

# Interim Report Q1 2024

AS Inbank

# AS Inbank General Information

Business name	AS Inbank
Address	Niine 11, 10414 Tallinn, Estonia
Registration date	05.10.2010
Registration code	12001988 (Commercial Register of the Republic of Estonia)
Legal entity identifier	2138005M92IEIQVEL297 (LEI-code)
Phone	+372 640 8080
Email	info@inbank.ee
Website	www.inbank.eu
Reporting period	01.01.2024 - 31.03.2024

## Members of the Supervisory Board

Jan Andresoo, Chairman

Roberto De Silvestri

Triinu Bucheton

Raino Paron

Erkki Raasuke

## Members of the Management Board

Priit Põldoja, Chairman

Marko Varik

Margus Kastein

Maciej Pieczkowski

Ivar Kurvits

Piret Paulus

Erik Kaju

Evelin Lindvers

AS Inbank interim report for Q1 2024 is unaudited.

The bank does not hold any ratings assigned by international rating agencies.

# Management Board declaration

The Management Board of AS Inbank is of the opinion that:

- the data and information presented in this interim report for the Q1 of 2024 consisting of the management report and financial statements as at 31 March 2024 are correct and complete;
- this interim report gives a true and fair view of the financial position of the AS Inbank consolidation group as at 31 March 2024, its financial performance and cash flows for the 3 months period ended 31 March 2024;
- the accounting policies and procedures used in preparing the interim report comply with IAS 34;
- the interim report has been prepared using the policies and procedures of the financial statements for the year concluded on 31 December 2023.

AS Inbank is a going concern.

Tallinn, 30 April 2024

**Priit Põldoja**

*Chairman of the Management Board*

# Management report



**Inbank begins 2024 with a steady improvement in financial performance. Our total net income grew by 30% compared to the same quarter a year ago, while our operating expenses grew by 16%. Impairment losses remained at the same level as a year ago, while loan and rental portfolios grew by 23%. This resulted in a strong Q1 profit of 4 million euros with an impressive growth of 114% compared to the same quarter a year ago. The quarterly ROE improved to 12.6%.**

Inbank Gross Merchandise Value (GMV) during the first quarter was 162 million euros, which is 5% more than a year ago. Sales results were seasonally lower, but on a year-on-year basis quite stable in all markets. GMV in CEE was up 11% with improving sales in Czechia, while Baltic sales remained at 2023 levels on the back of weak macroeconomic conditions. In terms of segments, car finance continued to show very strong results with 45 million euros of GMV, which is 39% more than a year ago. All other product segments had slightly lower sales volumes than a year ago.

Merchant solutions remained our largest segment with Q1 sales of 65 million euros. During the first quarter, Inbank started cooperating with Pigu Group, the largest e-commerce player in the Baltics. We also bolstered our cooperation with leading Baltic payment service providers to extend our products to an increasing number of small and medium sized online merchants. As a result, Inbank reached a total of 5,800 merchants at the end Q1 2024.

For the first time in the last two years, Inbank saw a decrease in its funding cost compared to the previous quarter. With funding costs steadily declining in Polish zloty and stabilizing in euros, the overall cost of funding dropped to 4.53%, which is 0.05% lower than in Q4 2023. The Inbank deposit portfolio reached 1.11 billion euros, which is 29% higher than a year ago. Our total income margin was 5.16% and has remained stable compared to Q1 2023. With continuous new sales repricing activities in all markets, Inbank's retail portfolio effective interest rate (EIR) has reached 10.98%, which is 0.28% higher than a year ago. We expect the impact of lower funding costs and higher portfolio EIR to improve our margins throughout the rest of the year.

Despite facing challenging economic conditions over the last two years, our loan impairment losses have remained low. Impairment losses in the first quarter were impressive, standing at 1.35% of the average loan portfolio. The primary factors contributing to this trend are stable unemployment levels in all our markets and the stricter underwriting rules we have implemented over the past few quarters.

On 28 March, the Inbank Shareholder Meeting approved changes to the Inbank Supervisory Board. Our Supervisory Board now consists of five members – Jan Andresoo as the Chairman, Roberto De Silvestri, Raino Paron, Triinu Bucheton and Erkki Raasuke. I would like to thank previous Supervisory Board members Rain Rannu and Taavi Kotka for their service and contribution.

As 2024 progresses, Inbank continues to navigate through a challenging external environment. However, there are many reasons to be optimistic. The Polish economy is demonstrating an impressive resilience and the Baltic economies are projected to start growing again during the second half of 2024. The European Central Bank has almost won its fight against inflation and the market is expecting a more accommodative monetary policy for the remainder of the year. This will likely result in a continuous trend of lower funding cost for Inbank. At the same time, our repricing activities undertaken over the last 18 months are starting to yield positive results, and are expected to result in steadily improving margins and profitability.

With macroeconomic conditions and consumer confidence remaining fragile, Inbank may anticipate a lower growth rate compared to our historical experience. However, this is a great environment to continue to improve our operational efficiency, while continuing our targeted investments into Smart Rent rollout and the build-up of our European embedded finance platform.

**Priit Põldoja**

*Chairman of the Management Board*

# Inbank in numbers

896,000

Active customer contracts

5,800

Active retail partners

119,000+

New contracts quarterly

€1bn

Loan and rental portfolio

1.4%

Credit losses

12.6%

Return on equity

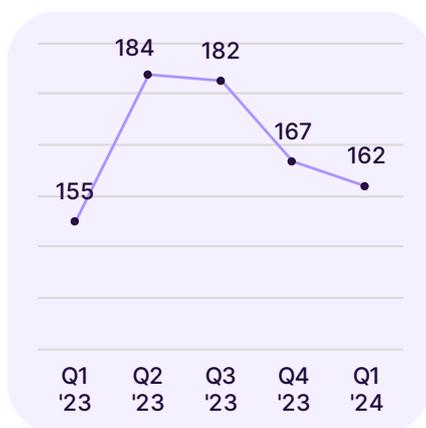
## Key financials

(in millions of €)

Gross merchandise value

€162m

+5% year-to-year



Total net income

€17.6m

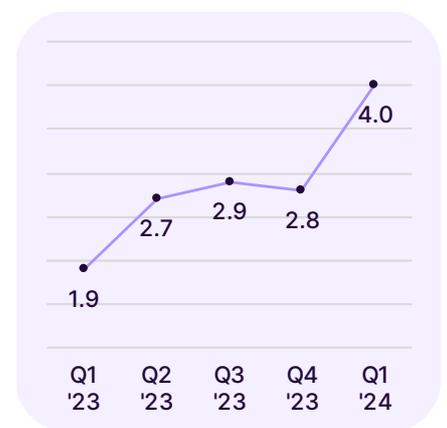
+30% year-to-year



Net profit

€4.0m

+114% year-to-year



# Key financial indicators and ratios

## Key financial indicators

In millions of euros	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	% change YoY
Total net income	13.5	14.9	15.6	16.2	17.6	30%
Net profit	1.9	2.7	2.9	2.8	4.0	114%
Total assets	1,050	1,174	1,236	1,321	1,345	28%
Equity	104	106	110	124	128	23%
Loan and rental portfolio	856	937	975	1,030	1,050	23%
Deposit portfolio	857	966	1,021	1,082	1,106	29%

