's loan portfolio is diversified – at the reporting date the average loan balance was around 16 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 fourth quarter of 2024, the Group's liabilities totalled 2.5 billion euros. Most of the debt raised by the Group, i.e. 2.4 billion euros (95.4%) consisted of deposits. Subordinated bonds totalled 91.7 million euros at 31 December 2024.

At the end of the fourth quarter of 2024, the Group's equity amounted to 269.8 million euros. The equity to assets ratio was 9.7%.

Financial performance

Interest income for the fourth quarter of 2024 was 43.4 million euros, 5.7 million euros (+15.1%) higher than in the same period in 2023. The fourth-quarter ratio of interest income (annualised) to average interest-earning assets was 7.1% and interest income on the loan portfolio (annualised) accounted for 8.1% of the average loan portfolio.

Interest expense for the fourth quarter of 2024 was 20.1 million euros, 5.4 million euros (+36.4%) up year-on-year. The increase in interest expense is attributable to a rise in deposit rates, growth in deposits raised and the issue of new subordinated bonds last year. The ratio of interest expense to interest income was 42.9% in the fourth quarter. The ratio of interest expense to average interest-bearing liabilities (annualised) was 3.4%.

Salaries and associated charges for the fourth quarter of 2024 were 8.2 million euros. At the end of the period, the Group had 560 employees. Administrative expenses for the fourth quarter amounted to 2.8 million euros. Impairment losses for the fourth quarter were 4.6 million euros.

The Group's net profit for the fourth quarter of 2024 was 4.6 million euros, 6.6 million euros smaller than a year earlier.

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 calculated at the supervisory reporting group level (i.e. not using the definition of a consolidated group as used for the purposes of preparing financial statements).

At *(in millions of euros)*	31 Dec 2024	31 Dec 2023
Paid-in share capital	8.0	8.0
Capital reserve	0.8	0.8
Prior years retained earnings	226.2	193.5
Other accumulated comprehensive income	2.5	1.8
Other intangible assets	-19.5	-21.7
Profit eligible	20.7	22.0
Adjustments to CET1	-1.1	-0.5
Common equity Tier 1 capital	**237.6**	**203.9**
Tier 1 capital	**262.3**	**220.1**
Tier 2 capital	**67.0**	**59.0**
Total own funds	329.3	279.1

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.

Own funds as at the end of the fourth quarter of 2024 include net profit for the first nine months of this year.

Total risk exposure amount

At (in millions of euros)	31 Dec 2024	31 Dec 2023
Risk weighted exposure amounts for credit and counterparty credit (standardised approach)		
Receivables from central governments and central banks	3.4	3.1
Receivables from credit institutions and investment firms	5.7	3.6
Receivables from corporates	29.3	33.3
Retail	577.6	525.9
Secured by mortgages on immovable property	682.3	433.9
Exposures in default	93.7	29.9
Items associated with particular high risk	179.0	258.9
Claims on institutions and corporates with a short-term credit assessment	1.5	0.3
Equity	36.3	20.5
Other items	34.3	29.7
Total risk weighted exposure amounts for credit and counterparty credit (standardised approach)	**1,643.1**	**1,339.1**
Total risk exposure amount for foreign exchange risk (standardised approach)	**18.4**	**5.9**
Total risk exposure amount for operational risk (standardised approach)	**149.5**	**126.3**
Total risk exposure amount	1,811.0	1,471.3

Capital ratios

At	31 Dec 2024	31 Dec 2023
CET1 Capital ratio	13.1%	13.9%
T1 Capital ratio	14.5%	15.0%
Total capital ratio	18.2%	19.0%
Leverage ratio	9.5%	9.6%
Own funds and eligible liabilities to total risk exposure amount (TREA)	18.2%	19.0%
Own funds and eligible liabilities to total leverage ratio exposure (LRE)	11.9%	12.2%

Condensed consolidated interim financial statements

Consolidated statement of financial position

At (in millions of euros)	Note	31 Dec 2024	31 Dec 2023 restated*
Assets			
Cash balances at central banks	4	423.2	495.1
Due from other banks	4	25.4	23.6
Debt instruments at FVOCI	5	22.3	15.4
Loans to customers	6-10	2,196.5	1,662.0
Property, plant and equipment	11	8.9	9.4
Investment properties	12	66.4	49.1
Intangible assets	13	25.2	29.2
Current tax assets		0.4	0.4
Other assets	14	9.9	2.9
Assets held for sale	15	0.2	0.3
Total assets	3	2,778.4	2,287.4
Liabilities			
Loans from banks	16	8.4	8.9
Deposits from customers	17	2,393.3	1,937.4
Subordinated bonds	18	91.7	76.1
Current tax liabilities		2.9	2.5
Other liabilities	19	12.3	17.7
Total liabilities	3	2,508.6	2,042.6
Equity			
Paid-in share capital		8.0	8.0
Capital reserve		0.8	0.8
Other reserves	20	2.5	1.8
Retained earnings		258.5	234.2
Total equity		269.8	244.8
Total liabilities and equity		2,778.4	2,287.4

* Some prior period figures have been restated in connection with the correction of an error. For further information, please refer to note 2 to the consolidated financial statements.

