

BIGBANK AS

Public Interim Report

3 Q 2011

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CONSOLIDATED INFORMATION

Business name:	BIGBANK AS
Registry:	Commercial Register of the Republic of Estonia
Commercial registry code:	10183757
Date of entry:	30.01.1997
Address:	Rüütli 23, 51006 Tartu, Estonia
Phone:	+372 737 7570
Fax:	+372 737 7582
E-mail:	bigbank@bigbank.ee
Website:	www.bigbank.ee
Date of report:	30.09.2011
Reporting period:	1.07.2011 – 30.09.2011
Auditors:	KPMG Baltics OÜ audit company, entered in the list of auditors on 11 July 2001 under No. 17, Narva mnt 5 Tallinn 10117, registry code 10096082.
	Auditors:
	- Andres Root, Sworn Auditor since 20 June 1990.
	- Eero Kaup, Sworn auditor since 10 December 1998.
Audit:	An audit has not been conducted with regard to the financial information of the 3 rd Q of 2011
Reporting currency:	The reporting currency is euro; data has been presented in millions of euros. The degree of accuracy of figures in financial reports is three decimal places

The Public Interim Report is available on the website of BIGBANK AS of www.bigbank.ee.

The Public Interim Report for 3Q 2011 of BIGBANK AS will be available at the head office of BIGBANK AS at Rüütli 23, Tartu, and all other offices of the company starting from 30.11.2011.

DESCRIPTION OF THE CREDIT INSTITUTION GROUP

The principal activity of BIGBANK AS is granting consumer loans.

In addition to the parent company, the group of BIGBANK AS (Group) includes subsidiaries:

Business name: AS Baltijas Izaugsmes Grupa
Registered office: Brīvības iela 151, LV-1012 Riga, Latvia
Registry code: 40003291179
Register: Register of Enterprises of the Republic of Latvia
Date of entry: 18 April 1996
Principal activity: granting consumer loans in the Republic of Latvia
Holding: 100%

Business name: OÜ Rüütli Majad
Registered office: Rüütli 23, 51006 Tartu, Estonia
Registry code: 10321320
Register: Commercial Register of the Republic of Estonia
Date of entry: 27 November 1997
Principal activity: administration of real estate in use by the group
Holding: 100%

Business name: Balti Völgade Sissenõudmise Keskus OÜ
Registered office: Rüütli 23, 51006 Tartu
Registry code: 11652332
Register: Commercial Register of the Republic of Estonia
Date of entry: 11 May 2009
Principal activity: providing collection services
Holding: 100%

Business name: Baltijas Parādu Piedziņas Centrs SIA (owner Balti Völgade Sissenõudmise Keskus OÜ)
Registered office: Brīvības iela 151, LV-1012 Riia, Latvia
Registry code: 40103305206
Register: Register of Enterprises of the Republic of Latvia
Date of entry: 07 July 2010
Principal activity: providing collection services
Holding: 100%

Business name: Baltijos Skolų Išieškojimo Centras UAB (owner Balti Völgade Sissenõudmise Keskus OÜ)
Registered office: Jogailos 4, Vilnius 01116 Lithuania
Registry code: 302534867
Register: Commercial Register of the Republic of Lithuania
Date of entry: 06 August 2010
Principal activity: providing collection services
Holding: 100%

Business name: Suomen Luottovalvonta Oy (owner Balti
Võlgade Sissenõudmise Keskus OÜ)
Location: Kampin Sähkötalo Kampinkuja 2 00100 Helsinki, Finland
Registry code: 2400904-2
Registry: National Board of Patents and Registration of Finland
Date of entry: 02 May 2011
Principal activity: providing collection services
Holding: 100%

Business name: Kaupmehe järelmaks OÜ
Registered office: Rüütli 23, 51006 Tartu
Registration number: 11906650
Register: Commercial Register of the Republic of Estonia
Date of entry: 10 March 2010
Principal activity: Granting consumer loans
Holding: 100%

Subsidiaries have been consolidated line-by-line.

The parent company has the following operating branches:

Business name	Registered office	Registry code	Date of entry
BIGBANK AS Latvijas filiāle	Brīvības iela 151, LV-1012 Riga, Latvia	40103200513	11.11.2008
BIGBANK AS filialas	Jogailos 4, Vilnius 01116 Lithuania	301048563	27.09.2007
BIGBANK AS Suomen sivuliike	Kampinkuja 2, 00100 Helsinki, Finland	2292157-2	29.10.2009
BIGBANK AS Consumer Finance Sucursal en Espana	Calle de Orense 81, 28020, Madrid, Spain	W0531072G	06.10.2010



DECLARATION OF THE MANAGEMENT BOARD

The Management Board of BIGBANK AS is on the following position as of the date of publication of the Report:

- the data and additional information presented in the *Public Interim Report for 3Q* are true and complete.
- The consolidated financial statement provides a true and fair view of the financial situation, financial results and cash flows of the Group.