## Ratios

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Return on equity (ROE)*	7.3%	10.2%	10.6%	9.1%	12.6%
Return on total assets	0.7%	1.0%	1.0%	0.9%	1.2%
Net interest margin*	5.2%	5.2%	5.1%	5.1%	5.0%
Impairment losses to loan portfolio	1.6%	1.7%	1.5%	1.4%	1.4%
Cost/Income	64.0%	62.5%	59.7%	59.9%	56.9%
Equity to total assets	9.9%	9.1%	8.9%	9.4%	9.5%

Gross merchandise value (GMV)	Total value of merchandise financed via Inbank embedded finance and direct-to-customer platforms
Loan and rental portfolio	Total of loans and advances to households and rental portfolio
Equity to total assets	Total equity / total assets
Return on equity (ROE)	Profit for the period / total equity (average over the period*)
Retail portfolio effective interest rate (EIR)	Interest income based on EIR from retail portfolio / retail loans and advances (average over the period*)
Return on total assets	Profit for the period / total assets (average over the period*)
Net interest margin	Net interest income / interest-bearing assets (average over the period*)
Total income margin	Total net income and currency translation differences / total assets (average over the period*)
Total net income	Net interest income, fee, rental and other income and expenses
Cost/income ratio	Total operating expenses / total net income
Impairment losses to loan portfolio	Impairment losses on loans and advances / loans and advances (average over the period*)
Net profit	Profit for the period
Rental	Rental refers to Inbank's business line wherein clients rent different types of assets

\* The methodology for calculating key financial indicators and ratios has been revised. Instead of the average of the period opening and closing balance, the average of each month's balance is now used. This adjustment has been applied retroactively across all historical periods, leading to modifications in previously reported ratios.

# Condensed consolidated interim financial statements

## Condensed consolidated statement of financial position

In thousands of euros	Note	31.03.2024	31.12.2023	31.03.2023* restated
<b>Assets</b>				
Cash and cash equivalents	8; 18	179,842	172,921	96,801
Mandatory reserves at central banks		22,857	21,020	16,750
Investments in debt securities	9; 18	31,507	33,581	23,052
Financial assets measured at fair value through profit or loss		920	79	0
Loans and advances	7; 18	957,695	942,056	794,569
Investments in associates	10	204	141	1,098
Other financial assets	11; 18	3,802	5,268	2,512
Tangible assets		76,916	75,206	54,017
Right of use assets		25,677	26,716	22,961
Intangible assets		31,659	30,906	27,270
Other assets	11	8,886	8,185	7,792
Deferred tax assets		4,569	4,505	3,481
<b>Total assets</b>		<b>1,344,534</b>	<b>1,320,584</b>	<b>1,050,303</b>
<b>Liabilities</b>				
Customer deposits	12; 18	1,106,167	1,081,566	857,013
Financial liabilities measured at fair value through profit or loss		0	50	20
Other financial liabilities	14; 18	55,774	60,927	54,490
Current tax liability		457	311	47
Deferred tax liability		283	204	106
Other liabilities	14	3,991	3,691	4,089
Subordinated debt securities	13; 18	49,654	49,745	30,581
<b>Total liabilities</b>		<b>1,216,326</b>	<b>1,196,494</b>	<b>946,346</b>
<b>Equity</b>				
Share capital	16	1,086	1,086	1,026
Share premium	16	43,563	43,563	31,855
Statutory reserve	17	103	103	100
Other reserves	17	1,697	1,543	1,529
Retained earnings		81,759	77,795	69,447
<b>Total equity</b>		<b>128,208</b>	<b>124,090</b>	<b>103,957</b>
<b>Total liabilities and equity</b>		<b>1,344,534</b>	<b>1,320,584</b>	<b>1,050,303</b>

\* Change in presentation of 31 March 2023 cash and cash equivalents was made. For more details refer to Note 1.

Notes set out on pages 13 - 38 form an integral part of the condensed consolidated interim financial statements.

# Condensed consolidated statement of profit and loss and other comprehensive income

In thousands of euros	Note	Q1 2024	3 months 2024	Q1 2023* restated	3 months 2023* restated
Interest income based on EIR	3; 4	28,768	28,768	21,503	21,503
Interest expense	3; 4	-13,612	-13,612	-9,379	-9,379
<b>Net interest income</b>	<b>3; 4</b>	<b>15,156</b>	<b>15,156</b>	<b>12,124</b>	<b>12,124</b>
Fee and commission income	3; 5	111	111	123	123
Fee and commission expenses	3; 5	-1,186	-1,186	-938	-938
<b>Net fee and commission income/expenses</b>	<b>3; 5</b>	<b>-1,075</b>	<b>-1,075</b>	<b>-815</b>	<b>-815</b>
Income from rental services	3	7,149	7,149	5,237	5,237
Sale of assets previously rented to customers	3	4,583	4,583	2,914	2,914
Other operating income	3	339	339	96	96
Cost of rental services	3	-4,789	-4,789	-3,508	-3,508
Cost of assets sold previously rented to customers	3	-4,350	-4,350	-2,583	-2,583
<b>Net operating income/expenses</b>		<b>2,932</b>	<b>2,932</b>	<b>2,156</b>	<b>2,156</b>
Net gains/losses from financial assets measured at fair value	3	890	890	-57	-57
Foreign exchange rate gain/losses	3	-339	-339	83	83
<b>Net gain/losses from financial items</b>		<b>551</b>	<b>551</b>	<b>26</b>	<b>26</b>
<b>Total net interest, fee and other income and expenses</b>		<b>17,564</b>	<b>17,564</b>	<b>13,491</b>	<b>13,491</b>
Personnel expenses	3; 6	-4,771	-4,771	-4,037	-4,037
Marketing expenses	3; 6	-633	-633	-798	-798
Administrative expenses	3; 6	-2,838	-2,838	-2,407	-2,407
Depreciations, amortization		-1,756	-1,756	-1,394	-1,394
<b>Total operating expenses</b>		<b>-9,998</b>	<b>-9,998</b>	<b>-8,636</b>	<b>-8,636</b>
Share of profit from associates	10	0	0	33	33
Impairment losses on loans and advances	7	-3,199	-3,199	-3,129	-3,129
<b>Profit before income tax</b>		<b>4,367</b>	<b>4,367</b>	<b>1,759</b>	<b>1,759</b>
Income tax		-403	-403	92	92
<b>Profit for the period</b>		<b>3,964</b>	<b>3,964</b>	<b>1,851</b>	<b>1,851</b>
<b>Other comprehensive income that may be reclassified subsequently to profit or loss</b>					
Currency translation differences		20	20	-45	-45
<b>Total comprehensive income for the period</b>		<b>3,984</b>	<b>3,984</b>	<b>1,806</b>	<b>1,806</b>

\* Change in presentation of 2023 was made. For more details refer to Note 1.

Notes set out on pages 13 - 38 form an integral part of the condensed consolidated interim financial statements.

