

Interim Report Q3 2023

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.eu
Reporting period	01.01.2023-30.09.2023

Members of the Supervisory Board

Jan Andresoo, Chairman

Roberto de Silvestri

Triinu Bucheton

Raino Paron

Rain Rannu

Taavi Kotka

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 Q3 2023 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 Q3 of 2023 consisting of the management report and financial statements as at 30 September 2023 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 30 September 2023, its financial performance and cash flows for the 9 months period ended 30 September 2023;
- 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 2022.

AS Inbank is a going concern.

Tallinn, 1 November 2023

Priit Põldoja

Chairman of the Management Board

Management report



During the third quarter, Inbank continued to improve financial performance with strong income growth and continued sales growth. Inbank's total quarterly income reached a record of 15.6 million euros, growing 24% year-on-year.

Since Q4 2021, when interest rates started to rise in Poland, Inbank has had to navigate a challenging environment. Our funding cost has increased by 3% during the last 24 months. At the same time, we have been able to reprice our portfolio by 2%, which has put pressure on our margins. However, we have been able to deliver record sales in all markets during these challenging times and kept our credit costs under control. As a result, Inbank profits are on the rise again with Q3 profit reaching 2.9 million euros. Quarterly ROE improved to 10.6%.

Inbank's gross merchandise value (GMV) during the third quarter was 182.4 million euros, which is 18% more year-on-year and on the same level as the last quarter. Our loan and subscription portfolio reached 975.1 million euros, which is 27% more than a year ago. Sales results were strong in all markets and most segments. Car finance continued to show especially strong results with 45.1 million euros of GMV, which is 80% more than a year ago. The GMV of merchant solutions was stable at 71.8 million euros. Green finance sales were 26.4 million euros, which is a 32% increase compared to the same period a year ago. Subscription solutions continued to show very strong sales growth of 64%, reaching 16 million euros. With lower investment in marketing, direct lending sales dropped by 14% to 23.1 million euros.

Inbank's deposit portfolio increased by 40% to 1.02 billion euros within a year. Due to a higher share of liquidity, our net interest margin decreased to 4.74%, while loan portfolio margins have remained stable compared to last quarter. Since interest rates started to rise in Poland during Q4 2021 our funding cost has increased from 1.62% to 4.66% during the last quarter. There is a natural lag between rate rises and the ability to reprice new business to higher interest rate levels. We have currently been able to reprice two-thirds of rate rises to our portfolio, with portfolio effective interest rate (EIR) increasing from 9.01% at the bottom in Q1 2022 to 11.18% during the last quarter. At the same time, our new sales average EIR reached 12.4% in September.

With interest rates in Poland decreasing and reaching their peak in the Eurozone, we see a steady path to restoring margins in all our markets.

Despite higher rates and increasingly challenging economic conditions, Inbank loan impairment costs have remained low. Impairment costs for Q3 2023 were at 1.5% of the average credit portfolio. One of the main reasons for that is low unemployment levels in all our markets. We continue to monitor our underwriting criteria dynamically to respond to any possible changes in the macroeconomic environment.

During the last quarter, our wholly owned subsidiary Inbank Rent started to offer innovative subscription services in Estonia. In September we signed a cooperation agreement with Apple premium reseller iDeal to launch a subscription service for Apple products. We expect the co-operation with Apple and other electronics retailers to roll out to all our markets during the rest of the year and in 2024. The subscription product is a step forward in providing an affordable and value-added monthly installment solution to our partners and customers alike. With an already strong presence in car subscription and by launching new verticals like electronics, we expect subscription to become one of the major growth drivers for Inbank over the coming years.

Inbank's business model is built on winning in the marketplace through building better products and services for our partners and customers. This strategy has been tested over the last 2 years in the higher interest rate environment. While focused on the profitability of our underlying business model, we have continued to invest in our capabilities to build a future proof international organization. This has somewhat put pressure on Inbank efficiency and profitability metrics over the last 18 months. Nevertheless, we have remained steadfast, and we see the tide turning. Compared to the same quarter a year ago our total income grew by 24% while total expenses grew by 22%. Our efficiency and profitability are starting to recover, and we see a clear trend in coming quarters, where we will be able to grow our revenues faster than expenses. At the same time, we continue to be focused on our strategy of building a European embedded finance platform.

Priit Põldoja

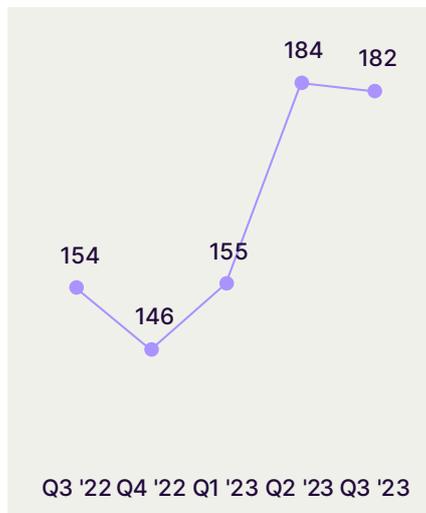
Chairman of the Management Board

Inbank in numbers



Gross Merchandise Value

€182m



(In millions of euros)

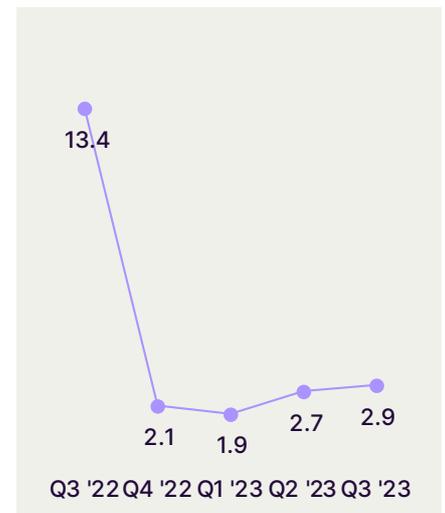
Total income

€15.6m



Net profit

€2.9m



Key financial indicators and ratios

Key financial indicators

In millions of euros	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	% change YoY
Total income	12.6	13.3	13.5	14.9	15.6	24%
Net profit	13.4	2.1	1.9	2.7	2.9	-78%
Total assets	913	1,021	1,050	1,174	1,236	35%
Equity	100	102	104	107	110	10%
Loan and subscription portfolio	766	816	856	937	975	27%
Deposit portfolio	729	829	857	966	1,021	40%