Consolidated statement of comprehensive income

(in millions of euros)	Note	Q4 2024	Q4 2023 restated*	12M 2024	12M 2023 restated*
Continuing operations					
Interest income	24	43.4	37.7	177.9	138.6
Interest expense	25	-20.1	-14.8	-75.5	-42.9
Net interest income		**23.3**	**22.9**	**102.4**	**95.7**
Fee and commission income		2.7	2.2	9.9	8.5
Fee and commission expense		-0.2	-0.1	-0.7	-0.3
Net fee and commission income		**2.5**	**2.1**	**9.2**	**8.2**
Loss on sale of debt instruments at FVOCI		-	-	-	-0.1
Net gain on financial assets at FVTPL	6	1.3	3.9	5.5	9.2
Net gain/loss on foreign exchange differences		-0.2	0.3	-0.3	0.1
Net income on financial assets		**1.1**	**4.2**	**5.2**	**9.2**
Net loss on derecognition of non-financial assets		-0.3	-1.4	-0.3	-1.4
Other operating income	26	1.3	1.2	5.0	4.6
Other operating expenses	27	-2.3	-1.7	-8.8	-6.8
Total net operating income		25.6	27.3	112.7	109.5
Salaries and associated charges		-8.3	-6.3	-27.9	-24.0
Administrative expenses	28	-2.8	-4.1	-11.5	-15.2
Depreciation, amortisation and impairment	11, 13	-2.1	-2.0	-8.3	-6.4
Total expenses		**-13.2**	**-12.4**	**-47.7**	**-45.6**
Provision expenses or reversal of provision		-0.1	0.3	-0.2	0.4
Gain on change in the fair value of investment properties		-1.6	4.4	-1.6	3.4
Profit before loss allowances		10.7	19.6	63.2	67.7
Net allowance for expected credit losses		-4.6	-4.9	-23.9	-18.9
Profit before income tax		6.1	14.7	39.3	48.8
Income tax		-1.5	-3.5	-7.0	-7.6
Profit for the period from continuing operations		4.6	11.2	32.3	41.2
Loss from discontinued operations	15	-	-	-	-0.6
Profit for the period		4.6	11.2	32.3	40.6
Other comprehensive income		0.5	0.8	0.7	1.2
Other comprehensive income that may be reclassified subsequently to profit or loss:		0.2	0.1	0.5	0.5
Exchange differences on translating foreign operations		*0.1*	*-0.3*	*0.2*	*-0.1*
Changes in the fair value of debt instruments at FVOCI		*0.1*	*0.4*	*0.3*	*0.6*
Other comprehensive income that will not be subsequently reclassified to profit or loss:		0.3	0.7	0.2	0.7
Revaluation of land and buildings		*0.3*	0.7	*0.2*	0.7
Total comprehensive income for the period		5.1	12.0	33.0	41.8
Basic earnings per share (EUR)	29	59	142	404	508
Diluted earnings per share (EUR)	29	59	142	404	508

* Some prior period figures have been restated due to the correction of errors (see note 2).

Consolidated statement of cash flows

(in millions of euros)	Note	12M 2024	12M 2023
Cash flows from operating activities			
Interest received		182.1	134.0
Interest paid		-25.5	-11.2
Salary, administrative, other expenses and fees paid		-61.5	-54.3
Other income and fees received		15.8	15.7
Recoveries of receivables previously written off and proceeds from the sale of portfolio items		1.7	10.1
Received for other assets		3.9	1.1
Loans provided		-1,118.8	-786.6
Repayment of loans provided		551.8	472.0
Change in mandatory reserves with central banks and related interest receivables	4	-6.0	-6.6
Proceeds from attracted deposits from customers		2,237.8	1,677.2
Paid on redemption of deposits from customers		-1,820.5	-1,133.2
Income tax paid		-7.0	-4.8
Effect of movements in exchange rates		-0.3	-0.2
Net cash flows from operating activities		-46.5	313.2
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	11, 13	-3.7	-4.0
Proceeds from sale of assets held for sale		-	1.4
Acquisition of investment properties	12	-19.3	-
Proceeds from sale of investment properties	12	0.4	-
Change in term deposits		-0.1	-
Paid in connection with business combinations		-	-0.5
Investment into financial instruments at FVOCI	5	-12.1	-
Proceeds from redemption of financial instruments at FVOCI	5	5.7	4.4
Net cash flows from investing activities		-29.1	1.3
Cash flows from financing activities			
Proceeds from issue of subordinated bonds	18	20.4	36.2
Interest paid on subordinated bonds	18	-6.8	-5.3
Paid on redemption of subordinated bonds	18	-5.0	-
Repayments of loans from banks	16	-0.5	-0.3
Payments of principal portion of lease liabilities		-0.6	-0.6
Dividends paid		-8.0	-6.0
Net cash used in/from financing activities		-0.5	24.0
Effect of movements in foreign exchange rates		-0.1	0.1
Decrease/Increase in cash and cash equivalents		-76.2	338.6
Cash and cash equivalents at beginning of period		503.3	164.7
Cash and cash equivalents at end of period	4	427.1	503.3

Consolidated statement of changes in equity

	Attributable to equity holders of the parent				
(in millions of euros)	Share capital	Statutory capital reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2023	**8.0**	**0.8**	**3.4**	**199.8**	**212.0**
Correction of an error (note 2)	-	-	-	-3.0	-3.0
Restated balance at 1 January 2023	8.0	0.8	3.4	196.8	209.0
Profit for the period	-	-	-	40.6	40.6
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	-0.1	-	-0.1
Changes in the fair value of debt instruments at FVOCI	-	-	0.6	-	0.6
Revaluation of land and buildings	-	-	-2.1	2.8	0.7
Total other comprehensive income	**-**	**-**	**-1.6**	**2.8**	**1.2**
Total comprehensive income for the period	**-**	**-**	**-1.6**	**43.4**	**41.8**
Dividend distribution	-	-	-	-6.0	-6.0
Balance at 31 December 2023, restated	8.0	0.8	1.8	234.2	244.8
Balance at 1 January 2024	**8.0**	**0.8**	**1.8**	**234.2**	**244.8**
Profit for the period	-	-	-	32.3	32.3
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	0.2	-	0.2
Changes in the fair value of debt instruments at FVOCI	-	-	0.3	-	0.3
Revaluation of land and buildings	-	-	0.2	-	0.2
Total other comprehensive income	**-**	**-**	**0.7**	**-**	**0.7**
Total comprehensive income for the period	**-**	**-**	**0.7**	**32.3**	**33.0**
Dividend distribution	-	-	-	-8.0	-8.0
Balance at 31 December 2024	8.0	0.8	2.5	258.5	269.8

Notes to the condensed consolidated interim financial statements

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

Basis of preparation

The condensed consolidated interim financial statements of Bigbank AS at and for the twelve months ended 31 December 2024 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 2023, 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 2023, except for the adoption of new standards and interpretations effective as of 1 January 2024. 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 millions of euros, unless otherwise indicated.

New standards and amendments

A number of amendments to standards (IAS 1, IAS 7, IFRS 7 and IFRS 16) became applicable for the reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

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.

In 2024, ECL models were updated. As a result of the revisions, expected credit loss allowances increased by 0.7 million euros in the fourth quarter, due to the impacts of implementing new LGD models for substantial unsecured consumer loans (a decrease of 1.4 million euros in expected credit loss allowances), applying LGD floor to secured loans (an increase of 0.8 million euros) and updating PD estimates (an increase of 1.3 million euros). In the fourth quarter the Group also updated debt components and threshold levels for identifying a significant increase in credit risk and classifying contracts into stage 2, which resulted in additional loss allowances in the amount of 1.4 million euros.