# Condensed consolidated statement of cash flows

In thousands of euros	Q1 2024	3 months 2024	Q1 2023 restated*	3 months 2023 restated*
<b>Cash flows from operating activities</b>				
Interest received	28,281	28,281	20,193	20,193
Interest paid	-11,750	-11,750	-7,603	-7,603
Fees received	111	111	334	334
Fees paid	-1,186	-1,186	-938	-938
Income from rental services	7,149	7,149	5,237	5,237
Cost of rental services	-1,351	-1,351	-1,024	-1,024
Sale of assets previously rented to customers	4,583	4,583	2,914	2,914
Other operating income received	339	339	96	96
Personnel expenses	-6,280	-6,280	-5,480	-5,480
Administrative and marketing expenses	-2,602	-2,602	-5,211	-5,211
Income tax paid	-292	-292	-257	-257
<b>Cash flows from operating activities before changes in the operating assets and liabilities</b>	<b>17,002</b>	<b>17,002</b>	<b>8,261</b>	<b>8,261</b>
<b>Changes in operating assets</b>				
Loans and advances	-18,694	-18,694	-41,692	-41,692
Acquisition of tangible assets for rental business	-6,883	-6,883	-8,356	-8,356
Mandatory reserves at central banks	-1,837	-1,837	-2,304	-2,304
Other financial assets	1,466	1,466	875	875
Other assets	-2,481	-2,481	-1,496	-1,496
<b>Changes of operating liabilities</b>				
Customer deposits	22,648	22,648	26,355	26,355
Other financial liabilities	-3,194	-3,194	1,731	1,731
Other liabilities	540	540	581	581
<b>Net cash from operating activities</b>	<b>8,567</b>	<b>8,567</b>	<b>-16,045</b>	<b>-16,045</b>
<b>Cash flows from investing activities</b>				
Investments in debt securities	0	0	-15,248	-15,248
Repayments of debt securities	2,417	2,417	804	804
Acquisition of tangible assets	-329	-329	-519	-519
Acquisition of intangible assets	-701	-701	-765	-765
Acquisition of associates	-63	-63	0	0
<b>Net cash used in/from investing activities</b>	<b>1,324</b>	<b>1,324</b>	<b>-15,728</b>	<b>-15,728</b>

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In thousands of euros	Q1 2024	3 months 2024	Q1 2023 restated*	3 months 2023 restated*
<b>Cash flows from financing activities</b>				
Lease liability payments	-3,009	-3,009	-2,353	-2,353
<b>Net cash used in/from financing activities</b>	<b>-3,009</b>	<b>-3,009</b>	<b>-2,353</b>	<b>-2,353</b>
Effect of exchange rate changes	39	39	38	38
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>172,921</b>	<b>172,921</b>	<b>130,889</b>	<b>130,889</b>
Net increase/decrease in cash and cash equivalents	6,921	6,921	-34,088	-34,088
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>179,842</b>	<b>179,842</b>	<b>96,801</b>	<b>96,801</b>

#### Cash and cash equivalents

In thousands of euros	Q1 2024	3 months 2024	Q1 2023 restated*	3 months 2023 restated*
Non-restricted current account with central banks	171,500	171,500	90,967	90,967
Due from other credit institutions within three months	8,342	8,342	5,834	5,834
<b>Total cash and cash equivalents</b>	<b>179,842</b>	<b>179,842</b>	<b>96,801</b>	<b>96,801</b>

\* Change in the presentation of 2023 was made. For more details refer to Note 1.

Notes set out on pages 13 - 38 form an integral part of the condensed consolidated interim financial statements.

# Condensed consolidated statement of changes in equity

In thousands of euros	Share capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings/ accumulated loss	Total equity
<b>Balance, 01.01.2023</b>	<b>1,026</b>	<b>31,855</b>	<b>100</b>	<b>1,421</b>	<b>67,522</b>	<b>101,924</b>
Profit for the period	0	0	0	0	1,851	1,851
Other comprehensive income	0	0	0	-45	0	-45
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-45</b>	<b>1,851</b>	<b>1,806</b>
Share-based payment reserve	0	0	0	153	0	153
Other movements	0	0	0	0	74	74
<b>Balance, 31.03.2023</b>	<b>1,026</b>	<b>31,855</b>	<b>100</b>	<b>1,529</b>	<b>69,447</b>	<b>103,957</b>
<b>Balance, 01.01.2024</b>	<b>1,086</b>	<b>43,563</b>	<b>103</b>	<b>1,543</b>	<b>77,795</b>	<b>124,090</b>
Profit for the period	0	0	0	0	3,964	3,964
Other comprehensive income	0	0	0	20	0	20
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>3,964</b>	<b>3,984</b>
Share-based payment reserve	0	0	0	134	0	134
Other movements	0	0	0	0	0	0
<b>Balance, 31.03.2024</b>	<b>1,086</b>	<b>43,563</b>	<b>103</b>	<b>1,697</b>	<b>81,759</b>	<b>128,208</b>

At 31 March 2024, Inbank's share capital consisted of 10,864 thousand authorized registered ordinary shares (31 March 2023: 10,262 thousand shares) with a nominal value of 0.10 euro each. All issued shares have been paid. For more details see also Notes 16 and 17.

Notes set out on pages 13 - 38 form an integral part of the condensed consolidated interim financial statements.

# Note 1 Accounting policies

The interim financial report has been prepared in accordance with the International Accounting Standard IAS 34 “Interim Financial Reporting”, as adopted by the EU, and consists of condensed financial statements and selected explanatory notes. The accounting policies used in the preparation of the interim report are the same as the accounting policies used in the annual report for the year ended 31 December 2023, which comply with the International Financial Reporting Standards, as adopted by the European Commission (IFRS EU).

The interim financial report is not audited and does not contain the entire range of information required for the preparation of complete financial statements. The interim financial report should be read in conjunction with the Annual Report prepared for the year ended 31 December 2023, which has been prepared in accordance with the International Financial Reporting Standards (IFRS).

Inbank AS is registered and operating in Estonia with branches in Czechia, Lithuania and Poland.

The companies listed below belong to the consolidation group of Inbank AS as at 31 March 2024:

Company name	Year of purchase/ founded	Location	Activity	31.03.2024		31.12.2023	
				Holding (%)	Cost (thou. EUR)	Holding (%)	Cost (thou. EUR)
SIA Inbank Latvia	2014	Latvia	Financing	100	519	100	519
Inbank Ventures OÜ	2016	Estonia	Holding activity and hardware rental	100	454	100	454
Inbank Payments OÜ	2019	Estonia	Holding company	100	3	100	3
AS Inbank Finance	2021	Estonia	Financing	100	3,100	100	3,100
IBF Polska sp. z.o.o	2022	Poland	Financing	100	44	100	44
AS Inbank Rent	2023	Estonia	Rent	100	500	100	500
Inbank Rent SIA	2023	Latvia	Rent	100	3	100	3
Inbank Rent s.r.o	2024	Czechia	Rent	100	1		
Mobire Group OÜ	2021	Estonia	Rent	66	9,660	66	9,660
Mobire Eesti AS	2021	Estonia	Rent	66		66	
Mobire Latvija SIA	2021	Latvia	Rent	66		66	
Mobire Lietuva UAB	2021	Lithuania	Rent	66		66	

Associated company Paywerk AS is accounted for using the equity method.

For more details refer to Note 10.

## Changes in presentation

For better presentation and compliance with IFRS Inbank changed presentation of condensed consolidated statements of financial position, condensed consolidated statement of profit and loss and other comprehensive income and condensed consolidated statement of cash flows.

Changes in presentation is disclosed in the tables below. More details about the change is presented in the annual report for the year ended 31 December 2023 which can be found in Inbank website.

