

Capital instruments' main features template

Disclosure according to Annex II in Commission implementing regulation (EU) No 1423/2013

as of 31.12.2016

Bigbank AS Group

Capital instruments' main features template		
1	Issuer	Bigbank AS
2	Unique identifier (ISIN)	EE3100016015
3	Governing law(s) of the instrument	Estonian
<i>Regulatory treatment</i>		
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/ (sub-)consolidated/ solo & (sub-)consolidated	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Common shares
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 8 m
9	Nominal amount of instrument	EUR 100
9a	Issue price	Face value changed on 2011 from EEK 1,000 to EUR 100
9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	22.09.1992
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates, and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger (s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

Transitional own funds disclosure

Disclosure according to Annex VI in Commission implementing regulation (EU) No 1423/2013

as of 31.12.2016
Bigbank AS Group
Consolidated

In thousand EUR

		Amount at disclosure date (A)	Reference to the Article of Regulation (EU) No 575/2013 (B)
		31.12.2016	
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	8,000	26 (1), 27, 28, 29, EBA list 26 (3)
	of which: Instrument type 1	8,000	EBA list 26 (3)
2	Retained earnings	78,964	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	2,169	26 (1)
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	4,117	26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	93,250	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
8	Intangible assets (net of related tax liability) (negative amount)	-4,037	36 (1) (b), 37, 472 (4)
28	Total regulatory adjustments to Common equity Tier 1 (CET1)	-4,037	
29	Common Equity Tier 1 (CET1) capital	89,213	
Additional Tier 1 (AT1) capital: instruments			
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0	
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	
44	Additional Tier 1 (AT1) capital	0	
45	Tier 1 capital (T1 = CET1 + AT1)	89,213	
Tier 2 (T2) capital: instruments and provisions			
51	Tier 2 (T2) capital before regulatory adjustments	0	
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital	0	
58	Tier 2 (T2) capital	0	
59	Total capital (TC = T1 + T2)	89,213	
60	Total risk weighted assets	380,569	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	23.44%	92 (2) (a), 465
62	Tier 1 (as a percentage of total risk exposure amount)	23.44%	92 (2) (b), 465
63	Total capital (as a percentage of total risk exposure amount)	23.44%	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	8.11%	CRD 128, 129, 140
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.11%	
67	of which: systemic risk buffer requirement	1.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	15.44%	CRD 128

(1) Bigbank AS does not have amounts applicable to the column C in Annex VI of regulation (EU) No 1423/2013 and thus the column is not reported

(2) The rows of the template in Annex VI of regulation (EU) No 1423/2013, which are not applicable to Bigbank AS or are empty, are not displayed

CRR Leverage ratio disclosure

Disclosure according to Annex I in EU Regulation No 2016/200

as of 31.12.2016

Bigbank AS Group

Consolidated

In thousand EUR

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

1	Total assets as per published financial statements	394,128
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	8,013
7	Other adjustments	-4,037
8	Total leverage ratio exposure	398,104

Table LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	394,128
2	(Asset amounts deducted in determining Tier 1 capital)	-4,037
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	390,091
Derivative exposures		
11	Total derivative exposures (sum of lines 4 to 10)	0
Securities financing transaction exposures		
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	0
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	8,013
19	Other off-balance sheet exposures (sum of lines 17 to 18)	8,013
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	0
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	0
Capital and total exposures		
20	Tier 1 capital	89,213
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	398,104
Leverage ratio		
22	Leverage ratio	22.4%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully phased in
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	N/A

Table LRSpI: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	394,128
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	394,128
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	24,829
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	
EU-7	Institutions	19,704
EU-8	Secured by mortgages of immovable properties	11,238
EU-9	Retail exposures	269,064
EU-10	Corporate	32,438
EU-11	Exposures in default	25,276
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	11,578

Table LRQa: Disclosure on qualitative items

1	Description of the processes used to manage the risk of excessive leverage
	The management of excessive leverage risk is included in the Bigbank's risk management framework (including procedures, limits, planning, etc.) and is monitored by the management board and risk committee. Bigbank uses mainly the leverage ratio of Regulation (EU) No 575/2013 as a main indicator as well other indicators based on the structure of balance sheet. The risk of excessive leverage management is inseparable part of strategic planning and shall be assessed and forecasted as part of capital planning. The Bank's funding must be arranged in such a way that the necessary funding is reasonably balanced between proportion of external funding sources and equity capital. Management board and risk committee assess changes in balance sheet structure and forecasts and, if the necessity emerges, establish action plan for response to the changes in leverage ratio.
2	Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers
	The leverage ratio has decreased slightly in Q4 2016 to 22,4% from 23,5% in Q4 2015. The decrease of the ratio was mainly caused by the increase of total risk exposure in ordinary course of business. This was partially offset by an increase in Tier 1 capital primarily due to the result of continued profit generation. The were no particular external factors having significant impact on the leverage ratio.

(1) The rows of the template in Annex I in EU Regulation No 2016/200, which are not applicable to Bigbank AS or are empty, are not displayed

Disclosure of Countercyclical Capital Buffer

Disclosure according to Annex I in EU Regulation No 2015/1555

as of 31.12.2016
Bigbank AS Group
Consolidated

In thousand EUR

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer													
Row		General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements				Own funds requirement weights	Countercyclical capital buffer rate
		Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures	Total		
		010	020	030	040	050	060	070	080	090	100	110	120
010	Breakdown by country												
	Latvia	101 096						8 088			8 088	0,25	
	Lithuania	94 416						7 553			7 553	0,24	
	Estonia	73 036						5 843			5 843	0,18	
	Finland	68 599						5 488			5 488	0,17	
	Spain	33 058						2 645			2 645	0,08	
	Sweden	28 439						2 275			2 275	0,07	1,50%
	Norway	514						41			41	0,00	1,50%
	Other	2 238						179			179	0,00	
020	Total	401 396						32 112			32 112	1,00	

In thousand EUR

Amount of institution-specific countercyclical capital buffer		
Row		Column
		010
010	Total risk exposure amount	380 569
020	Institution specific countercyclical buffer rate	0,11%
030	Institution specific countercyclical buffer requirement	412