Ratios

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Return on equity (ROE)	57.7%	8.4%	7.3%	10.2%	10.6%
Return on total assets	5.9%	0.9%	0.7%	1.0%	1.0%
Net interest margin	5.7%	5.5%	4.9%	4.9%	4.7%
Impairment losses to loan portfolio	1.7%	1.3%	1.6%	1.7%	1.5%
Cost/Income	60.8%	64.4%	64.0%	62.5%	59.7%
Equity to total assets	10.9%	10.0%	9.9%	9.1%	8.9%

Return on equity (ROE)	Profit for the period / total equity (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)
Impairment losses to loan portfolio	Impairment losses on loans and advances / loans and advances (average over the period)
Cost/income ratio	Total operating expenses / total income
Equity to total assets	Total equity / total assets
Total income	Total net interest income, fee and other income and expenses
Loan and subscription portfolio	Total of loans and advances to households and subscription portfolio of Mobire Group (vehicles owned by Mobire Group companies and subscribed to individuals and businesses)
Gross merchandised value (GMV)	Total value of merchandise financed via Inbank embedded finance and direct- to- customer platforms
Net profit	Profit for the period

Condensed consolidated interim financial statements

Condensed consolidated statement of financial position

In thousands of euros	Note	30.09.2023	31.12.2022	30.09.2022
Assets				
Due from central banks	9; 19	160,455	126,990	72,902
Due from credit institutions	9; 19	8,839	18,345	16,330
Investments in debt securities	10; 19	31,164	8,415	9,320
Financial assets designated at fair value through profit or loss		119	37	19
Loans and advances	8; 19	895,610	755,100	711,180
Investments in associates	11	213	1,065	1,076
Other financial assets	12; 19	2,958	3,387	3,037
Tangible assets		67,458	48,533	41,610
Right of use assets		24,810	23,247	23,463
Intangible assets		29,263	26,249	25,330
Other assets	12	10,974	5,961	5,995
Deferred tax assets		4,066	3,166	3,122
Total assets		1,235,929	1,020,495	913,384
Liabilities				
Customer deposits	13; 19	1,021,106	828,894	728,457
Financial liabilities designated at fair value through profit or loss		6	0	0
Other financial liabilities	15; 19	59,488	55,240	51,295
Current tax liability		138	0	234
Deferred tax liability		203	187	74
Other liabilities	15	3,412	3,680	3,083
Subordinated debt securities	14; 19	41,708	30,570	30,559
Total liabilities		1,126,061	918,571	813,702
Equity				
Share capital	17	1,026	1,026	1,023
Share premium	17	31,855	31,855	31,655
Statutory reserve	18	103	100	100
Other reserves	18	1,865	1,421	2,088
Retained earnings		75,019	67,522	64,816
Total equity		109,868	101,924	99,682
Total liabilities and equity		1,235,929	1,020,495	913,384

Notes set out on pages 13 - 41 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	Q3 2023	9 months 2023	Q3 2022	9 months 2022
Interest income based on EIR	3; 4	24,917	68,507	17,198	45,956
Interest expense	3; 4	-12,164	-32,490	-5,805	-12,569
Net interest income	3; 4	12,753	36,017	11,393	33,387
Fee and commission income	3; 5	1,326	3,654	937	2,468
Fee and commission expenses	3; 5	-1,177	-3,390	-975	-2,566
Net fee and commission income/expenses	3; 5	149	264	-38	-98
Net gains from financial assets measured at fair value	3	110	76	-149	9
Foreign exchange rate losses	3	-501	-213	-528	-781
Net losses from financial items		-391	-137	-677	-772
Other operating income	3; 6	10,221	28,169	7,875	20,518
Other operating expenses	3; 6	-7,122	-20,341	-5,975	-15,010
Total net interest, fee and other income and expenses		15,610	43,972	12,578	38,025
Personnel expenses	3; 7	-3,981	-12,152	-3,273	-10,021
Marketing expenses	3; 7	-753	-2,418	-933	-2,279
Administrative expenses	3; 7	-2,955	-8,073	-2,267	-6,126
Depreciations, amortisation	3	-1,629	-4,601	-1,183	-3,286
Total operating expenses		-9,318	-27,244	-7,656	-21,712
Profit before profit from associates and impairment losses on loans		6,292	16,728	4,922	16,313
Share of profit from associates	11	-72	322	11,570	11,430
Impairment losses on loans and advances	8	-3,354	-9,968	-3,050	-8,710
Profit before income tax		2,866	7,082	13,442	19,033
Income tax		34	344	-37	-76
Profit for the period		2,900	7,426	13,405	18,957
Other comprehensive income that may be reclassified subsequently to profit or loss					
Currency translation differences		324	-12	231	266
Total comprehensive income for the period		3,224	7,414	13,636	19,223

Notes set out on pages 13 - 41 form an integral part of the consolidated financial statements.

