



# Interim Report Q4 2021

AS Inbank

# AS Inbank General Information

Business name	AS Inbank
Address	Niine 11, 10414 Tallinn, Estonia
Registration date	05 October 2010
Registry code	12001988 (Commercial Register of the Republic of Estonia)
Legal entity identifier	2138005M92IEIQVEL297 (LEI-code)
Telephone	+372 640 8080
E-mail	info@inbank.ee
Website	www.inbank.ee
Reporting period	01.01.2021-31.12.2021

## Members of the Supervisory Board

Jan Andresoo, Chairman

Rain Rannu

Raino Paron

Roberto de Silvestri

Taavi Kotka

Triinu Bucheton

## Members of the Management Board

Priit Põldoja, Chairman

Benas Pavlauskas

Jaanus Kõusaar

Maciej Pieczkowski

Margus Kastein

Marko Varik

Piret Paulus

AS Inbank interim report for Q4 2021 is unaudited.

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

# Declaration of the Management Board

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

- the data and information presented in this interim report for the Q4 of 2021 consisting of the management report and financial statements as at 31 December 2021 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 December 2021, its financial performance and cash flows for the Q4 of 2021;
- 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 2020.

AS Inbank is a going concern.

Tallinn, 28 February 2022

**Priit Põldoja**

*Chairman of the Management Board*

# Management report

In the fourth quarter, we successfully continued our partner-based sales strategy and once again broke previous sales records. Strong sales growth shows that consumer confidence continues to grow and financing volumes are exceeding pre-Covid levels. Inbank's quarterly sales of credit products amounted to 141 million euros, which was almost 52 million more than in the fourth quarter of last year and 6 million more than the previous peak in the third quarter of 2021. The profit for the fourth quarter was 2.9 million euros, which is 71% more than a year ago.

In 2021, Inbank financed retail customers in the amount of 500 million euros, up 64% compared to the same period a year ago. Inbank's loan portfolio grew 50% year on year and reached 604 million euros. Inbank's deposits increased by 58% over the year to 618 million euros.

As expected, sales growth mainly came from sales finance, which amounted to almost 360 million euros or 74% more than a year earlier. At the same time, all product groups showed good and broad-based growth. Of the markets, Poland grew the fastest, with sales volumes more than doubling to 230 million euros. Thanks to strong growth of solar panel financing in Poland, green financing already accounts for 26% of Inbank's loan portfolio.

Since the second quarter of 2020, Inbank's business model has undergone a major change. The effective interest rate of the Inbank credit portfolio was 13.3% in 2019 and 11.6% in 2020 but fell to 9.5% last year. The main reasons for the margin drop were successful growth in Poland, where competition is stronger, and a significantly higher share of green financing and car leasing in new sales, where contracts have a longer maturity and lower interest rate.

Rapid growth and new development opportunities also require Inbank to continuously raise capital. In the final quarter of last year, we were particularly active in this area, raising 25.5 million euros in new capital through three capital instruments. At the end of October, we raised 4.5 million euros of additional Tier 1 capital at 7.5% interest. In December, we issued subordinated bonds on the Nasdaq Tallinn stock exchange worth 15 million euros with an interest rate of 5.5%. We ended the year raising 6 million euros in equity, bringing the market value of Inbank to almost 225 million euros. A solid capitalisation level and strong investor interest in Inbank shares and bonds give us a good basis for future international growth.

Inbank made its largest ever profit of 11 million euros in 2021. Compared to the previous year, the profit increased by 86%. The return on equity was 15.6%. Trends over the past few quarters show that Inbank's business model has reached a new equilibrium and will enter 2022 with fast growth, lower margins and with a better risk profile.

Overall, we are very happy with 2021 results. In another difficult year, Inbank managed to grow its business by more than half. We put our foot firmly down in the Polish market and decided to expand into the Czech market. We continued to invest in both technology and new ventures. We improved profitability, strengthened our capital base and expanded our international organisation to 290 people in five countries.

**Priit Põldoja**

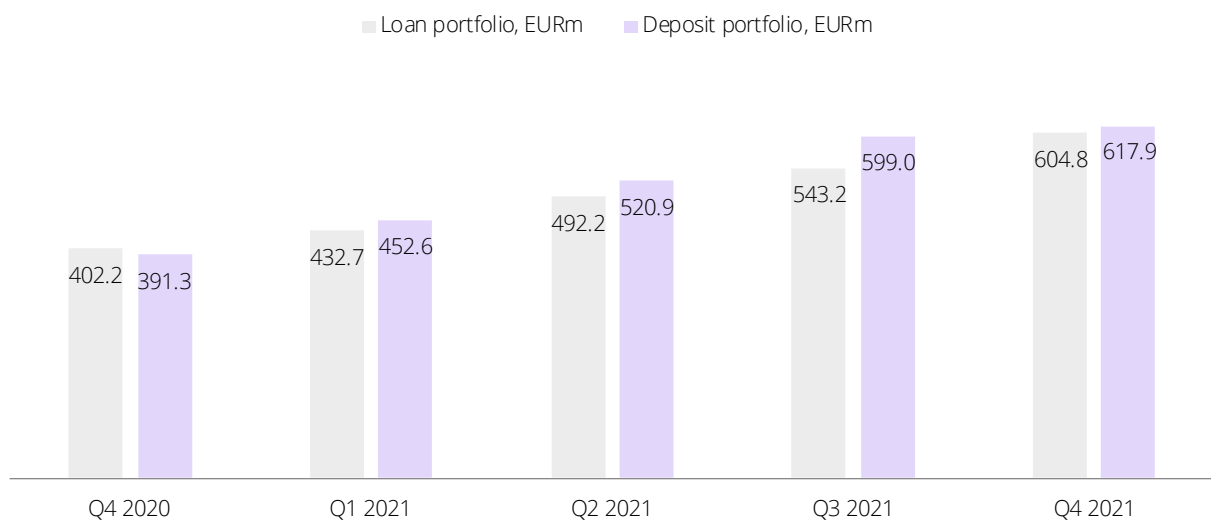
*Chairman of the Management Board*

# Key financial indicators and ratios

## Key financial indicators

In millions of euros	31.12.2021	31.12.2020	% change
Total assets	787.0	490.0	60.6%
Equity	79.0	61.2	29.1%
Net profit	11.0	5.9	85.8%
Loan portfolio	604.8	402.2	50.4%
Deposit portfolio	617.9	391.3	57.9%

## Loan and deposit portfolio development



## Ratios

	12 months 2021	12 months 2020
Return on equity	15.6%	10.8%
Return on total assets	1.7%	1.2%
Net interest margin	6.6%	7.8%
Impairment losses to loan portfolio (risk expense)	1.3%	3.1%
Cost/income ratio	56.8%	49.7%
Equity to total assets	10.0%	12.5%