### Changes in presentation in condensed consolidated statement of financial position

In thousands of euros	31.03.2023	Change	31.03.2023 restated
<b>Assets</b>			
Due from central banks	107,717	-107,717	-
Due from credit institutions	5,834	-5,834	-
Cash and cash equivalents	-	96,801	96,801
Mandatory reserves at central banks	-	16,750	16,750
<b>Total</b>	<b>113,551</b>	<b>0</b>	<b>113,551</b>

### Changes in presentation in condensed consolidated statement of profit and loss and other comprehensive income

In thousands of euros	3 months 2023	Change	3 months 2023 restated
Interest income based on EIR	20,604	899	21,503
Interest expense	-9,379	0	-9,379
<b>Net interest income</b>	<b>11,225</b>	<b>899</b>	<b>12,124</b>
Fee and commission income	1,123	-1,000	123
Fee and commission expenses	-1,039	101	-938
<b>Net fee and commission income/expenses</b>	<b>84</b>	<b>-899</b>	<b>-815</b>
Other operating income	8,247	-8,151	96
Other operating expenses	-6,091	6,091	0
Income from rental services	0	5,237	5,237
Sale of assets previously rented to customers	0	2,914	2,914
Cost of rental services	0	-3,508	-3,508
Cost of assets sold previously rented to customers	0	-2,583	-2,583
<b>Net operating income/expenses</b>	<b>2,156</b>	<b>0</b>	<b>2,156</b>

## Changes in presentation in condensed consolidated statement of cash flows

In thousands of euros	Q1 2023	Change	Q1 2023 restated*
Interest received	19,294	899	20,193
Interest paid	-7,603	0	-7,603
Fees received	1,334	-1,000	334
Fees paid	-1,039	101	-938
Income from rental services	0	5,237	5,237
Cost of rental services	0	-1,024	-1,024
Sale of assets previously rented to customers	0	2,914	2,914
Other operating income received	8,247	-8,151	96
Other operating expense paid	-4,432	4,432	0
Personnel expenses	-5,480	0	-5,480
Administrative and marketing expenses	-2,727	-2,484	-5,211
Income tax paid	-257	0	-257
<b>Cash flows from operating activities before changes in the operating assets and liabilities</b>	<b>7,337</b>	<b>924</b>	<b>8,261</b>
<b>Changes in operating assets</b>			
Loans and advances	-41,692	0	-41,692
Acquisition of tangible assets for rental business	0	-8,356	-8,356
Mandatory reserves at central banks	-2,304	0	-2,304
Other financial assets	875	0	875
Other assets	-572	-924	-1,496
<b>Changes of operating liabilities</b>			
Customer deposits	26,355	0	26,355
Other financial liabilities	1,731	0	1,731
Other liabilities	581	0	581
<b>Net cash from operating activities</b>	<b>-7,689</b>	<b>-8,356</b>	<b>-16,045</b>

## Note 2 Significant accounting estimates and judgements

According to the IFRS, many of the financial indicators given in the report are based on strictly accounting-related management estimates and opinions, which have an impact on the value of the assets and liabilities presented in the financial statements as of the balance sheet date and on the income and expenses of the subsequent financial years. Although these estimates are based on the best knowledge of the management and conclusions from ongoing events, the actual result may not coincide with them in the end and may differ significantly from these estimates.

The management consistently reviews such decisions and estimates, including the ones that have an influence on the fair value of financial instruments, impairment of financial assets, non-controlling interests redemption liability and others.

The management relies on experience and the other factors it considers reasonable in the given situation when making these decisions and estimates.

# Note 3 Operating segments

Operating segments are components that engage in business activities that may earn income or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM). The CODM allocates resources and assesses the performance for the entity. The functions of the CODM are performed by the management board of Inbank.

Inbank divides its operating segments according to business lines and the geographical location of activities in Estonia, Latvia, Lithuania, Poland and Czechia.

The following business lines are separated: banking business, rental, investments. The banking business segment includes Inbank and its subsidiaries Inbank Finance and Latvia. Lithuania, Poland and Czechia present separate units acting in those countries. The rental segment presents the Mobire business line in Inbank and Inbank Rent business, which has consolidated this business in Estonian, Latvian, Lithuanian and Czechian markets. Investments business segment include all remaining entities not mentioned before. Key activity for those companies is holding companies and hardware rental.

Deposits collected through partner platforms in Germany, Austria and Netherlands are presented under the Estonian business segment.

The business segments are Inbank companies with separate financial data, which is also the basis for the regular monitoring of business results by the management at Inbank. Inbank monitors profitability, cost/income ratio, growth, and quality for each operational segment.

The banking business offers credit products with the largest product group being hire purchase. Mobire offers car rent services, Inbank Rent offers IT equipment rent services. Inbank Ventures, which is part of the investment segment, offers hardware rental to Inbank companies,

The revenues of the reported segments contain revenues from transactions between the segments. Such transactions include loans given by Inbank and Inbank Finance, as well as services provided to the companies of the consolidation group by Inbank Ventures OÜ. The above transactions are accounted for at market prices.

Inbank does not have any customers whose income accounts for more than 10% of the respective type of Inbank consolidated income.

CODM is responsible for the allocation of funds and the assessment of the profitability of business activities. Total income and net profit/loss are the measures primarily used by chief operating decision maker. The development of segment total income and net profit/loss is presented below, in which significant segments are presented separately.

## Income of reported segments and net profit structure

In thousands of euros	Banking business					Rent	Investments	Eliminations	Total
	Estonia	Latvia	Lithuania	Poland	Czechia				
<b>3 months 2024</b>									
Interest income based on EIR	14,256	2,751	5,449	12,156	257	8	49	-6,158	28,768
<i>incl. income from external customers</i>	8,405	2,751	5,449	11,909	246	8	0	0	28,768
<i>incl. income from internal customers</i>	5,851	0	0	247	11	0	49	-6,158	0
Fee and commission income	110	0	0	1	0	0	0	0	111
<i>incl. loan administration fees</i>	67	0	0	0	0	0	0	0	67
<i>incl. other fees</i>	43	0	0	1	0	0	0	0	44
Rental services	0	0	0	0	0	7,149	0	0	7,149
Sale of assets previously rented to customers	0	0	0	0	0	4,583	0	0	4,583
Other operating income	2,878	37	51	83	8	0	236	-2,954	339
<i>incl. income from external customers</i>	170	27	51	83	8	0	0	0	339
<i>incl. income from internal customers</i>	2,708	10	0	0	0	0	236	-2,954	0
<b>Total income</b>	<b>17,244</b>	<b>2,788</b>	<b>5,500</b>	<b>12,240</b>	<b>265</b>	<b>11,740</b>	<b>285</b>	<b>-9,112</b>	<b>40,950</b>
Net gains from financial assets measured at fair value	768	0	0	122	0	0	0	0	890
Foreign exchange rate gains/losses	-315	0	0	-24	0	0	0	0	-339
Interest expense	-7,844	-788	-1,622	-7,635	-187	-1,450	0	5,914	-13,612
Fee and commission expenses	-610	-63	-234	-257	-22	0	0	0	-1,186
<i>incl. loan initiation fees</i>	-125	-34	-65	-172	-22	0	0	0	-418
<i>incl. loan administration fees</i>	-366	-25	-149	-85	0	0	0	0	-625
<i>incl. other fees</i>	-119	-4	-20	0	0	0	0	0	-143
Cost of rental services	0	0	0	0	0	-4,789	0	0	-4,789
Cost of assets sold previously rented to customers	0	0	0	0	0	-4,350	0	0	-4,350
<b>Total expenses</b>	<b>-8,001</b>	<b>-851</b>	<b>-1,856</b>	<b>-7,794</b>	<b>-209</b>	<b>-10,589</b>	<b>0</b>	<b>5,914</b>	<b>-23,386</b>
Operating expenses	-6,126	-1,033	-2,188	-1,987	-442	-951	-468	3,197	-9,998
<i>incl. depreciations, amortization</i>	-1,371	-64	-181	-47	-20	-12	-82	21	-1,756
Share of profit from associates	0	0	0	0	0	0	0	0	0
Impairment losses on loans and advances	-872	-344	-629	-1,302	-52	0	0	0	-3,199
<b>Profit before income tax</b>	<b>2,245</b>	<b>560</b>	<b>827</b>	<b>1,157</b>	<b>-438</b>	<b>200</b>	<b>-183</b>	<b>-1</b>	<b>4,367</b>
Income tax	0	-99	-128	-254	78	0	0	0	-403
<b>Net profit/loss</b>	<b>2,245</b>	<b>461</b>	<b>699</b>	<b>903</b>	<b>-360</b>	<b>200</b>	<b>-183</b>	<b>-1</b>	<b>3,964</b>