Condensed consolidated statement of cash flows

In thousands of euros	Q3 2023	9 months 2023	Q3 2022* restated	9 months 2022* restated
Cash flows from operating activities				
Interest received	23,577	63,474	15,572	42,230
Interest paid	-10,408	-26,332	-4,472	-9,911
Fees received	1,744	4,866	1,074	2,605
Fees paid	-1,177	-3,390	-975	-2,566
Other operating income received	10,221	28,169	7,107	19,750
Other operating expense paid	-10,735	-20,341	-7,591	-12,980
Personnel expenses	-4,925	-15,780	-1,135	-10,315
Administrative and marketing expenses	-4,554	-10,904	922	-4,284
Income tax paid	78	-638	-763	-1,517
Cash flows from operating activities before changes in the operating assets and liabilities	3,821	19,124	9,739	23,012
Changes in operating assets				
Loans and advances	-24,423	-147,070	-45,423	-111,162
Acquisition of tangible assets for subscription business	-26,453	-26,453	-14,520	-32,265
Mandatory reserve in central banks	-191	-4,146	-1,533	-6,172
Other financial assets	2,155	429	-687	-886
Other assets	1,315	-3,077	337	-3,947
Changes of operating liabilities				
Customer deposits	53,567	186,092	18,416	107,817
Other financial liabilities	6,946	13,789	12,370	12,370
Other liabilities	1,057	2,079	3,310	3,520
Net cash from operating activities	17,794	40,767	-17,991	-7,713
Cash flows from investing activities				
Investments in debt securities	-1	-29,738	-1,214	-4,133
Repayments of debt securities	0	7,402	2,206	2,206
Acquisition of tangible assets	18,522	-446	-97	-365
Acquisition of intangible assets	-1,284	-3,165	-858	-2,246
Acquisition of subsidiaries	0	0	-65	-246
Sale of associates	-76	1,174	14,516	14,516
Net cash used in/from investing activities	17,161	-24,773	14,488	9,732
Cash flows from financing activities				
Share capital contribution (including share premium)	0	0	1,245	1,245
Subordinated debt securities issued	0	11,100	0	0
Repayments of debt securities	0	0	0	-6,503
Lease liability payments	-1,670	-7,057	-2,693	-8,495
Net cash used in/from financing activities	-1,670	4,043	-1,448	-13,753
Effect of exchange rate changes	-177	-225	-276	-529
Cash and cash equivalents at the beginning of the reporting period	117,593	130,889	80,383	87,419
Net increase/decrease in cash and cash equivalents	33,108	19,812	-5,227	-12,263
Cash and cash equivalents at the end of the reporting period	150,701	150,701	75,156	75,156

Cash and cash equivalents

In thousands of euros	Q3 2023	9 months 2023	Q3 2022	9 months 2022
Non-restricted current account with central banks	141,862	141,862	58,826	58,826
Due from other credit institutions within three months	8,839	8,839	16,330	16,330
Total cash and cash equivalents	150,701	150,701	75,156	75,156

* See text below for details regarding the restatement as a result of a misstatement

Correction in classification of investing and operating cash flows disclosure

In September 2023, management identified a classification misstatement related to the purchased cars for operating leases. Such purchases have been previously classified under net cash used in/ from investing activities, but as these assets are acquired for rental purposes and subsequently sold then the cash flows from acquisition of the cars should be classified under net cash from operating activities.

The identified misstatement resulted in an understatement of net cash from operating activities for the 9 months period ended 30 September 2022, 12 months period ended 31 December 2022 and Q3 2022 and a corresponding overstatement of net cash used in/from investing activities under the acquisition of tangible assets for subscription business. The presentation has been corrected by reclassifying the affected cash flow statement line items for the prior periods as follows:

In thousands of euros	Q3 2022	Increase/ (Decrease)	Q3 2022 restated
Acquisition of tangible assets for subscription business	0	-14,520	-14,520
Net cash from operating activities	-3,471	-14,520	-17,991

Acquisition of tangible & intangible assets	-15,475	15,475	0
Acquisition of tangible assets	0	-97	-97
Acquisition of intangible assets	0	-858	-858
Net cash used in/from investing activities	-32	14,520	14,488

In thousands of euros	9 months 2022	Increase/ (Decrease)	9 months 2022 restated
Acquisition of tangible assets	0	-32,265	-32,265
Net cash from operating activities	24,552	-32,265	-7,713

Acquisition of tangible & intangible assets	-34,876	34,876	0
Acquisition of tangible assets	0	-365	-365
Acquisition of intangible assets	0	-2,246	-2,246
Net cash used in/from investing activities	-22,533	32,265	9,732

In thousands of euros	12 months 2022	Increase/ (Decrease)	12 months 2022 restated
Acquisition of tangible assets for subscription business	0	-27,182	-27,182
Net cash from operating activities	77,253	-27,182	50,071

Acquisition of tangible assets	-27,717	27,182	-535
Net cash used in/from investing activities	-16,466	27,182	10,716

Cash flows for the 9 months period ended 30 September 2023 and Q3 2023 are already presented within revised classification.

Notes set out on pages 13 - 41 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
Balance, 01.01.2022	997	30,436	96	1,625	45,863	79,017
Paid in share capital	26	1,219	0	0	0	1,245
Share-based payment reserve	0	0	0	198	0	198
Statutory reserve	0	0	4	0	-4	0
Profit for the period	0	0	0	0	18,957	18,957
Other comprehensive income	0	0	0	265	0	265
Balance, 30.09.2022	1,023	31,655	100	2,088	64,816	99,682
Balance, 01.01.2023	1,026	31,855	100	1,421	67,522	101,924
Share-based payment reserve	0	0	0	456	71	527
Statutory reserve	0	0	3	0	0	3
Profit for the period	0	0	0	0	7,426	7,426
Other comprehensive income	0	0	0	-12	0	-12
Balance, 30.09.2023	1,026	31,855	103	1,865	75,019	109,868

Notes set out on pages 13 - 41 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 2022, 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 2022, 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 (thou. EUR)
AS Inbank filialas	2019	Lithuania	Banking, branch		
AS Inbank Spółka Akcyjna Oddział w Polsce	2016	Poland	Banking, branch		
AS Inbank, odštěpný závod	2021	Czechia	Banking, branch		
SIA Inbank Latvia	2014	Latvia	Financing	100	519
Inbank Ventures OÜ	2016	Estonia	Holding activity and hardware rental	100	454
Inbank Payments OÜ	2019	Estonia	Holding company	100	3
AS Inbank Finance	2021	Estonia	Financing	100	3,100
IBF Polska sp. z.o.o	2022	Poland	Financing	100	44
AS Inbank Rent	2023	Estonia	Subscription	100	500
Mobire Group OÜ	2021	Estonia	Subscription	66	9,660
Mobire Eesti AS	2021	Estonia	Subscription	66	
Mobire Latvija SIA	2021	Latvia	Subscription	66	
Mobire Lietuva UAB	2021	Lithuania	Subscription	66	
Paywerk AS	2021	Estonia	Payment services	27	376

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

On 21 March 2023 Inbank established subsidiary AS Inbank Rent which main activity is subscription business. For more details refer to Note 11.