### Explanations (key ratios are annualized):

**Return on equity:** net profit attributable to owners of the parent / total equity attributable to owners of the parent (average over the period)

**Return on total assets:** net profit attributable to owners of the parent / total assets (average over the period)

**Net interest margin:** net interest income / interest-bearing assets (average over the period)

**Impairment losses to loan portfolio (risk expense):** impairment losses on loans / loan portfolio (average over the period)

**Cost/income ratio:** total operating expenses / total income

**Equity to total assets:** total equity attributable to shareholders of parent company / total assets

# Condensed consolidated interim financial statements

## Condensed consolidated statement of financial position

In thousands of euros	Note	31.12.2021	31.12.2020
<b>Assets</b>			
Due from central banks	8	77,453	27,445
Due from credit institutions	8	17,870	19,784
Investments in debt securities	9	7,684	13,618
Loans and advances	3; 7; 21	604,848	402,212
Investments in associates	10	774	4,026
Tangible assets		19,147	833
Right of use asset	11	25,231	1,157
Intangible assets	12	22,423	16,139
Other financial assets	13	1,972	1,350
Other assets	13	2,948	1,297
Deferred tax asset		2,401	2,170
Assets held for sale		4,203	0
<b>Total assets</b>	<b>3</b>	<b>786,954</b>	<b>490,031</b>
<b>Liabilities</b>			
Customer deposits	14; 21	617,857	391,341
Other financial liabilities	17; 21	49,188	12,218
Current tax liability		284	864
Deferred tax liability		125	0
Other liabilities	17	3,296	2,810
Debt securities issued	15	0	4,010
Subordinated debt securities	16	37,187	17,563
<b>Total liabilities</b>	<b>3</b>	<b>707,937</b>	<b>428,806</b>
<b>Equity</b>			
Share capital	19	997	961
Share premium	19	30,436	23,865
Statutory reserve capital	20	96	90
Other reserves	20	1,625	1,438
Retained earnings		45,863	34,871
<b>Total equity</b>		<b>79,017</b>	<b>61,225</b>
<b>Total liabilities and equity</b>		<b>786,954</b>	<b>490,031</b>

Notes set out on pages 10 - 31 form an integral part of the consolidated financial statements.

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

In thousands of euros	Note	Q4 2021	12 months 2021	Q4 2020	12 months 2020
Interest income based on EIR	4	13,179	48,038	11,061	43,035
Interest expense	4	-2,598	-9,590	-1,945	-7,855
<b>Net interest income</b>	<b>4</b>	<b>10,581</b>	<b>38,448</b>	<b>9,116</b>	<b>35,180</b>
Fee income	5	661	2,200	551	1,362
Fee expense	5	-810	-3,117	-915	-2,463
<b>Net fee and commission income</b>	<b>5</b>	<b>-149</b>	<b>-917</b>	<b>-364</b>	<b>-1,101</b>
Other operating income		5,786	19,347	299	768
Other operating expense		-3,839	-13,833	0	0
<b>Total net interest, fee and other income and expenses</b>		<b>12,379</b>	<b>43,045</b>	<b>9,051</b>	<b>34,847</b>
Personnel expenses	6	-3,093	-11,623	-2,199	-9,207
Marketing expenses	6	-1,003	-2,829	-556	-1,557
Administrative expenses	6	-2,318	-6,627	-1,162	-4,223
Depreciations, amortisation	12	-939	-3,360	-707	-2,334
<b>Total operating expenses</b>		<b>-7,353</b>	<b>-24,439</b>	<b>-4,624</b>	<b>-17,321</b>
<b>Profit before profit from associates and impairment losses on loans</b>		<b>5,026</b>	<b>18,606</b>	<b>4,427</b>	<b>17,526</b>
Share of profit from subsidiaries and associates	10	72	335	121	789
Impairment losses on loans and advances	7	-1,671	-6,668	-2,317	-11,546
<b>Profit before income tax</b>		<b>3,427</b>	<b>12,273</b>	<b>2,231</b>	<b>6,769</b>
Income tax		-490	-1,310	-517	-867
<b>Profit for the period</b>		<b>2,937</b>	<b>10,963</b>	<b>1,714</b>	<b>5,902</b>
<b>Other comprehensive income that may be reclassified subsequently to profit or loss</b>					
Currency translation differences		42	-59	-24	-219
<b>Total comprehensive income for the period</b>		<b>2,979</b>	<b>10,904</b>	<b>1,690</b>	<b>5,683</b>

Notes set out on pages 10 - 31 form an integral part of the consolidated financial statements.



## Condensed consolidated statement of cash flows

In thousands of euros	Note	12 months 2021	12 months 2020
<b>Cash flows from operating activities</b>			
Interest received	4	47,450	43,258
Interest paid	4	-7,953	-5,938
Fees received	5	2,200	1,362
Fees paid	5	-3,117	-2,463
Other operating income received		19,937	768
Other operating expense paid		-13,856	0
Personnel expenses	6	-11,503	-9,190
Administrative and marketing expenses	6	-7,767	-6,878
Corporate income tax paid		-1,943	-693
<b>Cash flows from operating activities before changes from the operating assets and liabilities</b>		<b>23,448</b>	<b>20,226</b>
<b>Changes in operating assets</b>			
Loans and advances		-193,373	-77,416
Mandatory reserve in central banks		-5,151	1,812
Other assets		-5,902	-552
<b>Changes of operating liabilities</b>			
Customer deposits		224,505	11,905
Other liabilities		6,778	287
<b>Net cash from operating activities</b>		<b>50,305</b>	<b>-43,738</b>
<b>Cash flows from investing activities</b>			
Investments in debt securities		5,993	-13,627
Acquisition of tangible and intangible assets	12	-22,026	-6,142
Acquisition of subsidiaries and associates	10	-3,405	926
<b>Net cash used in investing activities</b>		<b>-19,438</b>	<b>-18,843</b>
<b>Cash flows from financing activities</b>			
Share capital contribution (including share premium)		6,607	8,180
Subordinated debt securities issued		19,500	0
Repayments of debt securities		-4,000	0
Lease liability payments		-9,990	-592
<b>Net cash used in financing activities</b>		<b>12,117</b>	<b>7,588</b>
Effect of exchange rate changes		-23	301
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>8</b>	<b>44,476</b>	<b>99,168</b>
Net increase/decrease in cash and cash equivalents	8	42,961	-54,692
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>8</b>	<b>87,437</b>	<b>44,476</b>

