

Capital Adequacy Report

30 June 2023

AS Inbank

This information is presented on a quarterly basis in conjunction with the publication of Inbank's Interim Report on Inbank's website (www.inbank.eu). Inbank's regulatory capital requirements and capital buffers are set out in European Parliament and Council Regulation (EU) No 575/2013 (CRR) and European Parliament and Council Directive 2013/36/EU (CRD IV). The capital requirement consists of minimum capital requirements for credit, market and operational risk, internally assessed capital requirement and regulatory capital buffers. The information is presented for the AS Inbank consolidated situation as of 30 June 2023, including the comparative periods.

The following tables illustrate the composition of Inbank's own funds, capital adequacy ratios and minimum requirements for bank-specific capital buffers, followed by the details of the composition of risk exposure amount, minimum capital requirement and leverage ratio.

Capital base for own funds calculation

In thousands of euros	30.06.2023	31.12.2022	30.06.2022
Common Equity Tier 1: instruments and reserves			
Capital instruments and the related share premium accounts	32,881	32,881	31,433
of which: share capital	1,026	1,026	997
Retained earnings	72,119	67,522	51,411
Accumulated other comprehensive income (and other reserves)	1,486	1,521	1,882
Common Equity Tier 1 (CET1) capital before regulatory adjustments	106,486	101,924	84,726
Common Equity Tier 1: regulatory adjustments			
Intangible assets	-19,787	-17,445	-14,782
Adjustments due to IFRS 9 transitional arrangements	2,830	4,242	3,898
Total regulatory adjustments to Common Equity Tier 1 capital	-16,957	-13,203	-10,884
Common Equity Tier 1 (CET1) capital	89,529	88,721	73,842
Tier 1 capital			
Additional Tier 1 (AT1) capital	18,750	7,650	7,650
Tier 1 capital (T1 = CET1 + AT1)	108,279	96,371	81,492
Total capital			
Tier 2 (T2) capital	23,000	23,000	23,000
Total capital (TC = T1 + T2)	131,279	119,371	104,492
Total risk exposure amount	869,461	766,867	690,805
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of total risk exposure amount)	10.30%	11.57%	10.69%
Tier 1 (as a percentage of total risk exposure amount)	12.45%	12.57%	11.80%
Total capital (as a percentage of total risk exposure amount)	15.10%	15.57%	15.13%
Institution-specific buffer requirement (as a percentage of total risk exposure amount)	2.84%	2.85%	2.50%
of which: capital conservation buffer requirement	2.50%	2.50%	2.50%
of which: countercyclical buffer requirement	0.34%	0.35%	0.00%
of which: systemic risk buffer	0.00%	0.00%	0.00%
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	5.80%	7.07%	6.19%

According to EU regulations, audited profit for the reporting period may be included in retained earnings upon prior approval of the competent authorities. The above calculations for 30 June 2023 include yet unaudited net profit earned in the second quarter of 2023 in the amount of 2,675 thousand euros. Should the unaudited profit be excluded from Inbank's total capital, it would reduce the total capital to 128,605 thousand euros.

Risk exposure amount and capital requirement

In thousands of euros	30.06.2023	31.12.2022	30.06.2022
Risk exposure amount			
Credit risk according to standardised method	787,195	683,930	621,119
Market risk according to standardised method	0	0	143
Operational risk according to basic indicator approach	82,266	82,937	69,543
Total risk exposure amount	869,461	766,867	690,805
Exposure amount for credit risk according to standardised method			
Institutional exposure	2,542	4,076	3,394
Corporate exposure	14,652	12,529	14,556
Retail exposure	646,914	565,507	504,979
Exposures in default	4,472	2,973	2,002
Equity exposure	522	1,538	11,489
Other items	118,093	97,307	84,699
Total credit risk according to standardised method	787,195	683,930	621,119
Market risk exposure amounts according to standardised method			
Foreign exchange risk	0	0	143
Total market risk according to standardised method	0	0	143
Minimum capital requirement			
Credit risk according to standardised method	62,976	54,714	49,690
Market risk according to standardised method	0	0	11
Operational risk according to basic indicator approach	6,581	6,635	5,563
Total minimum capital requirement	69,557	61,349	55,264

