

Company Bigbank AS  
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Attachments:

- Bigbank\_interimreport\_Q2\_2024.pdf (<http://oam.fi.ee/en/download?id=8611>)
- Bigbank\_vahearuanne\_kv2\_2024.pdf (<http://oam.fi.ee/en/download?id=8612>)

Currency

Title Bigbank's Unaudited Financial Results for Q2 2024

Bigbank's total gross loan portfolio grew to a record 1.9 billion euros by the end of the quarter, increasing by 154 million euros (+9%) quarter on quarter and by 390 million euros (+26%) year on year. All three main product lines posted solid quarter-on-quarter growth. The corporate loan portfolio grew by 57 million euros (+10%) to 657 million euros, the housing loan portfolio by 62 million euros (+16%) to 456 million euros and the consumer loan portfolio by 40 million euros (+5%) to 802 million euros.

On the deposit side, the term deposit portfolio grew significantly, increasing by 145 million euros to 1.16 billion euros (+14%) in the second quarter. The savings deposit portfolio decreased by 43 million euros over the quarter to 1.09 billion euros, mainly because many of our customers switched their short-term savings products to 1- to 6-month term deposits to lock in an attractive interest rate for the chosen period. The Group's total deposit portfolio grew by 103 million euros (+5%) over the quarter and by 658 million euros (+41%) over the year to 2.26 billion euros.

Bigbank ended the first half of 2024 with a net profit of 15.8 million euros, compared with 17.0 million euros in the first half of 2023. In the second quarter, Bigbank earned a net profit of 9.4 million euros. Compared to the second quarter of 2023, net profit increased by 2.1 million euros (+28%).

Group's net interest income increased: net interest income for the second quarter of 2024 was 25.0 million euros (Q2 2023: 24.2 million euros), 0.8 million euros (+3%) higher than a year earlier. Net interest income for the first half of 2024 was 51.4 million euros, an increase of 4.7 million euros (+10%) year on year.

The decline in the quality of the consumer and corporate loan portfolios observed in the first quarter slowed in the second quarter. However, compared



with 2023, the quality of these portfolios is weaker and the proportion of non-performing loans has increased slightly. The housing loan portfolio maintains excellent quality.

Compared to the end of the first quarter, stage 3 (non-performing) loans increased by 9.9 million euros, reaching 4.8% of total loan receivables by the end of the second quarter (end of Q1: 4.7%). Compared to the end of 2023, stage 3 loans increased by 42.1 million euros. However, based on historical data, the share of stage 3 loans is still low at 5% and Bigbank aims to keep the non-performing portfolio below this limit.

Net loss allowances for loans and provision expenses totalled 6.3 million euros. This is a significant decrease (-2.7 million euros) compared to the first quarter (9.0 million euros). In the second quarter of 2023, total net loss allowances for loans and provision expenses amounted to 5.0 million euros, an increase of 1.2 million euros compared to the prior year.

The Group's income tax expense increased by 0.7 million euros to 1.8 million euros compared to the second quarter of 2023. The increase was mainly driven by the introduction of advance income tax in Latvia at the end of 2023, which was only reflected in the figures for the fourth quarter in 2023, but affects all quarters in 2024.

Bigbank updated its product range with the launch of a new credit card in Latvia. This is a further step in the introduction of everyday banking products, which is one of the Group's key strategic focus areas in 2024.

The Group's investment property portfolio, which includes both agricultural land and commercial real estate, stood at 49 million euros at the end of the second quarter. The Group did not conduct any significant transactions with investment properties during the quarter.