Notes set out on pages 10 - 31 form an integral part of the consolidated 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, 01.01.2020</b>	<b>903</b>	<b>15,908</b>	<b>88</b>	<b>1,463</b>	<b>28,958</b>	<b>47,320</b>
Paid in share capital	58	7,957	0	0	0	8,015
Share-based payment reserve	0	0	0	194	13	207
Statutory reserve capital	0	0	2	0	-2	0
Total profit for the reporting period	0	0	0	0	5,902	5,902
Other comprehensive income	0	0	0	-219	0	-219
<b>Balance, 31.12.2020</b>	<b>961</b>	<b>23,865</b>	<b>90</b>	<b>1,438</b>	<b>34,871</b>	<b>61,225</b>
<b>Balance, 01.01.2020</b>	<b>961</b>	<b>23,865</b>	<b>90</b>	<b>1,438</b>	<b>34,871</b>	<b>61,225</b>
Paid in share capital	36	6,571	0	0	0	6,607
Share-based payment reserve	0	0	0	246	35	281
Statutory reserve capital	0	0	6	0	-6	0
Total profit for the reporting period	0	0	0	0	10,963	10,963
Other comprehensive income	0	0	0	-59	0	-59
<b>Balance, 31.12.2021</b>	<b>997</b>	<b>30,436</b>	<b>96</b>	<b>1,625</b>	<b>45,863</b>	<b>79,017</b>

Notes set out on pages 10 - 31 form an integral part of the consolidated 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 2020, 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 2020, which has been prepared in accordance with the International Financial Reporting Standards (IFRS).

In addition to AS Inbank, the Inbank consolidation group includes following companies:

Company name	Year of purchase/founded	Location	Activity	Holding (%)	Cost (EURt)
SIA Inbank Latvia	2014	Latvia	Financing	100	519
AS Inbank filialas	2019	Lithuania	Banking, branch		
AS Inbank Spółka Akcyjna Oddział w Polsce	2016	Poland	Banking, branch		
AS Inbank, odštěpný závod	2021	Czech	Banking, branch		
Inbank Technologies OÜ	2015	Estonia	Hardware rental	100	6,360
Maksekeskus Holding OÜ	2015	Estonia	Holding company	100	6,722
Inbank Payments OÜ	2019	Estonia	Holding company	100	3
AS Aktiva Portfolio	2020	Estonia	Debt collection management	34	506
Maksekeskus AS	2016	Estonia	Payment services	30	4,203
Mobire Group OÜ	2021	Estonia	Full service rent	53	3,445
Mobire Eesti AS	2021	Estonia	Full service rent	53	
Mobire Latvija SIA	2021	Latvia	Full service rent	53	
Mobire Lietuva UAB	2021	Lithuania	Full service rent	53	
Inbank Finance AS	2021	Estonia	Financing	100	33,135
Paywerk AS	2021	Estonia	Payment services	28,5	269

Associated companies Maksekeskus AS, AS Aktiva Portfolio and Paywerk AS are accounted for using the equity method.

## Note 2 Significant accounting estimates

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, the write-down of impaired loans, impairment of tangible and intangible assets, deferred taxes and share-based payments.

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

## Note 3 Business segments

Inbank divides its business activities into segments according to the geographical location of activities in Estonia, Latvia, Lithuania and Poland. The Estonian business segment includes Inbank and its subsidiary Inbank Finance. The financial indicators of the newly started Czech branch are insignificant; thus, they have been included in the Estonian business. Investments include companies that have investments in associates and subsidiaries, including Mobire, together with its subsidiaries in Latvia and Lithuania. Business segments are Inbank companies with separate financial data, which is also the basis upon the regular monitoring of business results by the decision makers of Inbank. Inbank monitors profitability, cost/benefit ratio, growth and quality of credit portfolio and impairment losses for each operating segment.

The business of Estonia, Latvia, Lithuania, and Poland is the offering of credit products with the largest product group being hire purchase. Inbank Technologies, which is part of the investment segment, offers hardware rental to the consolidation group companies and Mobire offers full-service car rental services.

The revenues of the reported segments contain revenues from transactions between the segments. Such transactions include loans given by Inbank, as well as services provided to the companies of the consolidation group by Inbank Technologies. 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.

### Equity of major subsidiaries

In thousands of euros	31.12.2021	31.12.2020
SIA Inbank Latvia	5,148	3,991
Mobire Group OÜ	9,097	-
AS Inbank Finance	36,446	-
Inbank Technologies OÜ	7,112	3,642
Maksekeskus Holding OÜ	5,542	1,692

The development of segment revenue and net profit is presented below, in which significant segments are presented separately.

Income of reported segments and net profit structure

In thousands of euros							
12 months 2021	Estonia	Latvia	Lithuania	Poland	Investments	Eliminations	Total
Interest income based on EIR	22,183	4,775	15,197	10,107	20	-4,244	48,038
incl. income from external customers	17,939	4,775	15,197	10,107	20	0	48,038
incl. Income from internal customers	4,244	0	0	0	0	-4,244	0
Fee income	1,313	214	19	654	0	0	2,200
Other operating income	5,936	51	220	146	19,457	-6,463	19,347
incl. income from external customers	321	41	146	24	18,815	0	19,347
incl. Income from internal customers	5,615	10	74	122	642	-6,463	0
<b>Total income</b>	<b>29,432</b>	<b>5,040</b>	<b>15,436</b>	<b>10,907</b>	<b>19,477</b>	<b>-10,707</b>	<b>69,585</b>
Interest expense	-7,622	-571	-2,220	-2,615	-806	4,244	-9,590
Fee expense	-1,129	-184	-966	-838	0	0	-3,117
Other operating expense	-1	0	0	-19	-14,422	586	-13,856
<b>Total expenses</b>	<b>-8,752</b>	<b>-755</b>	<b>-3,186</b>	<b>-3,472</b>	<b>-15,228</b>	<b>4,830</b>	<b>-26,563</b>
<b>Total net interest, fee and commission income and other income</b>	<b>20,680</b>	<b>4,285</b>	<b>12,250</b>	<b>7,435</b>	<b>4,249</b>	<b>-5,877</b>	<b>43,022</b>
Operating expenses	-14,198	-2,652	-7,675	-3,250	-2,617	5,976	-24,416
incl. depreciations, amortisation	-2,150	-195	-737	-90	-212	24	-3,360
<b>Profit before profit from associates and impairment losses on loans</b>	<b>6,482</b>	<b>1,633</b>	<b>4,575</b>	<b>4,185</b>	<b>1,632</b>	<b>99</b>	<b>18,606</b>
Profit of subsidiaries and associates	-150	0	0	0	485	0	335
Impairment losses on loans and advances	-2,758	-475	-1,483	-1,952	0	0	-6,668
<b>Profit before income tax</b>	<b>3,574</b>	<b>1,158</b>	<b>3,092</b>	<b>2,233</b>	<b>2,117</b>	<b>99</b>	<b>12,273</b>
Income tax	-143	0	-736	-457	26	0	-1,310
<b>Net profit/loss</b>	<b>3,431</b>	<b>1,158</b>	<b>2,356</b>	<b>1,776</b>	<b>2,143</b>	<b>99</b>	<b>10,963</b>
<b>Total assets</b>	<b>630,791</b>	<b>46,081</b>	<b>149,963</b>	<b>262,894</b>	<b>66,791</b>	<b>-369,566</b>	<b>786,954</b>
<b>Total liabilities</b>	<b>540,635</b>	<b>40,933</b>	<b>131,283</b>	<b>267,462</b>	<b>45,037</b>	<b>-317,413</b>	<b>707,937</b>