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 the 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 and leverage. The Group is required to maintain the structure of the statement of financial position and leverage that supports the strong liquidity position, adequate capitalisation and avoids excessive leverage. All changes in the risk appetite that might have significant effect to the structure of the statement of financial position and leverage shall be properly assessed.
- Safeguarding the financial strength and stability. The primary objective of risk management is protection of the Group's financial strength. The Group shall control risks in order to limit the impact of potential adverse events on the capital, liquidity and financial results.

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. Environmental, social and governance (ESG) risks are not considered as standalone risks, since they materialise through traditional categories of financial and non-financial risk. ESG perspective is included in the aspects of credit risk and operational risk management framework. 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.

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There were no significant changes in the risk profile during the reporting period.

Note 2. Correction of errors

In 2024, the Group identified an error in the application of the effective interest method regarding the timing of the recognition of interest income calculated using the effective interest method. Namely, income and cost arising upon origination of loans to customers had not been correctly allocated across the expected maturity of the loans to which such income and cost are attributable. As a result of the correction, in the opening balances at 1 January 2023, loans to customers decreased by 3.4 million euros, current tax liabilities by 0.4 million euros and retained earnings by 3.0 million euros. In the closing balances at 31 December 2023, loans to customers decreased by 3.7 million euros, current tax liabilities by 0.5 million euros and retained earnings by 3.2 million euros. In total, profit for 2023 decreased by 0.2 million euros and profit for 2022 by 3.0 million euros. The effect of the corrections on prior periods was estimated to be immaterial.

In addition, in 2024 the Group identified that interest income attributable to the credit-impaired financial assets had been accrued on the gross exposure of the financial assets, rather than on net basis. There was no material effect on profit for the period ended 31 December 2023. The error was corrected by reducing the line item *Interest income* in the statement of comprehensive income by the excessively accrued interest income of 2.0 million euros and reclassifying it to *Net allowance for expected credit losses*.

The effect of the corrections on periods prior to 1 January 2023 was estimated to be immaterial as well as isolated. Therefore, the Group has not presented the restated opening balances for the prior period in its consolidated statement of financial position but has presented them below.

The errors were corrected by restating line items in the consolidated financial statements as follows:

Consolidated statement of financial position at 1 January 2023

At 1 January	As previously reported	Adjustments	2023 restated
Assets			
Loans to customers	1,359.4	-3.4	1,356.0
Total assets	1,645.0	-3.4	1,641.6
Liabilities			
Current tax liabilities	0.4	-0.4	-
Total liabilities	1,433.0	-0.4	1,432.6
Equity			
Retained earnings	199.8	-3.0	196.8
Total equity	212.0	-3.0	209.0
Total liabilities and equity	1,645.0	-3.4	1,641.6

Consolidated statement of financial position at 31 December 2023

At 31 December	As previously reported	Adjustments	2023 restated
Assets			
Loans to customers	1,665.7	-3.7	1,662.0
Total assets	2,291.1	-3.7	2,287.4
Liabilities			
Current tax liabilities	3.0	-0.5	2.5
Total liabilities	2,043.1	-0.5	2,042.6
Equity			
Retained earnings	237.4	-3.2	234.2
Total equity	248.0	-3.2	244.8
Total liabilities and equity	2,291.1	-3.2	2,287.4

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Consolidated statement of comprehensive income

	Q4 2023	Adjustments	Q4 2023 restated	12M 2023	Adjustments	12M 2023 restated
Interest income	40.0	-2.3	37.7	140.9	-2.3	138.6
Net allowance for expected credit losses	-6.9	2.0	-4.9	-20.9	2.0	-18.9
Income tax	-3.6	0.1	-3.5	-7.7	0.1	-7.6
Profit for the period	11.4	-0.2	11.2	40.8	-0.2	40.6
Total comprehensive income for the period	12.2	-0.2	12.0	42.0	-0.2	41.8
Basic earnings per share (EUR)	144	-2	142	510	-2	508
Diluted earnings per share (EUR)	144	-2	142	510	-2	508

Note 3. Operating segments

Operating segments are components of the Group for which separate financial information is available, which enables the management board and the supervisory board to regularly review their operating results. The Group's banking operations are divided into two main segments: retail banking and corporate banking. In addition, there is the segment of other activities.

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 regularly reviews the Group's internally generated financial information to assess operating results, including the performance of operating segments, and to allocate resources efficiently. The Group's banking operations are divided into two operating segments based on the categories of customers served: retail banking and corporate banking. The retail banking segment covers all countries where Bigbank operates and the corporate banking segment covers the Baltic countries. Both segments offer loan products to customers and raise deposits. Group entities that are involved in investment property management and agriculture and units that support banking operations (including the treasury) form the segment of other activities. Intersegment loans and services as well as receivables and liabilities are presented as eliminations in the table below.

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 (including the provision of loans and services to Group companies) do not differ significantly from market prices. Segment assets and liabilities comprise assets and liabilities which are directly attributable to the segment as well as assets and liabilities allocated to the segment on the basis of the size of the loan portfolio.

Assets and liabilities of segments at 31 December 2024

	Retail banking	Corporate banking	Other activities	Elimination	Total
Total assets	1,799.1	928.3	122.0	-71.0	2,778.4
Total liabilities	2,407.3	97.7	39.6	-36.0	2,508.6

Assets and liabilities of segments at 31 December 2023, restated

	Retail banking	Corporate banking	Other activities	Elimination	Total
Total assets	1,480.8	761.6	89.1	-44.1	2,287.4
Total liabilities	1,986.0	52.7	45.9	-42.0	2,042.6