The summary consolidated interim report as of 30 September 2011 is in compliance with the international financial reporting standard IAS34 *Interim Financial Reporting* (IFRS) as adopted by the European Union and with the requirements established by the Bank of Estonia for the disclosure of information.

BIGBANK AS is a continually operating company.

	Date	Signature
Targo Raus Chairman of the Management Board	30.11.2011	 <hr/>
Kaido Saar Member of the Management Board	30.11.2011	 <hr/>
Veiko Kandla Member of the Management Board	30.11.2011	 <hr/>
Ingo Pöder Member of the Management Board	30.11.2011	 <hr/>

OVERVIEW OF THE ECONOMIC ACTIVITY

KEY FINANCIAL INDICATORS

(in millions of euros)	30.09.2011	31.12.2010	Change %
Assets	221.789	207.394	6.9
Receivables from customers	166.172	137.848	20.5
incl. loan portfolio	176.772	150.493	17.5
incl. interest receivables	22.021	20.077	9.7
incl. impairment allowances	-32.621	-32.722	-0.3
<i>incl. to loan receivables</i>	-26.691	-26.871	-0.7
<i>incl. to interest receivables</i>	-5.000	-4.922	1.6
<i>incl. additional impairment allowances</i>	-0.930	-0.929	0.1
Deposits	164.315	153.845	6.8
Subordinated bonds	3.657	3.653	0.1
Equity	51.799	47.601	8.8

(in millions of euros)	3Q 2011	3Q 2010	Change %
Interest income	9.245	7.372	25.4
Interest expenses	1.579	1.827	-13.6
Impairment allowance costs	2.088	2.754	-24.2
Revenue related to debt collection proceedings	1.449	1.629	-11.0
Profit before impairment allowances	4.180	3.825	9.3
Net profit	2.092	1.071	95.3

RATIOS

(in %)	3Q 2011	2Q 2011	1Q 2011	4Q 2010	3Q 2010
Return on equity (ROE)	16.5%	12.4%	11.7%	19.4%	9.6%
Equity multiplier (EM)	4.2	4.3	4.4	4.4	4.3
Profit margin (PM)	19.3%	14.6%	14.6%	22.8%	11.9%
Asset utilization ratio (AU)	20.1%	20.0%	18.4%	19.3%	18.8%
Return on assets (ROA)	3.9%	2.9%	2.7%	4.4%	2.2%
SPREAD	13.8%	13.1%	11.8%	11.6%	10.2%
TIER 1	26.6%	28.1%	26.8%	27.6%	26.9%

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

The statement of financial position indicators used when calculating the ratios are found as the arithmetic mean of the respective data as of the end of the month preceding the reporting quarter and as of the end of each month of the reporting quarter. In case of the indicators of the consolidated income statement the annualized actual data of the reporting quarter shall serve as the basis.

Explanations of ratios:

- Return on equity (ROE) – net profit to equity,
- Equity multiplier (EM) – total assets to total equity,
- Profit margin (PM) – profit to total income,
- Asset utilisation (AU) – total income (incl. income from interest, service fees, dividends and other operating income) to total assets,
- Return on assets (ROA) – profit to total assets,
- SPREAD – ratio of interest expenses to interest-bearing liabilities deducted from the ratio of interest income to interest earning assets,
- TIER 1 own funds ratio (TIER 1 ratio) – ratio of TIER 1 funds to risk weighted assets.

IMPORTANT ECONOMIC EVENTS

The rapid growth of the BIGBANK loan portfolio continued in the 3rd quarter of 2011. The loan portfolio of the BIGBANK Group grew a total of 9.7 million euros, i.e. 5.8%, in the quarter. The loan portfolio grew in all countries where the bank is active. The largest contribution to the growth of the loan portfolio was made by BIGBANK's Finnish and Spanish branches.

In the 3rd quarter, the volume of total assets grew by 11.6 million euros, reaching 221.8 million euros as of the end of the quarter. The volume of obligations reached 170.0 million euros, having grown during the quarter by 9.5 million euros. Term deposits continue to form the largest part of obligations.

In comparison to the two previous quarters of 2011, the payment behaviour of customers has improved in the 3rd quarter and both the number of customers making payments and the rate of receipts from the default portfolio have grown steadily. The volume of the Group's non-performing portfolio in the total loan portfolio has decreased.

Interest income in the 3rd quarter reached 9.2 million euros, increasing in comparison to the same period of the previous year by 1.9 million euros. The increase in interest income results from the growth of the loan portfolio.

Net profit of Group in the 3rd quarter of 2011 amounted to 2.1 million euros. In comparison to the 3rd quarter of 2010, net profit has increased by 1.0 million euros. In the 3rd quarter of 2011, the profit before impairment allowances totalled to 4.2 million euros. In the 3rd quarter of 2010, the corresponding figure was 3.8 million euros.