In thousands of euros							
Q4 2021	Estonia	Latvia	Lithuania	Poland	Investments	Eliminations	Total
Interest income based on EIR	6,328	1,333	3,832	3,407	2	-1,723	13,179
incl. income from external customers	4,605	1,333	3,832	3,407	2	0	13,179
incl. income from internal customers	1,723	0	0	0	0	-1,723	0
Fee income	357	54	19	231	0	0	661
Other operating income	2,508	8	61	27	5,718	-2,536	5,786
incl. income from external customers	76	9	43	7	5,651	0	5,786
incl. income from internal customers	2,432	-1	18	20	67	-2,536	0
<b>Total income</b>	<b>9,193</b>	<b>1,395</b>	<b>3,912</b>	<b>3,665</b>	<b>5,720</b>	<b>-4,259</b>	<b>19,626</b>
Interest expense	-2,444	-182	-625	-834	-236	1,723	-2,598
Fee expense	-281	-49	-244	-236	0	0	-810
Other operating expense	-1	0	0	-19	-3,991	149	-3,862
<b>Total expenses</b>	<b>-2,726</b>	<b>-231</b>	<b>-869</b>	<b>-1,089</b>	<b>-4,227</b>	<b>1,872</b>	<b>-7,270</b>
<b>Total net interest, fee and commission income and other income</b>	<b>6,467</b>	<b>1,164</b>	<b>3,043</b>	<b>2,576</b>	<b>1,493</b>	<b>-2,387</b>	<b>12,356</b>
Operating expenses	-4,558	-835	-2,316	-1,069	-837	2,285	-7,330
incl. depreciations, amortisation	-624	-47	-198	-19	-61	10	-939
<b>Profit before profit from associates and impairment losses on loans</b>	<b>1,909</b>	<b>329</b>	<b>727</b>	<b>1,507</b>	<b>656</b>	<b>-102</b>	<b>5,026</b>
Profit of subsidiaries and associates	-39	0	0	0	111	0	72
Impairment losses on loans and advances	-514	-159	-431	-567	0	0	-1,671
<b>Profit before income tax</b>	<b>1,356</b>	<b>170</b>	<b>296</b>	<b>940</b>	<b>767</b>	<b>-102</b>	<b>3,427</b>
Income tax	-15	0	-204	-261	-10	0	-490
<b>Net profit/loss</b>	<b>1,341</b>	<b>170</b>	<b>92</b>	<b>679</b>	<b>757</b>	<b>-102</b>	<b>2,937</b>

## In thousands of euros

12 months 2020	Estonia	Latvia	Lithuania	Poland	Investments	Eliminations	Total
Interest income based on EIR	21,863	4,828	15,953	4,665	29	-4,303	43,035
incl. income from external customers	17,560	4,828	15,953	4,665	29	0	43,035
incl. income from internal customers	4,303	0	0	0	0	-4,303	0
Fee income	1,051	242	0	68	1	0	1,362
Other operating income	1,461	69	143	80	493	-1,478	768
incl. income from external customers	476	69	143	80	0	0	768
incl. income from internal customers	985	0	0	0	493	-1,478	0
<b>Total income</b>	<b>24,375</b>	<b>5,139</b>	<b>16,096</b>	<b>4,813</b>	<b>523</b>	<b>-5,781</b>	<b>45,165</b>
Interest expense	-6,315	-698	-3,644	-1,501	0	4,303	-7,855
Fee expense	-769	-159	-976	-559	0	0	-2,463
Other operating expense	0	0	0	0	0	0	0
<b>Total expenses</b>	<b>-7,084</b>	<b>-857</b>	<b>-4,620</b>	<b>-2,060</b>	<b>0</b>	<b>4,303</b>	<b>-10,318</b>
<b>Total net interest, fee and commission income and other income</b>	<b>17,291</b>	<b>4,282</b>	<b>11,476</b>	<b>2,753</b>	<b>523</b>	<b>-1,478</b>	<b>34,847</b>
Operating expenses	-9,470	-1,908	-5,060	-1,731	-630	1,478	-17,321
incl. depreciations, amortisation	-1,379	-151	-567	-103	-134	0	-2,334
<b>Profit before profit from associates and impairment losses on loans</b>	<b>7,821</b>	<b>2,374</b>	<b>6,416</b>	<b>1,022</b>	<b>-107</b>	<b>0</b>	<b>17,526</b>
Profit of subsidiaries and associates	375	0	0	0	414	0	789
Impairment losses on loans and advances	-5,451	-885	-3,170	-2,039	-1	0	-11,546
<b>Profit before income tax</b>	<b>2,745</b>	<b>1,489</b>	<b>3,246</b>	<b>-1,017</b>	<b>306</b>	<b>0</b>	<b>6,769</b>
Income tax	-396	0	-552	181	-100	0	-867
<b>Net profit/loss</b>	<b>2,349</b>	<b>1,489</b>	<b>2,694</b>	<b>-836</b>	<b>206</b>	<b>0</b>	<b>5,902</b>
<b>Total assets</b>	<b>354,705</b>	<b>28,573</b>	<b>144,238</b>	<b>114,099</b>	<b>5,584</b>	<b>-157,168</b>	<b>490,031</b>
<b>Total liabilities</b>	<b>308,003</b>	<b>24,582</b>	<b>127,913</b>	<b>120,384</b>	<b>347</b>	<b>-152,423</b>	<b>428,806</b>



