

# Interim Report Q3 2022

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	01.01.2022-30.09.2022

## 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

Erik Kaju

Ivar Kurvits

Maciej Pieczkowski

Margus Kastein

Marko Varik

Piret Paulus

AS Inbank interim report for Q3 2022 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 2022 consisting of the management report and financial statements as at 30 September 2022 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 2022, its financial performance and cash flows for the 9 months period ended 30 September 2022;
- 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 2021.

AS Inbank is a going concern.

Tallinn, 2 November 2022

**Priit Põldoja**

*Chairman of the Management Board*

# Management report

Although Inbank continued its usual strong growth and sold credit products for a record 145 million euros in the last quarter, the financial results of the third quarter of 2022 were anything but usual. We earned a record profit of 13.4 million euros for Q3, however, this result was influenced by an extraordinary income and expenses.

The external environment also continues to be challenging. Inflation in the Baltic states is the highest in Europe and interest rates in Poland are hitting new peaks. The risk of recession has clearly increased. Although Inbank's sales and financial results are strong, the bank will have to navigate through a significantly more challenging environment in the coming quarters.

Regardless of the difficult economic situation, Inbank continues on a strong wave of growth. Record sales increased the loan portfolio by 31% year-on-year, raising its value to 711.2 million euros. Sales volumes in the Baltics continued their record growth, amounting to 91.8 million. In an environment of higher interest rates and a weakening currency, Polish sales have stabilised at a quarterly level of 53.1 million euros, marking the best result since the beginning of 2022. In terms of products, the sales finance product line continued to perform strongly, with sales volumes reaching 86 million euros in the third quarter. Car financing showed very strong growth this last quarter as well, with sales growing to 31 million euros. The small loan product line also continued to grow very nicely, with sales volumes increasing to 26.8 million.

The main challenge during the last three quarters has been the continued increase in funding costs in the Polish market, with the Inbank's cost of zloty deposits rising to 4.97% in the third quarter. Compared to a year ago, Inbank's interest expenses have increased by 125% per quarter and by 80% annually. Meanwhile, our interest income has grown by 40% and 32%, respectively. Even though we have been able to reprice our portfolio and new sales, higher interest rates have certainly put Inbank's margins under pressure. The net interest margin has decreased by 0.75% year-on-year, resulting in an average of 5.88% for the first 9 months of 2022. In connection with currency risk management, the bank incurred an additional cost of 528 thousand euros in the third quarter.

In the last quarterly report, we announced that the sale of Inbank's 29.8% stake in Maksekeskus AS was completed on 1 July. As a result, Inbank is reporting an extraordinary profit of 11.4 million euros in the third quarter. The additional profit increases the equity capital of Inbank to nearly 100 million euros and provides a strong buffer in a challenging economic environment.

Our Czech branch launched business in the third quarter and signed its first customer contracts. We continue to invest in technology and growth in new markets. To serve this goal, we will be merging our technology and product development units from 1 November. The new unit will be headed by Erik Kaju, who has spent 8 years managing technology teams at Wise, and who will also be joining Inbank's management board. Piret Paulus has also returned from the sabbatical to resume her duties as a member of Inbank's management board and as the new head of Inbank's growth and business development unit.

Inbank is well positioned to succeed in an environment favouring the development of digital and green economy. Our technological infrastructure and product innovation-focused strategy provides growth opportunities across various product verticals and business models. That is why we continue to invest in developing our competitive advantage even in difficult times. Rising interest rates and a potential recession will certainly make the coming year difficult for Inbank. On the other hand, global structural trends are the wind in our sails. Navigating the challenging external environment and opportunities in the European financial markets, Inbank continues its profitable growth strategy, which aims to maximise long-term value for our customers, partners, depositors and shareholders.

**Priit Põldoja**

*Chairman of the Management Board, Founder*

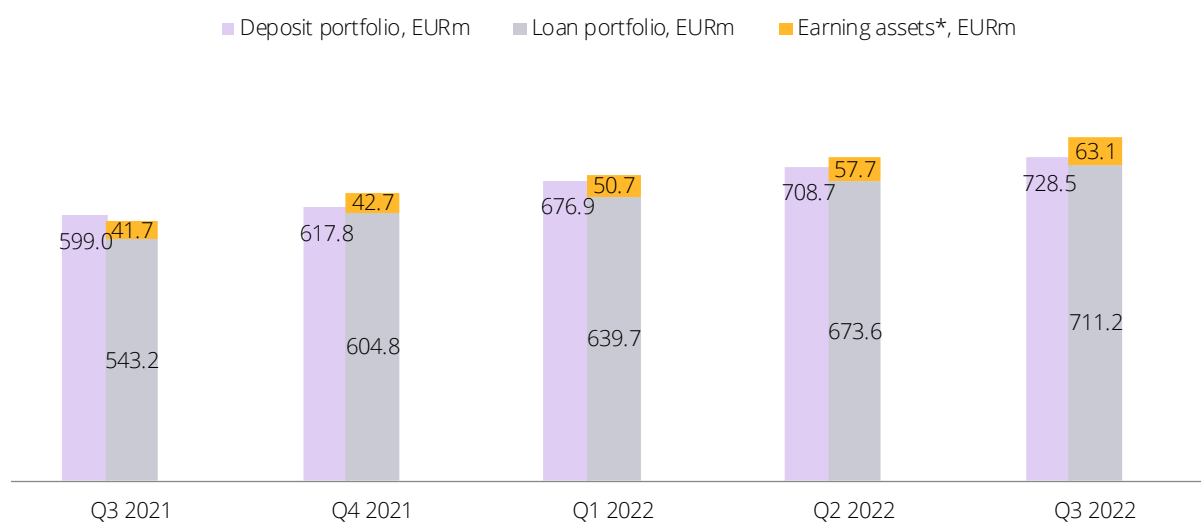
# Key financial indicators and ratios

## Key financial indicators

In millions of euros	30.09.2022	31.12.2021	% change	30.09.2021	% change
Total assets	913.4	787.0	16.1%	738.5	23.7%
Loan portfolio	711.2	604.8	17.6%	543.2	30.9%
Earning assets *	63.1	42.7	47.9%	41.7	51.2%
Deposit portfolio	728.5	617.8	17.9%	599.0	21.6%
Equity	99.7	79.0	26.2%	70.0	42.5%

