

BIGBANK AS

Public interim report

First quarter 2013

BIGBANK AS
CONSOLIDATED INTERIM REPORT FOR THE FIRST QUARTER OF 2013

Business name	BIGBANK AS
Registry	Commercial Register of the Republic of Estonia
Registration number	10183757
Date of entry	30 January 1997
Address	Rüütli 23, 51006 Tartu, Estonia
Phone:	+372 737 7570
Fax:	+372 737 7582
E-mail	info@bigbank.ee
Corporate website	www.bigbank.ee
Financial year	1 January 2013 – 31 December 2013
Reporting period	1 January 2013 – 31 March 2013
Chairman of the management board	Kaido Saar
Business line	Provision of consumer loans and acceptance of deposits
Auditor	KPMG Baltics OÜ
Reporting currency	The reporting currency is the euro and numerical financial data is presented in millions of currency units rounded to three digits after the decimal point.

The *Public interim report* can be accessed on the website of BIGBANK AS at www.bigbank.ee. The version in English can be accessed at www.bigbank.eu.

From 31 May 2013, *Public interim report for the first quarter of 2013* will be available at the head office of BIGBANK AS at 23 Rüütli street in Tartu and all other offices of the company.

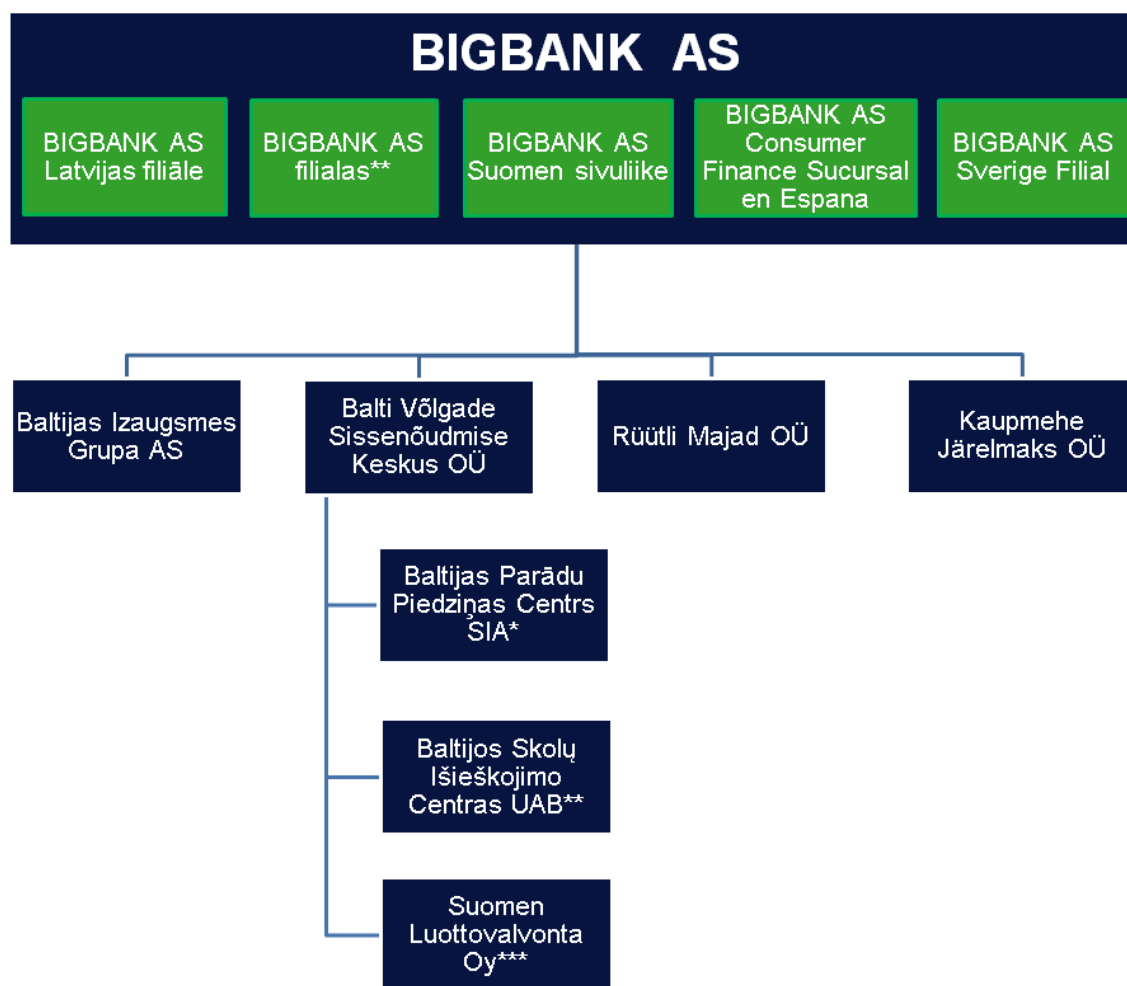
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ABOUT BIGBANK GROUP

The core business of BIGBANK AS is provision of consumer loans.