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Segment profit for Q4 2024

	Retail banking	Corporate banking	Other activities	Elimination	Total
Interest income	30.1	13.6	0.1	-0.4	43.4
Interest expense	-14.0	-6.0	-0.6	0.5	-20.1
Net interest income/expense	**16.1**	**7.6**	**-0.5**	**0.1**	**23.3**
Net fee and commission income/expense	**2.4**	**0.1**	**-**	**-**	**2.5**
Net gain on financial assets and loss on derecognition of non-financial assets	-	1.2	-0.4	-	0.8
Other operating income and expenses	-1.5	-	0.7	-0.2	-1.0
Net operating income	17.0	8.9	-0.2	-0.1	25.6
Expenses and expenses on provisions	-10.0	-3.3	-0.1	0.1	-13.3
Loss on change in the fair value of investment property	-	-	-1.6	-	-1.6
Profit before loss allowances	7.0	5.6	-1.9	-	10.7
Net allowance for expected credit losses	-4.4	-0.2	-	-	-4.6
Profit before income tax	2.6	5.4	-1.9	-	6.1
Income tax	-0.9	-0.6	-	-	-1.5
Profit for the period from continuing operations	1.7	4.8	-1.9	-	4.6

Segment profit for 12 months 2024

	Retail banking	Corporate banking	Other activities	Elimination	Total
Interest income	125.2	54.7	0.3	-2.3	177.9
Interest expense	-53.6	-21.4	-2.9	2.4	-75.5
Net interest income/expense	**71.6**	**33.3**	**-2.6**	**0.1**	**102.4**
Net fee and commission income/expense	9.3	-0.1	-	-	9.2
Net gain on financial assets and loss on derecognition of non-financial assets	-	4.4	0.5	-	4.9
Other operating income and expenses	-6.0	-	2.9	-0.7	-3.8
Net operating income	74.9	37.6	0.8	-0.6	112.7
Expenses and expenses on provisions	-35.9	-12.3	-0.3	0.6	-47.9
Loss on change in the fair value of investment property	-	-	-1.6	-	-1.6
Profit before loss allowances	39.0	25.3	-1.1	-	63.2
Net allowance for expected credit losses	-23.6	-0.3	-	-	-23.9
Profit before income tax	15.4	25.0	-1.1	-	39.3
Income tax	-4.4	-2.6	-	-	-7.0
Profit for the period from continuing operations	11.0	22.4	-1.1	-	32.3

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Segment profit for Q4 2023, restated

	Retail banking	Corporate banking	Other activities	Elimination	Total
Interest income	27.4	10.9	-	-0.6	37.7
Interest expense	-10.4	-3.9	-1.2	0.7	-14.8
Net interest income/expense	**17.0**	**7.0**	**-1.2**	**0.1**	**22.9**
Net fee and commission income/expense	2.1	-	-	-	2.1
Net gain on financial assets and loss on derecognition of non-financial assets	-	3.9	-1.1	-	2.8
Other operating income and expenses	-4.8	-0.1	-0.6	-	-5.5
Net operating income	18.3	10.8	-1.7	-0.1	27.3
Operating expenses and expenses on provisions	-8.5	-3.6	-0.1	0.1	-12.1
Gain on change in the fair value of investment property	-	-	4.4	-	4.4
Profit before loss allowances	9.8	7.2	2.6	-	19.6
Net allowance for expected credit losses	-4.7	-0.2	-	-	-4.9
Profit before income tax	5.1	7.0	2.6	-	14.7
Income tax	-2.4	-1.1	-	-	-3.5
Profit for the period from continuing operations	2.7	5.9	2.6	-	11.2

Segment profit for 12 months 2023, restated

	Retail banking	Corporate banking	Other activities	Elimination	Total
Interest income	99.3	41.4	0.2	-2.3	138.6
Interest expense	-30.0	-12.4	-2.9	2.4	-42.9
Net interest income/expense	**69.3**	**29.0**	**-2.7**	**0.1**	**95.7**
Net fee and commission income/expense	8.3	-0.1	-	-	8.2
Net gain on financial assets and loss on derecognition of non-financial assets	-	8.9	-1.1	-	7.8
Other operating income	-4.1	-0.1	2.7	-0.7	-2.2
Net operating income	73.5	37.7	-1.1	-0.6	109.5
Operating expenses and expenses on provisions	-33.7	-11.8	-0.3	0.6	-45.2
Gain on change in the fair value of investment property	-	-	3.4	-	3.4
Profit before loss allowances	39.8	25.9	2.0	-	67.7
Net allowance for expected credit losses	-18.7	-0.2	-	-	-18.9
Profit before income tax	21.1	25.7	2.0	-	48.8
Income tax	-4.5	-3.1	-	-	-7.6
Profit for the year from continuing operations	16.6	22.6	2.0	-	41.2

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

Note 4. Cash and bank balances

	31 Dec 2024	31 Dec 2023
Cash balances at central banks	**423.2**	**495.1**
Of which mandatory reserve deposits	21.2	15.2
Of which surplus on mandatory reserves*	3.5	4.7
Of which overnight deposits*	398.5	475.2
Cash balances at banks	**25.4**	**23.6**
Of which cash demand and overnight deposits*	25.1	23.4
Of which term deposits	0.3	0.2
Total	448.6	518.7
Of which cash and cash equivalents	**427.1**	**503.3**

* Cash equivalents

Note 5. Debt instruments

At	31 Dec 2024	31 Dec 2023
Debt instruments	**22.3**	**15.4**
Debt instruments by issuer		
Government bonds	15.1	9.9
Credit institutions' bonds	4.7	-
Non-financial corporations' bonds	2.5	5.5
Debt instruments by currency		
EUR (euro)	20.8	12.0
SEK (Swedish krona)	1.5	3.4
Debt instruments by rating		
Aaa-Aa3	3.6	5.4
A1-A3	14.1	8.7
Baa1-Baa3	4.6	1.3

Note 6. Loans to customers

At	31 Dec 2024	31 Dec 2023
Measured at amortised cost	2,158.2	1,604.1
Measured mandatorily at FVTPL	38.3	57.9
Loans to customers	2,196.5	1,662.0

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

Loans to customers at 31 December 2024

	Estonia	Lithuania	Latvia	Finland	Sweden	Bulgaria	Total
Loans to customers at amortised cost							
Loan receivables from customers	899.4	773.8	344.8	134.2	23.2	5.3	2,180.7
Loss allowances for loan receivables	-16.5	-9.2	-13.0	-4.6	-2.8	-1.8	-47.9
Interest receivable from customers	7.5	17.2	3.2	0.9	0.2	0.4	29.4
Loss allowances for interest receivables	-1.8	-0.8	-1.0	-0.1	-0.1	-0.2	-4.0
Total	888.6	781.0	334.0	130.4	20.5	3.7	2,158.2
Loans to customers at FVTPL							
Loan receivables from customers	38.3						38.3
Total	38.3						38.3
Total loans to customers	926.9	781.0	334.0	130.4	20.5	3.7	2,196.5
Share of region	42.2%	35.6%	15.2%	5.9%	0.9%	0.2%	100.0%