In millions of euros	9 months 2022	9 months 2021	% change	Q3 2022	Q3 2021	% change
Total net income	38.0	30.5	24.7%	12.6	10.9	14.9%
Net profit	19.0	8.0	136.2%	13.4	3.7	264.8%

## Earning assets, loan and deposit portfolio development



\* Earning assets are income-producing investments that are owned by a business. These assets also have a base value and the ability to produce additional funds beyond the inherent value for the investment holder. Here earning assets include only vehicles owned by Mobire Group companies. Cars are both purchased and leased through capital lease or operating lease agreements. Other assets which generate income for group is disclosed separately and is not included under this earning asset category.

## Ratios

	Q3 2022	9 months 2022	Q3 2021	9 months 2021
Return on equity	57.7%	28.4%	21.5%	16.4%
Return on total assets	5.9%	3.6%	2.1%	1.7%
Net interest margin	5.7%	5.9%	6.3%	6.6%
Impairment losses to loan portfolio (risk expense)	1.7%	1.8%	1.0%	1.4%
Cost/income ratio	60.8%	57.1%	53.5%	55.7%

	30.09.2022	31.12.2021	30.09.2021
Equity to total assets	10.9%	10.0%	9.5%
Liquidity coverage ratio	864.0%	1144.0%	2140.0%
Net stable funding ratio	116.2%	123.0%	125.0%

**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

**Liquidity coverage ratio:** dividing a bank's high-quality liquid assets by its total net cash flows, over a 30-day stress period.

**Net stable funding ratio:** the amount of Available Stable Funding (ASF) divided by the amount of Required Stable Funding (RSF) over a one-year horizon.

# Condensed consolidated interim financial statements

## Condensed consolidated statement of financial position

In thousands of euros	Note	30.09.2022	31.12.2021	30.09.2021
<b>Assets</b>				
Due from central banks	9	72,902	77,453	99,112
Due from credit institutions	9	16,330	17,870	11,744
Investments in debt securities	10	9,320	7,684	7,118
Financial assets designated at fair value through profit or loss		19	0	0
Loans and advances	3; 8	711,180	604,848	543,206
Investments in associates	11	1,076	774	4,792
Tangible assets		41,610	19,147	16,426
Right of use asset		23,463	25,231	25,776
Intangible assets		25,330	22,423	21,521
Other financial assets	12	3,037	2,151	1,317
Other assets	12	5,995	2,769	5,078
Deferred tax asset		3,122	2,401	2,381
Assets held for sale	1; 11	0	4,203	0
<b>Total assets</b>	<b>3</b>	<b>913,384</b>	<b>786,954</b>	<b>738,471</b>
<b>Liabilities</b>				
Customer deposits	13	728,457	617,857	599,007
Other financial liabilities	15	51,295	49,188	45,508
Current tax liability		234	284	788
Deferred tax liability		74	125	72
Other liabilities	15	3,083	3,296	5,546
Subordinated debt securities	14	30,559	37,187	17,591
<b>Total liabilities</b>	<b>3</b>	<b>813,702</b>	<b>707,937</b>	<b>668,512</b>
<b>Equity</b>				
Share capital	17	1,023	997	970
Share premium	17	31,655	30,436	24,463
Statutory reserve capital	18	100	96	96
Other reserves	18	2,088	1,625	1,539
Retained earnings		64,816	45,863	42,891
<b>Total equity</b>		<b>99,682</b>	<b>79,017</b>	<b>69,959</b>
<b>Total liabilities and equity</b>		<b>913,384</b>	<b>786,954</b>	<b>738,471</b>

Notes set out on pages 11 - 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	Q3 2022	9 months 2022	Q3 2021	9 months 2021
Interest income based on EIR	4	17,198	45,956	12,270	34,859
Interest expense	4	-5,805	-12,569	-2,585	-6,992
<b>Net interest income</b>	<b>4</b>	<b>11,393</b>	<b>33,387</b>	<b>9,685</b>	<b>27,867</b>
Fee income	5	937	2,468	604	1,539
Fee expense	5	-975	-2,566	-735	-2,307
<b>Net fee and commission income</b>	<b>5</b>	<b>-38</b>	<b>-98</b>	<b>-131</b>	<b>-768</b>
Net gains from financial assets measured at fair value		-149	9	0	0
Foreign exchange rate gains/losses		-528	-781	133	2
<b>Net gains/losses from financial items</b>		<b>-677</b>	<b>-772</b>	<b>133</b>	<b>2</b>
Other operating income	6	7,529	19,625	5,008	13,561
Other operating expense	6	-5,629	-14,117	-3,750	-10,178
<b>Total net interest, fee and other income and expenses</b>		<b>12,578</b>	<b>38,025</b>	<b>10,945</b>	<b>30,484</b>
Personnel expenses	7	-3,273	-10,021	-2,947	-8,530
Marketing expenses	7	-933	-2,279	-626	-1,826
Administrative expenses	7	-2,267	-6,126	-1,431	-4,127
Depreciations, amortisation		-1,183	-3,286	-876	-2,421
<b>Total operating expenses</b>		<b>-7,656</b>	<b>-21,712</b>	<b>-5,880</b>	<b>-16,904</b>
<b>Profit before profit from associates and impairment losses on loans</b>		<b>4,922</b>	<b>16,313</b>	<b>5,065</b>	<b>13,580</b>
Share of profit from subsidiaries and associates	11	11,570	11,430	6	263
Impairment losses on loans and advances	8	-3,050	-8,710	-1,251	-4,997
<b>Profit before income tax</b>		<b>13,442</b>	<b>19,033</b>	<b>3,820</b>	<b>8,846</b>
Income tax		-37	-76	-145	-820
<b>Profit for the period</b>		<b>13,405</b>	<b>18,957</b>	<b>3,675</b>	<b>8,026</b>
<b>Other comprehensive income that may be reclassified subsequently to profit or loss</b>					
Currency translation differences		231	266	-160	-101
<b>Total comprehensive income for the period</b>		<b>13,636</b>	<b>19,223</b>	<b>3,515</b>	<b>7,925</b>

Notes set out on pages 11 - 31 form an integral part of the consolidated financial statements.