The Group's structure at the reporting date:



* registered in the Republic of Latvia

** registered in the Republic of Lithuania

*** registered in the Republic of Finland

BIGBANK AS was founded on 22 September 1992. A licence for operating as a credit institution was obtained on 27 September 2005. BIGBANK's core services are term deposits and small and consumer loans.

The branches in Latvia, Lithuania, Finland, Spain and Sweden offer lending services similar to those of the parent. In addition, the parent and its Latvian and Finnish branches offer deposit services. The core business of OÜ Rütütl Majad is managing the real estate used in the parent's business in Estonia. OÜ Balti Völgade Sissenõudmise Keskus and its subsidiaries support the parent and its branches in debt collection and OÜ Kaupmehe Järeilmaks offers hire purchase services. In addition, BIGBANK AS provides cross-border deposit services in Germany, the Netherlands and Austria.

STATEMENT BY THE MANAGEMENT BOARD

According to the knowledge and belief of the management board of BIGBANK AS, as at the date of publication:

- the figures and additional information presented in the condensed consolidated interim report for the first quarter of 2013 are true and complete; and
- the condensed consolidated financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows.

The condensed consolidated interim report as at 31 March 2013 has been prepared in accordance with the international financial reporting standard IAS 34 *Interim Financial Reporting* as adopted by the European Union and with the information disclosure requirements established by the Bank of Estonia.

BIGBANK AS is a going concern.

Kaido Saar

Chairman of the Management Board

29 May 2013

[digitally signed]

Veiko Kandla

Member of the Management Board

29 May 2013

[digitally signed]

Ingo Põder

Member of the Management Board

29 May 2013

[digitally signed]

REVIEW OF OPERATIONS

SIGNIFICANT ECONOMIC EVENTS

In the first quarter of 2013, BIGBANK AS (hereafter also "BIGBANK" or the "Group") continued to expand its loan portfolio in most countries where the bank is active, except for Estonia. During the quarter, the loan portfolio of BIGBANK Group grew by 13.4 million euros, i.e. 5.7%. The largest contribution to the growth of the loan portfolio was made by BIGBANK's Swedish branch.

The Group's net profit for the first quarter of 2013 amounted to 1.7 million euros. In the first quarter of 2013, profit before impairment allowances was 6.5 million euros. In the first quarter of 2012, the corresponding figure was 4.7 million euros (an increase of 37.2%).

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.

At the end of the first quarter of 2013, BIGBANK employed a total of 583 people: 237 in Estonia, 151 in Latvia, 89 in Lithuania, 43 in Finland, 37 in Spain and 26 in Sweden.

On 31 January 2013, the long-time chairman of the management board Targo Raus resigned. His responsibilities were taken over by Kaido Saar, the member of the management board responsible for sales and marketing. From April, Kaido Saar is the chairman of the Group's management board. The management board continues with three members.

The importance of electronic channels in customer relations is increasing. Therefore, in the first quarter six branch offices in Estonia, Latvia and Lithuania were closed. At the end of the first quarter, the Group had 23 branch offices, of which 7 were located in Estonia, 6 in Latvia, 8 in Lithuania, 1 in Finland and 1 in Spain.

KEY PERFORMANCE INDICATORS AND RATIOS

Financial position indicators (in millions of euros)	31 March 2013	31 Dec 2012	Change
Total assets	282.928	280.729	0.8%
Loans to customers	235.721	224.521	5.0%
of which loan portfolio	250.303	236.882	5.7%
of which interest receivable	25.259	24.787	1.9%
of which impairment allowances	-39.841	-37.148	7.2%
of which impairment allowances for loans	-29.641	-28.263	4.9%
of which impairment allowances for interest receivables	-5.673	-5.327	6.5%
of which statistical impairment allowances	-4.527	-3.558	27.2%
Deposits from customers	218.432	212.936	2.6%
Equity	59.654	59.408	0.4%

Financial performance indicators

(in millions of euros)	Q1 2013	Q1 2012	Change
Interest income	12.637	10.868	16.3%
Interest expense	1.992	1.740	14.5%
Expenses from impairment allowances	4.783	2.504	91.0%
Income from debt collection proceedings	1.928	1.589	21.3%
Profit before impairment allowances	6.474	4.718	37.2%
Net profit	1.691	2.214	-23.6%