Loans to customers at 31 December 2023, restated

	Estonia	Lithuania	Latvia	Finland	Sweden	Bulgaria	Total
Loans to customers at amortised cost							
Loan receivables from customers	651.1	557.7	249.7	114.6	38.4	5.4	1,616.9
Loss allowances for loan receivables	-9.9	-6.0	-7.1	-5.6	-5.0	-1.3	-34.9
Interest receivable from customers	4.8	15.9	2.2	0.9	0.6	0.3	24.7
Loss allowances for interest receivables	-0.9	-0.6	-0.5	-0.1	-0.3	-0.2	-2.6
Total	645.1	567.0	244.3	109.8	33.7	4.2	1,604.1
Loans to customers at FVTPL							
Loan receivables from customers	57.9						57.9
Total	57.9						57.9
Total loans to customers	703.0	567.0	244.3	109.8	33.7	4.2	1,662.0
Share of region	42.3%	34.1%	14.7%	6.6%	2.0%	0.3%	100.0%

Note 7. Loan receivables from customers by due dates

At	31 Dec 2024	31 Dec 2023
Past due loan payments	45.5	37.9
Contractual principal payments cash flows of loans		
Less than 1 month	38.0	14.0
1-12 months	42.6	231.1
1-2 years	215.6	222.9
2-5 years	1,110.9	650.7
More than 5 years	766.4	518.2
Total loan receivables	2,219.0	1,674.8

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Note 8. Ageing analysis on loan receivables

Ageing analysis at 31 December 2024

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Loans to customers at amortised cost						
Unsecured loans						
Gross carrying amount	640.1	29.0	7.8	4.1	45.6	726.6
Loss allowance	-14.9	-3.9	-2.7	-1.7	-25.7	-48.9
Loans secured with real estate						
Gross carrying amount	1,283.8	21.8	6.0	1.2	5.5	1,318.3
Loss allowance	-1.1	-0.1	-	-	-0.1	-1.3
Loans against other collaterals						
Gross carrying amount	145.9	12.6	2.6	1.1	3.0	165.2
Loss allowance	-0.7	-0.4	-0.2	-0.1	-0.3	-1.7
Loans to customers at FVTPL						
Loan portfolio	38.3	-	-	-	-	38.3
Total at gross carrying amount	2,108.1	63.4	16.4	6.4	54.1	2,248.4
Total loss allowance	-16.7	-4.4	-2.9	-1.8	-26.1	-51.9
Total loans to customers						2,196.5

Ageing analysis at 31 December 2023, restated

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Loans to customers at amortised cost						
Unsecured loans						
Gross carrying amount	599.9	28.9	8.8	4.7	32.9	675.2
Loss allowance	-11.4	-2.9	-3.3	-2.0	-16.5	-36.1
Loans secured with real estate						
Gross carrying amount	825.4	18.4	5.0	1.0	0.7	850.5
Loss allowance	-0.3	-	-	-	-0.1	-0.4
Loans against other collaterals						
Gross carrying amount	103.1	8.2	2.4	0.7	1.5	115.9
Loss allowance	-0.4	-0.1	-0.2	-0.1	-0.2	-1.0
Loans to customers at FVTPL						
Gross carrying amount	57.9					57.9
Total at gross carrying amount	1,586.3	55.5	16.2	6.4	35.1	1,699.5
Total loss allowance	-12.1	-3.0	-3.5	-2.1	-16.8	-37.5
Total loans to customers						1,662.0

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Note 9. Loan receivables from customers by contractual currency

At	31 Dec 2024	31 Dec 2023
Loans to customers at amortised cost		
EUR (euro)	2,181.0	1,596.9
SEK (Swedish krona)	23.4	39.0
BGN (Bulgarian lev)	5.7	5.7
Loans to customers at FVTPL		
EUR (euro)	38.3	57.9
Total at gross carrying amount	2,248.4	1,699.5

Note 10. Loss allowances for loan receivables from customers

Loss allowances at 31 December 2024

	Loan receivables	Interest receivables	Total receivables subject to impairment	Total loss allowances
Stage 1	1,989.8	19.6	2,009.4	-13.2
Stage 2	90.1	1.3	91.4	-8.0
Stage 3	100.8	8.5	109.3	-30.7
Total	2,180.7	29.4	2,210.1	-51.9

Loss allowances at 31 December 2023, restated

	Loan receivables	Interest receivables	Total receivables subject to impairment	Total loss allowances
Stage 1	1,519.5	18.2	1,537.7	-9.9
Stage 2	53.0	1.2	54.2	-6.1
Stage 3	44.4	5.3	49.7	-21.5
Total	1,616.9	24.7	1,641.6	-37.5

Development of allowances for 12 months 2024

	Opening balance at 1 Jan 2024	Increases due to origination	Decrease due to derecognition repayments and disposals	Changes due to change in credit risk (net)	Decrease due to write-off	Closing balance
Stage 1	-9.9	-5.8	1.1	1.3	0.1	-13.2
Stage 2	-6.1	-	0.2	-3.1	1.0	-8.0
Stage 3	-21.5	-	0.9	-16.8	6.7	-30.7
Total	-37.5	-5.8	2.2	-18.6	7.8	-51.9

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

Development of allowances for 12 months 2023

	Opening balance at 1 Jan 2023	Increases due to origination	Decrease due to derecognition repayments and disposals	Changes due to change in credit risk (net)	Decrease due to write-off	Closing balance
Stage 1	-8.6	-4.6	1.2	2.0	0.1	-9.9
Stage 2	-6.1	-	0.3	-2.0	1.7	-6.1
Stage 3	-12.4	-	0.7	-14.6	4.8	-21.5
Total	-27.1	-4.6	2.2	-14.6	6.6	-37.5

Note 11. Property, plant and equipment

At	31 Dec 2024	31 Dec 2023
Buildings	6.2	6.3
Right-of-use assets: office premises	1.5	1.7
Other items	1.2	1.4
Total	8.9	9.4

Other items comprise computers, office equipment and furniture and other fixtures and fittings. Leased office premises are recognized as right-of-use assets.