As of the end of the 3rd quarter of 2011, equity totalled 51.8 million euros (47.6 million euros as of the end of 2010). The share of equity in total assets amounted to 23.4%. As of the end of the 3rd quarter, capital adequacy formed 21.9% (Basel II) in comparison to the 22.4% of the end of 2010.

As of the end of the 3rd quarter of 2011, there were 538 employees working at BIGBANK, including 216 in Estonia, 149 in Latvia, 82 in Lithuania and 48 in Finland and 43 in Spain. As of the end of the quarter, the Group had 30 branch offices, of which 10 were located in Estonia, 7 in Latvia, 10 in Lithuania, 1 in Finland and 2 in Spain.

ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED INCOME STATEMENT

Statement of Financial Position Indicators

Total assets	<p>As of 30 September 2011, total assets of BIGBANK AS Group totalled 221.8 million euros; increasing by 11.6 million euros during the quarter.</p> <p>As of 30 September 2011, receivables from customers accounted for 74.9% of total assets, liquid assets (monetary funds and financial investments maintained until redemption deadline) accounted for 19.5%</p>
Liquid assets	<p>As of the end of the 3rd quarter, monetary funds totalled to 43.3 million euros, decreasing by 0.6 million euros during the quarter</p>
Held-to-maturity financial assets	<p>Liquid financial assets have partially been placed into short-term bonds with fixed payments and redemption deadlines, which the company intends to and is capable of maintaining until the redemption deadline. As of 30 September 2011, the volume of financial investments reached 3.5 million euros.</p>
Receivables from customers	<p>By the end of the 3rd quarter, the Group had 121 thousand loan contracts in total; including 36 thousand contracts in Estonia, 56 thousand contracts in Latvia, 16 thousand contracts in Lithuania, 11 thousand contracts in Finland and 2 thousand contracts in Spain.</p> <p>Geographically receivables from customers were distributed as follows:</p> <ul style="list-style-type: none">- 39.5% Estonia,- 31.3% Latvia,- 15.9% Finland,- 11.2% Lithuania,- 2.1% Spain. <p>As of 30 September 2011, receivables from customers reached 166.2 million euros, of which:</p> <ul style="list-style-type: none">- the volume of loan portfolio was 176.8 million euros. Loans to private persons accounted for 94.5% of the total loan portfolio,- interest receivables from loan customers totalled 22.0 million euros,- impairment reserve of loan receivables from customers amounted to 32.6 million euros (including impairment allowance for loan receivables in the amount of 26.7 million euros, impairment allowance for interest receivables in the amount of 5.0 million euros and additional impairment allowance of 0.9 million euros). <p>The bank's loan portfolio is well diversified – an average loan amount is 2027 EUR and 40 biggest claims form 5.4% of loan portfolio as of 30 September 2011.</p>
Overdue loans	<p>BIGBANK AS focuses on granting consumer loans. In line with the corporate strategy, as of 30 September 2011 loans against income accounted for 77.8% of the loan portfolio, loans against suretyship 11.5%, loans against real estate accounted for 8.6% and loans with insurance coverage 2.1%.</p> <p>In comparison to the 2nd quarter, the payment behaviour of customers has improved in the 3rd quarter. The number of customers making payments and the rate of receipts from the default portfolio have grown steadily. The volume of the Group's non-performing portfolio in the total loan portfolio has decreased.</p>

In the case of overdue receivables an important fact needs to be noted, that in case of consumer loans the process of recovering non-performing receivables differs considerably from the process of recovering loans, which are secured with physical collateral (e.g. mortgage on property). Owing to the nature of the loans (as a rule, consumer loans are secured with the customer's regular income), amounts due under terminated loans are satisfied over an extended period in smaller instalments, not in a lump sum raised by the realisation of collateral.

Overdue receivables comprise of unpaid scheduled loan repayments and the principal amount of the loan that has become collectable. According to the terms of the loan contracts concluded with the customer, the Group may terminate the contract unilaterally when at least three consecutive loan payments are not met. Upon termination, the Group will demand repayment of the remaining loan principal, any interest payments that have fallen due and any associated claims arising from the payment delay.

The loans with payment delays over 90 days reflect the amount of the payments of overdue principal amounts, to which the entire credit amount will be added upon the termination of the contract.

Impairment allowance for receivables

To mitigate the risks arising from payment behaviour and cover potential credit losses, the Group has established corresponding reserves, which as of 30 September 2011 totalled 34.4 million euros. Reserve has been established on a conservative basis. The established reserve includes:

- impairment allowances for loan receivables in the amount of 26.7 million euros,
- impairment allowances for interest receivables in the amount of 5.0 million euros,
- additional impairment allowance in the amount of 0.9 million euros,
- impairment allowance for other customer receivables in the amount of 0.9 million euros,
- impairment allowance for other assets in the amount of 0.9 million euros.