Ratios	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Return on equity (ROE)	11.4%	17.6%	6.8%	9.1%	16.4%
Equity multiplier (EM)	4.8	4.7	4.6	4.6	4.4
Profit margin (PM)	11.2%	17.4%	7.1%	9.5%	17.4%
Asset utilization ratio (AU)	21.3%	21.3%	20.2%	20.9%	21.5%
Return on assets (ROA)	2.4%	3.7%	1.4%	2.0%	3.8%
Price difference (SPREAD)	14.0%	13.8%	13.4%	13.8%	14.6%
Tier 1 capital ratio (TIER 1)	24.1%	25.2%	24.2%	24.7%	24.9%

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

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

Explanations of ratios:

- Return on equity (ROE) – net profit to equity
- Equity multiplier (EM) – total assets to total equity
- Profit margin (PM) – net profit to total income
- Asset utilisation (AU) – total income (incl. interest income, fee income, dividend income and other operating income) to total assets
- Return on assets (ROA) – net profit to total assets
- SPREAD – ratio of interest income to interest-bearing assets less ratio of interest expense to interest-bearing liabilities
- TIER 1 capital ratio (TIER 1 ratio) – ratio of TIER 1 capital to risk-weighted assets

FINANCIAL REVIEW**Financial position****Total assets**

As at 31 March 2013, the consolidated assets of BIGBANK AS Group totalled 282.9 million euros, having increased by 2.2 million euros (0.8%) during the quarter.

As at 31 March 2013, loans to customers accounted for 83.3% of total assets, the proportion of liquid assets (amounts due from banks and held-to-maturity financial assets) was 13.2%.

Liquid assets

At the end of the first quarter, liquid assets totalled 37.4 million euros.

Held-to-maturity financial assets

Free funds are partly invested in short-term debt securities with fixed payments and maturities, which the Group intends to and is able to hold until maturity. At 31 March 2013, the Group had debt securities of 8.1 million euros.

Loans to customers

At the end of the first quarter, the Group had 170 thousand loan agreements, 40 thousand of them in Estonia, 73 thousand in Latvia, 28 thousand in Lithuania, 18 thousand in Finland, 7 thousand in Spain and 4 thousand in Sweden.

Geographical distribution of loans to customers:

- 25.4% Estonia,
- 26.2% Latvia,
- 22.1% Finland,
- 11.3% Lithuania,
- 6.6% Spain,
- 8.4% Sweden.

At 31 March 2013, loans to customers totalled 235.7 million euros, comprising of:

- the loan portfolio of 250.3 million euros, loans to individuals accounting for 96.0% of the total;
- interest receivable on loans of 25.2 million euros;
- impairment allowances for loans and interest receivables of 39.8 million euros (consisting of an impairment allowance for loans of 29.6 million euros, an impairment allowance for interest receivables of 5.7 million euros and a statistical impairment allowance of 4.5 million euros).

BIGBANK's loan portfolio is diversified – at the reporting date the average loan was 1,807 euros and as at 31 March 2013, 40 largest loans accounted for 4.0% of the loan portfolio.

BIGBANK AS focuses on the provision of consumer loans. In line with the corporate strategy, as at 31 March 2013 loans against income accounted for 87.0%, loans against surety for 6.9%, loans secured with real estate for 5.3% and loans with insurance coverage for 0.1% of the total loan portfolio.

Past due loans

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

Impairment allowances

Past due loans comprise all scheduled loan payments that are in arrears and any loan principal that has fallen due because of termination. Under the terms and conditions of its loan agreements, the Group may terminate an agreement unilaterally if at least three scheduled payments are in arrears. When an agreement is terminated, the customer has to settle any outstanding loan principal, any accrued interest, and any collateral claims resulting from the settlement delay.

Loans past due for more than 90 days consist of past due principal payments plus the total amount of loan principal that has fallen due in connection with termination of agreements.

To mitigate the risks arising from customers' payment behaviour and to cover potential credit losses, the Group makes impairment allowances, which are created on a conservative basis. At 31 March 2013, impairment allowances totalled 40.5 million euros, consisting of:

- impairment allowances for loan receivables of 29.6 million euros,
- impairment allowances for interest receivables of 5.7 million euros,
- statistical impairment allowances of 4.5 million euros,
- impairment allowances for other receivables of 0.7 million euros.

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

Liabilities

At the end of the first quarter of 2013, the Group's liabilities totalled 223.3 million euros. Most of the debt raised by the Group, i.e. 218.4 million euros (97.8%) consisted of term deposits.

Equity

In the first quarter of 2013, the Group's equity grew by 0.2 million euros (0.4%) to 59.7 million euros. The equity to assets ratio amounted to 21.1%. At the end of the first quarter, capital adequacy was 19.9% (Basel II) compared with 21.2% at the end of 2012.