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In thousands of euros	Banking business					Rent	Investments	Eliminations	Total
	Estonia	Latvia	Lithuania	Poland	Czechia				
<b>3 months 2023</b>									
Interest income based on EIR	10,161	2,110	4,416	8,458	28	0	0	-3,670	21,503
<i>incl. income from external customers</i>	6,491	2,110	4,416	8,458	28	0	0	0	21,503
<i>incl. income from internal customers</i>	3,670	0	0	0	0	0	0	-3,670	0
Fee and commission income	246	0	0	0	0	0	0	0	246
<i>incl. loan administration fees</i>	123	0	0	0	0	0	0	0	123
<i>incl. other fees</i>	123	0	0	0	0	0	0	0	123
Rental services	0	0	0	0	0	5,237	0	0	5,237
Sale of assets previously rented to customers	0	0	0	0	0	2,914	0	0	2,914
Other operating income	2,411	19	27	25	0	57	242	-2,685	96
<i>incl. income from external customers</i>	108	13	23	25	0	49	0	-122	96
<i>incl. income from internal customers</i>	2,303	6	4	0	0	8	242	-2,563	0
<b>Total income</b>	<b>12,818</b>	<b>2,129</b>	<b>4,443</b>	<b>8,483</b>	<b>28</b>	<b>8,208</b>	<b>242</b>	<b>-6,355</b>	<b>29,996</b>
Net gains from financial assets measured at fair value	-18	0	0	-39	0	0	0	0	-57
Foreign exchange rate gains/losses	53	0	0	30	0	0	0	0	83
Interest expense	-4,466	-400	-899	-6,373	-24	-889	0	3,672	-9,379
Fee and commission expenses	-388	-71	-247	-230	-2	0	0	0	-938
<i>incl. loan initiation fees</i>	-81	-47	-59	-157	0	0	0	0	-344
<i>incl. loan administration fees</i>	-211	-19	-163	-71	-2	0	0	0	-466
<i>incl. other fees</i>	-96	-5	-25	-2	0	0	0	0	-128
Cost of rental services	0	0	0	0	0	-3,508	0	0	-3,508
Cost of assets sold previously rented to customers	0	0	0	0	0	-2,583	0	0	-2,583
<b>Total expenses</b>	<b>-4,819</b>	<b>-471</b>	<b>-1,146</b>	<b>-6,612</b>	<b>-26</b>	<b>-6,980</b>	<b>0</b>	<b>3,672</b>	<b>-16,382</b>
Operating expenses	-4,978	-951	-2,007	-1,799	-384	-843	-377	2,703	-8,636
<i>incl. depreciations, amortization</i>	-1,000	-46	-192	-42	-19	-41	-72	18	-1,394
Share of profit from associates	68	0	0	0	0	0	0	-35	33
Impairment losses on loans and advances	-1,268	-264	-407	-1,174	-16	0	0	0	-3,129
<b>Profit before income tax</b>	<b>1,821</b>	<b>443</b>	<b>883</b>	<b>-1,102</b>	<b>-398</b>	<b>385</b>	<b>-135</b>	<b>-15</b>	<b>1,882</b>
Income tax	0	0	-140	179	53	0	0	0	92
<b>Net profit/loss</b>	<b>1,821</b>	<b>443</b>	<b>743</b>	<b>-923</b>	<b>-345</b>	<b>385</b>	<b>-135</b>	<b>-15</b>	<b>1,974</b>

# Note 4 Net interest income

## Net interest income

In thousands of euros	Q1 2024	3 months 2024	Q1 2023	3 months 2023
<b>Interest income based on EIR</b>				
Loans to households	26,138	26,138	20,261	20,261
Loans to corporates	182	182	166	166
Central banks, financial and credit institutions	2,448	2,448	1,076	1,076
<b>Total interest income</b>	<b>28,768</b>	<b>28,768</b>	<b>21,503</b>	<b>21,503</b>
<b>Interest expense</b>				
Deposits received	-12,186	-12,186	-8,642	-8,642
Debt securities issued	-1,027	-1,027	-485	-485
Lease liability	-399	-399	-252	-252
<b>Total interest expense</b>	<b>-13,612</b>	<b>-13,612</b>	<b>-9,379</b>	<b>-9,379</b>
<b>Net interest income</b>	<b>15,156</b>	<b>15,156</b>	<b>12,124</b>	<b>12,124</b>

More details about interest income and expense based on business disclosed in Note 3.

# Note 5 Net fee and commission income

## Net fee and commission income

In thousands of euros	Q1 2024	3 months 2024	Q1 2023	3 months 2023
<b>Fee and commission income</b>				
Households	111	111	121	121
<i>out of which recognised over time</i>	108	108	116	116
<i>out of which recognised point in time</i>	3	3	5	5
Corporates	0	0	2	2
<i>out of which recognised over time</i>	0	0	2	2
<b>Total fee and commission income</b>	<b>111</b>	<b>111</b>	<b>123</b>	<b>123</b>
<b>Fee and commission expenses</b>				
Loan initiation fees	-418	-418	-345	-345
Loan administration expenses	-625	-625	-465	-465
Other fee expenses	-143	-143	-128	-128
<b>Total fee and commission expenses</b>	<b>-1,186</b>	<b>-1,186</b>	<b>-938</b>	<b>-938</b>

More details about fee and commission income and expense based on business segments disclosed in Note 3.

# Note 6 Operating expenses

## Operating expenses

In thousands of euros	Q1 2024	3 months 2024	Q1 2023	3 months 2023
<b>Personnel expenses</b>				
Personnel expense	3,626	3,626	3,183	3,183
Social and other taxes	1,145	1,145	854	854
<b>Total personnel expenses</b>	<b>4,771</b>	<b>4,771</b>	<b>4,037</b>	<b>4,037</b>
<b>Marketing expenses</b>				
Advertising and marketing	459	459	658	658
Sales costs	174	174	140	140
<b>Total marketing expenses</b>	<b>633</b>	<b>633</b>	<b>798</b>	<b>798</b>
<b>Administrative expenses</b>				
IT expenses	847	847	569	569
Office maintenance and workplace expenses	489	489	398	398
Legal and recovery proceeding expenses	291	291	207	207
Employee related expenses	135	135	181	181
Contributions to guarantee fund	434	434	418	418
Supervision expenses	58	58	131	131
Training and business trip expenses	135	135	170	170
Outsourced services	56	56	88	88
Transportation expenses	98	98	70	70
Tax expenses	44	44	46	46
Other	251	251	129	129
<b>Total administrative expenses</b>	<b>2,838</b>	<b>2,838</b>	<b>2,407</b>	<b>2,407</b>

More details about operating expenses based on business segments disclosed in Note 3.