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 business lines and the geographical location of activities in Estonia, Latvia, Lithuania, Poland and Czechia.

Inbank separates the following business lines: banking business, full service rent, investments. The banking business segment includes Inbank and its subsidiary Inbank Finance. Latvia, Lithuania, Poland and Czechia present separate units acting in those countries. The subscription segment presents the Mobire business line in Inbank, which has consolidated this business in Estonian, Latvian and Lithuanian markets. Investments include companies that have investments in associates and subsidiaries.

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.

Our banking segment's main activity is offering different credit products with merchant solutions as the largest product group. Inbank Ventures, which is part of the investment segment, offers hardware rental to Inbank companies and Mobire offers car subscription services.

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. 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.

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

Equity of major subsidiaries

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
SIA Inbank Latvia	7,426	6,295	6,014
Mobire Group OÜ	14,215	12,358	11,782
AS Inbank Finance	19,730	43,486	41,453
Inbank Ventures OÜ *	10,883	17,415	20,095
AS Inbank Rent *	497	-	-

* More information has been disclosed in Note 1.

The development of segment revenue and net profit is presented below.

Income of reported segments and net profit structure

In thousands of euros

9 months 2023	Estonia	Latvia	Lithuania	Poland	Czechia	Mobire	Investments	Eliminations	Total
Interest income based on EIR	32,959	6,512	14,185	27,868	259	2	1	-13,279	68,507
incl. income from external customers	20,820	6,512	14,185	27,328	259	2	0	-599	68,507
incl. income from internal customers	12,139	0	0	540	0	0	1	-12,680	0
Fee and commission income	1,414	326	-6	1,893	27	0	0	0	3,654
Net gains from financial assets measured at fair value	117	0	0	-41	0	0	0	0	76
Other operating income	8,987	57	111	70	0	28,089	773	-9,918	28,169
incl. income from external customers	322	34	88	70	0	28,065	3	-431	28,151
incl. income from internal customers	8,665	23	23	0	0	24	770	-9,487	18
Total income	43,477	6,895	14,290	29,790	286	28,091	774	-23,197	100,406
Foreign exchange rate gains/losses	-250	0	0	39	-2	0	0	0	-213
Interest expense	-15,646	-1,595	-3,541	-21,578	-217	-3,190	0	13,277	-32,490
Fee and commission expenses	-1,458	-218	-768	-877	-69	0	0	0	-3,390
Other operating expense	0	0	0	0	0	-20,450	0	109	-20,341
Total expenses	-17,354	-1,813	-4,309	-22,416	-288	-23,640	0	13,386	-56,434
Total net interest, fee and commission income and other income	26,123	5,082	9,981	7,374	-2	4,451	774	-9,811	43,972
Operating expenses	-16,403	-2,969	-6,080	-6,582	-1,277	-2,688	-1,096	9,851	-27,244
incl. depreciations, amortisation	-3,295	-132	-557	-128	-42	-267	-229	49	-4,601
Profit before profit from associates and impairment losses on loans	9,720	2,113	3,901	792	-1,279	1,763	-322	40	16,728
Share of profit from associates	501	0	0	0	0	0	0	-179	322
Impairment losses on loans and advances	-3,533	-982	-1,829	-3,497	-127	0	0	0	-9,968
Profit before income tax	6,688	1,131	2,072	-2,705	-1,406	1,763	-322	-139	7,082
Income tax	0	0	-319	442	221	0	0	0	344
Net profit/loss	6,688	1,131	1,753	-2,263	-1,185	1,763	-322	-139	7,426
Total assets	1,051,857	85,996	198,183	432,434	9,387	100,841	18,330	-661,099	1,235,929
Total liabilities	976,561	78,570	176,208	439,223	11,410	86,627	6,945	-649,483	1,126,061
Total equity	75,296	7,426	21,975	-6,789	-2,023	14,214	11,385	-11,616	109,868

In thousands of euros

Q3 2023	Estonia	Latvia	Lithuania	Poland	Czechia	Mobire	Investments	Eliminations	Total
Interest income based on EIR	12,512	2,366	5,033	10,256	156	1	0	-5,407	24,917
incl. income from external customers	7,551	2,366	5,033	10,031	156	1	0	-220	24,918
incl. Income from internal customers	4,961	0	0	225	0	0	0	-5,187	-1
Fee and commission income	482	115	0	711	18	0	0	0	1,326
Net gains from financial assets measured at fair value	119	0	0	-9	0	0	0	0	110
Other operating income	3,150	18	44	24	0	10,136	272	-3,423	10,221
incl. income from external customers	111	9	30	24	0	10,128	3	-99	10,206
incl. Income from internal customers	3,039	9	14	0	0	8	269	-3,324	15
Total income	16,263	2,499	5,077	10,982	174	10,137	272	-8,830	36,574
Foreign exchange rate gains/losses	-341	0	0	-158	-1	0	-1	0	-501
Interest expense	-6,355	-667	-1,457	-7,722	-128	-1,240	0	5,405	-12,164
Fee and commission expenses	-530	-66	-258	-292	-31	0	0	0	-1,177
Other operating expense	0	0	0	1	0	-7,136	0	13	-7,122
Total expenses	-7,226	-733	-1,715	-8,171	-160	-8,376	-1	5,418	-20,964
Total net interest, fee and commission income and other income	9,037	1,766	3,362	2,811	14	1,761	271	-3,412	15,610
Operating expenses	-5,803	-1,003	-1,865	-2,423	-418	-898	-361	3,453	-9,318
incl. depreciations, amortisation	-1,181	-43	-182	-43	0	-115	-81	16	-1,629
Profit before profit from associates and impairment losses on loans	3,234	763	1,497	388	-404	863	-90	41	6,292
Share of profit from associates	0	0	0	0	0	0	0	-72	-72
Impairment losses on loans and advances	-1,045	-420	-598	-1,228	-63	0	0	0	-3,354
Profit before income tax	2,189	343	899	-840	-467	863	-90	-31	2,866
Income tax	0	0	-139	117	56	0	0	0	34
Net profit/loss	2,189	343	760	-723	-411	863	-90	-31	2,900