Financial performance

Interest income	<p>Interest income for the first quarter reached 12.6 million euros, increasing by 1.8 million euros (16.3%) year over year. The increase in interest income results from growth in the loan portfolio.</p> <p>The period's ratio of interest income (annualised) to average interest-earning assets was 17.8 % and (annualised) return on the loan portfolio accounted for 20.1% of the average loan portfolio.</p>
Interest expense	<p>Interest expense for the first quarter of 2013 was 2.0 million euros, an increase of 0.3 million euros (14.5%) year over year.</p> <p>The ratio of interest expense to interest income was 15.8 %. The ratio of interest expense to average interest-bearing liabilities (annualised) was 3.8%.</p>
Other operating expenses	<p>Other operating expenses for the first quarter totalled 2.1 million euros (a decrease of 0.4 million euros or 17.2% compared to the first quarter of 2012).</p>
Salaries and associated charges	<p>Salaries and associated charges for the first quarter of 2013 amounted to 3.2 million euros (growth in comparison to the same period of 2012 was 0.5 million euros), including remuneration of 2.0 million euros. As at the end of the period, the Group had 583 employees.</p>
Impairment losses	<p>The quality of the loan portfolio has improved but expenses from impairments have increased on account of growth in loan sales, an increase in the size of the loan portfolio and observance of the principle that impairment allowances have to be recognised prospectively.</p> <p>In the first quarter, impairment losses increased by 4.8 million euros, consisting of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> impairment losses on loan receivables of 4.1 million euros, <input type="checkbox"/> impairment losses on interest receivables of 0.6 million euros, <input type="checkbox"/> impairment losses on other receivables of 0.1 million euros. <p>Impairment allowances are made on a conservative basis.</p>
Other income and expenses	<p>Other income for the first quarter of 2013 was 2.0 million euros, the largest proportion of which resulted from debt collection income. In the same period of 2012, other income was 1.7 million euros</p> <p>Other expenses for the first quarter reached 0.7 million euros, increasing by 0.2 million euros (41.8%) year over year.</p>
Profit for the period	<p>The Group's net profit for the first quarter of 2013 amounted to 1.7 million euros. In comparison to the first quarter of 2012, net profit has decreased by 0.5 million euros (23.6%).</p> <p>First-quarter profit before impairment allowances was 6.5 million euros, the corresponding figure for the first quarter of 2012 was 4.7 million euros (an increase of 37.2%).</p>

GROUP'S CAPITAL ADEQUACY

<i>(In millions of euros)</i>	31 March 2013	31 Dec 2012
Paid-up share capital	8.000	8.000
Reserves established from profit (capital reserve)	0.800	0.794
Earnings retained in prior years	49.183	43.211
Foreign currency translation reserve	0.047	0.481
Intangible assets	-1.000	-0.968
Profit for the year	-	7.030
Other Tier 1 own funds	-0.068	-0.108
Tier 1 capital	56.962	58.440
Total capital used to determine capital adequacy	56.962	58.440
Capital requirements		
Claims on central governments and central banks, standardized approach	0.595	0.728
Claims on credit institutions and investment firms, standardized approach	1.815	1.707
Claims on companies, standardized approach	0.928	1.179
Retail claims, standardized approach	11.854	11.090
Claims secured by real estate, standardized approach	0.640	0.647
Claims in arrears, standardized approach	6.886	6.843
Other assets, standardized approach	0.884	0.991
Total capital requirement for credit risk and counterparty risk	23.602	23.185
Capital requirement for foreign exchange risk	0.593	0.540
Capital requirement for operational risk, standardized approach	4.442	3.896
Total capital requirements	28.637	27.621
Capital adequacy	19.9%	21.2%

The capital adequacy standards are applied to BIGBANK AS and BIGBANK AS Group.

As at 31 March 2013, capital adequacy at the level of the parent company was 16.4%.

The definition of a consolidation group for the purposes of calculating capital adequacy does not differ from the definition of a consolidation group for the purposes of preparing financial statements.

Under Section 73 of the Credit Institutions Act, Tier 1 own funds (Tier 1 capital) consists of:

- paid-up share capital;
- capital reserve and other reserves formed based on the law and the articles of association using profit;
- prior years' audited retained profits;
- profit for the reporting year that has been checked by the credit institution's auditor.

In calculating Tier 1 capital, the following is deducted:

- intangible assets.

Under Section 77¹ of the Credit Institutions Act, when Tier 1 capital is calculated on a consolidated basis, the foreign currency translation reserve consisting of the unrealised exchange differences is added to Tier 1 capital.

In addition, the net loss on hedges of net investments in foreign operations, which has been recognised in other reserves in equity, has been deducted from Tier 1 capital.

The Group does not have Tier 2 and Tier 3 capital.

Capital requirements for both credit risk and operational risk have been determined using the standardized approach.