# Note 7 Loans and advances

## Distribution of receivables by customer sector

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
<b>Distribution of receivables by customer sector</b>			
Households	972,600	953,088	799,406
Corporates	7,912	10,930	12,841
<b>Loans and advances before impairment allowance</b>	<b>980,512</b>	<b>964,018</b>	<b>812,247</b>
Impairment allowance	-22,817	-21,962	-17,678
<b>Total loans and advances</b>	<b>957,695</b>	<b>942,056</b>	<b>794,569</b>

More details about loans and advances disclosed in Note 18.

## Changes in impairments

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
Impairment allowance balance at the beginning of the period	-21,962	-16,191	-16,191
Impairment provisions set up during the reporting period	-6,451	-25,310	-5,728
Written off and sold out from financial position during the period	5,596	19,539	4,241
<b>Total impairment</b>	<b>-22,817</b>	<b>-21,962</b>	<b>-17,678</b>

## Impairment losses on loans and advances

In thousands of euros	Q1 2024	3 months 2024	Q1 2023	3 months 2023
Impairment losses during the reporting period	-6,451	-6,451	-5,728	-5,728
Recoveries from loans written off and sold out from financial position	3,252	3,252	2,599	2,599
<b>Total impairment losses on loans and advances</b>	<b>-3,199</b>	<b>-3,199</b>	<b>-3,129</b>	<b>-3,129</b>

Inbank regularly sells receivables that are more than 90 days overdue, with no obligation to repurchase (except in the case of fraud or the death of the customer, if these events have appeared before the sale transaction was completed). The difference between the sale price and the carrying amount of debt is recognised in the profit and loss and other comprehensive income under line impairment losses on loans and advances. The total amount of debt is written off in the statement of financial position.

More details about impairment losses on loans and advances based on business segments disclosed in Note 3.

## Distribution of receivables from households

In thousands of euros

31.03.2024	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	914,212	-5,109	-73	-1,378	907,652	0.7%
4-30 days	27,847	-1,609	-85	-424	25,729	7.6%
31-89 days	14,530	0	-2,378	-756	11,396	21.6%
90-179 days	3,973	0	0	-2,283	1,690	57.5%
180+ days	12,038	0	0	-8,676	3,362	72.1%
<b>Total receivables</b>	<b>972,600</b>	<b>-6,718</b>	<b>-2,536</b>	<b>-13,517</b>	<b>949,829</b>	<b>2.3%</b>

31.12.2023	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	898,068	-5,195	-72	-1,252	891,549	0.7%
4-30 days	25,255	-1,544	-64	-355	23,292	7.8%
31-89 days	14,751	0	-2,526	-780	11,445	22.4%
90-179 days	4,042	0	0	-2,199	1,843	54.4%
180+ days	10,972	0	0	-7,946	3,026	72.4%
<b>Total receivables</b>	<b>953,088</b>	<b>-6,739</b>	<b>-2,662</b>	<b>-12,532</b>	<b>931,155</b>	<b>2.3%</b>

31.03.2023	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	754,207	-4,973	-54	-507	748,673	0.7%
4-30 days	20,518	-1,428	-94	-176	18,820	8.3%
31-89 days	13,917	-1	-2,578	-379	10,959	21.3%
90-179 days	3,063	0	0	-1,798	1,265	58.7%
180+ days	7,701	0	0	-5,668	2,033	73.6%
<b>Total receivables</b>	<b>799,406</b>	<b>-6,402</b>	<b>-2,726</b>	<b>-8,528</b>	<b>781,750</b>	<b>2.2%</b>

## Distribution of receivables from corporates

In thousands of euros

31.03.2024	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	7,902	-26	0	-19	7,857	0.6%
4-30 days	0	0	-1	0	-1	0.0%
31-89 days	10	0	0	0	10	0.0%
90-179 days	0	0	0	0	0	0.0%
180+ days	0	0	0	0	0	0.0%
<b>Total receivables</b>	<b>7,912</b>	<b>-26</b>	<b>-1</b>	<b>-19</b>	<b>7,866</b>	<b>0.6%</b>

31.12.2023	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	10,689	-26	0	0	10,663	0.2%
4-30 days	232	-1	-1	0	230	0.9%
31-89 days	7	0	0	0	7	0.0%
90-179 days	1	0	0	-1	0	100.0%
180+ days	1	0	0	0	1	0.0%
<b>Total receivables</b>	<b>10,930</b>	<b>-27</b>	<b>-1</b>	<b>-1</b>	<b>10,901</b>	<b>0.3%</b>

31.03.2023	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	12,838	-22	0	0	12,816	0.2%
4-30 days	0	0	0	0	0	0.0%
31-89 days	3	0	0	0	3	0.0%
90-179 days	0	0	0	0	0	0.0%
180+ days	0	0	0	0	0	0.0%
<b>Total receivables</b>	<b>12,841</b>	<b>-22</b>	<b>0</b>	<b>0</b>	<b>12,819</b>	<b>0.2%</b>

# Note 8 Cash and cash equivalents

## Cash and cash equivalents

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
Due from central banks	171,500	162,253	90,967
Due from credit institutions	8,342	10,668	5,834
<b>Total cash and cash equivalents</b>	<b>179,842</b>	<b>172,921</b>	<b>96,801</b>

All balances in table above are with original maturity of less than three months and insignificant credit risk but excludes mandatory reserves at central banks, which represent mandatory reserve deposits which are not available to finance day to day operations.

Cash and cash equivalents in the statement of cash flows include receivables from central banks (excluding the statutory reserve) and short-term (up to three months) receivables from other credit institutions.

Due to the short duration of the cash and cash equivalents (less than three months), the fair value approximates the carrying value.

# Note 9 Investments in debt securities

## Investments in debt securities

<b>In thousands of euros</b>	<b>31.03.2024</b>	<b>31.12.2023</b>	<b>31.03.2023</b>
Investments in debt securities	31,254	33,411	22,820
<i>incl. investments in central government debt securities</i>	<i>30,265</i>	<i>32,018</i>	<i>14,276</i>
<i>incl. investments in corporate debt securities</i>	<i>989</i>	<i>1,393</i>	<i>8,544</i>
Interest accruals	253	170	232
<b>Total investments in debt securities</b>	<b>31,507</b>	<b>33,581</b>	<b>23,052</b>

As of 31 March 2024, the bond portfolio includes debt securities of central governments and corporates with maturity dates between 25 April 2024 to 10 March 2027 and coupon rates from 0% to 8.5% and yields from 3.46% to 9%.

More details about investments in debt securities disclosed in Note 18.

# Note 10 Business combinations and investments in associates and subsidiaries

Further information on Inbank consolidation group has been disclosed in Note 1.

## Investments in subsidiaries

### Equity of major subsidiaries

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
SIA Inbank Latvia	7,919	7,471	6,738
Mobire Group OÜ	15,430	14,792	12,794
AS Inbank Finance	25,101	22,244	45,603
Inbank Ventures OÜ	10,686	10,869	17,279
AS Inbank Rent	455	489	500
Inbank Rent SIA	3	3	-

On 21 March 2023 Inbank established its subsidiary in Estonia under the name of AS Inbank Rent. Key activity of the subsidiary is the rental business. Inbank Rent has established subsidiaries in Latvia and Chechia to scale rental business outside Estonia. Inbank Rent SIA was established on 8 November 2023 and Inbank Rent s.r.o on 31 January 2024.

20 June 2023 Inbank acquired additional 12.67% of Mobire Group OÜ shares. Total Inbank share into Mobire Group OÜ after acquisition was 66%. Acquisition of shares was made out of non-controlling interest redemption liability disclosed in Note 14.