Receivables, regarding which enforcement proceedings have not provided the expected results, have been written off the balance.

Liabilities

As of the end of the 3rd quarter of 2011, the liabilities of the Group amounted to 170.0 million euros. Term deposits formed the bulk of liabilities, i.e. 164.3 million euros (96.6%).

Subordinated liabilities totalled 3.7 million euros, forming 2.2% of liabilities.

Equity

In the 3rd quarter of 2011 the Group's equity grew by 2.1 million euros, amounting to 51.8 million kroons. The share of equity in total assets amounted to 23.4%. As of the end of the 3rd quarter, the capital adequacy was 21.9% (Basel II) compared to 22.4% as of the end of 2010.

As of 30 September 2011 TIER 1 and TIER 2 capital totalled 51.0 million euros

Consolidated Income Statement Indicators

Interest income	<p>In the 3rd quarter, interest income amounted to 9.2 million euros, increasing by 1.9 million euros compared to the same period of the previous year. The increase of interest income is a result of the growth of the loan portfolio.</p> <p>In the 3rd quarter, the ratio of interest income (annualised) to average interest bearing assets was 17.2% and the interest income from loan portfolio (annualised) accounted for 21.2% of the average loan portfolio.</p>
Interest expenses	<p>In the 3rd quarter of 2011, interest expenses totalled 1.6 million euros, compared to the 1.8 million euros of the same period of the previous year. Reduction of the interest expenses is connected with the decrease in the average deposit interest rate.</p> <p>The ratio of interest expenses to interest income was 17.1 %. The ratio of interest expenses (annualised) to average interest-bearing liabilities was 4.0% in the 3rd quarter.</p>
Various operating expenses	<p>In the 3rd quarter various operating expenses totalled 2.1 million euros (increase by 1.1 million euros compared to the 3rd quarter of 2010).</p>
Salary costs	<p>In the 3rd quarter salary costs amounted to 2.1 million euros (growth in comparison to the same period of 2010 was 0.7 million euros), including remunerations 1.7 million euros. As of the end of the period, the Group had 538 employees (excluding employees on maternity leave).</p>
Impairment allowance costs	<p>In the 3rd quarter, the reserve for impairment allowances for receivables increased by 2.1 million euros, including:</p> <ul style="list-style-type: none">- cost of impairment allowances for loan receivables in the amount of 1.8 million euros,- cost of impairment allowances for interest receivables in the amount of 0.3 million euros. <p>Impairment allowances have been established on a conservative basis.</p>
Other operating income and expenses	<p>In the 3rd quarter of 2011 other operating income amounted to 1.5 million euros. A more significant part of other income came from collection proceedings, which constituted 1.4 million euros of other operating income. In the same period of 2010, other operating income was 1.6 million euros.</p> <p>Other operating expenses totalled 0.5 million euros in the 3rd quarter (compared to 0.6 million kroons in the 3rd quarter of 2010).</p>
Profit of the reporting period	<p>In the 3rd quarter of 2011 the Group's profit amounted to 2.1 million euros. Compared to the 3rd quarter of 2010 the net profit has increased by 1.0 million euros.</p> <p>In the 3rd quarter of 2011, profit without the impairment allowance costs totalled 4.2 million euros, in the 3rd quarter of 2010 this indicator was 3.8 million euros.</p>

CAPITAL ADEQUACY REPORT

(in millions of euros)	30.09.2011	31.12.2010
Paid in share capital	8.000	5.113
Reserves established from profits	0.511	0.511
Retained earnings/losses of previous periods	38.799	37.224
Unrealized exchange differences	-0.543	-0.508
Intangible assets	-0.688	-0.709
Profit for the reporting period	2.940	4.461
Total TIER 1 capital	49.019	46.092
Subordinated liabilities	1.954	2.495
Total TIER 2 capital	1.954	2.495
Deductions	-	-
Total capital for calculation of capital adequacy	50.973	48.587
Capital requirements		
Central governments and central banks under standardized approach	0.299	1.134
Credit institutions and investments firms under standardized approach	1.902	1.804
Companies under standardized approach	0.908	0.328
Retail claims under standardized approach	7.458	6.055
Claims secured by real estate under standardized approach	0.679	0.811
Overdue claims under standardized approach	6.035	5.343
Other assets under standardized approach	1.162	1.205
Total capital requirements for credit risk and counterparty credit risk	18.443	16.680
Capital requirement for foreign currency risk	0.905	1.035
Capital requirement for operational risk, standardized approach	3.889	3.959
Capital requirements for the calculation of capital adequacy	23.237	21.674
Capital adequacy	21.936%	22.417%

The capital adequacy standards are applied to BIGBANK AS.