## Condensed consolidated statement of cash flows

In thousands of euros	Note	Q3 2022	9 months 2022	Q2 2021	9 months 2021
<b>Cash flows from operating activities</b>					
Interest received		15,572	42,230	11,386	34,524
Interest paid		-4,472	-9,911	-1,793	-5,512
Fees received	5	1,074	2,605	486	1,539
Fees paid	5	-975	-2,566	-783	-2,307
Other operating income received	6	8,590	20,686	5,031	13,561
Other operating expense paid		-9,275	-14,117	-6,428	-10,178
Personnel expenses		-1,135	-10,315	-2,883	-8,161
Administrative and marketing expenses		922	-4,284	-124	-5,989
Other non-cash items included in profit before tax		201	201	0	0
Corporate income tax paid		-763	-1,517	-683	-1,116
<b>Cash flows from operating activities before changes from the operating assets and liabilities</b>		<b>9,739</b>	<b>23,012</b>	<b>4,209</b>	<b>16,361</b>
<b>Changes in operating assets</b>					
Loans and advances		-45,423	-111,162	-58,989	-140,709
Mandatory reserve in central banks	9	-1,533	-6,172	-211	-1,305
Other assets		-350	-4,833	776	-2,578
<b>Changes of operating liabilities</b>					
Customer deposits		18,416	107,817	67,844	205,812
Other liabilities		15,680	15,890	-827	2,350
<b>Net cash from operating activities</b>		<b>-3,471</b>	<b>24,552</b>	<b>12,802</b>	<b>79,931</b>
<b>Cash flows from investing activities</b>					
Investments in debt securities		-1,214	-4,133	9,009	6,495
Repayments of debt securities		2,206	2,206	0	0
Acquisition of tangible and intangible assets		-15,475	-34,876	-8,267	-16,959
Acquisition of subsidiaries and associates		-65	-246	-93	-3,651
Sale of subsidiaries and associates		14,516	14,516	0	0
<b>Net cash used in investing activities</b>		<b>-32</b>	<b>-22,533</b>	<b>649</b>	<b>-14,115</b>
<b>Cash flows from financing activities</b>					
Share capital contribution (including share premium)		1,245	1,245	0	607
Repayments of debt securities	14	0	-6,503	0	-4,000
Lease liability payments		-2,693	-8,495	0	0
<b>Net cash used in financing activities</b>		<b>-1,448</b>	<b>-13,753</b>	<b>0</b>	<b>-3,393</b>
Effect of exchange rate changes		-276	-529	-192	-132
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>9</b>	<b>80,383</b>	<b>87,419</b>	<b>66,701</b>	<b>44,476</b>
Net increase/decrease in cash and cash equivalents	9	-5,227	-12,263	13,259	62,291
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9</b>	<b>75,156</b>	<b>75,156</b>	<b>79,960</b>	<b>106,767</b>

Notes set out on pages 11 - 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, 01.01.2021</b>	961	23,865	90	1,438	34,871	61,225
Paid in share capital	9	598	0	0	0	607
Share-based payment reserve	0	0	0	202	0	202
Statutory reserve capital	0	0	6	0	-6	0
Total profit for the reporting period	0	0	0	0	8,026	8,026
Other comprehensive income	0	0	0	-101	0	-101
<b>Balance, 30.09.2021</b>	970	24,463	96	1,539	42,891	69,959
<b>Balance, 01.01.2022</b>	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 capital	0	0	4	0	-4	0
Total profit for the reporting period	0	0	0	0	18,957	18,957
Other comprehensive income	0	0	0	265	0	265
<b>Balance, 30.09.2022</b>	1,023	31,655	100	2,088	64,816	99,682

Notes set out on pages 11 - 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 2021, 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 2021, which has been prepared in accordance with the International Financial Reporting Standards (IFRS).

To provide better overview, an adjustment was made in the 31.12.2021 report, which resulted in reclassification of the subsidiary's 100% buyout option expense which is now reflected in the same expense group as the subsidiary's other operating expense. In addition, due to the growth of Polish and Czech business and foreign currency transactions, foreign exchange gains and losses were reclassified from administrative expenses and are reported under "Foreign exchange rate revaluation losses/gains". The effect of the change on the report and the numerical indicators are presented in the table below:

In thousands of euros	31.12.2021	Reclassification	31.12.2021 restated
Foreign exchange rate gains/losses	0	-23	-23
Other operating expense	-13,833	-418	-14,251
Administrative expenses	-6,627	441	-6,186

According to the above mentioned change, 30.09.2021 is adjusted as follows:

In thousands of euros	9 months 2021	Reclassification	9 months 2021 restated
Foreign exchange rate gains/losses	0	2	2
Other operating expense	-9,994	-184	-10,178
Administrative expenses	-4,309	182	-4,127

In thousands of euros	Q3 2021	Reclassification	Q3 2021 restated
Foreign exchange rate gains/losses	0	133	133
Other operating expense	-3,681	-69	-3,750
Administrative expenses	-1,367	-64	-1,431

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

Company name	Year of purchase/founded	Location	Activity	Holding (%)	Cost (thou. EUR)
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 Ventures OÜ	2016	Estonia	Holding activity and hardware rental	100	6,665
Inbank Payments OÜ	2019	Estonia	Holding company	100	3
Inbank Finance AS	2021	Estonia	Financing	100	33,135
IBF Polska sp. z.o.o	2022	Poland	Financing	100	44
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	
AS Aktiva Portfolio	2020	Estonia	Debt collection management	34	705
Paywerk AS	2021	Estonia	Payment services	29	110

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

1 of July 2022 Inbank completed sale of 29.8% stake in Maksekeskus AS, for more details refer to Note 11.