In thousands of euros

9 months 2022	Estonia	Latvia	Lithuania	Poland	Czechia	Mobire	Investments	Eliminations	Total
Interest income based on EIR	21,194	4,664	11,268	15,119	0	3	0	-6,292	45,956
incl. income from external customers	14,902	4,664	11,268	15,119	0	3	0	0	45,956
incl. income from internal customers	6,292	0	0	0	0	0	0	-6,292	0
Fee and commission income	1,159	196	-6	1,119	0	0	0	0	2,468
Net gains from financial assets measured at fair value	-15	0	0	24	0	0	0	0	9
Other operating income	6,085	54	117	112	0	20,449	266	-6,565	20,518
incl. income from external customers	267	39	94	44	0	20,398	-321	-9	20,512
incl. income from internal customers	5,818	15	23	68	0	51	587	-6,556	6
Total income	28,423	4,914	11,379	16,374	0	19,559	266	-12,857	68,058
Foreign exchange rate gains/losses	567	0	0	-1,347	-1	0	0	0	-781
Interest expense	-8,534	-756	-2,238	-6,340	-3	-965	-10	6,277	-12,569
Fee and commission expenses	-1,130	-172	-658	-604	-1	0	0	-1	-2,566
Other operating expense	0	0	0	0	0	-14,402	-607	-1	-15,010
Total expenses	-9,097	-928	-2,896	-8,291	-5	-14,474	-617	6,275	-30,033
Total net interest, fee and commission income and other income	19,326	3,986	8,483	8,083	-5	5,085	-351	-6,582	38,025
Operating expenses	-12,083	-2,261	-5,260	-5,093	-537	-2,407	-1,654	7,583	-21,712
incl. depreciations, amortisation	-2,235	-136	-584	-108	-25	-15	-183	0	-3,286
Profit before profit from associates and impairment losses on loans	7,243	1,725	3,223	2,990	-542	2,678	-2,005	1,001	16,313
Share of profit from associates	-17	0	0	0	0	0	11,447	0	11,430
Impairment losses on loans and advances	-2,882	-860	-1,827	-3,141	0	0	0	0	-8,710
Profit before income tax	4,344	865	1,396	-151	-542	2,678	9,442	1,001	19,033
Income tax	-2	0	32	-202	96	0	0	0	-76
Net profit/loss	4,342	865	1,428	-353	-446	2,678	9,442	1,001	18,957
Total assets	752,105	63,919	168,062	316,378	507	70,031	-22,159	-435,459	913,384
Total liabilities	656,127	57,906	147,953	320,994	998	58,250	7,936	-436,462	813,702
Total equity	95,978	6,013	20,109	-4,616	-491	11,781	-30,095	1,003	99,682

In thousands of euros

Q3 2022	Estonia	Latvia	Lithuania	Poland	Czechia	Mobire	Investments	Eliminations	Total
Interest income based on EIR	7,542	1,719	3,911	6,230	0	1	0	-2,205	17,198
incl. income from external customers	5,337	1,719	3,911	6,230	0	3	0	0	17,200
incl. Income from internal customers	2,205	0	0	0	0	0	0	-2,205	0
Fee and commission income	413	77	-1	448	0	0	0	0	937
Net gains from financial assets measured at fair value	-13	0	0	-136	0	0	0	0	-149
Other operating income	1,347	18	19	43	0	7,885	103	-1,540	7,875
incl. income from external customers	87	12	19	20	0	7,863	-127	-5	7,869
incl. Income from internal customers	1,260	6	0	23	0	22	230	-1,535	6
Total income	9,289	1,814	3,929	6,585	0	7,886	103	-3,745	25,861
Foreign exchange rate gains/losses	93	0	0	-622	1	0	0	0	-528
Interest expense	-2,954	-269	-757	-3,650	-2	-373	-5	2,205	-5,805
Fee and commission expenses	-430	-54	-228	-261	-1	0	0	-1	-975
Other operating expense	0	0	0	0	0	-5,595	-379	-1	-5,975
Total expenses	-3,291	-323	-985	-4,533	-2	-5,968	-384	2,203	-13,283
Total net interest, fee and commission income and other income	5,998	1,491	2,944	2,052	-2	1,918	-281	-1,542	12,578
Operating expenses	-3,679	-691	-1,265	-2,119	-295	-850	-1,299	2,542	-7,656
incl. depreciations, amortisation	-788	-44	-199	-41	-19	-5	-87	0	-1,183
Profit before profit from associates and impairment losses on loans	2,319	800	1,679	-67	-297	1,068	-1,580	1,000	4,922
Share of profit from associates	-36	0	0	0	0	0	11,606	0	11,570
Impairment losses on loans and advances	-947	-250	-904	-949	0	0	0	0	-3,050
Profit before income tax	1,336	550	775	-1,016	-297	1,068	10,026	1,000	13,442
Income tax	0	0	-86	-47	96	0	0	0	-37
Net profit/loss	1,336	550	689	-1,063	-201	1,068	10,026	1,000	13,405

Note 4 Net interest income

Net interest income

In thousands of euros	Q3 2023	9 months 2023	Q3 2022	9 months 2022
Interest income based on EIR				
Loans to households	23,135	64,004	16,912	45,394
Loans to corporates	266	604	34	94
Due from central banks, financial and credit institutions	1,516	3,899	252	468
Total interest income	24,917	68,507	17,198	45,956
Interest expense				
Deposits received	-11,026	-29,731	-5,179	-10,513
Debt securities sold	-819	-1,904	-492	-1,627
Lease liability	-319	-855	-134	-429
Total interest expense	-12,164	-32,490	-5,805	-12,569
Net interest income	12,753	36,017	11,393	33,387