In determining the capital requirement for foreign exchange risk, the Group has taken into account the exposures covered by the devaluation clauses.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at	Note	31 March 2013	31 Dec 2012
Assets			
Cash and balances at central banks		2.187	10.312
Cash and balances at banks		27.124	26.520
Loans to customers	3,4,5,6,7,8	235.721	224.521
Held-to-maturity financial assets	9	8.056	8.476
Derivatives		0.001	0.020
Other receivables and prepayments	10	3.362	4.327
Deferred tax assets		1.188	1.239
Intangible assets		1.000	0.968
Property and equipment		2.645	2.670
Other assets	11	1.644	1.676
Total assets		282.928	280.729
Liabilities			
Loans from central banks	12	-	3.928
Loans from banks	12	-	0.038
Deposits from customers	13	218.432	212.936
Derivatives		0.750	0.303
Other liabilities and deferred income		4.092	4.116
Total liabilities		223.274	221.321
Equity			
Share capital		8.000	8.000
Capital reserve		0.800	0.794
Other reserves	14	-0.020	0.373
Earnings retained in prior years		49.183	43.211
Profit for the period		1.691	7.030
Total equity		59.654	59.408
Total liabilities and equity		282.928	280.729

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Q1 2013	Q1 2012
Interest income	17	12.637	10.868
Interest expense	18	-1.992	-1.740
Net interest income		10.645	9.128
Net fee income		0.416	0.174
Net gain on financial transactions		0.045	0.006
Other income	19	2.023	1.677
Total income		13.129	10.985
Salaries and associated charges		-3.195	-2.703
Other operating expenses	20	-2.132	-2.574
Depreciation and amortisation expense		-0.136	-0.109
Impairment losses on loans and financial investments		-4.783	-2.504
Other expenses	21	-0.729	-0.514
Total expenses		-10.975	-8.404
Profit before income tax		2.154	2.581
Income tax expense/income		-0.463	-0.367
Profit for the period		1.691	2.214
Other comprehensive income/expense			
Exchange differences on translating foreign operations		-0.433	-0.080
Net loss on hedges of net investments in foreign operations		0.040	-
Total comprehensive income for the period		1.298	2.134
Basic earnings per share (EUR)		21	28
Diluted earnings per share (EUR)		21	28

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Q1 2013	Q1 2012
Cash flows from operating activities			
Interest received		10.612	8.721
Interest paid		-1.419	-1.112
Salary and other operating expenses paid		-5.984	-5.322
Other income received		1.909	1.459
Other expenses paid		-1.021	-0.446
Fees received		0.312	0.174
Fees paid		-0.102	-0.038
Recoveries of receivables previously written off		0.365	0.197
Received for other assets		0.076	0.099
Loans provided		-33.861	-22.330
Repayment of loans provided		20.560	13.214
Change in mandatory reserves with central banks		0.051	1.356
Proceeds from customer deposits		14.717	19.883
Paid on redemption of deposits		-9.896	-10.257
Income tax received/paid		0.963	-0.025
Effect of movements in exchange rates		-0.012	-0.003
Net cash used in/from operating activities		-2.730	5.570
Cash flows from investing activities			
Acquisition of property and equipment and intangible assets		-0.142	-0.154
Proceeds from sale of property and equipment		0.025	0.031
Placed in term deposits		-4.646	-
Acquisition of financial instruments		-3.719	-29.730
Proceeds from redemption of financial instruments		4.189	6.962
Net cash used in investing activities		-4.293	-22.891
Cash flows from financing activities			
Paid on redemption of bonds		-	-0.064
Proceeds from loans from central bank		-	4.400
Repayment of loans from central banks		-3.934	-0.500
Repayment of loans from banks (with interest)		-0.038	-0.057
Dividends paid		-1.052	-0.970
Net cash used in /from financing activities		-5.024	2.809
Effect of exchange rate fluctuations		0.022	-0.002
Decrease in cash and cash equivalents		-12.025	-14.514
Cash and cash equivalents at beginning of period		34.608	28.698
Cash and cash equivalents at end of period	2	22.583	14.184

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent				
	Share capital	Statutory capital reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2012	8.000	0.511	0.288	44.464	53.263
Profit for the period	-	-	-	2.214	2.214
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	-0.080	-	-0.080
Total other comprehensive income	-	-	-0.080	-	-0.080
Total comprehensive income for the period	-	-	-0.080	2.214	2.134
Dividend distribution	-	-	-	-0.970	-0.970
Increase of statutory capital reserve	-	0.283	-	-0.283	-
Total transactions with owners	-	0.283	-	-1.253	-0.970
Balance at 31 March 2012	8.000	0.794	0.208	45.425	54.427
Balance at 1 January 2013	8.000	0.794	0.373	50.241	59.408
Profit for the period	-	-	-	1.691	1.691
Other comprehensive income					
Exchange differences on translating foreign operations	-	-	-0.433	-	-0.433
Net gain on hedges of net investments in foreign operations	-	-	0.040	-	0.040
Total other comprehensive income	-	-	-0.393	-	-0.393
Total comprehensive income for the period	-	-	-0.393	1.691	1.298
Dividend distribution	-	-	-	-1.052	-1.052
Increase of statutory capital reserve	-	0.006	-	-0.006	-
Total transactions with owners	-	0.006	-	-1.058	-1.052
Balance at 31 March 2013	8.000	0.800	-0.020	50.874	59.654

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**Note 1. Accounting policies**

The condensed consolidated interim financial statements of BIGBANK AS as at and for the first quarter ended 31 March 2013 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 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS EU). The condensed interim financial statements have been prepared using the same accounting policies and measurement bases that were applied in preparing the latest annual financial statements as at and for the ended 31 December 2012. The new and revised standards and interpretations effective from 1 January 2013 do not have a significant impact on the Group's financial statements as at the preparation of the interim report.