The specification of consolidation group used when calculating the capital adequacy does not differ from the specification of consolidation group used when preparing financial reports.

Pursuant to §73 of the Credit Institutions Act the following can be included in TIER 1 capital:

- paid-in share capital;
- reserves and reserve capital formed on account of the profits on the basis of law and the articles of association;
- audited retained earnings of previous years;
- profits of the current financial year, the size of which has been verified by an auditor of the credit institution.

In order to calculate the size of TIER 1 capital, the following shall be deducted from the total of own funds:

- intangible assets.

Pursuant to §77¹ of the Credit Institutions Act the unrealized exchange rate differences created upon consolidation shall be added to the consolidated TIER 1 capital.

Pursuant to §74 of the Credit Institutions Act subordinated liabilities may be included in TIER 2 capital. Subordinated debt with unspecified and fixed terms with residual maturity of less than five years shall be shown at reduced value in accordance with subsection 74¹(7) of the Credit Institutions Act (during five years as from the residual maturity the initial sum shall be reduced by 20 per cent a year, i.e. by 5 per cent after every three months).

A liability of a credit institution is deemed to be subordinated if the claim arising out of such liability, in the event of the dissolution or bankruptcy of the credit institution is satisfied after the justified claims of all other creditors have been satisfied.

BIGBANK AS has requested for permission from the Financial Supervision Authority for including subordinated liabilities in TIER 2 capital.

The Group does not have TIER 3 capital.

Standardized approach has been used for calculating the capital requirements for credit risk and for operation risk.

Positions protected with devaluation clause have been deducted when calculating the capital requirement for foreign currency risk.

FINANCIAL STATEMENT

STATEMENT OF FINANCIAL POSITION

(in millions of euros)	Note	30.09.2011	31.12.2010
Assets			
Receivables from Central Bank		3.228	16.611
Receivables from banks		36.535	27.460
Receivables from customers	2,3,4,5,6,7,8	166.172	137.848
Financial investments	9	3.544	12.717
Other receivables and prepaid expenses	10	5.560	5.648
Deferred income tax assets		1.412	1.601
Intangible assets		0.688	0.709
Tangible assets		2.709	2.631
Other assets	11	1.941	2.169
Total assets		221.789	207.394
Liabilities			
Payable to credit institutions	12	0.322	0.493
Payable to customers	13	164.315	153.845
Other payables and prepaid income		1.696	1.791
Issued bonds	14	-	0.011
Subordinated bonds	14	3.657	3.653
Total liabilities		169.990	159.793
Equity			
Share capital		8.000	5.113
Obligatory reserves		0.511	0.511
Unrealized exchange differences		-0.543	-0.508
Retained earnings		38.799	37.224
Profit for the accounting period		5.032	5.261
Total equity		51.799	47.601
Total liabilities and equity		221.789	207.394

GUARANTEES AND PLEDGED ASSETS

(in millions of euros)	30.09.2011
Irrevocable transactions	1.660
incl. guarantees and other similar irrevocable transactions*	1.135
incl. issued bank guarantees	0.050
incl. credit lines and overdraft facilities	0.475
Assets pledged and encumbered with usufruct to secure liabilities**	1.496

* - A guarantee in the amount of 1.135 million euros has been issued to guarantee fulfilment of obligations of the 100% subsidiary OÜ Rūütli Majad, this liability has been recorded also in the consolidated report as an liability.

** - In addition there are assets pledged and encumbered with usufruct in the amount of 0.954 million euros, the related liabilities have been fulfilled as of the date of the report.

CONSOLIDATED INCOME STATEMENT

(millions of euros)	Note	3Q 2011	9 months 2011	3Q 2010	9 months 2010
Interest income	16	9.245	26.375	7.372	22.938
Interest expenses	17	1.579	4.624	1.827	6.416
Net interest income		7.666	21.751	5.545	16.522
Net service charges		0.088	0.221	-0.004	-0.045
Net profit/loss from financial transactions		0.006	0.075	-0.031	-0.050
Other operating income	16	1.466	4.378	1.637	4.120
Total income		9.226	26.425	7.147	20.547
Salaries		2.135	6.499	1.462	4.284
Various operating expenses	18	2.125	5.833	1.050	3.447
Depreciation and decrease of value of assets		0.125	0.398	0.145	0.459
Allowances for loans and receivables		2.088	6.821	2.754	7.836
Allowances for other assets		-	0.001	-	-
Other expenses	17	0.522	1.515	0.610	1.500
Total operating expenses		6.995	21.067	6.021	17.526
Profit before taxation		2.231	5.358	1.126	3.021
Income tax		0.139	0.326	0.055	0.024
Profit for the accounting period		2.092	5.032	1.071	2.997
Unrealized exchange differences		-0.009	-0.035	-0.056	0.011
Total other income and expenses		-0.009	-0.035	-0.056	0.011
Total profit for the accounting period		2.083	4.997	1.015	3.008
Basic net profit per share (EUR)		26	63	13	37
Diluted net profit per share (EUR)		26	63	13	37