27 of July 2022 Maksekeskus Holding OÜ acquired 100% of 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 the Maksekeskus Holding OÜ shall receive, 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.

## 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, Poland and Czech. The Estonian business segment includes Inbank and its subsidiary Inbank Finance.

Investments segments 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/income ratio, growth and quality of credit portfolio and impairment losses for each operating segment.

The business of Estonia, Latvia, Lithuania, Poland and Czech is the offering of credit products with the largest product group being hire purchase. Inbank Ventures, 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 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.

### Equity of major subsidiaries

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
SIA Inbank Latvia	6,014	5,148	4,978
Mobire Group OÜ	11,782	9,097	8,321
AS Inbank Finance	41,453	36,446	35,181
Inbank Ventures OÜ *	20,095	12,654	n.a. *

\* 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 2022	Estonia	Latvia	Lithuania	Poland	Czech	Investments	Eliminations	Total
Interest income based on EIR	21,194	4,664	11,268	15,118	0	3	-6,291	45,956
incl. income from external customers	14,902	4,664	11,268	15,118	0	3	0	45,955
incl. income from internal customers	6,292	0	0	0	0	0	-6,292	0
Fee income	1,159	196	-6	1,119	0	0	0	2,468
Net gains from financial assets measured at fair value	-15	0	0	24	0	0	0	9
Other operating income	6,085	54	117	112	0	19,822	-6,565	19,625
incl. income from external customers	267	39	94	44	0	19,184	-9	19,619
incl. income from internal customers	5,818	15	23	68	0	638	-6,556	6
<b>Total income</b>	<b>28,423</b>	<b>4,914</b>	<b>11,379</b>	<b>16,373</b>	<b>0</b>	<b>19,825</b>	<b>-12,856</b>	<b>68,058</b>
Foreign exchange rate gains/losses	567	0	0	-1,347	-1	0	0	-781
Interest expense	-8,534	-756	-2,238	-6,340	-3	-975	6,277	-12,569
Fee expense	-1,130	-172	-658	-605	-1	0	0	-2,566
Other operating expense	0	0	0	0	0	-14,117	0	-14,117
<b>Total expenses</b>	<b>-9,097</b>	<b>-928</b>	<b>-2,896</b>	<b>-8,292</b>	<b>-5</b>	<b>-15,092</b>	<b>6,277</b>	<b>-30,033</b>
<b>Total net interest, fee and commission income and other income</b>	<b>19,326</b>	<b>3,986</b>	<b>8,483</b>	<b>8,081</b>	<b>-5</b>	<b>4,733</b>	<b>-6,579</b>	<b>38,025</b>
Operating expenses	-12,083	-2,261	-5,260	-5,093	-537	-4,060	7,582	-21,712
incl. depreciations, amortisation	-2,235	-136	-584	-108	-25	-198	0	-3,286
<b>Profit before profit from associates and impairment losses on loans</b>	<b>7,243</b>	<b>1,725</b>	<b>3,223</b>	<b>2,988</b>	<b>-542</b>	<b>673</b>	<b>1,003</b>	<b>16,313</b>
Profit of subsidiaries and associates	-17	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	-8,710
<b>Profit before income tax</b>	<b>4,344</b>	<b>865</b>	<b>1,396</b>	<b>-153</b>	<b>-542</b>	<b>12,120</b>	<b>1,003</b>	<b>19,033</b>
Income tax	-2	0	32	-202	96	0	0	-76
<b>Net profit/loss</b>	<b>4,342</b>	<b>865</b>	<b>1,428</b>	<b>-355</b>	<b>-446</b>	<b>12,120</b>	<b>1,003</b>	<b>18,957</b>
<b>Total assets</b>	<b>752,105</b>	<b>63,919</b>	<b>168,062</b>	<b>316,378</b>	<b>507</b>	<b>47,873</b>	<b>-435,460</b>	<b>913,384</b>
<b>Total liabilities</b>	<b>656,127</b>	<b>57,906</b>	<b>147,953</b>	<b>320,994</b>	<b>998</b>	<b>66,186</b>	<b>-436,462</b>	<b>813,702</b>



## In thousands of euros

Q3 2022	Estonia	Latvia	Lithuania	Poland	Czech	Investments	Eliminations	Total
Interest income based on EIR	7,542	1,719	3,911	6,229	0	1	-2,204	17,198
incl. income from external customers	5,337	1,719	3,911	6,229	0	1	0	17,197
incl. Income from internal customers	2,205	0	0	0	0	0	-2,205	0
Fee income	413	77	-1	448	0	0	0	937
Net gains from financial assets measured at fair value	-13	0	0	-136	0	0	0	-149
Other operating income	1,347	18	19	43	0	7,642	-1,540	7,529
incl. income from external customers	87	12	19	20	0	7,383	2	7,523
incl. Income from internal customers	1,260	6	0	23	0	259	-1,542	6
<b>Total income</b>	<b>9,289</b>	<b>1,814</b>	<b>3,929</b>	<b>6,584</b>	<b>0</b>	<b>7,643</b>	<b>-3,744</b>	<b>25,515</b>
Foreign exchange rate gains/losses	93	0	0	-622	0	0	0	-529
Interest expense	-2,954	-269	-757	-3,650	-2	-378	2,205	-5,805
Fee expense	-430	-54	-228	-262	-1	0	0	-975
Other operating expense	0	0	0	0	0	-5,629	0	-5,629
<b>Total expenses</b>	<b>-3,291</b>	<b>-323</b>	<b>-985</b>	<b>-4,534</b>	<b>-3</b>	<b>-6,007</b>	<b>2,206</b>	<b>-12,938</b>
<b>Total net interest, fee and commission income and other income</b>	<b>5,998</b>	<b>1,491</b>	<b>2,944</b>	<b>2,050</b>	<b>-3</b>	<b>1,636</b>	<b>-1,538</b>	<b>12,578</b>
Operating expenses	-3,679	-691	-1,265	-2,119	-294	-2,148	2,540	-7,656
incl. depreciations, amortisation	-788	-44	-199	-41	-19	-92	0	-1,183
<b>Profit before profit from associates and impairment losses on loans</b>	<b>2,319</b>	<b>800</b>	<b>1,679</b>	<b>-69</b>	<b>-297</b>	<b>-512</b>	<b>1,002</b>	<b>4,922</b>
Profit of subsidiaries and associates	-36	0	0	0	0	11,606	0	11,570
Impairment losses on loans and advances	-947	-250	-904	-949	0	0	0	-3,050
<b>Profit before income tax</b>	<b>1,336</b>	<b>550</b>	<b>775</b>	<b>-1,018</b>	<b>-297</b>	<b>11,094</b>	<b>1,002</b>	<b>13,442</b>
Income tax	0	0	-86	-47	96	0	0	-37
<b>Net profit/loss</b>	<b>1,336</b>	<b>550</b>	<b>689</b>	<b>-1,065</b>	<b>-201</b>	<b>11,094</b>	<b>1,002</b>	<b>13,405</b>