## In thousands of euros

Q4 2020	Estonia	Latvia	Lithuania	Poland	Investments	Eliminations	Total
Interest income based on EIR	5,169	1,136	3,927	1,508	0	-679	11,061
incl. income from external customers	4,490	1,136	3,927	1,508	0	0	11,061
incl. Income from internal customers	679	0	0	0	0	-679	0
Fee income	453	56	0	42	0	0	551
Other operating income	769	18	69	5	493	-1,055	299
incl. income from external customers	-146	18	69	5	353	0	299
incl. Income from internal customers	915	0	0	0	140	-1,055	0
<b>Total income</b>	<b>6,391</b>	<b>1,210</b>	<b>3,996</b>	<b>1,555</b>	<b>493</b>	<b>-1,734</b>	<b>11,911</b>
Interest expense	-1,470	-122	-570	-470	8	679	-1,945
Fee expense	-446	-41	-248	-180	0	0	-915
Other operating expense	0	0	0	0	0	0	0
<b>Total expenses</b>	<b>-1,916</b>	<b>-163</b>	<b>-818</b>	<b>-650</b>	<b>8</b>	<b>679</b>	<b>-2,860</b>
<b>Total net interest, fee and commission income and other income</b>	<b>4,475</b>	<b>1,047</b>	<b>3,178</b>	<b>905</b>	<b>501</b>	<b>-1,055</b>	<b>9,051</b>
Operating expenses	-2,424	-750	-1,810	-421	-274	1,055	-4,624
incl. depreciations, amortisation	-450	-39	-154	-25	-39	0	-707
<b>Profit before profit from associates and impairment losses on loans</b>	<b>2,051</b>	<b>297</b>	<b>1,368</b>	<b>484</b>	<b>227</b>	<b>0</b>	<b>4,427</b>
Profit of subsidiaries and associates	0	0	0	0	121	0	121
Impairment losses on loans and advances	-1,208	-197	-452	-459	-1	0	-2,317
<b>Profit before income tax</b>	<b>843</b>	<b>100</b>	<b>916</b>	<b>25</b>	<b>347</b>	<b>0</b>	<b>2,231</b>
Income tax	-150	0	-739	472	-100	0	-517
<b>Net profit/loss</b>	<b>693</b>	<b>100</b>	<b>177</b>	<b>497</b>	<b>247</b>	<b>0</b>	<b>1,714</b>

## Note 4 Net interest income

### Net interest income

In thousands of euros	Q4 2021	12 months 2021	Q4 2020	12 months 2020
<b>Interest income based on EIR</b>				
Loans to households	13,111	47,675	10,913	42,640
Loans to corporates	241	314	147	522
Due from financial and credit institutions	-173	49	1	-127
<b>Total interest income</b>	<b>13,179</b>	<b>48,038</b>	<b>11,061</b>	<b>43,035</b>
<b>Interest expense</b>				
Deposits received	-2,049	-7,625	-1,595	-6,458
Debt securities sold	-400	-1,356	-343	-1,372
Lease liability	-149	-609	-7	-25
<b>Total interest expense</b>	<b>-2,598</b>	<b>-9,590</b>	<b>-1,945</b>	<b>-7,855</b>
<b>Net interest income</b>	<b>10,581</b>	<b>38,448</b>	<b>9,116</b>	<b>35,180</b>

## Note 5 Net fee and commission income

### Net fee and commission income

In thousands of euros	Q4 2021	12 months 2021	Q4 2020	12 months 2020
<b>Fee income</b>				
Households	661	2,200	550	1,358
Corporates	0	0	1	4
<b>Total fee income</b>	<b>661</b>	<b>2,200</b>	<b>551</b>	<b>1,362</b>
<b>Fee expense</b>				
Loan administration expenses	-659	-2,330	-500	-1,849
Other fee expenses	-151	-787	-415	-614
<b>Total fee expense</b>	<b>-810</b>	<b>-3,117</b>	<b>-915</b>	<b>-2,463</b>
<b>Net fee income</b>	<b>-149</b>	<b>-917</b>	<b>-364</b>	<b>-1,101</b>

Loan administration expenses comprise of loan management costs, e.g. costs related to sending of notifications etc.

## Note 6 Operating expenses

### Operating expenses

In thousands of euros	Q4 2021	12 months 2021	Q4 2020	12 months 2020
<b>Personnel expenses</b>				
Personnel expense	2,497	9,367	1,739	7,448
Social and other taxes	596	2,256	460	1,759
<b>Total personnel expenses</b>	<b>3,093</b>	<b>11,623</b>	<b>2,199</b>	<b>9,207</b>
<b>Marketing expenses</b>				
Advertising and marketing	761	2,255	394	1,136
Sales costs	242	574	162	421
<b>Total marketing expenses</b>	<b>1,003</b>	<b>2,829</b>	<b>556</b>	<b>1,557</b>
<b>Administrative expenses</b>				
Office maintenance and workplace expenses	281	779	158	601
IT expenses	501	1,819	501	1,534
Legal and recovery proceeding expenses	198	631	129	461
Training and business trip expenses	99	216	20	207
Supervision expenses	143	500	119	341
Transportation expenses	63	185	40	168
Other	1,033	2,497	195	911
<b>Total administrative expenses</b>	<b>2,318</b>	<b>6,627</b>	<b>1,162</b>	<b>4,223</b>

## Note 7 Loans and advances

### Distribution of receivables by customer sector

In thousands of euros	31.12.2021	31.12.2020
<b>Distribution of receivables by customer sector</b>		
Households	607,343	403,861
Corporates	8,848	11,593
<b>Loans and advances before impairment allowance</b>	<b>616,191</b>	<b>415,454</b>
Impairment allowance	-11,343	-13,242
<b>Total loans and advances</b>	<b>604,848</b>	<b>402,212</b>

### Impairment losses on loans and advances

In thousands of euros	12 months 2021	12 months 2020
<b>Impairment losses on loans and advances</b>		
Impairment losses of reporting period	-12,690	-18,713
Recoveries from written off from financial position	6,022	7,167
<b>Total impairment losses on loans and advances</b>	<b>-6,668</b>	<b>-11,546</b>

## Changes in impairments

In thousands of euros	31.12.2021	31.12.2020
<b>Changes in impairments</b>		
Impairment allowance balance in the beginning of the period	-13,242	-8,295
Impairment provisions set up during reporting period	12,690	-18,713
Written off from financial position during the period	-10,791	13,766
<b>Total impairment</b>	<b>-11,343</b>	<b>-13,242</b>

Inbank regularly sells receivables that are more than 90 days overdue, with no obligation to repurchase (except for fraud or death of the customer). The difference between pre-transaction and post transaction debt carrying amount is recognised in income statement and the total amount of debt is written off in the statement of financial position.