STATEMENT OF CASH FLOWS

(in millions of euros)

9 month 2011 9 month 2010

	9 month 2011	9 month 2010
Cash flow from operating activities		
Interest received	20.165	16.265
Interest paid	-3.472	-4.005
Various operating expenses paid	-12.795	-8.554
Other operating income received	4.341	4.390
Other operating expenses paid	-1.434	-1.466
Repayments of off-balance sheet receivables	0.297	0.174
Received from other assets	0.278	0.097
Paid for other assets	-0.010	-0.020
Loans granted	-49.688	-15.898
Repayment of loans granted	21.448	14.763
Change in mandatory reserves with central banks and related interest receivables	8.206	4.369
Receipts from depositing	60.065	99.734
Paid on redemption of deposits	-50.860	-28.649
Income tax paid	-0.164	-0.278
Effect of exchange rate fluctuations	-0.009	-0.088
Cash flow from operating activities in total	-3.632	80.834
Cash flow from investing activities		
Acquired of tangible and intangible assets	-0.506	-0.599
Sold tangible and intangible assets	-	0.005
Acquisition of financial assets	-8.438	-12.146
Proceeds from redemption of financial instruments	17.420	-
Cash flow from investing activities in total	8.476	-12.740
Cash flows from financing activities		
Paid on redemption of bonds	-	-54.016
Repayments of loans from credit institutions	-0.170	-0.170
Dividends paid	-0.800	-0.959
Cash flow from financing activities in total	-0.970	-55.145
Effect of exchange rate fluctuations	0.026	0.030
Increase in cash and cash equivalents	3.900	12.979
Cash and cash equivalents at the beginning of the period	32.637	13.984
Cash and cash equivalents at the end of the period	36.537	26.963

STATEMENT OF CHANGES IN EQUITY

(in millions of euros)

Equity belonging to the owners of the parent company

	Share capital	Statutory capital reserve	Unrealized exchange differences	Retained earnings	Total
Balance 01.01.2010	5.113	0.511	-0.503	38.183	43.304
Total profit for the accounting period	-	-	0.011	2.997	3.008
Dividends paid	-	-	-	-0.959	-0.959
Balance 30.09.2010	5.113	0.511	-0.492	40.221	45.353
Balance 01.01.2011	5.113	0.511	-0.508	42.486	47.602
Total profit for the accounting period	-	-	-0.035	5.032	4.997
Increase of share capital	2.887	-	-	-2.887	-
Dividends paid	-	-	-	-0.800	-0.800
Balance 30.09.2011	8.000	0.511	-0.543	43.831	51.799

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Accounting principles

The accounting principles used in the consolidated interim report for the 3rd quarter of 2011 of BIGBANK AS are in accordance with the accounting principles used in the last annual report of the year ended on 31 December 2010. Consolidated interim report does not include all information necessary for presenting the annual report and it should be read with the Group's last published annual report as of 31 December 2010.

In order to get a better overview of the financial performance of BIGBANK AS, the costs in the consolidated statement have been reclassified in 2011. In connection thereto, the data submitted in the consolidated income statement and statement of cash flows of the 3rd quarter and 9 months of 2010 have been adjusted as follows:

Line of the consolidated income statement (in millions of euros)	Change	
	3Q 2010	9 months 2010
Other operating income	-0.015	-0.024
Net service fees	+0.015	+0.024

Starting from 2009 the deferred income tax receivables formed in the Latvian subsidiary was reflected as income tax asset in the statement of financial position and as deferred income tax revenue in the consolidated income statement.

At the end of 2010, in connection with transferring the business activity of the subsidiary to the Latvian branch, the aforementioned reflection of income tax asset has been ended due to the loss of tax basis.

Starting from the end of 2010, the difference of deferred income tax receivables are reflected in the consolidated statement of financial position and consolidated income statement in the Latvian branch and Group statements of financial position.

Income tax in the consolidated income statement

(in millions of euros)	3Q 2011	9 months 2011	3Q 2010	9 months 2010
Income tax expense	0.082	0.137	0.075	0.108
Deferred income tax change	0.057	0.189	-0.020	-0.084
Income tax	0.139	0.326	0.055	0.024

Note 2. Receivables from Customers

(in millions of euros)	Estonia	Latvia	Lithuania	Finland	Spain	30.09.11
Loan receivables from customers	69.027	58.348	19.276	26.547	3.574	176.772
Impairment allowance for loan receivables	-10.215	-12.761	-2.849	-0.798	-0.068	-26.691
Interest receivables from customers	8.567	9.944	2.678	0.740	0.092	22.021
Impairment allowance for interest receivables	-1.811	-2.642	-0.506	-0.038	-0.003	-5.000
Additional impairment allowance	-	-0.897	-0.033	-	-	-0.930
Total receivables from customers	65.568	51.992	18.566	26.451	3.595	166.172