In thousands of euros								
9 months 2021	Estonia	Latvia	Lithuania	Poland	Czech	Investments	Eliminations	Total
Interest income based on EIR	15,855	3,442	11,365	6,700	0	18	-2,521	34,859
incl. income from external customers	13,334	3,442	11,365	6,700	0	18	0	34,859
incl. Income from internal customers	2,521	0	0	0	0	0	-2,521	0
Fee income	956	160	0	423	0	0	0	1,539
Net gains from financial assets measured at fair value	0	0	0	0	0	0	0	0
Other operating income	3,428	43	159	119	0	13,739	-3,927	13,561
incl. income from external customers	245	32	103	17	0	13,164	0	13,561
incl. Income from internal customers	3,183	11	56	102	0	575	-3,927	0
<b>Total income</b>	<b>20,239</b>	<b>3,645</b>	<b>11,524</b>	<b>7,242</b>	<b>0</b>	<b>13,757</b>	<b>-6,448</b>	<b>49,959</b>
Foreign exchange rate gains/losses	2	0	0	0	0	0	0	2
Interest expense	-5,178	-389	-1,595	-1,781	0	-570	2,521	-6,992
Fee expense	-848	-135	-722	-602	0	0	0	-2,307
Other operating expense	0	0	0	0	0	-10,615	437	-10,178
<b>Total expenses</b>	<b>-6,024</b>	<b>-524</b>	<b>-2,317</b>	<b>-2,383</b>	<b>0</b>	<b>-11,185</b>	<b>2,958</b>	<b>-19,475</b>
<b>Total net interest, fee and commission income and other income</b>	<b>14,215</b>	<b>3,121</b>	<b>9,207</b>	<b>4,859</b>	<b>0</b>	<b>2,572</b>	<b>-3,490</b>	<b>30,484</b>
Operating expenses	-9,640	-1,817	-5,359	-2,181	0	-1,598	3,691	-16,904
incl. depreciations, amortisation	-1,526	-148	-539	-71	0	-151	14	-2,421
<b>Profit before profit from associates and impairment losses on loans</b>	<b>4,575</b>	<b>1,304</b>	<b>3,848</b>	<b>2,678</b>	<b>0</b>	<b>974</b>	<b>201</b>	<b>13,580</b>
Profit of subsidiaries and associates	-111	0	0	0	0	374	0	263
Impairment losses on loans and advances	-2,244	-316	-1,052	-1,385	0	0	0	-4,997
<b>Profit before income tax</b>	<b>2,220</b>	<b>988</b>	<b>2,796</b>	<b>1,293</b>	<b>0</b>	<b>1,348</b>	<b>201</b>	<b>8,846</b>
Income tax	-128	0	-532	-196	0	36	0	-820
<b>Net profit/loss</b>	<b>2,092</b>	<b>988</b>	<b>2,264</b>	<b>1,097</b>	<b>0</b>	<b>1,384</b>	<b>201</b>	<b>8,026</b>
<b>Total assets</b>	<b>619,766</b>	<b>41,156</b>	<b>148,249</b>	<b>219,411</b>	<b>0</b>	<b>60,019</b>	<b>-350,130</b>	<b>738,471</b>
<b>Total liabilities</b>	<b>537,028</b>	<b>36,178</b>	<b>129,659</b>	<b>224,700</b>	<b>0</b>	<b>39,160</b>	<b>-298,213</b>	<b>668,512</b>

## In thousands of euros

Q3 2021	Estonia	Latvia	Lithuania	Poland	Czech	Investments	Eliminations	Total
Interest income based on EIR	5,671	1,228	3,709	2,781	0	10	-1,129	12,270
incl. income from external customers	4,542	1,228	3,709	2,781	0	10	0	12,270
incl. Income from internal customers	1,129	0	0	0	0	0	-1,129	0
Fee income	370	52	0	182	0	0	0	604
Net gains from financial assets measured at fair value	0	0	0	0	0	0	0	0
Other operating income	2,148	9	65	25	0	5,153	-2,392	5,008
incl. income from external customers	88	9	61	5	0	4,609	236	5,008
incl. Income from internal customers	2,060	1	5	19	0	178	-2,263	0
<b>Total income</b>	<b>8,189</b>	<b>1,289</b>	<b>3,774</b>	<b>2,988</b>	<b>0</b>	<b>5,163</b>	<b>-3,521</b>	<b>17,882</b>
Foreign exchange rate gains/losses	2	0	0	131	0	0	0	133
Interest expense	-2,220	-101	-520	-650	0	-223	1,129	-2,585
Fee expense	-266	-45	-221	-203	0	0	0	-735
Other operating expense	0	0	0	0	0	-4,187	437	-3,750
<b>Total expenses</b>	<b>-2,484</b>	<b>-146</b>	<b>-741</b>	<b>-722</b>	<b>0</b>	<b>-4,410</b>	<b>1,566</b>	<b>-6,937</b>
<b>Total net interest, fee and commission income and other income</b>	<b>5,705</b>	<b>1,143</b>	<b>3,033</b>	<b>2,266</b>	<b>0</b>	<b>753</b>	<b>-1,955</b>	<b>10,945</b>
Operating expenses	-3,993	-672	-1,947	-754	0	-670	2,156	-5,880
incl. depreciations, amortisation	-571	-46	-190	-23	0	-55	9	-876
<b>Profit before profit from associates and impairment losses on loans</b>	<b>1,712</b>	<b>471</b>	<b>1,086</b>	<b>1,512</b>	<b>0</b>	<b>83</b>	<b>201</b>	<b>5,065</b>
Profit of subsidiaries and associates	-39	0	0	0	0	45	0	6
Impairment losses on loans and advances	-209	-142	-401	-499	0	0	0	-1,251
<b>Profit before income tax</b>	<b>1,464</b>	<b>329</b>	<b>685</b>	<b>1,013</b>	<b>0</b>	<b>128</b>	<b>201</b>	<b>3,820</b>
Income tax	-1	0	-141	-66	0	63	0	-145
<b>Net profit/loss</b>	<b>1,463</b>	<b>329</b>	<b>544</b>	<b>947</b>	<b>0</b>	<b>191</b>	<b>201</b>	<b>3,675</b>