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

Note 2. Cash equivalents

As at	31 March 2013	31 Dec 2012
Demand and overnight deposits with credit institutions	7.950	6.362
Term deposits with credit institutions with maturity of less than 3 months	14.350	19.903
Demand and overnight deposits with central banks	0.007	-
Surplus on mandatory reserves with central banks	0.276	8.343
Total cash equivalents	22.583	34.608

Note 3. Loans to customers**Loans to customers as at 31 March 2013**

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Loan receivables from customers	62.918	67.957	28.408	54.077	17.057	19.886	250.303
Impairment allowances for loans	-8.057	-12.118	-3.324	-3.813	-2.023	-0.306	-29.641
Interest receivable from customers	8.412	10.704	3.045	2.046	0.715	0.337	25.259
Impairment allowances for interest receivables	-1.836	-2.662	-0.727	-0.268	-0.160	-0.020	-5.673
Statistical impairment allowance	-1.513	-2.028	-0.805	-	-	-0.181	-4.527
Total loans to customers, incl. interest and allowances	59.924	61.853	26.597	52.042	15.589	19.716	235.721
Share of region	25.4%	26.2%	11.3%	22.1%	6.6%	8.4%	100.0%

Loans to customers as at 31 December 2012

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Loan receivables from customers	64.501	66.652	25.979	51.518	15.318	12.914	236.882
Impairment allowance for loans	-8.237	-12.146	-3.118	-3.036	-1.611	-0.115	-28.263
Interest receivable from customers	8.361	10.625	3.069	1.906	0.615	0.211	24.787
Impairment allowances for interest receivables	-1.696	-2.616	-0.661	-0.217	-0.128	-0.009	-5.327
Statistical impairment allowance	-1.325	-1.513	-0.611	-	-	-0.109	-3.558
Total loans to customers, incl. interest and allowances	61.604	61.002	24.658	50.171	14.194	12.892	224.521
Share of region	27.4%	27.2%	11.0%	22.4%	6.3%	5.7%	100.0%

Note 4. Loan receivables from customers by due dates

As at	31 March 2013	31 Dec 2012
Up to 1 year	138.249	134.739
1-2 years	36.613	32.996
2-5 years	59.097	53.060
More than 5 years	16.344	16.087
Total	250.303	236.882

Note 5. Ageing analysis of loan receivables**Ageing analysis as at 31 March 2013**

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Loans against income						
Loan portfolio	123,100	17,208	5,943	3,673	67,976	217,900
Impairment allowance	-3,759	-0,759	-0,409	-0,332	-23,565	-28,824
Surety loans						
Loan portfolio	6,834	1,351	0,804	0,253	7,922	17,164
Impairment allowance	-0,611	-0,134	-0,091	-0,039	-2,685	-3,560
Loans secured with real estate						
Loan portfolio	7,422	1,062	1,194	0,192	3,352	13,222
Impairment allowance	-0,298	-0,083	-0,051	-0,007	-1,226	-1,665
Loans with insurance cover						
Loan portfolio	1,204	0,313	0,056	0,029	0,181	1,783
Impairment allowance	-0,048	-0,014	-0,005	-0,002	-0,043	-0,112
Loans against other collaterals						
Loan portfolio	0,227	0,007	-	-	-	0,234
Impairment allowance	-0,007	-	-	-	-	-0,007
Total loan portfolio	138,787	19,941	7,997	4,147	79,431	250,303
Total impairment allowance	-4,723	-0,990	-0,556	-0,380	-27,519	-34,168

Ageing analysis as at 31 December 2012

	Not past due	30 days or less	31-60 days	61-90 days	Over 90 days	Total
Loans against income						
Loan portfolio	107.586	18.181	5.724	2.891	65.341	199.723
Impairment allowance	-2.989	-0.945	-0.335	-0.247	-22.089	-26.605
Surety loans						
Loan portfolio	8.246	1.857	0.642	0.356	8.258	19.359
Impairment allowance	-0.548	-0.239	-0.080	-0.038	-2.713	-3.618
Loans secured with real estate						
Loan portfolio	10.982	0.895	0.346	0.144	3.458	15.825
Impairment allowance	-0.323	-0.067	-0.041	-0.018	-1.043	-1.492
Loans with insurance cover						
Loan portfolio	1.371	0.330	0.062	0.036	0.176	1.975
Impairment allowance	-0.045	-0.015	-0.003	-0.004	-0.039	-0.106
Total loan portfolio	128.185	21.263	6.774	3.427	77.233	236.882
Total impairment allowance	-3.905	-1.266	-0.459	-0.307	-25.884	-31.821