(in millions of euros)	Estonia	Latvia	Lithuania	Finland	Spain	31.12.10
Loan receivables from customers	65.434	55.053	17.626	12.380	-	150.493
Impairment allowance for loan receivables	-11.486	-12.468	-2.648	-0.269	-	-26.871
Interest receivables from customers	8.275	9.609	1.935	0.258	-	20.077
Impairment allowance for interest receivables	-1.944	-2.569	-0.399	-0.010	-	-4.922
Additional impairment allowance	-	-0.896	-0.033	-	-	-0.929
Total receivables from customers	60.279	48.729	16.481	12.359	-	137.848

Note 3. Distribution of Loan Receivables by Maturity

(in millions of euros)	30.09.2011	31.12.2010
Up to 1 year	100.079	80.736
1-2 years	18.862	12.850
2-5 years	35.478	26.588
More than 5 years	22.353	30.319
Total	176.772	150.493

Note 4. Distribution of Loan Receivables by Geographic Areas

				30.09.2011
(in millions of euros)	Receivables in balance sheet, including			Relative share of area
	Loan portfolio	Overdue loans	Impairment allowance (incl. additional)	
Estonia	69.027	22.774	10.215	39.1%
Latvia	58.348	28.284	13.657	33.0%
Lithuania	19.276	6.062	2.883	10.9%
Finland	26.547	2.485	0.798	15.0%
Spain	3.574	0.109	0.068	2.0%
Total	176.772	59.714	27.621	100%

				31.12.2010
(in millions of euros)	Receivables in balance sheet, including			Relative share of area
	Loan portfolio	Overdue loans	Impairment allowance (incl. additional)	
Estonia	65.434	24.285	11.486	43.5%
Latvia	55.054	27.760	13.364	36.6%
Lithuania	17.625	4.843	2.681	11.7%
Finland	12.380	0.654	0.269	8.2%
Spain	-	-	-	-
Total	150.493	57.542	27.800	100%

Note 5. Loan Receivables by Collateral

(in millions of euros)	30.09.2011	31.12.2010
Loan secured with income	137.596	112.225
Loan against surety	20.260	19.271
Loan secured with real estate	15.133	14.048
Loan with insurance coverage	3.783	4.949
Total loan receivables	176.772	150.493

Note 6. Loan Receivables by Contract Currencies

(in millions of euros)	30.09.2011	31.12.2010
EUR	160.004	130.884
LTL	2.124	2.814
LVL	14.644	16.795
Total loan receivables from customers	176.772	150.493

Note 7. Impairment Allowances for Customer Receivables by Groups

(in millions of euros)	30.09.2011				
	Loan receivables from customers	Impairment allowance for loans	Interest receivable	Impairment allowance for interest receivables	Total impairment allowance
Homogeneous groups	89.220	1.600	5.147	0.293	1.893
Individually assessed groups	87.552	25.091	16.875	4.708	29.799
Collective impairment allowance	-	0.930	-	-	0.930
Total	176.772	27.621	22.022	5.001	32.622

(in millions of euros)	31.12.2010				
	Loan receivables from customers	Impairment allowance for loans	Interest receivable	Impairment allowance for interest receivables	Total impairment allowance
Homogeneous groups	66.833	1.290	5.714	0.535	1.825
Individually assessed groups	83.660	25.581	15.055	4.387	29.968
Collective impairment allowance	-	0.929	-	-	0.929
Total	150.493	27.800	20.769	4.922	32.722

Note 8. Overdue Loan Receivables

(in millions of euros)	30.09.2011	31.12.2010
Up to 30 days	1.489	1.225
31 - 60 days	0.777	1.318
61 - 90 days	0.755	1.028
Over 90 days	56.693	53.971
Total	59.714	57.542

* Overdue loans comprise of unpaid principal amount of the loan. In accordance with the terms of the loan contract concluded with the customer, the Group may terminate the contract unilaterally if the customer is more than 90 days in arrears. When an contract is unilaterally terminated, the customer has to settle the entire loan amount.