## Investments in associates

Paywerk AS is a start-up company that offers a cross-border "pay later" service. On 31 August 2023 Inbank acquired additional 3.4% of Paywerk AS share capital for 76 thousand euros and on 27 March 2024 63 thousand euros. After the additional acquisition the total Inbank share into Paywerk AS was 20.58%. Investment is accounted for using the equity method.

AS Aktiva Portfolio has been established for more efficient management of debt portfolio. On 29 of June 2023 Inbank successfully completed sale of a 34% stake in AS Aktiva Portfolio. Before the sale transaction was completed investment was accounted for using the equity method.

Inbank has not received dividends from associates.

# Note 11 Other financial assets and other assets

## Other financial assets and other assets

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
<b>Other financial assets</b>			
Prepaid guarantee amounts	406	516	406
Accrued receivables	2,343	3,714	2,106
Other financial assets	1,053	1,038	0
<b>Total other financial assets</b>	<b>3,802</b>	<b>5,268</b>	<b>2,512</b>
<b>Other assets</b>			
Prepaid expenses	4,175	4,327	3,227
Inventory	3,863	2,494	3,291
Prepaid taxes	351	679	594
Other assets	497	685	680
<b>Total other assets</b>	<b>8,886</b>	<b>8,185</b>	<b>7,792</b>

Prepaid taxes include prepaid VAT. Accrued receivables are of short-term nature (1 - 30 days).

Other financial assets contain 1,053 thousand euros (31 December 2023: 1,038 thousand euros; 31 March 2023: 0 euro) receivables from commercial banks which are pledged and are therefore not available for general use by Inbank. The restricted cash relates to the pledge required under derivatives trading agreements.

More details about other financial assets and other assets disclosed in Note 18.

# Note 12 Customer deposits

## Deposits

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
<b>Customer deposits</b>			
Deposits from households	1,094,469	1,069,810	846,439
Deposits from non-financial corporates	9,616	11,566	10,322
Deposits from financial corporates	2,082	190	252
<b>Total customer deposits</b>	<b>1,106,167</b>	<b>1,081,566</b>	<b>857,013</b>

## Deposits by clients' residency

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
<b>Deposits by clients' residency</b>			
Estonia	50,807	52,392	59,619
Germany	220,654	245,993	313,888
Poland	491,872	474,466	357,313
Austria	17,960	18,444	16,561
Netherlands	310,872	276,562	106,091
Lithuania	13,915	13,607	3,420
Other residence	87	102	121
<b>Total deposits by clients' residency</b>	<b>1,106,167</b>	<b>1,081,566</b>	<b>857,013</b>

Deposits also include an accrued interest liability in the amount of 21,494 thousand euros (31 December 2023: 19,540 thousand euros; 31 March 2023: 13,721 thousand euros).

More details about customer deposits disclosed in Note 18.

# Note 13 Subordinated debt securities

## Subordinated debt securities

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
Subordinated debt securities issued	49,750	49,750	30,650
Interest accruals and other costs	-96	-5	-69
<b>Total subordinated debt securities</b>	<b>49,654</b>	<b>49,745</b>	<b>30,581</b>

## Subordinated debt securities detailed information

Subordinated debt securities	Nominal price	Amount	Interest rate	Issue date	Maturity date
EE3300111590	10,000 EUR	315	12.0%	19.12.2018	perpetual
EE3300001544	1,000 EUR	8,000	6.0%	19.12.2019	19.12.2029
EE3300002286	10,000 EUR	450	7.5%	01.11.2021	perpetual
EE3300002302	1,000 EUR	15,000	5.5%	16.12.2021	15.12.2031
EE3300003516	10,000 EUR	1,110	12.0%	06.06.2023	perpetual
EE3300003714	1,000 EUR	8,000	9.0%	13.12.2023	13.12.2033

Inbank's subordinated bonds include Additional Tier 1 bonds included in Tier 1 capital. AT1 capital instrument is a perpetual subordinated financial instrument, which bears interest on its Outstanding Nominal Value from and including their Issue Date to, but excluding, the date of any final redemption at the interest rate per annum specified in table above. The coupon payments may be deferred or canceled at the discretion of Inbank. The AT1 bond is accounted for as liability because in specific circumstances Inbank is obliged to pay back the debt instrument to investors.

The subordinated debt securities issued are recorded at amortized cost by using the effective interest rate method. In addition to coupon interest rate, the effective interest rate mainly depends on transaction costs, recognised as a change in nominal value of the debt securities and charged to interest expense over a term of five years.

# Note 14 Other financial liabilities and other liabilities

## Other financial liabilities and other liabilities

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
<b>Financial liabilities</b>			
Accounts payable	21,526	25,452	21,112
Lease liability	24,979	26,159	21,935
Non-controlling interest redemption liability	7,287	7,054	8,630
Client prepayments	1,982	2,262	2,813
<b>Total financial liabilities</b>	<b>55,774</b>	<b>60,927</b>	<b>54,490</b>
<b>Other liabilities</b>			
Payables to employees	1,763	1,924	2,024
Payroll taxes	1,377	1,095	1,427
Other liabilities	851	672	638
<b>Total other liabilities</b>	<b>3,991</b>	<b>3,691</b>	<b>4,089</b>

The accounts payable includes liabilities to customers and partners - related loan granting activities and payments for operating expenses.

In January 2021, Inbank acquired 53% of the shares in Mobire, a full-service rental company. In addition to the purchase and sale agreement, Inbank signed an option agreement to acquire 100% of the shares of Mobire Group OÜ, therefore the non-controlling interest is recognized as a buyout obligation.

Non-controlling interest redemption liability was estimated at 7,285 thousand euros as at 31 March 2024 (31 December 2023: 7,054 thousand euros; 31 March 2023: 8,630 thousand euros), which has been adjusted by future profit assumptions with post-tax discount rate 19% (2023: 19.9%). The discount rate is determined by considering interest rate, country and equity premiums.

21 June 2023 Inbank Ventures OÜ acquired an additional 12.67% of Mobire Group OÜ shares. Amount paid was released from redemption liability and decreased price payable in final redemption after the end of 2025.

More details about other financial liabilities and other liabilities disclosed in Note 18.

# Note 15 Contingent liabilities

## Contingent liabilities

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
<b>Revocable commitments</b>			
Liability in contractual amount	4,453	4,649	4,660
<i>incl. unused credit card limits</i>	4,453	4,649	4,410
Expected credit loss (ECL)	21	23	25

In different countries where Inbank operates, the Tax authority has the right to inspect the company's tax records within 3 to 10 years after submitting the tax return and upon finding errors, impose additional taxes, interest and fines. The tax authorities have not performed any tax audits at Inbank during 2024.

Inbank's management estimates that in 2024 there are no such circumstances that may lead the tax authorities to impose significant additional taxes on Inbank.