## Note 4 Net interest income

### Net interest income

In thousands of euros	Q3 2022	9 months 2022	Q3 2021	9 months 2021
<b>Interest income based on EIR</b>				
Loans to households	16,912	45,394	12,194	34,564
Loans to corporates	34	94	60	73
Due from financial and credit institutions	252	468	16	222
<b>Total interest income</b>	<b>17,198</b>	<b>45,956</b>	<b>12,270</b>	<b>34,859</b>
<b>Interest expense</b>				
Deposits received	-5,179	-10,513	-2,112	-5,576
Debt securities sold	-492	-1,627	-310	-956
Lease liability	-134	-429	-163	-460
<b>Total interest expense</b>	<b>-5,805</b>	<b>-12,569</b>	<b>-2,585</b>	<b>-6,992</b>
<b>Net interest income</b>	<b>11,393</b>	<b>33,387</b>	<b>9,685</b>	<b>27,867</b>

## Note 5 Net fee and commission income

### Net fee income

In thousands of euros	Q3 2022	9 months 2022	Q3 2021	9 months 2021
<b>Fee income</b>				
Households	937	2,468	604	1,539
<b>Total fee income</b>	<b>937</b>	<b>2,468</b>	<b>604</b>	<b>1,539</b>
<b>Fee expense</b>				
Loan administration expenses	-710	-1,875	-566	-1,671
Other fee expenses	-265	-691	-169	-636
<b>Total fee expense</b>	<b>-975</b>	<b>-2,566</b>	<b>-735</b>	<b>-2,307</b>
<b>Net fee income</b>	<b>-38</b>	<b>-98</b>	<b>-131</b>	<b>-768</b>

## Note 6 Other operating income and expenses

### Other operating income and expenses

In thousands of euros	Q3 2022	9 months 2022	Q3 2021	9 months 2021
<b>Other operating income</b>				
Income from full service rent	7,390	19,206	4,844	13,099
Fines and penalties	140	413	150	380
Other income	-1	6	14	82
<b>Total other operating income</b>	<b>7,529</b>	<b>19,625</b>	<b>5,008</b>	<b>13,561</b>
<b>Other operating expense</b>				
Sales, cars	2,365	5,805	1,643	4,787
Depreciations, cars for rental	2,144	5,789	1,614	4,100
Other costs, full service rent	1,120	2,523	493	1,291
<b>Total other operating expense</b>	<b>5,629</b>	<b>14,117</b>	<b>3,750</b>	<b>10,178</b>

Full-service rental 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's repurchase obligation, partly the company has additional agreements with car dealers.

## Note 7 Operating expenses

### Operating expenses

In thousands of euros	Q3 2022	9 months 2022	Q3 2021	9 months 2021
<b>Personnel expenses</b>				
Personnel expense	2,581	7,939	1,923	6,870
Social and other taxes	692	2,082	1,024	1,660
<b>Total personnel expenses</b>	<b>3,273</b>	<b>10,021</b>	<b>2,947</b>	<b>8,530</b>
<b>Marketing expenses</b>				
Advertising and marketing	729	1,799	480	1,494
Sales costs	204	480	146	332
<b>Total marketing expenses</b>	<b>933</b>	<b>2,279</b>	<b>626</b>	<b>1,826</b>
<b>Administrative expenses</b>				
Office maintenance and workplace expenses	334	915	177	498
IT expenses	584	1,649	478	1,318
Legal and recovery proceeding expenses	398	847	162	433
Training and business trip expenses	128	363	76	117
Supervision expenses	151	424	120	357
Transportation expenses	65	194	54	122
Other	607	1,734	364	1,282
<b>Total administrative expenses</b>	<b>2,267</b>	<b>6,126</b>	<b>1,431</b>	<b>4,127</b>

## Note 8 Loans and advances

### Distribution of receivables by customer sector

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
<b>Distribution of receivables by customer sector</b>			
Households	718,597	607,343	543,922
Corporates	8,605	8,848	10,447
<b>Loans and advances before impairment allowance</b>	<b>727,202</b>	<b>616,191</b>	<b>554,369</b>
Impairment allowance	-16,022	-11,343	-11,163
<b>Total loans and advances</b>	<b>711,180</b>	<b>604,848</b>	<b>543,206</b>

### Changes in impairments

In thousands of euros	9 months 2022	12 months 2021	9 months 2021
<b>Changes in impairments</b>			
Impairment allowance balance in the beginning of the period	-11,343	-13,242	-13,242
Impairment provisions set up during reporting period	13,946	12,690	-9,912
Written off from financial position during the period	708,577	-10,791	11,991
<b>Total impairment</b>	<b>711,180</b>	<b>-11,343</b>	<b>-11,163</b>