Note 6. Loan receivables from customers by contractual currency

As at	31 March 2013	31 Dec 2012
EUR (euro)	219.064	211.764
LTL (Lithuanian litas)	1.041	1.132
LVL (Latvian lats)	10.312	11.072
SEK (Swedish kronor)	19.886	12.914
Total loan receivables from customers	250.303	236.882

Note 7. Impairment allowances by loan assessment category**Impairment allowances as at 31 March 2013**

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	231.566	-24.440	24.002	-5.012	-29.452
Individually assessed items	18.737	-5.201	1.257	-0.661	-5.862
Statistical impairment allowance	-	-4.527	-	-	-4.527
Total	250.303	-34.168	25.259	-5.673	-39.841

Impairment allowances as at 31 December 2012

	Loan receivables	Impairment allowance for loans	Interest receivables	Impairment allowance for loan interest	Total impairment allowances
Collectively assessed items	217.766	-23.337	23.548	-4.746	-28.083
Individually assessed items	19.116	-4.926	1.239	-0.581	-5.507
Statistical impairment allowance	-	-3.558	-	-	-3.558
Total	236.882	-31.821	24.787	-5.327	-37.148

Note 8. Past due loans**Past due loans as at 31 March 2013**

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Up to 30 days	1.122	0.888	0.295	0.147	0.037	0.012	2.501
31 - 60 days	0.438	0.685	0.265	0.122	0.039	0.027	1.576
61-90 days	0.367	0.568	0.178	0.131	0.035	0.245	1.524
Over 90 days	20.103	30.981	7.244	10.874	3.018	1.077	73.297
Total	22.030	33.122	7.982	11.274	3.129	1.361	78.898

Past due loans as at 31 December 2012

	Estonia	Latvia	Lithuania	Finland	Spain	Sweden	Total
Up to 30 days	2.717	0.894	0.298	0.164	0.035	0.012	4.120
31 - 60 days	0.641	0.507	0.159	0.147	0.029	0.020	1.503
61-90 days	0.336	0.401	0.182	0.167	0.026	-	1.112
Over 90 days	20.349	31.262	6.971	9.187	2.786	0.533	71.088
Total	24.043	33.064	7.610	9.665	2.876	0.565	77.823

The table above shows only loan principal that is past due. In accordance with the terms of the loan agreements, the Group may terminate the agreement unilaterally if at least three scheduled payments are in arrears. When an agreement is terminated, the customer has to settle the entire loan amount.

Note 9. Held-to-maturity financial assets

As at	31 March 2013	31 Dec 2012
Acquisition cost of the debt securities portfolio	7.908	8.327
Accrued interest	0.148	0.149
Total held-to-maturity financial assets	8.056	8.476
Held-to-maturity financial assets by issuer		
Debt securities of credit institutions	-	0.997
Government bonds	8.056	7.479
Held-to-maturity financial assets by currency		
EUR (euro)	6.323	8.299
LTL (Lithuanian litas)	1.733	0.177
Held-to-maturity financial assets by rating		
Baa1-Baa3	5.960	6.402
Ba1-Ba3	2.096	2.074

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

Note 10. Other receivables and prepayments

As at	31 March 2013	31 Dec 2012
Other receivables	2.549	2.422
Prepayments	0.813	1.905
Total	3.362	4.327

Other receivables

As at	31 March 2013	31 Dec 2012
Late payment interest and penalty payments receivable	0.028	0.031
Fees receivable	0.229	0.194
Collection, recovery and other charges receivable	2.305	2.223
Guarantee and deposit payments made	0.134	0.135
Miscellaneous receivables	0.577	0.480
Impairment allowance for other receivables	-0.724	-0.641
Total	2.549	2.422

Prepayments

As at	31 March 2013	31 Dec 2012
Prepaid taxes	0.455	1.585
Other prepayments	0.358	0.320
Total	0.813	1.905

Note 11. Other assets

As at	31 March 2013	31 Dec 2012
Collateral acquired	2.285	2.322
Impairment allowance	-0.641	-0.646
Total other assets (total carrying value of collateral acquired)	1.644	1.676

Note 12. Loans from central banks and banks

In the first quarter of 2013, the Group repaid the loan from Swedbank AS and the long-term loan from the Bank of Estonia before maturity. Principal and interest payments made in the first quarter amounted to 3.938 and 0.034 million euros respectively.