Income statement, in thousands of euros	Q2 2024	Q2 2023	6M 2024	6M 2023
Net interest income	24,981	24,181	51,373	46,700
Net fee and commission income	2,245	2,046	4,409	4,019
Net income (loss) on financial assets	2,007	439	3,078	1,011
Net other operating income	-977	-536	-1,826	-653
Total net operating income	28,256	26,130	57,034	51,077
Salaries and associated charges	-6,351	-5,963	-12,763	-11,615
Administrative expenses	-2,285	-3,790	-5,954	-7,313



Depreciation, amortisation and impairment	-2,100	-1,347	-4,152	-2,360
Total expenses	-10,736	-11,100	-22,869	-21,288
Provision income (expense)	1,090	56	-1,329	61
Gain on change in the fair value of investment properties	0	-1,022	0	-1,022
Profit before loss allowances	18,610	14,064	32,836	28,828
Net loss allowances on loans and financial investments	-7,328	-5,053	-13,883	-8,962
Profit before income tax	11,282	9,011	18,953	19,866
Income tax expense	-1,857	-1,169	-3,132	-2,282
Profit for the period from continuing operations	9,425	7,842	15,821	17,584
Income (loss) from discontinued operations	8	-497	29	-618
Profit for the period	9,433	7,345	15,850	16,966

Statement of  
financial position,  
in thousands of  
euros

30 June 2024 31 March 2024 31 Dec 2023  
(restated) 30 June 2023

Cash and cash equivalents	626,081	652,065	518,672	297,194
Debt securities at FVOCI	9,907	13,586	15,400	14,877
Loans to customers	1,902,001	1,747,606	1,662,002	1,512,110
Other assets	89,255	89,823	91,324	91,116
Total assets	2,627,244	2,503,080	2,287,398	1,915,297
Customer deposits and loans received	2,264,137	2,161,463	1,946,314	1,607,328
Subordinated notes	88,148	76,476	76,109	66,014



Other liabilities	22,113	21,688	20,182	17,066
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Total liabilities	2,374,398	2,259,627	2,042,605	1,690,408
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Equity	252,846	243,453	244,793	224,889
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Total liabilities and equity	2,627,244	2,503,080	2,287,398	1,915,297
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Commentary by Martin Länts, chairman of the management board of Bigbank AS:

For Bigbank, the second quarter and the first half of 2024 have been a period of stable profitable growth. As a bank specialising in loans, we are pleased that the loan portfolio grew by 9% in the last quarter and by as much as 26% on the yearly bases. All three main product lines - business loans, home loans and consumer loans - have grown. We are pleased with the good sales performance of home loans across the Baltics. As an innovation, we were the first in Estonia to launch a flipping loan designed specifically for legal entity real estate investors, which can be used to buy and renovate apartments in Tallinn, Tartu or Pärnu for resale on a cycle of up to one year.

In the field of bank deposits, Bigbank offers clearly the best interest rates on the Estonian market for both personal savings deposits (3.3% on an annual basis) and 3-month and 6-month term deposits (both 4% on an annual basis). This trend is also reflected in the growth of the group's deposit portfolio - 5% quarter-on-quarter and 41% year-on-year. In terms of deposit rates, it is likely that the peaks of this economic cycle have now been reached and, in the light of the policy of interest rate cuts initiated by the European Central Bank, it is now prudent for depositors to fix higher rates for as long as possible in order to achieve a monetary gain.

As a further step on the road to everyday banking services, we launched a credit card product in Latvia. In the second quarter, we also launched a large-scale recruitment campaign to prepare both the software development and the organisation support for the launch of the next everyday banking products, first in Estonia and then in the Group's other operating markets.

To finance growth, we raised capital in the second quarter through the issuance of EUR 4.96 million of AT1 bonds and a second series of EUR 7 million of unsecured subordinated bonds. I would like to thank all the investors who participated in the fundraising for their confidence in the Bank's strategy and growth prospects.

Bigbank AS ([www.bigbank.eu](http://www.bigbank.eu)) is an Estonian capital-based bank specialising in loans and deposits for private and business customers. In addition to operations in Estonia, the bank has branches in Finland, Sweden, Latvia, Lithuania, and Bulgaria and offers its products on a cross-border basis in Austria, Germany,



and the Netherlands. Bigbank's total assets exceed 2,5 billion euros.

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