

# Capital Adequacy Report

## 30 September 2023

AS Inbank

# Capital Adequacy

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](http://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 September 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	30.09.2023	31.12.2022	30.09.2022
<b>Common Equity Tier 1: instruments and reserves</b>			
Capital instruments and the related share premium accounts	32,881	32,881	32,678
of which: share capital	1,026	1,026	1,023
Retained earnings	75,019	67,522	64,816
Accumulated other comprehensive income (and other reserves)	1,968	1,521	2,188
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>109,868</b>	<b>101,924</b>	<b>99,682</b>
<b>Common Equity Tier 1: regulatory adjustments</b>			
Intangible assets	-18,647	-17,445	-16,426
Adjustments due to IFRS 9 transitional arrangements	2,685	4,242	4,359
<b>Total regulatory adjustments to Common Equity Tier 1 capital</b>	<b>-15,962</b>	<b>-13,203</b>	<b>-12,067</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>93,906</b>	<b>88,721</b>	<b>87,615</b>
<b>Tier 1 capital</b>			
Additional Tier 1 (AT1) capital	18,750	7,650	7,650
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>112,656</b>	<b>96,371</b>	<b>95,265</b>
<b>Total capital</b>			
Tier 2 (T2) capital	23,000	23,000	23,000
<b>Total capital (TC = T1 + T2)</b>	<b>135,656</b>	<b>119,371</b>	<b>118,265</b>
<b>Total risk exposure amount</b>	<b>893,934</b>	<b>766,867</b>	<b>714,098</b>
<b>Capital ratios and buffers</b>			
Common Equity Tier 1 (as a percentage of total risk exposure amount)	10.50%	11.57%	12.27%
Tier 1 (as a percentage of total risk exposure amount)	12.60%	12.57%	13.34%
Total capital (as a percentage of total risk exposure amount)	15.18%	15.57%	16.56%
Institution-specific buffer requirement (as a percentage of total risk exposure amount)	2.85%	2.85%	2.50%
of which: capital conservation buffer requirement	2.50%	2.50%	2.50%
of which: countercyclical buffer requirement	0.35%	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)	6.00%	7.07%	7.77%

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 September 2023 include yet unaudited net profit earned in the third quarter of 2023 in the amount of 2,900 thousand euros. Should the unaudited profit be excluded from Inbank's total capital, it would reduce the total capital to 132,756 thousand euros.

#### Risk exposure amount and capital requirement

In thousands of euros	30.09.2023	31.12.2022	30.09.2022
<b>Risk exposure amount</b>			
Credit risk according to standardised method	811,668	683,930	644,555
Market risk according to standardised method	0	0	0
Operational risk according to basic indicator approach	82,266	82,937	69,543
<b>Total risk exposure amount</b>	<b>893,934</b>	<b>766,867</b>	<b>714,098</b>
<b>Exposure amount for credit risk according to standardised method</b>			
Institutional exposure	2,348	4,076	3,659
Corporate exposure	8,607	12,529	13,014
Retail exposure	665,985	565,507	533,291
Exposures in default	8,108	2,973	2,624
Equity exposure	532	1,538	1,587
Other items	126,088	97,307	90,380
<b>Total credit risk according to standardised method</b>	<b>811,668</b>	<b>683,930</b>	<b>644,555</b>
<b>Market risk exposure amounts according to standardised method</b>			
Foreign exchange risk	0	0	0
<b>Total market risk according to standardised method</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Minimum capital requirement</b>			
Credit risk according to standardised method	64,933	54,714	51,564
Market risk according to standardised method	0	0	0
Operational risk according to basic indicator approach	6,581	6,635	5,563
<b>Total minimum capital requirement</b>	<b>71,515</b>	<b>61,349</b>	<b>57,128</b>
<b>Leverage ratio</b>			
Tier 1 capital	109,971	92,130	90,906
Total leverage ratio exposure	1,213,326	1,000,057	894,689
<b>Leverage ratio</b>	<b>9.06%</b>	<b>9.21%</b>	<b>10.16%</b>