Note 5 Net fee and commission income

Net fee and commission income

In thousands of euros	Q3 2023	9 months 2023	Q3 2022	9 months 2022
Fee and commission income				
Households	1,326	3,652	937	2,468
Corporates	0	2	0	0
Total fee and commission income	1,326	3,654	937	2,468
Fee and commission expenses				
Loan administration expenses	-856	-2,527	-710	-1,875
Other fee expenses	-321	-863	-265	-691
Total fee and commission expenses	-1,177	-3,390	-975	-2,566
Net fee and commission income/expenses	149	264	-38	-98

Note 6 Other operating income and expenses

Other operating income and expenses

In thousands of euros	Q3 2023	9 months 2023	Q3 2022	9 months 2022
Other operating income				
Income from subscription	10,025	27,620	7,736	20,099
Fines and penalties	184	523	140	413
Other income	12	26	-1	6
Total other operating income	10,221	28,169	7,875	20,518
Other operating expense				
Sales, cars	-3,195	-9,253	-2,365	-5,805
Depreciations, cars for rental	-2,798	-7,704	-2,144	-5,789
Other costs, subscription	-1,129	-3,384	-1,466	-3,416
Total other operating expense	-7,122	-20,341	-5,975	-15,010

Subscription income is generated from cars rented to customers. Cars are both purchased and leased through financial lease or operating lease agreements. It is possible to sell cars rented through operating lease agreements back to the merchant. Financial lease agreements also include car repurchase obligations, where the company partly has additional agreements with car dealers.

Note 7 Operating expenses

Operating expenses

In thousands of euros	Q3 2023	9 months 2023	Q3 2022	9 months 2022
Personnel expenses				
Personnel expense	3,013	9,452	2,581	7,939
Social and other taxes	968	2,700	692	2,082
Total personnel expenses	3,981	12,152	3,273	10,021
Marketing expenses				
Advertising and marketing	601	1,971	729	1,799
Sales costs	152	447	204	480
Total marketing expenses	753	2,418	933	2,279
Administrative expenses				
IT expenses	796	2,037	584	1,649
Office maintenance and workplace expenses	542	1,311	334	915
Legal and recovery proceeding expenses	223	692	398	847
Employee related expenses	190	542	202	486
Supervision expenses	719	1,817	151	424
Training and business trip expenses	158	489	128	363
Outsourced services	-20	174	115	278
Transportation expenses	79	233	65	194
Tax expenses	84	244	35	121
Other	183	533	255	849
Total administrative expenses	2,955	8,073	2,267	6,126

Note 8 Loans and advances

Distribution of receivables by customer sector

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Distribution of receivables by customer sector			
Households	905,295	762,560	718,597
Corporates	10,825	8,731	8,605
Loans and advances before impairment allowance	916,120	771,291	727,202
Impairment allowance	-20,510	-16,191	-16,022
Total loans and advances	895,610	755,100	711,180

Changes in impairments

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Changes in impairments			
Impairment allowance balance in the beginning of the period	-16,191	-11,343	-11,343
Impairment provisions set up during reporting period	-18,620	-19,215	13,946
Written off from financial position during the period	14,301	14,367	708,577
Total impairment	-20,510	-16,191	711,180

Impairment losses on loans and advances

In thousands of euros	Q3 2023	9 months 2023	Q3 2022	9 months 2022
Impairment losses on loans and advances				
Impairment losses of reporting period	-6,275	-18,620	-5,235	-13,946
Recoveries from written off from financial position	2,921	8,652	2,185	5,236
Total impairment losses on loans and advances	-3,354	-9,968	-3,050	-8,710

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). The difference between the sale price and the carrying amount of debt is recognised in the 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

30.09.2023 Distribution of receivables	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
0-3 days	851,503	-5,267	-67	-849	845,320	0.7%
4-30 days	28,038	-1,785	-60	-303	25,890	7.7%
31-89 days	12,406	-2	-2,430	-606	9,368	24.5%
90-179 days	3,445	-2	-5	-1,949	1,489	56.8%
180+ days	9,903	0	0	-7,157	2,746	72.3%
Total receivables	905,295	-7,056	-2,562	-10,864	884,813	2.3%

31.12.2022 Distribution of receivables	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
0-3 days	720,227	-4,953	-72	-419	714,783	0.8%
4-30 days	21,050	-1,601	-100	-154	19,195	8.8%
31-89 days	12,587	0	-2,407	-301	9,879	21.5%
90-179 days	2,626	0	0	-1,555	1,071	59.2%
180+ days	6,070	0	0	-4,607	1,463	75.9%
Total receivables	762,560	-6,554	-2,579	-7,036	746,391	2.1%

30.09.2022 Distribution of receivables	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
0-3 days	677,999	-5,075	-81	-381	672,459	0.8%
4-30 days	21,937	-1,729	-105	-170	19,933	9.1%
31-89 days	9,924	0	-2,176	-213	7,535	24.1%
90-179 days	2,434	0	0	-1,242	1,192	51.0%
180+ days	6,303	0	0	-4,829	1,474	76.6%
Total receivables	718,597	-6,804	-2,362	-6,835	702,593	2.2%

Distribution of receivables from corporates

In thousands of euros

30.09.2023	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	10,772	-28	0	0	10,744	0.3%
4-30 days	50	0	0	0	50	0.0%
31-89 days	1	0	0	0	1	0.0%
90-179 days	0	0	0	0	0	0.0%
180+ days	2	0	0	0	2	0.0%
Total receivables	10,825	-28	0	0	10,797	0.3%

31.12.2022	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	8,250	-18	0	0	8,232	0.2%
4-30 days	480	-4	0	0	476	0.8%
31-89 days	1	0	0	0	1	0.0%
90-179 days	0	0	0	0	0	0.0%
180+ days	0	0	0	0	0	0.0%
Total receivables	8,731	-22	0	0	8,709	0.3%

30.09.2022	Gross receivables	Impairment allowance			Net receivables	Impairment coverage
		Stage 1	Stage 2	Stage 3		
Distribution of receivables						
0-3 days	8,604	-21	0	0	8,586	0.2%
4-30 days	1	0	0	0	1	0.0%
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%
Total receivables	8,605	-21	0	0	8,587	0.2%