Note 9. Held-to-maturity financial assets

(in millions of euros)	30.09.2011	31.12.2010
Total bond portfolio	3.544	12.717
Distribution according to issuer		
incl. bonds of credit institutions	-	1.821
incl. bonds of governments	3.544	10.896
Distribution according to currency		
incl. EUR	1.631	8.131
incl. LTL	1.913	4.586

Note 10. Other Receivables and Prepaid Expenses

(in millions of euros)	30.09.2011	31.12.2010
Other receivables		
Receivable default interests and contract penalties	0.049	0.052
Receivable service fees	0.058	0.026
Receivable collection and other expenses	1.722	1.625
Surety fees	0.172	0.072
Other receivables	2.641	2.788
Impairment allowances for receivables	-0.937	-0.936
Total	3.705	3.627
Prepaid expenses		
Prepaid taxes	1.571	1.569
Other prepaid expenses	0.284	0.452
Total	1.855	2.021
Other receivables and prepaid expenses	5.560	5.648

Note 11. Other Assets

(in millions of euros)	30.09.2011	31.12.2010
Acquired collateral property	2.796	3.146
Impairment allowance	-0.855	-0.977
Balance sheet cost of collateral property	1.941	2.169

Note 12. Payable to Credit Institutions

(in millions of euros)	30.09.2011			31.12.2010		
	Short-term	Long-term	Total	Short-term	Long-term	Total
AS Swedbank	0.057	0.265	0.322	0.228	0.265	0.493

Note 13. Payable to Customers

(in millions of euros)	30.09.2011	31.12.2010
Balance of term deposits	164.315	153.845
Distribution by customer type		
incl. private persons	157.831	145.902
incl. legal persons	6.484	7.943
Distribution by currency		
incl. EUR	161.651	150.827
incl. LVL	2.664	3.018
Distribution by maturity date		
incl. redemption within 6 months	41.554	61.111
incl. redemption within 6-12 months	18.630	37.937
incl. redemption within 12-18 months	16.093	10.574
incl. redemption within 18-24 months	25.280	7.293
incl. redemption within 24+ months	62.758	36.930
Average deposit amount	0.014	0.013
Weighted average interest rate	3.92%	4.16%
Weighted average maturity (in months)	23.037	15.317
Weighted average total contract period (in months)	32.116	22.174

Note 14. Issued Bonds and Subordinated Liabilities

(in millions of euros)	Issued bonds		Subordinated bonds	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Balance of bonds	-	0.011	3.657	3.653
Distribution by customer type				
incl. private persons	-	0.011	1.150	1.204
incl. legal persons	-	-	2.507	2.449
Distribution by currency				
incl. EUR	-	0.011	3.657	3.653
Distribution by maturity date				
incl. redemption within 6 months	-	0.011	-	-
incl. redemption within 24+ months	-	-	3.657	3.653

Note 15 Net Currency Positions

30.09.2011					
(in millions of euros)	Balance sheet position		Off-balance sheet position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR	208.925	166.859	-	0.525	41.541
LVL	8.371	3.041	-	-	5.330
LTL	3.805	0.090	-	-	3.715
GBP	0.001	0.001	-	-	-

31.12.2010					
(in millions of euros)	Balance sheet position		Off-balance sheet position		Net position
	Assets	Liabilities	Assets	Liabilities	
EUR	192.734	156.193	-	0.335	36.206
LVL	7.543	3.498	-	-	4.045
LTL	6.407	0.100	-	-	6.307
GBP	0.001	0.002	-	-	-0.001

The loans granted by the Group have been nominated in the currency of the corresponding regions or in euro.

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.

Loan contracts that include terms of the contract, based on which in case of a devaluation of the national currency, the repayable amounts shall be adjusted within the extent of the devaluation of the currency.

Devaluation clause has been taken into account in the net currency positions.

Note 16. Interest Income and Other Operating Income

(in millions of euros)	3Q 2011	9 months 2011	3Q 2010	9 months 2010
Interest income	9.245	26.375	7.372	22.938
From loans to customers	9.081	25.769	7.232	22.608
From deposits	0.136	0.343	0.088	0.278
From financial investments maintained until the redemption deadline	0.028	0.263	0.052	0.052
Other operating income	1.466	4.378	1.637	4.120
Income related to debt collection	1.449	4.334	1.629	4.091
Other operating income	0.017	0.044	0.008	0.029
Total	10.711	30.753	9.009	27.058

Note 17. Interest Expenses and Other Operating Expenses

(in millions of euros)	3Q 2011	9 months 2011	3Q 2010	9 months 2010
Interest expenses	1.579	4.624	1.827	6.416
On debt securities	0.071	0.205	0.146	1.709
On deposits	1.505	4.409	1.677	4.693
On loans	0.003	0.010	0.004	0.014
Other operating expenses	0.522	1.515	0.610	1.500
Expenses from the redemption of debt securities below nominal value	-	-	-	0.388
Other operating expenses	0.522	1.515	0.610	1.112
Total	2.101	6.139	2.437	7.916

Note 18. Various Operating Expenses

(in millions of euros)	3Q 2011	9 months 2011	3Q 2010	9 months 2010
Marketing expenses	1.141	2.854	0.318	1.379
Expenses related to employment	0.469	1.458	0.350	1.041
Other operating expenses	0.515	1.521	0.382	1.027
Total various operating expenses	2.125	5.833	1.050	3.447