## Distribution of receivables from households

In thousands of euros		Impairment allowance			Net receivables	Impairment coverage
31.12.2021	Gross receivables	Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	580,325	-4,036	-113	-353	575,823	0.8%
4-30 days	13,606	-923	-116	-108	12,459	8.4%
31-89 days	8,201	-1	-1,412	-207	6,581	19.8%
90-179 days	1,341	0	0	-860	481	64.1%
180+ days	3,870	0	0	-3,189	681	82.4%
<b>Total receivables</b>	<b>607,343</b>	<b>-4,960</b>	<b>-1,641</b>	<b>-4,717</b>	<b>596,025</b>	<b>1.9%</b>

31.12.2020		Impairment allowance			Net receivables	Impairment coverage
Distribution of receivables	Gross receivables	Stage 1	Stage 2	Stage 3		
0-3 days	360,075	-3,286	-49	-126	356,614	1.0%
4-30 days	27,698	-1,722	-51	-124	25,801	6.8%
31-89 days	8,173	-5	-1,640	-201	6,327	22.6%
90-179 days	1,238	0	0	-711	527	57.4%
180+ days	6,677	0	0	-5,289	1,388	79.2%
<b>Total receivables</b>	<b>403,861</b>	<b>-5,013</b>	<b>-1,740</b>	<b>-6,451</b>	<b>390,657</b>	<b>3.3%</b>

## Distribution of receivables from corporates

In thousands of euros

31.12.2021	Gross	Impairment allowance			Net	Impairment
Distribution of receivables	receivables	Stage 1	Stage 2	Stage 3	receivables	coverage
0-3 days	6,187	-14	0	0	6,173	0.2%
4-30 days	2,661	-11	0	0	2,650	0.4%
31-89 days	0	0	0	0	0	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>8,848</b>	<b>-25</b>	<b>0</b>	<b>0</b>	<b>8,823</b>	<b>0.3%</b>

31.12.2020	Gross	Impairment allowance			Net	Impairment
Distribution of receivables	receivables	Stage 1	Stage 2	Stage 3	receivables	coverage
0-3 days	11,544	-33	0	0	11,511	0.3%
4-30 days	4	0	0	0	4	0.0%
31-89 days	1	0	0	0	1	0.0%
90-179 days	9	0	0	-2	7	22.2%
180+ days	35	0	0	-3	32	8.6%
<b>Total receivables</b>	<b>11,593</b>	<b>-33</b>	<b>0</b>	<b>-5</b>	<b>11,555</b>	<b>0.3%</b>

According to management's estimates, overdues up to 3 days do not objectively reflect the quality of customer receivables as overdues of that tenure are often the result of interbank payments processing rules.

## Note 8 Due from central banks and credit institutions

## Due from central banks and credit institutions

In thousands of euros	31.12.2021	31.12.2020
Due from central banks	69,549	24,692
Mandatory reserve in central banks	7,904	2,753
Due from credit institutions	17,870	19,784
<b>Total due from central banks and credit institutions</b>	<b>95,323</b>	<b>47,229</b>

Cash and cash equivalents in the statement of cash flows include cash in hand, receivables from central banks (excluding the statutory reserve) and short-term (up to 3 months) receivables from other credit institutions.

## Note 9 Investments in debt securities

### Investments in debt securities

In thousands of euros	31.12.2021	31.12.2020
Investments in debt securities	7,589	13,582
incl. investments in central government debt securities	0	10,009
incl. investments in corporate debt securities	7,589	3,537
Interest accruals	95	36
<b>Total investments in debt securities</b>	<b>7,684</b>	<b>13,618</b>

As of 31.12.2021, Inbank's debt securities portfolio consists of long-term securities with different maturities between 29.09.2027 and 29.12.2028 with an interest rate of 3% p.a. + 12 months euribor.

## Note 10 Business combinations and investments to associates

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

Maksekeskus AS, AS Aktiva Portfolio and Paywerk AS are associates of the Inbank consolidation group and the rest of the companies are subsidiaries.

Maksekeskus AS is one of the largest payment services providers in Estonia, also operating in Latvia and Lithuania. AS Aktiva Portfolio has been established for more efficient management of debt portfolio. Paywerk AS is a start-up company that will offer a cross-border "pay later" service. Inbank has several synergies with the new company that may support the bank's growth in both existing and new markets in the future.

Investments are accounted for using the equity method. In 2021, income from equity investments was calculated in the amount of EUR 335 thousand (2020: EUR 414 thousand).

### Balance sheet values of associates

In thousands of euros	31.12.2021	31.12.2020
Maksekeskus AS	4,203	3,689
AS Aktiva Portfolio	506	337
Paywerk AS	269	0
<b>Total value of associates in the balance sheet</b>	<b>4,978</b>	<b>4,026</b>

## Purchase analysis of Mobire Group OÜ

In January 2021, Inbank acquired 53% of the shares in Mobire, a full-service rental company. The purpose of the transaction was to strengthen Inbank's position in the car financing market and to enter an innovative fixed use car business model. Joint synergies are seen in the growth opportunities in the Latvian and Lithuanian markets.

Share %	53
Acquisition date	25.01.2021
	<b>Fair value acquired</b>
Cash and cash equivalents	313
Loans and advances	200
Non-current asset	35,003
Other financial and non-financial liabilities	3,376
Loans received	-136
Other liabilities	-31,862
Net identified assets and liabilities	6,894
Total consideration paid	-3,100
Consideration future payment 2022, financial liability	-345
Redemption liability	-6,215
Goodwill	2,766

Mobire's profit from the time of purchase until the reporting date of 31.12.2021 amounted to EUR 2,202 thousand. The purchase and sale agreement includes Inbank's option to acquire 100% of the shares of Mobire Group OÜ, therefore the non-controlling interest is recognized as a redemption liability.

## Acquisitions and disposals of associates

In thousands of euros	12 months 2021	12 months 2020
<b>Acquisitions</b>		
Equity contribution, financial assets at fair value through profit and loss	3,150	0
Equity contribution, associates	619	305
<b>Total acquisitions</b>	<b>3,769</b>	<b>305</b>
<b>Disposals</b>		
Proceeds from disposals of subsidiary	0	780
<b>Total disposals</b>	<b>0</b>	<b>780</b>

In 2020, Inbank sold its 100% share in the full-service leasing company Inbank Liising AS (now called Täisteenusliisingu AS). The price of the sale transaction was 780 thousand euros, of which the income received in the amount of 375 thousand euros is recognised in the income statement under "Share of profit from subsidiaries and associates".

Inbank has not received dividends from its associates.