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

Note 9 Due from central banks and credit institutions

Due from central banks and credit institutions

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Due from central banks	141,862	112,544	58,826
Mandatory reserve in central banks	18,593	14,446	14,076
Due from credit institutions	8,839	18,345	16,330
Total due from central banks and credit institutions	169,294	145,335	89,232

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 10 Investments in debt securities

Investments in debt securities

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Investments in debt securities	31,027	8,378	9,281
incl. investments in central government debt securities	29,051	0	0
incl. investments in corporate debt securities	1,976	8,378	9,291
Interest accruals	137	37	39
Total investments in debt securities	31,164	8,415	9,320

Maturity and yield of debt securities

	Maturity from/to	Yield
Investments in debt securities		
investments in central government debt securities	04.08.2025	3.46% - 3.63%
investments in corporate debt securities	01.12.2023 / 01.08.2029	9% - 14.5%

Note 11 Business combinations and investments to associates

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

Paywerk AS is an associate 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. On 1 July 2022, Inbank successfully completed sale of a 29.8% stake in Maksekeskus AS.

On 27 July 2022, Maksekeskus Holding OÜ acquired 100% of the shares of Inbank Technologies OÜ. After the acquisition, Inbank Technologies OÜ was merged in to Maksekeskus Holding OÜ. As a result of the merger, Inbank Technologies OÜ shall cease to exist and Maksekeskus Holding OÜ shall continue, as the legal successor of the association being acquired.

Upon the merger, Maksekeskus Holding OÜ shall continue to operate under the business name Inbank Ventures OÜ. The transaction took place in September 2022. The transaction does not affect Inbank's business.

On 3 December 2021 Inbank established its branch in Czechia under name of „AS Inbank, odštěpný závod“. 20 June 2022 Czech national bank granted a banking licence to operate in the Czech Republic as a bank. Licence is issued for an indefinite period.

On 5 August 2022 AS Inbank established its subsidiary IBF Polska Sp. z o.o. in Poland. This entity's key activities include but are not limited to: other financial service activities, other activities supporting financial services and data processing; website management (hosting) and similar activities among others.

On 21 March 2023 Inbank established its subsidiary in Estonia under name of AS Inbank Rent. Key activity of subsidiary is subscription business.

On 31 August 2023 Inbank acquired additional 3.4% of Paywerk AS share capital for EUR 76 thousand. Total Inbank share into Paywerk AS after acquisition was 27.1%. Paywerk AS is a start-up company that offers a cross-border "buy now, pay later" service. 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 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.

In 9 months of 2023, loss from equity investments was calculated in the amount of EUR 63 thousand (9 months 2022: profit EUR 55 thousand).

Changes in investments in associates and subsidiaries

In thousands of euros	Q3 2023	9 months 2023	Q3 2022	9 months 2022
Acquisitions				
Equity contribution, associates	76	76	69	595
Total contributions	76	76	69	595
Disposals				
Proceeds from disposals of associate	1,250	1,250	0	0
Total disposals	1,250	1,250	0	0

Inbank has not received dividends from its associates.

Note 12 Other financial assets and other assets

Other financial assets and other assets

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Other financial assets			
Prepaid guarantee amounts	403	358	364
Accrued receivables	2,555	3,029	2,673
Total other financial assets	2,958	3,387	3,037
Other assets			
Prepaid expenses	9,553	4,838	5,205
Prepaid taxes	520	576	343
Other assets	901	547	447
Total other assets	10,974	5,961	5,995

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

Note 13 Customer deposits

Deposits

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Customer deposits			
Deposits from households	1,010,403	814,057	691,121
Deposits from non-financial corporates	10,614	14,547	13,336
Deposits from financial corporates	89	290	24,000
Total customer deposits	1,021,106	828,894	728,457

Deposits by clients' residency

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Deposits by clients' residency			
Estonia	56,531	62,988	83,792
Germany	277,579	353,109	304,039
Poland	425,694	312,356	285,325
Austria	19,194	16,358	13,978
Netherlands	235,563	81,218	38,824
Lithuania	6,494	2,721	2,359
Other residence	51	144	140
Total deposits by clients' residency	1,021,106	828,894	728,457

Deposits by contractual maturity

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Deposits by contractual maturity			
On demand	8,058	4,719	24,781
1-90 days	435,669	317,622	215,497
91-365 days	372,372	270,127	282,290
1-5 years	205,007	236,426	205,889
Total deposits by contractual maturity	1,021,106	828,894	728,457

Deposits include accrued interest liabilities in the amount of EUR 18,054 thousand (30.09.2022: EUR 10,476 thousand).

Note 14 Subordinated debt securities

Subordinated debt securities

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Subordinated debt securities issued	41,750	30,650	30,650
Interest accruals and other costs	-42	-80	-91
Total subordinated debt securities	41,708	30,570	30,559

Subordinated debt securities detailed information

Subordinated debt securities	Nominal price	Amount	Interest rate	Issue date	Maturity date
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
EE3300003516	10,000 EUR	1,100	12.0%	06.06.2023	perpetual

Inbank's subordinated bonds include Additional Tier 1 bonds included in Tier 1 capital. AT1 capital instrument is a perpetual subordinated financial instrument, for which Inbank is obliged to pay quarterly perpetual coupon payments. The coupon payments may be deferred or cancelled 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 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 15 Other financial liabilities and other liabilities

Other financial liabilities and other liabilities

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Financial liabilities			
Accounts payable	32,981	29,933	25,993
Lease liability	24,462	22,403	22,521
Client prepayments	2,045	2,904	2,781
Total financial liabilities	59,488	55,240	51,295
Other liabilities			
Payables to employees	1,544	2,360	1,887
Payroll taxes	956	864	838
Other liabilities	912	456	358
Total other liabilities	3,412	3,680	3,083

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

Note 16 Contingent liabilities

Contingent liabilities

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Revocable commitments			
Liability in contractual amount	4,692	4,986	5,934
incl. unused credit card limits	4,692	4,136	3,934