Land and buildings and other items

	Buildings	Other items	Total
Cost			
Balance at 1 January 2023	6.2	5.1	11.3
Purchases	-	2.0	2.0
Sales	-	-0.2	-0.2
Derecognition	-	-1.7	-1.7
Revaluation recognised in other comprehensive income	0.5	-	0.5
Transfer to investment property (note 12)	-0.4	-	-0.4
Balance at 31 December 2023	6.3	5.2	11.5
Balance at 1 January 2024	6.3	5.2	11.5
Purchases	-	0.4	0.4
Sales	-	-0.2	-0.2
Derecognition	-	-0.3	-0.3
Revaluation recognised in other comprehensive income	-0.1	-	-0.1
Balance at 31 December 2024	6.2	5.1	11.3
Depreciation			
Balance at 1 January 2023	-	-3.7	-3.7
Depreciation charge for the period	-0.2	-0.6	-0.8
Sales	-	0.2	0.2
Derecognition	-	0.3	0.3
Transfer**	0.2	-	0.2
Balance at 31 December 2023	-	-3.8	-3.8
Balance at 1 January 2024	-	-3.8	-3.8
Depreciation charge for the period	-0.2	-0.6	-0.8
Sales	-	0.2	0.2
Write-off	-	0.3	0.3
Transfer	0.2	-	0.2
Balance at 31 December 2024	-	-3.9	-3.9

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

	Buildings	Other items	Total
Carrying amount			
Balance at 1 January 2023	6.2	1.4	7.6
Balance at 31 December 2023	6.3	1.4	7.7
Balance at 31 December 2024	6.2	1.2	7.4

* In connection with the Group's relocation to new premises in Tallinn, the previously used office premises were also transferred to the class of investment property.

** Buildings are measured using the revaluation model. Accumulated depreciation at the revaluation date was eliminated against the gross carrying amount of the revalued assets, see note 22.

In addition to the assets shown in the table, land of 9.6 million euros was included in the opening balance in 2023, which was transferred to investment property in 2023, see note 12.

Right-of-use assets

	2024	2023
Carrying amount at 1 January	1.7	1.1
Additions	0.3	1.2
Depreciation charge	-0.6	-0.6
Price adjustment	0.1	-
Carrying amount at end of period	1.5	1.7

Note 12. Investment properties

At	2024	2023
Opening balance at 1 January	49.1	35.5
Additions	19.3	-
Sales	-0.4	-
Transfer from office premises to investment property (note 11)	-	0.4
Transfer from land to investment property (note 11)	-	9.8
Net gain on fair value adjustments (note 22)	-1.6	3.4
Closing balance at end of period	66.4	49.1

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

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

Note 13. Intangible assets

	2024	2023
Cost at beginning of year	**41.7**	**38.6**
Purchased and developed software	3.1	4.1
Of which purchases	0.2	0.4
Of which capitalised payroll costs	2.9	3.7
Write-off	-0.5	-1.0
Cost at end of period	44.3	41.7
Amortisation at beginning of year	**-12.4**	**-8.6**
Amortisation charge for the period	-6.9	-4.9
Write-off	0.2	1.0
Amortisation at end of period	-19.1	-12.5
Carrying amount at beginning of year	29.3	30.0
Carrying amount at end of period	25.2	29.2

The Group's intangible assets comprise various software. The purchases and developed software also include the capitalised payroll and payroll-related costs for employees who were directly associated with the Nest development.

Note 14. Other assets

At	31 Dec 2024	31 Dec 2023
Financial assets		
Customer receivables (incl. for loan portfolios sold) and other miscellaneous receivables	8.0	1.0
Collection, recovery and other charges receivable	1.1	0.7
Impairment allowance for other receivables	-0.4	-0.3
Total financial assets	8.7	1.4
Non-financial assets		
Other tax prepayments	0.1	0.1
Prepayments to suppliers and prepaid expenses	1.1	1.4
Total non-financial assets	1.2	1.5
Total other assets	9.9	2.9

Note 15. Disposal groups and discontinued operations

At the end of 2022, the Group began the liquidation of two subsidiaries: Palupera Põllud OÜ and Abja Põld OÜ, and consequently the assets and liabilities of these subsidiaries were classified as held for sale in the consolidated statement of financial position. The subsidiary Abja Põld OÜ was sold in April 2023. Palupera Põllud OÜ had discontinued active operations by the end of 2023 and at the beginning of this year Palupera Põllud OÜ (the acquiree) was merged with the Group's subsidiary OÜ Rüütli Property (the acquirer). In segment reporting (see note 3), the operations of the companies were reported in the segment of other activities.

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

Note 16. Loans from banks

	31 Dec 2024	31 Dec 2023
Loans from other credit institutions	8.4	8.9

The term of loans is five years with a final maturity in June 2027. Interest expense for 12 months was 0.6 million euros (12 months 2023: 0.6 million euros), see note 25.

Note 17. Deposits from customers

At	31 Dec 2024	31 Dec 2023
Deposits from customers	**2,393.3**	**1,937.4**
Deposits by customer type		
Individuals	2,334.3	1,919.6
Legal persons	59.0	17.8
Deposits by currency		
EUR (euro)	2,325.5	1,892.8
SEK (Swedish krona)	40.4	40.1
BGN (Bulgarian lev)	27.4	4.5
Deposits by maturity		
On demand	1,029.0	1,021.6
Maturing within 3 months	452.1	162.1
Maturing between 3 and 12 months	527.5	419.5
Maturing between 1 and 5 years	346.1	296.3
Maturing in over 5 years	38.7	37.9

Note 18. Subordinated bonds

Changes in bonds

	2024	2023
Balance at beginning of period	76.1	40.1
Cash items:		
Receipts	20.4	36.2
Payments	-11.8	-5.3
Non-cash items:		
Accrued interest	7.0	5.1
Closing balance	91.7	76.1

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

Bonds at 31 December 2024

	Nominal price	Interest rate	Date of issue	Maturity date
Note EE3300002526	10.0	6.5%	30 December 2021	30 December 2031
Note EE3300002583	5.0	7.5%	16 May 2022	16 May 2032
Note EE3300002690	20.0	8.0%	21 September 2022	21 September 2032
Note EE3300003052	15.0	8.0%	16 February 2023	16 February 2033
Note EE3300003151	7.7	10.5%	15 March 2023	Perpetual
Note EE3300003284	3.4	12.0%	31 May 2023	Perpetual
Note EE3300003581	5.1	12.0%	31 August 2023	Perpetual
Note EE3300003706	5.0	8.0%	30 November 2023	30 November 2033
Note EE3300004340	7.0	7.0%	29 May 2024	29 May 2034
Note EE3300004696	5.0	10.5%	21 June 2024	Perpetual
Note EE3300004977	5.0	6.5%	23 October 2024	23 October 2034
Note EE3300005081	3.5	9.0%	29 November 2024	Perpetual

Subject to approval by the Estonian Financial Supervision and Resolution Authority, the bonds can be called early after five years have passed.