## Note 11 Right of use asset and lease liability

Inbank rents various office facilities and vehicles. Leases have been entered into for a fixed period of 1 to 5 years. Under "Additions" are recognised the vehicle lease contracts through the acquisition of the subsidiary.

Distribution of right to use asset

In thousands of euros	Buildings	Vehicles	Total
<b>Carrying amount, 01.01.2020</b>	773	0	773
Paid in share capital	733	137	870
Statutory reserve capital	-476	-2	-478
Total profit for the reporting period	-8	0	-8
<b>Carrying amount, 31.12.2020</b>	1,022	135	1,157
<b>Carrying amount, 01.01.2021</b>	1,022	135	1,157
Paid in share capital	1,429	33,156	34,585
Share-based payment reserve	0	-5,945	-5,945
Statutory reserve capital	-509	-4,057	-4,566
<b>Carrying amount, 31.12.2021</b>	1,942	23,289	25,231

Interest expense from lease liability of the reporting period was EUR 609 thousand and Q4 2021 EUR 150 thousand (12 months 2020: EUR 25 thousand and Q4 2020: EUR 6 thousand).

Lease liability

In thousands of euros	31.12.2021	31.12.2020
Short-term lease liabilities	8,327	481
Long-term lease liabilities	18,167	687
<b>Total lease liabilities</b>	<b>26,494</b>	<b>1,168</b>



# Note 12 Intangible assets

## Intangible assets

In thousands of euros	Licences	Software	Internally generated software*	Goodwill	Total
Cost, 01.01.2021	164	9,275	3,101	6,157	18,697
Accumulated amortisation	-114	-1,771	-673	0	-2,558
<b>Opening carrying value</b>	<b>50</b>	<b>7,504</b>	<b>2,428</b>	<b>6,157</b>	<b>16,139</b>
Additions	0	3,521	2,402	2,766	8,689
Write-offs	-1	0	0	0	-1
Amortisation charge	-11	-1,948	-445	0	-2,404
<b>Closing carrying value</b>	<b>38</b>	<b>9,077</b>	<b>4,385</b>	<b>8,923</b>	<b>22,424</b>
Cost, 31.12.2021	163	12,796	5,503	8,923	27,385
Accumulated amortisation	-125	-3,719	-1,118	0	-4,962
<b>Carrying value</b>	<b>38</b>	<b>9,077</b>	<b>4,385</b>	<b>8,923</b>	<b>22,423</b>

\* Internally generated software consists of capitalised development costs.

Management has carried out tests of recoverable amount of goodwill as at 31 December 2021 and 31 December 2020. The cash generating units of goodwill are segments, which are entities of Inbank group. The breakdown of goodwill between segments is as follows:

The breakdown of goodwill between segments

In thousands of euros	31.12.2021	31.12.2020
<b>Business segment</b>		
Estonia	3,004	238
Lithuania	5,919	5,919
<b>Total</b>	<b>8,923</b>	<b>6,157</b>

The recoverable amount of goodwill was identified by value in use which was determined using detailed pre-tax operating cash flow estimates for the next three years. Discounted cash flow method (DCF) was used for the value in use assessment. The weighted average cost of capital used (Lithuanian branch 7.77% and Mobire 10.46%) was pre-tax and reflects specific risks applicable to the specific market and industry. The growth rates used for projections have been derived from the experience of the growth in respective industry and the management's expectations of the respective growth rates in the projected future years in the respective region.

The recoverable amount of the unit does not significantly differ from its carrying amount (including goodwill), therefore, no adjustments have been made to the consolidated statement of financial position.

## Note 13 Other assets

### Other assets

In thousands of euros	31.12.2021	31.12.2020
<b>Financial assets</b>		
Prepaid guarantee amounts	295	149
Accrued receivables	1,677	1,201
<b>Total financial assets</b>	<b>1,972</b>	<b>1,350</b>
<b>Non-financial assets</b>		
Prepaid expenses	2,704	772
Prepaid taxes	6	182
Other assets	238	343
<b>Total non-financial assets</b>	<b>2,948</b>	<b>1,297</b>

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

## Note 14 Customer deposits

### Deposits

In thousands of euros	31.12.2021	31.12.2020
<b>Customer deposits</b>		
Deposits from households	607,597	377,757
Deposits from non-financial corporates	8,142	9,357
Deposits from financial corporates	2,118	4,227
<b>Total customer deposits</b>	<b>617,857</b>	<b>391,341</b>

### Deposits by clients' residency

In thousands of euros	31.12.2021	31.12.2020
<b>Deposits by clients' residency</b>		
Estonia	60,253	66,900
Germany	264,731	186,587
Poland	251,335	106,365
Austria	11,122	10,072
Netherlands	27,678	18,687
Lithuania	2,404	2,523
Other residence	334	207
<b>Total deposits by clients' residency</b>	<b>617,857</b>	<b>391,341</b>

Deposits include accrued interest liabilities in the amount of EUR 7,728 thousand (31.12.2020: EUR 5,636 thousand).

## Note 15 Debt securities

### Debt securities

In thousands of euros	31.12.2021	31.12.2020
Debt securities issued	0	4,000
Interest accruals	0	10
<b>Total debt securities</b>	<b>0</b>	<b>4,010</b>

### Debt securities detailed information

Debt securities	Nominal value	Amount	Issue date	Maturity date
EE3300111673	250,000 EUR	16	28.02.2019	01.03.2021

The debt securities issued are recorded in the balance sheet at amortised cost.

## Note 16 Subordinated debt securities

### Subordinated debt securities

In thousands of euros	31.12.2021	31.12.2020
Subordinated debt securities issued	37,153	17,653
Interest accruals	34	-90
<b>Total subordinated debt securities</b>	<b>37,187</b>	<b>17,563</b>

### Subordinated debt securities detailed information

Subordinated debt securities	Nominal price	Amount	Interest rate	Issue date	Maturity date
EE3300110964	1,000 EUR	6,503	7.0%	28.09.2016	28.09.2026
EE3300111590	10,000 EUR	315	8.5%	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

Inbank's subordinated bonds include AT1 bonds included in Tier 1 capital. AT1 bond is a perpetual subordinated financial instrument, for which AS Inbank is obliged to pay quarterly perpetual coupon payments. The coupon payments may be deferred or cancelled at the discretion of AS Inbank. The AT1 bond is accounted for as liability because in specific circumstances AS Inbank is obliged to pay back the debt instrument to investors.