# Note 16 Share capital

## Share capital

	No of shares	Nominal value (thou. EUR)	Share premium (thou. EUR)	Total
Balance, 01.01.2023	10,262,197	1,026	31,855	32,881
Balance, 31.03.2023	10,262,197	1,026	31,855	32,881
Balance, 01.01.2024	10,864,154	1,086	43,563	44,649
Balance, 31.03.2024	10,864,154	1,086	43,563	44,649

## Shareholders who hold more than 5% of company shares

Shareholder name	Holding amount 31.03.2024
Cofi Investeeringud OÜ	25.08%
Luciano Orsero	9.30%
Roberto De Silvestri	8.39%
Andrea Agostinone	7.70%
Elio Tomaso Giovanni Cravero	7.55%
Patrizia Salice	5.06%

# Note 17 Reserves

## Reserves

In thousands of euros	31.03.2024	31.12.2023	31.03.2023
Statutory reserve	103	103	100
Voluntary reserve	1,330	1,330	1,330
Share based payments reserve	1,060	926	643
Other accumulated comprehensive income	-693	-713	-200
<b>Total reserves</b>	<b>1,800</b>	<b>1,646</b>	<b>1,629</b>

The statutory reserve is a mandatory capital reserve which is formed using annual net profit transfers to comply with the requirements of the Estonian Commercial Code. Each financial year, at least one-twentieth of net profit has to be transferred to the legal reserve, until the reserve reaches one-tenth of share capital. The legal reserve may be used to cover losses or to increase share capital. It may not be used to make distributions to shareholders.

The general meeting of AS Inbank has previously decided to increase the reserves through voluntary increase of reserves to support Inbank capital adequacy and growth possibilities. The voluntary reserve may also be used for increasing the share capital, but not for making payouts to shareholders.

Share based payments reserve is created based on motivation plans issued for employees. The fair value of share options issued to employees is recognised as a payroll expense over the term of the option programme, and in equity as share-based payments reserve.

Other accumulated comprehensive income contains a currency translation reserve only. This reserve is created by consolidating Inbank entities whose functional currency is different from Inbank's functional currency.

The results and financial position of each group entity are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the respective reporting period;
- income and expenses are translated at average exchange rates for the respective reporting period;
- components of equity are translated at the historic rate; and
- all resulting exchange differences are recognised in other comprehensive income.

# Note 18 Fair value of financial assets and liabilities

The financial instruments not measured at fair value through profit and loss at each statement of financial position date are summarized in the table below.

## Fair value of financial assets and liabilities

In thousands of euros	31.03.2024				31.12.2023			31.03.2023		
	Note	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level
<b>Assets</b>										
Cash and cash equivalents	11	179,842	179,842	2	172,921	172,921	2	96,801	96,801	2
Mandatory reserves at central banks	11	22,857	22,857	2	21,020	21,020	2	16,750	16,750	2
Investments in central government debt securities	12	30,063	30,485	2	31,928	32,119	2	14,442	14,442	2
Investments in corporate debt securities	12	1,025	1,022	3	1,458	1,462	3	8,610	8,610	2
Loans and advances - households	9	925,588	949,829	3	920,394	931,155	3	781,750	781,750	3
Loans and advances - corporates	9	7,866	7,866	3	10,901	10,901	3	12,819	12,819	3
Other financial assets	17	3,789	3,789	2	5,268	5,268	2	2,512	2,512	2
<b>Total assets</b>		<b>1,171,030</b>	<b>1,195,690</b>		<b>1,163,890</b>	<b>1,174,846</b>		<b>933,684</b>	<b>933,684</b>	
<b>Liabilities</b>										
Customer deposits	18	1,095,457	1,106,167	2	1,069,720	1,081,566	2	829,732	857,013	2
Subordinated debt securities	19	30,552	30,891	2	30,424	31,003	2	22,591	22,956	2
Subordinated debt securities (AT1)	19	18,106	18,763	3	18,110	18,742	3	6,935	7,625	3
Other financial liabilities	20	55,774	55,774	2	60,927	60,927	2	54,490	54,490	2
<b>Total liabilities</b>		<b>1,199,889</b>	<b>1,211,595</b>		<b>1,179,181</b>	<b>1,192,238</b>		<b>913,748</b>	<b>942,084</b>	

All financial assets and liabilities listed in table above are accounted for at amortized cost.

Inbank does not own financial assets or liabilities which valuation is done based on level 1 inputs. Valuations for these types of assets or liabilities are determined by reference to unadjusted quoted market prices for identical instruments in active markets where the quoted prices are readily available, and the prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 financial assets and liabilities all significant inputs to the valuation models are observable either directly or indirectly. Level 2 valuation techniques include using discounted cash flows, option pricing models, recent transactions and the price of another instrument that is substantially the same. Examples of observable inputs are foreign currency exchange rates (Polish zloty and Czech koruna), binding securities price quotations (Government bonds), market interest rates (Euribor, Pribor, Vilibor),

volatilities implied from observable index prices for the same term and actual transactions with one or more external counterparts. An input can transfer from being observable to being unobservable during the holding period due to for example illiquidity of the instrument.

To estimate the unobservable price for level 3 instruments different methods are applied depending on the type of available data. Input to these methods are primarily prices, proxy prices, market indicators and company information. When valuation models are used to determine the fair value of financial instruments in level 3, the transaction price paid or received is assessed as the best evidence of fair value at initial recognition. If the fair value of financial instruments includes more than one unobservable input, the unobservable inputs are aggregated in order to determine the classification of the entire instrument. The level in the fair value hierarchy within which a financial instrument is classified is determined on the basis of the lowest level of input that is significant to the fair value in its entirety.

During valuation of level 3 instruments such as Investments in corporate debt securities, loans and advances, subordinated debt securities (AT1), lease liability Inbank uses discount rate calculated from Inbank's internal funding costs. Methods and valuation techniques for non-controlling interest redemption liability are disclosed in Note 14. For short term assets and liabilities fair value is set based on carrying value.

# Note 19 Related parties

Members of the Management Board are entitled for a fee of three calendar months remuneration in case of contract termination initiation by Inbank or when the board member's contract expires.

## Remuneration of the Management Board and Supervisory Board

In thousands of euros	Q1 2024	3 months 2024	Q1 2023	3 months 2023
Remuneration of the Management Board and Supervisory Board	451	451	410	410

The following are considered to be Inbank's related parties:

- Shareholders with significant influence or control over Inbank,
- Members of the Management Board and Supervisory Board and legal entities controlled by them (hereinafter: the management),
- Associates,
- Close relatives of the persons mentioned above and the legal entities related to them.

## Balances as of end of reporting period

In thousands of euros	31.03.2024			31.12.2023		
	Management	Associates	Total	Management	Associates	Total
Balances as of end of reporting period						
Loans and advances	307	0	307	91	6,612	6,703
Impairment allowance	-4	0	-4	-2	0	-2
Deposits and subordinated debt securities	2,795	0	2,795	1,118	0	1,118

## Transactions

In thousands of euros	3 months 2024			3 months 2023		
	Management	Associates	Total	Management	Associates	Total
Transactions						
Interest income	7	0	7	3	105	108
Interest expenses	87	0	87	21	0	21
Services purchased	137	0	137	140	0	140
Impairment expenses	1	0	1	2	0	2

Services purchased from management contain consultations and rent. Rent contract end date is August 2024 and consultation contracts can be canceled within 1 week notice. All conditions meet market prices and practices.

The table provides an overview of the significant transactions and balances with related parties. Inbank finances its subsidiaries and branches with loans issued under market conditions. Interest rates are between 3.3% and 10% (2023: 0% and 9.9%). Such loans are eliminated from the consolidated financial statements.

Loans given to management board members are issued on market terms, with an interest rate 5.9%-20% (2023: 5.9%-20%). No debt claims have been sold to the associated company in 2024 (debt claims sold to the associated company in 2023: 8,361 thousand euros). The interest rate of deposits received from related parties matches with the interest rate offered to customers, interest rates are between 1.8% and 3.3% (2023: 1.32 and 8%).

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