### Impairment losses on loans and advances

In thousands of euros	Q3 2022	9 months 2022	Q3 2021	9 months 2021
<b>Impairment losses on loans and advances</b>				
Impairment losses of reporting period	-5,235	-13,946	-2,559	-9,912
Recoveries from written off from financial position	2,185	5,236	1,308	4,915
<b>Total impairment losses on loans and advances</b>	<b>-3,050</b>	<b>-8,710</b>	<b>-1,251</b>	<b>-4,997</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						
30.09.2022	Gross	Impairment allowance			Net receivables	Impairment coverage
Distribution of receivables	receivables	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%
<b>Total receivables</b>	<b>718,597</b>	<b>-6,804</b>	<b>-2,362</b>	<b>-6,835</b>	<b>702,593</b>	<b>2.2%</b>
31.12.2021	Gross	Impairment allowance			Net receivables	Impairment coverage
Distribution of receivables	receivables	Stage 1	Stage 2	Stage 3		
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>
30.09.2021	Gross	Impairment allowance			Net receivables	Impairment coverage
Distribution of receivables	receivables	Stage 1	Stage 2	Stage 3		
0-3 days	500,463	-3,625	-76	-219	496,543	0.8%
4-30 days	30,615	-1,687	-53	-113	28,762	6.1%
31-89 days	7,387	-4	-1,265	-162	5,956	19.4%
90-179 days	1,339	0	0	-783	556	58.5%
180+ days	4,118	0	0	-3,145	973	76.4%
<b>Total receivables</b>	<b>543,922</b>	<b>-5,316</b>	<b>-1,394</b>	<b>-4,422</b>	<b>532,790</b>	<b>2.0%</b>

## Distribution of receivables from corporates

In thousands of euros						
30.09.2022	Gross	Impairment allowance			Net receivables	Impairment coverage
Distribution of receivables	receivables	Stage 1	Stage 2	Stage 3		
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%
<b>Total receivables</b>	<b>8,605</b>	<b>-21</b>	<b>0</b>	<b>0</b>	<b>8,587</b>	<b>0.2%</b>

31.12.2021						
Distribution of receivables	Gross	Impairment allowance			Net receivables	Impairment coverage
	receivables	Stage 1	Stage 2	Stage 3		
0-3 days	8,801	-25	0	0	8,776	0.3%
4-30 days	47	0	0	0	47	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%
<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>

30.09.2021						
Distribution of receivables	Gross	Impairment allowance			Net receivables	Impairment coverage
	receivables	Stage 1	Stage 2	Stage 3		
0-3 days	10,445	-31	0	0	10,414	0.3%
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	1	0	0	0	1	0.0%
<b>Total receivables</b>	<b>10,447</b>	<b>-31</b>	<b>0</b>	<b>0</b>	<b>10,416</b>	<b>0.3%</b>

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	30.09.2022	31.12.2021	30.09.2021
Due from central banks	58,826	69,549	95,054
Mandatory reserve in central banks	14,076	7,904	4,058
Due from credit institutions	16,330	17,870	11,744
<b>Total due from central banks and credit institutions</b>	<b>89,232</b>	<b>95,323</b>	<b>110,856</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 10 Investments in debt securities

### Investments in debt securities

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
Investments in debt securities	9,281	7,589	7,087
incl. investments in corporate debt securities	9,291	7,589	7,087
Interest accruals	39	95	31
<b>Total investments in debt securities</b>	<b>9,320</b>	<b>7,684</b>	<b>7,118</b>

As of 30.09.2022, Inbank's debt securities portfolio consists of long-term securities with different maturities between 01.12.2023 and 01.08.2029 with interest rates of 3% p.a. + 12 months Euribor and 11.5%.

## Note 11 Business combinations and investments to associates

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

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. 1 of July 2022 Inbank completed sale of 29.8% stake in Maksekeskus AS.

AS Aktiva Portfolio has been established for more efficient management of debt portfolio.

Paywerk AS is a start-up company that offers a cross-border "buy now, 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.

These two investments are accounted for using the equity method. In 9 months of 2022, loss from equity investments was calculated in the amount of EUR 55 thousand (9 months 2021: profit EUR 263 thousand).

### Acquisitions of associates

In thousands of euros	Q3 2022	9 months 2022	Q2 2021	9 months 2021
<b>Acquisitions</b>				
Equity contribution, financial assets at fair value through profit and loss	4	349	0	3,150
Equity contribution, associates	65	246	357	501
<b>Total acquisitions</b>	<b>69</b>	<b>595</b>	<b>357</b>	<b>3,651</b>

Inbank has not received dividends from its associates.

## Note 12 Other assets

### Other assets

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
<b>Other financial assets</b>			
Prepaid guarantee amounts	364	295	253
Accrued receivables	2,673	1,856	1,064
<b>Total other financial assets</b>	<b>3,037</b>	<b>2,151</b>	<b>1,317</b>
<b>Other assets</b>			
Prepaid expenses	5,205	2,525	1,390
Prepaid taxes	343	6	502
Other assets	447	238	3,186
<b>Total other assets</b>	<b>5,995</b>	<b>2,769</b>	<b>5,078</b>

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

## Note 13 Customer deposits

### Deposits

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
<b>Customer deposits</b>			
Deposits from households	691,121	607,597	576,368
Deposits from non-financial corporates	13,336	8,142	7,513
Deposits from financial corporates	24,000	2,118	15,126
<b>Total customer deposits</b>	<b>728,457</b>	<b>617,857</b>	<b>599,007</b>

### Deposits by clients' residency

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
<b>Deposits by clients' residency</b>			
Estonia	83,792	60,253	74,073
Germany	304,039	264,731	275,024
Poland	285,325	251,335	207,513
Austria	13,978	11,122	11,770
Netherlands	38,824	27,678	27,835
Lithuania	2,359	2,404	2,470
Other residence	140	334	322
<b>Total deposits by clients' residency</b>	<b>728,457</b>	<b>617,857</b>	<b>599,007</b>

## Deposits by contractual maturity

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
<b>Deposits by contractual maturity</b>			
On demand	24,781	29,611	15,880
1-90 days	215,497	135,444	87,617
91-365 days	282,290	222,863	247,445
1-5 years	205,889	229,939	248,065
<b>Total deposits by contractual maturity</b>	<b>728,457</b>	<b>617,857</b>	<b>599,007</b>

Deposits include accrued interest liabilities in the amount of EUR 10,476 thousand (31.12.2021: EUR 7,728 thousand, 30.09.2021: EUR 7,116 thousand).