The subordinated debt securities issued are recorded in the balance sheet at amortised 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 17 Other liabilities

### Other liabilities

In thousands of euros	31.12.2021	31.12.2020
<b>Financial liabilities</b>		
Accounts payable	21,292	10,068
Lease liability	26,494	1,168
Client prepayments	1,402	982
<b>Total financial liabilities</b>	<b>49,188</b>	<b>12,218</b>
<b>Other liabilities</b>		
Payables to employees	2,147	1,964
Payroll taxes	711	480
Other liabilities	438	366
<b>Total other liabilities</b>	<b>3,296</b>	<b>2,810</b>

The accounts payable includes liabilities to customers and partners related loan granting activities and payments for operating expenses. Of the amount, EUR 4,664 thousand is Inbank's branch and subsidiaries liability to partners for loan granting activities (31.12.2020 EUR 6,484 thousand).

## Note 18 Contingent liabilities

### Contingent liabilities

In thousands of euros	31.12.2021	31.12.2020
<b>Revocable commitments</b>		
Liability in contractual amount	5,485	7,448
incl. unused credit card limits	3,460	5,111

## Note 19 Share capital

### Share capital

	No of shares	Nominal value (EURt)	Share premium (EURt)	Total
Balance, 01.01.2021	9,610,530	961	23,865	24,826
Share issue	356,667	36	6,571	6,607
incl. transaction costs arising on share issues	0	0	166	166
<b>Balance, 31.12.2021</b>	<b>9,967,197</b>	<b>997</b>	<b>30,436</b>	<b>31,433</b>

Inbank's share capital consists of 9,967,197 shares with a nominal value of 0.10 euros. All issued shares have been paid. The share premium reflects the difference between the nominal value of the shares and the contributions received.

## Note 20 Reserves

### Reserves

In thousands of euros	31.12.2021	31.12.2020
Statutory reserve	96	90
Voluntary reserve	1,330	1,330
Share based payments reserve	591	346
Other accumulated comprehensive income	-296	-238
<b>Total reserves</b>	<b>1,721</b>	<b>1,528</b>

A part of the annual net profit is transferred to the statutory reserve in accordance with the Commercial Code.

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

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.

# Note 21 Fair value of financial assets and liabilities

## Fair value of financial assets and liabilities

In thousands of euros	31.12.2021			31.12.2020		
	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level
<b>Assets</b>						
Due from central banks	77,453	77,453	2	27,445	27,445	2
Due from credit institutions	17,870	17,870	2	19,784	19,784	2
Investments in debt securities	7,684	7,684	3	13,618	13,618	3
Loans and advances	604,848	604,848	3	402,212	402,212	3
Other financial assets	1,972	1,972	3	1,350	1,350	3
<b>Total assets</b>	<b>709,827</b>	<b>709,827</b>		<b>464,409</b>	<b>464,409</b>	
<b>Liabilities</b>						
Customer deposits	617,857	617,857	2	391,341	391,341	2
Debt securities issued	0	0	3	4,010	4,010	3
Subordinated debt securities	30,382	29,524	2	14,954	14,476	2
Subordinated debt securities (AT1)	7,663	7,663	3	3,087	3,087	3
Other financial liabilities	49,188	49,188	3	12,218	12,218	3
<b>Total liabilities</b>	<b>705,090</b>	<b>704,232</b>		<b>425,610</b>	<b>425,132</b>	

Level 2 fair value is estimated using market information (rates and interest rate curves for similar transactions).

The fair value in 3 were estimated using the discounted cash flow valuation technique. The fair value of fixed rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

**The investments in debt securities** fair value does not differ significantly from the book value, classified as level 3 in fair value hierarchy.

**The small loans and hire-purchase products** granted to customers are short-term. The effective interest rate of consumer loans granted by Inbank is comparable to the interest rates of comparable loan products offered on the market. In general, the fair market interest and the fair value of loans have not significantly changed over the loan period. The carrying amount of loans does not therefore significantly differ from their fair value. Loans to customers are classified as level 3.

**Loans granted to corporates** are sufficiently short-term and the interest environment has remained stable ever since the issue of loans. In the management's opinion, their fair value does not therefore significantly differ from the net book value. Loans to corporates are classified as level 3.

**Fixed-interest customer deposits** are mostly short-term. The interest rate of term deposits accepted and loans received by Inbank are comparable to the comparable contract interest rates on the market. In general, the fair market interest and the fair value of deposits have not significantly changed over the deposit period. The carrying amount of deposits does not therefore significantly differ from their fair value. These are classified as level 2 in fair value hierarchy.

**Debt securities** were issued at market terms, classified as level 3 in fair value hierarchy.

**Subordinated debt securities** are listed on the Nasdaq Baltic Stock Exchange and their fair value can be determined based on the transaction history. As a result the debt security is classified as level 2 in fair value hierarchy.

**Subordinated debt securities (AT1)** were issued at market terms and considering that the interest rate environment has been relatively stable, consequently the fair value is close to the carrying value, classified as level 3 in fair value hierarchy.

## Note 22 Related parties

### Remuneration of the Management Board and Supervisory Board

In thousands of euros	12 months 2021	12 months 2020
Remuneration of the Management Board and Supervisory Board	1,189	897

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

- members of the Management Board and Supervisory Board, their family members and related companies (hereinafter the management),
- associates,
- parent company or persons that have control or significant influence over the parent company.

### Balances as of end of reporting period

In thousands of euros Balances as of end of reporting period	31.12.2021			31.12.2020		
	Management	Associates	Total	Management	Associates	Total
Investments in debt securities	0	7,684	7,684	0	3,537	3,537
Loans and advances	84	0	84	17	0	17
Deposits and subordinated debt securities	1,100	0	1,100	1,266	0	1,266

## Transactions

In thousands of euros	12 months 2021			12 months 2020		
	Management	Associates	Total	Management	Associates	Total
Transactions						
Interest income	1	172	173	0	0	0
Interest expenses	80	0	80	41	0	41
Services purchased	434	0	434	27	0	27

The table provides an overview of the significant transactions and balances with related parties. Inbank finances its subsidiaries and branches with short- and long-term loans issued under market conditions. The interest rate of deposits received from related parties matches with the interest rate offered to customers, interest rates are in between 1.1% and 2.25% (2020: 0.6 and 2.6%).

## Note 23 Events after the reporting period

While harmonizing the legal structure, Inbank Technologies OÜ and Maksekeskus Holding OÜ will be merged into one company, through which Inbank's holding in Maksekeskus AS and Mobire Group OÜ will be managed. After registering the transaction in the Business Register ("*Äriregister*"), the name of the merged company will be Inbank Ventures OÜ. The accession will take place during the first half of 2022. The transaction does not affect Inbank's business.

Inbank will sell its 29.8% stake in the Maksekeskus, the sale transaction will be completed in the first half of 2022. Inbank invests the proceeds of the sale in the international expansion of the Central and Eastern European region.



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