Note 19. Other liabilities

At	31 Dec 2024	31 Dec 2023
Financial liabilities		
Payments in transit*	2.7	8.4
Supplier payables	0.8	1.3
Lease liabilities	1.6	1.8
Total financial liabilities	5.1	11.5
Non-financial liabilities		
Payables to employees	3.7	3.6
Other taxes payable	2.2	1.4
Provisions	0.2	-
Other payables and deferred income	1.1	1.2
Total non-financial liabilities	7.2	6.2
Total other liabilities	12.3	17.7

* In 2023, the amount included received surplus payments, i.e. amounts received from customers that had been paid before the due date and not yet matched to particular loan contracts due to the uncertain nature of these payments. In 2024, the Group started offering current accounts to existing customers and the customers' surplus payments were started to be considered deposits from customers.

Note 20. Other reserves

At	31 Dec 2024	Change	31 Dec 2023
Exchange differences on translating foreign operations	1.2	0.2	1.0
Asset revaluation reserve	1.7	0.1	1.5
Fair value changes of debt instruments measured at FVOCI	-0.4	0.3	-0.7
Total other reserves	2.5	0.7	1.8

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

Note 21. Net currency positions

Net currency positions at 31 December 2024

	Assets bearing currency risk	Liabilities bearing currency risk	Net position
SEK (Swedish krona)	40.0	40.6	-0.6
BGN (Bulgarian lev)	9.6	27.4	-17.8

Net currency positions at 31 December 2023

	Assets bearing currency risk	Liabilities bearing currency risk	Net position
SEK (Swedish krona)	41.5	40.6	0.9
BGN (Bulgarian lev)	9.6	4.6	5.0

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 31 December 2024 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 millions of euros, unaudited)

Fair value hierarchy at 31 December 2024, restated

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt instruments at FVOCI (note 5)	22.3	-	-	22.3
Loans to customers at FVTPL (note 6–10)	-	-	38.3	38.3
Land and buildings (note 11)	-	-	6.2	6.2
Investment properties (note 12)	-	-	66.4	66.4
Assets for which fair values are disclosed				
Loans to customers at amortised cost (note 6-10)	-	-	2,158.2	2,158.2
Other financial receivables (note 14)	-	-	8.7	8.7
Assets held for sale (note 15)	-	-	0.2	0.2
Total assets	22.3	-	2,278.0	2,300.3
Liabilities for which fair values are disclosed				
Loans from banks (note 16)	-	-	8.4	8.4
Deposits from customers (note 17)	-	-	2,393.3	2,393.3
Subordinated bonds (note 18)	-	51.9	39.8	91.7
Lease liabilities (note 19)	-	-	1.6	1.6
Other financial liabilities (note 19)	-	-	3.5	3.5
Total liabilities	-	51.9	2,446.6	2,498.5

Fair value hierarchy at 31 December 2023

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt instruments at FVOCI (note 5)	15.4	-	-	15.4
Loans to customers at FVTPL (note 6–10)	-	-	57.9	57.9
Land and buildings (note 11)	-	-	6.3	6.3
Investment properties (note 12)	-	-	49.1	49.1
Assets for which fair values are disclosed				
Loans to customers at amortised cost (note 6-10)	-	-	1,604.1	1,604.1
Other financial receivables (note 14)	-	-	1.4	1.4
Assets held for sale (note 15)	-	-	0.3	0.3
Total assets	15.4	-	1,719.1	1,734.5
Liabilities for which fair values are disclosed				
Loans from banks (note 16)	-	-	8.9	8.9
Deposits from customers (note 17)	-	-	1,937.4	1,937.4
Subordinated bonds (note 18)	-	34.9	41.2	76.1
Lease liabilities (note 19)	-	-	1.8	1.8
Other financial liabilities (note 19)	-	-	9.7	9.7
Total liabilities	-	34.9	1,999.0	2,033.9

There were no movements between levels 1, 2 and 3 in 2024 and 2023.

The level 1 debt instruments at FVOCI comprise bonds whose fair values have been measured by reference to quoted bid prices in active markets at the reporting date. Bloomberg has been used as the price source. All bonds are actively traded and have quoted prices in an active market. The fair value of bonds nominated in currencies other than the euro also reflects the current spot rate of the respective currencies at the reporting date.

Subordinated bonds publicly traded on the Nasdaq Tallinn stock exchange, which are accounted for as level 2 instruments, are measured at market value at the reporting date, i.e. at the value of the last transaction of the trading date.

Subordinated bonds which are not publicly traded are classified as level 3 instruments and measured in the statement of financial position at amortised cost using the effective interest method. Their fair value is determined using a valuation technique whereby the present value of an instrument is found by discounting all expected future cash flows by applying the current market interest rate, which at the reporting date was 4.88% (31 December 2023: 5.55%).

The level 3 loans to customers at FVTPL in the amount of 38.3 million euros are loans with the features of a hybrid instrument, which comprise the principal and interest receivables of the host contract and a growth component (increase in fair value) resulting from the revaluation of the underlying asset. The Group measures the fair value of loans to customers measured at FVTPL using a valuation technique, whereby the present value of an instrument is calculated by discounting all expected future cash flows at prevailing market interest rates. The interest rates are determined based on a model that uses as inputs both market data on instruments with similar currency, maturity, interest rate, credit risk and other characteristics and the Group's internal data.

In line with IFRS 13 and IFRS 9, the fair value of an instrument at initial recognition normally equals the transaction price. For new transactions, where the valuation technique used for fair value measurement requires significant inputs that are not based on observable market data, the financial instrument is initially recognised at the transaction price. If the transaction price differs from the fair value obtained using the valuation technique, the difference is recognised in the statement of financial position within *Loans to customers* as deferred day 1 gain or loss, which is subsequently amortised through profit or loss on a straight-line basis over the term of the contract. Balance of deferred day 1 gain at end of year was 0.6 million euros (31 December 2023: 4.6 million euros).