## Note 14 Subordinated debt securities

## Subordinated debt securities

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
Subordinated debt securities issued	30,650	37,153	17,653
Interest accruals	-91	34	-62
<b>Total subordinated debt securities</b>	<b>30,559</b>	<b>37,187</b>	<b>17,591</b>

## 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

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 15 Other liabilities

### Other liabilities

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
<b>Financial liabilities</b>			
Accounts payable	25,993	21,292	17,823
Lease liability	22,521	26,494	24,841
Client prepayments	2,781	1,402	2,844
<b>Total financial liabilities</b>	<b>51,295</b>	<b>49,188</b>	<b>45,508</b>
<b>Other liabilities</b>			
Payables to employees	1,887	2,147	1,855
Payroll taxes	838	711	573
Other liabilities	358	438	3,118
<b>Total other liabilities</b>	<b>3,083</b>	<b>3,296</b>	<b>5,546</b>

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	30.09.2022	31.12.2021	30.09.2021
<b>Revocable commitments</b>			
Liability in contractual amount	5,934	5,485	5,513
incl. unused credit card limits	3,934	3,460	3,513

## Note 17 Share capital

### Share capital

	No. of shares	Nominal value (thou. EUR)	Share premium (thou. EUR)	Total
<b>Balance, 01.01.2021</b>	9,610,530	961	23,865	24,826
Share issue	90,000	9	598	607
incl. transaction costs arising on share issues	0	0	165	165
<b>Balance, 30.09.2021</b>	9,700,530	970	24,463	25,433
<b>Balance, 01.01.2022</b>	9,967,197	997	30,436	31,433
Share based payment	265,000	26	1,219	1,245
<b>Balance, 30.09.2022</b>	10,232,197	1,023	31,655	32,678

### Biggest shareholders who hold more than 5% of company shares

Shareholder name	Holding amount 30.09.2022
Cofi Investeeringud OÜ	25.03%
Luciano Orsero	9.17%
Roberto de Silvestri	8.53%
Andrea Agostinone	8.03%
Elio Tomaso Giovanni Cravero	7.64%
SCI IN Holding	5.05%

Inbank's share capital consists of 10,232,197 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 18 Reserves

### Reserves

In thousands of euros	30.09.2022	31.12.2021	30.09.2021
Statutory reserve	100	96	96
Voluntary reserve	1,330	1,330	1,330
Share based payments reserve	792	591	548
Other accumulated comprehensive income	-34	-296	-339
<b>Total reserves</b>	<b>2,188</b>	<b>1,721</b>	<b>1,635</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 19 Fair value of financial assets and liabilities

Fair value of financial assets and liabilities

In thousands of euros	30.09.2022			31.12.2021			30.09.2021		
	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level	Fair value	Carrying amount	Level
<b>Assets</b>									
Due from central banks	72,902	72,902	2	77,453	77,453	2	99,112	99,112	2
Due from credit institutions	16,330	16,330	2	17,870	17,870	2	11,744	11,744	2
Investments in debt securities	9,320	9,320	3	7,684	7,684	3	7,118	7,118	3
Loans and advances	711,180	711,180	3	604,848	604,848	3	543,206	543,206	3
Other financial assets	3,037	3,037	3	2,151	2,151	3	1,317	1,317	3
<b>Total assets</b>	<b>812,769</b>	<b>812,769</b>		<b>710,006</b>	<b>710,006</b>		<b>662,497</b>	<b>662,497</b>	
<b>Liabilities</b>									
Customer deposits	723,552	728,457	3	617,857	617,857	2	599,007	599,007	2
Subordinated debt securities	23,017	22,948	2	30,382	29,524	2	15,267	14,498	2
Subordinated debt securities (AT1)	7,173	7,611	3	7,663	7,663	3	3,093	3,093	3
Other financial liabilities	51,295	51,295	3	49,188	49,188	3	0	45,508	3
<b>Total liabilities</b>	<b>805,037</b>	<b>810,311</b>		<b>705,090</b>	<b>704,232</b>		<b>617,367</b>	<b>662,106</b>	

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

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 are with floating interest rate mechanism. Thus, 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.

**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. Increase in benchmark interest rates that started in 2022 has not thus far had significant impact on consumer finance products new sales price levels. 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 are with floating interest rate mechanism. Thus, 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.** 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 similar credit risk and remaining maturity. In the fair value hierarchy 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. Last 12-month average transaction price has been used to determine the fair value of the instruments. As a result, the debt security is classified as level 2 in fair value hierarchy.

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

## Note 20 Related parties

### Remuneration of the Management Board and Supervisory Board

In thousands of euros	Q3 2022	9 months 2022	Q3 2021	9 months 2021
Remuneration of the Management Board and Supervisory Board	219	765	157	832

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	30.09.2022			31.12.2021		
	Management	Associates	Total	Management	Associates	Total
Investments in debt securities	0	8,291	8,291	0	7,684	7,684
Loans and advances	76	0	76	84	0	84
Deposits and subordinated debt securities	1,152	0	1,152	1,100	0	1,100

## Transactions

In thousands of euros Transactions	9 months 2022			9 months 2021		
	Management	Associates	Total	Management	Associates	Total
Interest income	24	187	211	0	125	125
Interest expenses	63	0	63	21	0	21
Services purchased	72	0	72	300	0	300

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 at the time where deposit contract was concluded, interest rates are in between 1.8% and 2.25% (2021: 1% and 2.25%).



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