Note 13. Deposits from customers

As at	31 March 2013	31 Dec 2012
Term deposits	218.432	212.936
Term deposits by customer type		
Individuals	212.444	206.800
Legal persons	5.988	6.136
Term deposits by currency		
EUR (euro)	216.638	210.840
LVL (Latvian lats)	1.794	2.096
Term deposits by maturity		
Maturing within 6 months	35.323	33.824
Maturing between 6 and 12 months	37.673	36.312
Maturing between 12 and 18 months	30.354	26.315
Maturing between 18 and 24 months	32.067	33.490
Maturing between 24 and 36 months	34.540	36.799
Maturing between 36 and 48 months	20.557	18.380
Maturing in over 48 months	27.918	27.816
Average deposit amount	0.016	0.016
Weighted average interest rate	3.8%	3.9%
Weighted average duration until maturity (months)	25.3	25.2
Weighted average total contract term (months)	41.5	40.6

Note 14. Other reserves

As at	31 March 2013	Change	31 Dec 2012	Change	31 Dec 2011
Exchange differences on translating foreign operations	0.048	-0.433	0.481	0.193	0.288
Net gain/loss on hedges of net investments in foreign operations	-0.068	0.040	-0.108	-	-
Total other reserves	-0.020	-0.393	0.373	0.193	0.288

Note 15. Net currency positions**Net currency positions as at 31 March 2013**

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	252.504	219.884	-	0.205	32.415
LVL (Latvian lats)	5.231	2.247	-	-	2.984
LTL (Lithuanian litas)	2.956	0.248	-	-	2.708
SEK (Swedish krona)	21.232	0.142	-	20.858	0.232
GBP (British pound)	0.002	0.001	-	-	0.001

Net currency positions as at 31 December 2012

	Position in the statement of financial position		Position off the statement of financial position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR (euro)	257.789	217.710	-	3.043	37.036
LVL (Latvian lats)	7.321	2.778	-	-	4.543
LTL (Lithuanian litas)	1.094	0.241	-	-	0.853
SEK (Swedish krona)	13.536	0.288	-	13.315	-0.067
GBP (British pound)	0.001	0.001	-	-	-

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

To mitigate the risk of losses arising from significant exchange rate fluctuations the contracts of loans denominated in the local currency of a region include a devaluation clause that ensures the proportions of contractual liabilities throughout the loan term. Devaluation clause has been taken into account in the net currency positions.

Note 16. Contingent liabilities and assets pledged as collateral

As at	31 March 2013	31 Dec 2012
Irrevocable transactions, of which	0.205	4.178
Guarantees and similar irrevocable transactions	-	1.135
Issued bank guarantees	0.045	0.046
Credit lines and overdrafts	0.160	2.997
Assets pledged and encumbered with usufruct, of which*	1.787	6.524
Mortgages	-	1.496
Bonds and deposits encumbered with collateral	1.787	5.028

* In addition, assets of 2.449 million euros are pledged and encumbered with usufruct to serve as collateral for liabilities that have been settled by the date of release of this report.

Note 17. Interest income

	Q1 2013	Q1 2012
Interest income on loans to customers	12.552	10.605
Interest income on deposits	0.031	0.053
Interest income on held-to-maturity financial assets	0.054	0.210
Total interest income	12.637	10.868

Note 18. Interest expense

	Q1 2013	Q1 2012
Interest expense on deposits	1.991	1.673
Interest expense on bonds	-	0.065
Interest expense on bank loans	0,001	0.002
Total interest expense	1.992	1.740

Note 19. Other income

	Q1 2013	Q1 2012
Income from debt recovery proceedings	1.928	1.589
Income from early redemption of bonds	-	0.068
Miscellaneous income	0.095	0.020
Total other income	2.023	1.677

Note 20. Other operating expenses

	Q1 2013	Q1 2012
Marketing expenses	1.112	1.404
Office, rental and similar expenses	0.441	0.516
Miscellaneous operating expenses	0.579	0.654
Total other operating expenses	2.132	2.574

Note 21. Other expenses

	Q1 2013	Q1 2012
Expenses related to enforcement proceedings	0.417	0.256
Legal regulation charges	0.136	0.103
Expenses from assets held for sale	0.006	0.011
Miscellaneous expenses	0.170	0.144
Total other expenses	0.729	0.514

Note 22. Related parties

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

- shareholders of BIGBANK AS;
- members of Group companies' management and supervisory boards;
- close family members of the above;
- companies connected with the above persons, except where the persons cannot exert significant influence on the company's business decisions.

As at 31 March 2013, the Group had no interest and deposit liabilities to related parties.

The Group's shareholders are minority shareholders in the Latvian debt collection company SIA Vidzemes Inkasso (holding a 20% interest each). The Group's shareholders do not control SIA Vidzemes Inkasso and do not participate in its governing bodies.