Note 17 Share capital

Share capital

	No of shares	Nominal value (thou. EUR)	Share premium (thou. EUR)	Total
Balance, 01.01.2022	9,967,197	997	30,436	31,433
Share based payment	265,000	26	1,219	1,245
Balance, 30.09.2022	10,232,197	1,023	31,655	32,678
Balance, 01.01.2023	10,262,197	1,026	31,855	32,881
Balance, 30.09.2023	10,262,197	1,026	31,855	32,881

Biggest shareholders who hold more than 5% of company shares

Shareholder name	Holding amount 30.09.2023
Cofi Investeeringud OÜ	25.38%
Luciano Orsero	9.21%
Roberto de Silvestri	8.47%
Andrea Agostinone	8.13%
Elio Tomaso Giovanni Cravero	7.62%
SCI IN Holding	5.04%

Inbank's share capital consists of 10,262 thousand shares (30.09.2022: 10,232 thousand 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 18 Reserves

Reserves

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
Statutory reserve	103	100	100
Voluntary reserve	1,330	1,329	1,330
Share based payments reserve	845	389	792
Other accumulated comprehensive income	-310	-297	-34
Total reserves	1,968	1,521	2,188

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 19 Fair value of financial assets and liabilities

The financial instruments at each balance sheet date are summarized in the table below. For those measured at fair value, to provide an indication of the reliability of the inputs used in determining fair value, Inbank has classified its financial instruments in to the levels described below. All other financial instruments on the balance sheet meet the requirements of the contractual cash flow and characteristics test to be measured at amortized cost. Furthermore, the classification is based on the business model test.

Fair value of financial assets and liabilities

In thousands of euros		30.09.2023			31.12.2022			30.09.2022		
Assets	Note	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level
Due from central banks	3; 11	160,455	160,455	2	126,990	126,990	2	72,902	72,902	2
Due from credit institutions	3; 11	8,839	8,839	2	18,345	18,345	2	16,330	16,330	2
Investments in debt securities	3; 12	31,164	31,164	3	8,415	8,415	3	9,320	9,320	3
Loans and advances	3; 9	895,610	895,610	3	755,100	755,100	3	711,180	711,180	3
Other financial assets	3; 17	2,958	2,958	3	3,387	3,387	3	3,037	3,037	3
Total assets		1,099,026	1,099,026		912,237	912,237		812,769	812,769	
Liabilities										
Customer deposits	18	992,346	1,021,106	3	798,444	828,894	2	723,552	728,457	2
Subordinated debt securities	19	21,590	22,966	2	20,216	22,952	2	23,017	22,948	2
Subordinated debt securities (AT1)	19	16,076	18,742	3	6,858	7,618	3	7,173	7,611	3
Other financial liabilities	20	59,488	59,488	3	55,240	55,240	3	51,295	51,295	3
Total liabilities		1,089,501	1,122,302		880,758	914,704		805,037	810,311	

Instruments are classified as level 1 when the fair value of financial instruments traded in active markets is based on quoted active market prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all the significant inputs required to fair value an instrument are directly or indirectly observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value in level 3 was 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 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 are either sufficiently short-term or use a floating interest rate mechanism. Therefore, in the management's opinion, their fair value does not significantly differ from the net book value. The investments in debt securities are classified as level 3.

The small loans and hire-purchase products granted to customers are mainly 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. The increase in benchmark interest rates that started in 2022 has not thus far had a significant impact on the new sales price levels of consumer finance products. In general, the market interest rate and the fair value of loans have not significantly changed. 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 either sufficiently short-term or use a floating interest rate mechanism. Therefore, in the management's opinion, their fair value does not significantly differ from the net book value. Loans to corporates are classified as level 3.

Fixed-interest customer deposits. The fair value of term deposits accepted, and loans received by Inbank were estimated based on estimated future cash flows discounted at current interest rates for new instruments with a similar credit risk and remaining maturity. In the fair value hierarchy the given instruments were reclassified from level 2 to level 3.

Subordinated debt securities are listed on the Nasdaq Baltic Stock Exchange and their fair value can be determined based on the transaction history. The average transaction price for the last 12-months has been used to determine the fair value of the instruments. As a result, the debt security is classified as level 2 in the fair value hierarchy.

Subordinated debt securities (AT1) are not quoted in an active market. The fair value was estimated based on estimated future cash flows discounted at current interest rates for new instruments with a similar credit risk and remaining maturity. These are classified as level 3 in the fair value hierarchy.

Note 20 Related parties

Remuneration of the Management Board and Supervisory Board

In thousands of euros	Q3 2023	9 months 2023	Q2 2022	9 months 2022
Remuneration of the Management Board and Supervisory Board	295	1,001	219	765

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

- Shareholders with significant influence or control over Inbank,
- Members of the Management Board and legal entities controlled by them (hereinafter the management),
- Members of the Supervisory Board,
- 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	30.09.2023			31.12.2022		
	Management	Associates	Total	Management	Associates	Total
Balances as of end of reporting period						
Investments in debt securities	0	0	0	0	7,400	7,400
Loans and advances	275	0	275	106	0	106
Deposits and subordinated debt securities	2,963	0	2,963	1,100	0	1,100

Transactions

In thousands of euros	9 months 2023			9 months 2022		
	Management	Associates	Total	Management	Associates	Total
Transactions						
Interest income	12	199	211	24	187	211
Interest expenses	138	0	138	63	0	63
Services purchased	188	0	188	72	0	72

Tables provide an overview of the significant transactions and balances with related parties. Inbank finances its subsidiaries and branches with short-term 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 at the time where deposit contract was concluded, interest rates are in between 1.8% and 8% (2022: 1.8% and 2.25%). Such loans are eliminated from the consolidated financial statements.

Note 21 Events after the reporting period

On October 16, the extraordinary shareholders meeting decided to conduct a share capital raise through share issuance in order to support portfolio growth and international expansion. The share capital of the company was increased by issuing new shares (ISIN: EE3100008574). The term for the subscription of shares with pre-emptive right was from the adoption of aforementioned resolution until October 30, 2023. New shares, with a nominal value of EUR 0.10 per share, were issued based on actual subscription results. The new shares shall be issued at a premium.

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