Key Metrics

Disclosure according to Commission Implementing Regulation (EU) 2021/637 Annex I

EU KM1 - Key metrics

In thousands of euros		a	b	c
		30.06.2023	31.12.2022	30.06.2022
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	89,529	88,721	73,842
2	Tier 1 capital	108,279	96,371	81,492
3	Total capital	131,279	119,371	104,492
Risk-weighted exposure amounts				
4	Total risk exposure amount	869,461	766,867	690,805
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	10.30%	11.57%	10.69%
6	Tier 1 ratio (%)	12.45%	12.57%	11.80%
7	Total capital ratio (%)	15.10%	15.57%	15.13%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.63%	2.61%	2.61%
EU 7b	of which: to be made up of CET1 capital (%)	1.48%	1.47%	1.47%
EU 7c	of which: to be made up of Tier 1 capital (%)	1.98%	1.96%	1.96%
EU 7d	Total SREP own funds requirements (%)	10.63%	10.61%	10.61%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.34%	0.35%	0.00%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	0	0	0
11	Combined buffer requirement (%)	2.84%	2.85%	2.50%
EU 11a	Overall capital requirements (%)	13.47%	13.46%	13.11%
12	CET1 available after meeting the total SREP own funds requirements (%)	4.32%	4.61%	3.84%
Leverage ratio				
13	Total exposure measure	1,148,603	1,000,057	858,072
14	Leverage ratio (%)	9.18%	9.21%	9.04%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	137,125	112,543	66,943
EU 16a	Cash outflows - Total weighted value	43,413	28,253	24,438
EU 16b	Cash inflows - Total weighted value	28,038	36,901	28,895
16	Total net cash outflows (adjusted value)	15,376	7,063	6,110
17	Liquidity Coverage Ratio (%)	892%	1593%	1096%
Net Stable Funding Ratio				
18	Total available stable funding	1,038,912	905,961	785,177
19	Total required stable funding	862,674	732,539	648,110
20	NSFR (%)	120.43%	123.67%	120.75%

Minimum requirement for own funds and eligible liabilities

Disclosure according to Commission Implementing Regulation (EU) 2021/763 Annex V

EU ILAC - Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

In thousands of euros

		a	b	c
		Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	Qualitative information
30.06.2023				
Applicable requirement and level of application				
EU-1	Is the entity subject to a non-EU G-SII Requirement for own funds and eligible liabilities? (Y/N)			N
	If EU-1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			n/a
EU-2a	Is the entity subject to an internal MREL requirement? (Y/N)			Y
	If EU-2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			C
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)	89,529	n/a	
EU-4	Eligible Additional Tier 1 capital	18,750	n/a	
EU-5	Eligible Tier 2 capital	23,000	n/a	
EU-6	Eligible own funds	131,279	n/a	
EU-7	Eligible liabilities	0	n/a	
EU-8	of which permitted guarantees	0		
EU-9a	(Adjustments)	0		
EU-9b	Own funds and eligible liabilities items after adjustments	131,279	n/a	
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)	869,462	n/a	
EU-11	Total exposure measure (TEM)	1,148,603	n/a	
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities as a percentage of the TREA	15.10%	n/a	
EU-13	of which permitted guarantees	0.00%		
EU-14	Own funds and eligible liabilities as a percentage of the TEM	11.43%	n/a	
EU-15	of which permitted guarantees	0.00%		
EU-16	CET1 (as a percentage of the TREA) available after meeting the entity's requirements	1.47%	n/a	
EU-17	Institution-specific combined buffer requirement		n/a	
Requirements				
EU-18	Requirement expressed as a percentage of the TREA	10.61%	n/a	
EU-19	of which part of the requirement that may be met with a guarantee	0.00%		
EU-20	Requirement expressed as a percentage of the TEM	3.00%	n/a	
EU-21	of which part of the requirement that may be met with a guarantee	0.00%		
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013		n/a	