At the reporting date, the market interest rate applied in the valuation technique was 4.88% (31 December 2023: 5.55%). Gains on the revaluation of the underlying assets are included in the future cash flows of the instrument. The market comparison method was used for the valuation of the underlying assets, similarly to the valuation of agricultural land.

The change in the revaluation of loans to customers (value adjustments due to changes in factors, including time, gains from the revaluation of loans with investment risk) is recognised as a gain or loss on financial assets at FVTPL. These are assets that are required to be categorised as measured at FVTPL.

The level 3 loans to customers at amortised cost that amount to 2,158.2 million 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.

The level 3 land and buildings that amount to 6.2 million euros consists of real estate used by the Group as office premises in Tallinn and agricultural land.

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 12–13 euros, the rental growth rate is 2.0%, the long-term vacancy rate is 5–10% and the discount rate is 9.5%. 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 4,161–4,623 euros less the costs of transforming the office space back into apartments.

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The level 3 investment properties that amount to 66.4 million 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 4,100 euros and development costs per square metre of 1,754 euros.

The fair values of other office buildings in Tallinn and Pärnu were estimated using the income approach based on rental prices of 9-14 euros per square metre in Tallinn and 4-12 euros per square metre in Pärnu.

Agricultural land was valued using mainly the market comparison approach. Based on the opinion of a valuation expert, the best use of the land is the existing use for agricultural purposes and the average price per hectare of agricultural land is 8,300 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 office premises recognised in the line item ‘Land and buildings’ and the forest and agricultural land and office buildings and retail space recognised in the line item ‘Investment property’ were revalued in the fourth quarter of 2024. The assumptions used described above are based on experts estimates obtained in the fourth quarter of 2024.

Note 23. Contingent liabilities

At 31 December 2024, the unused portions of credit lines and loans totalled 173.8 million euros (31 December 2023: 134.9 million euros). The expected credit losses on liabilities not recognised in the statement of financial position (contingent liabilities) are immaterial.

Note 24. Interest income

	Q4 2024	Q4 2023	12M 2024	12M 2023
Interest income on loans to customers at amortised cost	39.5	33.4	157.9	128.2
Interest income on debt securities at FVOCI	0.2	-	0.3	0.2
Interest income on banks and central banks deposits	3.7	4.3	19.7	10.2
Total interest income	43.4	37.7	177.9	138.6

Note 25. Interest expense

	Q4 2024	Q4 2023	12M 2024	12M 2023
Interest expense on deposits from customers	18.1	13.0	67.9	37.1
Interest expense on loans from banks	0.2	0.2	0.6	0.6
Interest expense on subordinated bonds	1.8	1.6	7.0	5.2
Total interest expense	20.1	14.8	75.5	42.9

Note 26. Other operating income

	Q4 2024	Q4 2023	12M 2024	12M 2023
Rental income	0.9	0.9	3.5	3.5
Income from debt recovery proceedings	0.4	0.3	1.2	0.8
Miscellaneous income	-	-	0.3	0.3
Total other income	1.3	1.2	5.0	4.6

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Note 27. Other operating expenses

	Q4 2024	Q4 2023	12M 2024	12M 2023
Legal regulation charges	1.1	0.8	4.5	3.1
Expenses from investment properties	0.3	0.4	1.3	1.5
Expenses related to registry inquires	0.2	0.2	0.6	0.6
Expenses related to enforcement proceedings	0.2	0.1	0.8	0.5
Levies	0.5	-	0.5	-
Miscellaneous expenses	-	0.2	1.1	1.1
Total other expenses	2.3	1.7	8.8	6.8

Note 28. Administrative expenses

	Q4 2024	Q4 2023	12M 2024	12M 2023
Marketing expenses	1.1	2.3	4.8	8.6
Short-term leases	-	0.1	0.1	0.2
Office and other similar administrative expenses	0.2	0.1	0.6	0.7
Other personnel-related expenses	0.5	0.4	1.3	1.4
Software licensing and other information technology costs	0.5	0.5	2.0	1.7
Other services	0.3	0.4	1.3	1.3
Postal supplies and charges	-	0.1	0.1	0.2
Telephone and other communications expenses	0.2	0.2	1.0	0.9
Miscellaneous operating expenses	-	-	0.3	0.2
Total administrative expenses	2.8	4.1	11.5	15.2

Note 29. Earnings per share

	12M 2024	12M 2023
Profit from continuing operations (EUR million)	32.2	41.2
Profit from discontinued operations (EUR million)	-	-0.6
Net profit for the period (EUR million)	**32.3**	**40.7**
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	404	508

At 31 December 2023 and at 31 December 2024 the Group did not have any potential dilutive ordinary shares. Therefore, diluted earnings per share equal basic earnings per share.

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

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 31 December 2024, the Group had a claim to related parties of 10.6 million euros (Loans to customer) (31 December 2023: 10.4 million euros), the interest income on that claim amounted to 0.8 million euros for twelve months of 2024 (for twelve months of 2023: 0.6 million euros). Loans granted to related parties are issued at market conditions.

At the reporting date, management and supervisory board members and parties related to them held 3,397 Bigbank bonds with a total nominal value of 3.4 million euros (31 December 2023: 748 thousand euros). Interest expense on deposits and subordinated bonds was 0.2 million euros for twelve months of 2024 (for twelve months of 2023: 50 thousand euros).

Claim to related parties

At	31 Dec 2024	31 Dec 2023
Loans to customers	**10.6**	**10.4**
Of which to members of management and supervisory boards	0.1	0.1
Of which to shareholders	1.7	1.7
Of which to companies and persons connected related parties	8.8	8.6
Subordinated bonds	**3.4**	**0.7**
Of which to members of management and supervisory boards	1.1	0.7
Of which to companies and persons connected related parties	2.3	-
Deposits from customers	**0.6**	**-**
Of which to shareholders	0.1	-
Of which to companies and persons connected related parties	0.5	-

The Group finances subsidiaries and branches with long-term loans. Such loans are eliminated from the consolidated financial statements.

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 period ended 31 December 2024 are true and complete.
- The condensed consolidated interim 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 December 2024 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	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

signed digitally on 25 February 2025